



**541 Main Street
Montevallo, AL 35115
205-665-2555
205-665-9203 Fax
www.cityofmontevallo.com**

Hollie C. Cost, Ph.D.—Mayor

Herman Lehman – City Clerk

Jeremy Littleton – Chief of Police

Brad Davis - Fire Chief

Council Members

Tiffany Bunt

Willie Goldsmith

Arthur Herbert

Rusty Nix

Jason Peterson

August 10, 2020

Council:

Over the past eight years, we have accomplished quite a bit together. In particular, I would confidently state that we have completed more capital improvement projects than any council in recent history. As evidence of that, I have attached a spreadsheet outlining those projects as well as the status of others that are in progress or on the horizon. You will note that many of these projects were funding primarily through grants or gifts. We should be wholeheartedly proud of this record of service to our community. As a team, we have demonstrated our commitment to follow-through and responding to the needs and desires of the public.

In that spirit, although our remaining time together is short, I would ask that we continue to work as a team to finalize a few remaining and quite significant projects as our parting contribution to the city. It is important to note that these directly reflect recommendations from our recently adopted comprehensive plan. So, I ask that you consider an ambitious, impactful and quite feasible proposal to complete these remaining key projects: Dailey Park Upgrade, Victory (renovation and occupation), Storm Shelter installation and securing a contract to develop a Hotel. One significant project that remains is the Sidewalk Enhancement and Expansion. We will have the opportunity to move forward with that once an anticipated property sale is finalized.

Thank you for all that you continue to do to serve our city. I truly value our collective vision and collegiality.

Hollie C. Cost, Mayor
City of Montevallo

Victory through Accessibility

Project Summary

Victory Building

- Purchased with cash in 2019 for \$375,000; appraised value \$525,000
- LOI from brewery awaiting our approval. Brewery would occupy the entire top level
- Bottom level slated for use by ValloCycle and city storage
- Estimated expense: \$2,000,000 for full site development (includes storm shelter, paving, roof, windows, electrical)
- Estimated gain/benefit: Sales tax revenue and rent from tenants \$33,750 annually; reinvestment in historical asset



Storm Shelter (12x48; 114 occupancy)

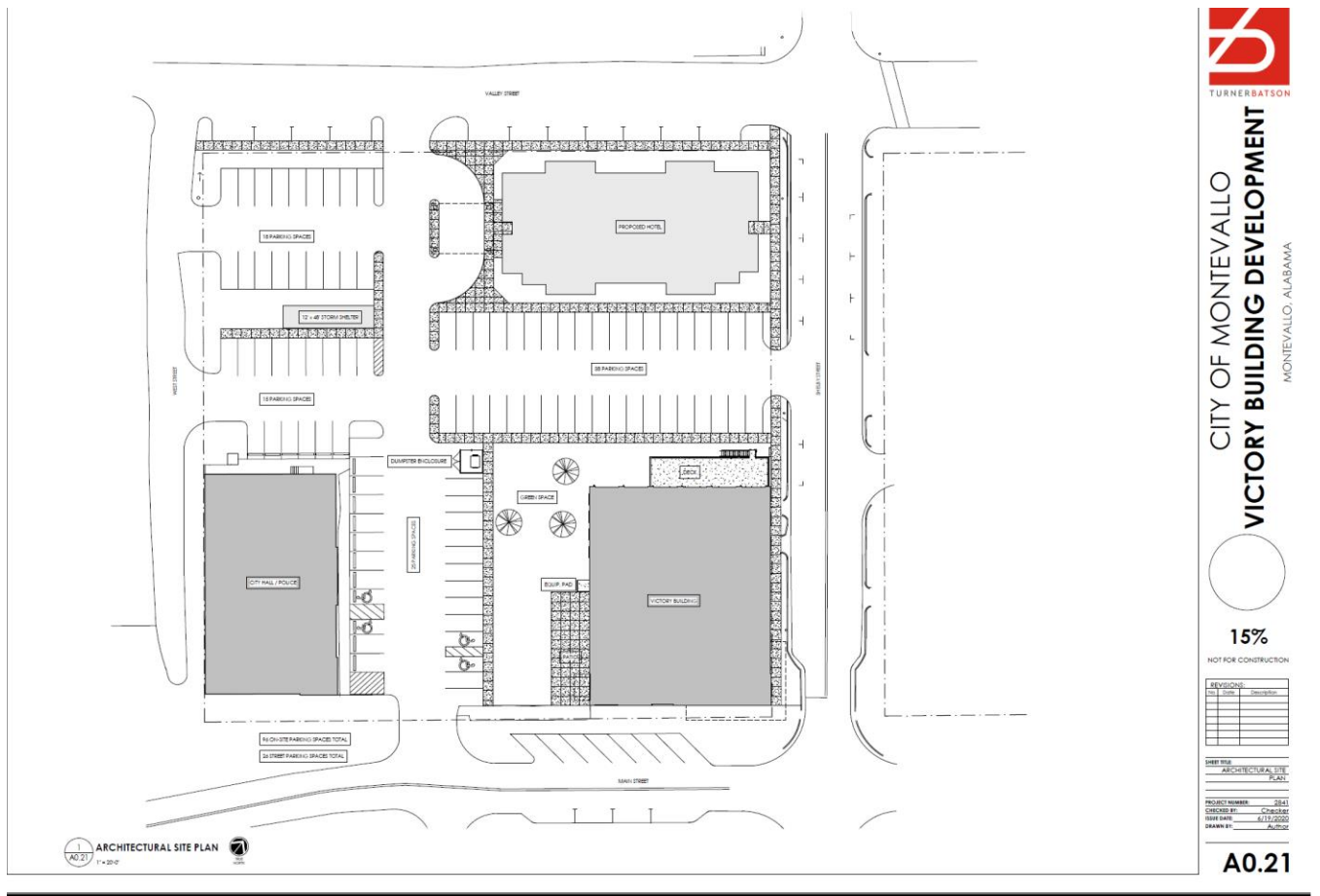
- Architectural drawing to place shelter on property behind City Hall.
- Estimated expense: \$200,000 – included in Victory Renovation above



