

**CITY OF HOOVER
CITY COUNCIL
SPECIAL CALLED MEETING
MINUTES
January 16, 2020**

The City Council of the City of Hoover met in special called meeting on this date at 7:03 PM, in the Senior Center, 400 Municipal Lane, Hoover, Alabama, following publication and posting pursuant to Alabama Law. Council President Gene Smith called the meeting to order and the City Clerk called the roll with the following:

Members Present:

Gene Smith, Council President
John Greene, Council Pro-Tem
John Lyda, Council Member
Casey Middlebrooks, Council Member
Curt Posey, Council Member
Mike Shaw, Council Member

Members Absent:

Derrick Murphy, Council Member

Other Officials Present:

Mayor Frank V. Brocato
Phillip Corley, City Attorney
April Danielson, Assistant City Attorney
Rod Evans, Assistant City Attorney
Allan Rice, City Administrator
Jehad Al-Dakka, Executive Officer, Police Department
Clay Bentley, Fire Chief
Nick Derzis, Chief of Police
Dana Henson, Senior Center Director
Greg Knighton, Economic Development Director
Cynthia Harris, Assistant City Clerk
Ellen Madden-Williams, Mayor's Assistant
Dustin Moore, Fleet Director
Linda Moore, 911 Director
Mac Martin, City Planner
Ben Powell, Treasurer/Purchasing Director
Melanie Posey, Public Information Officer
Chris Reeves, Assistant City Engineer
Tim Westhoven, Chief Operations Officer
Debbie Carrier, Risk Management Director
Tina Bolt, Finance Director

Craig Moss, Park and Recreation Director

RESOLUTION NUMBER 6177-20

RESOLUTION NUMBER 6177-20 – PUBLIC HEARING – A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH HARDEN PROPERTIES, L.L.C. (“HARDEN”) AND BUY-LO-QUALITY FOOD STORES, INC. D/B/A PIGGLY WIGGLY.

Mayor Brocato said that a little over two years ago, they had the opportunity to visit with Mr. Harden at his business location at Bluff Park Village. They talked about how Bluff Park was changing with new families and children moving in and there was a desire for homegrown restaurants and businesses and other types of businesses to move into that area and the desire by that community to have an outdoor meeting space, something that was walkable and bike able. Mayor Brocato said that some members on the Council have been approached about revitalizing the commercial area of Bluff Park for many years. Mayor Brocato said that Mr. Harden was very interested and in the last two years, they have been working with him to come up with a plan. Along the way, they found out that Mr. Ajlouny, who is the owner of Piggly Wiggly, was not going to renew his lease at the current location at Shades Mountain Plaza and this would be a big loss for Bluff Park. Mayor Brocato said they got the two of them together and for the last one and a half years, they have been working with each of them to develop a plan for revitalizing the Bluff Park Village incorporating the Pig into that plan. Mayor Brocato said both men are connected to Bluff Park in a major way. Mr. Harden owns the Bluff Park Village, he lives in Bluff Park, and Mr. Ajlouny grew up in Bluff Park and still has family living in Bluff Park and is a Hoover resident. The plan they all agreed on to bring to the Council is going to require about \$9.5 million dollars of investment from these two men. They both are very successful and at this stage in their lives, they really do not need to step out and sign on the dotted line and incur this type of debt. They had the opportunity to share with the Council over the last month details of this agreement and what it involves to make it work. This deal gives Hoover an opportunity to invest in one of its historic neighborhoods. This is a deal between the City and two of its local citizens who want to partner with the City to help revitalize the area. Mayor Brocato said he appreciates all the work that the Council has done in bringing it to this point.

