

**MINUTES OF A MEETING
OF THE
FAYETTEVILLE CITY COUNCIL
OCTOBER 5, 1999**

A meeting of the Fayetteville City Council was held on October 5, 1999 at 6:30 p.m. in Room 219 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

PRESENT: Mayor Fred Hanna; Aldermen Reynolds, Austin, Davis, Trumbo, Daniel, Santos, Young, and Russell; City Attorney Jerry Rose; Deputy City Clerk Theresa Johnson; Administrative Services Director Kevin Crosson; Public Works Director Charles Venable; City Planner Tim Conklin; Staff; Press; and Audience.

ABSENT: City Clerk Heather Woodruff.

ITEMS DISCUSSED

Approval of the Minutes
Yvonne Richardson Community Center Property
Veterans Memorial Park Entryway / Parking
Three Police Dispatch Trainer Positions
USABLE Life Group Policies / Flexible Spending
Reimbursement Wastewater Treatment Project
Public Library Option to Purchase
OMI Contract Renewal
RZ 99-26: Zion Road
RZ 99-27: West of Double Springs Road
RZ 99-25: East of Meadowlands Subdivision
Greathouse Park Contract
RZ 99-28: 2200 & 2201 W. Deane Street
1999 Millage Police / Fire Pension
Public Library Architectural Design
Industrial Park - Proposed Development
Land Possession on Highway 265
City Council Conduct

ACTION TAKEN

Approved	
Approved	Res. 122-99
Approved	Res. 123-99
Approved	Res. 124-99
Approved	Res. 125-99
Approved	Res. 126-99
Approved	Res. 127-99
Approved	Res. 128-99
Passed	Ord. 4188
Passed	Ord. 4189
Passed	Ord. 4190
Approved	Res. 129-99
Left on the first reading	
Passed	Ord. 4191
Approved	Res. 130-99
Approved	Res. 131-99
Passed	Ord. 4192
Withdrawn	

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ABSENT: City Clerk Heather Woodruff

Mayor Hanna asked all to rise to recite the Pledge of Allegiance.

CONSENT AGENDA

APPROVAL OF THE MINUTES

Approval of the minutes of the September 21, 1999 City Council meeting.

YVONNE RICHARDSON COMMUNITY CENTER

A resolution approving an offer and acceptance contract to acquire property at 153 E. Mountain for future expansion of the Yvonne Richardson Community Center.

RESOLUTION 122-99 AS RECORDED IN THE OFFICE OF THE CITY CLERK.

VETERANS MEMORIAL PARK

A resolution approving a budget adjustment in the amount of \$35,201 for overlaying entryway and parking area at Veterans Memorial Park.

RESOLUTION 123-99 AS RECORDED IN THE OFFICE OF THE CITY CLERK.

POLICE DISPATCH TRAINER POSITIONS

A resolution approving three new dispatch trainer positions for the Central Dispatch Center, and also approval of a budget adjustment.

RESOLUTION 124-99 AS RECORDED IN THE OFFICE OF THE CITY CLERK.

US ABLE LIFE POLICIES

A resolution approving the purchase of employee group policies from US Able Life to provide Life, AD&D and LTD coverage plus contract to provide third-party administration for an IRS Section 125 Flexible Spending Account. The contract's effective date is January 1, 2000 for a one-year term with four one-year options for renewal by agreement of both parties.

RESOLUTION 125-99 AS RECORDED IN THE OFFICE OF THE CITY CLERK.

REIMBURSEMENT - WASTEWATER TREATMENT PROJECT

A resolution allowing the City of Fayetteville to reimburse itself certain expenditures paid directly from the operating and capital budgets of the City for the Wastewater Treatment Project from tax-exempt bond proceeds once the project has proceeded to that point. This will allow the City to be reimbursed if we so choose at the time we structure a financing plan.

RESOLUTION 126-99 AS RECORDED IN THE OFFICE OF THE CITY CLERK.

PUBLIC LIBRARY OPTION TO PURCHASE

A resolution authorizing the Mayor and City Clerk to execute the Option to Purchase negotiated by representatives of Washington Regional MediCorp. for the proposed site for the new public library. Terms would include: payment of \$1000 for a three-year option, to be applied toward the purchase price at closing; purchase price not to exceed \$268,000; and use limited to library.

