

Mayor Dan Coody
City Attorney Kit Williams
City Clerk Sondra Smith



**City Council
Meeting Minutes
January 4, 2005**

Aldermen

Ward 1 Position 1 - Robert Reynolds
Ward 1 Position 2 - Brenda Thiel
Ward 2 Position 1 - Kyle B. Cook
Ward 2 Position 2 - Don Marr
Ward 3 Position 1 - Robert K. Rhoads
Ward 3 Position 2 - Bobby Ferrell
Ward 4 Position 1 - Shirley Lucas
Ward 4 Position 2 - Lioneld Jordan

A meeting of the Fayetteville City Council was held on January 4, 2005 at 6:00 p.m. in Room 219 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

Oaths of Office - 2005 Elected Officials: The following were sworn in as elected officials for a four-year term: Brenda Thiel, Don Marr, Bobby Ferrell and Lioneld Jordan were sworn in as Alderman. Sondra E. Smith was sworn in as City Clerk/Treasurer. Dan Coody was sworn in as Mayor.

Mayor Coody called the meeting to order.

PRESENT: Alderman Reynolds, Thiel, Cook, Marr, Rhoads, Ferrell, Lucas, Jordan, Mayor Coody, City Attorney Kit Williams, City Clerk Sondra Smith, Staff, Press, and Audience.

Alderman Rhoads was absent until 6:10 pm.

Pledge of Allegiance

CONSENT:

Approval of the Minutes: Approval of the November 30, 2004, December 7, 2004, December 21, 2004 and December 28, 2004 City Council meeting minutes.

Cliffside Park Land Dedication Requirement: A resolution accepting the Parks and Recreation Advisory Board's recommendation to accept \$61,605.00 cash in lieu of the required Park Land Dedication for Cliffside Planned Zoning District (PZD) Development.

Resolution 01-05 as Recorded in the Office of the City Clerk.

Baird, Kurtz & Dobson (BKD), LLP Contract Renewal: A resolution approving the annual contract renewal with Baird, Kurtz & Dobson (BKD), LLP, in the amount \$57,000.00 to provide independent audit services to the City of Fayetteville.

Resolution 02-05 as Recorded in the Office of the City Clerk.

Freelance Consulting Services Contract: A resolution approving proposal 04-21 from Freelance Consulting Services in the amount of \$56,000.00 to conduct a Wildland Interface Fire Assessment.

Resolution 03-05 as Recorded in the Office of the City Clerk.

Multi-Craft Bid #04-88 Award: A resolution awarding Bid #04-88 to Air Works Division of Multi-Craft Contractors, Inc. in the amount of \$49,442.00 for the purchase and installation of a 25-ton rooftop heating and air conditioning unit and removal of the existing unit at the Fayetteville Police Department.

Resolution 04-05 as Recorded in the Office of the City Clerk.

Alderman Jordan moved to approve the Consent Agenda. Alderman Reynolds seconded the motion. Upon roll call the motion passed 7-0. Alderman Rhoads was absent during the vote.

UNFINISHED BUSINESS: None

NEW BUSINESS:

ANX 04-1334 (Harper/Teater): An ordinance annexing that property described in Annexation Petition ANX 04-1334 annexing to the City of Fayetteville, Arkansas, property located north of Zion Road, east of George Anderson Road containing approximately 60.37 acres.

Mr. Williams read the ordinance.

Jeremy Pate, Planning Division stated that the staff recommends approval of this ordinance and the Planning Commission voted 7-1 in favor of recommending the annexation to the Council. Most of the public comments centered on the surrounding streets (which in this location are collector streets, with one minor arterial). The majority of the comments involved requests that, with this development, the gravel streets be improved.

Micki Harrington, speaking for the petitioner, stated she was available for any questions.

Mayor Coody opened the floor for public comment. There was none.

Alderman Marr moved to suspend the rules and go to the second reading. Alderman Ferrell seconded the motion. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Alderman Reynolds moved to suspend the rules and go to the third and final reading. Alderman Ferrell seconded the motion. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Mayor Coody asked shall the ordinance pass. Upon roll call the ordinance passed unanimously.

Ordinance 4664 as Recorded in the Office of the City Clerk.

RZN 04-1335 (Harper/Teater): An ordinance rezoning that property described in Rezoning Petition RZN 04-1335 for property located north of Zion Road, east of George Anderson Road containing approximately 60.37 acres from R-A, Residential Agricultural to RSF-4, Residential Single Family, Four Units per Acre.

Mr. Williams read the ordinance.

Jeremy Pate reported that this property is primarily agricultural and residential and is surrounded to the west, south and north by residential subdivisions. Staff recommends approval of this rezoning and the Planning Commission voted 7-1 in favor of recommending the rezoning.

Alderman Jordan asked if the response time for fire protection is 9 to 11 minutes and if Chief Bosch considers that a good response time.

Chief Chris Bosch, Fire Chief stated that the response time is 9 to 11 minutes and also affirmed that that response time is outside the range of estimated response times. However the fire department is currently looking for property in the Crossover and Old Wire Road area to try to offset the response time for that area. The time is currently calculated from Station #5 (south of Mission Blvd.) and also Station #4 (which is by the N.W. Ark. Mall). The new station is in the capital plan for this year. At this time staff has talked to a couple of property owners regarding property. That area is quite developed and land is expensive. The search is difficult but they are actively looking for property.

Alderman Jordan stated that he feels that response time is a little long.

Alderman Rhoads asked for the Chief's best guess about when the station will actually be built and operating.

Chief Bosch said it depends on how quickly the appropriate property can be located and purchased. His best guess for having the station operational is probably mid-2006. That would be for re-location of Station #5.

Alderman Marr asked Ms. Harrington what her best estimation is for when this property would be developed.

Micki Harrington stated that there are some significant sewer line installations to be done in the area and there was some discussion of a lift station. For that part alone the developer is estimating at least a year. She does not anticipate that this project will be built out before 2006.

Mayor Coody opened the floor for public comment. There was none.

Alderman Rhoads moved to suspend the rules and go to the second reading. **Alderman Reynolds** seconded the motion. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Alderman Rhoads moved to suspend the rules and go to the third and final reading. **Alderman Reynolds** seconded the motion. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Mayor Coody asked shall the ordinance pass. Upon roll call the ordinance passed unanimously.

Ordinance 4665 as Recorded in the Office of the City Clerk.

RZN 04-1329 (Hogeve, Inc.): An ordinance rezoning that property described in Rezoning Petition RZN 04-1329 for property located on the north side of 6th Street across from the Ozark Mountain Smokehouse containing approximately 3.35 acres from R-A, Residential Agricultural to R-O, Residential Office.

Mr. Williams read the ordinance.

Jeremy Pate, Planning Division, said the applicant's original request was to rezone the property to C-1. The staff did not recommend C-1 and at the Planning Commission meeting the applicant changed the request to R-O. The Planning Commission voted 8-0 in favor of recommending this rezoning request. One adjacent property owner stated concerns that this rezoning would allow eating places and other nighttime activities adjacent to their single family home. However, R-O zoning will allow eating places with a conditional use only and would not allow drive-in eating places. The applicant has stated that their desire is to create an office space on this property.

Mayor Coody opened the floor for public comment. There was none.

Alderman Marr moved to suspend the rules and go to the second reading. **Alderman Lucas** seconded the motion. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Alderman Jordan moved to suspend the rules and go to the third and final reading. Alderman Lucas seconded the motion. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Mayor Coody asked shall the ordinance pass. Upon roll call the ordinance passed unanimously.

Ordinance 4666 as Recorded in the Office of the City Clerk.

RZN 04-1330 (Dunnerstock): An ordinance rezoning that property described in Rezoning Petition RZN 04-1330 for property located on the west side of Ruppel Road containing approximately 19.84 acres from RSF-1, Residential Single Family, One Unit per Acre to RSF-4, Residential Single Family, Four Units per Acre.

Mr. Williams read the ordinance.

Jeremy Pate, Planning Division reported that this property is part of the 254 acre unincorporated area along Ruppel Road that was annexed in 2004. The property is situated among other subdivisions and residential lots. Some of the discussion at the Planning Commission concerned the condition of Ruppel Road. Staff anticipates that off-site improvements will occur with the development of this property. Also, depending on the amount of development proposed, some assessment is anticipated. The Planning Commission voted 8-0 in favor of recommending this rezoning to the Council and staff also recommends approval.

Mayor Coody opened the floor for public comment. There was none.

Alderman Jordan moved to suspend the rules and go to the second reading. Alderman Lucas seconded the motion. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

This ordinance was left on the second reading.

RZN 04-1331 (Bale): An ordinance rezoning that property described in Rezoning Petition RZN 04-1331 for property located at 3513, 3515, and 3517 West 6th Street containing approximately 0.80 acres from R-A, Residential Agricultural and C-2, Thoroughfare Commercial to C-1, Neighborhood Commercial.

Mr. Williams read the ordinance.

Jeremy Pate, Planning Division reported that there are currently three properties on this acreage, which are split zoned R-A and C-2, with the majority being R-A. The three structures on the property are non-conforming structures in this location and this use in an R-A zoning district. Existing non-conforming structures may remain in that state as long as they don't expand or if the use is discontinued for more than 120 days. The applicant originally requested C-2 zoning but the Planning Commission voted 5-3 in favor of recommending rezoning of C-1. That is also the staff's recommendation.

Alderman Marr asked Jeremy if this request had come to the staff to rezone the property to C-1 before going to the Planning Commission, would it have been recommended for approval by staff.

Jeremy Pate stated that since the property to the east had been recommended for an R-0 zoning, which is compatible with the future Land Use Plan, staff would likely have recommended an R-0 zoning to the Planning Commission for this property. In response to a question from Alderman Marr, Jeremy stated that the three dissenting votes on the Planning Commission were from Ms. Anthes, Ms. Allen and Mr. Austin.

Mayor Coody opened the floor for public comment.

Gino Franco, representing Ms. Pat Bale, the owner of the property, presented his client's request that the ordinance be amended to change the property's zoning to C-2. The three buildings on the property have been there since 1979. Two are currently occupied and all three were occupied until August of this year. Mr. Franco reviewed past uses of the buildings. His client's business is Advanced Flooring Company, which has been in business in Fayetteville for about 42 years and on this property since 1979. Although he understands the need for the City to look to their future Land Use Plan, his client would like to be able to use the buildings currently on the property to their intended use.

Alderman Thiel said the report notes that the property has been occupied since 1979. The fact that the buildings were partially zoned as R-A was not known until November, '04. However, taxes have been paid on commercial property. She asked if that was true of all the property.

Jeremy Pate said he hadn't checked with the County, but Ms. Bale's understanding is that it has been treated as commercial property all along.

Gino Franco, in response to a question from Alderman Rhoads, said they could rent the property under a C-1 zoning, but their options would be expanded under C-2.

Alderman Thiel asked if the carpet business in one of the buildings right now would be in compliance if the property were rezoned as C-1.

Jeremy Pate said the uses of the property currently are non-conforming. They can continue to be non-conforming, and even change the business with a certificate of zoning compliance, as long as there is not a period of more than 120 days when the property is not in use.

Alderman Thiel moved to suspend the rules and go to the second reading. Alderman Rhoads seconded the motion. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Alderman Ferrell moved to suspend the rules and go to the third and final reading. Alderman Reynolds seconded the motion. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Alderman Lucas said though this is a difficult decision, she is opposed to the rezoning. She worries about the strip zoning already in the area and feels this will create more strip zoning. She agrees with the staff. The rezoning is not needed because the businesses can continue as is under the present zoning.

Mayor Coody asked shall the ordinance pass. Upon roll call the ordinance passed 5-4. Alderman Rhoads, Ferrell, Reynolds and Thiel voting yes. Alderman Marr, Lucas, Jordan and Cook voting no. Mayor Coody voted yes thus breaking the tie.

Ordinance 4667 as Recorded in the Office of the City Clerk.

RZN 04-1332 (Hays): An ordinance rezoning that property described in Rezoning Petition RZN 04-1332 for property located at 1760 Starr Drive containing approximately 5.99 acres from RSF-1, Residential Single Family, One Unit per Acre to RSF-4, Residential Single Family, Four Units per Acre.

Mr. Williams read the ordinance.

Jeremy Pate, Planning Division reported that this property is located in a portion of an island annexed by the City in 2004. After hearing comments from neighboring residents at the Planning Commission meeting, the applicant changed his request from RMF-12 to RSF-4. Staff was not in favor of the RMF-12 request. Staff does recommend approval of the request to rezone the property to RSF-4. The future Land Use Plan identifies this area for residential use and the zoning is compatible with adjacent densities and land use. The Planning Commission voted 8-0 in favor of recommending the rezoning.

Mayor Coody opened the floor for public comment.

Crystal Goedereis, representing the applicant, said the applicant wanted to thank the Planning Commission and staff for helping them work through the process involved in this rezoning request and also wanted to express thanks to the Barrington Park POA. She said she was available for any questions.

Amy Glass, president of the Barrington Park Association said the group is in support of the rezoning.

Alderman Rhoads moved to suspend the rules and go to the second reading. Alderman Thiel seconded the motion. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Alderman Thiel moved to suspend the rules and go to the third and final reading. Alderman Ferrell seconded the motion. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Mayor Coody asked shall the ordinance pass. Upon roll call the ordinance passed unanimously.

Ordinance 4668 as Recorded in the Office of the City Clerk.

