



REGULAR MEETING

10:30 AM Thursday, August 13, 2015

JCEDF, 3033 Pascagoula Street, Pascagoula, Mississippi

The Pascagoula Redevelopment Authority met at the Jackson County Economic Development Foundation in a regular meeting on Thursday, August 13, 2015, at 10:30 AM. Alan Sudduth, Vice Chairman, called the meeting to order at 10:40 AM with the following present:

Vice Chairman, Alan Sudduth
Secretary/Treasurer, Alice Walker
Board Member, Jim Estabrook

PRA Executive Director, Jen Dearman
Economic Development Specialist, LaLinda Grace
PRA Attorney, Taylor McNeel
Baber's Inc., Shannon Strunk
Compton Engineering, David Compton

Board Member, Jackie Grimes was absent.

PRA Vice Chairman Sudduth welcomed everyone to the meeting.

The first item for consideration was the minutes from the PRA meetings held on July 9, 2015, July 27, 2015, and August 4, 2015, as recommended by Alice Walker, Secretary/Treasurer.

After review, Estabrook moved to approve and adopt the minutes with the correction of Saturday to Friday in the section regarding Anchor Square in the August 4, 2015 minutes. The motion was seconded by Walker.

All present Board members were in favor.

The next item for consideration was the financial report.

After review, Walker moved to accept the financial report and authorize PRA Comptroller Bobby Parker to issue manual checks for legal services, Anchor Square rent revenue, printing costs and 651 Delmas safe purchase. The motion was seconded by Estabrook.

All present Board members were in favor.

The next item for consideration was the operating hours for Anchor Square. After discussion, Estabrook moved to change the hours to a minimum of Tuesday through Friday from 10AM to 6PM and on Saturday from 10PM to 2PM. The motion was seconded by Walker.

All present Board Members were in favor.

Chairman Henry Fox arrived at 10:55AM.

A discussion was held in regards to the Riverfront.

No action was required of the Board.

David Compton left the meeting at 11:11AM.

Sudduth moved to close the meeting to consider going into Executive Session. The motion was seconded by Estabrook.

All present Board members were in favor.

Estabrook moved to go into Executive Session for the transaction of business and discussion regarding the prospective purchase, sale or leasing of lands. The motion was seconded by Sudduth.

All present Board members were in favor.

Estabrook moved to end Executive Session and return to open session. The motion was seconded by Walker.

All present Board members were in favor.

The next item for discussion was the sale of 3207 Magnolia Street. The PRA received one proposal from the request for proposals for the development of 3207 Magnolia Street. After discussion, Estabrook moved to approve with corrections, the resolution of the board of commissioners of the Pascagoula Redevelopment Authority approving transfer of interest in certain real property owned by the Pascagoula Redevelopment Authority and related matters, the option agreement to purchase real estate for the property located at 3207 Magnolia Street (parcel number 41411016.000) to City Center of Pascagoula, LLC. The motion was seconded by Walker.

All Board members were in favor. The Resolution and Option are spread on the minutes as follows:

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PASCAGOULA
REDEVELOPMENT AUTHORITY APPROVING TRANSFER OF INTEREST IN
CERTAIN REAL PROPERTY OWNED BY THE
PASCAGOULA REDEVELOPMENT AUTHORITY
AND RELATED MATTERS**

WHEREAS, the City Council of the City of Pascagoula (“City”), by resolution dated the 5th day of April, 2011, adopted an Urban Renewal Plan that includes as a separate exhibit the Pascagoula Urban Renewal Property Disposition Plan (collectively, the “Plan”) and established an urban renewal agency for the City known as the Pascagoula Redevelopment Authority (“PRA”) pursuant to Section 43-35-1 et seq. of the Mississippi Code of 1972, as amended; and

WHEREAS, pursuant to the aforesaid resolution, the City Council vested in the PRA certain rights, powers, functions, and duties, for executing the Plan in accordance with Section 43-35-1 et seq. of the Mississippi Code of 1972, as amended, and the provisions of the Plan, including the authority to pursue economic development initiatives for properties belonging to the City or the PRA; and

WHEREAS, the PRA has acquired title to a certain parcel or tract of land, containing approximately 0.68 acres of land, situated in Jackson County, Mississippi, described by the metes and bounds calls as set forth in the Option Agreement to Purchase Real Estate (“Option Agreement”) attached hereto as Exhibit "A," said parcel being located in parts of Lots 14 and 15 of the Valentine Delmas Tract as recorded in Deed Book 2, Page 73, of the land records of Jackson County (the "Property"); and

