Mayor Dan Coody

City Attorney Kit Williams

City Clerk Sondra Smith

Fayetteville
ARKANSAS

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

Special City Council Meeting Minutes January 25, 2005

A Special Meeting of the Fayetteville City Council was held on January 25, 2005 at 5:30 p.m. in Room 219 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

Mayor Coody called the meeting to order.

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

ABSENT: Alderman Marr

Pledge of Allegiance

Mayor Coody: The first order is New Business. Number one is the Highway 71 East Square Redevelopment District #1 boundary modification.

Public Hearing:

Highway 71 East Square Redevelopment District #1 Boundary Modification Adoption: An ordinance modifying the boundaries of the Highway 71 East Square Redevelopment District Number One pursuant to A.C.A. § 14-168-305 (f) and A.C.A. § 14-168-307(c) declaring an emergency.

Kit Williams: Let me read the ordinance Mayor.

The city attorney read the ordinance for the first time.

Mayor Coody: Alright thank you. The first order of business is to explain why we would need to increase the boundaries, modify the boundaries. Do you have any input on that for the public?

Kit Williams: Mayor I think that part of this would need to go also to the developers and they could probably respond to that. But as I mentioned to the City Council in a memo that I sent out last week, there are approximately four options in order for us to do tonight. One of them would be to increase the boundaries of this district so there could be enough money generated with the three mils that are not in dispute and the seven mils that would be purchased by the developers if they so choose and were willing to do that that this project could still go forward. If in fact we do not increase the boundaries of this district to include the Downtown Master Plan area also then I don't think there would be sufficient finances to be able to finance this project plan. And I don't know if the project of removing the blighted Mountain Inn could be accomplished.

Mayor: Alright. Do the developers, petitioners want to address us on this issue?

John Nock: Good evening Mr. Mayor and Aldermen and thank you for the opportunity to speak again on this project.

In regards to the boundaries themselves, all of you were furnished I believe with a copy of the revision feasibility study that the Walton College of Business has provided that was hired by the City of Fayetteville. In those there are a series of tables that outline the available yields that would be available to service the debt over the life of the TIF. Without breaking each one of those down they range anywhere from approximately two million to on the high side, six million depending on the projections which one you look at. Projections can always be looked at different ways and they can be shopped different ways. Certainly over the life of the 25 year period there certainly will be additional mils that could be utilized. As well as there is a possibility and some people believe the probability that there will be eventually a case to be weighed before the Arkansas Supreme Court, thereby testing the recent opinion the Attorney General has come out in regards to the 25 mils and other mils as it relates to the debt service for a Tax Increment Financing and Redevelopment District.

On Table 7 if you have that available I think the numbers are fairly self-explanatory. We begin to utilize both the East Square as commonly called in the downtown. Baseline scenario for the TIF, for the millage and if we utilize the 7.66 as Kit Williams, the city attorney has utilized that is a net present value of 15 million and change or total available over the life of the project at 27 million.

Alderman Cook: John. Does anybody else have an Economic Feasibility Study?

Mayor Coody: Did we get that today?

Kit Williams: Steve had 21 copies run off I thought they would have been given to the City Council. Do we have those?

John Nock: I just received mine a few minutes ago.

Mayor Coody: Steve still has them.

John Nock: Ultimately. Does everyone have a copy of this Kit?

Kit Williams: Yes. Yes they do.

John Nock: Okay. There is also a second document that is the removal of Phase Two from the existing project plan which was for additional development projects inside of the initial project plan in the East Square Redevelopment District. Basically to put it in very quick layman terms, by reducing the amount of mils there is certainly not enough project area to cover the debt that is going to be financed for any project let alone just the Mountain Inn project. Until that is decided and if you'll go back in your memory to last summer when we first started talking about TIF's and their boundaries I was one the people who stood up in front of you as a developer on this project saying that is too large of a project. If you have multiple projects in a project area because of its size, then sometimes it is more difficult to manage. I think most of you all will recall me saying that. However because of the current condition, at least the current opinion of the Attorney General on the way that is being reviewed on what note it can be used in the State then currently no project could be built and if any, there would be very minor projects. And so, then it comes back down to an economic viability and what could actually be utilized.

Our project, if you include the total area of the Downtown Master Plan as initially prescribed by Dover Kohl to the city in the Downtown Master Plan, it can still be accomplished. That was one of the options that works. I know this might be jumping a little bit ahead, Kit but in order to do that there is still some question about the additional mils and we'd be glad to explain what we will do and step up to make sure that this project doesn't get lost in a timing issue. Are there any questions about why we're stepping up.

Mayor Coody: What's the difference between petitioner and developer?

Kit Williams: Actually I have a couple of questions. I think that, when I proposed the options to the City Council, one of the options, Option 3 was were we would not be able to raise the $3.5 million dollars without expanding the boundary but we might be able to raise as much as $2.5 million or with your purchase of part of that $2.5 million because three mils would not raise very much at all. That would require you as the developers to put another $1 million into the project and that are the two options that would keep the project going. Either that option or then the second option would expand the boundaries as you just stated. I think you need to explain to the City Council what your position is on Option 3 if we did not expand the boundaries.

John Nock: Sure. Option 3, if you keep the boundary the same its obviously less dollars. There's a couple of issues. One, is there enough to pay back any additional liability that we take on. Obviously this project as we've talked about before because of its blighted condition, because of the state it is in that's why you've not had developer's clammering to do this project over the last perhaps ten years. The economic sense to just put in more money on a project downtown on the square rather than just doing a project of the same magnitude on the interstate just doesn't make sense. But in order to do this, this is why we petitioned the city under the TIF legislation to be able to set up a TIF, and so to put additional dollars on the budget its just not there. So our viewpoint was until all these numbers get resolved through the courts we would resolve to take that away, that issue away from the city by buying the additional bonds. But the only way that we would want to do that is if there was some certainty that there would be additional revenues to cover it. By taking the risk we'd like to know there's the chance over that

25 year period that subordinated bonds that we'll be buying will help with the project. When we say we that's not just the developers that will be investors in the project that would be taking those bonds but it will be off the direct liability of the TIF District they will be subordinated bonds. Yes.

Alderman Ferrell: I basically like the idea of what's going to happen here and I have a couple of questions. I'd like to see the city and the developers working to make this a better town and look forward to working with more other developers in the future like this for the good of the City. One of things that does bother me is the how fast this thing is going to go down looking at it for tonight. So if you could explain to me how important time is on this.

John Nock: Sure. We started this process a little over, I think it was the spring of last year when we first started the process of the TIF District. It has been approved in its current form which is the existing East Square Development boundaries alone and the current plan that goes with it has been approved actually twice by the City Council and as I recall both time by unanimous vote. There have been, if I recall, each time there has been three opportunities to six total opportunities for the public to weigh in and to talk about the various opportunities that this allows for the city. Each time that we've had to extent that for one reason or another once it was for publication issues, another time not all the project plan was complete but for whatever reason each extension has required us to go out and extend certain contracts. There are private people that own some of the property and there are other contracts such as construction contracts that we've had to work through as well as towards the end of the year one of our local banks here, Bank of Fayetteville, actually stood up regardless of this all being completely resolved because at that time we thought it was resolved and agreed to step up under the new market tax credit scenario. There's a lot more to this project for it to be economically feasible than just the TIF. In fact we didn't expect that this would be something that we would go through three iterations of. Although tonight is certainly a critical junction we have certain contracts that on the 28th of this month begin to expire and some of those elements are very key for the total project. We've had it approved. We've had it done. It's not anyone's fault but after awhile when you're starting to deal with private folks they start to say I'm not sure this is ever going to get done and they start to question not only if you are saying that it's really going to get done or if you really are going to have some sanity about staying with a project after four years. Nevertheless there's the sense of timing because we have real contracts that expire on the 28th of this month.

Kit Williams: You mean the 28th of February right?

John Nock: The 28th of February. The 28th of this month we have to notify them specifically that we're going to make them close or at that point in time we lose additional money. So it's certainly a real economic issue.

Mayor: Another reason that we have to make these changes in short order is because the Attorney General's opinion that just came out the other day kind of threw everybody up in the air all over Arkansas. Everybody is trying to resolve the issues that his opinion has rocked.

John Nock: I think that around the state after having read the press that we have received, I am talking about the City of Fayetteville and this project, this project has been considered by most, I think they've labeled it the poster child of what TIFs were intended for both in the spirit of the legislation as well as the letter of the law. After that Attorney General's opinion came out we had to sit down and really scratch our heads and say can this project still get done and how do we do it. It was after a series of meetings that we were able to come up with multiple options to present before the City Council and for the citizens to see if this is something that really does make sense. We thought that the best thing to do is to come back to the city with something that can in some ways really reduce your liability until all of these things are resolved.

Now lets talk a little bit about when you expand the district what that might do. Does that mean that Phases II, Phases III, Phases IV can not be done? No, it will still be just the same as it was before. If ultimately a ruling comes down from the Supreme Court or the law is changed and there's been some conformity out there then at that point in time you may have multiple projects in the same district. It's not like you are losing opportunities once that ruling would occur.

Secondly, until that time would occur you wouldn't be able to do other projects anyway of substance. You always want to do a project that has the largest economic impact because this is all based upon tax increment growth. If you're doing a very small project you would get very small increment versus a larger project that does the opposite.

Mayor Coody: Any other questions for Mr. Nock? Yes, sir.

Alderman Rhoads: Mr. Mayor I would like to make a suggestion I guess on our procedure tonight. As the champion of this, when we had our retreat I think we appointed champions for various things and this was one that fell in my lap. Of late I have been talking to a lot of people on all sides of the issues and I have a pretty good feel of what a lot of people think and overall I think it's perhaps the only way in the next three or four years that we're going to see something done with that site. With all that said though what I'd really like to do if it's alright with the rest of the Council and with you Mayor, is that I'd really like to hear, there's a whole lot of folks here for a special meeting and I'd really like to hear what's on their mind because I know after we hear them then there's probably going to a pretty lively conversation amongst us Council members. I think that might get us a better feel for some of the issues that are about to come up. If that's alright with you Mr. Mayor.

Mayor Coody: Oh sure that's fine. Mr. McGrady I think called earlier today would like to speak first. He has another engagement this evening. I might ask everyone that speaks tonight to please sign in so we can have that for the record.

David McGrady: Yes.

Mayor Coody: I might ask everyone to number one turn off cell phones and pagers. Number two keep your comments just distinct and brief as possible because I know that there will be a lot of people that would like to speak tonight and we would like to hear everyone.

Kit Williams: Mr. Mayor. I would also recommend that this also be considered the public hearing for the project plan at the same time. I think that you could probably have both of these. So if you'd open it up with the project plan also.

Mayor Coody: We will be opening up for both the district boundary modifications and the project plan and the public hearing for both of these concurrently. Thank you.

Public Hearing

Mayor Coody Opened the Public Hearing

Highway 71 East Square Redevelopment District #1 Project Plan Amendment: A Public Hearing to allow all members of the public and representatives of taxing entities to present their views on the Proposed Project Plan Amendment for the Highway 71 East Square Redevelopment District Number One.

David McGrady: Good evening ladies and gentlemen, Mr. Mayor and the city attorney. Thank you very much for giving me the opportunity to come to speak to you this evening. This evening I'm speaking to you as wearing one of my hats that of the general manager of the Radisson and a citizen of Fayetteville. I have been in Fayetteville for five years and I've had the unpleasant site everyday of looking at the dilapidated Mountain Inn. Although there isn't probably anybody in this room that would disagree that it needs to go away.

As I was sitting here earlier looking at the goals for 2008 in the guiding principles of Fayetteville we have planned and managed growth. We also have the natural beautiful city. That whole section of town takes away from it dramatically from anybody coming into town. I just drove back from Little Rock this afternoon and looking at it is unbearable to see from that direction. I don't see it from that direction that often. I get to see it from the hotel.

It's my firm belief if we were to incorporate another hotel of this magnitude in downtown Fayetteville with those additional hotel rooms in conjunction with the other hotels that we currently have in Fayetteville, one being the Radisson as well as the other surrounding hotel rooms. The Town Center, the CEC, the meeting space that is planned for the Mountain Inn, and the meeting space that is currently available at the Radisson, we will be able to attract on a regular basis large citywide convention business.

Currently we have challenges in being able to facilitate those needs because we don't have the hotel rooms available to house all the people that would like to come into Fayetteville. We have unfortunately lost some large groups that if we had the space we could bring in.