RESOLUTION 127-99 AS RECORDED IN THE OFFICE OF THE CITY CLERK.

OMI CONTRACT RENEWAL

A resolution giving notice of renewal of the OMI contract for Operations, Maintenance and Management Services for an additional five-year term beginning January 1, 2000 subject to and contingent upon yearly budget approval by the City of Fayetteville.

RESOLUTION 128-99 AS RECORDED IN THE OFFICE OF THE CITY CLERK.

Alderman Daniel moved to approve the Consent Agenda. Alderman Davis seconded the motion. Upon roll call, the motion carried unanimously, 8-0-0.

OLD BUSINESS

RZ 99-26

An ordinance approving rezoning request RZ 99-26 as submitted by Michele Harrington on behalf of Valerie M. Zamberletti for property on Zion Road. The property is in the planning growth area and contains approximately 34.72 acres. The request is to rezone from A-1,

Agricultural, to R-1, Low Density Residential. This item was left on the first reading at the September 21, 1999 City Council meeting.

Mr. Rose read the ordinance for the second time.

Alderman Austin moved to suspend the rules and go to the third and final reading. Alderman Trumbo seconded the motion. Upon roll call, the motion carried unanimously, 8-0-0.

Mr. Rose read the ordinance for the third and final time.

Mayor Hanna asked for further comment; there was none.

Upon roll call, the ordinance passed unanimously, 8-0-0.

ORDINANCE 4188 AS RECORDED IN THE OFFICE OF THE CITY CLERK.

RZ 99-27

An ordinance approving rezoning request RZ 99-27 as submitted by Michele Harrington on behalf of John DeWeese and Mike Schmidt for property west of Double Springs Road. The property is in the planning growth area and contains approximately 47.98 acres. The request is to rezone from A-1, Agricultural, to R-1, Low Density Residential. This item was left on the first reading at the September 21, 1999 City Council meeting.

Mr. Rose read the ordinance for the second time.

Mayor Hanna asked for comments from the council or the audience; there was none.

Alderman Trumbo moved to suspend the rules and go to the third and final reading. Alderman Daniel seconded the motion. Upon roll call, the motion carried unanimously, 8-0-0.

Mayor Hanna asked for further comments; there was none.

Upon roll call, the ordinance passed unanimously, 8-0-0.

ORDINANCE 4189 AS RECORDED IN THE OFFICE OF THE CITY CLERK.

RZ99-25

An ordinance approving rezoning request RZ 99-25 as submitted by Dave Jorgensen of Jorgensen and Associates on behalf of Butch Robertson for property located west of Ruppel Road and east of Meadowlands Subdivision. The property is zoned A-1, Agricultural, and contains 17.10 acres. The request is to rezone the property to R-1.5, Moderate Density Residential. This item was left on the second reading at the September 21, 1999 City Council meeting.

Mr. Rose read the ordinance for the third and final time.

Mayor Hanna asked for comments; there was none.

Upon roll call, the ordinance passed unanimously, 8-0-0.

ORDINANCE 4190 AS RECORDED IN THE OFFICE OF THE CITY CLERK.

NEW BUSINESS**GREATHOUSE PARK CONTRACT**

Discussion of new information and possible action on Greathouse Park Bridge and the tree removal required due to flood prevention for its construction.

Mr. David Todd, CEI Engineering, explained that they had still been waiting for a permit from the Corp of Engineers the last time that they had come to Council. The Corp had wanted them to do one additional analysis of the creek to see if they couldn't do an elevated walkway and reduce the blockage, improving the flood situation. This was something that was on the contract amendment that did not pass at the last Council meeting, but the evaluation was something that the Corp still required of them. One of the CEI engineers had approached Mr. Todd and showed him that there was something wrong with their computer models. These models, Mr. Todd explained, are pretty complex. Basically stated, the Federal Emergency Management Agency (FEMA) takes the characteristics of the creek fairly wide apart, in this case over 600 feet apart. The computer map is a series of two-dimensional models strung together by a length between the two-dimensional cross-sections. The sum of these three things -- the two dimensions of the cross-section and the length from one cross-section to the other -- gives you the stream characteristics. FEMA, obviously, is working with miles and miles of creek and they can't analyze it precisely for any one particular portion of a creek. But CEI Engineering had the opportunity to reevaluate the model and cut the channel improvements. The improved model actually brought the flood elevation down even with the bridge added. Mr. Todd was surprised and spoke with the Corp of Engineers and FEMA and they told him that most times that you make your model more exact it causes the calculations for the flood elevation to go up. The

