



AGENDA

CITY OF FLORENCE, ALABAMA

SPECIAL CALLED CITY COUNCIL MEETING

September 24, 2026

4:00 P. M.

1. Meeting called to order – President Simmons
2. Roll Call – Richard Williams, City Clerk
3. Regular Agenda:
 - (a) Resolution to approve an Agreement to Apply for grant funds through the Appalachian Regional Commission by the City of Florence and FOF QOZB ONE, LLC, regarding the Hard Rock Reverb hotel.
4. Motion to adjourn

Sponsor:

**RESOLUTION AUTHORIZING AND APPROVING APPLICATION
TO THE APPALACHIAN REGIONAL COMMISSION FOR ARC
FUNDS AND AGREEMENT WITH FOF QOZB ONE, LLC**

WHEREAS, the City of Florence, Alabama ("City"), is applying for Appalachian Regional Commission (ARC) funding for sanitary sewer replacement and water main extension; and

WHEREAS, the City concurs with objectives, needs, and program activities to be proposed in its application; and

WHEREAS, the proposed program activities to be set forth in the application were determined in accordance with state and federal guidelines and determinations on eligibility of activities.

WHEREAS, the proposed program activities and estimated costs are set forth in the Preliminary Engineering Report attached hereto.

WHEREAS, Eugene Sak and FOF QOZB ONE, LLC, have agreed to reimburse the City for any and all matching funds expended by the City for the project and comply with the attached Agreement to Apply for an Appalachian Regional Commission Grant ("Agreement") between the City and FOF QOZB ONE, LLC.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FLORENCE, ALABAMA, as follows:

1. The application shall be designated as the official application for the City to be submitted to the Appalachian Regional Commission requesting ARC Funds in the approximate amount of \$500,000.
2. The Mayor is duly authorized to sign said application for and on behalf of the City and is further authorized to execute all other documents required for the application or disbursement of ARC funding for the City.
3. If the City's request for ARC funding is approved, the City commits to provide up to \$500,000 for the project to match the requested ARC funds.
4. The Agreement, in substantially the form and of substantially the content as the Agreement presented to, considered and approved by the City at this meeting, with such changes or additions thereto or deletions therefrom as the Mayor of the City of Florence shall approve, which approval shall be conclusively evidenced by his execution of the Agreement, is hereby approved, adopted, authorized, ratified and confirmed. The Mayor is hereby authorized and directed to execute, acknowledge and deliver the Agreement for and on behalf of and in the name of the City. The City Clerk is hereby authorized and directed to affix the official corporate seal of the City to the Operating Agreement and to attest the same.

ADOPTED this _____ day of _____, 2026.

CITY COUNCIL

APPROVED this _____ day of _____, 2026.

MAYOR

ADOPTED & APPROVED this _____ day of _____, 2026.

CITY CLERK

**AGREEMENT TO APPLY FOR AN APPALACHIAN
REGIONAL COMMISSION GRANT**

THIS AGREEMENT TO APPLY FOR AN APPALACHIAN REGIONAL COMMISSION GRANT ("Agreement") is executed as of _____, 2026, by the City of Florence, Alabama, a municipal corporation ("City"), and FOF QOZB ONE, LLC, an Alabama limited liability company, the operative subsidiary of Florence Opportunity Fund, LLC (the "Developer"). The City and the Developer shall sometime herein be referred to herein collectively as the "Parties."

RECITALS:

A. Developer has executed and delivered a Letter of Intent (the "LOI") with Hard Rock Hotel Licensing, Inc. ("Hard Rock") to develop, construct, equip, and operate a full-service tourist destination hotel under the Reverb by Hard Rock™ brand ("Reverb" or the "Hotel") on property located on Court Street, Dr. Hicks Boulevard, and Pine Street in the City of Florence. The Property, the Hotel, and the related businesses and restaurants located in the Hotel are sometimes hereinafter collectively referred to as the "Project."

