

RESOLUTION NO. _____

BE IT RESOLVED by the Board of Commissioners of the City of Dothan, Alabama, as follows:

Section 1. That the City of Dothan enters into an Economic Development Agreement with Dothan Nurseries, Inc. to provide financial assistance for a Development Project to construct and equip a new large covered greenhouse on the site of an existing retail nursery and garden facility located at 1300 Montgomery Highway, at an amount not to exceed \$60,000.00, over a period of ten (10) years based on sales tax generated on retail sales derived solely from the operation of Dothan Nurseries, which said agreement is attached to and made part of this resolution.

Section 2. That Mark Saliba, Mayor of the City of Dothan and in such capacity, is hereby authorized and directed to execute said agreement for and in the name of the City of Dothan, which shall be attested by the City Clerk.

PASSED, ADOPTED AND APPROVED on _____.

ATTEST:

City Clerk

Mayor

Associate Commissioner District 1

Associate Commissioner District 2

Associate Commissioner District 3

Associate Commissioner District 4

Associate Commissioner District 5

Associate Commissioner District 6
BOARD OF CITY COMMISSIONERS

ECONOMIC DEVELOPMENT AGREEMENT

Dated January 6, 2026

Between

THE CITY OF DOTHAN, ALABAMA

AND

DOTHAN NURSERIES, INC.

This **ECONOMIC DEVELOPMENT AGREEMENT** is made and entered into as of January 6, 2026, by and between the City of Dothan, Alabama, a municipal corporation and political subdivision of the State of Alabama (the “**City**”) and Dothan Nurseries, Inc., an Alabama corporation (the “**Developer**”).

RECITALS:

A. For and in consideration of certain incentives hereinafter described, as a condition precedent to the partial funding of certain capital improvements to construct and equip a new large covered greenhouse on the site of an existing retail nursery and garden facility known as “Dothan Nurseries,” which is located at 1300 Montgomery Highway, Dothan, Alabama 36303 (the “**Project Site**”) and is within the city limits of the City, the City has delivered this Economic Development Agreement (this “**Development Agreement**”) for the benefit of the Developer, who, as owner, will construct a new large covered greenhouse on the Project Site (the “**Development Project**”). Pursuant to Amendment No. 772 of the Constitution of Alabama of 1901 (“**Amendment No. 772**”), the City will provide for the payment of funding obligations described herein as the same become due and payable. Amendment No. 772 authorizes the City to lend its credit to or grant public funds and things of value in aid of or to any business entity for the purpose of promoting the economic development of the City. The City has determined that entry into this Development Agreement will: (i) promote economic and commercial development within the City; (ii) create quality jobs within the City; (iii) increase the tax revenues in and around the City; (iv) stimulate the local economy; (v) promote the location, expansion and retention of commercial enterprises in the City; (vi) preserve and improve the aesthetic quality of commercial development, inuring to the economic health of the City; and (vii) improve the general welfare and quality of life for citizens in the City. Further, the City has determined that the expenditure of the public funds for the purposes specified herein for the Development Project will serve a valid and sufficient public purpose, notwithstanding any incidental benefits accruing to any private entity or entities, and further, have determined that the entry into the agreements and transactions described herein is in the best interest of the health, safety, and welfare of the citizens in and around the City.

B. The City endorses and believes it is in the public interest to enter into this Development Agreement to provide financial assistance for the Development Project to improve the Project Site in order to attract new commercial development, to sustain and improve existing commercial enterprises and in order to induce the Developer to invest in the construction and equipping of the Project and to increase employment levels within the corporate limits of the City. The City further believes these inducements will promote continued economic and commercial development of the City and, accordingly, are for a public purpose consistent with and in furtherance of the objectives of Amendment No. 772.

C. This Development Agreement embodies the terms, conditions, obligations and agreements of the parties hereto and is intended to be a valid, binding and enforceable agreement.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the premises, and the mutual covenants, terms, conditions, and agreements contained herein, the City and the Developer hereby covenant, agree, and bind themselves as follows:

ARTICLE I

DEFINITIONS

1.1 “Development Project” shall mean the construction and equipping of a new large covered greenhouse on the site of an existing retail nursery and garden facility known as “Dothan Nurseries,” which Project Site is located at 1300 Montgomery Highway, Dothan, Alabama 36303.

1.2 “Payment Date” shall mean each of the dates set forth in Section 3.3 below after the condition precedent described in Section 3.4 is satisfied.

1.3 “Project Site” shall mean that certain retail nursery and garden facility located at 1300 Montgomery Highway, Dothan, Alabama 36303 and upon which the Project is to be constructed and equipped as described above as the Development Project.