result of this reevaluation is that they can do away with most of the channel improvements. Mr. Todd brought out a map showing the area they had included for channel improvements in their previous design and the area that they would have to do now to get the bridge footings in, to get the approaches on both sides, and to restore the area – clearly a significant reduction. It would still require the removal of some trees; however they would be only trees of a 6-12 inch caliber.

Mayor Hanna asked Mr. Todd if this would still allow us to build a bridge that would be handicapped accessible.

Mr. Todd replied yes, that they had changed the location of the ramp and made it shorter than before, but it would still be ADA accessible.

Alderman Trumbo pointed out the amount of public comment and controversy surrounding the Greathouse Park Bridge. He asked Mr. Todd if, in their permitting process, the recalculation of the computer model would have come to pass anyway regardless of the alternative viewpoints brought to the issue.

Mr. Todd said he couldn't guarantee that the recalculation would have taken its course, being that this fell within the 25 out of 1000 ways that this model could have been checked but wasn't. The extra time and the requirements of the Corps of Engineers headed them in the direction of checking into alternatives. He commented that this change would fit within the scope of their original contract and wouldn't have to be let out for bids again, and could be set up as a deductive change order, taking \$10,000 - \$30,000 off the cost of the job.

Mr. Venable stated that they would ask the contractor to look at this. He had already spoken with the Corps of Engineers and Mr. Todd had kept them apprized of the changes. It looks like we are ready to go on, he said, and he and Mr. Todd would talk over the cost savings with the contractor. He thought they could use the extra money to hard pave the gravel parking area at the park. He didn't know if they needed to vote on the change order since they had exceeded the contract and there was a cost savings for the engineer, but he thought it would be best if Council went ahead and voted on the changes.

Mayor Hanna commented that it was not often that you could save money and make everyone happy at the same time.

Alderman Santos mentioned that this was participatory democracy at its best, they were saving money, and had found a solution that pleased everybody. **Alderman Santos moved to approve the resolution. Alderman Davis seconded the motion.**

Alderman Reynolds thanked Mr. Todd and all the people in South Fayetteville for going the extra mile on this effort, and he thought that everyone would be pleased with this project.

Mr. Todd thanked him for saying so, but added that it takes fifty "atta-boys" to erase one screw-up.

Alderman Austin said he would second that, saying "atta-boy."

Mayor Hanna asked for further comments.

Alderman Daniel stated that she was very happy how this had worked out and added that she hoped all of the old wounds on this subject would be healed now.

Upon roll call, the resolution was approved unanimously, 8-0-0.

RESOLUTION 129-99 AS RECORDED IN THE OFFICE OF THE CITY CLERK.

RZ 99-28

An ordinance approving rezoning request RZ 99-28 submitted by Michele Harrington on behalf of William M. Weatherford and Larry and Brenda Swain for property located at 2200 & 2201 W. Deane Street. The property is zoned R-1, Low Density Residential and contains approximately 11.64 acres. The request is to rezone the property to R-2, Medium Density Residential.

Mr. Rose read the ordinance for the first time.

Alderman Daniel stated that this property was in Ward 4, her ward. She said she would like to make a motion to leave the item on the first reading.

Mr. Rose and Mayor Hanna commented that they didn't need to make a motion in order to do that.

Alderman Russell said that he would like to hear from Michele Harrington and the others who had come tonight about this agenda item.

