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## City OKs Sweetwater deal

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The Decatur Daily

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Decatur has approved incentives to attract the Sweetwater development to the Interstate 65/565 interchange. Now it's relying on Limestone County and others to help close the deal.

The City Council passed a \$40 million incentive package Monday.

Mayor Don Kyle said the city's third attempt to transform more than 500 acres of Decatur-annexed Limestone County farmland into a mixed-use development can't go forward without participation from Limestone County, the state, Athens Utilities and Decatur Utilities.

Phase 1 of the development would encompass 125 acres in the southwest corner of the interchange. It would include an unidentified anchor tenant, believed to be a Bass Pro Shop, a hotel with at least 250 rooms and three restaurants, with each restaurant generating at least \$73,500 in annual city revenue.

The council approved the deal 4-1, with District 1 Councilman Billy Jackson casting the lone no vote.

Limestone County Commission Chairman Stanley Menefee said it's been about a week since he talked to Kyle, but he expects to talk with him again today.

"I want to make sure I understand that we're doing what I think we're doing," Menefee said. "I just need to get a few more details. I'm sure we'll try every way under the sun to make this happen."

Menefee said the county's participation would probably be in abatements and monetary contributions to the project.

"I just don't have any definite numbers," Menefee said. "I'll talk to Kyle, and then I'll present it to the commission as soon as I can."

The city's agreement offers \$12 million from a proposed bond issue toward land purchase and infrastructure for the development. The city also would offer the anchor tenant sales tax rebates to help offset the cost of constructing the store.

The anchor tenant would keep 3 percent of the city's total 4 percent sales tax for up to 20 years or until it reached a \$28 million cap. The city tentatively plans to use the remaining penny sales tax — typically dedicated to the school system — to pay back the \$12 million bond.

"We currently have more than \$4.5 million in retail sales leakage in areas that will be addressed by businesses in the proposed development," said John Seymour, president of the Decatur-Morgan County Chamber of Commerce, in voicing his support. "This regional development is a golden opportunity for us to continue growing, create employment opportunities and generate sales tax revenue that will make us a thriving community."

Jackson and District 4 Councilman Charles Kirby said they supported the development, but had issues with the incentive agreement. Jackson was particularly dismayed that he learned about negotiations in late February, after officials had been talking to the developer for three to four months.

"There's just too many holes in this agreement for me to support it," Jackson said. "We're dealing with taxpayer money, so we have to protect ourselves at all cost. Hopefully we can get more details so we can hammer this out, and then I can support it."

Kirby, too, wanted more specifics because of his concerns about a number of issues, namely the possible flight of sales tax revenue from existing retailers to Sweetwater and the impact on the city's and school system's finances.

"Shoppers will have two options: go right and be at Bridge Street (in Huntsville) in 10 minutes or go to the left and be barely back in downtown Decatur in 10 minutes," Kirby said of the location. "We have no mechanism, to my knowledge, to stop the Sweetwater development from recruiting other retailers from Decatur, including its recently incentivized Beltline areas."

"If this happens, the effect on Decatur's growth and economic stability will be devastating."

Kyle said the issues Kirby raised are the ones he has been discussing with developer Genesis USA, particularly ways to possibly penalize retailers who leave an existing Decatur location to open at Sweetwater. Kirby voted for the agreement because the council has final say on a development agreement that has yet to be drafted. District 5 Councilman Chuck Ard said officials have been running numbers for worst-case scenarios.

"We are structuring this to protect the city, and under no circumstances do we go into the general fund," Ard said. "There's no sense of desperation to make this deal because it's 'the deal you don't lose.' The economics are being done with the assumption that nothing (except the five tenants) comes, but we're hopeful they will."

Hammon said he's been involved in all three rounds of Sweetwater negotiations: once with Kyle, a second time with Community and Economic Development Director Wally Terry and City Attorney Herman Marks, and now this time.

"We've walked away from the past two because we felt the general fund was at risk," Hammon said. "This time, I feel comfortable with this."

*Bayne Hughes contributed to this story.*

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#### **Attachments**

[Sweetwater development's incentive agreement the Decatur City Council approved Monday.](#)  
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