Obviously to the north we have the Convention Center in Springdale with another one being planned up in Rogers. To our benefit at this point in time we have the Randall Track Center which has given us the opportunity to really capture a lot of convention business for Fayetteville. The end result of being able to bring that business in, I don't have the numbers in front me, but I can tell you that it will be substantial as to the impact that it will have citywide not only on hotels, restaurants and retail and not just for the heart of downtown it will be covered throughout all of the City of Fayetteville. I think that it is a prudent decision at this point. I know it's a difficult decision for you all to make this evening. I encourage you to muster up the best that you possibility can. All I can offer in closing is to say let it begin with you. Bring Fayetteville back. Let it be in competition to the rest of the different parts of the state and allow this project to go through with the expansion of the TIF district. Thank you very much.

Mayor Coody: Thank you Mr. McGrady. Who else would like to address us tonight on this issue? How are you tonight Ron?

Ron Bumpass: Good evening Mayor. Ron Bumpass, citizen of Fayetteville. You know I am not sure exactly where all this fits in. I've just been looking at the paper but as you're looking for additional funding to expand this district doesn't seem to be a particular problem. It's probably prudent. But I'm wondering if, now I'm talking to the Council now if I can get you to step out of the box in thinking about some additional revenue. It seems that one possibility would be to create an enterprise fund from the parking revenues, from parking meters and from parking tickets all the way through the court system and perhaps the parking deck next to the Radisson. Perhaps if you could calculate what that revenue is on an annual basis and then make that part of the TIF financing that might give some additional revenue to this TIF district.

Secondly, and I don't know if this is a possibility or if legislation could be passed for this but if you could likewise take the current sales tax collections from within the same district and establish a similar cap on those taxes collected within the district and then get the increased sales tax collected within the district as a funding component for the TIF. Possibility, I don't know if it's legal or not. Talk to your attorney.

And thirdly, you know we've mentioned this as blight and I have been involved in the redevelopment of the square for over 32 years. I was there as an attorney clerk for the law firm that had all the condemnation authority for urban renewal projects. I went through these buildings that we tore down, measured them and compared them to the appraisals and that's how I got interested in the Old Post Office building and saving that as a landmark. But I've known all along that the HUD money that we receive and that ya'll have authority over can be used completely for blight. I think that's what seven or eight hundred thousands a year. Now I realize that would take change in current policy and perhaps a long standing policy as I know that money is typically used in refurbishing 10 or 15 homes. But you could just as well, if you really want this thing to work, you could just as well say look this is so important we're going to change that horse and we're going to use that money to fund this blighted area for years into the future. All of which if you would explore those, I would certainly prefer to raising any property tax millage. It seems like this thing had a real good feel about it when we were talking existing taxes, capping them and taking the increase in taxes from the redevelopment for the revenue strength. So for my two cents that's it.

Mayor Coody: I have a couple of quick questions. You're still in the parking district. Downtown Parking District Board. Are you still on that?

Ron Bumpass: No.

Mayor Coody: I think that's a good suggestion. As a matter of fact that's something, we're looking at all options and that's one of the things we've been kind of looking at.

Ron Bumpass: I just wanted to throw that on the table.

Mayor Coody: I think it's a good suggestion. As for the sales tax that would take State legislation to change. I think there are some legislatures looking to make some amendments. I'm not sure what's involved with that to see if that's feasible.

Ron Bumpass: If it can be computed I don't see any difference using the increase from sales tax as there is in using the increase of property tax values from the redevelopment of that particular spot. If this doesn't work out I think that building should be razed in any event. I think it's not only blight, it's dangerous. Even if we had to put a park there for awhile until we figured something out it would be better than what we have.

Mayor Coody: Thank you very much Mr. Bumpass.

Alderman Ferrell: Mr. Mayor. One of things that Mr. Bumpass mentioned was the parking revenue and the fines and associated fees does that go into the General Fund?

Mayor Coody: Yes it does and we are looking at some options to see if that might be something we might want to consider as a matter of fact. Hello, good evening.

Jim Boyd: Hello. I'm Jim Boyd, a resident of Fayetteville for thirty years and have clients that have property in this TIF District. I spoke on behalf of this earlier and I know I'm telling you things that you already know but since it's a public hearing maybe it needs to be repeated. That is in free enterprise which fickle and has many opportunities to invest its money in lots of different places but if they are willing to spend and invest on the Mountain Inn millions of dollars then the City of Fayetteville to the extent it can needs to assist them. As the first speaker alluded we might spend a million or so seed money to get this project going but the rewards that we will reap as a result of a big fine facility down there for the City of Fayetteville and the increased revenue from taxes and all the merchants, etc that will reap the benefits will far out weigh the little bit of money we put in here at the beginning. So I encourage you to use your imaginations and do whatever you have to do to let this project proceed and not let this free enterprise money go somewhere else. There are lots of other places that are willing to accept their proposals. Another thing that I mentioned earlier and you should remember is it's not like we're dealing with strangers here. We know John Nock and Richard Alexander and know what they can do and have done and they're citizens right here along with us. So we have a comfort level of dealing with those guys. That's all I had to say. Thank you.

Mayor Coody: Thank Mr. Boyd. Who else would like to address us tonight. The next person that would like to speak I might get them to kind of cue up behind the current speaker so that we can kind of move things along more quickly please.

Mr. Rust: Members of the City Council. On behalf of FEDC in the letter that we sent you we support all the TIFs that have been talked about and tonight we specifically support this one. I was at a breakfast meeting this morning with Dr. Jeff Collins and one of the thing you need to be concerned about is one of the things I was concerned about in terms of supporting this is what are the numbers behind it. How do they work and I think you need to be comfortable with it. We talked about expanding the TIF district to include the downtown area. That appears to be a very good idea and I think rather than me trying to explain that and so forth I'd like to ask Dr. Jeff Collins to come up and just run through those numbers. Because I think it's important that the public understands that this is doable.

Mayor Coody: Alright, thank you Mr. Rust.

Dr. Jeff Collins: More than anything I wanted to be able to answer whatever questions you had about our numbers. I think given the fact that you have a document that you just got and there are a lot of different scenarios that are in the document it would probably be helpful if I just open it up and anything you want to ask me I'd be happy to answer.

Mayor Coody: First I'd like to recognize Dr. Jeff Collins here. I might get you to sign in too please so we can have that as a public record. Thank you. What questions do we have for Dr. Collins? Yes, ma'am.

Alderman Thiel: Since we are discussing the plan at this point I mean this has just been thrown on us. We are up here trying to read this and can't even listen to the speakers because we've not seen any of this. I would like to know what the project plan is. I'm not familiar with it anywhere because in your feasibility study it mentions the Mountain Inn, Terminella Project and the library renovation which are all far removed from the west side of this district that we are talking about. All of the sudden we've sifted completely over on the eastside of the original boundary and we're talking about adding this to the west to make this work. I think we all want to make this work but I want to know what the plan is.

Dr. Collins: That is difficult for me to speak to. However what I can speak to is the implement and the difficulty in getting sufficient revenues out of the east TIF if that's all you're looking at to support the investment, infrastructure investment. Given the AG's opinion which of course who knows what's actually going to happen which is also one of the reasons there are so many permutations of the scenarios within that document that was handed you. Simply because there are different millages that may or may not be available. We were asked to consider multiple scenarios about which projects would be included and which projects wouldn't be included. We wanted to really give you a range to make a decision from a very conservative low end range into what we consider to be, I wouldn't say this is overly optimistic, I think that when you're talking 7.66 mils that may be optimistic, I don't know. Whether or not these projects are simply going to occur may be optimistic but I think those are relatively reasonable.

One of the interesting things about the numbers and I think it's important to keep mind that the best data that we have available to us to predict the future is what's happened in the recent past. In fact the further back you go the less reliable that information is to predicting the near future. Certainly there are lots and lots of "what ifs" scenarios. There are lots of things that may or may not happen. Really the data from 2001 to 2004 is the best data we have to go on in terms of establishing growth rates for certain property types. Those growth rates of course have been impacted by recurring development within those districts and within the city. Obviously when we go out and re-estimate those growth rates there are a function of things that have been taking place over that three year period of time and Fayetteville is a growing place. Obviously there has been a lot of property value appreciation over that period of time.

Alderman Thiel: Actually, I guess my question is we are discussing the Mountain Inn that's blighted. We've all determined that, I think everyone here agrees, that needs to be fixed. But all of the sudden this plan now has gone from that to add two more projects.

Kit Williams: I think you're not understanding this. When we talk about projects the only project that the TIF would be doing is the Mountain Inn. What he's talking about when he says projects is should he include the value of other things that are being built. And I wish he wouldn't use projects.

Dr. Collins: I apologize I didn't know my vocabulary was confusing.

Kit Williams: He's talking about other buildings that will be built and if you include the value of these other buildings in the millage, what will that make the millage? The only project we're looking at, the only project that we can possibly afford is the Mountain Inn project as was originally approved by the City Council. If you look at the project plan amendment that I gave up, the first thing that we did is remove all of Phase II because there's simply not enough money for Phase II. The only project that is economically feasible at this point in time, if you make that finding, is the rehabilitation of the Mountain Inn. The purchase of that and the destruction of that.

Alderman Thiel: Thank you.

Dr. Collins: My apologies for my vocabulary. I should talk about projects versus developments. When we were going through the various scenarios there were certain developments which we knew were going to take place or were already in the process of taking place. But with that issue of how conservative to be, whether or not to include those which I think is a no brainer. It's only obvious that they should be. You just have to drive by and see dirt being turned or not to include them. I think that in order to provide you with as broad a spectrum as possible to be as reasonable as possible they were either not included or included incrementally into the overall estimation of what increment would be available to pay off the debts.

Alderman Thiel: Okay.

Dr. Collins: Does that make sense?

Mayor Coody: Yes. Any other questions for Dr. Collins?

Alderman Reynolds: At what point are we going to talk about the expansion this district?

Mayor Coody: We're discussing the boundaries and the plan at the same time concurrently right now. You can discuss that right now if you'd like to.

Alderman Reynolds: Okay. Archibald Yell Boulevard, when we talked about this before, I told the people that are east of Archibald Yell that they wouldn't be included in this. Fifth Street, Fourth Street and that district. I think I already told them that we got them back in there and we took them out the last time.

Dr. Collins: I would have to defer. We take our cues in terms of which parcels are to be included from the City. So I would have to defer that question to someone else.

Kit Williams: The only change in the boundaries was towards the west to include the Downtown Master Plan boundaries. That was the intent. The intent was not to move it toward the east whatsoever but only move it toward the west to include what had been presented as the Downtown Master Plan Redevelopment District.

Mayor Coody: Tim do you know if we accidentally used an old map that had excluded properties put them back in? Do you have a copy of the map in front you?

Tim Conklin: The original project plan that was approved is the same boundaries as what we're discussing this evening. It has not changed.

Alderman Thiel: Mayor, I think the problem is that this amendment is including the downtown plan as part of the amendment?

Mayor Coody: Yes. The Downtown Master Plan TIF.

Alderman Thiel: Yeah, the area on the west?

Mayor Coody: Yes.

Alderman Thiel: A lot of those people had contacted Alderman Reynolds and me that lived in Ward One, the Ward One portion map. I don't think they were aware that we were going to be discussing their property, their boundaries again because we had tabled indefinitely that project because of the announcement from the Attorney General's office.

Mayor Coody: Yes.

Alderman Thiel: I think the concern is this is moving so fast without them even being aware that this is being included now in this amendment.

Mayor Coody: I understand now.

Alderman Thiel: I don't think anything has changed it is just....

Mayor Coody: It's the west side not the east side.

Alderman Thiel: Right.

Mayor Coody: Right. Any other questions for Dr. Collins? Any more questions on the economic feasibility? Thank you very much. Stick around we might have more questions for you. Who else would like to address us on this? Hello John.

John Newman: I'm John Newman, citizen of Fayetteville. Maybe the answer to this is obvious but I have one question. It would seem like the Mountain Inn property is if there ever was a property that was appropriate for condemnation that would seem to be it. My question would be why don't we just condemn it, take it, knock it down and sell it whether that gets us a hotel or an office building?

Mayor Coody: I can answer that. I wish it were that simple but we can force condemnation on a building and have it torn down and we can put a lean on that property for the current property owner that owns it. With a lean on it we wouldn't own it. The current property owner would continue to own it even after we had poured money into tearing the building down and cleaning the site up.