Mickey Harrington, representing Realty Resources, introduced herself. She stated that this was a classic case of an infill in an area that is already densely settled. It is an R-1 neighborhood from a long time ago, but it should be considered an R-2 given its population. She noted several pieces of R-3 zoning in the area. This would become an apartment complex development that would be built in such a way to preserve the row of pine trees in the area. There have been concerns stated at the Planning Commission level that she wished to address. One was that this would be a drastic change for the neighborhood; she disagreed because the neighborhood was already heavily populated with rental homes, rental duplexes, triplexes, four-plexes and five-plexes, rental apartments and rental mobile homes. This would change a field into a dwelling

area, but she felt this was a natural evolution of the City as it grows. This development would be targeted at students; there would be a bus route servicing this apartment complex. There had been concern that students would take Sang Avenue to get to the university, but she thought that most people going to the university would take Garland Avenue instead. She and the Planning Department didn't believe that the traffic situation would be affected. She also didn't believe that the quality of life would be affected by this development because the neighborhood was already largely R-2 and R-3 zoning. Flooding and storm water run-off had also been mentioned at the Planning Commission meeting; this developer would be required to meet all requirements of the City on this subject and she didn't think run-off would be a significant problem at all. There would be every attempt made to make this a quality development and a different kind of apartment complex, and they would have the parking run along the outer edge of the property so that the buildings would not be along the edge of the street. She felt that turning this infill piece of property into an R-2 zoning would not cause any problems for the neighbors and would end up being a good development for the City, the area and the university students.

Jeff Whitmer, Lindsey & Associates Realty, was introduced by Ms. Harrington. He stated that Realty Resources had contacted him last year to find property on which to build apartments that met three criteria: 1) to be near the university, 2) to be on a bus route, and 3) to have the correct zoning. Using Highway 62 and Highway 71B as their borders, there was nothing on the market at that time except property that was not already zoned. They found this piece and contacted the owner who had said that he couldn't sell the property with its R-1 zoning. They chose the property because they thought an apartment complex would blend in with what was already there. Everything to the west -- a row of apartments, duplexes and single-family residences -- is already zoned R-2, except for one piece with a duplex on it. Directly across the street from this mixture is R-3 zoning -- a 22-unit mobile home park and a 38-unit apartment complex. The University of Arkansas Experimental Farm and Feed Mill are to the north. To the south is a vacant field. Of the 78 housing units in the area he had described, 71 are rental units, approximately 90%.

Alderman Santos asked whether the Planning Commission required a Bill of Assurance for the 12-15 units per acre proposed.

Ms. Harrington replied that they did not request a Bill of Assurance because the Planning Commission was reluctant to require those because of the tracking required. The number of units would be determined at the Large Scale Development stage.

Richard Maynard, 1717 N. Sang Avenue, introduced himself as an adjoining property owner. Three weeks ago he had come down before the Planning Commission regarding this rezoning. He stated that he was joined by many neighbors who were opposed to this rezoning because it would have a major negative impact on their homes, their way of life, their property values, the neighborhood and the City of Fayetteville. He asked for a show of hands to show those opposed

to this project; approximately 18 people raised their hands. He stated that this all comes down to the question of "why": why are we doing this, what compelling need is there to change this rezoning, how does it benefit the community, how does it improve the neighborhood and how does it serve the university. He hoped that the Council would consider the question "why" rather than "why not." He admitted that if he didn't live in the neighborhood, he might also think why not. He might also think that in reality that the zoning was not R-1 because of the duplexes, the quadplex, and the trailer park. If he only looked there, where Ms. Harrington wants all to look, he would also say to himself that there is very little R-1 property left in the area and there has not been in some time. But that would not correlate with the map he saw that afternoon in the Planning Department office which showed R-1 zoning through most of that area. You would see the mobile home park and the Encore Apartments, but those were a relatively contained area. One block east of that past Lewis Avenue is R-1 zoning; south of the Asbell school are R-1 homes; south of the Baptist church are R-1 homes; west of him across Porter Avenue are R-1 homes. What you would find are little niches carved out in the area for R-2 apartments. The map in the area shows 95% R-1 zoning. When he came here six years ago, he looked for months for a property that he could afford in a neighborhood that he liked with a huge backyard. The house was in bad need of repair and he had developed it into an investment and into his home. He saw the mobile home park, the duplexes and the quad-plex to the South of him, and he questioned whether this would be a good place for him to live. The duplexes existed in that area before there was any zoning and are zoned R-1. The only area zoned R-3 is a compact 11-12 acre area. Right now, they were changing the rules on his neighborhood and on his neighbors who had bought into this neighborhood and thought they were safe. They were talking about changing the rules so that two people could make a deal. He had no idea what this would do to his property values. Ms. Harrington could say what she would but it gave him no faith in what would happen to his home unless the Council could give him a good reason as to why this needed to change at this time. If the status quo is R-1, then they should give him convincing evidence as to why it should be changed. He understood that before they could grant this there had to be four specific findings of fact that must be made to grant the applicant's request for rezoning. He had spoken with Mr. Conklin and Alderman Santos and questioned how this would affect the flood plain. Nobody could guarantee that this private development would not have a disastrous impact on his property. He had given each of the Councilmen a packet including letters of protest from the neighbors about this rezoning. The four findings of the staff include the first finding, that land use be consistent with the 2020 Plan, designating what would be residential and commercial. Because this is an apartment complex and would be residential, he agreed that this would be consistent with the letter but not the spirit of the Plan. The second finding is a determination as to whether the proposed zoning is justified or needed at the time rezoning is proposed. Mr. Estes was the only one on the Planning Commission that asked how the Planning staff had come to this recommendation, and there had been no clear answer. Mr. Maynard could only come up with one justification for this, and it was that the university needs more housing. He had done research into this and had included a list of randomly-chosen apartments to show the availability of housing at this time. He had also included the Campus

