

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GULFPORT, MISSISSIPPI, DETERMINING THE NECESSITY FOR AND INVOKING THE AUTHORITY GRANTED TO MUNICIPALITIES AND COUNTIES BY THE LEGISLATURE WITH RESPECT TO TAX INCREMENT FINANCING AS SET FORTH IN CHAPTER 45 OF TITLE 21, MISSISSIPPI CODE OF 1972, AS AMENDED, DETERMINING THAT THE “ANCHOR PLAZA TAX INCREMENT FINANCING PLAN, GULFPORT, MISSISSIPPI 2014”, IS A PROJECT ELIGIBLE FOR TAX INCREMENT FINANCING UNDER THE LAWS OF THE STATE, THAT A PUBLIC HEARING BE CONDUCTED IN CONNECTION WITH THE TAX INCREMENT FINANCING PLAN AND FOR RELATED PURPOSES.

WHEREAS, the City Council (the “**Governing Body**”) of the City of Gulfport, Mississippi (the “**City**”), acting for and on behalf of the City hereby finds, determines and adjudicates as follows:

1. The Mississippi “Tax Increment Financing Act,” Title 21, Chapter 45, Mississippi Code of 1972, as amended (the “**Act**”), authorizes municipalities and counties in the State of Mississippi to undertake and carry out redevelopment projects as defined therein with the use of Tax Increment Financing as set forth in detail in the Act and also to carry out such projects jointly with other local governmental units, including foreign governmental units from other states, pursuant to the Regional Economic Development Act, Title 57, Chapter 64, Mississippi Code, as amended (the “**REDA Act**”) as applicable.

2. The Governing Body has previously conducted a hearing on and approved and adopted the Tax Increment Financing Redevelopment Plan of 1998, City of Gulfport, Mississippi (the “**Redevelopment Plan**”) for the City. The Redevelopment Plan constitutes a qualified plan under the Act.

3. Anchor Development, L.L.C. (the “**Developer**”), is proposing to develop a proposed multi-phased project on 90± acres consisting of 4 hotels, 6 restaurants, and planned retail and related commercial space to be known as the “Anchor Plaza Tax Increment Financing Plan, Gulfport, Mississippi 2014” (the “**Project**”), in the City of Gulfport and in the proposed TIF District as such term is defined herein. The City will enter into an inter-local agreement with Harrison County (the “**County**”) to support the Project and to allow proceeds from bonds issued pursuant to the TIF Plan (defined below) to be used to acquire real property and construct or install various public infrastructure and other improvements to serve the Project as described in detail in the TIF Plan and related cost such as, engineering, TIF Plan preparation fees, other incidental costs and related professional fees. These costs will not exceed the sum of Fifteen Million Dollars (\$15,000,000). The Developer is requesting the assistance of the City and the County in providing the funding for the infrastructure by the utilization of Tax Increment Financing.

4. The Redevelopment Plan previously adopted by the Governing Body includes all land and real property located within the boundaries of the City. The Project appears to be a project of economic significance within the City and County and to qualify as a project eligible for Tax Increment Financing under the Redevelopment Plan and the participation on the

part of the City and County is necessary and would be in the public interest and would benefit the economic and financial well-being and the public health, safety and welfare of the City and County.

5. It is anticipated that there will be substantial increases in ad valorem tax revenues and retail sales tax revenues within the TIF District within the next several months and years as a result of the construction of the Project and that bonds may be sold and issued at a time or times in the reasonably near future as a result of such development. The Governing Body has been presented with a tax increment financing plan entitled “Anchor Plaza Tax Increment Financing Plan, Gulfport, Mississippi 2014” (the “**TIF Plan**”), which has attached as exhibits the map and legal description of the land included in the proposed TIF District. It appears to the Governing Body that the TIF District should be established by the Governing Body as described in the TIF Plan.

The City, acting on behalf of itself and the County, proposes to issue one or more series of Tax Increment Financing Revenue Bonds or Notes in an amount not to exceed FIFTEEN MILLION DOLLARS (\$15,000,000). The Tax Increment Financing Revenue Bonds or Notes will be secured by a pledge by the City of up to one hundred percent (100%) of the increased ad valorem taxes on real and personal property. The County will also pledge as security for the Bonds or Notes up to fifty percent (50%) of the increased ad valorem taxes on real and personal property generated by Project construction and development in the TIF District.

In addition, after at least twelve (12) months of retail sales have been established in the TIF District, the City will also pledge as security for the Bonds or Note up to fifty percent (50%) of the City’s retail sales tax rebated from the State of Mississippi and generated by the construction and development within the TIF District.