R-PZD 04-1307 (Aspen Ridge): An ordinance establishing a Residential Planned Zoning District titled R-PZD 04-1307, Aspen Ridge located south of 6th Street, west of Hill Avenue, northeast of 11th Street along Town Branch Creek containing approximately 27.969 acres, more or less; amending the Official Zoning Map of the City of Fayetteville; and Development Plan as approved by the Planning Commission.

Mr. Williams read the ordinance.

Jeremy Pate, Planning Division reported to the Council that this is an infill project to construct 220 condominium units in two phases. The proposal also provides for a dedication of land for a public park and for a trail and construction of a trail. There is also provision for green space and tree preservation areas along Town Branch Creek and for improvement of adjacent streets where needed. Staff is recommending approval of this PZD rezoning request. The rezoning is more compatible with surrounding neighborhoods, which consist of single-family homes, industrial and commercial property. Surrounding neighbors have voiced positive comments concerning the developer's willingness to meet with them and address their concerns. The Planning Commission voted 8-0 in favor of recommending the PZD request with specific conditions of approval as noted in the staff report.

Hal Forsyth, petitioner, said they have been working on this project for two years. They have worked extensively with landscape and building architects and engineers on the project and have also consulted with an environmental scientist, a traffic engineer, an arborist and a landscape designer. They have worked to provide new construction of entry-level and single-family housing that has not been available on the south side of Fayetteville in many years. Their goal is to jump start the city's goal of revitalization of this urban area.

Hank Broyles, petitioner, said he appreciated the professionalism of the planning staff. This is an infill project and infills require more time, effort and risk than annexation. The property is currently zoned RMF-24, which allows for more units than is planned for this development. This

will reduce the traffic impact and allow the property to exceed 51% green space. The site plans have been adjusted over the years to meet the concerns of the neighbors. One of the major concerns of the neighbors was flooding and the plans have been altered to include ponds and a lake, which will create the ability to capture and hold enough water to meet flood prevention guidelines.

Alderman Thiel asked the petitioner to clarify the exact amount and location of land along Town Branch Creek that would be deed restricted against any further development in the future to mitigate the wetlands.

Matt Crafton, an engineer for Crafton Tull and Associates, said they are working with the Corps of Engineers to offset the impact to the existing wetlands. As noted in their letter and as identified by their environmental scientist, they will be impacting (or filling in) about 6.27 acres of existing wetlands. To offset that, they will deed restrict the 2.4 acres of land along the creek. In addition to that the City requires approximately 4 acres for tree preservation. The 2.4 acres lies within the 4 acres. There will be no development within that tree preservation area.

Alderman Thiel asked if the retention ponds will be filtered or if there will be some protection for what goes into the creek from the ponds.

Matt Crafton said before construction begins, they would install erosion control to prevent any construction erosion from entering into the creek. The four detention/retention ponds will hold water at all times. Anything on the ground (pesticides, trash, etc.) will settle into those ponds and the release structures that will detain the water will act as a filter before the water exits the ponds and goes into the creek. In addition, the outlets from the ponds to the creek will be protected with articulated block, which will allow the storm water to reach the creek with minimal impact.

Alderman Thiel said she thinks the project is a good development for that part of town but her main concern is the flooding. She asked who is responsible if the project is built out and flooding downstream is increased.

Matt Crafton said the developer is required to design detention ponds that will prohibit water from leaving the site any faster or at any greater volumes than are currently leaving the site. The way they have designed and estimated the system they will be releasing less storm water than is exiting the site now. However, they cannot control what might happen up stream. In response to a question from Alderman Ferrell, Mr. Crafton said they cannot prevent mass catastrophes created by nature, but have to do their best to design so that the development is not the cause of any flooding.

Mayor Coody opened the floor for public comment.

Geary Lowery, citizen, said the project looks wonderful and he supports infill as opposed to annexation. He hopes that staff will make certain that all contracts, bills of assurance, etc. are fulfilled.

Aubrey Sheppard, member of the Town Branch Neighborhood Association, said some of the neighbors question the density of some portions of the development. They are pleased with the look of the buildings, the park, etc. A major concern is flooding. Having lived in the area for 8 years, he knows that the flood plain actually extends further back than what is identified by the Corps of Engineers. The flood area is wider at the top and narrows at the end. Those neighbors whose houses are near what has been the maximum flood level up to this point have concerns, not that the development would put more water into the stream but that it will decrease the ability of the stream to use the full width of the existing overflow area. He also expressed concern about the outlet of 12th Street and the problem of traffic.

Alderman Thiel asked the engineer for the project to address some of the concerns Mr. Sheppard raised.

Matt Crafton said the Corps of Engineers has studied and defined the flood plain in the area and that is what the developers have used in the design of the project as required by City ordinance. They are keeping out of that flood plain except for a very small part of the north part of the project. All elevations are more than the required two feet above the flood plain, in most cases 3 to 5 feet above the flood plain.

Alderman Reynolds thanked Hank Broyles for coming into South Fayetteville with a project like this and for cleaning up an area that has been a blight and problem for the police department and the citizens.

Alderman Lucas asked if some of the streets outlined in the plan meet City standards and will be City streets.

Matt Crafton said they will be asphalt streets with curb and gutter and will be dedicated right-of-way to the City of Fayetteville. They are not standard in that the width of the boulevard sections varies but they will be city streets.

Alderman Lucas asked planning staff to tell the Council about some vacations that will be needed later if this project is approved.

Jeremy Pate, using the map of the area, identified for the Council the areas where some of the rights-of-way's are located that may need to be vacated. These will come through as a formal vacation request through the Planning Commission. In response to a further question from Alderman Lucas regarding park land dedication, he stated that if there are existing residential structures on a property that are removed, those residential lots are credited the standard fee for that development.

Alderman Marr said he is in support of the project and feels it meets several of the City's goals, including affordable housing for all income levels and revitalization of South Fayetteville.

Alderman Thiel asked what street improvements to current city streets are being required of the developers.

Jeremy Pate said the staff report itemizes seven different areas where street improvements will occur. These areas include broken pavement on 11th Street which will have to be removed and replaced. A continuation of an existing sidewalk on the north side of 11th Street to connect to the proposed sidewalk within the development and completion of curb and gutter on the south side of 11th Street. Widening the intersection of Hill Avenue and 6th Street to include a turn lane including the cost of relocating traffic signals and any other necessary costs to add that left turn lane signal to the existing signal system. Improvement of the portion of Hill Avenue adjacent to the subject property including 6 ft. sidewalks and construction of a secondary means of access in Brooks.

Alderman Ferrell said he is in favor of the development. It will provide many jobs over a significant period of time and it also adds infill.

Alderman Jordan said a similar project called the Crowne development came through in this area at an earlier time. Neighbors had concerns, as did he, regarding flooding, drainage, etc. but the development has actually improved the area.

Mayor Coody asked if there is assurance that the final design will not be changed in the future.

Jeremy Pate said the PZD ordinance ties the developers to specific site plans and development standards. The ordinances do not currently include residential design standards. But since these designs are included in the overall development package, staff would anticipate that these would be the units that would be permitted. Should significant changes in site plan elevation or any other conditions of approval be made, the developer would have to come back to the Planning Commission for approval.

Alderman Marr asked if, for instance, the design of the unit was changed from brick to siding, would that change the PZD plan and bring the development back for review.

Jeremy Pate said since that would be a significant change in the overall character of the development; it would at least be brought back to the subdivision committee, and possibly to the Planning Commission for review.

Alderman Ferrell moved to suspend the rules and go to the second reading. **Alderman Reynolds** seconded the motion. Upon roll call the motion passed 7-1. **Alderman Marr, Rhoads, Ferrell, Lucas, Jordan, Reynolds** and **Cook** voting yes. **Alderman Thiel** voting no.

Mr. Williams read the ordinance.

Alderman Thiel said that even though the developers are in a hurry, she would really like to wait on this. She would feel more comfortable if neighbors are given more time to bring forward concerns.

Alderman Reynolds said this is a big advance for the neighborhood and a big advance for the City in cleaning up south Fayetteville. He hasn't had any other calls from citizens in the ward and those he has talked to are for the development.

Hal Forsyth, in response to Alderman Rhoads question about the significance of having this approved today said they would like to get started after a long process.

Mayor Coody noted that there had been significant public input on this item over the past couple of years. There have been several meetings to resolve concerns.

Alderman Rhoads moved to suspend the rules and go to the third and final reading. **Alderman Ferrell** seconded the motion. Upon roll call the motion failed 3-5. **Alderman Rhoads, Ferrell and Reynolds** voting yes. **Alderman Marr, Lucas, Jordan, Thiel and Cook** voting no.

This ordinance was left on the second reading.

VAC 04-1324 (Elder/Salem Townhouses): An ordinance approving VAC 04-1324 submitted by Engineering Services, Inc. for property located on the north side of Wedington Drive west of Salem Road as described on the attached map and legal description.

Mr. Williams read the ordinance.

Jeremy Pate, Planning Division reported to the Council that the applicant is requesting a vacation of a portion of the utility easement currently occupied by overhead electric and cable lines. No objections to this vacation were submitted and staff is recommending approval with the condition, as listed in the ordinance, that all existing utilities will be relocated underground prior to their disconnection. Planning Commission voted 8-0 in favor of recommending the vacation request to the Council. No public comment was received.

Alderman Lucas said that although she is generally not in favor of vacations, with the relocation of the utilities underground she doesn't feel the City would be losing anything.

Alderman Jordan moved to suspend the rules and go to the second reading. **Alderman Marr** seconded the motion. Upon roll call the motion passed 7-0. **Alderman Thiel** was absent during the vote.

Mr. Williams read the ordinance.

Alderman Jordan moved to suspend the rules and go to the third and final reading. **Alderman Lucas** seconded the motion. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Mayor Coody opened the floor for public comment. There was none.

Mayor Coody asked shall the ordinance pass. Upon roll call the ordinance passed unanimously.

Ordinance 4669 as Recorded in the Office of the City Clerk.

U.S. Department of Justice Grant: A resolution authorizing the Fayetteville Police Department to accept a Grant from the U. S. Department of Justice in the amount of \$164,900.00 to define and initiate anti-methamphetamine strategies and assist the Washington County Drug Court; approving an increase in police staffing by one (1) officer; and approving a budget adjustment recognizing the grant revenues.

Captain Tracy Risley, Fayetteville Police Department, said the Department of Justice chose Fayetteville Police Department as a lead agency to apply for this grant. The process began in August of 2004, leaving a short turnaround for submission of the application. The objectives of the grant are to raise public awareness about methamphetamine, train and equip officers for enforcement, and to form partnerships in the community. The position requested will handle the statistical end of the program. A committee has been formed with members throughout the judicial district who will help implement strategies and discuss problems that will occur throughout the grant process. The meth problem in this area is at what he considers epidemic proportions. It is no longer simply a law enforcement problem but is a community problem. It will take community effort to solve the problem. Part of the benefits of this grant will be partnering with the judicial system to work on the problem.

Judge Mary Ann Gunn introduced Lisa Dennis, prosecutor for the Washington County Drug Court and Mike Hodson, public defender. She indicated that partnering with Fayetteville's 4th Judicial Drug Task Force is an honor and privilege.

Mayor Coody opened the floor for public comment.

Carol Tarvin, licensed social worker at Decision Point drug and treatment center, said she has been involved in the treatment end of the methamphetamine epidemic for three years. She is pleased to see the increase in funding and concern in the community and urged the Council to support this grant and to investigate additional resources.

Captain Tracy Risley, in response to a request from the Mayor, further discussed the problems that are occurring in the area. He talked about legislation passed in Oklahoma in 2003 that banned the purchase of ephedrine products over the counter, making it possible to purchase these products only at a pharmacy under strict conditions. With implementation of this legislation, meth labs worked by the police in Tulsa decreased by 50% in one year. This, however, has effectively pushed the problems into Arkansas, with people coming across the state line to purchase the products.

Alderman Marr moved to approve the resolution. **Alderman Reynolds** seconded the motion. Upon roll call the resolution passed unanimously.

Resolution 05-05 as Recorded in the Office of the City Clerk.

Waive Requirements of § 34.27 for The Project for Victims of Family Violence, Inc.: An ordinance to waive the requirement of § 34.27 of the Fayetteville Code, authorize the sale of 1.5 acres for an appraised value of \$30,000.00 to the non-profit corporation, The Project for Victims of Family Violence, Inc. and to declare an emergency.

Mr. Williams read the ordinance.

Mayor Coody, responding to a question from Alderman Ferrell, said the appraisal of the property was performed approximately seven months ago.

Alderman Ferrell, quoting the ordinance about remaining acreage being sold to developers, asked if the City is thinking about that down the road.

Mayor Coody: Yes.

Mayor Coody opened the floor for public comment.

Judy Selle, Director of Peace at Home Family Shelter, said they have been partnering with the City since the late 1970's. They have totally outgrown the facility they are currently housed in, which is owned by the City. The number of women and children being helped by the group has increased by 35% just in the last year. The Donald W. Reynolds Foundation has expressed their support of the program. She appreciates the Mayor's tenacity and support for this project and his assistance with these negotiations.

Alderman Lucas moved to suspend the rules and go to the second reading. Alderman Thiel seconded the motion. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Alderman Thiel moved to suspend the rules and go to the third and final reading. Alderman Lucas seconded the motion. Upon roll call the motion passed unanimously.

Mr. Williams read the ordinance.