B. In connection with the proposed development of the Project, Developer has requested that the City apply for an Appalachian Regional Commission grant ("Grant") to fund certain sewer main replacement and water main extension adjacent to the Project in accordance with the plans and specifications to be prepared by the City's engineer ("Design Engineer") (hereinafter the "Public Improvements") in the approximate amount of \$475,085.00. If awarded, the Grant will require matching funds in the approximate amount of \$475,085.00.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Developer hereby agree as follows:

1. Public Improvements: The foregoing Recitals are acknowledged to be true and correct and are incorporated herein by this reference. If the Grant is awarded, then the City hereby agrees to cause the Public Improvements to be constructed in accordance with the following provisions:

(a) Engineering: The City will put the Public Improvements out for bid as soon as the City and Developer approve the plans and specifications for the Public Improvements which shall be designed and prepared by the Design Engineer. All bids shall be issued pursuant to the plans and specifications. The City will select a contractor from the acceptable bids pursuant to the public works laws of the State of Alabama to construct and install the Public Improvements. All charges of the Design Engineer are to be paid by Developer. Developer will have no authority to supervise or direct construction of the Public Improvements made in accordance with the approved plans and specifications. City will supervise and direct construction of the Public Improvements and will be responsible for the means, methods, techniques, sequences, and procedures of construction.

(b) Public Nature: The City and Developer intend and agree that the Public Improvements are to be installed and constructed entirely on City property, within the public rights-of-way, and within City easements and shall be and remain the property of the City. Prior to the commencement of the work, Developer shall convey and deed to the City any necessary easements at no cost to the City.

(c) Commencement and Completion of Public Improvements: City agrees to use its reasonable and best efforts to begin construction of the Public Improvements in a timely manner and to use its reasonable and best efforts to complete the Public Improvements in a timely manner. The City, however, will not under any circumstances begin construction of the Public Improvements until the property and easements necessary for the construction of the Public Improvements have been legally conveyed and dedicated to the City.

(d) Cost: Developer and the City have agreed that the Developer is solely responsible for the cost of construction for the Public Improvements to the extent said costs reflect the costs of constructing the Public Improvements set forth in the plans and specifications prepared by the Design Engineer. The invoices, as certified by the Design Engineer, for the cost of constructing the Public Improvements shall be paid first from the proceeds of the Grant until such grant funds are depleted. Accordingly, in addition to paying the charges and expenses of the Design Engineer, Developer shall be responsible for paying all invoices, as certified by the Design Engineer, for the costs of construction of the Public Improvements in excess of the Grant funds to the extent said costs reflect the costs of constructing the Public Improvements set forth in the plans and specifications prepared by the Design Engineer. After depletion of the Grant funds, the City will submit invoices, as certified by the Design Engineer, to the Developer for the remaining costs of constructing the Public Improvements periodically as such costs are incurred. Developer will have ten (10) business days after receipt of an invoice from the City to make payment of any invoice, after which any unpaid amounts will bear interest as set forth in this Agreement. In addition, City, in its sole discretion, may draw funds from Developer's Payment Guaranty as set forth in Section 2(b) herein for any invoiced amounts that remain outstanding more than ten (10) business days after Developer receives the invoice but only after the City provides to the Developer written notice of such late payment ("Notice") and allows the Developer to cure such late payment within three (3) business days of receipt of such Notice. As used herein, the language "as certified by the Design Engineer," shall mean, at a minimum, that the invoices submitted for payment for the cost of construction of the Public Improvements constitute a valid expense incurred in accordance with the plans and specifications of the Public Improvements.

2. Covenants: As a material inducement to the Parties' execution, delivery and performance of this Agreement and agreement to construct the Public Improvements, Developer and the City further agree:

(a) Any undisputed amounts due from Developer to City under this Agreement which are not paid within ten (10) business days after receipt of an invoice will bear interest at a rate equal to the prevailing prime rate as announced from time to time. The City will be entitled to recover its costs of enforcement, including reasonable attorneys' fees from Developer, if Developer defaults on any such obligation.

(b) Payment Guaranty: To induce the City to execute this Agreement and to provide additional assurance that Developer will fully perform all of Developer's financial and other obligations contained herein, and as a precondition of the City constructing the Public Improvements, Developer agrees to deliver to City, within ten (10) business days of execution of this Agreement, additional security in a form, as permitted by law and as determined in the discretion of the Developer, and amount as described in subparagraph (i), (ii), or (iii) below.

(i) Surety Bond: The Developer may provide a surety bond from a company qualified by law to act as a surety in the State of Alabama. The bond shall be in a form approved by the City and acceptable to the Developer. The bond shall name the City as the sole obligee and the Developer as the principal. The amount of the surety bond will be equal to \$625,000.00.

