Minutes for
Special City Council Meeting
July 29, 2004

A Special meeting of the Fayetteville City Council was held on July 29, 2004 at 6:00 p.m. in Room 219 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

Mayor Coody: I'm going to go ahead and call this special City Council meeting to order. Would you please call the roll?

City Clerk, Sondra Smith called the roll.

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

ABSENT: Alderman Rhoads was absent.

Mayor Coody: Will you please join me in reciting the Pledge of Allegiance.

The Pledge of Allegiance was recited.

Mayor Coody: Thank you very much. We have one item on the agenda this evening and that is the approval of an ordinance. Kit do you want to go ahead and read the read the ordinance.

Kit. Williams: Yes, your honor. (The city attorney read the ordinance for the first time.)

Highway 71 East Square Redevelopment District #1: An ordinance forming the Highway 71 East Square Redevelopment District Number One pursuant to Amendment 78 of the Arkansas Constitution and authorizing the preparation of a project plan. ***This ordinance was tabled at the July 20, 2004 City Council meeting to the July 29, 2004 City Council meeting.***

Mayor Coody: Alright thank you very much. Any of the City Council people have questions or comments on the ordinance before us tonight?

Alderman Thiel: I still have some questions. I had several calls today on things that weren't entirely answered at the public hearing. What happens if the Alexander/Knock Corporation fails if they get half way through rebuilding this and they somehow lose their funding? Where does this building go to? Who is still obligated for the bonds, etc?

Kit Williams: They are building this also upon investments from a private investor who will certainly have a mortgage right on the property. The property will be owned by initially the developers and then by their investor not by the city. The city would not actually even have a financial duty to pay the taxes of financing bonds but they will continue to be paid with the taxes from the financing from the county collector on the excess of funding beyond what it is right now for the millage. So those bonds would still be paid. The increase expected might not be as much as one would have hoped so it might take longer for those bonds to be paid. They would be a obligation of the city unless the City Council chose to make them an obligation of the city.

Mayor Coody: Does that answer your question?

Alderman Thiel: Kind of. You had also said some things last night that weren't fully answered to my satisfaction and that is what is the process of us; you've indicated that the city would have to own that building initially or that property they would have to buy it. Explain that again to the public.

Kit Williams: Well that would all be part of the project plan which is what we're not actually adopting tonight. I don't think the final decisions have been made on that. My tentative position would be that I would prefer us to actually own the building, the part of it that's going to be demolished, then have the building demolished and pay for that with increment financing. Pay for the development of the site to be prepared for actual construction. In other words we'd clear the site and have it ready for development prior to then selling it to the developers so they could begin construction. The demolishment and preparing the site is clearly spelled out and given you all the power to do that under the redevelopment statute. Therefore, that's why I prefer that sort of undertaking as opposed to other possible scenarios that have been presented by other developers and their attorneys.

Alderman Thiel: So in other words the three million dollars, they would use that basically to buy the property from city and Pay or reimburse the city.

Kit Williams: No, the city would use the tax. The developers can't use the tax incremental financing that's what the city uses, that's city money, its money that you will get when the tax incremental bonds, if you decide to do that, are sold. That money would go to the special fund that you all would be creating and that you have control over, that fund must be spent on the project. If the project plan says that the city will use those funds to try to correct this blight by buying it, demolishing it and preparing the site for construction then that's what you would do. That would be part of what we do as a city, at that point then when the property is ready to be built upon that's when it would be sold to the developers so they could go ahead and do their part which is building the building.

Alderman Thiel: Where does this figure this three million dollar figure come in then?

Kit William: You'll have to ask the developers that. I haven't priced out what this would be and like I said that's part of the project plan and I have not done any of that part at all. The only thing that we are considering now is creating this particular district which has to come first before the project plan can be created according to the statute.

Alderman Thiel: Okay. Another question someone had was have we looked at the traffic projections from this hotel with the size and everything being what it is?

Mayor Coody: As to its impact on College Avenue or ….

Alderman Thiel: Yes, the impact on just the traffic, just traffic coming in out of that corridor. I mean that's adding a lot of traffic to the downtown area.

Hugh Earnest: The short answer is no. One of the montra that I guess all of us have to keep saying and something I've said repeatedly to the developer, in the project plan approval there were what I call 19 shalls in there, they shall do these things. One of the issues in there is the economic feasibility study which of course addresses a lot of things I know Mrs. Thiel that you and other people are concerned about. I would presume that that economic feasibility study will have to address some of the traffic issues, because obviously there is going to be some change in how traffic is going to flow in that area. That will be a part of what we will have to do either as part of the project plan or certainly as part of the development process that we will control as the building moves through our approval process.

Alderman Thiel: Just because we adopt this outline, that's all we're doing right now basically is establishing the TIF. If we don't come up with a plan that is satisfactory to everybody then what happens?

Kit Williams: Well then you would not go forward with your project. We are creating a redevelopment district. It's not a TIF district yet unless we decide to go through that kind of financing. One of the items that must be done in this project plan is a detailed list of estimated project costs. That's where we'd look to see what can the city do to assist in removing this blight. What will it cost to do those things to remove the blight? The final thing must be done in this project plan is for you all to find that it is economically feasible.

Alderman Thiel: Okay.

Kit Williams: Of course there has to be a hearing, a public hearing before this plan is adopted, just like this ordinance and that's probably one of the most important decisions that City Council will have to make.

Alderman Thiel: Okay. Thank you.

Mayor Coody: Is that it?

Alderman Thiel: Yes.

Mayor Coody: Who's next?

Alderman Lucas: So then the other night when the three million dollar bond issue was batted around, it might not be a three million dollar bond issue then, you don't know.

Kit Williams: I don't know.

Alderman Lucas: It might be six million dollars or five million dollars.

Kit Williams: No I don't think it could be

Alderman Lucas: Two million dollars.

Kit Williams: I think it could not be greater than three million dollars because I don't think that the very conservative figures that they must use to market these bonds will support a higher amount than that. I don't know that for sure because they're talking about money left over in the future if it grows maybe faster than their conservative figures. I would think that would be the top end and it might be what the city can do would not be that much. I don't know we'd just have to look at it and you all would have to make the decision of what you are willing to do to remove this blight.

Alderman Lucas: Okay. One more question. They talked about bond service the other night. What if the monies that are raised from the tax increment does not meet that bond service? Who is responsible for it?

