

**AGENDA**  
**CITY OF GULF SHORES**  
**SPECIAL MEETING**  
**June 20, 2022**  
**4:30 P.M.**

1. Call To Order
2. Roll Call
3. Reso. 6561-22 – Authorize Issuance of a Site Plan / Condition Use Permit (CUP) for Waterway Wines
4. Ord. 2070 – Embassy Suites Amendment for Closing
5. Other Business
6. Adjourn.

**MINUTES OF  
SPECIAL COUNCIL MEETING  
CITY OF GULF SHORES, ALABAMA  
JUNE 20, 2022**

Mayor Robert Craft called the meeting to order at 4:15 p.m. at Gulf Shores City Hall. The meeting was streamed via Facebook Live at <https://www.facebook.com/cityofgulfshoresal>.

Upon roll call, the following officials answered "present": Councilman Joe Garris, Jr., Councilman Philip Harris, Councilman Jason Dyken, M.D., Councilman Stephen E. Jones and Mayor Robert Craft. Councilman Gary M. Sinak was absent.

At this time, Zoning Administrator Andy Bauer gave a brief summary of the proposed resolution approving the issuance of a Site Plan/Conditional Use Permit (CUP) for Waterway Wines located at 2301 East 2nd Street for a mixed use development consisting of a retail wine store, wine tasting room, limited restaurant, and four multifamily dwelling units. With no questions from the council or meeting attendees, Councilman Joe Garris, Jr. introduced and moved for the adoption of the following Resolution:

**RESOLUTION NO. 6561-22**

**A RESOLUTION  
APPROVING THE ISSUANCE OF A SITE PLAN / CONDITIONAL USE PERMIT  
FOR WATERWAY WINES AND SETTING FORTH FINDINGS OF FACT AND  
CONCLUSIONS, IN ACCORDANCE WITH REQUIREMENTS  
OF ARTICLE 3 OF ZONING ORDINANCE NO. 1584  
(ZA22-000027)**

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WHEREAS, applicant seeks Site Plan/CUP approval for a mixed use development consisting of a retail wine store, wine tasting room and limited restaurant, and 4 multifamily dwelling units; and

WHEREAS, in accordance with Article 10-2 B., of the Zoning Ordinance, the applicant seeks a modification from the strict compliance with the overlay zoning district standards, therefore a CUP is required; and

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GULF SHORES, ALABAMA, WHILE IN SPECIAL SESSION ON JUNE 20, 2022 as follows:

**Section 1.** That the decision of the City Council to approve the Site Plan / CUP for Waterway Wines with express conditions set out below is in the public interest, based on the Standards for Approval in Article 3-4 C. of the Zoning Ordinance.

If, and only if, the express conditions set out below are materially complied with:

1. The plan is in accordance with applicable requirements of this Ordinance, including the proposed use is designated as a Conditional Use within the Applicable District.
2. The development plan shall receive all applicable state and federal approvals and permits.
3. The proposed site development plan is compatible with the goals and stated plans of the City and other governmental agencies for the area, as applicable
4. The proposed use provides economic benefits and enhances the economic vitality of the surrounding area.
5. The proposed use, if granted, will not burden the infrastructure and street system of the City.
6. The proposed use will not diminish environmental quality of natural resources.
7. The proposed use and Site Plan is compatible with surrounding uses and buildings by virtue of its massing, height, relationship to the street, and architectural character.
8. The use will not cause any injury to the value of other property in the vicinity.
9. The use is so designed, located and proposed to be operated that the public health, safety, welfare and convenience will be protected from any noise, vibration, odor, glare, traffic, or other impact that may be caused by the use.
10. The proposed building meet the architectural standards of the City and design guidelines, as applicable.
11. Adequacy of landscaping and screening is provided to protect neighboring properties from any visual intrusions, activities or structures that would detract from the enjoyment of neighboring property.
12. Adequacy of parking and loading arrangement, including whether ingress and egress is so designed as to cause minimum interference with traffic on abutting streets, and that heavy traffic is not introduced on residential streets.