Let's just use some random numbers. Let's say that we had $880,000.00 in the demolition removal of the building. We would condemn the building, demolish it. We'd have $880,000.00 or a million dollars in the removal of the building and then we'd put a million dollar lean on that piece of property. Then if someone wanted to buy it they would have to satisfy the million dollars lean and then it would still be owned by the current property owner. So we wouldn't have any control over what might go there. She could sell it to whoever she wanted to sell it too. So we wouldn't have any control over the future of the downtown area there if we just condemned it and destroyed it.

Kit Williams: Mr. Mayor that really is Option One that I presented to the City Council that they can in fact use General Fund money to attempt to raze and remove this building. I'm sure there would be litigation involved. I think the owner would say no it's not blight enough but I think we could prove our case. It would result in the kind of problems that the Mayor just spoke.

There is another option. The City Council under Option Two could issue enough bonds that they could possibly condemn the property through the TIF District. Then it would be disputed about how much we would have to buy the property for. I personally don't think it is worth much more than what it would cost to tear it down but that would decided by a jury not by us. If the jury decided on too high a figure then we couldn't afford to buy it and tear it down. So we might have to buy a property that would be our problem from then on. The City Council is not required to either enlarge the district or to do anything else. They can if they want to determine that, because of the Attorney General's opinion, there's not enough funds to do the project as conceived and they just will not want to go forward. Those are certainly options that the City Council will weigh. However both of those options have costs because if there is a blighted building there, I think there is some responsibility on the City to try to protect the buildings around it by condemning that property and that would be an expensive proposition.

John Newman: And so the issue is control over what happens.

Mayor Coody: That's one. We'd have a million dollars in piece of ground out there that we might not see again. We might never see anything become of it. It might become just a cleared site with nothing on it for years to come and we would have a million dollars in it.

John Newman: Versus what three and half million.

Mayor Coody: That would be coming out of the General Fund and it would go toward a twenty three million dollar hotel project and convention area in the downtown, right here in the downtown versus just a brown field site. That would be paid back as well you're right. Thank you. Mr. Andrews how are you tonight.

Michael Andrews: Good sir. My name is Michael Andrews, lifelong resident of Fayetteville. Although neither of my businesses that I own here in Fayetteville are in the current TIF District or the expansion that's proposed I can't see anything but good that would come to my businesses if this project were done. I've seen the plans. I've heard everything and read everything about it and think it would be a good project for not only the businesses here in Fayetteville but every citizen here in Fayetteville. So whatever we can do to make this project move forward, whatever it takes for the City of Fayetteville to get this project on the ground and running I think that's what we need to do. Thank you.

Mayor Coody: Thank you sir. Hi Mr. Butt.

Jack Butt: Good evening Mayor and Councilmen. My name is Jack Butt. I am, along with others, the owner of several properties literally across the street from the Mountain Inn. We are obviously here to see this blight resolved by the creative and diligence of Richard Alexander and John Nock and that group. Forgive me for being ignorant on this but I have been vaguely interested in other projects like the city incinerator, using sales tax to build schools, how rollback taxes apply to the county, and each case the county, the city, the schools trying forward thinking ideas, original creative ideas perhaps something like Mr. Bumpass suggested. I'm not suggesting his ideas are wrong but they try to find a creative way to go around a road block and every time we got our socks sued off. We lost four or five years, million of dollars in attorney's fees alone and tens of million of dollars in tax refunds. I don't mean to say there's any danger with this and I trust that Kit Williams is an excellent attorney, but if there's a safe way to do this, do it the safe way, do it the conservative way. Attorney General opinions aren't worth warm spit. In every one of those cases I told you about there were Attorney General opinion's that supported doing what was done and the Supreme Court overruled them. If there's any doubt about at all then forgive me. I don't know if there is any doubt if there's not that's great. If there's any doubt at all resolve it to a friendly suit. Don't get tangled up in five years of class litigation.

Mayor Coody: Thank you. I want to comment on your comments. We are all of the opinion that we want to avoid any kind of illegal tax, tax exaction, illegal exaction, and any kind of lawsuits. That's why we're being very cautious. Of course we're moving at light speed it seems but we are very concerned about doing things well. As matter of fact we're reacting very conservatively to the Attorney General's opinion. His opinion went against what we thought was approved by legal and we're taking that opinion very seriously instead of just relying on it and doing something. We're taking the other approach. We're relying on a very conservative opinion but our attorney, Kit Williams is very concerned. We're all very concerned about making sure we do things legally and well because none of us want to get sued. None of us want to lose money in a lawsuit.

One of the things in our plan which is, and I was going to bring this up in a little bit, is if we approve this tonight then we would be basically approving authorization of an injunctive or declaratory judgment suit versus Washington County Assessor. That is not the final word on what the Supreme Court is going to say even though the County Assessor is exceptionally good and we owe her a debt of gratitude for working so well with us and she's very good at what she does. We figure that we might have to force some kind of injunction just to have the judge or some jury tell her and us what we can do, what's legal because none of us really have the answers right now.

Kit Williams: I do want to say, you may call that to the Council's attention that you would be authorizing me to have a declaratory judgment or injunctive suit basically to protect the County Assessor about the proper disbursement of that. I think in that way hopefully we could avoid any possible illegal exaction suit because the tax will never be given improperly. Without such a suit, she would have to make an educated guess and as you know in the past sometimes those educated guesses have not come out right and that can result in substantial taxpayer losses. So I agree with you Jack, I think this is something we need to be very careful with.

Jack Butt: I perceive you're talking about a friendly suit and those were discussed and passed over on these prior tax disasters.

The second matter I'd like to follow up on John Newman's idea, and I don't dispute you Mayor Coody but I think if you take it to its logical conclusion, if the City were to spend more than a million dollars to cure this blight and even Mr. Alexander and Nock weren't out there, I think that's a great idea. I mean you've got a danger, an eye sore and impairment to the economy and something has to be done about that. Now if we've got some white knights on the horizon that can build us a five star hotel we're incredibly lucky but even if he doesn't I think the city needs to do something. So if we raze the building for a million dollars, I don't know if we can find that in the budget and we get a lean against the owner. Now the owner, if I understand it, and I guess I'm posing this as a hypothetical for Mr. Williams to comment on, if the owner doesn't pay the City the million dollars then we foreclose. We put that property, cleaned up slick as a hound's tooth ready to sell to a developer and put it on the market at the courthouse steps. That's what you do when you foreclose a lean. Then we're going to have people bidding on it and I suggest Mr. Alexander, Mr. Nock, Jim Lindsey, any number of investment groups from all over the state, the region and the United States, are going to be pretty interested in a slick acre or two in downtown Fayetteville that's clean and ready to go. Now if they only bring $200,000, the City is out net $800,000 because if $200,000 bided in, you're out $800,000 but you cleaned the site up. I don't think you're going to have chancey, iffy, patchy, uncertain buyers bidding on a site like that. I think you're going to get blue chip bidders. Whoever buys it, maybe they will put a hotel there, maybe they will put a huge suite of offices for rent or maybe they will put a high rise apartment building. That's free enterprise at work, the most the City can lose is $1 million and that's if nobody in the world steps up and buys it. I'll write you check tonight for $300,000 to buy that site and get it cleaned up, I'll do it. Now I imagine that there's plenty of people that can write a check for two or three million dollars to have that site cleaned up. I think the real risk to the City on razing that site is zero, the worst case, a million dollars. Somebody could step up and pay for a clean site in downtown Fayetteville across the street from two courthouses, down the street from the convention center, and we're the only convention center site in northwest Arkansas that has walk ability.

I put people up in the Embassy Suites and you can't walk anywhere from the Embassy Suites. You put them up at the Springdale Convention Center. They can't walk anywhere. If you put them up down there then they can walk to gardens and retail shops. We've got the pieces to go with it. Now I'm not arguing against the TIF but if that's a bridge too far I think the City ought to condemn the thing and raze it in a second and I bet you'll have your money back in a year. If you make any money over what it cost to raze then the owner would get the money and we're all happy. But I think, unless I'm wrong, the owner doesn't still control it. You can foreclose against her, sell it at auction and people will step up and bid on it.

Mayor Coody: That's one our options. If the TIF is a bridge too far then I think that will be our next logical option because we all want to see this situation resolved.

Jack Butt: I don't envy the hard decisions you have to make. Thank you for taking the time to do it.

Mayor Coody: Thanks for the suggestions. They're all good. Thanks Jack. Hey Rob.

Rob Sharp: My name is Rob Sharp. I'm the architect for the East Square Redevelopment Project and I'd just like to very quickly make two points. First of all I want to personally assure the Mayor and the City Council that everyone on the development and construction team is going to make every effort to design and construct a building that's going to be a credit to Fayetteville in every possible way. I know we just heard from the previous speaker about possible future projects that might happen in the next few years with possible future developers. I think we really ought to be careful that we don't lose what's taken years to put together on another second guessing of what's going on here. I think that the team you've got is a good team. I think you know we've got people that have been willing to renovate the Campbell-Bell building. Imagine the Fayetteville square without the Campbell-Bell building being renovated with the TV studio in the ground floor or imagine the University of Arkansas without Carnal Hall. I mean this is a team that can do it, put out projects that you can be proud of.

The second point is that this is a tough project. Before this current group I've worked with other developers and they couldn't make it work. I tried to get other out-of-state investors interested in it and they were of the opinion that you could give them that property and they could still lose money because of the condition of the building and difficulty of trying to make that work on that tight site. I just want to make those two points that if this TIF can be approved in the amended format we've got an excellent chance of having a great building.

Secondly no matter what happens this is a tough project and that's why it has taken as long as it has. Consider carefully before we close the door on this one.

Mayor Coody: Thank you very much Rob. I want to ask our attorney, Kit Williams a question referring back to Jack Butt's comments.

Let's just say the TIF doesn't work for some reason. What if we were to go to the raze and remove route, how long do you think it would take for us to have control of that piece of property if ever? What's your assessment?

Kit Williams: We could certainly have it eventually. One of the problems would be of course if you look at this particular project as being proposed and approved by the City Council in the past, it wasn't just the Mountain Inn. There were four different properties there including the Courts Building and two other buildings in order for not only the hotel to be built but a parking deck to serve the hotel and the condominiums also. We can't condemn the rest of that property. We can only condemn the one piece coming out of the middle. That would make the demolition more difficult and expensive I think because you would have buildings on both sides of the Mountain Inn. There would be some question about whether you could save the arcade section which I think they are planning on doing. The historic part by Center Street I think the current developers are intending to attempt to save that. If we condemn it I think we'd have to tear everything down. I don't think we can pick and choose and say well we'll tear everything down but the façade. Either the building needs to be razed and removed or doesn't. I don't think we really have the legal option of not doing it. I think eventually we would be able to gain control of the property through a tax lean or foreclosure as Mr. Butt explained and at that point in time if we didn't bid on the building or the land which I don't think we would have, we actually wouldn't control it. It would be whoever showed up on the courthouse steps and bid the most money. They would be the ones that would own that property. We would get some of our lean paid off but probably the rest of it would be discharged and so we would only get a portion of whatever money we have invested back.

That is certainly an option the City Council has. If you think that this TIF District is not feasible or if this is not the kind of project you feel like is still what you want to do then you certainly have the right not to go forward and not to enlarge the boundaries and to basically repeal the former project plan and at that point the City would have to look toward doing a condemnation action which I think would be successful. They could challenge it. They could say the parking deck is still fine, I mean people can still use the parking deck. They could say this shouldn't be razed and removed. I might disagree with them but they would probably have enough of an argument to go up to court.

So whatever we're going to do in this case I think one way or another unfortunately there's going to be more work for my office. I think we're going to end up in court regardless of any decisions you make tonight one way or the other.

Mayor Coody: Thank you. Hello Ms. Hoover.

Sharon Hoover: Hello. Sharon Hoover with Fayetteville Downtown Partners. I would just like to point out that our board met last week and we have a letter from the board in support of the Mountain Inn Redevelopment Project. I just wanted to make sure that you got that. Thank you.

I want to I guess address the two issues tonight one is the boundary. The boundary that is suggested now is exactly what's listed in our Downtown Master Plan that the community came up with. I guess I'm confused why anyone would have a problem with these boundaries. Is there something in Ward One that I'm not understanding.

Alderman Thiel: Uh huh.

Sharon Hoover: What is it?

Alderman Thiel: The people that live down there.

Sharon Hoover: Did they go to the master plan community sessions?

Alderman Thiel: Yeah they did. Actually some of the people did participate and they were going to be at the last meeting when we were going to discuss this area but they knew that it was tabled because of the Attorney General's opinion. They were not aware that tonight we were going to be discussing this expanded boundary.