Master Plan, which showed that they had proposed 2300 new beds. He didn't think this was the impetus behind this rezoning but rather a proposal to put as many apartments in this area as possible. The third finding regards the impact on the traffic situation of Sang Avenue. He had spoken to Perry Franklin in the Traffic Department. He knew this would be a student population and he knew that you couldn't put 280-300+ cars on that road. He knew that Sang Avenue would be the choice to the university and that no student would be using that bus route even if they increased it. He felt that they were inviting a tragedy to happen by increasing the density in front of an R-1 area in front of the school. Those living there already were conscious of the small children playing in the area. He didn't think that those living in a transient neighborhood would have that same awareness and care for the neighborhood. The fourth finding concerns whether this would increase the need for public services. Planning Commissioner Marilyn Johnson had pointed out that the experimental farm was north of there and this project would probably not constitute an increase on the water and sewer lines. He hoped that this was not the only consideration that they would have. There is nothing like this in the neighborhood, Sang to Porter, Deane to Wedington. Additionally, Mr. Maynard pointed out that it would be impractical to use the land for any of the uses permitted under its existing classification. He had gotten an education in his neighborhood in the last three weeks. Megan Place and Linda Jo Place have beautiful homes there. If he could be assured that the R-2 apartments going in there would be the same, there wouldn't be a problem. He sees R-2 and R-3 zoning only in certain areas. There is Porter Place at the corner of Deane and Porter, which is an eyesore and is not even completed and seems to be falling apart already. He is afraid that something similar would be going into his own backyard. And finally, his neighbors were concerned about the traffic and the flood plain. They had had flooding problems already and would have to shell out a lot of money for flood insurance. He wanted to ask the Council whether they could guarantee that they wouldn't be ruined by this, and wouldn't have to move because of this, that it wouldn't create more flooding problems. There were a lot of good intentions and beliefs here, but that wasn't good enough for him and his neighbors. This neighborhood, he admits, is imbalanced but he knew that if they put this complex in here it would be a disaster and would deteriorate property values. Right now it was a beautiful, peaceful, livable neighborhood. At some point he felt this would have to become personal. Would they want this in their backyard and behind their property. If not, how could they ask for them to have it in theirs. Once the zoning was changed, the impact would be irreversible. He hoped that they would at least think about this before they voted on it, and vote no, because if they didn't vote no, they would basically be telling him he needed to find a new home.

Mayor Hanna asked for further comments from the Council.

Alderman Davis asked if this was on the third year Flood Plan.

Mr. Conklin replied that it does contain areas classified as Zone A; no detailed study had been conducted by FEMA. They would have to, as part of this project, calculate the amount of water

coming onto and leaving the site.

Alderman Austin asked Mr. Conklin if he would comment on the R-1 and R-2 zoning in the neighborhood, given that Ms. Harrington and Mr. Maynard seemed to disagree on this.