WHEREAS, the PRA acquired title to the Property for the purpose of undertaking economic development thereof and all other powers and authority with regard to such property as granted to it by the resolution of the City Council dated the 5th day of April, 2011, the Plan, and Section 45-35-1 et seq. of the Mississippi Code of 1972, as amended, including disposition of the property as allowed for therein and in accordance with the Plan; and

WHEREAS, the PRA has determined that a disposition of the Property to Baber Strunk Enterprises, LLC, or its permitted assigns (“Buyer”), based upon the facts stated and for the purposes discussed herein and by the Board of Commissioners (“Board”) of the PRA at its meeting approving these resolutions and recorded in the minutes thereof, is in accordance with the Plan and the powers delegated to the PRA by Section 45-35-1 et seq. of the Mississippi Code of 1972, as amended; and

WHEREAS, competitive bidding procedures for sale of the Property in accordance with the Plan and Section 45-35-19 of the Mississippi Code of 1972, as amended, were followed by the PRA; and

WHEREAS, following the competitive bidding procedures, Buyer offered to purchase for Three Thousand and no/100 Dollars (\$3,000.00) (“Option Fee”) an option to acquire fee simple title to the Property (“Option”) pursuant to the terms of the Option Agreement; and

WHEREAS, according to the terms of the Option Agreement and following the payment of the Option Fee, Buyer would have for eighteen (18) months an exclusive right to purchase the Property for the price of Twenty-Seven Thousand Eight Hundred and Twenty-Nine Dollars and no/100 (\$27,829.00), including the Option Fee (“Purchase Price”); and

WHEREAS, no other bids to acquire the Property were received following the completion of the competitive bid process;

WHEREAS, the Purchase Price contemplated by the Option Agreement is the current assessed value of the Property on the tax rolls of Jackson County; and

WHEREAS, the sale of the Property to the Buyer in accordance with the terms of the Option Agreement would help spur long-term economic growth and foot traffic in a section of the City covered by the Plan since it would require the Buyer to invest approximately One Million Dollars (\$1,000,000) into the development of an area near the Property; and

WHEREAS, the sale of the Property to the Buyer in accordance with the terms of the Option Agreement would improve the tax collections of the City and Jackson County by vesting title of the Property in the name of the Buyer, a taxable entity that will be required to pay real estate taxes to the City and Jackson County for its ownership of the Property; and

WHEREAS, the receipt of the Option Fee, and ultimately the Purchase Price if the Option is exercised, by the PRA from the Buyer will provide the PRA with additional cash that it may use for further revitalization of the area surrounding the Property in accordance with the Plan; and

WHEREAS, based upon the facts existing at the time of these resolutions, including but not limited to those stated herein, the Board has determined that the sale of the Property for the Purchase Price under the Option Agreement would be for an amount not less than its fair value for uses in accordance with the Plan, taking into account and giving consideration to the uses provided in the Plan, the restrictions upon, and the covenants, conditions and obligations assumed by the Buyer purchasing the property, and the objectives of the Plan.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The statements set forth in the foregoing preambles to this resolution are hereby found as fact.

SECTION 2. The Board hereby ratifies, confirms, approves and adopts the attached Option Agreement in substantially the form presented to the Board at this meeting, as well as the sale of the Option to buy the Property and ultimately fee simple title to the Property if the Option is exercised in accordance with the terms of the Option Agreement.

SECTION 3. The Chairman of the PRA is authorized and directed in the name of and on behalf of the PRA to execute the Option Agreement with such changes, additions or deletions as he shall deem necessary or advisable in consultation with counsel and to

execute all other documents necessary for the PRA to sell the Option and the Property in accordance with the Option Agreement, including but not limited to a special warranty deed from the PRA to the Buyer, in accordance with the Option Agreement and all powers and authority vested in the PRA as granted to it by the resolution of the City Council dated the 5th day of April, 2011, the Plan, and Section 45-35-1 et seq. of the Mississippi Code of 1972, as amended.

SECTION 4. All actions taken by the officers or Commissioners of PRA prior to the date of these resolutions in connection with the Option Agreement and the related sale of the Option or the Property are hereby ratified, confirmed and approved as the authorized acts and deeds of the PRA.