**Section 2:** Therefore, in accordance with the Zoning Ordinance, the City Council hereby approves the issuance of a Site Plan / Conditional Use Permit for ZA22-000027 for Waterway Wines, located at 2301 E. 2<sup>nd</sup> Street in Gulf Shores, Alabama, to create a mixed use development consisting of a retail wine store, wine tasting room and limited restaurant, and 4 multifamily dwelling units with the following express condition:

1. Grant a modification from Article 13-5, Alteration of Nonconforming Structures, to allow the applicant to adaptively reuse the existing building and premises.

**Section 3.** That this Resolution shall become effective upon its adoption.

The motion for the adoption of Resolution No. 6561-22 seconded by Councilman Stephen E. Jones was regularly put; was discussed and considered in full by the Council; and upon the question, the vote thereon was as follows: Councilman Joe Garris, Jr., Councilman Philip Harris, “abstain”, Councilman Jason Dyken, M.D., “aye”, Councilman Stephen E. Jones, “aye” and Mayor Robert Craft, “aye”. Councilman Gary M. Sinak was absent. Whereupon, Mayor Robert Craft declared Resolution No. 6561-22 duly and legally adopted.

At this time, Economic Development Coordinator Blake Phelps gave a brief summary of the proposed ordinance authorizing the Sixth Amendment to the Project Development Agreement with D.D. Partners, LLC to authorize and consent to the assignment of its interest in the agreement to PHG WB Gulf Shores, LLC, which will be the Operating Company of the project and to provide for the City's ability to approve the Letter of Credit provider. With no questions from the council or meeting attendees, Councilman Stephen E. Jones moved for unanimous consent of the Council to suspend the rules of procedure to allow for the immediate consideration of the following Ordinance:

**ORDINANCE NO. 2070**

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**AN ORDINANCE AUTHORIZING A SIXTH AMENDMENT TO THE PROJECT DEVELOPMENT AGREEMENT DATED JULY 23, 2018 BETWEEN THE CITY AND DD PARTNERS, LLC**

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WHEREAS, on July 23, 2018, the City Council (the "Council") adopted (i) Resolution No. 6017-18 (the "Resolution"), making certain findings with respect to Amendment No. 750 of the Alabama Constitution of 1901, as amended, and, following the adoption of such Resolution, adopted (ii) Ordinance No. 1902 (the "Ordinance") thereunder, approving, among other things, a Project Development Agreement dated July 23, 2018, as amended (the "Agreement"), with DD Partners, LLC (the "Company"), and the issuance by the City of a Limited Obligation Project Revenue Warrant, Series 2019-A, to be dated the date of delivery (the "Warrant"), payable to the Company (or registered assigns), pursuant to said Amendment No. 750.

WHEREAS, the closing of the transaction pursuant to the Agreement is scheduled for June 30, 2022 (the "Closing").

WHEREAS, pursuant to Section 8.4 of the Agreement, the Company has advised the City that the Company will, on or before the Closing, execute an Assignment of Project Development Agreement dated June 20, 2022 in order to assign its interest in the Agreement to PHG WB Gulf Shores, LLC, a Georgia limited liability company (the "Operating Company"), an entity in which the Company has a direct and/or indirect ownership interest, and which Operating Company will assume all of the obligations of the Company under the Agreement. An organizational chart of the Operating Company is set forth on Exhibit B attached hereto and incorporated herein by reference.

WHEREAS, the Council has further found and determined that it is in the best interest of the City and the Project to (i) amend the requirements for the Letter of Credit set forth in Exhibit G of the Agreement, and (ii) authorize the City to consent to a collateral assignment by the Operating Company of its interest in the Warrant pursuant to Section 6.3 of the Agreement.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GULF SHORES, ALABAMA AS FOLLOWS:

**Section 1. Findings and Representations.**

The City of Gulf Shores (the “City”), by and through the City Council, its governing body, does hereby find and determine that the foregoing WHEREAS clauses are accurate and correct in all general respects and are hereby incorporated herein by reference.

**Section 2. Authorization of Sixth Amendment to Project Development Agreement.**

- (a) The Sixth Amendment to Project Development Agreement, in substantially the form presented to this meeting, is hereby approved and authorized and the Mayor and City Clerk/Treasurer are further authorized and directed to execute, attest, seal, and deliver the same.
- (b) A copy of the substantial form of such Sixth Amendment to Project Development is attached hereto as Exhibit A and incorporated herein by reference.