So it's their interest I am concerned about. I have no way of contacting them. If we're going to be try to make a decision tonight I think we owe that to them to let them have their say about this.

Sharon Hoover: Were there particular issues? I'm just not aware. I'm trying to learn here.

Alderman Thiel: I think they have issues with being within the TIF.

Sharon Hoover: In general.

Alderman Thiel: In general.

Sharon Hoover: Okay.

Alderman Thiel: I think they at least want to have their say about it. I may try to amend this to exclude a portion of this. It's a very small portion but it would include the area of the people that are concerned. I'm not sure that they are here. They've contacted both of us and so that may be how we handle that part.

Sharon Hoover: Okay. Thank you. I will try to figure that one out. The other question I have on the project plan, is it possible to amend it at a later date?

Mayor Coody: Yes.

Sharon Hoover: To keep things moving?

Mayor Coody: Yes.

Sharon Hoover: Is it very easy to do? That could keep the developers on track and keep this going. I'm concerned also, we've got some great developers in line to do this project and I certainly wouldn't want to lose them even though Mr. Butt suggested some other good solutions. They certainly have a good track record for us in town and we certainly like to do everything we can for them.

Mayor Coody: Yes.

Sharon Hoover: So if that's a possibility I guess I'm not seeing any problem with the project plan at the moment. Thank you.

Mayor Coody: Alright, thank you Sharon. Who else would like to address us tonight. How are you Cyrus.

Cyrus Young: Just fine. I would like to talk about the millage again. That's what I talked about the last time. There's two scenarios there one with 3.16 mils and one with 7.66 mils. We're talking about the base here. What millage are those in the two scenarios.

Kit Williams: The smaller millage, the three point something millage is basically, I think, undisputed that could go into the TIF District according to everybody's best understanding.

Cyrus Young: What does it include in other words?

Kit Williams: That would include all the millage for the city library one mil, the police and fire pension plans both have a total of point four mils, and five mils from the county and then one point something mils on the county road tax.

Cyrus Young: That's the 7.66.

Kit Williams: That's the 7.66. To get down to the three mils the school district's interpretation of the debt service ad valorem rate is that whatever their debt service was in 2001, even if that's no longer millage supported by debt service, that they're still entitled to the tax increment for the amount that they had in 2001. I don't think that's proper. I think that would violate the constitutional provision that says a tax levied for one purpose cannot be used for another purpose. I don't think you can take the millage increment that was supposed to be for the library and transfer it to the schools.

I think Amendment 78 said that in the one circumstance when you create a TIF District you can divert millage that had been passed for one purpose and use it for the tax increment financing district but I don't see Amendment 78 as changing the constitution saying that a tax for the police and fire pension can be transferred to the school. So they are actually getting more millage then currently have been passed by the voters for them. That is the issue that would have to be decided by the courts and that's why I would attempt to get the case to the courts so that the judge could decide that issue.

Cyrus Young: So are you saying in the 7.66 mils there is some school millage?

Kit Williams: No, 7.66 mils is everything but the school millage.

Cyrus Young: So the 3.16 definitely doesn't have any.

Kit Williams: Right. The 3.16 would be if you use some of the tax increment increase and give to the schools even though they don't have a mil at this point voted in by the voters to entitle them to that.

Cyrus Young: Okay, now the other thing is the developers are talking about secondary bonds. What would pay those off, the 3.16, the 7.66, or either one depending on how the courts rule?

Kit Williams: The 3.16 would not support them. The 3.16 would only support the primary marketable bonds that we call in. Actually the marketable bonds would have all the tax increment financing pledged to them initially. The other bonds would be sub servant subordinate to those bonds without recourse against the City or the TIF District if they weren't paid off in the 25 years. They would be paid basically after the other bonds were paid.

Cyrus Young; Or if the courts ruled that the 7.66 is allowed.

Kit Williams: Yes. We could have a provision in there that if the courts do rule that the 7.66 is in there and there's sufficient debt service to support the original marketable bonds that the other bonds could begin to start being paid.

Cyrus Young: Thank you.

Mayor Coody: Anyone else who would like to address tonight please. How are you tonight?

Daniel Hintz: Doing well thank you. Thank you for allowing me to speak this evening. My name is Daniel Hintz. I'm a resident on the south side of Fayetteville. I think one of the important things about the Mountain Inn TIF we shared a lot being said that it is a gateway to the downtown district. I'd like to flip that around and say that it's also a gateway to the south side of Fayetteville. People coming in from the north to the south they see this blighted building, they come down to the south side and they also see some of the issues that we're dealing with on a daily basis on the south side. As a symbol for what is possible I think that the Mountain Inn project takes on a larger meaning than just economic development. We're talking about showing those of us on the south side that Fayetteville is committed to changing some of these blighted issues. Those of us who do live on the south side have talked about this. I was at a neighborhood meeting last night and this issue was talked about as an important potential development. I really see this even if we flip this around as a gateway to the south side that philosophically I think this is a very important project. This may open up a lot of different doors for those of us that live on the south side to implement projects. It's almost a domino effect is the way I see this Mountain Inn project. I really hope that as you go over the options that you actually are able to make a decision in a timely manner that will allow all of us who are working on both the grass roots level as well as those working on a larger level to be able to work together to not only help the downtown area but also the south side. So thank you very much.

Mayor Coody: Thank you for that prospective. Who else would like to address us tonight? How are you Mr. Ramsey?

Bill Ramsey: I'm good. How are you Mr. Mayor. Members of Council. I don't think probably any of us necessarily wanted to be here tonight. We thought when you passed this Mountain Inn TIF unanimously you had done your job. I think the only reason you're here tonight is because of the Attorney General's opinion. The only reason for enlarging the district is to make it feasible so that you can utilize this tool that we so badly need. I think you've got an opportunity and this may be an opportunity lost if it's not done. I think you heard Rob Sharp just say that if that's a bare piece of ground out there you're probably not going to be able to attract a developer that's going to put a hotel there.

I can tell you that we started working with these developers at the Chamber of Commerce way back. We're getting state people together, federal tax credits and they just told you tonight that there's some very time sensitive things that you're dealing with. Those opportunities are going to go away. Kit you know I don't understand the legal part of every thing. I probably should know about TIF but as far as impact to individual property owners I don't think there is any. You just freeze the rates at what they are and the increment is what helps pay off those bonds. That's the reason why you're talking about enlarging this district so that you can increase the increment and make it feasible. You wouldn't have to do that if we hadn't had the Attorney General's opinion. You know the track record of the developers they have worked hard and secured some tax credits. They have said publicly, they have said privately without that help they can't do this project. If we don't do this part and establish this TIF or at least come up with some way to assist them and if that help goes away the project is going to go away and we're all going to sit back one day and say hey we let an opportunity slip away from us. Let's not let that happen. Okay? Thank you.

Mayor Coody: Thank you sir.

Richard Alexander: Mayor. I'm one of the developers, Richard Alexander. I would like to address just a couple of the concerns that I heard tonight in addition to the comment. This is a very time sensitive project as Bill said there are federal tax credits involved if Bank of

Fayetteville was still here they would step forward and they would agree to fund those. That funding has to take place within twelve months. So we have to develop the plans, commit the money, get the firm commitments on the rest of the stuff, we started this three, four, five months ago. I thought the last time we passed it the second time 8 to nothing we were done and we were firming up our commitments and of course the Attorney General's opinion threw that on hold.

The plan is the same; it's the Mountain Inn plan. The only thing we're asking you to do here is to expand the district to make the reduced millage that we're left with sufficient to fund at least some of that original plan with the developers going out and finding additional investors to take up the slack. We're only talking about funding that part of the plan that is with that millage that is largely not in dispute as I understand it.

The consequence of not doing it tonight means that our contracts expire. We will be having a conversation with the Bank of Fayetteville first thing in the morning. So far they've been very gracious in staying in place and not panicking about their rather precarious position at this point. Because there's a significant fee that the bank will incur by way of funding the new market tax credits. That's a real issue for them and from our prospective it's absolutely imperative that we get an answer tonight. If we don't its going to be difficult to hold all of the pieces in place that's taken three years to put in place.

The real question here is with respect to the expansion of the district boundaries, I've been studying TIF now for probably longer than I wanted to. There is no down side to being in a TIF district. There's no down side whatsoever. There is a down side in being outside the TIF district in that should money become available to spend on subsequent projects that money may not be spent on property outside the district. Only property in the district can have money spent on it. So for instance, if a project is lighting trails, sidewalks or parking decks, you may not spend those monies on properties outside the district. You can spend right up to the district boundary. From my prospective I don't see the down side to being in a district, there's no additional tax but there is a down side to not being in the district. Again it is difficult for me to articulate why somebody wouldn't want to be in the district there is no tax and no down side to it. This is a twenty-two million, twenty-four million dollar project. I think we've shown the Council and shared with the Council estimates of revenues to be generated by this project are anywhere from thirty-five to forty million dollars. Whatever the investment is in the tax, by way of the tax increment financing, whether that's two million or three million or three and half million the return on that investment is ten plus fold in terms of revenues generated and that's in tax revenues generated. That's in addition to the revenues, the jobs and the increased property values for the properties adjacent to this.

The alternative to losing this project is the various scenarios, condemnation, whatever. Those are all alternatives, Kit has outlined them. The down side to that is that it will take years. The drag on those properties adjacent to this project will continue. If you'd look at this project, the Mountain Inn itself, I think I've seen estimates of approximately 100,000 square feet of hotel and commercial space that's been abandoned and blighted for years. In addition to that there is at least another one hundred to hundred and fifty thousand abandoned or under-rented, under-utilized space adjacent to the project. All you have to do is walk around down there and you can see the store fronts that are closed. The properties that are vacant are generating no revenue, they're generating no tax revenue, they're generating nothing.

If the concern is the schools, the schools aren't making any money off this project. The schools will make more money when this project is complete by virtue of the increase in that portion that they'll get to keep. I think its two hundred thousand a year, nine hundred thousand before the Attorney General's opinion. How much a year, one hundred thousand before the Attorney General's opinion, two hundred thousand now. The schools or the State of Arkansas wherever that money ends up, there will be an increase in that revenue between one hundred thousand and two hundred just on the project, and that's not counting the increase on the revenues that will be generated for property taxes and sales taxes on the properties around it.

Again, this is very time sensitive and I know it's not your fault. We appreciate your support before. You passed it 8 to 0 twice and we're very grateful. We were thrown a curve ball. We've worked for the last while with city staff and Kit to try to find a way that's legal, conservative and doesn't try to plow any new ground but really tries to accomplish what we thought we were doing before. Again with respect to the project it's the same project, it's just less millage. The expansion of the district makes up some of that not all of it.

Personally after spending three years on it we just weren't ready to throw the towel in but there comes a point that we can't just keep holding everybody off indefinitely. We'd sure like to try to make it work out and we're trying to figure out ways to take on the difference between what the expanded district can generate and what will be available. So thank you very much.

Mayor Coody: Please don't forget to sign in Richard. Do we have any questions for Mr. Alexander? Who else would like to address us on this issue? Hello Jeff.

Jeff Erf: Quick question which came to mind when Kit Williams was responding to Cyrus Young. I thought I would try to ask the question and maybe you can clarify something for me. Let's say hypothetically the citizens of Fayetteville voted to increase the library millage a couple of percent, a couple mils. Would all of that tax revenue that was collected based on that millage go to the library or would any of that be redistributed or directed to the TIF District?

Kit Williams: My understanding is that the base value of the property would still apply and so the new millage would be applied to the based value within the TIF District. The increment would then go to the TIF District with the based value continuing to go to the library and then everywhere outside the TIF District would get the full amount of the millage including the increment.

Jeff Erf: Alright so the properties that were on the inside of the TIF District the tax revenue there that was collected from the increment would not be going to the library.

Kit Williams: The increment of all the millage of local taxing entities except the indebtedness to the schools, would in fact go to the TIF District. The increment, not the actual millage itself, the base value millage would still go to the taxing entities.

Jeff Erf: Thank you very much.

Mayor Coody: Mr. Wright was that a fair assessment? Okay. Thank you. Are there questions or comments from anyone? I'm going to close the public hearing on this session.

<u>**Mayor Coody closed the Public Hearing**</u>

<u>**New Business:**</u>

Highway 71 East Square Redevelopment District #1 Boundary Modification Adoption: An ordinance modifying the boundaries of the Highway 71 East Square Redevelopment District Number One pursuant to A.C.A. § 14-168-305 (f) and A.C.A. § 14-168-307(c) declaring an emergency.