The TIF funds will be used to pay the cost of constructing and installing various infrastructure improvements and site improvements of the Project including, but not limited to, installation of utilities such as water, sanitary sewer and natural gas lines, relocation of utilities, installation and relocation of electrical services, installation of storm drainage, construction of roadways with curb and gutter, parking, sidewalks, installation of traffic signalization and signage, grading, lighting and landscaping of rights-of-way, purchase of rights-of-way and other property necessary for the installation of the infrastructure and other improvements described hereinabove, capitalized interest and other related expenses such as engineering, all expenses in connection with the authorization, sale and issuance of bonds, or indebtedness, TIF plan preparation fees and other incidental related costs and related professional fees. If deemed necessary and appropriate, the City and County may require additional security from the Developer of the Project.

6. The construction of the aforementioned improvements will be undertaken to provide for the public convenience, health and welfare. A more detailed scope of work, along with budgets, will be identified in a development and/or security and reimbursement agreement with the Developer. It is the intent of the TIF Plan that the City will pledge up to one hundred percent (100%) of the increased ad valorem taxes on real and personal property and the County will pledge up to fifty percent (50%) of the increased ad valorem taxes on real and personal property generated by construction and development in the TIF District. Then, after at least

twelve (12) months of retail sales having been established in the TIF District, the City will pledge up to fifty percent (50%) of the City's retail sales tax rebated from the State of Mississippi that are generated in the TIF District. If deemed necessary and appropriate, the City may require additional security from the Developer of the project.

7. The City may exercise its authority as authorized by Section 21-45-3 of the Act.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City, as follows:

SECTION ONE: That the Governing Body of the City does hereby declare its intention to approve and adopt the TIF Plan and establish the TIF District as described in the TIF Plan and, jointly with the County, to issue Tax Increment Financing Revenue Bonds or Notes, in one or more series in an amount not to exceed Fifteen Million Dollars (\$15,000,000) (the "**Bonds**") for the purpose of providing funds necessary to pay for the construction of various public infrastructure improvements in connection with the Project, including but not limited to, the acquisition of real property and construction or installation of various public infrastructure and other improvements to serve the Project as described in detail in the TIF Plan such as engineering, TIF Plan preparation fees, other incidental costs and related professional fees. If deemed necessary and appropriate, the City and County may require additional security from the Developer of the Project.

SECTION TWO: When and if issued, the Bonds shall be secured solely by a pledge by the City of up to one hundred percent (100%) of the increased ad valorem taxes on real and personal property for a term up to fifteen (15) years. The County shall also pledge up to fifty percent (50%) of the real and personal property ad valorem tax increase generated by the development in the TIF District for a term of up to fifteen (15) years. Then, after at least twelve (12) months of retail sales having been established in the TIF District, the City will pledge as security up to fifty percent (50%) of the City's retail sales tax rebated from State of Mississippi generated by the construction and development within the TIF District for a term of up to fifteen (15) years. The Bonds shall not be secured by the full faith, credit and the taxing power of the City or County nor create any other pecuniary liability on the part of the City or the County other than the pledge of the incremental increase in ad valorem taxes heretofore set forth. If deemed necessary and appropriate, the City and County may require additional security from the Developer of the Project.

SECTION THREE: A public hearing shall be held with respect to the TIF Plan in the regular meeting place of the Governing Body in the Gulfport City Council Chambers in the Gulfport City Hall at 2309 15th Street, Gulfport, Mississippi, at 1:00 P.M. on the 20th day of May 2014.

SECTION FOUR: The City Clerk is hereby directed to publish a notice of the public hearing in the Sun Herald, a newspaper in which the City is authorized to publish legal notices, one (1) time not less than ten (10) days nor more than twenty (20) days prior to the date set forth in Section Three hereof, pursuant to and in compliance with the requirements of Section 21-45-11 of the Act.

The foregoing Resolution, having first been reduced to writing, was read by the Clerk and motion was made by Councilman _____, seconded by Councilman _____ to approve and upon a call for a vote, the following was recorded:

YEAS:

NAYS:

The motion having received the affirmative vote of a majority of the members present, the Council President declared the motion carried and the resolution adopted this, the 6th day of May 2014.