Mr. Harden of Chapel Road in Bluff Park, thanked the Council and all that are attending the meeting tonight. Mr. Harden said he has lived her since 1995 and Bluff Park is his community. He acquired the Bluff Park Village in 2004 and was able to bring it back to life after bankruptcy from the previous owners. He renovated the center, established the Armor Safe Storage, brought it back to life, and by 2010 had rented all of the storefronts out and he has a growing business there and a lot of activity going on. He did all the renovations to the old Del Champs location and he has many plans that they have been working on to bring new life back to the center there. Mr. Harden said he had several meetings with the Ajlouny family and they felt that moving the Piggly Wiggly there would be beneficial for Bluff Park. After a lot of research and additional

marketing research, they made a decision to pursue the idea of a new store in the Bluff Park regions. Another reason for pursuing the Ajlouny project for the Piggly Wiggly was also that with the Walmart folks, they do not have a local market, the Piggly Wiggly does have a meat market within the store, and they felt like a smaller footprint with a market would be much better for the Bluff Park neighborhood than the big box. They felt like a larger newer store with a wider selection would be better and the store for the Mills Pharmacy would be a better fit for the community. Dollar General will also be staying. They done a lease renewal for another five years.

Mr. Ajlouny said he has been in Bluff Park for over 45 years. His family was raised there and all his brothers and sisters live in Hoover. Mr. Ajlouny said they have been in the grocery business for over 20 years. He has 13 stores. His lease is up in June of 2021 and he had many options. Mr. Ajlouny said that Bluff Park deserves a store like this. People are shopping European style, they want the fresh foods, and they want the fresh produce, fresh meats. The perimeter of the store is what is selling now. Mr. Ajlouny showed a slide of the Dunnivant Valley store, which has been open a year this past June. They are a family oriented company. The store they have now is not big enough to supply the demand that people are asking for in Bluff Park. They put a deli in the store and will have a coffee bar. There will be a nice wine department. Mr. Ajlouny said he likes to stay in his stores and likes to visit with his employees. He appreciates the City's time, effort, and consideration.

Mr. Posey thanked them for coming to Bluff Park. Mr. Posey said it has been a long time and he was pleased when they started talking about it.

Mr. Greene asked should this resolution pass tonight, does he have a timeline of when the new store will open.

Mr. Ajlouny said he is hoping to have this store open by May of 2021.

Dr. Middlebrooks thanked for Mr. Ajlouny for his investment back into the community. Dr. Middlebrooks said some are concerned about him leaving his current location empties the storefront. Dr. Middlebrooks asked if he was leaving if the plan did not go through.

Mr. Ajlouny said he is leaving the location regardless the summer of 2021.

Mr. Knighton said Mr. Ajlouny would be expanding his store from about 14,000 or 15,000 square feet.

Mr. Ajlouny said the other store is about 14,500 square feet and the new store will be about 26,000 square feet.

Mr. Knighton said there is square footage to the side that will be constructed to allow for potential location for a pharmacy with 3,000 square feet and then there is an additional 80,000 square feet that Mr. Harden has in his center right now. Mr. Harden has approximately six vacant spaces in his center now; however, he is in in-depth talk with a number of tenants and one

includes a very experienced restaurant owner who is interested in putting a location that would take up two possibly three of those locations that would leave three remaining suites. Interests from the community, a retailer would be significant. The capital required for this project will be significant. In addition to the construction and the refurbishment of the existing facility there, there are a number of infrastructural related items that are tied to it; there are sidewalk extensions to connect to the City sidewalks accessing the surrounding community. Mr. Harden will build out where the City is building in. They are enhancing additional parking lot lighting. They are having to relocate water and sewer lines and improve those. They are also creating a community gathering area for outdoor events or food festivals. The development agreement treats this as a new business. Mr. Harden and Mr. Ajlouny have each asked to receive 33% of the sales tax revenue that is generated at the shopping center. Mr. Harden's incentive cap would be \$1.5 million and Mr. Ajlouny's incentive cap would be \$2 million dollars, which would be over the course of 20 years. The total is \$3.5 million dollars. Looking at the drawings and considering other factors, Mr. Harden's incentive would pay out by year 9 and then Mr. Ajlouny's incentive would pay out by year 12. During that time, the City after year 9 would receive off the development. From year 9 to year 11, they project that the City would receive almost \$1.5 million dollars. The model allows the City to collect its money in a quicker fashion. Other direct benefits include increased property tax values at the site and potentially in the area surrounding. The existing center generates about \$15,000 annually for the City in property taxes with almost \$12,000 of that going to Hoover City Schools. With this additional investment, the project is likely to generate \$43,000 for the City annually in property taxes with approximately \$33,000 of that going to Hoover City Schools. The agreement honors the Jefferson County Mayor's no poaching agreements so we would not count revenue brought in from other businesses of other cities and it would not allow for revenues of other existing Hoover businesses other than the Piggly Wiggly to be counted towards the rebate except under extreme situations as it is spelled out in the development agreement.