Kit Williams: Although I do think it might not or might be appropriate to have either now or later, when we are talking about the project plan, to have Mr. Wright and Mr. Wilbourn address us.

Mayor Coody: Alright, what question do we have for anyone? This is for the City Council now.

Kit Williams: This is back really to the ordinance for the boundaries.

Mayor Coody: Yes, ma'am.

Alderman Thiel: I understand that there is an urgency to pass this and I certainly support the project plan. As I said I am concerned about a very small portion of the extended boundary and only because those people have contacted us. They weren't notified of this. They did have concerns and I would not be supportive of passing the portion that includes their property. Is there anyway I can amend this to exclude a very small portion and I will try to define it.

Mayor Coody: Certainly.

Alderman Thiel: Although it actually does not follow streets.

Kit Williams: It is your determination as a City Council to determine the appropriate boundaries.

Alderman Thiel: Okay. Everyone follow with me here. Locate Putman Street down in the left corner there, actually it's Rock Street. It's Putman on the left-hand side and Rock on the eastside. Okay if you'll follow Putman and take it across Gregg Avenue.

Alderman Lucas: Which map are you looking at?

Alderman Thiel: I'm loooking at the TIF District map. Putman is lined up with Rock Street okay. Okay follow Rock Street over.

Alderman Thiel: If we take Putman from the west boundary of the district over and extend an imaginary line crossing Gregg Avenue to approximately where our new trail is or let's just say the creek, follow the creek down which is kind of along Gregg Avenue south of Prairie.

Kit Williams: All the way down to Prairie.

Alderman Thiel: That it all way down to Prairie where it would run into Gregg Avenue that runs into Prairie. Those will be straight lines that would be a straight rectangle and exclude that area.

Mayor Coody: How many is that?

Alderman Lucas: From Prairie you're going all the way down to Gregg Avenue.

Alderman Thiel: Go west on Prairie, back up Gregg, follow the boundary of the current TIF. So all you're excluding is Putman over from the west TIF line then follow Putman over to Lee Creek, go straight south to Prairie, follow Prairie back over to Gregg and then back up and just follow the TIF line.

Kit Williams: I don't think that would probably change any of the economic liability.

Alderman Thiel: I don't think so.

Kit Williams: Because there's probably a fairly small amount of property value in there.

Alderman Thiel: But there is a group of people there that have formed and are very concerned about this. They might not be opposed to it but if we pass this tonight which I am not opposed to doing I would feel I could not support passing this tonight without excluding this because they're not aware of it.

Alderman Rhoads; Brenda, I don't mean to meddle in your ward but I'm wondering might there also be people in that little area that you carved out or proposing to potentially carve out that might feel total the contrary and want to be in it.

Alderman Thiel: There might be but they're not here and they don't know about this. The people we've heard from are concerned. I'm not saying that they might not support it. They haven't had the opportunity, if we're going to pass this tonight, which I'm not opposed to doing because I understand the urgency. Now if we want to table this and discuss this a little later, we can forget this.

Alderman Rhoads: I'm trying to understand why people would have contacted you, this group of people that have contacted you, why did they not want to be in the TIF District?

Alderman Reynolds: Well it's a very low income area they don't want to be included in this.

Alderman Rhoads: Why? Did they say.

Alderman Thiel: Let me also add that I don't know if they wanted to be part of this meeting. They were not notified of this meeting.

Alderman Jordan: I think that's the point.

Alderman Thiel: That's the point Robert.

Alderman Rhoads: I thought the meeting had a 10 to 12 to 14 days notification.

Alderman Thiel: Of this new boundary?

Kit Williams: The notification was for the amendment to the project plan. There has been extensive media coverage talking about what the various options were. There was not a specific notification about the change in the boundary because one is not required in the ordinance or in the statute.

Alderman Thiel: Right.

Mayor Coody: How many people total have contacted you about this?

Alderman Thiel: Probably about five or six.

Mayor Coody: Okay.

Alderman Thiel: There's only about five or six houses in this area.

Kit Williams: I think this would be an insufficient change on the boundary and would not make any difference at all in the economic viability of the plan. I'd like to ask Jeff Collins if he wants to comment on that. I have my map drawn out; it's this one little section down here along Gregg Street.

Dr. Jeff Collins: Go to page 18. I want you to look at the difference between where it says the East Square, plus you can actually take any of these that you want the difference between the base line scenario and the bottom line scenario is three major projects it's million's of dollars. You've already heard how many millions of dollars. Look at the difference in the yield under those scenarios. We're talking about huge millions of dollars worth of projects. Under the most aggressive scenario which is the east square, if you combine the two TIF Districts and use the 7.66 mils you're only talking about a 3 million dollar difference on a base of twenty-seven million five hundred thousand. We're talking about the Terminella Project which is 2.5 or something like that and the Mountain Inn which is twenty-two million, to give you an idea of relative scales; this little piece that you're talking about is inconsequential.

Alderman Thiel: Okay.

Mayor Coody: Any other questions for Dr. Collins? Alright.

Kit Williams: Is that a motion?

Mayor Coody: Is that a motion to amend?

Alderman Thiel: Yeah, I'm making that motion to amend and there may be some people here that live within that district, I don't know, or in that area. But yes I'm making a motion to amend to remove that area.

Mayor Coody: Okay let me ask you this. In this part you carved out here, I'm sure it's very convenient drawn the way that it is, are these four or five people are they clustered together or are they spread throughout that district that you carved out?

Alderman Thiel: I think they are kind of spread out actually. I think some of them are to the north of that. One was very vocal at the last meeting.

Mayor Coody: Okay. Alright so you're making that motion to amend.

Alderman Thiel: Yes.

Mayor Coody: Is there a second?

Alderman Reynolds: Yes.

Alderman Thiel moved to amend the Project Plan Boundary. Alderman Reynolds seconded the motion.

Mayor Coody: We have a motion and a second to amend the master plan area to exclude the boundary previously described.

Kit Williams: This is amending the Exhibit A to that ordinance.

Mayor Coody: Is there any other further discussion on this amendment.

Alderman Rhoads: Yeah, I've got discussion. I'm desirous if this will help move the process along then I'm very much desirous to seeing that happen. However I'm trying to walk in the shoes of the twenty-five other houses that are in this other little carve out. Kit I don't want to be inventing something that may never happen but have those twenty-five other folks lost any sort of right by being carved out when at one time they were in.

Kit Williams: Actually I don't think so. One of the projects that is proposed in the amended plan and was also proposed in the downtown plan was the extension of the trail which runs very close to these houses but is on the other side of the creek. I don't think that they would actually lose anything and in fact the statute does allow work even outside the district. We're not proposing any of that but the statute does allow that under one of the provisions. No, I don't think they're losing any rights.

Alderman Rhoads: Thank you.

Mayor Coody: Alright, anyone from the public want to comment on this amendment? I'm going to close it to public comment and bring it back to the City Council. Oh there is somebody. How are you Jill?

Jill Anthes: Jill Anthes, 610 North Olive Avenue. I just wanted to comment that the part of the plan we're talking about excluding seems to be one of the most underserved parts in the district and in that area if there's money left over after the increment it might best be served by improvements. Also it is part of the Downtown Master Plan area that might be the most available to artist and for the culture arts district initiative. I'd urge you to think about leaving it within the boundary. Thanks.

Mayor Coody: Thank you. One of the things about this, for anybody that is viewing at home that might be confused about how this TIF District works. If somebody in a particular area is in the TIF District they see no additional expenses. They will see no extra money going out of their billfold or purse. They will see no additional expenses. What they would see is a portion of what they already paid being plowed back into their neighborhood and into the district that is not currently plowed into that district.

Jill I think your comments were right. I think that it would be an area that might benefit actually from being in the TIF area. But there are folks who don't have that same perception.

Alderman Cook: Mayor.

Mayor Coody: Yes sir.

Alderman Cook: Can I comment on that. I think those neighbors their problem is they don't feel like they are going to see any benefit from that. I think Mr. Robson made his point clear saying that I'm not going to see a new sidewalk, I'm not going to see street improvements in front of me, all I'm going to see is this Mountain Inn that's going to get fixed and what's that going to do for me directly. I think that's what their problem is with it. The ones that I've talked to there besides him. I think they have a valid point in some ways but does that mean that we should scuttle this. I don't know. I would not say that necessarily but I think a lot of people feel that way though.

Mayor Coody: Well my thinking is that and I want to rebut that, is that it's no cost to them. Not an extra additional cost or a penny to them. I think that all they see is to rebuilt Mountain Inn is plenty worth it right there to see the whole downtown of Fayetteville. I don't feel like I should just focus my prospective on just my number of square of feet that I live on, we all are a community and we do have to look out for what's best for Fayetteville. Although I know the amendment is going to pass, I do feel like that we do have to look at the city as a whole and look at the opportunity to rebuild the Mountain Inn, an eye sore and a liability into something that's really attractive and worthwhile is something worthy for all of us to get behind.

Alderman Cook: I don't think there's any argument against that. I mean what they are worried about is in some way if their tax money is going to be going towards this Mountain Inn and that they're not going to see the benefit, where otherwise if it did go to other tax entities they might see that benefit at some point in the future. But they think that they're not going to see the benefit that's all.

Alderman Thiel: Whenever we discussed the original TIF area, I said that if after I talked to constituents that were concerned about the area south of Archibald Yell, after I explained the things that you just said and the things that Robert has said, I think we all agree that being in a TIF is a good thing, if they still wanted out of it then we would amend that. We didn't do that. What I'm saying tonight is that the idea is to go ahead and pass this new additional area that's not really been publicly discussed other then right now, and there's an urgency to do that I'm supportive of that, if we were to leave this area in so that we do have a chance and opportunity to discuss it with the people that live in that area further. I would be supportive of just holding this off until we have that opportunity. I'm not saying that I disagree with what you're saying. I think you're right. I don't think that we've had the opportunity to get that point across. Let me put it that way, very bluntly.

Mayor Coody: You're exactly right.

Alderman Thiel: Because we are trying to pass this that's the only reason I'm trying to exclude this. I'm not saying that they will not benefit from it.

Mayor Coody: I understand. I understand that entirely.

Alderman Thiel: Okay.

Mayor Coody: Alright, any other questions or comments? Yes, sir.

Alderman Rhoads: One last comment. I'm really struggling with this issue because I'm very desirous of hopefully we'll be able to vote and get this whole TIF project moved forward. However, Ms. Anthes' comment is kind of weighing on me because I'm definitely in favor of having a very large culture district and having places for starving artists to be able to live and what have you. But what I think I also heard is that there's even the ability to do, let me take it one step further, I'm hoping that the Supreme Court will rule against what the Attorney General has proclaimed and therefore there'll be Phase II and Phase III in this TIF and there'll be money for something besides the Mountain Inn. I'm hopeful that will happen, if that does happen then people may see sidewalks, they may see lighting, they may see trails in all parts of this area. So that's why I don't want to really exclude anything. Hearing that there's a possibility that other things or benefits from the TIF money can go to things right outside of the district then I think I'm for it. If that's a true statement.

Kit Williams: Well the statute says, "each project plan shall include: 1) a statement listing the kind, number of locations of all proposed public works or improvements within the district, or to the extent provided outside the district." So I think we have authority.

Mayor Coody: Alright. So we have a motion and a second to amendment this map to exclude the area.

Alderman Thiel: Mayor. Can I ask just one quick question. Haven't you told us all along Kit that we can amend the areas at a future date, not the areas only the plan. The project plan.

Kit Williams: No, you can amend both. It says in the statute that the boundaries of the redevelopment district maybe modified from time to time by ordinance of the local government. That doesn't even require a special notice. Now if you're doing what you're proposing tonight and modifying a project plan that requires a 15 day notice, two publications in the newspaper, even more notice then to establish it. So both of those can be amended from time to time if that's the City Council's desire.

Alderman Thiel: So this amendment could be, we could add this back later.

Mayor Coody: That's an option. I don't think it would ever happen but it is an option.

Alderman Rhoads: Good questions Brenda. Thank you.

Mayor Coody: Alright, we have a motion and a second is there any other discussion on this item on the amendment? Hearing none shall the amendment pass?

Upon roll call the amendment to the Highway 71 East Square Redevelopment District No. 1 Project Plan Boundary passed 7-0. Alderman Marr was absent.

Mayor Coody: Thank you very much the amendment passes. Now then we will go to the ordinance itself.

Kit Williams: It's on the first reading.