Mr. Conklin asked them to refer to C.2 page 8 to the zoning map with its classifications. To the west is R-2 zoning which has developed with duplexes; further to the west is R-1. To the east of the site is R-1 and R-3 zoning. With regard to the amount of R-1 versus R-2 zoning, further to the south is primarily R-1; to the east is R-2 and R-3.

Alderman Austin commented that he had a constituent that would like to comment on this rezoning at a future time.

Ms. Harrington asked to address some of Mr. Maynard's comments. As to why change the zoning, she felt that the landowner needed to be considered. If Mr. Maynard had been the owner of this land and had not been able to sell it, would he feel this would be a viable project. The Weatherfords and the Swains had tried to sell this property as an R-1 and had failed. She held up a map showing that there was a lot of R-3 zoning in the area. The landowners have a right to market their property and sell it. Ultimately, the landowners would be the most affected. Also, how could you have a lot of duplexes and tri-plexes in an R-1 zone. The City would rarely rezone property that had been grandfathered in; it was up to the discretion of the landowner if they wanted to add another unit or change the use. Lastly, looking at the apartment availability for right now only was short-sighted.

Mr. Maynard responded that yes, he might try to sell his property too. But they were not against Mr. Weatherford trying to sell his property, they simply wanted him to do it within the rules. He stated that he had heard that the basis of why Mr. Weatherford hadn't been able to sell the property was based on the amount he was asking for the property. The people who had attended tonight believed that they, too, were affected by this rezoning. Yes, Mr. Weatherford had a right to sell his property for as much money as he could but he needed to take into consideration all of the people he was affecting.

Alderman Santos asked when the sign notice about this project came up and down.

Mr. Conklin stated that the sign should remain up until the City Council acts on the request, and admitted that sometimes the sign would inadvertently disappear.

Alderman Young added that this was a good reason why they should save this for another night.

THE ITEM WAS LEFT ON THE FIRST READING.

1999 MILLAGE – POLICE & FIRE PENSION

An ordinance adopting real and personal property tax rates (1.0 mil) for 1999 for the Police and Fire Pension Funds. Police Pension Fund levy would equal 0.5 mil and the Fire Pension Fund levy would equal 0.5 mil. There is no millage proposed for general government operations.

Mr. Rose read the ordinance for the first time.

Mayor Hanna noted that this was something that Council had to vote on every year.

Alderman Trumbo moved to suspend the rules and go to the second reading. Alderman Davis seconded the motion. Upon roll call, the motion carried, 7-0-0, Daniel was absent.

Mr. Rose read the ordinance for the second time.

Alderman Trumbo stated that there was \$268,000 in each pension fund. The Fire Pension Fund is not actuarially sound; the Police Pension Fund was.

Mayor Hanna noted that one reason the Police Pension Fund was actuarially sound was because this millage went into their fund.

Alderman Russell moved to suspend the rules and go to the third and final reading. Alderman Trumbo seconded the motion. Upon roll call, the motion carried, 7-0-0, Daniel was absent.

Mr. Rose read the ordinance for the third and final time.

Mayor Hanna asked for comments from the audience and the Council.

Upon roll call, the ordinance passed unanimously, 8-0-0.

ORDINANCE 4191 AS RECORDED IN THE OFFICE OF THE CITY CLERK

PUBLIC LIBRARY DESIGN

A resolution approving an architectural agreement with Meyer, Scherer and Rockcastle, Ltd. of Minneapolis, MN for the design of the City's proposed library (Phase I). And approval of a budget adjustment in the amount of \$160,000.

Alderman Trumbo stated that this was a lot of money and a big project, that it was going to go to a vote for a bond issue. If we were to build a first-class facility, it would be a very costly structure. Therefore, he was in favor of spending the money to go forward with the project.

Alderman Trumbo moved to approve the resolution. Alderman Austin seconded the motion.

Mayor Hanna asked for public comment.

Mr. Venable noted that the \$160,000 would cover two things: 1) the architect and his expenses which came to \$113,000 for Phase I and 2) the agreement with the engineer to do some survey and geotechnical work at the site, which brought the total up to \$160,000. Unless the bonds are voted on and the funds are made available, then the project would not go forward.

Alderman Young asked whether the soil survey was included in this cost.

Mr. Venable said yes.