Mr. Smith asked if the partnership is for all the taxes that are received for the complex as a whole and will it be split with Mr. Harden and Mr. Ajlouny.

Mr. Knighton said correct, a third and a third until Mr. Harden's incentive pays out projected in year 9 and then the City would jump up as a major stakeholder until final pay out.

Mr. Smith asked Mr. Corley if this requires a 772 hearing.

Mr. Corley said yes the Council would have a 772 hearing and then a validation subsequent to the approval.

Mr. Smith asked Mr. Corley should they make sure they are satisfying the requirements of the 772 prior to reading the resolution.

Mr. Corley said yes sir; he thinks that would be in order.

Mr. Smith asked how he would like to go from this point to make sure they satisfy the needs of the court.

Mr. Corley said at this time, they can have the public hearing and then the resolution can be read and open that for any further discussion and a vote.

Mr. Smith asked together or contiguous.

Mr. Corley said they could be separate.

Mr. Smith opened the floor for the 772 hearing. Mr. Smith asked if anyone else if they would like to speak to this particular resolution and this issue.

Mr. Smith said this is the first time that he knows of that the City has, if passed, agreed to do an agreement like this where the City receives less than 50%. If this should pass, this shows that this Council is in complete agreement that this project is fully needed and that they are willing to go the extra mile to see that it happens.

Mr. Knighton said this would not be an ongoing standard for the City in terms of future development agreements; they brought this recommendation to the Council because they do feel like it is a very special and unique circumstance in one of Hoover's most historic neighborhoods.

Mr. Smith said in case some did not know, for the 772 hearing, if this vote passes, it has to go before the Court and a Judge has to sign off on it.

A resident of Bluff Park spoke and said she has been in Bluff Park since 2001 and she moved up the mountain from Hoover and the time she has been up there, the City has done nothing for Bluff Park. She said she is so thrilled that they are finally coming up with something for their area. She said her tax evaluation for her home have increased in the past two years \$57,000. She said she lives on Hawksbury Lane. She said Jefferson County thinks they are a hot area. She said they have many young people moving on their street and about 13 little kids that are five and under. She said they need a park because there are four swings in the park currently. With 13 little kids, just on her street and not including the other streets, this is not enough and they need a park.

Mr. Smith said the City in many years has participated in sidewalk projects in Bluff Park, the City rebuilt the Fire Station and have added more public safety personnel, and the streets are better.

The resident said yes they have that but they just need a park for the kids.

Mr. Smith said the City leases the park by the pool.

Mr. Brett Shaw is from the Hoover area. Mr. Shaw said when he and his wife were looking for communities to move to, they could have moved anywhere, but there was something special about the Bluff Park area and they saw the potential and the change that was happening. He thinks all it takes is to drive through there and see the investments the families are making in the

community. This area of Hoover is unique and considered historical. He thinks this being passed is the first step of it being rejuvenated.

Mr. Joe Stevenson of Shady Brook Lane wanted to clarify that what they are talking about is the Piggly Wiggly shifting from its current location to Bluff Park and during the interim, will the Piggly Wiggly remain open while the new one is being built.