Mayor Coody asked shall the ordinance pass. Upon roll call the ordinance passed unanimously.

Ordinance 4670 as Recorded in the Office of the City Clerk.

Alderman Marr moved to approve an emergency clause. Alderman Jordan seconded the motion. Upon roll call the motion to approve an emergency clause passed unanimously.

The Project for Victims of Family Violence, Inc. Lease of 1.5 Acres: A resolution to approve a forty-year lease of 1.5 acres of city property to The Project for Victims of Family Violence, Inc.

Mayor Coody noted that this property would be used as a buffer around the facility. The Donald W. Reynolds Foundation wants the Project to actually own the land it sits on.

Mayor Coody opened the floor for public comment. There was none.

Alderman Marr moved to approve the resolution. Alderman Lucas seconded the motion. Upon roll call the resolution passed unanimously.

Resolution 06-05 as Recorded in the Office of the City Clerk.

The Project for Victims of Family Violence, Inc. Lease of .69 Acres: A resolution to approve a lease of about .69 acres of city property to The Project for Victims of Family Violence, Inc. for a sewer area and a 70-foot wide access easement.

Mayor Coody explained that the Project would need a septic tank because the area does not have sewer. The City hopes there will be sewer in the area in the near future and the facility will hook up to the sewer system at that time. The acreage would then revert back to City ownership.

Kit Williams: As well as the access, which is about another .36 acres, it would also revert back to the City once the interior street connection is available. That's part of the lease agreement that has been signed by the Project for Victims of Family Violence.

Mayor Coody opened the floor for public comment. There was none.

Alderman Jordan moved to approve the resolution. Alderman Lucas seconded the motion. Upon roll call the resolution passed unanimously.

Resolution 07-05 as Recorded in the Office of the City Clerk.

PUBLIC HEARINGS:

Mayor Coody opened the Public Hearing.

Raze and Removal (408 E. Center Street): A resolution ordering the razing and removal of the dilapidated and unsafe structures owned by Jewell Carr located at 408 East Center Street in the City of Fayetteville, Arkansas.

Mayor Coody: I want to ask the staff to step forward and make a presentation, please.

Yolanda Fields, Code Compliance Director: Mayor and Council, my name is Yolanda Fields. I'm the Code Compliance Director. I have distributed to you photos which are the same pictures that we are actually viewing on our Power Point. The Mayor has already stated the location of the property is 408 E. Center. We have been working on this project for quite awhile. We had some issues with some funding but we have the money now. As you can see, based on the pictures, we have some problems here definitely. We have open spaces; we have broken windows; the roof is about to collapse in certain areas. We have had a lot of calls from neighbors that are very concerned because they have seen individuals in the structure. It is not a safe situation. It is a breeding ground for criminal activity. We've also had lots of calls from the police department wanting to know what we are doing about this. So, staff recommends raze and removal of this particular property.

Mayor Coody: Thank you. Any questions for staff on this item?

Alderman Thiel: Obviously no one lives on this property and hasn't for quite some time. I mean officially living there.

Yolanda Fields: No. But we have had reports that there is some movement in the building. Actually there are two buildings on the site so there is lots of space.

Alderman Ferrell: What's the reply of the owners on this?

Yolanda Fields: At this particular time, after visiting with them today, they feel that they will -- if this is approved, then they will move on it and take care of it themselves. If they don't, we will give them the appropriate time, 30 days notice, and then we will send out our notice to say that we're moving on the property within 30 days and if it hasn't been taken care of then we will bring this location down.

Mayor Coody: And file a lien on the property.

Yolanda Fields: Yes.

Alderman Marr: They believe that this structure is unsafe and should be dealt with and they're just not doing it at this point?

Yolanda Fields: They are planning their process.

Alderman Marr: How long has this raze and removal been in process?

Yolanda Fields: We've been working with individuals since December of 03.

Alderman Marr: 03?

Yolanda Fields: Yes. We've tried to provide every opportunity.

Alderman Marr: Thank you for pursuing that.

Alderman Thiel: I just want to say something about this process. The lien that is applied to this property, we're doing that on all these raze and removals that are coming before the Council. Are we seeing any of that back yet or is that still being tied up until the property is sold?

Yolanda Fields: It definitely is tied up until there is some transaction tied to the property.

Alderman Thiel: And that was probably part of the funding problem of not getting this moved on faster because there are limits to how much funds we can spend on doing these. We all want to see this happen, but by not getting the money back once the property is sold because a lot of these properties that we've done this to haven't been sold.

Yolanda Fields: Definitely. Our budget consists of \$25,000 a year.

Mayor Coody: Did we talk about putting a lien on the tax roles to where they would be filed with the property taxes at one time?

Kit Williams: We can look at that and see if that's allowed under the statutes. If it is, we can do that and then a tax lien would happen and eventually the property would then be sold if the taxes were not paid. But still it's a long process to get money back.

Alderman Thiel: But that does concern me. I mean, that's just an obligation. Each year we're adding, a cost to the City that's not being reimbursed in this process and that is a concern.

Alderman Marr: May I ask a question, because in my first term. This is the third piece of property we have done. One property was the space down off of School Street near Dickson. They actually did that. We didn't have a cost to that so there's no lien or expense to the City?

Yolanda Fields: No.

Alderman Marr: The other one was right over here off of Center Street. The gentleman wanted to save the wood to the home and he ended up removing that one himself. So at this point, the only outstanding one would have been which one? This one?

Yolanda Fields: This one. We have had to date; I think we have almost twenty that individuals have taken care of on their own, through our process that we have implemented.

Alderman Marr: Right. With us moving forward and actually doing things, I don't believe that we're having these huge expenses, because when people see that we are taking our codes serious, then they are then following the code. So I am glad we're doing it.

Mayor Coody: Any other questions? Go ahead.

Alderman Reynolds: Does this Jewell Carr or Sandra Root Taylor live in Fayetteville? Are they residents?

Yolanda Fields: Carr is deceased and Taylor has actually been contacting the individuals that are dealing with the property and they have stated that they do plan to take care of this on their own:

Mayor Coody: All right. I want to open this up to the public hearing portion of this. Is there anyone from the public who would like to be heard on this item? I am going to close the public hearing now.

Alderman Jordan moved to approve the resolution. Alderman Marr seconded the motion. Upon roll call the resolution passed 7-1. Alderman Marr, Rhoads, Lucas, Jordan, Reynolds, Thiel and Cook voting yes. Alderman Ferrell voting no.

Mayor Coody Closed the Public Hearing.

Resolution 08-05 as Recorded in the Office of the City Clerk.

Public Hearing

Mayor Coody opened the Public Hearing

Downtown Master Plan Redevelopment District Number Two Creation: A Public Hearing to allow all members of the public and representatives of taxing entities to present their views on forming the Downtown Master Plan Redevelopment District .

Mayor Coody Opened the Public Hearing

Mayor Coody: This Public Hearing concerns the boundaries of the district. Is there anyone that would like to address us on the public hearing part of the boundaries of this district?

Tim Conklin: Mayor. Council. My name's Tim Conklin, Director of Planning Management. If you would like, I have a brief PowerPoint presentation that outlines the boundaries in the project plan. That may be a good starting point for the public to understand where the boundaries are located, if they have not received a copy of those boundaries, and also the projects within that.

Mayor Coody: Please.

Tim Conklin: Okay. Thanks. Approximately a year ago, the City of Fayetteville conducted a charrette to develop a Downtown Master Plan for approximately 350 acres within our downtown area. It was very well received. This plan was adopted in the fall of last year. Tonight we have the public hearing for the formation of the boundary and then an ordinance that would create the boundary and then a second item would be adoption of a project plan. Last week, as you recall, you approved the Highway 71 East Square Redevelopment boundary, readopted that and approved the project plan. Public improvements were also included within that Redevelopment District. The boundary this evening that we are discussing is west of the Highway 71 East Square Redevelopment District. It's the area that is shaded in pink. The red boundary that you

see in this image is the Downtown Master Plan boundary. This would almost complete the entire area as a Redevelopment District if the City Council adopts this boundary and approves a project plan, except for a small portion in the southwest corner, which is part of a potential South Fayetteville TIF district. The northern boundary, which is somewhat hard to read in this map, is Maple Street, the western boundary, Arkansas Avenue and University Avenue. It goes south of 6th Street, follows Highland Avenue, goes down to Block Street over to Spring and then down Church Street and back over to the west. That is the general boundary descriptions.

There are four proposed projects in this Downtown Master Plan Redevelopment District. The first one is looking at the location and construction of parking decks to service this area, improvements to the streetscape, street trees, sidewalks, street lighting, continuation of trail corridors and then infrastructure that would support a cultural and arts district. With regard to parking decks, I would like to make sure that the public is aware that the proposals within this Redevelopment District project plan are from the Downtown Master Plan. There has not been a specific site for parking decks selected. The image that's in the Redevelopment project plan is what was adopted in the Downtown Master Plan. The recommendations as part of the Downtown Master Plan was to look at how to manage parking within our downtown and what opportunities would we have vertical parking decks versus demolishing additional buildings and creating more surface parking lots within our downtown. Since there is not a site that has been selected and the City currently is partnering with the University of Arkansas to look at the feasibility of some type of joint parking facility, a location is not proposed within this Redevelopment District Project Plan. With that said, any location or program that's developed would be an amendment to the project plan and notification would be re-sent and the City Council would have to approve an amendment to the project plan. But once again, looking at how we manage parking within our downtown, I've thrown some graphics up here, some photos of parking decks, ideas how to build them where they do not detract from neighborhoods and how they add to the overall street.

Sidewalks, street trees and street lighting, we continued, within the Highway 71 East Square Redevelopment District we had Block Street identified in this area. We continued Block Street to the North to Dickson Street. We included Lafayette Street, West Avenue and Mountain Street. Those are the streets that we looked at as potential projects as a first phase within this Redevelopment District. With regard to street standards, we would have to develop street standards for each street, they may not all look the same. Most likely they would not look the same. I don't think we're going to replicate Dickson Street on every street in the downtown, but looking at how they function and what type of improvements would need to be planned within those streets, that's something that would also come back to the City Council. But for the project plan, we did identify these streets.

With regard to the trail corridor, that was discussed as part of our Downtown Master Plan. We included that project for the continuation of the Center Prairie Trail, north of Center Street behind Nadine Baum and up to Maple Street for potential funding and construction of that trail corridor. So that also is included within this project plan.

With regard to a cultural and arts district, there is language within the project plan that describes the role of doing the public improvements to support the cultural and arts district. There has

been general discussion with regard to the Walton Arts Center expanding and potentially adding a 2,500 seat performance hall. The infrastructure that is needed to support an arts district, making the downtown walkable, people park once, get out of their car and having adequate sidewalks, streetscape, street lighting. The typical type of improvements that you would see in a very walkable downtown arts district has been included in the project plan. Public infrastructure that supports cultural and arts is included. We do have estimated costs within this; basically we looked at some costs per decked parking, costs per linear foot of streetscape improvements and trails. We have shown \$7.8 million for the parking deck, streetscape improvements about \$6.6 million and trails, \$600,000. These are preliminary numbers. Once again we have not designed a parking deck for the streetscape improvements. We looked at what the City spent to construct the streetscape improvements on Dickson Street and used that as an estimate of project costs of around \$15,235,000.

Mayor Coody: I want to interject right here. One thing that I think needs to be made clear is that that \$7.8 million for the parking assumes that there wouldn't be any private or public partnership there, as could be the case. This is a worst-case scenario. Also, the same for the streetscape improvements, the 1.4 miles for \$6.6 million would be as if we replicated all the work that we did on Dickson Street, which is not the plan. We wouldn't do anything that expensive. You plugged in those numbers directly out of the Dickson Street costs, is that right?

Tim Conklin: Yes. And I would like to stress, it is very important that the Council and public understand that this project plan is taking the public improvements that were identified as part of our Downtown Master Plan process. The purpose of tonight is to talk about creating or forming the rest of the Redevelopment District boundary that would cover the Downtown Master Plan and then begin the discussions for the type of infrastructure projects as recommended. Those will have to be further designed and then brought back forward as plan amendments to this Council. Staff is recommending that we establish the boundary and establish a starting point for the type of public projects we are looking for in our downtown area. So, my guess is that we will see amendments, not only to this project plan, to other project plans as we further define the projects and understand the scope of the projects and the cost of these projects. But this is a starting point for this evening. Within the project plan there is a statement that it does not plan to relocate or displace any persons within the Redevelopment District.

This project plan has not identified at this time. Any changes to the project plan would have to go through the amendment procedure that is required under State law. So I just want to make sure everybody understands that. Why a Redevelopment District? Last January we began the process for our Downtown Master Plan, there was a lot of discussion about how do we fund the vision for our downtown and the recommended improvements that are needed to actually make the vision a reality. The Redevelopment District, TIF legislation was modified last year. It allowed cities to begin looking at creating these Redevelopment Districts. Redevelopment Districts are mentioned throughout the Downtown Master Plan that has been adopted. Staff is bringing this portion of our Downtown Master Plan forward to the Council for adoption. This will complete the Downtown Master Plan area as a TIF district, except for a small portion in the southwest corner. It will complement what was approved last week with the Highway 71 East Square Redevelopment District. That's basically my presentation. I'll be more than happy to answer questions throughout this public hearing or after the public hearing.

Mayor Coody: Does anyone have any questions for Tim on the project boundary or the plan right now?