Kit Williams: Well if we have not committed other revenues which you can according to the statute but I don't recommend that we go down that road, but it is something that the City Council can do. As long as you have not done that those bonds can only be paid by the incremental tax payments and if they're not paid, if it somehow shortfalls it doesn't come back against the city if we have not pledged anything voluntarily. The statutes kind of opens that door, if want to walk through it but we don't have to walk through it.

Alderman Lucas: Does that affect the city in anyway? Their ability to float other bonds later on or something?

Kit Williams: Probably not because in fact it is not a city debt, it's a debt only of this district and therefore should not reflect on us. We heard that from one of their speakers the other night. I'm not a specialist in bonds and what they're going to look at in order to give us higher ratings or not. It will not be a debt of the city though and therefore one would hope it would not reflect badly against us.

Hugh Earnest: If I may Mrs. Lucas one of the things that will happen as part of the project plan and this is another shall, if tax increment financing is to used then the method for calculating the tax increment which shall be in compliance of the provisions of the subchapter together with any provisions for adjustment of the means of calculation. In layman's terms the developer will propose how they plan to pay for this. You may rest assured that on our side of equation, our investment people, and we have someone hired as part of our service will look at that so that you have an excellent assurance that what they are proposing can be met under very conservative projections of the increment.

Mayor Coody: Does that answer your question Ms. Lucas.

Alderman Lucas: Yes.

Mayor Coody: Anyone else have any questions right now?

Alderman Reynolds: I don't understand, are we going to sell the three million dollars in bonds to the city or is that going to be a responsibility of the TIF district.

Kit Williams: You control the TIF district. These will be, should be just TIF district bonds, but the City Council controls the TIF district and improving any plan or amending the plan, amending borders. Doing whatever you wish to with this district as long as it doesn't violate the terms of a bond you might get into. The City Council will be ones making the decision but the bonds will have on their face that these are special bonds that are only going to be paid by tax incremental financing not by city general revenue unless you choose to change that. Therefore they should not be an obligation of the city but only of that district.

Alderman Reynolds: You said should but, if I support this I surely want your word that this thing is going to be written up to the fact that we're not going to be responsible as a city.

Kit Williams: Well my word will be I will do whatever the City Council instructs me to do.

Alderman Reynolds: Thank you.

Kit Williams: The City Council can, if you'll look at the back of my fact sheet that I gave you where it talks about TIF bonds there is a provision in there, § 14-168-318 that gives the City Council powers to do other things to make the bonds more marketable. My recommendation is that you don't do that but I don't control the City Council so I can't give you my word. I will not write that up because if the City Council instructs me to do that, then I am bound to do it.

Mayor Coody: I would recommend that we follow the attorney's recommendation on that.

Alderman Thiel: I'm not an attorney; I would be concerned if we didn't have leans or something on this building. I realize that this can be a discussion at a later date whenever we actually get into the plan, but I'm still concerned about if the building is not completed and is left it could be worse than what we have there now.

Mayor Coody: Can we get some performance bonds on this?

Kit Williams: I don't know what we can do but we wouldn't have a right to have a lean on the building because we would sell the property and the property would no longer be ours, it would be owned by somebody else. We have no interest in that property and therefore we could not have a lean or a mortgage. The first mortgage is going to be the person who has not invested a few million dollars but the person who has invested 20 million dollars to do the project, the private entity is going to need that mortgage. We don't have any right to a mortgage on that because we won't own the property. We'll be basically out of the game once we've gotten rid of that blight and prepared the property for this project to be built.

Alderman Thiel: Okay. I understand.

Mayor Coody: Anyone else? Anyone from the public want to address us on this issue? How are you tonight Sharon?

Sharon Davison: Good evening. My name is Sharon Davison and hopefully I'll present some thoughts for you to consider. I'm sorry I'm tired and ill prepared but here goes. I am here to speak about TIF and Mr. Knock tonight and it is a real serious matter. I will just pass on first just my husband's comment as a taxpayer he says please don't hurry, City Council members, please take your time working through the information you're been given. He said that private business is suppose to support themselves in their projects and the reward is that they have invested or risked whatever. I think there are a lot of taxpayers that are concerned when we don't have money to save our own library because of the funds. When we have issues of management and plans for half a million here and a million there, all of the sudden three million is now ready to help a person renovate. Okay for a private enterprise. That is his questions and his thoughts as a conservative business person and a taxpayer as to the time, energy, over accommodation of what we're all doing and why we're rushing. Now it seems to be at this point of urgency the marketing campaign for this project of TIF has been very pervasive.

I was channel flipping and noticed Mr. Knock's walk through of the dilapidated unsafe structure. Yes it did look horrible and we all know its been allowed to get that way and funny how it all became front page news when I believe we did have to pay for the plywood to cover up some of that building, when all the sudden we had extra windows broken out. I think that gets to TIF and blight and the basis of square one, the Mountain Inn, the block of the Mountain Inn. Guess what folks that's the only real blight area in our town right now, our town is looking great. Thank you, good night.

Mayor Coody: Thank you for your comments. Quick question, Kit is the city going to have any general fund money in this project at all?

Kit Williams: I would think not. The City Council could do certain things like but I don't think the City Council is going to want to put general fund money in it.

Mayor Coody: I don't think we'll have any city money in it either.

Alderman Marr: Mayor.

Mayor Coody: Yes sir.

Alderman Marr: I just want to make sure we are clear, our meeting tonight is to talk about a boundary of the Tax Incremental Financing District, whether that boundary is appropriate, and whether the conceptual plans, that maybe coming as the second phase of this, warrants the boundary that we're speaking to. So I hope that all of our future people that come to the podium will direct their comments to the issue we are talking tonight.

Mayor Coody: Thank you. Anyone else like to address us tonight. How are you Don?

Don Loftis: I am a property owner on Center Street. My property along with my partners adjoins the Mountain Inn and we would very much like to see this project go through.

As far as the property lines, I don't have a problem with that. It would appear that the developers have drawn lines where there is a very minimal of residential areas in this project which is what they have tried to accomplish I think. I would urge the Council to approve this. If they feel like they need to move some lines I don't really have a problem with that but I feel like you should pretty much stay with what the developers are doing here. Again, we're not talking city money, this is not costing the city anything. All they're asking for is your approval for them to build this, so it's like me going out and building a house all I have to do is get a permit from the city and go build a new home. That's what they're trying to do here only it's a 22 million dollar project. So I would urge the Council to approve these boundary lines as they've got them drawn or very close to it, so that these people can proceed with this project.