(ii) Escrow Fund: The Developer may deposit funds in an escrow account with a bank or financial institution qualified by law to do business in the State of Alabama. The disbursement of the escrowed funds shall be governed by an escrow agreement in a form approved by the City. The amount of the escrow fund will be equal to \$625,000.00.

(iii) Letter of Credit: The Developer may cause a bank or financial institution qualified by law to do business in the State of Alabama to issue an irrevocable letter of credit in a form approved by the City and acceptable to the Developer. The amount of the letter of credit will be equal to \$625,000.00.

3. Miscellaneous Provisions: The following additional provisions are part of this Agreement:

(a) Cumulative Rights: The rights and remedies of the Parties set forth herein shall be in addition to any other right or remedy now or hereafter provided by law. All rights and remedies shall be cumulative and not exclusive of each other. Each party may exercise its rights and remedies at such times, in such order, to such extent and as often as each deems advisable. Each party may exercise its rights and remedies regardless of whether the exercise of one right or remedy precedes, concurs with or succeeds the exercise of another right or remedy. A single or partial exercise of a right or remedy shall not preclude a further exercise of the right or remedy or the exercise of another right or remedy. No delay or omission in exercising a right or remedy shall exhaust or impair the right or remedy or constitute a waiver of an event of default. No waiver of an event of default shall be effective unless it is in writing.

(b) Notices: Any notice, demand or other written instrument required or permitted to be given hereunder shall be deemed to have been given when personally delivered or when deposited in the U.S. Mail, by registered or certified mail, return receipt requested, postage prepaid, prepared and properly addressed to the respective party to whom such notice relates at the following address:

If to the City:

The City of Florence, Alabama
P.O. Box 98
Florence, Alabama 35630
Attn: Office of the Mayor

If to Developer: FOF QOZB One, LLC
PO Box 1056
Florence, AL 35631
Attn: Eugene Sak

With Copies to: Dentons Sirote PC
201 S. Court St. Ste. 500
Florence, AL 35630
Attn. Michael Shipper

or at such alternate address as shall be specified by notice given in the manner herein provided.

(c) Benefit of Agreement: This Agreement may not be assigned by either party without the other party's prior written consent, but shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, legatees, executors, administrators, successors and permitted assigns, and no other person shall acquire or have any right under or by virtue of this Agreement.

(d) No Partnership: Nothing in this Agreement shall be construed to create a partnership between the City and the Developer.

(e) Headings: The headings of the Sections of this Agreement are inserted for convenience or reference only, and shall not be construed as part of this Agreement, and shall in no way be construed as defining, limiting or affecting the scope or intent of the provisions of this Agreement.

(f) Necessary Action: Each party hereto hereby agrees that such party shall execute and deliver any documents and shall perform any further acts as may be reasonably necessary to carry out the provisions of this Agreement.

(g) Governing Law: This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Alabama, without giving effect to its choice of law provisions. Any action to enforce a provision of this Agreement shall be filed and prosecuted exclusively in the Circuit Court of Lauderdale County, Alabama.

(h) Litigation Costs: If either party initiates litigation to enforce any of such party's rights hereunder or to seek damages for any violation hereof, then, in addition to all other judicial remedies that may be granted, the prevailing party shall be entitled to recover reasonable attorneys' fees and all other costs that such party may sustain in connection with such litigation.

(i) Amendment: This Agreement may be changed only by an instrument in writing signed by the Parties hereto.

(j) Waiver: Any failure by either party at any time or from time to time to enforce and require the strict performance of any of the terms and conditions of this Agreement shall not

constitute a waiver on that occasion and shall not constitute a waiver of the same or similar term or condition at any future time. All waivers must be in writing and signed by each party hereto.

(k) Entire Agreement: This Agreement constitutes the entire agreement and understanding between the Parties relating to the subject matter hereof, and supersedes all prior agreements and understandings relating to the subject matter hereof. No agreements, understandings, warranties or representations relating to the subject matter hereof exist between the Parties hereto other than those set forth herein.

City:

THE CITY OF FLORENCE, ALABAMA, a municipal corporation

By: _____
Its: Mayor

ATTEST:

By: _____
Its: City Clerk

Developer:

FOF QOZB ONE, LLC, an Alabama limited liability company

By: _____
Its: Member

ATTEST:

By: _____
Its: Secretary