Alderman Thiel: The infrastructure to support a cultural arts district, what exactly does that mean? Can this TIF actually fund construction of the addition to the Walton Arts Center?

Tim Conklin: If that was something that was proposed. That would have to come back as a project plan amendment. We, at this time, do not have enough information to put in a project plan, estimated costs of such a project.

Alderman Thiel: But that could be done?

Tim Conklin: The language was put in there to allow the City Council to look at public projects that would help create and support a cultural arts district.

Alderman Thiel: Is the school supportive of this project plan?

Tim Conklin: There is a representative from the School District here this evening. Rather than for me to state what the School District is in support or neutral on this, I will let the School District answer that.

Mayor Coody: Any other questions for staff right now? All right, we're going to be opening up the discussion for the public on the boundary of this district. Is there anyone that would like to discuss the boundary itself? We do need to have everybody sign in.

Linda Ralston: We'll have an opportunity to talk about other things, if this gets passed or as this furthers on, then we'll have the chance to talk about other things, correct?

Mayor Coody: Yes, this is just the boundary right now. We'll talk about the plan after this part.

Linda Ralston: My only reaction in seeing the map was the same reaction I had when I saw the first TIF district. Which, I think there's some differences between the two. As I look over at the map I go wow that's 226 acres approximately? To me it strikes me that's a big area. That's my main comment. I'm still puzzled on why the districts have to be so large. I know we're trying to complement the Downtown Master Plan. We're trying to catch up with Rogers and all that stuff. I love my town and I want it to be the best it can be. I'm not sure that we need to take big chunks and divert tax money and that we have to have districts this big.

Mayor Coody. Great. Anyone else like to address us on the boundary itself?

Kit Williams: Of course, this is the boundary and the creation. This would be the ordinance that would be creating the district and designating its boundaries.

Linda Ralston: If I could go ahead then, Kit, bouncing off of that and then you won't hear me as much later. My main concern on the creation of the district really comes back to the spirit, as

some people have called it or the intent of the legislation in the first place. The Legislature will be convening very quickly and it seems to be common knowledge that this will be certainly on the agenda, as far as modification, clarification of the TIF legislation. My main comment then, in that regard is I wish we could just kind of slow this process down a little bit, get more people involved, get more comments, fine tune things and listen to what the Legislature has to say. Let's not follow the rush of Rogers and let's see what the Legislature does as far as clarifying the intent or the spirit of the legislation. I believe that all of you, as members of the Council, representing all of us, want to follow the intent of the law. I'm sure that you all can nod yes on that. Thank you.

Mayor Coody: Just as a point of clarification, this TIF district here wouldn't have anything to do with what Rogers is doing. I might also add that is what we will do. We will take questions, make a list of all the questions and then answer all the questions at once. I think that's what the City Attorney has said would be the best way to handle this public hearing.

Cyrus Young: So not only are we misleading, thank you Kit, what you all are doing is considering forming a TIF. The boundaries just happen to go along with the TIF. I have a couple of technical questions. The City Council as I understand will issue the bonds, since they will be the TIF district. I don't know whether this is true or not. I can't go on. That's the problem with this procedure. The school tax, the base is established. My understanding is that the school continues to get its portion of the base. The question is, the increment above that – does the school get their tax off of that or does that increment from the school tax go to the TIF? I think this City Council needs to consider seriously what happens when the entire City of Fayetteville is a TIF district. That affects the county funding, school funding, and when the City passes a millage for property taxes, it would freeze the City's millage, along with everyone else's millage. It would freeze all this governmental agency's funding. So you need to consider that's what you're going to be doing. You're going to be freezing the tax structure of everyone in this county.

The next issue is blighted areas. That's supposedly what this legislation is put together for. The question is how many revitalization and redevelopments are we going to do in Fayetteville? That's part of what this is all about. That's the question whether or not this area is even blighted, at least certain areas of it. By establishing this TIF district for the purpose of eliminating, and initiating revitalization you will be saying that the other revitalizations such as the Walton Arts Center has been a failure. Mayor Coody stated in the previous TIF that you established that this legislation was established to do what private entities were not able to do. So, I think it's incumbent upon the City Council to cite specifically business owners or business organizations that have tried to build parking decks and have gone to lending institutions and were rejected. Especially since the City has allowed business owners down there on Dickson Street to not have to provide their own parking when they built their businesses or expanded their businesses. I think it's incumbent upon this Council to cite specifically, not generalities and "well we guess and everyone knows this," but cite specific examples of business people who have failed to do these projects so that now the City has to form a TIF district in order to do these projects. Thank you.

Mayor Coody: Who else would like to address us tonight?

John Lewis: I'm John Lewis. Mayor. Ladies and gentlemen. I first of all want to congratulate you on commissioning a plan for our downtown area and pursuing that plan. I think it was a great plan. I want to talk for just a minute about history because I think it's important. I won't get bogged down there and I won't dwell on it but I want people to understand that some of us have been working on the redevelopment of downtown for thirty years. One of the reasons, in fact the catalyst that got us started working on downtown happened in 1972 when I was on the school board. The tradition had always been from when I was in high school and before that that the homecoming parade would be around the square. In 1972 at homecoming, that did not occur. I called Harry Vandergrift and asked why and he said, "I don't know, but I'll find out." He called me back in ten minutes and he said the high school kids are ashamed of downtown Fayetteville. So a lot of us got started on redeveloping a blighted area and there are parts of it that still are. To my knowledge we've had three charrettes and out of those charrettes came a lot of information and there came a lot of progress. The Town Center came out of it. One of the early charrettes analyzed the 500 acres that they said comprised downtown Fayetteville. They said there had been a loss of 3,500 dwelling units in downtown Fayetteville and if you lose that purchasing power in an area, you're going to create unemployment and a blighted area. We have made strides to help the downtown. I think today it's much more important than ever that a community have uniqueness. I think it's important for Fayetteville, in our future, because the University of Arkansas is ours, it's everybody's but it's ours, it's ours to take care of, that we take the steps to create a cultural district, enhance the cultural district, to enhance the creativity of our community. I think that's what we're doing. I think a TIF, with the objectives that were outlined furthers the goals of our community far, far into the future. Create employment, augment the University of Arkansas, create a unique city, create a livable city, and create a quality city. In every charrette that came, the professors and the developers that came with every single charrette said our first recommendation is for you to do a TIF district and do the infrastructure improvements and if you do those, development will follow. Our response was, it's against the law. You can't do a TIF. TIF is not a new idea. We've been financing infrastructure and community improvements with TIF's for decades. It's just a way for us to improve our community, a part of our community that really desperately needs it to be competitive to compete with the world.

Looking at the trail that's planned, if we could link that trail with the Research and Technology Park and Dickson Street, our downtown area, our library and our Walton Arts Center, suddenly we really have the nucleus of a high quality community. I want to commend you on what you have done and ask you to continue with this study and creation of this TIF because I think it's vitally important to the development of our community. Thank you.

Mayor Coody: Thank you, sir. Anyone else want to address us tonight?

Mike Johnson: Mr. Mayor. Members of the Council. I'm Mike Johnson. It's a pleasure to follow John because I'm a new resident of the community. I moved to Fayetteville specifically because it's Fayetteville. I didn't move to Springdale, I didn't move to Rogers, Bentonville or the rest of them. I don't want to be like them. I want to be like Fayetteville. I commend you and the staff for what you did in late December. I commend you for what I hope we're about to do tonight. I commend you for what you're going to do Thursday night, hopefully and I commend you for what's coming, hopefully later this month. Because I see what's happening

with downtown Fayetteville, the square, the cultural district, the renewed partnership with the University, what I hope you do with the north gateway (my term the I-540 area) and what I hope you're going to be doing with the south gateway, which we talked a little bit about tonight, frames Fayetteville continuing to be Fayetteville far into the future. Some of the things John talked about can go on into the future and people can talk about those 50 to 100 years down the road, about what you did during this period of time to establish the base to do that. The TIF, this particular TIF ability is brand new; nobody really knows where it's going. But if we don't put a stake in the ground, if we don't establish the basis to benefit from it, we won't be able to benefit from it if things happen to change. You're got to get there; you've got to put your oar in the water if you're going to row. If you can just sit there and drift, we can sit there and drift. The one thing that I have a concern about is us having a very strong partnership with our School District. We have a great set of schools. I think all of us want to kind of hold them harmless, want to protect them. But I think we can do that in a strong partnership with them and have these, at least these four TIF's north gateway, south gateway, and the two in the center tie the whole community together. I commend you for what you're doing. I think time is of the essence. We have twenty-five years to develop this as a max down the road. But if we don't do something now, we won't start on that journey and have that ability to bring things back to the Council. It's a pleasure to be a resident. It's a pleasure to be a homeowner in Ward 2 and I really appreciate the opportunity and I commend you for what you're doing.

Mayor Coody: Thank you, Mr. Johnson.

Steven Mansfield: Mr. Mayor. Members of the Council. My name is Steven Mansfield. I'm with Mansfield Property Management here in Fayetteville. I'll keep my comments just to the district boundary and will come back and offer some comments in regard to the plan later on. Basically, I wanted to address the size. I've heard a couple of comments with regard to size. A TIF district such as this cannot simply be or simply cover those areas that you might consider to be blighted or in need of redevelopment. The whole concept of the TIF district is that the increment from projects within the district will be used to redevelop those either blighted areas or areas that need to be improved. So with regard to comments that others may have, I think it's important that we make sure the boundaries are large enough, big enough to be able to support the ideas and concepts within the plan. I believe that this particular boundary does just that. There's twenty-five years within this TIF district plan to spend the money in this area and there certainly will be change. Our vision for Fayetteville goes out quite a ways and it's necessary to encompass that today as we set forward on building this TIF district and the plan to develop and complete and the Downtown Master Plan. As far as the layout goes, I think it makes a lot of sense with regard to providing a vehicle to complete the plan that was started by Dover Kohl and matching the area to the rest of the Downtown Master Plan is a significant step in making sure that vision actually occurs in the future. I want to commend you for getting to this level and hope very much that this plan is adopted. Thank you.

Mayor Coody: Thank you, sir. Anyone else like to address us on this issue tonight?

Joe Robson: My names Joe Robson.

Mayor Coody: It's been a long time, Joe. How've you been?

Joe Robson: I've been okay. I have questions and I guess that's what we're here for. Whether or not it's specifically related to just boundaries or whether it's the whole concept of a TIF, I've heard different things said here but I'll address the boundaries because it affects me.

Kit Williams: Well, it's the boundary and the creation of the TIF but not the project plan. There'll be another public hearing in a minute on that.

Joe Robson: Okay, regarding the boundary, because it's the easiest for me to deal with it anyway. I live on University Avenue and while the boundary line goes down the middle of the street, I am assuming it would affect one side of the street and maybe not the other? University Avenue is an old neighborhood almost anything you did on it would do a lot of damage. There are hundred year old trees on both sides of the street. If you put sidewalks there or whatever you did there, short of lighting, lighting would be an improvement. As a matter of fact, we have one light in front of Bruce Walker's house, the next one is down there by Wes' Barbeque, and the one at Putman's been out for a long time. This street's short of lighting anyway, but those kinds of things can be fixed without a TIF. Mr. Johnson moved to Fayetteville just like a lot of people moved to Fayetteville, because it's a nice place. I wouldn't want to say because it's not Springdale necessarily, but people come to Fayetteville because it is Fayetteville. They've come here whether or not there is a TIF. There's going to be blighted neighborhoods with or without a TIF. In this case, as I understand it, University Avenue as an example is not even going to receive any of those improvements anyway. I don't need to worry about sidewalks because they're not even going to get around to that. I don't know how true that is and for how long that's going to be true but it's a two-edged sword for me. Even if you did start improving it in that way, boy some folks are going to be mad cause they're going to lose big old maple trees and some of the things that make those neighborhoods desirable to live in. Now on to the philosophical questions if you will, on TIF's and what these things mean. Is an increment, by definition, is that the added amount of value to the assessed property or is the increment the amount of taxes that would be collected by the TIF? Can anybody answer that for me now or is this not the time to get answers?

Mayor Coody: We'll answer it in just a few minutes. We want to get all the questions and then we'll answer them all.

Joe Robson: Okay. I'm looking at Table 1 on I think this is the December 3rd document of 2004 so it's fairly recent and has a table in here that shows the frozen assessments. The frozen assessments for this year, 2005, are \$15 million. There's \$15 million in assessed property within that district, is that right? Because I have to proceed not knowing whether I actually have foundations for my concerns or not. If I do, they're profound concerns. It's stunning to me when I look at the total increment, if an increment is the increase, then the total increment over 25 years is \$1.1 trillion. Is this a typo?

Mayor Coody: I would think that'd be a typo, yes.

Kit Williams: Why don't you let Tim answer this?

Tim Conklin: It's billion, not trillion, in paragraph two, it should be billion.

Joe Robson: So this is a typo?

Tim Conklin: Yeah. The trillion is a type.

Joe Robson: Okay. I was going to say, is this Fayetteville or Washington DC? I'm glad to hear that. It sounds like so much money. In either case, even when it's billions, another concern of mine is who regulates this? Do you guys do that? So it's not like the TIF is another quasi-governmental entity, which has its own powers, you guys are in control of that? The increments, then are the additions in the taxes that will be collected? Is that what the term increment means?

Tim Conklin: Yes. The way the redevelopment functions is that once you establish, create the district boundary, approve the project plan, your property tax base value is frozen. So you're paying a certain amount of property tax for 04 and this year as that property tax increases, that increase in property tax goes into the Redevelopment District. It is shared with the Redevelopment District and the School District.