Mayor Coody: Thank you sir. Would anyone else like address us.

Rob Merry-Ship: I am a developer here in town. This is a new one; talking about a project I'm not involved in with my partner Richard Alexander. I have known John Knock for about two years now and I'd like to speak on his behalf shortly if I may.

John was brought in when we worked with Stella Moga. We facilitated the purchase of this property two and a half years ago for Stella. We had managed the property adjacent to it. I've been privy to a numerous amount of meetings to develop business plans, the first bringing John Knock to the table to help us set some plans that fell short with Ms. Moga on this property. It's been an ongoing project. I also hope that you will consider these boundaries and hopefully we will create a TIF. I hope to see maybe numerous more TIFs that might facilitate parking, infrastructure, street scape, and affordable housing. We haven't done this yet, we need to be very concise on how we do it. We need the public input but I can assure you I know that Mountain Inn project. I know that it keeps going back to the Mountain Inn. It is not going to happen without this TIF. That's not a threat, it's just a fact of life because its just one piece of a puzzle of numerous pieces of a business plan to bring in private money and some assistance. Like the gentleman just mentioned, it's not going to be a burden on the city if it's done the way it is suppose to be. Its a tax deferring mechanism that will have an impact immediately on the Mountain Inn and then as it widens over time it will have an impact on the whole area, the whole district. The area that you decide on as far as streets, lighting, it will be a good thing for not just the Mountain Inn. Although the first and I think the most important impact of this one piece of the puzzle, this is talking about the Mountain Inn now is this. I encourage you and wish you good luck. I'm not involved in it by the way.

Mayor Coody: Thank you very much. Anyone else want to comment on this tonight.

Jim Boyd: Most of you all know me; I've been practicing law here for about 30 years. I live in the historic district, the Washington Willow Historic District, for 29 years in the same house. I have clients that have property in this proposed district and have owned property here myself. I just wanted to speak up and tell you that I think this TIF is a good idea, its something new, it takes courage to do new things. Obviously the Mountain Inn is an eye sore and getting worse not better, downtown Fayetteville is barely hanging on, the construction and activity and money is going north of here, so whatever you can do to save downtown you should do that and seriously consider that. If you can turn that sow's ear into anything close to a silk purse with private enterprise footing the bill you should seriously consider that and it's just like a raise in tide lifts all boats. If you can fix that problem and make that something very valuable it will affect all of the rest of downtown. I know I'm telling you things you already know, but I think you should seriously consider this. It's not like we're dealing with people we don't know. Alexander has a reputation of having practically worked miracles in redoing old buildings, if he says he can do it I have a tendency to believe he can. So to that extent that he needs a leg up I don't see how this hurts the city all. I can see how it can help the city a great deal but I ask you to give serious consideration to this and to the extend that you can fix that problem and start downtown Fayetteville growing back up instead of continuing to deteriorate, you should seriously consider that.

Mayor Coody: Thank you sir. Go ahead. How are you tonight?

Professor of Economics: There is no question in my mind this is great idea for the city. First of all I think that it's going to improve, significantly improve the infrastructure of the downtown area of Fayetteville. I think as much as I've heard from, I know about this project, the developers have put a really good project together and they're taking time putting everything nicely together. So to be short, please I think I support this project and that it's going to be very good for the downtown area.

Mayor Coody: Thank you sir. It's good to see you again

David McGeady: Good evening ladies and gentlemen. I'm the general manager of the Radisson Hotel. First off I'd like to say God bless America for free speech. I've been in Fayetteville for five years in that time frame I've initially fell in love with the Mountain Inn and was hoping to see something to transpire with the Mountain Inn. I am on the A & P Commission and I'm on the Board of Directors for Arkansas Hospitality Association so I have a great interest in further development for Fayetteville. I would like to see Fayetteville become a destination point for citywide conventions. To have citywide conventions you need to have enough hotel rooms to sustain that and to draw people into Fayetteville.

From my prospective as on the convention side we would need to have a property, that being the Mountain Inn, that would partake in that for trying to attract conventions citywide which would have a great impact which would obviously expand the tax base and obviously the A & P tax money. Based on that if we were looking in that futuristically for drawing in convention business I think it would be a very prudent thing to do.

As the market currently stands with transient business being some what down in Fayetteville, I don't know if it could sustain business. The time frame were looking at is maybe two years outward for construction and opening up the property, if it would be able to sustain just on transient business. I think the focus needs to be and needs to be incorporated into this that part of this really needs to focus on the overall citywide convention business which would put Fayetteville on the map and drawback some of the business that is going up north.

I thank you for your time.

Mayor Coody: Thank you sir. How are you Linda?

Linda Ralston: Good evening. Bouncing from Alderman Marr from Tuesday evening's hearing that it has been hard for me to separate boundaries, use, plan and everything. It seems like it all flows together. I won't be long but I do have a couple comments that I've just been doing little further research that I wanted to bring before you. I doubt that probably that all interested parties have had a chance to reach ya'll. I'm concerned I'm a new resident of Ward 3. This seems to be kind of a rush, we're meeting tonight and you will probably complete a first reading. You will meet again next Tuesday where you can complete a second reading and this probably will go pretty quickly in that regards. I hope that people do continue out there to contact you throughout the city as to their comments. I still feel like a lot of us still have questions. I know ya'll do and I'm sure the citizens even though they received a letter, because they're in the proposed district, may still be internalizing a good question that they may have so I hope that we don't rush through the readings.

I'm from Fayetteville and was reminded of something that happened when I didn't live here and that was the incinerator project. Several of ya'll are probably aware of that and after doing a little checking on that project it appeared that those bonds actually had stamps on the front cover, each one of them in red letters, "*This bond will never be an obligation on the City of Fayetteville*". This was just brought to my attention later this afternoon.

Apparently the City of Fayetteville actually did spend millions of dollars to get out from underneath these bonds, they were actually issued by another group outside of the city. I know this is probably different from what we're looking for now and everything but that is something as we talk about financing and bonds. I'm not still sure who will issue the bonds maybe I need to hear that one more time where all that comes together. There is concern even based on things that we believe to be true that the city would not be indebted and yet why in the incinerator project did that not happen that way? So I just wanted to present that as a historic prospective of sorts. I'm not sure if anybody could even address that tonight or not.