ATTEST

Scott Wilson, City Clerk

Billy Hewes, Mayor

{SEAL:}

Ricky Dombrowski, Council President

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing will be held on Tuesday, May 20, 2014, at 1:00 P.M. in the Board Room located on the second floor of City Hall before the Mayor and Gulfport City Council persons located at Gulfport City Council Chambers in the Gulfport City Hall at 2309 15th Street, Gulfport, Mississippi, on the matter of the “***Anchor Plaza Tax Increment Financing Plan, Gulfport, Mississippi 2014***” (the “TIF Plan”), for consideration by the Mayor and the Gulfport City Council (the “City”) who proposes to use the TIF Plan in compliance with the Tax Increment Financing Redevelopment Plan of 1998, City of Gulfport, Mississippi, and further, to designate the proposed multi-phased development of 90± acres consisting of 4 hotels, 6 restaurants, and planned retail and related commercial space project described in the TIF Plan (the “Project”) as appropriate for redevelopment and tax increment financing.

The general scope of the TIF Plan is a proposal that the City of Gulfport (the “City”), acting on behalf of itself and Harrison County (the “County”), will issue Tax Increment Financing Revenue Bonds, Notes or similar debt instruments (the “Bonds”) in one or more series in an amount not to exceed Fifteen Million Dollars (\$15,000,000) in order to provide funds necessary to pay the cost of constructing and installing various infrastructure improvements and site improvements for a proposed multi-phased development of 90± acres consisting of 4 hotels, 6 restaurants, and planned retail and related commercial space (the “Project”) including, but not limited to, installation of utilities such as water, sanitary sewer and natural gas lines, relocation of utilities, installation and relocation of electrical services, installation of storm drainage, construction of roadways with curb and gutter, parking, sidewalks, installation of traffic signalization and signage, grading, lighting and landscaping of rights-of-way, purchase of rights-of-way and other property necessary for the installation of the infrastructure and other improvements described hereinabove, capitalized interest, and other related expenses such as engineering, all expenses in connection with the authorization, sale and issuance of bonds, or indebtedness, TIF plan preparation fees and other incidental related costs, and related professional fees. If deemed necessary and appropriate, the City and County may require additional security from the developers of the Project. The construction of the aforementioned improvements will be undertaken to provide for the public convenience, health, and welfare. A more detailed scope of work, along with budgets, will be identified in a security and reimbursement agreement with Anchor Development, L.L.C. (the “Developer”).

Proceeds of the Bonds, Notes, or other similar debt instruments may also be used to fund capitalized interest and/or a debt service reserve fund as may be permitted under Section 21-45-1, *et seq.*, Mississippi Code of 1972, as amended.

The Bonds or Notes shall be secured solely by a pledge of the City of up to one hundred percent (100%) of the incremental increase in ad valorem tax revenues on real and personal property. Then, after at least twelve (12) months of retail sales have been established in the TIF District, the City will pledge fifty percent (50%) of the City’s retail sales tax that is rebated from the State of Mississippi and generated by the Project in the TIF District.

The pledges described hereinabove will never be a general obligation of the City or secured by the full faith, credit, and taxing power of the City or create any other pecuniary liability on the part of the City other than the pledge of the incremental increase in the ad valorem taxes, and rebated sales tax set forth above. The City intends to enter into an Inter-local Agreement with Harrison County, Mississippi (the “County”) pursuant to the Regional Economic Development Act as applicable or as amended to support the Project and allow for efficient use of proceeds of the Bonds. The County is expected to pledge up to fifty percent (50%) of the incremental increase in ad valorem real and personal property taxes generated by development in the TIF District to support the Project. The Bonds will likewise never be a general obligation of the County secured by the full faith, credit, and taxing power of the County. If deemed

necessary and appropriate, the City and the County may require additional security from the Developer of the Project.

Construction of the Project and payment of the Bonds issued to construct the Project will be paid as hereinabove set forth and will not require an increase in any kind or type of taxes by the City or the County.

The City and the County may exercise their authority under Chapter 45 of Title 21, Mississippi Code of 1972, as amended (the "Act"), individually or jointly, pursuant to an Interlocal Cooperation Agreement as authorized by Section 21-45-3 *et seq.*, Mississippi code of 1972, as amended.

Witness my signature and seal, this the 6th day of May 2014.

(S E A L)

/s/ Scott Wilson, City Clerk of the City of Gulfport

Publish One (1) Time in the legal section of the Sun Herald on May 10, 2014.

Send Proof of Publication and Invoice to:

**Scott Wilson
City Clerk
P.O. Box 1780
Gulfport, MS 39502**

Send copy of Proof of Publication to:

**Urban Development Toolbox, LLC
316 Long Cove Drive
Madison, MS 39110
Phone: (601) 301-8500
Laurence@toolboxmail.com**