Joe Robson: Okay. Is the increment then the tax increase? Or the property value increase?

Tim Conklin: It's the property value increase. The millage rate does not change unless the school board or City Council or county changes the millage rate. As you redevelop or improve property the value will go up. The property tax that's generated by the increased value goes back into the Redevelopment District. It's basically redirecting the property tax into the district to fund projects.

Joe Robson: I understand that. I'm just trying to get some of the nomenclature here. The term increment then is the additional value of the property itself – projected?

Tim Conklin: That is correct.

Joe Robson: Table 1 and the projections that are made on it shows that in the twenty-five years, from 2005 the incremental appraisal, appraised property value increase in that year alone that reaches the \$15 million. By the year 2012, which is seven years from now the added value, there would have been a doubling in the value of the property unless I'm misconstruing some of this information. You go from an incremental increase in property value in the first year of \$1.3 million to \$1.37 million for that year alone. I have some of the concerns that some other people have expressed regarding that money then does not become available, that increase and the increases in the taxes on that increased value does not go to the City or the County and especially to the schools, it goes to the TIF. By the end of 2029, when this whole thing is projected to have played out, the increase will have been \$131 million; there will be an increase in value of \$131 million. If you look at the increment, and I don't know if it's for that one year it's a \$131million? I'm assuming it goes to an evaluation of approximately \$131 million worth of property. This table that we're using here, we have Table 1 and Table 2 from which we try to gather where we might be in the future, Table 1 does not consider any new construction in a twenty-five year period. I have a question about that. Do the schools lose? I think Mr. Johnson

and other people come to Fayetteville anyway and they build and they do whatever they do and then the schools get the lion's share of that, and the City and the County share some of the rest of it. Table 1 and 2, unless the added values you're talking about, because added value doesn't mean anything to me if I don't know whether or not that includes the things that people would build anyway. I build anyway and I don't need your money to do it. Mayor Hanna started fixing south Fayetteville and he didn't need to do this to do it either. So improvements in Fayetteville and the Mr. Johnson's of the world and myself we would still come. So I don't think it's that critical that it has to be done tonight because good heavens there are a lot of questions about this. I'm concerned about the schools. I don't know what they're going to do without the increases, because last year they got an increase from that area and the year before that. But from now on, it's just going to be frozen and they're just going to be cut out of the whole deal? All this value is increasing? It's going to go from \$15 million worth of stuff to \$131 million worth of stuff? \$145 million worth of stuff and the schools are cut out of it?

Mayor Coody: We have the chief financial officer for the School District here to address some of these questions. So you will have answers before we leave here this evening.

Joe Robson: Okay. It seems like a lot of data based on projections that are hard to understand. I don't know whether when you add the value that's added by the district itself, it goes to \$166 million worth of property in that area. It seems like a lot of property and it seems like a lot of tax money that the City and the County and the schools are going to be cut out of. I don't know how well thought out all this is and if the schools do get cut out and we have increases and more people living there and more people in schools, and then what? Then you've got a millage increase that's going to affect everybody because if this money isn't going to the schools, where are the schools going to get their money? They're going to have to come back to the taxpayers everywhere else in this town and ask for more money. I'm in this district and I don't see any promise. I haven't talked to Tim at length about this, or at all, I've talked to somebody else on his staff. It didn't seem like anything was going to happen at University Avenue. I'm in it and I'm not really going to see a benefit from it, parking, yes, parking is a problem. We don't have parking, we park on the street on University Avenue, that's our problem, we bought property like that I guess. But here we are, we're dedicating that part of our money which would be going to something else.

Sidewalks won't help so that's not going to help me. It'd do more damage than good. I don't expect you to build me a driveway. The other side of University Avenue you have literally walls holding back dirt and sometimes they don't do it and they fall right into the street. You have one of those issues right on University Avenue too. That whole part of the street massive rebuilding of that. Well, I guess I don't know enough about it and it's coming at me pretty fast and I've read through these documents and am still struggling to understand. I don't see how I benefit as much as we all may lose. I may not benefit anything from the TIF because they're not going to get to my street for a long, long time. I'm just included in it so that there's enough tax base but while I'm included in it for the tax base for the parking decks and those things, which I think are great. The people need to have that. I don't know why that isn't a strictly private enterprise issue but, there's people that know more about it than I do. I'm just struggling with all this data. I just wish you'd slow down on it. I'd like to see people from the schools explain how they think they can give up this much money and not come back at all of us throughout this whole city for more

money later. These are big, big numbers here. Thank you. I won't take up any more of your time.

Mayor Coody: We want to answer your questions, Joe. Thank you for your questions.

Joe Robson: Okay. Thank you very much.

Mayor Coody: Anyone else? Hello, Donna.

Donna Pettus: Hi. Mr. Mayor. People of the Council, I'm Donna Pettus. I come half excited, half concerned. This TIF district has grown so large. I own three parcels in three different places in this district, so I am concerned about what your plans are when you do, or if you do create this TIF district. My concern is in the past the Council has been and the City has been reluctant to use its condemnatory powers, its powers of eminent domain. What happens now, when you have all this money and all this opportunity to develop, are you going to be more excited about using these powers? While I realize that getting rid of a couple of extra lawyers on Dickson Street might be exciting for you, I am a little bit concerned about it. I want to understand from the Council, are you going to be reluctant to use those powers? Are you going to be a little easier, a little more excited, a little more willing to use those powers? They affect everyone in the district.

Mayor Coody: Thank you. Anyone else want to address this item? How are you, Bernard?

Benard Sullivan: All right. How about you, Mayor? My name is Benard Sullivan, I live in Ward 2. I just have a couple of questions. I'll be technical; it speaks to really to the principle of the creation as well as to the boundary itself. I'm a Fayetteville resident, I'm also a student, a non-traditional student, so it makes me wonder, especially when we mention talking about legislation, looking into interpretation, even seeking out an opinion from the Attorney General about financing. So my first question is about the City of Fayetteville and University of Arkansas' co-opting expenses, particularly when Mr. Conklin was talking about parking decks. The thing that made me wonder about that was we had an estimate in hand of \$7.8 million, but we had that estimate without the really hard determined location. I'm both a student so I pay fees and all the other stuff like other students as well as a full time, long-term resident of Fayetteville. I have no problem whatsoever with seeing Fayetteville's burden on building a 650 deck parking deck. Which for the City of Fayetteville's purposes will be used, I believe probably a lot less frequently than the majority of the University students would probably use that particular parking lot, should it be anywhere remotely close to the campus. So to that end I would like to see if the City Council or any other entity has looked into and is interested in looking into the UA co-opting expenses, as you mentioned earlier. It doesn't need to all come from publicly funded monies for this, Fayetteville's means to use taxes and this TIF district structure entirely. It could be used from private and for that matter the Walton Arts Center. Another thing that I find that would be not inappropriate, although I'm sure there'll be several members of the board of that organization and the Council, the foundation and the Council that would be against me with respect to that particular proposition that the Walton Arts Center might be sought out to have input. If nothing more than moral support to co-opt expenses, maybe marketing, promotional, those kind of things if they're not willing or able to do financial kinds of

support to a parking deck. Especially since the transit and parking director, Gary Smith has already talked about this off campus parking deck which is the reason I bring this up. He's talked about something even as far away from campus as Washington Regional Medical Center. So I would like the City Council to take it seriously, my suggestion about maybe seeing if there's anything legally that would stand in the way of the City inviting, encouraging the University to help pay for this parking deck. The charrettes, although a great proactive opportunity by the City Council then and the City Council now, as well as all the people that got involved, I would like to remind the sitting City Council, most of whom are the same members who were involved then, that the charrettes involved those who have been involved from then up until now. And let's not forego John and Jane citizen in providing opportunities to those who are uninvolved, uninformed, or both but are still very much affected. So I commend you that we are having this special time and the Council's made its efforts to get people to become aware and invited them to do just that, which we're having tonight. So I'd like to commend the Council for doing that and certainly urge the Council to continue to do that as much as possible. Also, lastly whenever we first talked about this some time ago, over a year ago, the way I understood the traditional sense, perception I should say, of the TIF was that it was supposed to, not necessarily in the Arkansan example, but traditionally it's been a means to address getting some outside support. Some private support by would-be developers in otherwise parts of town, as it were, that was not nearly so inviting to the developers but for the TIF district. The developers promise from the city, organization, town, whatever it was, in developing this district in the first place that they can get some backing, some support in all ways possible by a particular city or town. It goes without saying, it makes perfect sense to me anyway, that this particular part of town, the most traditional, the most historic, the most popular in just about everything positive you can think about when you think of Fayetteville, which I'm glad to live in that particular ward and this particular part of town, but it makes sense that this is where we start. I would also like to point out that I still believe in what the traditional sense of what the TIF was meant to address with respect to the rest of the city. I'll close with that. Thanks.

Mayor Coody: Thanks, Bernard.

Jeff Erf: Good evening. My name's Jeff Erf, 2711 North Cliff Road. I was just wondering if the City has considered more traditional ways to pay for the projects that are proposed in this new TIF district you're considering adopting. And if so, I was just wondering if you could compare and contrast the more traditional way, property tax, sales tax, that sort of thing.

Mayor Coody: All right. We will close this portion of the public hearing. Kit, we want to answer the series of questions that we have in front of us right now?

Kit Williams: I'll try to answer the legal questions as best I can. One of the first questions was the intent or spirit of the law and of course that was actually set forth in the law itself, or when it was adopted and it's fairly long, it does speak a lot about blight. It also does say to benefit the people of this state for the increase of their commerce, welfare and prosperity and for improvement of their living conditions and to provide new employment opportunities. All the rest of the community talks about blight. I do think that one of the purposes of the law, as shown in the definition of what a redevelopment project would be, was to increase employment and to prevent the loss of employment. We didn't have to face that very directly when we were looking

at the Mountain Inn TIF because that was obviously a blighted area and so I think it met virtually everything that the intent of the amendment and the statute held. But the spirit of the law, the purpose stated by the Legislature is also any of those items, including increase of employment. Former Alderman Young, asked about, will the City Council issue bonds that's correct. The City Council would have to pass a bond ordinance to in fact issue the bonds and of course that has not been done. It is not anticipated for any time soon. The bond ordinance would have to be drafted by a bond counsel. There might be an attempt to do a bond ordinance on the Mountain Inn Redevelopment District plan in the near future. I don't know about either one of the ones that would be coming up tonight or on Thursday. I think there was also a question about who controls, the elected City Council does remain in control. There is no separate board or other entity that controls the TIF district or its proceeds. It is the City Council. There was a question about school tax, does the increment go to the tax increment financing district but the school gets the same money. We have Dr. Morstad here and maybe she should answer this question. In fact, I would invite her to answer the question in regard to the School District. I don't want to be speaking for them when I really only speak for the City. So, Dr. Morstad did you want to comment about what the school board and the situation in relation to that?

Dr. Lisa Morstad: I appreciate the consideration and the concern of the citizens and the Council in regards to TIF's and how the School District will fare in relationship to TIF's. A couple of years ago I probably would have come here and told you that the School District would have seen a disadvantage if you passed a TIF. But the position of the School District, after the last special session changed with Act 43, which basically holds School Districts harmless in terms of their State equalization funding. Act 43 is important too in the School District's position of being neutral in terms of how School Districts will fare with the TIF. In terms of property tax, the School District may see a little bit of an advantage under a TIF than they would without the TIF. So, as long as all the current legislation stays in place, nothing is repealed or changed, the School District's position is neutral in terms of a TIF district.

Kit Williams: Thanks. Amendment 78 and the original ordinance, statute itself protected the bonding millage from the School District initially so that was always prevented from being affected by the TIF district. The new Act that was effective June of last year, as Dr. Morstad stated, does seem to protect the School District from a loss of revenue. They don't send as much revenue to the State but they're suppose to get the same amount of revenue as if they had sent the amount without the tax increment financing district to the State. So I think that's how they're basically held harmless by the State treasury unless something happens to that law.

Mayor Coody: Lisa, I think that Alderman Marr wanted to ask you a question as well. I might get you to sign in, too, while you're up here.

Alderman Marr: Hi, Lisa. Two questions. When you say that you're protected by, you gave Act 43, if that funding does not come from the State level, where does the money from the State come from is it still citizen taxes?

Dr. Lisa Morstad: It is. It's the property taxes from the first twenty-five mils that are submitted from all School Districts in the state. Its sales tax; its income tax; all those things that go into the

State coffers. In a Redevelopment District there could be an increase in sales tax and income tax, which could also increase the pool of revenues for the State.

Alderman Marr: Okay. Is there any concern that if multiple entities around the state, School Districts are protecting themselves from the establishment of TIF districts by cities that it will cause the State to make additional financing decisions that result in higher taxes and the recourse back from citizens as a result of that change, being a negative impact? Actually saying we don't want this and changing something that would affect the school down the road later, while it doesn't impact it today. Is there a tipping point to that?

Dr. Lisa Morstad: I'm not sure I'm clear on what the question is.

Alderman Marr: Today it sounds like there's no concern from the School District, philosophically, about TIF's because you're protected by this Act 43. But I think someone used the analogy with us at the first TIF discussion that there is no free money. I mean, at some point money comes from somewhere, so if you don't get it collected from the property tax, where we normally get it, if what goes to the State changes and they make up the difference to keep you whole, then there's some other pot at the State that isn't getting money, or it's taking that from somewhere else. Maybe I'm misunderstanding this with some of the other citizens, at some point that pot has to be made back whole or the State will either cut services or decide to add additional financing somewhere, by some other means.