I asked Richard Alexander the other night about part of the district that obviously does involve a second key element of the Dover Kohl Downtown Master Plan and that is the Archibald Yell/ College Avenue redevelopment. I'm wondering, and Richard did say that yes we would certainly have to have highway department approval. We probably just can't go and say hey we're going to do a boulevard and whatever. It's a lot more intricate than we've got some money and let's do a boulevard and traffic calming and sidewalks and stuff. I guess that is possible it's just a matter of how does it all blend together that is another question I have.

Also a thought is that if the city does appear, as Council you are the governing body potentially of this TIF, you know and the bonds are secured by tax dollars. You know it ties back into my earlier comment, how can the city not be held liable for the bonds. I am not sure is it connected all the funding and everything.

My thoughts also took me back to something that Kit mentioned but I think we all kind of internalized and this is a paraphrase, Kit can say it better than I will be able to this point. As we look at the boundaries and try to decide what is really, what our first try at a redevelopment district and a TIF District is, apparently the entire district has to benefit from the improvements. Again, probably a heavy paraphrase on that Kit but I know it was mentioned to try taking the boundaries all the way leaving residential out which I am certainly more in favor of. Maybe taking it all the way down I can see that the highway maybe more connected to the improvement its almost an entrance into Fayetteville. Ultimately I'm not sure how you can prove or how much you have to substantiate that something that happened at Cato Springs and School actually was benefited because of all that was put together. So maybe I'm kind of unclear as to some of that.

If a property owner, for example like Richard Alexander, who I believe will become the new owner of our current Roberta Fulbright Library property. I know the first year we established a base value as far as where things get calculated from there. The Roberta Fulbright Library I understand will be actually private, owned by him and I was just wondering if an exempt property owner somehow in the process of this 20 or 25 year project if it becomes a private property, how does that merge in. How do the revenues get treated? Does it get adopted in automatically or does it get to stay exempt.

Mayor Coody: Oh no. Once it becomes private and starts paying taxes it's a tax paying private entity.

Linda Ralston: And if it's in the district and the boundaries then Mayor Coody it would, supposedly be included in the….

Mayor Coody: Yes, it would participate with every other property within the district.

Little Ralston: In the calculations. Okay, those are just some thoughts that I've had since a couple days ago. This is really very fascinating and yet I do have some concerns of hoops and maybe some hidden items and information that we still may not totally have. You have got an incredible decision before you and I hope again that this is not rushed that we certainly encourage people to come and understand. It takes a little bit of reading and internalization and I don't feel like the average citizen probably maybe has that. So I hope that ya'll continue the dialogue. I don't think this is a timely project, apparently there are monies on the line as far as at the end of the year, these new market tax credits and grants and everything, but I think that we still have plenty of time. I would love Ward 3 representation of someone to talk with. I hope that ya'll do go ahead and do this in normal timing and not rush these reading. Thank you.

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

Morgan Hooker: I in the past have developed property down in this area and currently have several projects that I think would impact this area. I also know John and Richard, the guys doing this and can speak very highly about them and the effort that they have poured into this project and many other projects. I've had the unfortunate pleasure of being in the Mountain Inn the last few years and with the kind of background in construction I think everyone needs to think real careful about what could potentially ever go there if this project didn't somehow work out. The people that I'm working with and projects that we have in this area, we would be in support of the TIF district and the boundaries. Thank you.

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

Bill Stafford: I am president of the University of Arkansas Technology Development Foundation. I hope that you will consider this TIF District. The boundaries seemed entirely appropriate to me, primarily because of the extent of the improvements that can be made. As you consider this I hope you will not only consider the direct benefits that will occur downtown and throughout the limits of the district boundaries but the indirect impact that it could have as well.

As you know I'm working hard to develop the Research and Technology Park in south Fayetteville. We have a goal of being able to attract Fortune 500 companies to the park and our ability to bring those kinds of companies to this community even though it's the greatest community in the United States, would be greatly enhanced by doing this. Using the TIF mechanism seems to be an appropriate mechanism as a catalyst to begin to implement some of the recommendations that Dover Kohl did. I hope you will consider it and do think about the secondary impact of doing this on the rest of the city. Thanks.

Mayor Coody: I think you might be the first person that mentioned the word boundaries in these speeches today. Thank you.

John Knock: I am one of the proposed developers. I've lived in Arkansas since 1977 and I've lived in Fayetteville since 1991, this is our home. This is where we're raising our family and regardless of whether this project happens or not I will continue to live here because it is a great place to live. I appreciate the dialogue both those that are pro and those that con to the project.

The only reason that I'm standing up tonight is to share with you something that we omitted in the schedule last night and that was information about what comprises in boundaries since tonight the discussion is about the boundaries, I've handed out for your view and it's available for anyone else who would like to see it. This information that is provided by the Washington County Assessor's office and is the makeup of the 405 parcels. I will just read them rather quickly so the audience at home can follow along.

They identify a commercial building only as one parcel, commercial improved, 141 parcels. Commercial miscellaneous, I'm not sure what that identification is but that's the county, 14. Commercial residential, 4; Commercial vacation, 26; Exempt properties, those are not paying taxes, 92; Industrial improve, 1; Industrial vacation, 2; Public services, 5, Residential Improved, 86; Residential miscellaneous, 5; and Residential vacation, 28. I think that will give us a fairly good makeup of what is in the boundary. I appreciate the opportunity. Thank you.

Mayor Coody: Thank you very much. Anyone else want to address us on this item tonight?

Bill Ramsey: I'm the president of the Chamber of Commerce but I do not have my Chamber of Commerce hat on tonight. I don't have an official position. I think in a way we're getting the cart before the horse. We're talking about boundaries tonight. We're talking about establishing some boundaries and these are days when we have to look at creative ways of making things happen. I mean these are different times and this is a new vehicle and I need to think about if we don't establish some boundaries and at least open up the opportunity of whether we want to do these projects, correct me if I'm wrong but I don't think we're talking about a project tonight. I think there are going to be feasibility studies and if the feasibility study shows that something isn't feasible, it's not going to be done, but folks we need to look at the options. As a citizen and I'm speaking only as a citizen, I live on Forest Heights in Fayetteville, I'd hate for us to look back down the road and say we closed the door on an option that we could have looked at to make something good happen in Fayetteville, Arkansas. In a way I'd hate to say it but I think some other people in some other areas may be already a little ahead of us. We're not voting on a project, we're deciding and taking the first step on whether we can even consider using the TIF District to make things happen in Fayetteville. Mr. Attorney am I right on that or am I wrong? I'm still here to learn, this is brand new and since it is new I think we owe it to ourselves and we owe it to the citizens of the City of Fayetteville to at least open that door so that we can at least explore our options.