The foregoing Resolution approving the Option Agreement and the sale of the Option and the Property was made on motion by Commissioner Estabrook, seconded by Commissioner Walker, and unanimously adopted by those present on this the 13th day of August, 2015.

Henry Fox, Chairman
Pascagoula Redevelopment Authority

ATTEST:

_____, Secretary
Pascagoula Redevelopment Authority

OPTION AGREEMENT TO PURCHASE REAL ESTATE

THIS OPTION TO PURCHASE REAL ESTATE (this "Option Agreement") is granted, made and entered into effective as of August __, 2015 (the "Effective Date"), by and between **Pascagoula Redevelopment Authority**, an urban renewal agency for the City of Pascagoula authorized by the City Council pursuant to Section 43-35-1 *et seq.* of the Mississippi Code of 1972 (the "Seller") and **City Center of Pascagoula, LLC**, a Mississippi limited liability company (the "Buyer").

WHEREAS, Seller is the owner in fee simple of a certain parcel or tract of land, containing approximately 0.68 acres of land, situated in Jackson County, Mississippi, described by the metes and bounds calls as set forth in the survey attached as Exhibit "A," which is by reference fully incorporated into this Option Agreement, said parcel being located in parts of Lots 14 and 15 of the Valentine Delmas Tract as recorded in Deed Book 2, Page 73, of the land records of Jackson County (the "Property"); and

WHEREAS, Buyer desires to acquire the exclusive right and option to purchase the Property for the price and upon the terms and conditions hereinafter set forth and Seller is able and willing to grant the same.

WHEREAS, Seller has agreed to grant the exclusive right and option to purchase the Property to Buyer.

NOW, THEREFORE, in consideration of the premises, the promises and covenants hereinafter set forth, and the mutual advantages and benefits accruing hereunder, Seller hereby grants, bargains, and extends unto Buyer the exclusive right, privilege and option to purchase the Property (the "Option") for the consideration and subject to the terms and considerations hereinafter set forth:

TERMS OF THE AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Seller and the Buyer agree as follows:

1. Grant of Option. For the sum of THREE THOUSAND AND NO/100 DOLLARS (\$3,000.00) and other good and valuable consideration between the parties (the "Option Fee"), the sufficiency of which is hereby acknowledged, Seller does grant to Buyer the Option to purchase the Property within the period, at the total price and upon the terms and conditions set forth in this Option Agreement.
2. Term of Option. The Option described in this Option Agreement will commence on the Effective Date and will remain open for eighteen (18) months following the Effective Date (the "Option Term"), said Option Term ending on the same

day of the eighteenth month as the Effective Date. The Option Term may be extended only once by mutual agreement of Seller and Buyer.

3. Exercise of Option by Buyer. Buyer shall have the right to exercise this Option to purchase the Property subject to this Option Agreement by providing written notice of the exercise of the Option to Seller in the manner and at the address as provided in Section 16 of this Option Agreement.
4. Purchase Price of the Property. If the Buyer elects to exercise the Option created by this Option Agreement, the total purchase price for the Property (the "Purchase Price") will be TWENTY-SEVEN THOUSAND EIGHT HUNDRED AND TWENTY-NINE DOLLARS AND NO/100 (\$27,829.00).
 - (a) The Option Fee paid to the Seller shall be applied to the Purchase Price.
 - (b) The Purchase Price shall be paid in cash or other immediately available funds at the time of Closing.
5. Closing. Upon timely and proper exercise of the Option as herein provided, the purchase and sale of the Property shall be consummated (the "Closing") not less than ten (10) days nor more than thirty (30) days following the date of the notice of exercise, upon such date and at such place as Seller may reasonably designate in written notice to Buyer given not less than five (5) business days prior to the Closing date. Possession of the property is to be given with delivery of the deed at Closing.
6. Obligation Following the Exercise of the Option: If the Buyer exercises the Option to purchase the Property pursuant to this Option Agreement, then
 - (a) Seller shall:
 - (i) execute and deliver to Buyer at Closing a special warranty deed ("Deed") in the form reasonably acceptable to Buyer, conveying fee simple title to the Property. The Deed shall be delivered subject to any easements, governmental laws or regulations applicable to the Property and Seller, including, but not limited to, those related to wetlands and to Section 43-35-1 *et seq.* of the Mississippi Code of 1972 governing Seller's status as a public agency created by the City of Pascagoula.
 - (ii) at the Closing, deliver to Buyer and the title company such affidavits, certificates and other documents and information as may be

reasonably requested by the title insurance company and Buyer's counsel to effectuate the Closing of the transaction; and

(iii) at the Closing, execute and deliver a closing statement.