1.4 “Sales Tax Revenue” shall mean the four percent (4.0%) sales tax levied, collected and received by the City on all retail sales in the City.

1.5 “Sales Tax Project Revenue” shall mean two percent (2.0%) of the Sales Tax Revenue levied, collected and received by the City on all retail sales derived solely from the operation of the Developer at the Project Site.

1.6 “Term” means the period set forth in Article VI below.

ARTICLE II

DEVELOPER’S AGREEMENT

2.1 Obligations of the Developer.

(a) In consideration for the City’s obligations hereunder, the Developer hereby agrees as follows:

(i) during the Term hereof, to design, construct and equip, either itself or through contractors, a new large covered greenhouse facility upon the Project Site in a good, workmanlike and timely manner in accordance with the Developer’s plans and specifications (the “**Plans & Specifications**”), said drawings to be in compliance with all City building codes and ordinances and requisite inspections – the cost of said Project estimated to be Four Hundred Thousand Dollars (\$400,000.00); and

(ii) the Developer agrees to obtain all required permits and to comply with all City building codes;

(iii) the Developer acknowledges and agrees that the Amendment 772 program sets certain minimum requirements which the City must adhere to, and to induce the City to enter into this Development Agreement, the Developer agrees that the design, development, and construction of the Development Project will exceed the minimum requirements approved by the City for the Development Project; and

(iv) to fully comply with the terms and provisions of this Agreement.

(b) Following the completion of the design and construction of the Project on the Project Site and the improvements thereon and continuing for the duration of the Term (hereinafter defined) of this Development Agreement, the Developer will continue to maintain and keep the Project Site in good repair.

2.2 Compliance with Laws. The Developer shall continue to comply in all material respects with all federal, state, local and other statutes, ordinances, judgments, rulings, and regulations relating to environmental pollution or environmental regulation or control.

ARTICLE III

PUBLIC ASSISTANCE – SOURCE OF DEVELOPMENT FUNDS; ISSUANCE OF LIMITED WARRANT OR EVIDENCE OF INDEBTEDNESS

3.1 In consideration of the covenants, terms, conditions and obligations of the City and the Developer contained herein and of the respective representations and warranties of the Developer and the City set forth in Article V below, the City, subject to the contingencies hereinafter described, hereby agrees to pay to the Developer, for the sole purpose of assisting in the renovation, reconstruction, and equipping of the Development Project on the Project Site, up to the sum of Sixty Thousand Dollars (\$60,000.00) in the aggregate for all gross sales at the Project Site in excess of \$1,790,000, payable in the amount and in the manner provided in Section 3.3 hereof. The amount paid shall be administered by the City and paid from the Sales Tax Project Revenue identified in Section 3.2 below.

3.2 The amount paid to the Developer hereunder shall be funded as a rebate of the Sales Tax Project Revenue portion of the Sales Tax Revenue within twenty (20) days after the end of any calendar month that sales tax returns are submitted to the City and all payments due thereunder are processed. The Developer shall timely file with the City all sales tax returns together with all payments due thereon.

3.3 The local City sales tax currently levied by the City on retail sales is four cents (\$.04) (i.e. – 4%), of which, two cents (\$.02) (i.e. – 2%) is herein pledged by the City as the sole source of funding of the City's payment obligation hereunder. The obligation of the City to make the incentive payments is limited to the Sales Tax Project Revenue actually collected and received by the City. The payments shall be made in the following manner:

(a) The City will annually rebate to the Developer the Sales Tax Project Revenue amount actually collected by the City for the prior twelve-month period of operation of the Developer's Dothan Nurseries operation on the Project Site (a "Fiscal Year of Operation"). The City will make said annual payments within forty-five (45) days after the expiration of each Fiscal Year of Operation. Annual payments shall commence within 45 days after the end of the first Fiscal Year of Operation after completion of the Development Project (the "Payment Commencement Date"). For purposes of this Development Agreement, the Development Project shall be deemed completed upon issuance by the appropriate City department of a Certificate of Occupancy for the expansion.

(b) The payments shall not exceed the total capital expenditures of the Developer at the Project Site, and all payments shall cease on the earlier of (i) the date that the Developer is reimbursed the full Project amount (i.e. – a maximum of \$60,000.00 or such lesser amount if the Developer expends less than \$400,000.00) or (ii) the expiration of the Term hereof. Notwithstanding the foregoing, at no time shall the annual rebate payment by the City exceed \$60,000 from the sales tax levied, collected, and received, regardless of the actual amount of sales tax levied, collected, and received.

