



**AGENDA**  
**SPECIAL COUNCIL MEETING**  
**JUNE 20, 2022**  
**4:30 p.m.**

**1. Call To Order**

**2. Roll Call**

**3. New Business**

- A. Resolution - Authorize Issuance Of A Site Plan / Conational Use Permit (CUP) -  
Waterway Wines

Documents:

[RESO 6561 - CUP REQUEST - WATERWAY WINE.PDF](#)

- B. Ordinance - Embassy Suites Amendment For Closing

Documents:

[ORD 2070 - GULF SHORES 6TH AMENDMENT DD PARTNERS 6-20-22  
EMBASSY SUITES 4894-9353-6....PDF](#)  
[AGENDA ITEM SUMMARY - DD PARTNERS SIXTH AMENDMENT -  
061722.PDF](#)

**4. Adjourn**

**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 that 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.

ADOPTED this 20<sup>th</sup> day of June, 2022.

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Robert Craft, Mayor

ATTEST:

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Wanda Parris, MMC  
City Clerk

C E R T I F I C A T E

I, Wanda Parris, MMC, City Clerk of the City of Gulf Shores, Alabama, do hereby certify that the foregoing is a true and correct copy of Resolution No. 6561-22 (prepared by City Clerk), which Resolution was duly and legally adopted at a Special Meeting of the City Council on June 20, 2022.

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City Clerk

ORDINANCE NO. \_\_\_\_\_

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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.

STATE OF ALABAMA  
BALDWIN COUNTY

**CERTIFICATE OF CITY CLERK/TREASURER**

I, the undersigned, do hereby certify as follows: (1) I am the duly elected, qualified and City Clerk/Treasurer of the City of Gulf Shores (the "City"), (2) as City Clerk of the City I have access to all original records of the City and I am duly authorized to make certified copies of its records on its behalf, (3) the above and foregoing pages constitute a complete, verbatim and compared copy of excerpts from the minutes of a rescheduled regular meeting of the City Council of the City duly held on June 20, 2022, (4) the ordinance set forth in such excerpts is a complete, verbatim and compared copy of such ordinance as introduced and adopted by the City Council on such date, and (5) said ordinance is in full force and effect and has not been repealed, amended or changed.

IN WITNESS WHEREOF, I have hereunto set my hand as Clerk/Treasurer of the City of Gulf Shores and have affixed the official seal of the City, this the 20<sup>th</sup> day of June, 2022.

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Clerk/Treasurer

CITY SEAL

## **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.



**IN WITNESS WHEREOF**, the City and Company have each caused this Agreement to be duly executed in its name, under seal, and the same attested, all by officers thereof duly authorized thereunto, and have caused this Agreement to be dated the date and year first above written.

**"CITY":**

**CITY OF GULF SHORES**

ATTEST:

\_\_\_\_\_  
City Clerk/Treasurer

By: \_\_\_\_\_  
Mayor

(SEAL)

**"COMPANY":**

**DD PARTNERS, LLC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**STATE OF ALABAMA** )  
**BALDWIN COUNTY** )

I, the undersigned authority, a Notary Public in and for said State at Large, hereby certify that Robert Craft, whose name, as Mayor of the City of Gulf Shores, a municipal corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of this instrument, she, as such officer, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

GIVEN under my hand and official seal this \_\_\_\_\_ day of June, 2022.

(SEAL)

\_\_\_\_\_  
Notary Public  
My Commission Expires

**STATE OF ALABAMA** )  
\_\_\_\_\_ **COUNTY** )

I, the undersigned authority, a Notary Public in and for said State at Large, hereby certify that Ron Durham, whose name as Member of DD Partners, LLC, an Alabama limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of this instrument, \_he, in such capacity, executed the same voluntarily for and as the act of said limited liability company on the day the same bears date.