(b) Buyer shall:

(i) pay for the cost of the title search, along with the cost of the mortgagee's title insurance policy and owner's title insurance policy, or survey, if any, at Closing. The title company, attorney and all other closing agents shall be selected by Seller in its reasonable discretion; and

(ii) pay all costs and fees associated with the inspection of the Property and/or its purchase, including all Closing costs.

(c) Buyer shall provide Seller an opportunity to cure any title any survey objections prior to Closing. In the event that any defect exists which Buyer fails to cure or which cannot be reasonably cured by the Closing date, this Option may be mutually extended or terminated by any party.

7. Loan Obligations: Upon exercise of the Option, Buyer warrants that it will have already arranged financing for the Purchase Price, whether it is with the assistance of a lender or not, and that Buyer's failure to obtain financing will not be a contingency of this Option Agreement. Buyer also agrees to: (1) pay any fees necessary to complete full loan processing and approval, if any, and (2) continually and immediately provide requested documentation to lender, if applicable.

8. Representations, Warranties and Additional Covenants. The following are certain additional representations, warranties, promises, and covenants, each of which constitutes consideration relied upon by the parties in entering this Option Agreement:

a. Buyer represents, warrants, and covenants that, by or before December 31, 2017 ("Development Date"), Buyer will invest ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) in development and construction costs ("Construction Costs") for a mixed used development ("Development") adjacent to the Property at 3207 Magnolia Street (also known as the former Hancock Bank building) and have the Development operational. Mixed use development shall consist of commercial and residential space in the Development. For the purpose of this Agreement, Construction

Costs shall not include the Purchase Price or any costs incurred as a result of the site work related to the development, including but not limited to costs for surveying, architectural, or engineering work conducted as part of the Development. Buyer acknowledges and agrees that the Property will be developed, improved, and used: (i) exclusively for and restricted to the uses specified in the "Pascagoula Urban Renewal Property Disposition Plan" that has been adopted by the City of Pascagoula ("City") as part of the Pascagoula Urban Renewal Plan (the "Plan"), a copy of which has been attached to this Agreement as Exhibit B; (ii) in compliance with such other requirements as the City or the Seller shall determine to be in the public interest; and (iii) as a complement and support to the Development. All restrictions stated herein shall be included in the deed conveying Property and shall run with the land.

- b. Buyer agrees that the deed conveying the Property will provide that if, by the Development Date, ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) in Construction Costs are not incurred and the Development, regardless of owner or operator thereof, is not operational, then title to Property will revert to Seller, its successors or assigns. These restrictions and covenants will run with the land and be made part of the deed conveying the Property.
- c. In order to verify the Construction Costs and progress of the Development, Buyer agrees, warrants, and covenants that Buyer will provide or cause its contractor or other agent to provide to Seller immediately upon request or within three (3) days of such documents and materials being submitted to Buyer's lender or other disbursing agent throughout the development and construction of the Development a full and complete copy of all available information related to progress of the Development and its Construction Costs, including but not limited to invoices, construction disbursement or draw documents, construction administration inspection and verification materials, and third party inspection materials. Buyer also agrees that, upon reasonable notice and request by Seller prior to the Development Date, it will provide a status and progress update of the Development to the Seller in person or, at the discretion of the Seller, in writing. These restrictions and covenants will run with the land and be made part of the deed conveying the Property.
- d. Buyer agrees that it shall be without the power to sell, lease, or otherwise transfer the Property without the prior written consent of Seller until Buyer has completed the Development and construction of

the Development as warranted and covenanted herein. Nothing in this paragraph negates or diminishes the restrictions of use and covenants made as to the components, details, specifications, and representations of the Development made in other parts of this Agreement. These restrictions and covenants will run with the land and be made part of the deed conveying the Property.