Upon roll call, the resolution was approved unanimously, 8-0-0.

RESOLUTION 130-99 AS RECORDED IN THE OFFICE OF THE CITY CLERK.

INDUSTRIAL PARK - PROPOSED DEVELOPMENT

A resolution authorizing the sale of 14 acres of Lot 13 in the Fayetteville Industrial Park to a proposed development.

Jim Crider, Economic Development Coordinator for the Chamber of Commerce, introduced himself. He read from a letter he had written to the Council regarding the purchase of this property by Dayco Products, Inc.

He added that Dan Bekebrede, Plant Manager for Dayco Products Inc. was present and could answer other questions.

Alderman Young asked whether he was recommending approval of this sale without the tax-incremental financing criterion.

Mr. Crider agreed that was correct.

Mayor Hanna stated that the sale was for \$16,000 per acre and the extension of the cul-de-sac.

Mr. Crider agreed, stating that the revenues would offset the costs and that the street extension was important to the construction of this project so that it fronted onto the extension of the street.

Alderman Austin noted that the number one reason to support this project was to retain this

company in our area of economy. The number two reason would be to raise our local economy by \$2.8 million with the additional jobs. The number three reason would be for the increase in taxes to our schools and our area.

Alderman Davis mentioned that by extending the street by 900 feet would bring us to meet the 7.6 acres that would be by itself if we didn't extend this road.

Mr. Venable added that it would be closer to 1000 feet of extension.

Alderman Davis also liked the fact that it would increase the appeal of Lot 14 because there is very little frontage there as in Lot 13. He thought it would be good to bring Dayco back to Fayetteville, where they had started out.

Mayor Hanna thought that if Mr. Crider's figures were correct, then the \$640 per mil that Dayco would generate with their property would equate to \$28,160 per year for our schools. He thought this was something we needed to consider.

Alderman Santos stated that he would like to see our Industrial Park developed fully also. He added that the street extension shouldn't be considered as an even cost because it would not only provide access to Dayco's 14 acres, but also to the 7.6 acres, and would split the 37.4 acres in Lot 14. He mentioned that when they ask the developers if the infrastructure would end when they make the development, in this Industrial Park we are the developers.

Alderman Russell thought this sounded like the sort of thing the Industrial Park was supposed to be for. But he was curious as to what exactly the Council would be approving, what would be the structure of the contract, and what the "short list" referred to.

Mr. Crider stated that the "short list" included five or fewer cities still vying for the project. It had nothing to do with our personal negotiations but showed that they should still be aware of involvement by other cities.

Alderman Russell stated that one of his concerns was that by selling this land at a discounted price, if they did not come here, we would not own or control the land anymore.

Mr. Crider responded that in this case the company has emphasized that the negotiations on this agreement have a short-term turn-around. The answer to Alderman Russell's concerns would be to place a caveat on the agreement stating that if development does not start within a two-year period from the official date of the acquisition that the property would come back to the City.

Mayor Hanna pointed out that since this company is presently operating in Springdale, that they already have their labor force intact, which is another plus for the City of Fayetteville and Dayco.

Alderman Daniel asked what percentage of Fayetteville citizens are employed by Dayco now.

Mr. Crider stated that he didn't know the figure for the City of Fayetteville itself, but that the rate of unemployment in Washington County is 2.8%, which fluctuates from year to year. Last year it was 3.8%.

Alderman Daniel mentioned that one of the companies in the Industrial Park had had trouble keeping its employees. She asked how the \$12 per hour wage compared with other companies in the Industrial Park.

Mr. Crider stated that it was well above the norm and was an average wage that is very attractive to the involvement of the Arkansas Economic Development Commission which, he added, provided the Council approved this item, they would probably expect to see him again to cover the AEDC's technical requirements for the company's participation in the Arkansas Advantage program, at which time the City would become the conduit through which funding would flow to the client.

Alderman Daniel noted that they had done the same thing before for other companies.

Alderman Russell pointed out that there were at least three people present -- Alett Little, Charles Venable, or the Mayor -- who could answer his question: what role did Alett Little, the Economic Development Coordinator, have in projects like this once they get going.