Kit Williams: It certainly is a two step process. We have to decide what the boundaries are and create the district before you then attempt to create a project plan and go through all the other feasibility studies. So it is a two step process, we are on the first step tonight.

Bill Ramsey: If we don't take the first step we can't take the second step. I would urge you to take that first step and let's look at whether you want to go to step two. We've got to take it one step at a time but you've got to take that first step before you can proceed. I would urge you to.

Mayor Coody: Thank you sir.

Ron Thornton: I've been a resident of Fayetteville many hours now. I am a Fayetteville graduate, I'm rooted here. I'm not sure how appropriate it is that I speak but I'd like to speak because I have worked personally with John and have been a friend of John's for at least ten years. I feel like his integrity has been called into question quite often tonight. I know in the process of creating these boundaries this process was done strictly and very closely with the city in a very open manner, there were no closed doors or anything. I think the district as it is drawn is very effective. I know before the school board really gave us their approval or were on broad every one wanted the district to be smaller, but now the school board actually themselves release a CFO suggesting that we expand the boundaries. I think that as it is the boundaries are certainly not too long, especially if we compare them to the boundaries of the TIF District in Rogers which is three or four times larger than this one. I hope that you will approve these boundaries, but more especially I hope that that these forums and discussions will be centered on the business of the deal instead of the personal attacks on the character of many of the people involved. I would like to say that I would stand up and put my name on the line for the integrity of John Knock. He is a resident of Fayetteville and his desires are to do what's best for this community. Thank you for your time.

Mayor Coody: Anyone else that would like to address us on this item?

Phil Ralston: I'm a Fayetteville resident and I just basically have some questions and concerns. You're considering creating a district tonight without a plan, but the district size is based on servicing a three million dollar bond issue. Somebody's done some planning but we're not privy to what's on the plan. Why three million dollars? What's that going to be spent for? Is that money that you know is going to be gone? Kit tonight said that the city won't own the building but in the plan they may own the building long enough to tear it down and get it ready for someone to build on, if that happens, how do we sell it? Do we have to sell it to these developers? What if someone comes up with more money and has a different plan. Who's going to decide that? Has it been already decided that we're going to spend a million, the thought was buy it for a million, tear it down for a half a million, and then sell it to them for something but we don't know what. Who's going to decide what's a fair value at that point and do they have first bid on the first value or can somebody offer more.

Part of the district says we have to have a benefit to everybody, if we widen College that's going help the businesses on College a lot more than those folks on the far side of the square. Who determines what benefit each person gets or each landowner or person in this district gets? Do we have equal benefit, probably not but how do you decide that? Who's going to run it? Is there going to be a TIF board when we decide we're going to spend some money? Does that all come before you every time we decide to spend part of this ten million dollars that we're expecting to get, or conservatively guessing. It's not going to cost the city any money but it's going to cost the taxpayers money. The money that these increments are, would be going to the school board, the school district. The school district is getting their money from the state now. Well I'm a state taxpayer too so they're getting their money but I'm paying for it and with Roger's bigger TIF I'm paying for more of theirs too. I'm not sure that TIF is a way of putting the money to somebody else farther removed from the taxpayer so he doesn't know what he's doing. You're taking my money to go to the school board but instead of it coming through my property taxes here, if I'm an owner in this area it goes through the state somewhere else. If I'm not in that district I'm going to pay for because I pay state taxes. My biggest question is how can you even consider approving a district if you don't know what the plan is and haven't given enough thought to know how much money we're going to get, where's it going to be spent, how's it going to be spent. What are we doing? I just don't know how you can approve a district without all the other answers. Thanks you.

Mayor Coody: Thank you. Do you want to address some of these questions?

Kit Williams: Whatever you want. Do you want me to address them now I could….

Don Marr: Let's get all the comments out of the way.

Mayor Coody: Then address them all at once. Did anyone else want to address us tonight? So everyone has spoken their fair share this evening and no one wants to ask anything else. Alright.

Kit Williams: In fact there are a number of questions you might have to help me remember all of them. I think you're looking at the TIF Board right now. There's not going to be a separate TIF Board. The City Council is the one that makes the decision, if they make the decision on the finding that they must make to pass this ordinance. Let me read the statute, it says what this ordinance must have as a finding. One of the things, "*It must contain findings that the real property within the redevelopment district will be benefited by eliminating or preventing the development or spread of slums or blighted deteriorated or deteriorating areas or discouraging the loss of commerce, industry or employment or increasing employment or any combination thereof.*"

That is a finding that the City Council has to make, that by creating this district the property within it will be enhanced or benefited by the removal of blight and also possibly encouraging employment and other things like that. That's a finding they need to make in order to pass this particular ordinance to create the district. Obviously there's been talk about the project and I think that even though the project is not detailed yet there must be some other understanding of why this district is or should be considered. That there is blight within this district and the project is designed to get rid of the worst spot of blight as well as probably a few other things that would be detailed in the project plan. That's the finding they have to make and think the way this statute is set up. They have to do this part first before they can go forward and do the much more detailed project plan where you'll see all the estimated costs, all the projects that are recommend to be done and any possible financing for doing that. That's why this is a two part process I think, because creating that project plan would be very complicated and expensive to do, so I think that's way it's a two step process. Do this part first, will this district be benefited by removing the blight and then get into your project plan.

The incinerator case was talked about and I'm very familiar with that because I was on the City Council when we had to spend millions of dollars because the Supreme Court ordered us to do it to pay attorney's fees, not to pay bonds. In fact the supreme court told the City of Fayetteville you cannot pay those bonds because the bonds were stamped on their face, it's not an obligation of the city. What happened in the previous form of government, the city Board of Directors, even though that's what the bonds said they committed themselves by contract to pay the Resource Recovery Authority who had issued those bonds and whose indebtedness those bonds where not the city's. They had committed themselves by contract to pay the Resource Recovery enough money so it could pay the bonds even if the incinerator was never built and even if they never received any trash from the City of Fayetteville, that's what happened. The city decided not to build the incinerator or the Resource Recovery Authority did, so there was no money to pay the bonds. So what happened, an ordinance was passed that all of the rate payers had to pay an extra $2.02 a month to pay these and that was unconstitutional. Therefore that's what the supreme court found and we not only ended up paying our own attorneys but outside attorneys about three million dollars and about the same amount to the ratepayers' attorneys. That's a very hard lesson, I think, the city government learned. I know I learned that lesson very hard when I was on the City Council and since I've been city attorney I've been very careful that we do not fall into that kind of trap again because we don't have the extra millions now to pay that kind of money. I will be watching this very carefully and advising the City Council when they get into a dangerous area and hopefully they will not get into a dangerous area. They will leave the bonds just as they are and not try to commit city resources to secure these bonds and pay them if the tax incremental financing fails.