Dr. Lisa Morstad: The way I understand it is that the original base of funding everywhere in the City and in the TIF district will still be split between the State and the School District and the other taxing entities the same way that it currently is. So they will receive at least as much as they have today, and then growth everywhere outside of the TIF district. Only the growth or the increment actually, in the TIF district boundaries will be split between the School District and the TIF district and so the School District will still see a portion of the property tax increment that's generated within the actual TIF district.

Alderman Marr: Okay. I think I understood that. But I have one other question. Does the school board agenda items talk about the TIF's that are being proposed by the City? I mean someone made the analogy, and I've had several citizens say to me, why don't we just make the whole city a TIF. Someone said it here tonight. Is there discussions about each of the TIF's or philosophically it doesn't matter whether there's one, four, the entire city at this point, as it relates to the School District's financing?

Dr. Lisa Morstad: We haven't discussed that. We have had an informational item about TIF's and explained just the general idea of TIF's and then we've also explained to them how it will affect our financing. We did share that information with them during the time when we were discussing the Mountain Inn project and that they understood the School District would be basically held harmless in terms of financing for the Mountain Inn project. There's a potential, as a ripple effect, when the Mountain Inn project for example has increased values, the values around that on the outside of the boundaries of the TIF district could increase property tax values for the School District and the City, and the State and the library and everyone else, a ripple effect outside the boundaries of the actual TIF district. So that's one way that revenues will

increase. Also, increases in sales tax or income tax, those kinds of things will also go back into the State coffers and can provide revenues for increments in the State funding as well.

Alderman Marr: Okay. So there's no percentage of TIF coverage in a city that concerns the school board from a financing perspective? If 100% of the city was covered under a TIF, would it be a concern?

Dr. Lisa Morstad: I haven't analyzed that specifically.

Alderman Marr: I mean I'm using that as an extreme example.

Mayor Coody: I think it would be a concern for the City because that would have ramifications to our operation and maintenance.

Alderman Marr: I guess what I'm looking for, is there some percentage or threshold that it warrants that study? This is just the second one but we have another one two days from now.

Dr. Lisa Morstad: My position with this particular TIF district and the TIF districts that you're proposing is that the School District is neutral with what you have proposed, at tonight's meeting and on Thursday's meeting.

Alderman Marr: Okay.

Mayor Coody: Yes, sir.

Steve Mansfield: I'm not an economist, I think I failed the personality test, but I want to give you some examples that I know of. In 1984 when we created the tax for the Continuing Education Center and issued the bonds, we had to have some coverage over the debt service. With the excess revenue in the first year we created the A & P Commission and empowered the A & P to have that excess revenue. The first year it was \$17,000, it has grown until last year I believe it was \$1.4, because of the increase in the tax revenues. The economic theory of all of this is that if the government spends money on infrastructure, there's a ripple effect to it. It creates economic activity that the government benefits from because it increases the sales tax and the property tax and all the other taxes. The great example, that I think that everybody can see of course, is the Mountain Inn. It's sitting there, derelict building, no tax is being collected, not anyone making something out of it. Back when we started first working on Dickson Street, there weren't many sales taxes collected on Dickson Street. Now it's a major sales tax revenue producer. So I think we're taking money from the TIF, the tax, but we're spending it for public purposes. We're spending it for infrastructure and that's the key to it. That's the creation of the economic activity that I see.

Mayor Coody: Thank you, sir.

Cyrus Young: I still don't have a clear answer to my question.

Mayor Coody: Okay, I'm sorry, Cyrus. Repeat your question again, please? Did you write that down, Kit?

Kit Williams: I thought I did. Which one did I not answer, Cyrus?

Cyrus Young: It's the sales tax. I'm not concerned about what's coming from the State. The State could repeal that act and I read in the newspapers they're probably moving to do that. My question is the increment above the base on the school tax. Does that go to the schools or does that go to the TIF?

Kit Williams: The way I understand it and it depends on whether Senator Argue is right. Senator Argue thinks that the twenty-five mils are State revenue and therefore exempt from the TIF district and therefore it would continue to go to the schools and down to the State. The way that most of the TIF districts were formed assumed that the twenty-five mils and the increment on them will in fact go to the TIF district rather than the schools. This State law that Dr. Morstad talked about basically just says that the schools won't be punished. They'll still get the same amount of money back from the State as if they sent the full amount down to the State. The increment on the twenty-five mils, my understanding of the law at this point in time, would be that would go to the TIF district, not to the schools.

Mayor Coody: All right. Oh, and Donna had a question about eminent domain, too. Donna, one thing that we talked about earlier with the Mountain Inn TIF is that we have a real aversion to using eminent domain unless it's a last resort. Yes, we have the power for eminent domain and for condemnation. This would just give us another reason to be able to use it, if we needed to. We would use it as a last resort just like we would with anything else.

Kit Williams: There was another question, or another comment I think, that Joe Robson made. He said that his property would not be benefited. One of the findings, when we ever get to the ordinance after the public hearing that the City Council would have to make in this first ordinance is that the real property within the Redevelopment District will be benefited by the creation of the TIF district. That's something certainly for you all to consider and think about because that is one of the findings in the ordinance to create a district. That the proposals that have been presented would, in fact, benefit the property within the district. I guess I touched real briefly on the AG's opinion that has been sought by Senator Argue that I think was brought up. That's based upon Amendment 74 and the new school funding formula, the Statutes that they passed in the 2nd Extraordinary Session. It's a very complicated and complex question, partly because our constitution is so complicated, with eighty-one amendments to it and most of the amendments have this little phrase that says, if this amendment, if the former constitution or any of the previous amendments conflict with this one, well this one controls. The latest amendment controls and Amendment 78 has that in it too. It was passed and effective after Amendment 74 was passed, which is important because Amendment 74 says the twenty-five mils will be used for school purposes only. Some of the twenty-five mils would be diverted into the tax increment financing district. The concern would be would the Supreme Court tries to interpret those together so that in fact the tax increment financing districts would not get the twenty-five mils. I don't know the answer to that. We won't know the final answer to that until the Supreme Court actually addresses that head on. The Attorney General's going to give an opinion. But his

deteriorated or deteriorating areas or discouraging the loss of commerce, industry, employment, increasing employment or any combination thereof. I have a hard time, when I think back to our very first TIF discussion and our Mayor and this Council saying the Mountain Inn is different than the Rogers' TIF. It's not greenfield, we have a blighted, deteriorating area and we have a loss of employment. We had property owners stand here and talk about a hundred thousand square feet of vacant office space that had deteriorated from this time period. I drove it today, went up and down every street; I don't see that in the remaining district. I don't see loss of employment, in fact I see us hiring people in this district and the places that closed, I see us reopening. The Brew Pub closed and we now have new employment and it's packed every time I've been in there. The buildings that were considered blight in this area, we condemned one of them and now it's built in a nice looking building.

How do I get comfortable with this finding? I struggle with it because when I ran for alderman this year I said to people, I want to see us implement the Downtown Master Plan. I want to see code for downtown that's different than everywhere else; I want to see code based on form. I want to see us continue to invest in the area like we did with Dickson Street. I think we've had a question tonight about traditional financing methods, public private partnership methods, that development is encouraging. I mean it's a stretch and I feel like we're stretching to make it fit for employment growth because we want to make it happen and not because there's a real need. I mean this is like arguing against the family medical leave act, nobody's against it, everybody wants to have it and it has a purpose. It's for medical illnesses for your immediate family and there's a defined family.

Everything about this law says how do you vote against it when you're sitting here representing the district that encompasses it when you want to see that plan done. At the same time say because my friend told me I needed to do it, not because it met with the requirements that the law said. I struggle with how I get to this finding. So from a staff, administration, mayoral perspective, somebody needs to give that to me and the citizens I represent. I know that people are for the forming of the district, that isn't the issue. The issue is the mechanism for it. I also don't believe that the Downtown Master Plan has said to us that the TIF is the only mechanism. It talked about a BID, Business Improvement District as a mechanism; it talked about code. There are lots of avenues, not just this format. So, in the discussion of creating the district and setting these boundaries, I want to know why we believe it meets this requirement; why we have disregarded Business Improvement Districts and other financing traditional options to implement this plan. I don't want you framing me as not wanting that plan because I want to be clear, I want the plan done. I don't know if this is the silver bullet only solution to make it happen. So if somebody can convince me why we meet the number 4 finding, where we're losing jobs, where we are have spreading slums, where we are have blighted and deteriorating areas, discouraging the commerce and where that percent is great enough that it warrants the use of this legislation to do that. Why it has been prioritized over Business Improvement Districts and other financing options.

Mayor Coody: Let me try to answer part of this, Don. I think the law that allows cities to use a tool like these talks about expanding economies and expanding job opportunities and expanding the quality of life for the city. Kit, would you mind reading that passage in the law again?

Alderman Marr: Can you tell me where you're citing it? Because this is the packet of the law you all gave us.

Kit Williams: Its number 4 in the Statute, 168 305-C4. It says that the ordinance, the local governing body, the City Council, must adopt an ordinance and it has several requirements, one of which says, "*contains the findings that the real property within the Redevelopment District will be benefited by eliminating or preventing the development or spread of slums, or blighted, deteriorated or deteriorating areas, or discouraging the loss of commerce, industry or employment or increasing employment or any combination thereof.*" That is the finding and as you see in the ordinance that I drafted under subsection 4, or section 4, I quoted that section because that is the finding that you all would have to make. It's the same finding you made with the Mountain Inn, the Highway 71 East Square Redevelopment District #1 of Fayetteville. That's the same finding you made there. That's a finding you would have to make in every TIF because it is statutorily required that you as a City Council must make that determination.

Alderman Jordan: So it's our call.

Alderman Marr: That's the exact sentence that I read. So my question is, based on that finding when you read through this, what parts of this district meet this finding?

John Lewis: I think the Department of the Treasury has answered your question. The Department of the Treasury has designated downtown Fayetteville as a target area because it's a low-income area. The United States Department of Treasury has designated downtown Fayetteville as a target area...

Mayor Coody: What year was that?

John Lewis: It's today. It's subject to new market tax credits because it's a low-income area. There's underemployment. I mean how many high school graduates leave Fayetteville for employment? How many college graduates from the University of Arkansas leave Fayetteville for employment? The truth of the matter is when you look at this area from a national perspective the way the United States Treasury Department did, it's a low-income area. Nationally speaking it is. These are Jeff Collins' figures, if the State of Arkansas could increase the per-capita income of its residents to the national average, it would increase the receipts to the Department of Finance and Administration \$2 billion a year. The loss of manufacturing jobs from 2001 to today has been estimated to cost the State of Arkansas \$200 million in tax revenues. So we have a problem, it's just not evident because we have addressed the problem for a long time. When you get off of Dickson Street and you wander around the area and it's a designated target area.

Mayor Coody: Thank you. One thing I want to add is that I don't think the TIF District is the silver bullet. I think there are other mechanisms like, as you mentioned the Business Improvement District that we would need to look into. BID's are not city driven, they are private development driven and privately funded and we wouldn't have any input over how they would spend their money. I think that would be a terribly complicated, long-term deal that would be hard to really get accomplished. This TIF legislation provides a tool that, today we may be able

to use to provide for some infrastructure funding that we don't have the money for otherwise. Obviously we don't have the money to put down the kind of infrastructure we need in downtown Fayetteville or else we'd be doing it with our existing revenue. This gives us a tool to use that we don't have otherwise. We do need to capitalize on our role in Fayetteville as the cultural arts district, the entertainment district, the cultural and artistic center of Northwest Arkansas. Because if we rest on our laurels and we think well, we've got this sewn up, we've got the University of Arkansas, we've got the quality of life, we've got the arts and cultural district, if we drift I think is the word that was used earlier and we don't put our oars in the water then we will be resting on our laurels and we likely could look up one day and we would be losing the employment that we're talking about. "The Rise of the Creative Class", book by Richard Florida is the kind of thing that we need to be thinking about here in town. This gives us a tool to achieve things that I don't know if we'll be able to achieve otherwise. This is a good mechanism. Yes, sir?

Alderman Rhoads: Mayor, I don't look at a TIF as the silver bullet either. I look at the TIF as one of the ways that we can initiate more progress to be made in these areas that we've designated. I would still hope that we would look at, whether it's "we" being the City or whether "we" being private citizens, at other ways to take what we're doing with the TIF and then add on to that with other things that these areas need and would benefit. It would just start, I hope, a positive snowball effect.

Mayor Coody: Joe, did you have something to add?