- e. The Development Date may be extended by mutual agreement of the parties. This covenant will run with the land and be made part of the deed conveying the Property.
9. Taxes. Ad valorem taxes for the Property for the year in which the Closing occurs shall be prorated as of the Closing date. Prior years' taxes shall be the responsibility of the Seller.
 10. Inspection. At any time during the Option Term, and if the Option is exercised, until Closing, Buyer, and its employees, agents and contractors shall be permitted to enter upon the Property for the purpose of performing such tests, studies, inspections, boring tests, surveys and architectural, engineering and other tests and studies as Buyer deems necessary in connection with Buyer's intended use of the Property. Buyer shall indemnify Seller for any damages caused by such inspection work. **IF ANY SUCH INSPECTIONS ARE NOT DONE, THE PROPERTY WILL BE CONVEYED "AS IS"**.
 11. Survey and Flood Certification: Survey work and Flood Certifications are the best means of identifying boundary lines and/or encroachments and easements or flood zone classifications. Buyer has the option to obtain a Boundary Line Survey and Flood Zone Certification, and Seller makes no warranties to Buyer with regards to these matters.
 12. Remedies. In the event Buyer decides not to exercise the Option prior to the end of the Option Term, or Buyer fails or refuses to purchase the Property pursuant to the terms and conditions of this Option Agreement following Buyer's exercise of the Option, then the Option Fee shall be retained by Seller. Should Buyer or Seller fail to comply with the obligations of each in this Option Agreement, or Seller breaches any warranties provided by its special warranty deed to Buyer, Seller or Buyer, as applicable, may pursue such remedies provided by law or equity, including specific performance.
 13. Entire Agreement; Amendments. This Option Agreement, and its exhibits, shall constitute the entire agreement between the Seller and the Buyer. This

Option Agreement may not be modified or amended except by written instrument executed by the Seller and the Buyer.

14. Binding Effect. This Option Agreement shall be binding upon and shall inure to the benefit of the Seller and Buyer, and their respective successors and assigns.
15. Assignment. Neither party shall have the right to assign this Option Agreement without the prior written consent of the other party, provided further that Buyer shall not be released from its obligations under this Option Agreement until the end of the Option Term or until the Closing occurs.
16. Notices. Any notices or other communications given or required under this Option Agreement shall be in writing and shall be served either personally or delivered by U.S. mail, first class, postage prepaid, or by FedEx or some other nationally recognized delivery service. Notices shall be deemed received at the earlier of the actual receipt or three (3) days following deposit in the U.S. mail or some other nationally recognized courier service. Notice may also be delivered by email or facsimile, and will be deemed as delivered as of the date of submission of the communication, but only if email or fax confirmation confirms that such communication was, in fact, delivered to the email address or facsimile number listed below.

If to Seller:

Pascagoula Redevelopment Authority
Attn: Executive Director
630 Delmas Avenue
Pascagoula, Mississippi 39568

If to Buyer:

City Center of Pascagoula, LLC

Attn: _____
Telephone: _____
Fax: _____
E-mail: _____

17. Broker Commission. Buyer represents that it has not engaged a real estate broker or agent in connection with this transaction. Seller and Buyer acknowledge and agree that any and all real estate commission due to any real estate broker or agent engaged by Seller shall be the responsibility of Seller.

18. Survival Clause: Any provision herein contained, which by its nature and effect, is required to be performed after Closing shall survive the Closing and delivery of the deed and shall remain binding upon the parties to this Option Agreement and shall be fully enforceable thereafter.
19. Governing Law. This Option Agreement shall be governed and construed in accordance with the laws of the state of Mississippi.
20. Terminology: As the context may require in this Option Agreement: (1) the singular shall mean the plural and vice versa, and (2) all pronouns shall mean and include the person, entity, firm, or corporation to which they relate.
21. Counterparts: This Option Agreement may be executed in counterparts all of which taken together shall be deemed one original. Electronic signatures via PDF shall be effective as original signatures to this Option Agreement.
22. Time is of the Essence. Time is of the essence with respect to all obligations of the Buyer and the Seller contained in this Option Agreement.

[Signatures appear on the following page.]

WITNESS THE SIGNATURES of the undersigned parties, effective as of the Effective Date of this Option Agreement.

SELLER

PASCAGOULA REDEVELOPMENT AUTHORITY

BY: HENRY FOX, CHAIRMAN

BUYER

CITY CENTER OF PASCAGOULA, LLC

BY: _____

ITS: _____

EXHIBIT A

SURVEY WITH LEGAL DESCRIPTION

There being no further business to come before the Board, Walker moved to adjourn the meeting. The motion was seconded by Sudduth.

All present Board members were in favor.

The meeting ended at 1:15 PM.