Mayor Coody: You've already read it once Kit. We'll entertain a motion to suspend the rules and go to the second reading.

Alderman Rhoads moved to suspend the rules and go to the second reading. Alderman Reynolds seconded the motion. Upon roll call the motion passed 7-0. Alderman Marr was absent.

The ordinance was read by the city attorney for the second time.

Mayor Coody: Alright do you want to entertain a motion to suspend the rules and go to the third and final reading?

Alderman Lucas: Can I ask one question?

Mayor Coody: Yes, ma'am.

Alderman Lucas: I wanted to ask Kit, do you have any doubts at all with what we're doing tonight.

Kit Williams: I would say absolutely.

Alderman Cook: He's a lawyer Shirley.

Kit Williams: I think when this was first brought to the City back in May, I pointed out that this was a brand new amendment. Brand new law. Never tested before in the courts and as you see even as we're considering this there's a, I'm requesting the right to file a friendly lawsuit against the assessor. Actually to really protect her, to try to resolve some of the questions I have. So yes probably not in the boundaries. I don't have too much trouble with the boundaries. We get to the project plan and the financing certainly there are questions out there that I think only the Supreme Court can answer.

Alderman Lucas: Thank you.

Mayor Coody: In other words, we don't want to do anything without being certain after the court rules for us.

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 passed 7-0. Alderman Marr was absent.

The ordinance was read by the city attorney for the third and final time.

Mayor Coody: Alright, any other questions or comments.

Alderman Cook: I'd like to comment real quick. One thing I want to say is that I hate making this decision tonight even though I know we need to but we literally just got this information so that's frustrating, but after talking to people in general about the Mountain Inn TIF since the last few weeks. It's been all across the board and there are people that are strongly against it for the reasons. There are people that are strongly in favor of it and there's some that just don't care to be honest.

Mayor Coody: That's probably a majority of them.

Alderman Cook: Some of them yeah. I've waffled back and forth because we have voted on this twice and I still waffle back and forth on it. There's no doubt we all support the downtown. I mean we've shown that with past actions and there's no doubt that we all want to get rid of the Mountain Inn. The question is, is this the right way to do it, is it perfect, no it's not perfect. I still have questions about the economic viability of this hotel to be honest. I really don't know if it will even fly or not. That's all opinion. I mean the numbers are all conjecture too. So we just have to make the best decision we can. All in all I think most people will agree that they just want to get rid of the Mountain Inn and I think what we've come up with is one way to do that. I hope that that's the right decision to make but I want to support this.

Mayor Coody: Thank you. You've expressed all of our sentiments. Alright, any other questions or comments? We're on the third and final reading. Shall the ordinance pass?

Mayor Coody asked shall the ordinance pass. Upon roll call the ordinance passed 7-0. Alderman Marr was absent.

Ordinance 4673 as Recorded in the Office of the City Clerk.

Kit Williams: Your honor, because of the fact that this is a dangerous fire trap and the time sensitive nature there is an emergency clause to vote on also.

Mayor Coody: Alright, I entertain a motion and second approving the emergency clause.

Alderman Reynolds moved to approve the emergency clause. Alderman Ferrell seconded the motion. Upon roll call the motion passed 7-0. Alderman Marr was absent.

Highway 71 East Square Redevelopment District #1 Project Plan Amendment: An ordinance amending the Project Plan for the Highway 71 East Square Redevelopment District Number One, finding the Plan is economically feasible and declaring an emergency.

Mayor Coody: Alright, thank you very much. Now we'll move along to, we've already done the public hearing on both phases of this. So the new business of the project plan has been spoken to. So we would now bring this to the Council for discussion.

Kit Williams: I can read the ordinance here your honor.

The ordinance was read by the city attorney for the first time.

Kit Williams: As you are aware I've been attempting to work on this amendment for this project plan and its been a little of a moving target because we weren't sure for a long time exactly if there was any kind of financing that would work. It wasn't until the developers finally agreed to be able to step forward and to purchase the amount of bonds which would not be marketable that I was able to fully complete the project plan which I presented to you at 4:30 p.m. I'm sorry I gave it to you as quickly as I could get it which is not quickly enough and I apologize for that. Let me go over very briefly what the project plan says.

First it has to remove the Phase II of the current project. There is certainly not enough money to do Phase II which was the streetscape throughout the original district. We had very, fewer millage available at this point in time unless the court tells us differently and therefore the only thing we will be able to do initially is the project as you approve before. The project Phase I which is the purchase of the Mountain Inn and the three other structures and their demolition and then their sale to the developers for $300,000.00.

The Economic Feasibility Study was given to you also earlier tonight. You all have amended the boundaries of the district to make it financially feasible. The certification by the County Assessor was given for both the Downtown Master Plan TIF and the original plan that we have. She has not provided us a subsequent certification. That would be part of what I would do my suit is to require that certification by her about the debt service ad valorem rate and applicable ad valorem rate be determined by the court so that she would be protected and we would be protected. So that there would be no chance that the money, the tax money would go to a non-constitutional, non-statutory purpose. That is also in there so if you approve this project plan you are authorizing me to file suit on behalf of the City to get that kind of determination from the court.

The financing methods basically would have to be two types of bonds. The first one I will call the marketable bonds. They would be supported by the, pretty much everybody agreed to okay 3.16 mils. Those bonds even with this larger district won't be enough to finance this project. So that the developers have agreed to purchase or find an investor to purchase a note or bond that we're calling the subordinate bonds or notes. These would be paid only after the marketable bonds were paid. Because in order to make sure that the marketable bonds got paid. That would be what I think our bond counsel and our underwriter says we can market that much bonds. We can't market the bonds above for the 7.66 millage. So there would be two kinds of bonds. I want to call your attention to the bottom of page 4. Assuming we pass a bond ordinance for the 3.16 mils and something else for their bonds which should be followed with that recourse against the City of Fayetteville or the TIF District. So that means if they're not paid within the 25 year life span on this district it would be, they would simply not be paid and we would not owe any money on them.

At the bottom of page 4, I have stated that the subordinate bonds or notes must be sold with revenues received by the City prior to the city sales of its marketable bonds. The reason that I have that in there is that obviously we only want to market our bonds if we know the project is going to go forward. So we have to be assured by the developers that they have in fact raised the money to purchase the subordinate bonds and then we will go forward at that point with selling the marketable bonds and this project would go forward.

There were some project costs clarifications including specifying that the $300,000.00 that we will sell the property to the developers will be used to pay interest and principle on the marketable bonds. That should reduce our costs dramatically and make it more possible to obtain more money from the marketable bonds because we won't have to make such a large amount of capitalized interest into the entire debt.

The rest of the amendment just talks about what the total indebtedness would be. I'm using figures from Cruz & Associates who I would hope would come up and be able to explain their positions.

In the future options set forth are if in fact there are more mils available and both of the bonds can be paid. Both the marketable and subordinate bonds can be paid then we can look toward other projects for example the extension possibly of the Francisco Trail to the Skull Creek Trail, a parking deck, or some other sorts of improvements within this area or immediately next to the area if that's the choice of the City Council.

Beyond that I think that that pretty much covers what this amended project plan entails and I would try to answer any questions about it.

Mayor Coody: Any questions for our attorney on this?

Alderman Ferrell: I've got a question for Kit, not pertaining to this but its pertaining to the overall TIF development. Would you go through one more time with me, once again I'm all in favor of this. I remember the old Mountain Inn before we built this one. The eminent domain in a district like this, if anything is eminent domain it would come before the City Council?

Kit Williams: Yes. The project plan does not include us taking any property by eminent domain. The reason for that is that you can get virtually immediate possession with eminent domain. We've done that in having to expand roads or waterlines or something like that, but you don't get ownership until after the trial where the jury determines how much you should pay. Because of the time sensitive nature with this particular project we must go the purchase route so we can obtain clear title and convey clear title so that they can mortgage the property. Otherwise we would probably think about it.

Alderman Ferrell: I'm not talking about, what I'm really talking about is the TIF authority after this passed.

Kit Williams: There is TIF authority for eminent domain but if the City Council; just like in any eminent domain situation the City Council makes that decision.

Alderman Ferrell: It would be for common betterment.

Kit Williams: It would have to be to further project plan. So you would have to actually amend this particular plan in order to go forward with eminent domain.

Alderman Ferrell: Okay.

Mayor Coody: Any other questions. Yes, ma'am.

Alderman Thiel: On page 5, again stating and just for clarification, the City shall not pay more than. I'm trying to find out what the City is actually going to be paying that's not going to be reimbursed by the TIF District.

Kit Williams: Okay. When I'm saying the City, the funds come in and they are TIF funds the City is using them. The City in this particular project, just like it was before, is not actually going to be spending any of its general revenue. It will be spending TIF bond proceeds.

Alderman Thiel: Okay. Thank you.

Mayor Coody: Any other questions. Alright. I entertain a motion to suspend the rules and go the second reading.

Alderman Jordan: Aren't we going to go to public comment?

Mayor Coody: Oh, I thought we did the public hearing.

Kit Williams: Well they probably need to comment after.

Mayor Coody: Alright. Anyone want to make any public comments on the plan? It was a good try wasn't it? Going once. Going twice.

Kit Williams: Before we get to our second one let me ask maybe Mr. Wright or Mr. Wilbourn to make some comments about feasibility or legality or whatever they want to talk about.

Mr. Wright: Things have certainly changed since the last time we were before you since Beebe came out a couple of weeks ago. As you are going through all this and you've all stressed and understand that we need to move forward quickly on this. We've got some dates we've got to hit for the developers and make sure this project works.

Kit was just talking about the economic feasibility of the project. I think I told you early on we've got a history of underwriting numerous projects. I've got a history of doing hotel projects and have financed recently the Hilton Inn which was a shutdown hotel in Little Rock on 630 University with razor wire all over the place. It had been out of business and no developer is going to come in there refurbish the Hilton Inn in Little Rock until a tool became available that made it economically feasible for them to do so. In Little Rock an empowerment zone became available that allowed that project to go forward.

We were brought in and Rich can tell probably six, seven, maybe eight years ago when the current owner of the property was looking to do a project. We looked extensively at how can we get this same hotel, how can we get this thing refurbished, built, get this out of the blighted area, and there was no way, no economic feasible way to get that project done. We had to turn her down at that time and obviously it's been sitting here since then.

The tool which has presented itself, the TIF financing option, the developers are using that to make this economically feasible. We have looked at all the numbers. We have looked Dr. Collins' projections. I too just got his updated number version this afternoon so I have not had a chance to study that because I promised the Council

Mayor Coody: I think the reason that we all just got that is because they just got it finished up today and delivered at 4:30 this afternoon. So it's not like we were withholding anything. It's just that we all saw it at the same time when they brought it up.

Mr. Wright: As I was sitting next to him just a little bit ago I actually pinned him down and asked if I couldn't ask him a couple of questions after this to make sure. Because I've been taking his numbers and structuring in my own computer stress test models to be able to see what happens if the growth patterns aren't there. If the Terminella project or all these different projects come in or if they do not come in if the Mountain Inn works, etc. So I still have some studying to do. But as I promised the Council early on we're taking a very conservative approach towards making this project work and that's the only fair thing to do for the City of Fayetteville and for the citizens.

As the Mayor mentioned a little bit ago, you've got a history of some problems. It's been quite a while since you've had some defaulted issues. It's been awhile since you've had any of those issues pop up. You certainly don't want such a visible project as this TIF, this Mountain Inn for it to be any potential for it to have any failures in the future look bad on Fayetteville. That's what we're here for, to make sure that we're covering the City of Fayetteville for now and in the future. So everything that we're looking at, all the options that we're working with the staff of the City in presenting to them and presenting to the developers we're taking the cautious approach.

There are some other options out there that we've been working on. It's not pertinent tonight. Tonight we're talking about amending the project plan, making sure that it's economically feasible. We will be coming back when we put this all together. When we actually put the financing package together. The final package, we'll come back one more time and amend the project plan to put in here as the final structure because we're all looking at a crystal ball right now. This is what we think is going to happen. We think with 3.16 mils over 25 years we can generate approximately two million dollars in net available proceeds towards the project. One of the reasons we look to expand tonight into the Downtown Master Plan area is without that expansion we were only talking about a million dollars and that makes it back toward the nonfeasible economy of this project. So expanding into the Downtown Master Plan makes this a lot more of a workable plan. The developers are step up to agreeing to potentially purchase some subordinate debt. We're going to look at. We've got issues to look through and structure there.