Mayor Hanna answered that he didn't think that the City's Economic Development Department nor the Chamber of Commerce would be involved with the company once they got started.

Alderman Young added unless the company needed the City's help.

Alderman Russell stated that he thought that when the Economic Development department was established that Ms. Little's role was to shepherd the client through the planning and development process.

Mr. Crider also wished to stress that Dayco is a "clean" operation because it was an assembly and not a manufacturing operation.

Alderman Trumbo asked Mr. Bekebrede if there was anyone with Dayco who was related to the Mayor because they had just sold acreage to his son out there. He added that Dayco was getting a good deal with this contract.

Mr. Rose asked if we were giving Dayco their money back if they didn't develop within two

years.

Mr. Crider explained that if ground was not broken within two years after the execution of the contract, that the property would revert back to the City.

Mr. Bekebrede assured the Council that Dayco was not interested whatsoever in becoming a property developer, and stated that the proposal that they had offered was an option to purchase. They had narrowed their choices down to four sites. By clearing this hurdle, they would better understand what the City could offer in terms of the road, etc. Dayco would not be the legal owner of the property; someone else would build the building for them and lease it back to Dayco.

Alderman Russell noted that they needed to make the offer with the legal owner, keeping the provision they had already discussed.

Mr. Crider stated that he had drawn up a sample agreement which he would pass on to Mr. Rose.

Mr. Rose stated that he wanted to make sure that he understood their conversation perfectly, so that he could draw up the resolution.

Mayor Hanna clarified that they were agreeing to approve an option to purchase the 14 designated acres to Dayco with the caveat, if ground is not broken within two years, then the City could repurchase the property.

Alderman Young added with the extension of the street.

Jeff Erf, area resident, asked why the Chamber of Commerce was negotiating this contract rather than the City, since the City owns the property and has an Economic Development department.

Alderman Young stated that it sounded like Dayco had gone to the Chamber.

Mr. Bekebrede agreed.

Alderman Austin moved to approve the resolution. Alderman Reynolds seconded the motion. Upon roll call, the resolution was approved, 7-0-0, Reynolds was absent.

RESOLUTION 131-99 AS RECORDED IN THE OFFICE OF THE CITY CLERK.

LAND POSSESSION - HIGHWAY 265

An ordinance authorizing the City Attorney to seek possession of certain land located along Highway 265 by the Power of Eminent Domain, in association with the required easements for the Highway 265 Water and Sewer Relocations. The total offer amount for this property would be \$1,595.00; such as is owned by Richard L. Mayes and Ethel L. Mayes (Parcel No. 765-02253-000).

Mr. Rose read the ordinance for the first time.

Alderman Daniel stated that she hadn't gotten any calls on this item. She thought the City had tried its best on this item.

Mayor Hanna stated it was the Arkansas Highway Department that wanted the City to proceed with this item.

Alderman Austin stated that he had known Richard and Ethel Mayes for 25 years and hadn't heard anything from either of them. He added that there would still be negotiations on this item after this meeting.

Mayor Hanna explained that this would give the City the authority to proceed with their relocation.

Alderman Daniel moved to suspend the rules and go to the second reading. Alderman Davis seconded the motion. Upon roll call, the motion carried, 7-0-0, Young was absent.

Mr. Rose read the ordinance for the second time.

Alderman Santos moved to suspend the rules and go to the third and final reading. Alderman Russell seconded the motion. Upon roll call, the motion carried, 7-0-0, Young was absent.

Mayor Hanna asked for public comment; there was none.

Mr. Rose read the ordinance for the third and final time.

Upon roll call, the ordinance passed, 8-0-0.

ORDINANCE 4192 AS RECORDED IN THE OFFICE OF THE CITY CLERK.

CITY COUNCIL CONDUCT

A resolution establishing the City's lead in exemplifying an attitude of professionalism and consideration of others in its business sessions as shown by speaker recognition, concise language, and discussion length.

Alderman Davis mentioned that he thought that they had all been pretty well behaved that night.

Alderman Austin stated that he thought the introduction of this resolution had been sufficient to show his point, and would like to respectfully withdraw the resolution.

ITEM WAS WITHDRAWN AT THE REQUEST OF ALDERMAN AUSTIN.

Meeting was adjourned at 8:25 p.m.