Mayor Coody: We didn't have the extra millions then either.

Kit Williams: What happened is that we didn't do capital improvements projects for several years and we're still trying to catch up because we had to spend all that money on both our own outside counsel and also the rate payers' counsel. That was a hard lesson learned but I think we've learned that. What other questions were there. .

Mayor Coody: I've been going to back to the original question of the three million dollars owed to satisfy that portion of the bond, the building, the reconstruction of Mountain Inn would be paid for out of proceeds from bonds issued by the TIF district that would be repaid by the increment that we're talking about. So this wouldn't be city bonds. This wouldn't be the city issuing bonds and paid for out of city tax offers. These would be bonds that we paid for and obligated to be paid for only by that increment of property tax that we've already been talking about all this time. So this wouldn't be a city obligation with city money involved and I think that keeps getting lost in the conversation.

Kit Williams: The other thing is that we don't know how much its going to be. None of us up here have seen the project plan, the estimated cost and there are certain things that you can use TIF money for. There are other things that I have questions about whether you can use the TIF for.

I am going to take the more conservative view when it comes to what we can spend it on because I don't want to have another incinerator case, or another case where people think that we are using tax dollars inappropriately.

You can certainly use TIF money for public improvements to streets, sidewalks, lighting, things like that and public improvements. We can also use it, according to the statute, to buy blighted property, demolish it and get it prepared for construction. There is arguments that I've heard that well you can even use it in helping to build the structure that you would then lease or convey to a private enterprise. That gives me a little heartburn when I hear that and I'm going to have to be pretty strongly convinced that that's absolutely rock solid that we can do that. I don't think I can be convinced and the reason because this is a brand new law. The courts have never interpreted this law.

Mayor Coody: Right here in Arkansas anyway.

Kit Williams: Yes. well in each state you've got to look at it for each state because each state is unique and I don't what to be pushing the envelope. I would rather do what we can statutorily and constitutionally do that I'm sure of and do what we can to help this project but I don't want to step over the line either and that's going to be my advice to City Council that we stay within the bright line that I know that we can actually do. There's a lot of help we can give this project. Being able to acquire the property and fix it up and get it ready to move utility lines. There's lots that we can do that's clearly within the statute and constitutional that should be a great help to this project that's desperately needed to be done for Fayetteville. I think we can do that. I don't know exactly how much that's going to cost. We've got to wait for the project details to come out and that will be a whole another discussion up here.

Mayor Coody: And nothing gets approved until the plan is fully bedded by everyone.

Kit Williams: And approved as economically feasible by the City Council.

Alderman Thiel: Mayor.

Mayor Coody: Yes ma'am.

Alderman Thiel: I have one more thing to say but I want to make sure the public did get a chance to comment. We are just talking about this area and several times tonight people have mentioned the Rogers' project and while I think there might be something questionable as to whether or not that really regards blight. There's no doubt that speculators that have bought land there want their property values to increase.

What I've heard from residential people is that there are still concerns about and I know some people would question the logic behind this but these people they've bought their homes, they can't afford the property tax. They don't want the area around them to increase, they don't want their property to increase in value, they have no intention of selling their property, it's all they can afford to live in and own. They can barely manage the increase in property taxes that just occurred naturally. I'm certainly not ready tonight to adopt this. I hope we leave this on this reading and then Tuesday night we go to the second reading.

Most of the people I've talked to though have pointed out all the positives about this project and how they will benefit from it. I just want to make sure before we adopt these boundaries, particularly the residential boundaries. That's really the only thing that I've got any concerns about that are in Ward 1.

There's a lot of questions I have and I think the public does too but I think it does all boil back down to the project plan which I think its finally been drove in our heads that that's not what we're looking at tonight.

Mayor Coody: Thank you. Anyone else want to make a comment? Yes sir.

Alderman Marr: Thank you mayor. I struggle with the fact that how do you define what a boundary should be without having some idea of what concepts you were talking about and I think I've voiced that. I decided to go back and kind of read the law again and get hopefully a better feel for what was the purpose of the two phases, why are they separated, if in fact they are. I think what happens is we get an idea of a project first and then are asked at establishing the TIF as a boundary to help not only that project but other things that may happened like our Downtown Master Study. What I tried to say is forget that I know about the project and if I look at what we should be establishing in terms of a boundary our ordinance that we're passing was pretty clear about what that was. Do we believe that whatever area we're talking about needs to eliminate and prevent a development? I'm going to take out the word blighted for a minute and start from a lesser word of deteriorated or deteriorating areas that we would also be looking at in that area as to discourage the loss of commerce and the loss of employment and have the opportunity for increased employment or a combination of those thereof.

Since we started the prior City Council meeting with a discussion about a lease in the center of our square, we had an alderman go through all the vacate spaces that are beginning to develop. We heard also Tuesday night about the number of properties that are becoming open and so I would say that while we started with one deteriorated property that that is spreading. In my mind I would also go back too and say we've had other potential decreases in economic issues. We have a grocery store that use to be open 24 hours and now they're open less than 24 hours on the northern end of the boundary that we are talking about. On the south end of the boundary we have ever since I've been on this Council, talked about redevelopment of south Fayetteville. That's a long stretch and certainly the point of where you start entering our downtown core, what I would call the south end of the boundary.

I think that we have an opportunity for increasing employment, discouraging deterioration, reducing loss of commerce by the boundary we're talking about, I do think it's appropriate. I would agree that there may be some tweaking related to residential areas but when I look at this boundary from the very northern part to the very southern part of it I think there's opportunity to do the things that are listed in this particular ordinance.

I would agree with the gentleman who stood up spoke and said you know *"if you don't have a plan how did you get three million dollars?" bec*ause I think he's right. How can you talk about a number when you haven't even talked about a plan? We have what is probably a pretty appealing plan to us because most people want the Mountain Inn fixed or that corner fixed there's a lot of discussion about that property. Even the design they talked about, while I looked at it and thought this is great I got calls today about is it too tall. Is it this, is it that, you're going to have a process about the development process.