Joe Robson: I just wanted to say that probably every other town and community in the State of Arkansas wishes they were as blighted as Fayetteville. Every one of them would pray every night to be as blighted as we are. People come here because it's not. The problems fix themselves. Back to crunching these numbers, if you have in 2029 a total assessment in that area of \$146 million worth of property and yet it's frozen at \$15 million as of 2005 then you're cutting yourself out of \$116 million with the potential taxes there too. That figure is based on no TIF investment whatsoever. We will increase \$131 million worth of property value in that area with no TIF improvement whatsoever, not a nickel spent by TIF. It's projected to go to \$146.4 million, but we're freezing it at fifteen. I don't see the wisdom in this. Now, when you go to Table 2 and you look at these numbers and you say, what happens to the value with the TIF, well it goes up to \$181 million. In other words, there's a net increase in \$25 million, is that right? There's a \$25 million increase and we're going to give up taxes, city, county, schools and that's with no new construction. That's just with TIF doing what they do with lights, wherever they put them, which isn't going to be on University Avenue it doesn't sound to me. You're talking about an improved area where some areas aren't getting improved just so some people can have parking. Those are sticky, sticky issues and down the road the school's going to be on my side on this issue. I'm hearing another thing from the school, they're neutral but they're getting half or are they getting 45% of the increments, they're getting part of their cut on it too somehow anyway? I heard some new information from the schools tonight I didn't know and maybe you guys did. I'm more confused now than I was before. But if you look at it with TIF and without TIF, with TIF you've got \$25 million more worth of stuff in there every twenty-five years. But you've cut yourself out of more than that, just the City's share, which is just a little bit of this perhaps or the county's share. But, so even if the schools are getting a better deal on this I think

it needs to be looked at more. I'm worried that the oars in the water could be an anchor in the water. What if this cuts you out of taxes that you could have? I mean, I know it's more complicated than I can see and then there are sales taxes and more people come here and spend money and this and that. But on those legal issues, Kit if I'm in an improved area that doesn't get improved except that the county tax collector comes down and says, you're in, you're improved, you're doing a lot better than you were. Because the other things that adversely affects the people that are in, if they read the details of this the assessment that can be made on each piece of property is made every year just to make sure they keep up squeezing all the nickels they can inflating the values. They'll tax people out of there. How about homelessness, jobs, when people can't pay taxes in that area anymore because the taxes are so high because it's been improved, even though they don't even have a single streetlight on the whole street probably and no sidewalks. But it's improved and your taxes are going up because the county thinks so or Tim thinks so or you guys think so, just because you're in there so you're better off. You're in that thing so obviously you're better off being in there. Well, I don't see that.

Mayor Coody: I don't believe it works that way that assessments would go up just because you're in the district. Anyway, residential taxes are capped; they can only go up a little bit each year according to state law.

Joe Robson: They'll go up, and the assessment, appraisal process will be different in there, if I read this correctly because they'll be able to do it every year. Right now the county can't even keep up with assessments as it is, so they target areas and they float around and every few years or four or five years or whatever they get back to you again. This is going to be every year and nobody is going to be cut any slack, it's going to be every year. Every year the taxman's going to be there with a new, with a new you are in a better place. I'll probably end up in a place I can't even afford to live. I'll have to sell too.

Mayor Coody: Arkansas is I think forty-seventh as far as property tax goes, and with the amendments in the State that basically cap any increases. Residential I believe is a five percent.

Kit Williams: Five percent per year.

Mayor Coody: Before it triggers the roll back of the millage rate.

Joe Robson: If it's owner occupied, if it's not then it changes again. So it's different. I want to see the direction that the City of Fayetteville's headed. I've been grateful to Mayor Hanna and the things that he did. I think the things that have continued on have been good things and to some extent, maybe this would be too. I don't know, I think there are too many unknowns though. I don't know if I got a straight answer from the school. I mean they're neutral but they think they are getting cut in on more than what's come out in the newspaper so far? In other words, I thought everything was frozen and everybody was just cut out of it.

Mayor Coody: No, we have approved the East, the Mountain Inn TIF District a little while back and the School District and the schools were very involved in that discussion.

Joe Robson: Okay. And this one?

Mayor Coody: I'm sorry?

Joe Robson: But we don't know about this one?

Mayor Coody: Oh yeah. The chief financial officer of the schools is Lisa Morstad. So, no one knows the schools finances better than Dr. Morstad. That's why she's here tonight.

Joe Robson: But tables and charts and even the law itself, that can change as several people have pointed out. Maybe we pay too much and so we're cut out of some of the State funding. The State's going to be out of money, too, they're struggling as it is. What if that changes?

Mayor Coody: Well if that changes, then we will do something differently.

Joe Robson: I know what you'll do because the history is there. Not you, Dan, or any of you people for that matter. You are all fairly new but what happens traditionally is you go back to the tax payers and you say, oops table one and table two were wrong and we made this mistake here and this and that and the State Legislature changed their mind and now they're not going to make up the slack on what you guys don't pay so you're going to have to cough it up again and there's going to be a millage increase.

Mayor Coody: We always have the option to dissolve the district once the bond debt is paid off, if we haven't bonded any debt, we can always dissolve the district. We're not locked into it unless we've bonded debt and we aren't going to do that until we know exactly where the State stands.

Joe Robson: Kit, on the legal issue, if there's no improvement and just because you're in it, cause somebody took a pencil out and said you're in it, you're better off and you're improved, but you don't have any changes for you, there's no lights, sidewalks or what have you, you know.

Kit Williams: I can only read you what the statute says. It says that they must have a finding that the real property within the Redevelopment District will be benefited. That's homes and stuff like that. I don't think that means that every street has to have their sidewalk fixed. I think that sometimes you can be benefited by a project, like the Mountain Inn is going to benefit more than just that one part of town by it. It looks like that the benefit should flow throughout that district just because it's going to generate a lot of jobs and a lot of economic activity that will flow further beyond several blocks from it. This is an issue that the City Council has to look at for this particular district because there's not a major project like the Mountain Inn with the new hotel and things like that coming in that would necessarily flow much further. It does not mean, I don't think, that every street has to have their sidewalk fixed or else there's no benefit.

Joe Robson: Right. Well, I know that every street won't get a sidewalk. It's not in the cards right now for some reason, immediately there's not enough money anyway and in my case, if there was, it'd be as destructive as it was constructive, maybe more destructive. It could take out some lovely trees that set in some of those neighborhoods. I guess some of you have probably

been working on this for years and years and you're sick of it. I don't know how long you've been talking about it, but you came out with a chart this month and it shows a \$25 million increase after they have completed doing what they do. I don't think that's enough of a gain. There are too many questions, I think to just move forward and say we've got to do this now because we're going to get swept away and people are going to start moving out and there's going to be no jobs or whatever, it's ridiculous. It's not happening that way. Fayetteville's not going that way. Most everybody in this State wants to be here. It's going to continue that way. We've got the prettiest community in the whole State of Arkansas and it's going to stay that way. It's headed in the right direction. Maybe this is part of it but I wish you'd all just go slower with it and think about the ramifications because there's too many x's out there. This is more like calculus, it's not algebra. There are some real difficulties down here. There are some unknown factors and variables that you have to figure out.

Mayor Coody: Thank you, Joe.

Geary Lowery: Good evening, Mayor. Geary Lowery again. I'll try to be short. Two points I want to bring up real quick. One of them that Mr. Lewis said is that we're in an economically disadvantaged area. When you figure that a person who currently makes \$9 an hour cannot afford some of the apartments that we have around here, their utilities, food, clothing, medical costs, insurance and stuff and that's at nine bucks an hour. We've got a lot of folks around here that are disadvantaged. One of the other things that Alderman Marr brought up, and I appreciate you for doing it, Don, is taking a look at other ways and other venues to get this done. RDD's, SID's and of course, your TIF is another one. But there are a lot of different ways to go around making improvements for the City of Fayetteville without compiling them all into one general TIF. Now, if you want to have an improvement in an area, do an SID. If you want to have improvement in an area, do an RDD. What's an RDD, it's a Redevelopment District. Redevelopment Districts do not use TIF's, they use general obligation bonds and funds from the city that helps the business men and women in that area, or helps the people in that area to improve their blight. To improve their problems or to benefit them such as the Freemont Street experience in Las Vegas or the Kay Street Mall in Sacramento, California or the Victorian Street over in Sacramento over in Sparks, Nevada. All of these Redevelopment Districts were done with public and private partnerships. They were bonds that were put out there for the business owners, developers and the people that owned the property to improve their area, including underground utilities, your favorite subject, Mayor, underground utilities. So who paid for it? It wasn't the TIF districts. It wasn't some other district, it was done under Redevelopment Districts or it was done under a special improvement district. Now there are a lot of areas in Fayetteville that needs improvement and there are a lot of areas that don't. But when you start thinking of what this City can do and what it can be, it's explosive. It's just like I made a comment during the break, if you guys need that land over there next to Pinnacle Foods, if they don't sell it to you, put them under eminent domain. You need it for streets and improvements for the City. Go in there and take it from them, buy it from them at the appraised value. It's dry dirt; it's nothing they're going to come into. But until this City decides to do the right thing by all of it's citizens, not just the people on Dickson Street, not just the people over at the Mall area, not the people just in south Fayetteville, but the entire city, because each and every one of you up there represent the entire city. Maybe your ward area, but we are all the people of the City of Fayetteville. So like Don said, let's take a look at other venues and other ways. Mr. Lewis is an

active citizen of the City of Fayetteville, he's very civic minded and he wants to see these things accomplished. I can't blame him; they're great but at whose expense? Thank you.

Mayor Coody: Thank you.

Kit Williams: Mr. Mayor, at one point I thought you closed public comment.

Mayor Coody: Yeah, I did.

Kit Williams: Actually we've had a long public hearing, we probably need to get to the reading of the ordinance, not to cut off public comment, because there can be public comment on the ordinance too. Maybe if you actually close the formal session of this public hearing so that we could then go on to the next thing on the item which is the reading of the ordinance.

Mayor Coody: You're right. Thank you. So I will close this formal part of the public hearing with the statement that anytime you improve a part, you improve the whole in a city and this would certainly be an improvement of a part that would improve the whole. We are improving the whole of the city by the \$125 million bond issue for water and for the sewer redevelopment. That does benefit the whole city. We're looking at fixing city streets all across the town, above and beyond our capital improvements projects. So we aren't just focusing on one or two or three areas of the city and ignoring everything else. We're trying to fix all of Fayetteville up in as many different ways as we can as quickly as possible to try to make it the best town it can be and this is a viable tool.

Mayor Coody Closed the Public Hearing

Downtown Master Plan Redevelopment District Number Two Adoption: An ordinance forming the Downtown Master Plan Redevelopment District Number Two pursuant to Amendment 78 of the Arkansas Constitution and authorizing the preparation of a project plan.

Mr. Williams read the ordinance.

Mayor Coody asked if there was any other comment from the Council on this ordinance.

Alderman Marr asked for the staff's perspective on what areas of this district meet the findings of section 4 of the ordinance relating to the spread of slums, blight, etc.

Tim Conklin explained that in working with the community and the consultant on the Downtown Master Plan, it was apparent that the City must be able to plan and manage its parking; it must be able to build adequate sidewalks and provide street lighting. He quoted a section of the Downtown Master Plan, which states, "*Inappropriately designed surface parking lots, ill fitting garages can blight the very character that is downtown's calling card*". There has been a great deal of discussion involving staff, Planning Commission, City Council, the public, etc. about how to manage growth and development in downtown. The City has made many improvements within our downtown, which have benefited property owners. Public improvements in recent history have changed the nature, character and the condition of adjoining

properties and properties near those public improvements. He feels that going forward with this project plan will help enhance the downtown, achieve the vision, avoid and eliminate blight, increase employment and increase commerce. To be competitive in all ways we will need to plan for this type of public infrastructure.

Mayor Coody further explained that the Downtown Master Plan identified a need for 3,500 new residential units downtown. The City would have to provide the infrastructure necessary to allow those units to be built according to the new code that would come from the Downtown Master Plan. The construction itself would provide employment. The residents coming in to live in those units would provide employment to the shops and business. He also mentioned the possibility of loft or studio housing for artists who would like to live in Fayetteville, thus expanding the arts and cultural community. He said it is public money poured into public infrastructure that could provide energy into downtown. We don't have earmarked revenue for the downtown area to accomplish the downtown plan. The TIF would be a very strong tool and an effective way to accomplish the City's goals as defined in the Downtown Master Plan.

Alderman Thiel asked if a representative of the Fayetteville Downtown Partners could tell the Council their position on this TIF.

Bob Kohler, a board member of the Fayetteville Downtown Partners stated that they were very much in support of this TIF. The whole concept here is keeping downtown dollars downtown. He sees it as an integration of what has already been done on Dickson Street, plus what has been approved in the first TIF, completing unfinished business in the Downtown Master Plan. A great downtown is the center point of a great city. Though he feels most of the benefits are indirect, every property in the district and adjacent to the district will benefit by having a better downtown and by keeping the dollars downtown.

Alderman Marr asked Mr. Kohler if the TIF and this Downtown Master Plan boundary were in the plan the Fayetteville Downtown Partners presented to the Council when they requesting financing from the City.

Bob Kohler said he does not believe it was. He said the group doesn't see property tax as their business; it falls outside their control. They are certainly supportive of this but it was not mentioned in their plan because their initiatives will take place regardless.

Mayor Coody asked Sharon Hoover to speak.

Sharon Hoover said the TIF was not specifically in the plan because the group was not going to do it themselves. What they had in the plan were initiatives the group wants to take on and direct themselves. They were expecting the City to take on the TIF part because it is mentioned in the Downtown Master Plan. She clarified that though this particular TIF has not been taken before their board, it meets all of their mission and visions and the four members here tonight, as well as the director, are in support of it.

Alderman Cook said that although the TIF was mentioned in the Downtown Master Plan, there were many other options also listed in the plan.

Carol, a citizen, spoke about the concerns that the TIF will adversely affect all the school systems in the state.

This ordinance was left on the first reading.