**Section 3. Severability.**

The provisions of this Ordinance are severable. In the event that any one or more of such provisions or the provisions of the Warrant shall, for any reason, be held illegal or invalid, such illegality or invalidity shall not affect the other provisions of this Ordinance or of the Warrant, and this Ordinance and the Warrant shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.

**Section 4. Repeal of Conflicting Provisions.**

All ordinances, proceedings and orders or parts thereof in conflict with this Ordinance are, to the extent of such conflict, hereby repealed.

## **EXHIBIT A**

### **SIXTH AMENDMENT TO PROJECT DEVELOPMENT AGREEMENT**

This **SIXTH AMENDMENT TO PROJECT DEVELOPMENT AGREEMENT** (the "Agreement") is hereby made and entered into on June 20, 2022 (the "Effective Date") by and between the **CITY OF GULF SHORES, ALABAMA**, an Alabama municipal corporation (the "City"), and **DD PARTNERS, LLC**, an Alabama limited liability company (collectively with its successors and assigns, the "Company"). The Company and the City are herein together sometimes referred to individually as a "Party" or collectively as the "Parties."

#### **Recitals**

The Company has informed the City and the Council that the Company has assigned its interest in the Agreement to PHG WB Gulf Shores, LLC (a Georgia limited liability company) (the "Operating Company"), which company will be the Operating Company under the Agreement.

The Operating Company has assumed all of the interests of the Company under the Agreement.

#### **Agreement**

**NOW, THEREFORE**, for and in consideration of the foregoing premises, the covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby covenant, agree and bind themselves as follows:

### **ARTICLE I**

#### **RECOGNITION OF ASSIGNMENT OF AGREEMENT BY THE COMPANY**

**Section 1.** Pursuant to Section 8.4 of the Agreement, the Company has advised the City that the Company will, on or before the Closing, execute an Assignment of Project Development Agreement, dated June 20, 2022 (the "Assignment"), in order to assign its interest in the Agreement to PHG WB Gulf Shores, LLC, a Georgia limited liability company (the "Operating Company"), an entity in which the Company has a direct and/or indirect ownership interest, and which Operating Company will assume all of the obligations of the Company under the Agreement. An organizational chart of the Operating Company is set forth on Exhibit B attached hereto and incorporated herein by reference. An executed copy of the Assignment will be provided to the City by the Company or the Operating Company.

**Section 2.** Pursuant to Section 8.4 of the Agreement, the Operating Company will assume all of the interests of the Company under the Agreement, and the Company will no longer have any obligations under the Agreement.

**Section 3.** As a result of such assignment, the Operating Company will be the Grantee under the Statutory Warranty Deed and shall be the Payee under the Limited Obligation Project Revenue Warrant (Embassy Suites Project), Series 2019-A, to be dated the date of delivery (the "Warrant") of the City, as both are described in the Agreement. Regions Bank is hereby appointed as the depository and paying agent of the City under the Warrant and shall perform such duties with respect thereto as are directed by the City.

**Section 4.** The Mayor and the City Clerk, and such other officers as may be necessary, are authorized to execute and deliver the foregoing documents, and to take such other action in their sole discretion as may be necessary or requisite to effect the Closing under the Agreement on or before June 30, 2022.

**Section 5.** All prior action taken by or on behalf of the City with respect to the Agreement is hereby ratified and confirmed.

**ARTICLE II**

**AMENDMENT OF EXHIBIT G TO THE AGREEMENT (LETTER OF CREDIT REQUIREMENTS)**

Anything in Exhibit G to the Agreement to the contrary notwithstanding, the City may in its sole discretion accept a Letter of Credit from a financial institution with offices located in a city or county other and in addition to those set forth in Exhibit G, including without limitation Western Alliance Bank, Phoenix, Arizona.