On the boundary piece of it that we're talking about tonight versus the plan, what makes me interested in it is are there other areas of Fayetteville that I think would meet all these areas better. Would I have a different TIF location. We talked about down to Cato Springs, twenty years ago it might have been Dixon Street. What if we would have had an opportunity to have a TIF on that and what the increment would have been with what has happened privately there. I think this very much warrants us looking at establishing the district.

I'm not interested in financial risk. Thank god I wasn't on this Council when the incinerator happened. I want us to do what is right but I truly think it's a good plan. I think it meets these requirements that we're asked to look at and if I were going to use a project plan in my mind to determine the boundary, the only project plan I have to look at right now, even though I've heard the Mountain Inn, is really our Downtown Master Plan. I went back and I read that and it had six basic principles: *superbly walkable environment, downtown living, smart parking, special places, experience based economy*. This district could address all six of those in some way. It certainly would make College, which what we're talking about in terms infrastructure, more walkable. That it accesses the eastside of College to the Westside of College then I think we've got to pause a bit.

A project that we've heard in this boundary talks about parking decks which gives parking in this area. We heard that this not only a hotel but office space and condos and other things so we have a liveable piece to it. Special places, if the Mountain Inn which was a place keeper, it has an opportunity to do that. Experienced based economy, well certainly you will come downtown if you have something to experience and if you don't then you won't be down there.

I'm certainly interested in anything that we can do to continue to revitalize and pull back into the core of our town things, particularly in a ward that I represent which is where a big part of this is. I would even encourage not only naming, I know we've used kind of a East 71 and the East Square but I really think of this as a College tax incremental finance area because we are really talking about College Avenue. Infrastructure for the majority of the money and the building we've talking about putting in as our place keeper is really on the corner of College and Mountain.

Those are my comments; I think it's a good idea. I haven't heard a reason why we shouldn't be at least investigating it and moving forward to hearing more about what the plan would be and looking at the financial feasibility of it. I believe that this district meets these requirements. I don't believe that the blue area we represented on Tuesday does that. I truly do not which is why I said then and still believe today I would not support adding that to this boundary. Thank you.

Mayor Coody: I don't think anyone would support adding that. Anyone else have any comments or questions for the Council. John I've got a couple of questions for you if you don't mind. I know that you were involved with the city about the boundary here.

John Knock: Yes.

Mayor Coody: According to the boundary, what is the relationship between the boundary and the three million dollars can you in quick terms explain that.

John Knock: The boundary itself produces a certain amount of revenue, the schedules that we referred to on Tuesday night are certainly available to look at. For the maximum amount of incremental allowed under state law, the maximum growth allowed in collections is 10%. Considering all of these properties that we talked about earlier tonight they still only generate a certain amount of dollars, approximately $40,000 to $42,000 right in that range, I don't have my notes in front of me, that's without the improvement of the Mountain Inn that includes no future development.

Obviously you do a catalyst and you do a tax increment financing district with the hope that it will generate additional monies. Because the growth is in a triangular fashion starting out with low dollars first and larger dollars in later years, any financing you do is bound by the amount of collections and the amount of debt service you can do. Secondly, even if you said okay we need more money so let's make it a bigger district, too large is unmanageable, so you also have to go back to the core. What we we're looking at was marrying the catalyst project with the Dover Kohl study of the Downtown Master Plan.

There are four or five factors, one is the size of the district and what it would generate, then once you look at the impact area, because the statute is very clear, there must be a benefit for all property owners. Although we heard it said from the aldermen, I appreciate it, that needs to be primarily College Avenue, you have to be careful because all of the property owners inside of that area need to have an impact in a positive way. It may be simply be sidewalks or landscaping or lighting but there should be some continuity of those benefits, so that has to be considered.

The second thing that has to be considered is because we're downtown, unlike Rogers which is along a corridor of Interstate 540 and as I pointed out earlier some 80 or 90 units inside this area are already exempt, so those units don't pay any taxes. All those things had to be considered.

The other thing that the City Attorney said earlier that there are only certain qualified dollars, qualified expenditures that can meet the TIF line items. The statutes are very clear, you can't go and build a hotel per say with TIF money, but there are certain things that can be done to get it ready for that. There are certain "public" uses that can be done from cityscape, streetscape, excavation, renovation, excuse me, demolition and acquisition, if you add all those things up our preliminary value shows that those numbers could be in excess of five million dollars. All the acquisition, renovation, additional parking structures and all those things that are necessary. Even at five million dollars though this will not support that and so going back with prudent financial models you would never have tried to propose something that the district itself would not support on a conservative basis. The three million was a number derived after what was, what could be qualified expenditures, and also what the project would cover less the exemptions on a fairly reasonable dollar as given to us by the county on what those dollars might be. You don't just pick a number and say that's the number, it has to be based on many factors and those are about five or six of those factors.

Mayor Coody: Alright so I want to make this clear. If the TIF would have been in place last year and we saw exactly the same property tax increases that we've seen this year, the difference or the increment would be how much?

John Knock: It was approximately $42,000.00. I actually have a note here and that was the number that was provided to me by Steve Davis who did the calculation.

Mayor Coody: Alright. I was surprised to find out that it was that little.

John Knock: I think there is an assumption that somehow this is millions of dollars on an annual basis. Please don't let this be forever spoken again, our taxes are fairly level in this area. They're not too high and they produce only a certain amount of dollars. If you're going to just look at the increments, not the tax dollars collected simply that increment, it is not a large amount of money. If we're talking about only five percent growth, its half of the $40,000.00. Now those numbers obviously grow over time so it becomes an accumulative effect.

As I explained on Tuesday night, you didn't ask this question but I should throw it out there, the three million dollars or the debt service required to service that three million dollars never increases. Once the debt service coverage ratio is met for the project which is standard financial numbers of 125, then all excess dollars, 100% of those go to the infrastructure improvements. The beneficiary is directly to those improvements as outlined in the Downtown Master Plan, streetscapes, lighting, new sidewalks, walkability and other things.

The question came up that we can do other projects, well this will spur additional projects like the redevelopment on Dickson Street has now created a different sense of place than it was several years ago.

Mayor Coody: Any questions for Mr. Knock?

Alderman Jordan: I've got one. John I noticed in here it says you're going to create 125 new jobs. Is that correct?