Public Hearing

Mayor Coody Opened the Public Hearing

Downtown Master Plan Redevelopment District Number Two Project Plan: A Public Hearing to allow all members of the public and representatives of taxing entities to present their views on the Proposed Project Plan for the Downtown Master Plan Redevelopment District Number Two.

Cyrus Young: I have a question. Specifically what infrastructure for culture and arts district is planned? There was no funding for it. There's really no mention of specifically what infrastructure was planned for that. The Downtown Partners kind of explained Block Street, I didn't understand why it didn't go to the square except the south part is in another TIF district. So we can only assume that the other TIF district is going to do the other part of Block Street because this TIF district only has one block south of Dickson Street for Block Street improvements for this TIF district. This TIF district, the awarding of it and the formation of it, it's different than the other one and I would compliment you on that. At least you're being up front about condemnation. That you are specifically going to say that you are going to do condemnation if needed, that's at page 3 of 74. Now there's a problem, though, on zoning. Section I, page 3 of 74, says that you aren't going to do any rezonings, then further on page 8 of 74 it says you are going to do rezonings. So I would suggest you clarify that and get one or the other straightened out and so they both jive. Either you're going to do rezonings or you're not going to do rezonings. Thank you.

Mayor Coody: Tim, would you mind answering his questions?

Tim Conklin: Sure. Within the project plan I did indicate that, as part of Dover Kohl's recommendation was to adopt a new code. So that was added into the project plan. With regard to Block Street, Mr. Young is correct, the remaining part of Block is in the 71 East Square Redevelopment District and so we cannot include projects outside the district. I want to make sure that I answered the rest of his questions. With regard to the cultural and arts district and what infrastructure, the plan currently talks about parking, streetscape, sidewalks, street lighting and the trail. Those are the three public improvement, public infrastructure projects currently listed in the plan. Any additional projects for a cultural and arts facility, public art program, any of that type of use of public funds would have to be an amendment to the project plan.

Mayor Coody: Does that answer your question, Cyrus?

Cyrus Young: No. The trail is a separate thing and we've already done the streetscape part. So I still don't know what infrastructure relative to the cultural and arts district we're going to do.

Tim Conklin: Let me just state that in order to create a walkable downtown community and have shared parking facilities that support cultural and arts type venues, we will need additional public infrastructure. I think that was evident when the Walton Arts Center was built, with the City having to participate in building public parking to support that facility. The City's been involved in improving the sidewalks to allow people to park in shared parking facilities and concentrated parking facilities. Those type of improvements support, in my opinion, cultural and art type facilities. We are not going to be able to expand the performance hall for Walton Arts Center. We can't expand parking lots without providing adequate sidewalks and street lighting. If someone's going to an event at the Walton Arts Center and they park in a lot but don't have a safe means to get there with an adequate sidewalk and street lighting, I think you have to have all those components together. So that was included in the project plan and as I stated earlier, there's been other ideas discussed with regard to partnerships with other entities. I've talked with citizens about public art programs. Those types of projects would have to come back before this Council and be added into the project plan.

Mayor Coody: Thank you. One question I have is that, I'm sorry before I ask any questions, is there anyone else that wants to address us more on the plan?

Steve Mansfield: I know it's getting late but I did say I'd come back with a few other comments. Councilman Marr, you asked for specific instances of blighted areas or buildings in this area, I can name quite a few. Approximately three weeks ago I went and looked at an apartment building, four units down off of 6th Street; it had just been listed for sale. The listing said, "*be careful, floors unsafe, do not take clients in,*" when I walked inside, it was impossible to go through it. It wasn't occupied, it couldn't be occupied. While you drive the area it may seem that this area is not terribly blighted. I grant you that there are a lot of areas, a lot of streets being improved in the area, but if you walk down the railroad tracks, you'll see abandoned warehouses and broken-out windows. Specifically in the area north of 6th Street, behind the Mill, if you start getting back in there there's quite a few that I would consider heavily blighted properties and probably one dear to my heart that's the most visible would be the train depot. It's been vacant since the 1960's, it's got broken windows, and it's the subject of vandalism. Now, whether the TIF district in and of itself would change whether private money would come and fix all of these isn't the issue. I think we're looking at this too complicated, the TIF district and the legislation for this is just one of many avenues that the City can take to help create a better place, a better in this case Downtown Master Plan area. All that the TIF district is is another financing tool. It's actually a win, win situation for both the public and the private sector. The City of Fayetteville does not gain a lot of real estate tax revenue into its coffers. Most of the revenue base, as we all know, comes from the sales taxes. This is an opportunity to use another piece of the funds that are available that wouldn't otherwise be available to the city to help build the infrastructure that will assure additional jobs, additional growth and additional development. The part of the TIF law that specifically talks about blight, as well as increasing jobs, is very well dealt with within even this kind of district. Creating more jobs downtown will require having a place for people to park. They won't be there if there's not housing and you need a place to park. You need a safe ability to walk and be able to feel comfortable at night or folks won't move

downtown. While there are many other forces besides just the regular economic engine that we have today and the growth here has been phenomenal. There are things that this TIF financing offers that BID's don't and other means don't. Public and private and all of those are part of the parcel of the multitude of ways that the City of Fayetteville should go ahead in fixing up and completing the Downtown Master Plan. So I think that this is just one of the bullets. It's not the silver bullet. It's not the defining way or the only way to go about it. But I think there are specific instances that if you could look to and feel comfortable with, that exist in this particular area. Whether or not the plan only fixes those blighted parcels is not necessary to vote for the TIF financing in and of itself. The TIF financing in and of itself is just another financing vehicle and a tool that I think is very smart for the City to use because it allows us to take, as I said before, a piece of revenue that we wouldn't have at our availability to help build us a better city. Thank you.

Mayor Coody: Thank you, Mr. Mansfield. Anyone else want to address us on this part of the plan?

Linda Ralston: I started to say good midnight. Good evening, Linda Ralston again. I guess I just have another question that I don't need for you all to answer, but it's just who really, ultimately pays for this? I know reading some of the State interpretations that the State may make up the difference. I'm not sure I understand all that. I will be following, as I'm sure you all will be too as the Legislature convenes and all this kind of unfolds as well. I'm sure there are some great citizens out there that would love to give a monetary gift to the City for who knows an overpass and all kinds of good things downtown. Not the overpass downtown, but you know I did discover that a citizen can give a gift and that's no big surprise. You know, Jim Blair gave to the library, what \$3 million? There are a lot of possibilities and I applaud you all for discovering all of them and laying them all out and seeing which puzzle piece fits the best. Good evening.

Mayor Coody: Thank you. Anyone else want to address us tonight? I'm going to close the public comment part of this and bring it back to the Council.

Alderman Lucas: I just have a question. I've been thinking about this. This is for like twenty-five years, right?

Kit Williams: That's the length it can be.

Mayor Coody: I don't think it's been determined exactly how long it would be.

Alderman Lucas: Okay. If we do this and say, down the road another Council or this Council wants to increase or use some of our millage. Does it go into the TIF district in this area or will the City get that?

Kit Williams: No, I think that the base value of real estate is capped.

Alderman Lucas: So we would just get it on the base value, then?

Kit Williams: Yes, as of the date that the district is formed and I think any millage, whether it is voted on by the citizens to raise school millage or by the county or by the city or library, my belief is that all that would just be at the base value. Now, this is a brand new law that's never gone up to the Supreme Court. It's a very complicated law. It's tied together with our complicated constitution and various competing amendments, 78 and 74 that kind of seem to be at odds. So I can't give you an absolutely clear answer on that. I wish I could.

Mayor Coody: Any other questions?

Alderman Marr: I just want to make a comment, since I'm having a problem with the boundary. I will say I like the plan. I think that the plan is in line with what our Downtown Master Plan says we should be focused on and there are the kinds of things that I think that would help generate business there. My problem with this two-part piece is not the second piece. In fact I appreciate the work we did to reflect in the project plan the items that are in our Downtown Master Plan. I'm supportive of parking decks, streetscapes, cultural entertainment and infrastructure development. I will say that I think it's important, and I know Alderman Rhoads has this as the communication link for the Council with the staff on the cultural entertainment area. I think when you're creating a TIF and calling a piece of the plan infrastructure for the cultural and entertainment area, we really need to define and develop that officially, because the Downtown Master Plan also speaks to what the boundaries of that cultural entertainment district should be. There are citizens, particularly in this ward, who are interested in where those boundaries lie and how they go into residential areas. I think there's kind of two pieces to this, that being a big piece since it's a big part of this plan. I think the plan does a great job of reflecting what our Downtown Master Plan charrettes said we should do and I like the plan. I'm just not sure of the financing structure, to speak to the gentleman who understands what I am saying.

Mayor Coody: Does anyone else want to add anything? Speaking of the financing structure, the only thing I have to add is the Business Improvement Districts would be a great thing but they won't pour money into public infrastructure. With a Business Improvement District private business owners would be able to raise funds, tax themselves essentially, to hire people to sweep the streets or landscape their buildings or to do private improvement district stuff like that. I don't see the Business Improvement District putting in water and sewer lines, streets and sidewalks, over the whole district. A private Business Improvement District, say for example Dickson Street, I wouldn't see them raising the kind of funds necessary to do a major infrastructure overhaul for a big area of downtown. I think that they would want to keep their money concentrated close to their businesses so they would get the direct benefit.

Alderman Marr: I agree with that.

Mayor Coody: I think if we want to see the Downtown Master Plan flourish, brought forth in our lifetimes, then we're going to have to dedicate a funding source to put the kind of money toward the infrastructure to make it happen. I don't know what other alternatives there are. We are not going to raise property taxes to do this. We're not going to raise sales taxes to do this. I don't know what other alternatives there are if there are other alternatives, if there's something I'm missing, please let me know. But I don't know if we want to do this, I don't know how many

options we have that are as powerful and as specific to this area that do not raise taxes and that uses existing income stream. This seems to me the most clear, powerful, immediate way to do this as long as the State Legislature works with this legislation to where we can still use TIF legislation in the future. If we don't do this, then we can say there are other alternatives if there are lots of other options, I don't see them. If they are out there then let's talk about them but I don't hear us talking about raising sales taxes, raising property taxes, not hiring fire and police so we can do sidewalk improvements downtown or infrastructure, water, sewer, streets, streetscape, landscaping, and trails. I don't see us raising taxes to do that. This to me seems like it really is one of the only options that we have. If there were other better options, we'd be all over them but the reason that the staff and we are bringing it forward is that we feel like this downtown plan that Dover Kohl did for us is singly the best thing that we could do for downtown Fayetteville, Arkansas for our generation and the next generations. If we want to see this really materialize, we're going to have to seriously fund it. I don't see that many options. That's why we're bringing this forward. There's my speech. Anyone else have anything?

Alderman Lucas: Well, I agree with the downtown, the Dover Kohl plan but we have got to get the codes, we've got to get all these other things that the city, or ordinances, whatever it is that controls this, we've got to get that in place, too. All the money in the world is not going to improve the downtown if we don't have those things in place.

Mayor Coody: Yes. Tim, do we have a time frame on getting the codes ready for us to adopt?

Tim Conklin: We met with the Planning Commission last month, possibly November. We plan on meeting with them over the next three to six months to get that in shape to bring it forward. It's a lot of discussion, it's changing the existing zoning within the downtown and looking at an overlay district for an entertainment area and it's something that we will be focused on. In the Downtown Master Plan, the recommendations of getting there was adopt a plan (which the Council did) and number two was work on the code, which we're working on. Number three was to create a Redevelopment District. The BID discussion is in there and Downtown Partners has been actively talking about that. We'd like to just to make sure that the Council and the public understands that this is not the only thing we've looked at. The one-way street conversion we've studied that and have done some cost estimates on that. We'll need to bring that forward. So there are many recommendations within that Downtown Master Plan that we are pursuing. With regard to the TIF, this one came forward at this time in order to progress this along and establish or create a district and adopt a project plan and to get that into the works. There is still a lot of work to be done, if the Council does approve this in the next few weeks or next month, to actually implement it.

Mayor Coody: So if we were going to look at the Code, do you think we'll look at it for approval sometime in the first quarter?

Tim Conklin: Most likely it'll be the second quarter. Planning Commission had a lot of questions with regard to that code and the community will have a lot of questions. Not only does it change the setbacks and building heights, but it also has a design guideline standard component to it, which I expect to have a lot of community discussion.

Mayor Coody: Okay. Does that answer your question, Shirley? All right, are we on the first reading yet?

Kit Williams: Actually, I don't think you probably should put adopting the project plan on the first reading. I think it should be tabled because we haven't established a district, we haven't told staff to create the project plan yet, which is done in the first ordinance. I think that it would not be proper to go forward with the second ordinance. So I would recommend that you table this.

Mayor Coody: All right.

Mayor Coody Closed the Public Hearing

Downtown Master Plan Redevelopment District Number Two Project Plan Adoption: An ordinance adopting the Project Plan for the Downtown Master Plan Redevelopment District Number Two, and finding the plan is economically feasible.

Alderman Jordan moved to table the ordinance adopting the project plan until the next City Council meeting. Alderman Rhoads seconded the motion. Upon roll call the motion passed unanimously.

INFORMATIONAL:

2005 Community Development Block Grant: Copies of the 2005 Action Plan and the 2005-2009 Consolidated Plan are available for review in the City Clerk's office.

Meeting Adjourned at 11:00 PM



Dan Coody, Mayor



Sondra Smith, City Clerk/Treasurer