

## RESOLUTION

**WHEREAS**, FOF QOZB One, LLC, an Alabama limited liability company (the "Company"), has announced plans to acquire, construct, improve, develop, equip, furnish, and operate a full-service tourist-destination hotel and conference center under the Reverb by Hard Rock™ brand at 400 South Court Street, Florence, Alabama 35630 (the "Project"), which is currently expected to consist of approximately 155 total hotel rooms across 8 floors plus restaurant space, meeting facilities, live entertainment areas, a courtyard, a rooftop patio, and a parking area;

**WHEREAS**, as a full-service destination hotel and conference center operating under the Reverb by Hard Rock™ brand, the Project is designed to attract visitors from inside and outside the State of Alabama to celebrate the musical heritage, history, and culture of the City of Florence by providing entertainment and amusement opportunities as well as hotel and conference space, and the IDB has determined that the criteria applicable to a "tourism destination attraction" under Alabama Code § 40-9B-3(a)(25) and meeting the definition of an "industrial or research enterprise" pursuant to Alabama Code § 40-9B-3(a)(10)j.;

**WHEREAS**, the Company estimates that it will invest approximately \$76,634,643 in the new Project, that it will create approximately 573 jobs during construction, and that it will create approximately 237 annual full-time jobs at the Project once operations commence;

**WHEREAS**, pursuant to the Tax Incentive Reform Act of 1992, Alabama Code §§ 40-9B-1 et seq., as amended (the "Act"), the Company has petitioned The Industrial Development Board of the City of Florence (the "IDB") to grant tax abatements with respect to the Project of all taxes allowed to be abated under, and to the maximum extent permitted by, the Act;

**WHEREAS**, at its meeting held on February 21, 2025, the IDB approved the Company's application in accordance with the Act and granted the abatement of (a) all state and local noneducational property taxes for a period of twenty (20) years, (b) all state and local construction related transaction taxes, except those local construction related taxes levied for educational purposes or for capital improvements for education and except those county taxes that cannot be abated pursuant to Alabama Act No. 2007-352, and (c) all mortgage and recording taxes with respect to the Project;

**WHEREAS**, the terms and conditions of the tax abatements granted to the Company by the IDB are set forth in that certain Tax Abatement Agreement between the IDB and the Company dated February 21, 2025 (as amended from time to time in accordance with its terms, the "Tax Abatement Agreement");

**WHEREAS**, under Section 40-9B-3(b) of the Act (as amended by Alabama Act No. 2012-436), the abatement of municipal ad valorem taxes (for any abatement period) and municipal construction related transaction taxes for "tourism destination attraction" projects can only take effect upon the adoption of a resolution approving such abatements by the governing body of the municipality whose taxes are being abated;

**WHEREAS**, as set forth in the Tax Abatement Agreement, the Company has sought, and the IDB has granted, the abatement of noneducational ad valorem taxes and construction related transaction taxes imposed on the Project by the City of Florence, subject to the condition the City Council of the City of Florence (the "City Council") adopt a resolution approving the same before such abatements can take effect;

**WHEREAS**, under Section 40-9B-5(b)(2) of the Act, the abatement of municipal noneducational ad valorem taxes for periods in excess of ten (10) years require the consent of the governing body of the municipality whose noneducational ad valorem taxes are being abated for years eleven (11) through twenty (20) of the abatement period;

**WHEREAS**, as set forth in the Tax Abatement Agreement, the Company has sought, and the IDB has granted, the abatement of noneducational ad valorem taxes imposed on the Project by the City of Florence for a period of twenty (20) years, subject to the condition the City Council consent to such abatement for years eleven (11) through (20);

**WHEREAS**, the City Council is in receipt of the Tax Abatement Agreement and a copy of the Company's application submitted to the IDB pursuant to the Act, and the City Council has found the information therein to be sufficient to permit the City Council to make a reasonable cost/benefit analysis of the Project and to determine the economic and tourism benefits to the City

of Florence; and

**WHEREAS**, in order to encourage, and as an additional incentive to, the Company to locate and construct the Project within the City of Florence, the City Council has determined that the Company should be granted the abatement of noneducational ad valorem taxes imposed on the Project by the City of Florence for a period of twenty (20) years and the abatement of construction related transaction taxes imposed on the Project by the City of Florence pursuant to the Act.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council, acting for and on behalf of the City of Florence, Alabama (the "City"), as follows:

1. The foregoing WHEREAS clauses are hereby approved, adopted, and ratified, and incorporated herein by reference.

2. The City hereby approves of and consents to (a) the grant by the IDB of, (i) pursuant to Section 40-9B-3(b) of the Act (as amended by Alabama Act No. 2012-436), the abatement of the noneducational ad valorem taxes imposed on the Project by the City of Florence for a period of ten (10) years and the abatement of construction related transaction taxes imposed on the Project by the City of Florence, and (ii) pursuant to Section 40-9B-5(b)(2) of the Act, the abatement of noneducational ad valorem taxes imposed on the Project by the City of Florence for all of years eleven (11) through twenty (20) of the abatement period; and (b) the consummation of all other transactions described in the recitals to this resolution.

3. The City hereby acknowledges the terms and conditions of the Tax Abatement Agreement, which is hereby incorporated herein by reference.

4. The City hereby waives the requirements of Alabama Code § 40-9B-5(c).

5. The Mayor of the City and the City Clerk are both hereby authorized, acting alone, to take any and all actions on behalf of the City as may be necessary or desirable to effect the transactions authorized by this resolution, including the execution of all agreements, notices, certificates, or other documents, and their signatures thereon shall be conclusive evidence of the due exercise of this authority.

6. The various provisions of this resolution are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this resolution.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CITY COUNCIL

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
MAYOR

ADOPTED & APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
CITY CLERK-TREASURER