John Knock: Yes, that's what was given to us by our feasibility expert.

Alderman Jordan: That's good. Jobs are very important to me, also important to me is what do you think these jobs are going to pay? What do you think the average salary is going to be?

John Knock: Well it certainly depends, we had an speaker earlier tonight who manages a good hotel here in town, I'm sure he could address those numbers better. I don't have a breakdown in front of me that I could give you but I'd be more than happy to get that information for you.

Alderman Jordan: I wish you would. I would appreciate that.

John Knock: I bet you that could be given. I would hate to guess on things I don't know.

Alderman Jordan: Okay.

Mayor Coody: Any other questions.

Alderman Thiel: We just keep going beyond just the district here but I wanted you to clarify something you mentioned last night. You talked about the new market tax credit allocation and that's one of the reasons you want this project because that will assist this whole project. It will add what five million dollars to the project?

John Knock: Approximately right.

Alderman Thiel: Is that based on this project, the Mountain Inn being in a TIF, or is it based on a specific amount of funding being made available or both.

John Knock: That's a good question. The calculation of new market tax credits and that is a fairly new tax credit, it has only been around a couple of years, in fact there has only been one full year of allocations, this is the second year of that. It is basically a 39% tax credit which is much different than any other tax incentive. It also has qualified expenditures that are looked at, in this case we're talking about a 22.5 million dollar project, not all of that qualifies under the federal guidelines for new market tax credit. What is looked at is what they call soft money or public money expenditures to help those areas. New market tax credits are not reserved for affluent areas, they're reserved for very much the same thing, projects that would otherwise not occur or projects that need to occur for incentives such as that. In our discussion with Ella Cortez on new market tax credits TIF's are extremely important. Specifically in responding to your question on this project the Mountain Inn has been tried many times and failed. Even recently I was working as a financial advisor two years ago for Ms. Moga who tried to do this project, I finally said there is no way I can get it done. Ultimately the TIF and the amount it provides if it is not there it certainly does not provide in the calculations necessary for the new market tax credits for those to be there.

In other words, they only apply in projects where the economic viability makes sense. They're review is somewhat similar to what your review will be when you do the project plan. It will be do all of these pieces that will be included in this both civically and economically, do they make sense. If you take the new market tax credits away from the project would we do it, the answer is no, if we take away the TIF project from it would we still do it, no, because they're incrementally related to one another. Just like all types of revenue in our households or in businesses are important, if you take them away the project is just not doable in its current state. Now could something else be done on that property at some point in time, perhaps, but not certainly what we're proposing.

Alderman Thiel: Okay.

Mayor Coody: Any questions or comments?

Mayor Coody: Go ahead Don.

Alderman Marr: John, while I was reading through this Downtown Master Plan it talked about tax incremental financing districts and business improvement districts.

John Knock: Yes.

Alderman Marr: I guess one question that goes through my mind is why is this a better option than the business improvement district?

John Knock: That's a good question. Business improvement districts are special tax districts where you have an additional tax, a new tax. You can create a business improvement district and impose a self-tax upon the members or owners of that district, just like another improvement districts, a business improvement district must be supported, it requires a majority vote of all those property owners. They self-tax based upon some sort of formula, some times it is based upon the values incurred and so it is truly a new tax.

Alderman Marr: It's like the old Dickson Street Improvement District.

John Knock: It is very similar to an improvement district except it has some special circumstances because it is a BID versus a standard property owners improvement district. An improvement district is certainly a new tax although it is a self-tax, a TIF as we talked about before is not a new tax it is a reallocation of certain tax dollars for specific projects.

Mayor Coody: Yes sir.

Alderman Jordan: I noticed that it says on here, John, that you have a residential vacantness. Is that abandon homes or what does that mean?

John Knock: Mr. Jordan I'm really not sure. That what was given to me by the county.

Alderman Jordan: Does anybody know?

Hugh Earnest: No we don't. What we did is we got from that from Washington County. That's the tax assessor records. We wondered the same thing ourselves. I will check with the assessor to see if there could be a further explanation.

Mayor Coody: There might have been just lots.

Alderman Jordan: Well that's what I'm asking.

Hugh Earnest: It maybe something as simple as a lot.

John Knock: Another thing that we do have available, we have a stack of papers about this thick of every property owner and every lot parcel that could be provided as well.

Alderman Thiel: It's probably just a vacate lot. Remember these, if they wrote these down by lots, are very small lots.

Hugh Earnest: Yes.

Alderman Jordan: Yes. I'm sorry I'm just trying to figure what all this means.

Alderman Thiel: Some of these are not even buildable they're so small.

Kit Williams: I know one thing, there is no home on it.

Alderman Thiel: Right.

John Knock: It was provided to us by the county and further identified through the city. Every property owner of course in order to receive the publication of this potential TIF district and those could be made available I'm certain, to the Council to review.

Alderman Thiel: The names of every one.

John Knock: Names and parcels and I believe also the assessed values are listed as well.

Alderman Jordan: Let's assume that some of these are older abandoned homes shall we say or vacant homes, what can we do with those is there anything or do we just take them down or what do we do in that kind of situation?

Mayor Coody: That would be entirely up to the Council wouldn't it?

Alderman Jordan: Well that's what I'm asking.

Mayor Coody: No one has the power of condemnation except for us. We have that power now and that doesn't change.

John Knock: If I could just mention one thing. The "plan" as we keep referring to which there is a draft of that plan could be made available fairly quickly once this is adopted.

Alderman Jordan: Okay.

John Knock: Even before that if you have ideas or questions, because you can't create the plan until you know you are going to have district.

Alderman Jordan: I understand.

John Knock: The plan is very specific. It says you can't do anything unless you authorize it.

Mayor Coody: Alright anything else?

Alderman Reynolds: As long as we're talking about the boundary lines tonight I have no questions.

Mayor Coody: Alright, thank you very much. I appreciate everyone coming out tonight. We will have the second reading of this I'm assuming at the next City Council meeting is that right.

Kit Williams: Tuesday.

Mayor Coody: Tuesday night. So will this be under New Business or Old Business?

Kit Williams: Its Old Business.

Mayor Coody: This will be at the next meeting. If anyone is interested at home that wants to come up and speak their peace on this it will be at the next City Council meeting. So we invite everyone to come please make their opinions known. Thank you and good night. Meeting is adjourned.

Meeting adjourned at 7:30 p.m.

Sondra E. Smith

Sondra Smith
City Clerk