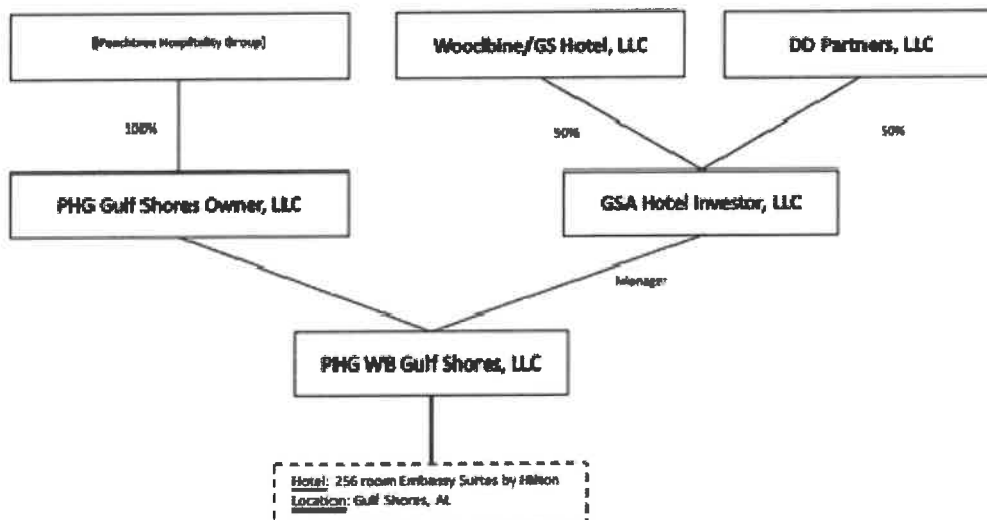
**ARTICLE III**

**Authorization of Collateral Assignment of the Warrant**

Pursuant to Section 6.3 of the Agreement, the City will provide such consent(s) to collateral assignment of the Warrant by the Operating Company if and when requested by the Operating Company and/or the Operating Company’s lending or equity partners.

**EXHIBIT B**

**Embassy Suites Gulf Shores Alabama**



The motion for unanimous consent was seconded by Councilman Philip Harris; and upon the question, the vote thereon was as follows: Councilman Joe Garris, Jr., “aye”, Councilman Philip Harris, “aye”, Councilman Jason Dyken, M.D., “aye”, Councilman Stephen E. Jones, “aye”, and Mayor Robert Craft, “aye”. Councilman Gary M. Sinak was absent. Mayor Robert Craft then declared the rules suspended.

Councilman Philip Harris then moved for the adoption of Ordinance No. 2070 and to waive the reading of said Ordinance at length. The motion for the adoption of Ordinance No. 2070 was seconded by Councilman Stephen E. Jones; was discussed and considered in full by the Council; and upon the question, the vote thereon was as follows: Councilman Joe Garris, Jr., “aye”, Councilman Philip Harris, “aye”, Councilman Jason Dyken, M.D., “aye”, Councilman Stephen E. Jones, “aye”, and Mayor Robert Craft, “aye”. Councilman Gary M. Sinak was absent. Mayor Robert Craft declared Ordinance No. 2070 duly and legally adopted.

At this time, Chief Building Official Brandan Franklin reminded all of the upcoming Hurricane Preparedness Expo to be held Thursday, June 23<sup>rd</sup> from 10:00 a.m. – 2:00 p.m. at the Civic Center inviting all to attend.

There being no further business to come before the Council, Councilman Stephen E. Jones moved to adjourn; seconded by Councilman Joe Garris, Jr.; and the vote of those officials present was unanimously in favor of the motion.

Mayor Robert Craft declared the meeting adjourned at 4:23 p.m.

  
Robert Craft, Mayor

ATTEST:

  
Wanda Parris, MMC  
City Clerk





SMALL TOWN, BIG BEACH

TO: Council Members  
City of Gulf Shores, Alabama

**NOTICE OF SPECIAL MEETING**

Notice is hereby given that a Special Meeting of the City Council of the City of Gulf Shores, Alabama will be held at Gulf Shores City Hall in the Council Chambers at approximately 4:30 p.m., immediately following the June 20, 2022 regularly scheduled Council Work Session Meeting, for the purpose of:

- 1) Council consideration of adoption of Resolution No. 6561-22 approving the issuance of a Site Plan/Conditional Use Permit (CUP) for Waterway Wines located at 2301 East 2<sup>nd</sup> Street for a mixed use development consisting of a retail wine store, wine tasting room, limited restaurant, and four multifamily dwelling units; and
- 2) Council consideration of adoption of Ordinance No. 2070 approving the amendment to the Project Development Agreement – D.D. Partners, LLC; and
- 3) for the transaction of any and all other business that may come before the Council at that meeting.

Dated this 16th day of June, 2022.

A handwritten signature in black ink, appearing to read "Robert Craft".

Robert Craft, Mayor