Gordon Wilbourn, your bond counsel, we've got a lot of documentation and a lot of issue to work with Kit to make sure this all goes through and goes through quickly.

There is a lot of going on behind the scene. I've said it before, a lot going on behind the scenes. Many meetings and a lot of discussions that we're trying to flush out before we come in front of the Council. We even met 30 minutes this evening and 30 minutes on a conference call this morning on various options. So we're making sure that the City is covered from an economic feasibility standpoint. I think what we're looking at now, the cautious approach, we know the undisputed millage is 3.16. We'd go forward with that but we'd certainly put in provisions. The whole key to this program and any other options or programs we bring in front of you in the future is whether or not you agree or disagree with Attorney General Beebe's opinion a couple of weeks ago. I've certainly heard both sides of agree and disagree. We will leave in provisions and options that if the 7.6 mils is available we'd be able to do X with that.

As you were starting to talk about the amendment of the project plan and taking out Phase II, I jumped up and ran back and talked with Gordon Wilbourn to make sure we don't want to sell ourselves short either on that. Can we add that back in, the Phase II, the streets, all the other projects in the future in case the seven mils, in case the 25 mils comes back? I wanted to make sure that we didn't take to big of a step but as he has mentioned not a problem there.

So if Beebe's opinion or the Supreme Court rules that we can use the 25 mils we're back to what we originally were talking about and a much bigger project funding all these street improvements in a much bigger quicker pace. We can move forward cautious right now with what we know is available, the 3 mils and then put provisions ready in case anything changes.

A couple of the comments that were brought up regarding what the legislature is doing, what they're talking about and since I'm involved in just about every TIF in the state and I've talked to numerous attorneys, numerous legislators as far as what they can do.

The sales tax issue that keeps coming up makes a lot of sense. I think it's going to be looked at very long and hard. The one issue that just to keep in mind, the one issue that's going to be brought up is if they do allow us to use sales tax proceeds generated within the district, the City still needs to determine is that in their best interest but secondly, in the big issue with this, it still has to go to a vote of the citizens for Fayetteville to be able to use that. It's not a tax increase probably but it's the existing tax and the pledged of the debt. So even though it's a small TIF district, a small portion, and the legislature allows it my understanding in talking with counsel as well and Gordon might can expand on that. You still have to have the whole citizen, all the group to allow you to do that. So that is, those are still some of the issues that we still have to work through with getting back to where we were before hand.

But in summary, we're making sure that these plans brought to you are a conservative feasible plan. One that in every worst case scenario we look at there is nothing we see that could potentially hinder the City of Fayetteville in the future with this project. I'm glad that the Council has adopted these ordinances and passed this tonight. This is the tool and only tool that's become available to allow this project to move forward. Your developers are smart enough to jump on that and I applaud them for that. This is something we've got to move forward expeditiously to get the thing done for them; otherwise it's going to sit there like it has for years.

Mayor Coody: Let me ask you a quick question. If the legislature does approve the sales tax funded TIF, we would be able to come back and amend this plan to disassemble what we've done to confirm to a new funding mechanism wouldn't we?

Kit Williams: Well I don't know. We'd have to study the statute that they would pass and everything else. As Mr. Wright said there would have to be a vote of the people because when a sales tax was passed it was passed for specific purposes and one of the purposes was not to fund TIF district. So that would have to be back to the vote of people if they wanted to allow that as new purpose for the sales tax.

Mr. Wright: They talked about using income taxes toward a TIF. More power to them I can't imagine how they are going to get that done.

Mayor Coody: Some states use that method. I don't understand how they calculate that.

Mr. Wright: I don't either. I've only heard that they are talking about it. I know that myself and few of the attorneys and legislators are going to be sitting down soon to look at all the options and what is feasible. What are the other states doing. I've not seen any of the particulars on the income tax but I question how that's going to happen.

Mayor Coody: Any other questions for Mr. Wright? Thank you for your comments. Do we have questions?

Alderman Lucas: Do you need more time? You said something about you needed to look over these figures for what we're doing tonight do you need more time.

Mr. Wright: For what you're doing tonight no I don't because all along we have planned that it is a moving target even before Beebe's opinion came out. It was still a moving target as far as how we were going to structure the financing. What was the best and most efficient and feasible way. We're still looking at that and we look at it on a daily basis up until the point we structure and finalize the package. So the information I've got there is not need for any delays tonight. We're going to continue to move forward. It we run into any time constraints or if there are any issues that do arise that might slow this down I certainly hope that and I know the developers have some time frames, some very astringent time frames to get this thing done. May be the fact that if we are in the market and selling bonds in the third week of February but we can't close until March. Maybe that will allow them to overcome some of their hurdles once some of their other issues, they see the money is in place but it's just going to take an ordinance period, referendum period. But other than that like I said there's a lot to do and there's a lot for the bond counsel and Kit have to do in a short amount of time but that's what we're faced with.

Kit Williams: Let me ask you a question. You said you're going to want to have a second amendment to the project plan after you've gone over and looked at the economic feasibility report and done the entire bond sort of financing work? So that the City Council will actually then be able to look at the project plan again as its further refined in your amendment in order to see exactly what the financing is going to be. How it's going to be set up. So that's one final assurance for them that everything is financially feasible and ready to go forward at that point in time.

Mr. Wright: I think the Council would prefer that to have the final project plan. The final financial structure.

Kit Williams: Yes I would prefer to have that.

Mr. Wright: So I think that's a prudent step to take. I think knowing that in this next 30 to 40 day period as much as what's going to have to happen, we're probably going to call another special meeting to come back and say these are our findings. This is what we're thinking we're going to do as far as the financial package, the numbers, etc to give you one last review. We've been talking all in generalities all the way up until now because it has been a moving target but when we get real close to the point that we think this is the best way to do it we'll probably come back to the Council and say here it is let's answer your questions, your concerns at that point and then move forward with your approval.

Kit Williams: I know I would certainly appreciate that. I've been working hard to try to get a plan as complete and full and detailed as possible. I know it can be refined further and be much clearer on economic viability of this when they have the financing actually set forward. So I think that's a very good move. Keep in mind we have to give two weeks notice every time we amend it. So let us know so we can get all the letters out and publish it in the paper in plenty of time. That is the one problem with amending these plans that you have to have such a big lead time, but I certainly would think that would be a good thing. I did my best on this but I don't think this is good enough for the final one. So I'm glad to see that they are going to seek to have another one. I think that we do need to try past this tonight though in order to show that this is in fact the intent of what the City Council wants to do and then let them have a final look at it in future when you come back with a final plan.

Mayor Coody: Alright, thank you. Any questions for Mr. Wright. I want to thank you for all your hard work. It's been a long hard road and we appreciate it. Everybody on the staff has really worked hard to put together this TIF district and all the others. This has been quite an exercise. Everybody is ready to put this to bed so we can put a lot of other things on the front burner that need to be there.

Mr. Wright: Sure.

Mayor Coody: This has put a lot of other things on hold. Anyone from the public have any questions or comments on Mr. Wright's comments? Hearing none.

Kit Williams: Do you want to see if Gordon Wilbourn wants to have anything to add.

Mayor Coody: Gordon. You just want to hear people talk tonight don't you?

Kit Williams: They drove all the way from Little Rock and I relied upon Gordon many times for bond advice. I found him to be very knowledgeable

Mayor Coody: Yes, Kit, yes.

Kit Williams: And conservative, sometimes even more conservative then me which is shocking.

Mr. Wilbourn: Kit and I are the fellow legal sticks in the mud on this deal. And I just wanted to assure you that we're being, as Bob said that his financial model is been the conservation and we're being legally extremely conservative. I personally respectfully disagree with Attorney General Beebe's opinion but that doesn't really matter. We can't market bonds based on the 25 mils with that out there. So that's not what we're doing. Like Bob said you're going to get another shot at this if we amend the project plan and there will be bond ordinances that will have the exact precise terms of the deal and it is just a function of the statute. It's not set up very well. Its, I don't know how you could ever have a project plan that approves the feasibility of a deal before you have the terms of the bonds in front of you. That's just necessarily the way this is going to have to work. I'd be happy to answer any questions.

Mayor Coody: Any questions for Mr. Wilbourn? Alright and thank you for all your help too. You've done a very, very good job. I ask City Council to suspend the rules to go to the second reading.

Alderman Reynolds moved to go to the second reading. The motion failed for lack of a second.

Alderman Jordan: I want to make a comment.

Mayor Coody: I'm sorry.

Alderman Jordan: I want to make a comment.

Mayor Coody: Oh okay go ahead.

Alderman Jordan: First of all I want to say I do support the Downtown District. I do. I support the TIF. I think that the Mountain Inn is blight. What I do not like is being handed studies and handed documents before I've had time to absorb them. I do not feel comfortable passing stuff that I do not fully understand and for these reasons I cannot support passing the plan tonight. Maybe we can suspend the rules and go to some different readings even the third reading. But I need some time to absorb this or otherwise I cannot support this.

Mayor Coody: I understand.

Alderman Lucas: I feel somewhat the same way. It's always been my policy that I read everything before I vote on it. I support this too and I really think it's important. Is there anyway that we could have a very little, short agenda next Tuesday can we at least have a week to look at this and do it next Tuesday. Would that put things in jeopardy?

Mayor Coody: Let me ask a question.

Alderman Jordan: Can I say one more thing?

Mayor Coody: Okay, go ahead. Bob would you step forward again please.

Mr. Wright: I was just asking Gordon. It is truly the need to adoption the amendment to the project plan crucial tonight to continue moving forward. I certainly don't want to stop the process that's already started. Since we are planning on or at least that's the thinking is come back with a final adoption of the project plan with final numbers. Is it crucial that this passes tonight versus what you've already as far as creating the expanded district? I'll defer to the attorneys as far as their thoughts.

Mr. Wilbourn: Well I think what we were looking for was the will of the Council. How to proceed? What option that Kit presented that we were going to base our deal on and that's what we need to know. It's, we can't move forward without having at least some sense of what plan we're going with.

Mayor Coody: I'm sorry go ahead.

Alderman Rhoads: I would recommend that we maybe rename what we're about to vote on or perhaps not vote on and call it a proposed plan. What I mean is we're going to come back and amend it no matter what shortly and I'm of the same concern I'd kind of like to read things first and if we call it a proposed plan we will still achieve everything that we need to get done tonight and then we can come back and amend, adopt a final plan at a later date.

Kit Williams: I don't really think there, there is nothing in the statutes that say proposed plan. You either have a project plan or not. I guess you could pass the resolution you are in agreement with the project plan even if you are not going to pass it to let them know what you are thinking about. We either pass or do not pass the project plan. I don't think that you're not aware of, I don't think we can rename it and solve this particular situation. Keep in mind also that we had a public hearing and the public hearing was on the plan. Now if you don't want to pass it tonight, if that's going to be, I'd really have to defer to the developers and also to our underwriter and bond counsel about whether or not this is going to mean that the project will be able to still be done. The reason this meeting was scheduled for tonight was we backed up from the time we had to have the money and it takes time to do the bond ordinance and have the bond ordinance in effect. The bond ordinance has to be in effect before they can issue bonds and so we backed it up and this was basically the last possible night to get that done I thought but I could be wrong. I'll leave it up to you all and the developers to tell me is this the last night we can do this or do we have more time?

Mr. Wilbourn: No. Again I'll just reiterate what I said earlier. If, the understanding of the direction is a senior bond issue, a subordinate bond issue based on the 3.16 mils and that's the direction that we need to go and we can move forward. Kit I don't know what this does to you on the other authority for the declaratory or injunctive action. That will delay you from being able to do anything there. I don't know if that's important right now.

Kit Williams: I wasn't planning on filing anything before Tuesday anyway.

Mr. Wright: The only issue in the original plan as Kit was saying is we backed up from February 28th date. Tonight was going to be an adoption of a perimeter bond ordinance to get that 30 day referendum moving and that obviously that whole thought process died when Beebe's opinion came out. We've been back to how we can get this thing done. Gordon and I are going to talk with Kit as far as timing and if we have to hit a February 28th closing or if we have to hit a, and this part of the discussion with the developers a February 28th lock down of the financing. Even though we have a referendum period after that. Does it affect them. That's some of the issues we have to work through.

Kit Williams: Well I think that we need to have the developers up here. They're the ones that have told us that is the, that February 28th is the date that everything starts expiring.

John Nock: Well I think, we just heard a couple of things. We certainly have to have the bond ordinance before we can close on contracts on February 28th. So that certainly seems to be a requirement that no one in here can make happen. We're not prepared to have an ordinance for that any way this evening.