3.4 The Developer shall provide the City with a final schedule of capital expenditures for the Development Project made by the Developer at the Project Site in such detail as the City may require to verify the Developer's investment at the Project Site which qualifies for reimbursement from the Sales Tax Project Revenue.

3.5 The City's obligation to perform its obligations under this Development Agreement is contingent upon the Developer complying in full with its covenants and obligations contained in this Development Agreement.

3.6 The obligation of the City to make the payments set forth in Section 3.3 for the Development Project shall never constitute an indebtedness of the City within the meaning of any constitutional debt limits or other similar statutory provision.

ARTICLE IV

CONTINGENCIES; REPRESENTATIONS AND WARRANTIES

4.1 CONTINGENCIES.

The City's obligations hereunder are contingent upon the following:

(a) Developer's strict compliance with the terms and conditions of this Development Agreement.

(b) Developer proceeds to diligently complete the Project in a timely and good, workmanlike manner.

4.2 REPRESENTATIONS AND WARRANTIES OF THE CITY.

The City makes the following representations and warranties:

(a) The City is a validly existing public corporation and political subdivision of the State of Alabama.

(b) This Development Agreement is made and delivered by the City pursuant to the provisions and authority of Amendment No. 772.

(c) The Project Site is within the corporate limits of the City, and the City has determined that the Project will be of substantial economic benefit to and will enhance the general welfare of the citizens of the City, Houston County, and the State of Alabama.

(d) The City has the corporate power and authority to enter into this Development Agreement and to carry out its obligations hereunder. By proper corporate action, the City has duly authorized the execution, delivery and performance of this Development Agreement.

(e) The use of the Sales Tax Project Revenue are earmarked for and may be used solely for the costs of the Project.

(f) Upon final payment of all amounts due hereunder to the Developer after completion of the construction of the commercial building and improvements on the Project Site or upon expiration of the Term hereof, whichever shall first occur, the City shall have no further obligations, duties, or responsibilities hereunder.

4.3 REPRESENTATIONS AND WARRANTIES OF THE DEVELOPER.

The Developer makes the following representations and warranties:

(a) The Developer is an Alabama corporation, validly existing and in good standing in the State of Alabama.

(b) The Developer has the corporate power and authority to enter into this Development Agreement and to carry out its obligations hereunder, and by proper corporate action, the Developer has duly authorized the execution, delivery, and performance of this Development Agreement.

(c) The Developer will develop the Project Site by designing, renovating, reconstructing and equipping the Project on the Project Site to enhance the retail clothing and accessory business thereon, which will enhance employment and the City's ad valorem and sales and use tax base.

(d) Neither the execution nor the performance of this Development Agreement by the Developer will constitute or will result in the breach or violation of any contract, lease, mortgage, bond, indenture, franchise, permit, statute, or agreement of any nature to which the Developer is a party or to which it is subject.

ARTICLE V

SURVIVAL OF REPRESENTATIONS AND WARRANTIES

All representations and agreements of the City and the Developer shall survive the expiration of this Development Agreement for a period of three (3) years.

ARTICLE VI

DURATION OF AGREEMENT

Subject to the survival provisions of Article V above, the obligations of the City and the Developer shall arise upon the execution and delivery of this Development Agreement by all parties hereto and shall continue in full force and effect for ten (10) years from the Payment Commencement Date hereunder (the “**Term**”).

ARTICLE VII

NOTICES

Any written notice or other written communication to be given to the City under this Economic Development Agreement may be given by mailing the same to the Mayor, City of Dothan, Alabama, 126 North St. Andrews Street, Dothan, Alabama 36303. Any written notice to be given to the Developer hereunder may be given by mailing the same to 1300 Montgomery Highway, Dothan, Alabama 36303.

ARTICLE VIII

GOVERNING LAW; NON-ASSIGNABILITY

This Development Agreement shall be governed by and construed in accordance with the laws of the State of Alabama. This Development Agreement and the use of the Sales Tax Project Revenue are specific to the Developer and the Project, respectively, and are not to be assigned by the Developer.

ARTICLE IX

LIMITATION OF LIABILITY

In no event shall any party hereto be liable under this Development Agreement to any other party hereto for any special, incidental, consequential, exemplary, or punitive damages.

ARTICLE XI
COUNTERPARTS

This Development Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

CITY OF DOTHAN, ALABAMA

By: _____
Mark Saliba, Mayor

ATTEST:

By: _____
Wendy Shiver, City Clerk

DOTHAN NURSERIES, INC.

By: _____
John David Boone, President