Mr. Smith said yes because their lease has not matured and probably will not mature until around the time the new store will be ready.

Mr. Robin Shultz of Albemarle Drive said he thought it was important for not only the residents but for the Council Members to remember that this really started back in 2007 when they were looking for a Police Substation and one individual stepped up and provided that substation into the Bluff Park Community and that is Mr. Ken Harden. Mr. Harden also provided the storefront after they asked for it in August of 2006 and that opened in December of 2007. When this Council and Mayor were elected in 2016 that is when this started to happen again. Mr. Shultz said a big thank you to Mr. Harden and a big thank you to Mr. Ajlouny and the Council and to the Mayor for revitalizing this community.

Mr. Smith ended the public hearing at 7:41 p.m.

Mr. Corley read the resolution.

Mr. Posey made a motion that Resolution Number 6177-20 be approved with a second by Mr. Greene.

Mr. Smith asked if there were any comments or questions from the Council or audience.

Mr. Lyda noted a typo in the resolution on page 2 Section 3. The section read half and should read two-thirds.

Mr. Corley said they will correct that and the headings are not legally binding but it will be corrected.

Mr. Shaw said they can do a lot of things and set the stage for a lot of things but without private capital and people who are willing to risk their personal money, this is a critical component of this and thanks to the gentlemen that are willing to take their private money and put it towards this.

Mr. Greene said he is generally not in support of tax abatements but he does believe that this is worthy of support because of the direct benefits of what he believes it will bring to the Bluff Park community as well as to the City.

Mr. Joe Stevenson from Shady Brook Lane wanted to clarify the discussion of the sidewalk issue on Hwy 150. Mr. Stevenson asked would that be sidewalks on both sides of 150.

Mr. Smith informed Mr. Stevenson of that meeting being over with and asked him to come back to another meeting to talk some more.

Mr. John Rogers of Savoy Street and has lived there since 1998. Mr. Rogers said this area is a special area and there is another issue up the street that will ducktail into this. Mr. Rogers asked if they could turn this into an Aldridge like park. Mr. Rogers was referring to the Smith Farm property.

Mr. Smith said this property is not on the table to make and that property is not on for tonight.

Ms. Carrie Leger said she was told about a year ago that no one would invest in Bluff Park unless they done the flyover built from Ross Bridge up the mountain. She is just so thankful for these men believing in Bluff Park.

Mr. Smith asked if there were any other comments from the Council or from the audience.

There being none, Mr. Smith called for the question with a roll call vote, as follows:

Mr. Greene –yes	Mr. Lyda – yes
Dr. Middlebrooks - yes	Mr. Posey – yes
Mr. Shaw – yes	Mr. Smith – yes

Motion carried.

Mr. Smith said since the Smith Farm was brought up tonight, he has been informed that the Council will not be seeing that anytime soon. It has to go back to the Planning and Zoning Commission due to administorial issues.

Mr. Smith asked if there were any other comments or questions from the Council or audience.

Mr. Ben Smith, a resident of Bluff Park moved here about three and a half years ago. Mr. Smith said he and Mr. Harden started talking about things about six months ago and he is currently in the restaurant business in Birmingham. He has been working with the restaurant group that has El Barrio. He and his wife have decided to bring their own personal concept to the same center. It will be a neighborhood spot, something that is very Bluff Park, a sandwich spot, salads, lunch, and dinner. It will have a full bar and they are excited about it and hope to be open before summer. The name will be The Electric.

Dr. Middlebrooks said to tune into the local station 107.3 around 8:00 a.m. to hear more about what is going on in Bluff Park and the new restaurant.

Mr. Posey thanked everyone and the Mayor, Greg, Allan, Mr. Harden, Mr. Ajlouny for getting this done.

There being no other comments, the meeting adjourned at 7:57 p.m.

Gene Smith
Council President

Frank V. Brocato
Mayor

ATTESTED BY:

Wendy Dickerson
City Clerk