On the other hand I certainly understand the question proposed by Mr. Jordan and secondly by Mr. Rhoads. That if there are questions or comments that you would like to ask and comment on if I was in your shoes I would want to ask them as well. I would want to understand them as well. Also, this project has come so far with so many interations and we've worked through some many things. The last thing that we want to do as developers is to try to create such a sense of urgency, that is very real but that there would be a perception issue that we are trying to create it in a way that it would cause you the Aldermen discomfort.

On the other hand, we can't get beyond the fact that we have some real contracts. We run the risk, and this is a risk that we all would run based upon the decision that we make together. The contracts that we have under the project plan, I'm talking about real estate contracts will be actually passed through, under the project plan and would be purchased through TIF monies. And so therefore you would be recipients of those same contracts. So we keep saying that they're our contracts but in effect of the project plan those contracts become part involved or directly involved with the city's decisions. I see two things and I'm just thinking out loud here, if you don't have an ordinance already to allow the bonds to go forward you're already going to have to wait until at least the next meeting to have that. Then there again I don't know how you get around that quite frankly. I think that's the big issue. What we were looking for was and I think Mr. Wilbourn pointed out is the will of the Council. We can't do anything at all without the second piece of the puzzle which is in fact the bond ordinance passed, if I understand correctly from the underwriter that's been selected for the project that there's going to be a final project plan. So it seems like from our perspective nothing can occur until we know that we can go to the holders of Offer & Acceptance on the real estate, which we can't go to them and say a date certain away after tonight until that bond ordinance is passed. So in some ways, even validating the project plan tonight certainly would show one thing. It would show that will of the Council. In your preliminary direction of where to go and then it would give the ability of the next meeting I presume if the documents could be drafted in that amount of time that's sometimes a quick turn around to be able to give the bond documents. Even with that we would have to get some extensions on contracts. Those aren't our numbers. We've extended them, I don't know if the sellers will extend them again. I just don't know.

Kit Williams: I would ask that you do that and it might actually make the procedure easier if we did leave on the first reading and that way we could still modify this plan that's before the City Council. The public hearing has already been held and proper notification has been made. Until we adopt this plan you don't have to go through another former procedure to amend it because it's still before the City Council. Therefore we could read for the second time at the Tuesday meeting and it doesn't really make too much difference when we finally act on this until we have the bond ordinance ready to be read from my understanding. That's the key one that needs to be done in order to get the money.

John Nock: That's correct.

Kit Williams: So I guess indifference to the Aldermen's concerns which are quite real and my own in fact, I would not mind seeing this left on the first or second reading tonight so that our, maybe some motion from the City Council after you suspend the rules and allow it to become on the agenda, a resolution of support for the basic idea of the project plan as presented. The amended project plan as presented so that they would know in fact what the intent of the City Council was.

John Nock: Kit, that would help us in negotiating with contracts to be able to do that, look we're dealing with a timing issue not on a question as to whether its going to actually happen or not. We've gone to them before and extended contracts and we just want to make sure we have the will of the Council supporting that if we do that again.

Mayor Coody: The adoption of the boundaries and leaving it on the first reading with the intent to move forward with the final plan that wouldn't suffice as much as a document saying, stating intent?

John Nock: I think it would. I think it would. I don't know that anything beyond that would actually help us without the authorizing resolution for the bonds anyway.

Richard Alexander: Can I ask Kit a question?

Mayor Coody: Sure. Come on up.

Richard Alexander: As I understand it what were doing tonight is finding that the project plan is feasible but it's all subject to the passage of a bond ordinance. I mean if the bond ordinance that's where these guys are. You'll say yes its feasible and these guys will come back here and go okay yes it is and here's the money for it or no its not. So whatever you do tonight is subject to another hearing on the bond ordinance and at that point in time all of the questions should be answered. All of the numbers explained and the financing set out to the satisfaction of Council, bond underwriters, and city attorney. So it's a quirk in the statutes as I understand that you have to find that the plan is feasible in order to take the next steps which is go get the money. And you still have an opportunity to turn it all down if they come back and go it doesn't work, we can't raise the money.

Alderman Rhoads: Okay Richard what you're saying is that we then could still come back later and completely amend what we've passed tonight.

Richard Alexander: Or frankly you could say look it doesn't work, we won't do it. I mean you passed one before. You passed one before 8-0 and turned out we couldn't raise the money. That's why we're standing back here. It didn't cost us anything but it's a legal requirement to move the process forward. I think that you have to find that to take the next step. We are at exactly that position with no down side to the City. We passed it 8-0. These guys were about to come to you with the bond ordinance when the Attorney General wrote the opinion. So they said hey you know all bets are off and now we're back here again. So until you pass the bond ordinance it's really just an exercise in following the correct procedure as I understand it.

Kit Williams: Therefore I don't think we really lose anything if you don't actually pass the project plan ordinance tonight. I think you can leave it on the first reading but I do think it would be appropriate for the City Council to express itself about whether or not this is the direction that you are willing to go. What has been outlined in the project plan where the City would market as much bonds as it could on the three mils and the developers would buy enough of the remaining bonds so that we would have three and a half million dollars net be open to the project. I think that they need to know if that is in fact the will of the City Council. I think our bond counsel and our underwriter needs to know that also and then leave it on the first reading. Let's refine this plan some with the information that we're going to get from our bond counsel before you make a final decision on the ordinance.

Alderman Thiel: Mayor.

Mayor Coody: Yes ma'am.

Alderman Thiel: I personally think that we have voted on the district, the area, that is our comment and intent. I don't know why we need to verbalize, what good a verbalization of intent is other than that. I think we've all supported this district, the area and the boundary. We'll just wait until we get an actual..........

Richard Alexander: Here's a question for Kit. Right now, before tonight there was already a redevelopment plan and boundary. Tonight you have expanded the boundary of the existing TIF. So you actually already have a TIF plan that has been adopted and only tonight was amending that. So actually we already have a valid plan that has not yet been amended. We have already adopted a change in the boundary so actually we already have a TIF plan.

Mayor Coody: The plan that we have adopted won't work with..........

Kit Williams: We have an adopted but not valid plan.

Richard Alexander: That's right. It has not yet been amended but we do have a TIF plan.

Alderman Thiel: But that again shows the Council's commitment.

Richard Alexander: Oh yeah but we're just trying, well the main thing, I know the first thing we're going to have to do is go over to Bank of Fayetteville and meet with their guys and say hey we're going in the right direction. Don't panic just yet we're still on track and they'll want that comfort level to know that they can go forward and that they're doing the right thing in going forward. So I don't care how we accomplish that.

Mayor Coody: Lioneld.

Alderman Jordan: I don't intend to cause anybody any undue hardship here but my job as an alderman is to properly absorb the information that I've been given and make the best decision I know how to make. These documents I don't fully understand them until I have read them. So I cannot for good conscience sake make a decision on passing this without reading the information I've been given. Now I'm not trying to cause any problems here but that's just the way I do things. I do a lot of research and I do a lot of study and every time I seem to make a hurried decision on anything I seem to make mistakes. I just need the time. If we want to do this Tuesday that's fine. I think probably Alderman Marr would probably like to be here to comment on the plan as well.

Alderman Ferrell: Is there a motion on the floor?

Mayor Coody: No there's not.

Alderman Ferell: Well obviously we're headed that way but I mean I think it's appropriate for us to make some kind of resolution saying this is the way we're headed. I would make a motion that Kit gives me another word to submit there, that we just..........

Mayor Coody: First we'd have to suspend the rules to put this item on the agenda because it is not on the agenda tonight.

Alderman Ferrell: We actually wouldn't be voting though Lioneld.

Alderman Jordan: What I'm saying is haven't we already established that by creating the boundaries of the district.

Alderman Ferrell: I think so but I think what the fellows are talking about is moving forward with the marketability of the bonds. Trying to work them.

Mr. Wright: Just to clarify it I'm at a point now that I know what the intent of the Council is which is to get this project done. I'm comfortable with that. I also know that the Council is going to look to us and look to bond counsel to make sure that the final financing package is a secure and economic package. Whether or not it's even going to turn with senior and sub debt. I don't even know that yet until we get to the final marketing and present it to the Council, here's what it is. I know the intent is to move forward. I know the intent right now is, this is the structure. We think it's going to be senior and subordinate and we're going to move forward on that. I wasn't going to call the developers up here but the issue they've got to work through with their contracts and their February 28th date is would the adoption of the bond ordinance before February 28th allow them and allow them with whoever they have the contracts, does that get them over their hurdle? When the bond ordinance is adopted you know the money is coming in after a referendum period. It's a March closing, or do they have to have money in their hands by February 28th. That's their issue but.........

John Nock: I speak as from the developers. If I understand it correctly what Bob is saying at that point in time the developers are given assurance through BPA, a Bond Purchase Agreement. And at that point it's very much a liquid instrument that if we had to close prior to the maturity I guess is 30 days that's required then we could actually prefund that if need be. So I am not concerned about that that still meets our deadlines yes.

Kit Williams: Bob that makes a lot more sense than to leave this on this reading and have it again next Tuesday and then we need to schedule whenever you think you can get your bond ordinance done so we can have it on the City Council meeting whenever that's going to be.

Mr. Wilbourn: I think when we meet next Tuesday we could get the final bond ordinance and terms we'll have to offer the bonds. I mean that's going to be part of the process. So I think what we'll need next Tuesday also is an ordinance authorizing us to go forward doing these things and putting out a Preliminary Official Statement. A perimeters ordinance but I don't think we can do one that approves the documents in substantially the final form because there's no way of knowing that that's going to be what they look like. We'll have to have some authority to go out and offer bonds.

Kit Williams: Okay, we'll talk tomorrow about that.

Mayor Coody: Alright so the intent now. Do you have anything to add?

Alderman Thiel: Well I thought that there was concern that you hadn't studied the material given from Mr. Collins but you wanted to firm up the plan basically to make sure everything worked. Then we go on with that. I think that's what I'm concerned with is to make sure we are looking at a plan that you find is feasible and not necessarily issuing the bonds.

Mr. Wright: That's why I wasn't concerned with the adoption of the amendment of the plan tonight because the plan would come back one more time with the final financing package amending it one more time. If you can leave it open to where we don't have to have another 15 day notice if you can do that so that we can put the final numbers in. Then we don't have that issue and come back here are the numbers. Here's what we present to you. Adopt the Bond Ordinance. Adopt the Bond Purchase Agreement. Adopt the amendment to the plan and we're off and running. Hopefully it meets all their deadlines or pretty close to it.

Alderman Thiel: Right. Thank you.

John Nock: Let me just say one more time. That, I just went through it in my mind. That time frame will work. Okay.

Mayor Coody: So we're going to leave this on the first reading and we will put this on the agenda for next City Council meeting.

Kit Williams: Next Tuesday.

Mayor Coody: Next Tuesday night and we need to, we are going to make that a motion to suspend rules?

Kit Williams: I don't think that that's needed. They said they know were the City Council's going.

Mayor Coody: Mr. Shifty are you comfortable with this.

Mr. Shifty: I don't know how to answer that Mr. Mayor. I'm very concerned about the timing. The bank has made a loan and investment commitment to the new market tax credit program in a low income community. We have not made a commitment, legal commitment to this project but we feel very committed to it. This is where we want to make our investment but we have a severe time problem under the new market tax credit program that the money has to be out within twelve months. And if we think that that can't happen we're going to have to look somewhere else because we cannot have, there will not be a recapture under this program. So I have a big concern. I'm willing to take John's word that we can get this done and get it funded by the 28th and get underway but if there is going to be further delays we would probably be forced to look elsewhere. Thank you.

Mayor Coody: Alright, thank you very much. So I would just as soon go ahead and approve it tonight because you have to come back. This whole thing has to come back. I know it's not going to happen but I just think..........

Kit Williams: Since they want to amend the plan away it probably makes more sense to leave it where it is. So that because then you don't have that two week delay to approve the plan.

Mayor Coody: Right. Alright so there's going to be another delay here and that's going to work out just fine. So we have a motion, at least we're going to leave this on the first reading and you don't need any further motions or certificates of approval. Alright so are we finished with this business tonight then?

Alderman Rhoads: Let's adjourn.

Mayor Cook: There's a movement to adjourn and I agree so let's do just that. Let's adjourn the meeting. Thank you.

Dan Coody

Dan Coody, Mayor

Sondra Smith

Sondra Smith, City Clerk/Treasurer

Meeting adjourned at 8:00 p.m.