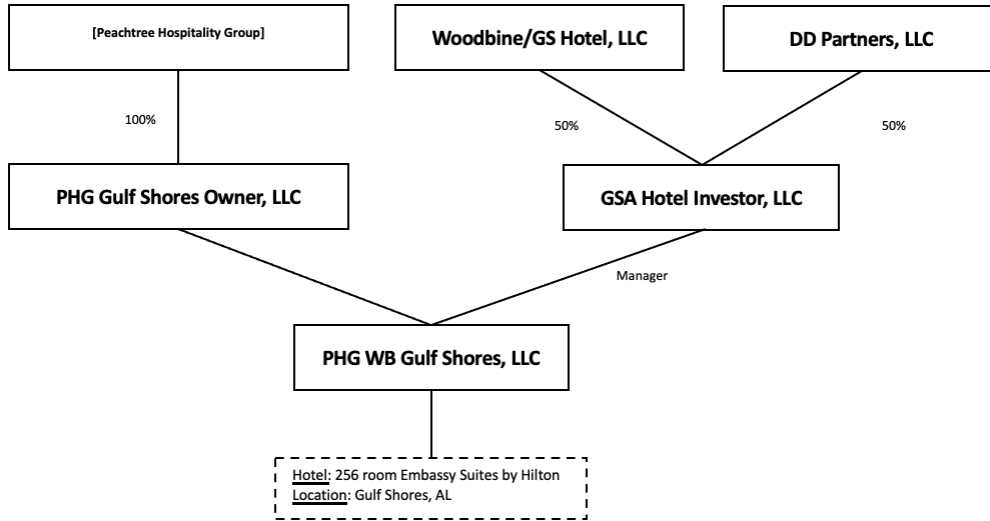
GIVEN under my hand and official seal this \_\_\_\_\_ day of June, 2022.

(SEAL)

\_\_\_\_\_  
Notary Public  
My Commission Expires

**EXHIBIT B**

**Embassy Suites Gulf Shores Alabama**





SMALL TOWN, BIG BEACH™

## COUNCIL AGENDA SUMMARY

**DATE:** June 17, 2022  
**TO:** Mayor Craft, City Council  
**CC:** City Administrator  
**FROM:** Blake Phelps, Economic Development Coordinator  
**ISSUE:** Sixth Amendment to Project Development Agreement with D.D. Partners, LLC

**RECOMMENDATION:** Approve an 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.

**BACKGROUND:** The City Council approved a Project Development Agreement with D.D. Partners, LLC on July 23, 2018 for the development of the Embassy Suites mixed-use project. The proposed mixed-use development will be anchored by an Embassy Suites hotel and will include a fine dining restaurant, street front retail and an outdoor rooftop featuring a pool, bar/lounge and event terrace overlooking the recently renovated Gulf Place public beachfront. Additional hotel amenities will include 11,600-square feet of conference space including a 7,800-square foot ballroom, indoor pool and fitness center.

Dr. Keivan Deravi, Dean of the College of Public Policy and Justice at Auburn University at Montgomery, performed an independent economic impact analysis in 2018 which indicated the proposed project will provide an economic impact of \$65 million to the local economy. Direct local tax revenues generated by the project are expected to be nearly \$1.8 million in the first year of operations and \$22.6 million over the first 10 years.

In accordance with the Project Development Agreement, D.D. Partners, LLC is preparing to close on the property on or before June 30, 2022 and commence construction of the project. In preparation of closing, D.D. Partners, LLC has elected to assign its interest under the agreement to the newly-formed operating entity PHG WB Gulf Shores, LLC which is a partnership between D.D. Partners, LLC, Woodbine Development and Peachtree Hospitality Group. This new entity will assume all responsibilities and interest under the Project Development Agreement upon the City Council's authorization and consent of the assignment.

**PREVIOUS COUNCIL ACTION:** Adopted Ordinance No. 1902 approving the Project Development Agreement with D.D. Partners, LLC and Ordinances No. 1937, 1963, 1990, 1993 and 2040 approving previous amendments.