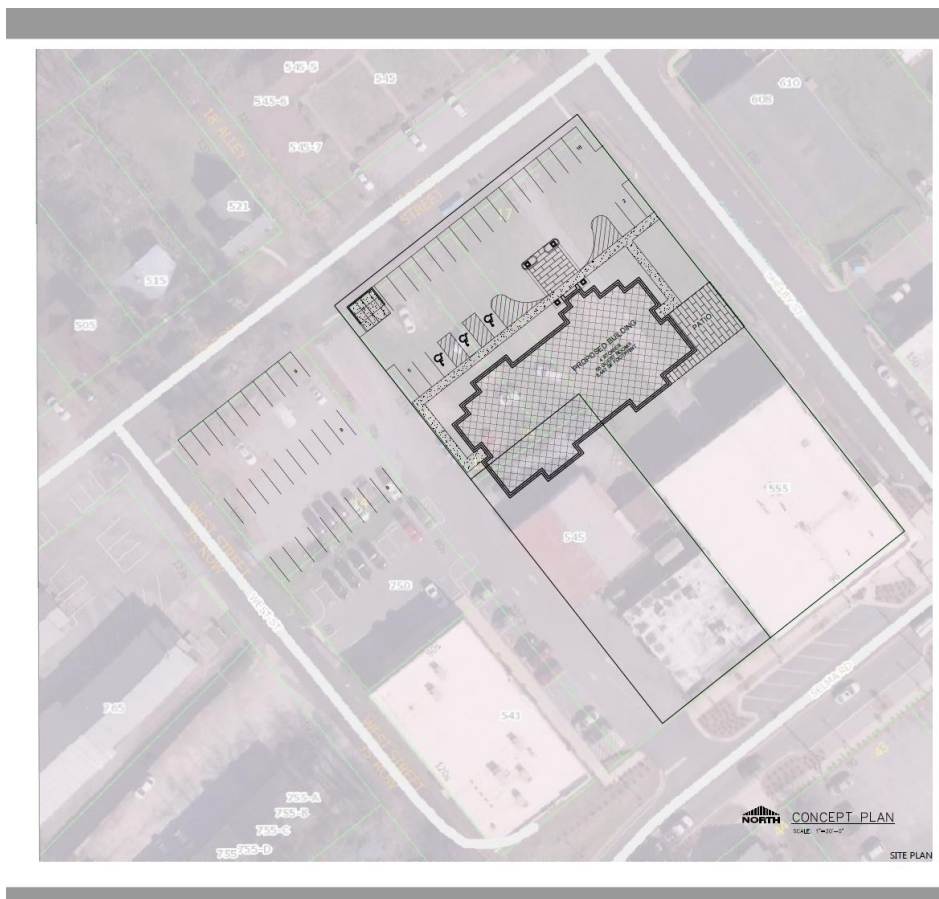
Hotel Development

- Completed 3 feasibility studies
- Identified appropriate site on city property
- Developed incentive package
- Secured interested developer
- Drafted unique site plan
- Estimated expense to the city: transfer of property ownership to the developer
- Estimated economic impact:
 - \$154,256 in sales tax annually (55 rooms @70% annual occupancy @\$222 per night spending);
 - Annual lodging tax
 - yr 4: \$48,000
 - yr 5: \$55,000
 - yr 6 + : \$83,000





Alternative Hotel Site Placement



Dailey Park Upgrade

- Developed full plans for restroom, ADA accessible playground equipment, walking track and parking places.
- Estimated expense: \$167,373
- Benefit: provides enhanced and fully accessible public recreation space in public housing neighborhood.



Funding Proposal

Total Project Expense:

Victory redevelopment including storm shelter	\$2,000,000
Dailey Park	\$ 167,373
Total	\$2,167,373

Estimated eventual annual economic benefit to the City:

Brewery rent and sales tax	\$ 33,750
Hotel lodging tax	\$ 83,000
Local sales tax benefit from hotel	\$154,256
Total	\$271,006 + unknown additional economic impact

Funding Structure

In order to move forward with this proposal, it is recommended that the city take the following actions:

- Sell the city tower for \$600,000
- Pay off fire truck loan @ \$447,000
- Reinvest these funds into the project:
 - Net gain from sale of tower= \$153,000
- Secure a loan of \$2,050,000 (annual payment \$142,670)
- Loan repayment plan:
 - Reinvest Fire Truck payment - \$93,470
 - Rent from brewery: \$15,600
 - Sales tax from brewery: \$16,875
 - Capital Improvement fund - \$16,725