

**Final Agenda
Public Hearing
Special City Council Meeting
November 30, 2004**

A Special meeting of the Fayetteville City Council will be held on November 30, 2004 at 6:30 p.m. in Room 219 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

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

This item was left on the first reading of the ordinance by the City Council.

Meeting adjourned at 7:30 p.m.

Adjourn 7:30 PM.

Subject:	Roll				
Motion To:					Hugh Earnest
Motion By:					John Nock
Seconded:					Tim Conklin
Jordan	✓				Bob Wright
Reynolds	✓				Linda Ralston
Thiel	Absent				Bob Wright
Cook	✓				John Nock
Marr	✓				Alan Oster
Rhoads	✓				John Nock
Odom	✓				Tim Conklin
Lucas	✓				Richard Alexander
Mayor Coody	✓				John Nock

Subject:	Add Highway East Square Project Plan				
Motion To:					to the Agenda
Motion By:		Lucas			Richard Alex.
Seconded:		Reynolds			
Jordan	✓				
Reynolds	✓				
Thiel	Absent				
Cook	✓				
Marr	✓				
Rhoads	✓				
Odom	✓				
Lucas	✓				
Mayor Coody					

Left on
First
Reading

Public Hearing Speaker Registration

Date of Public Hearing 11-30-04

	Speaker's Name (Please Print Clearly)	Phone No.	Address
1	Lincoln Ralston	444-0078	1515 Hillside
2	Don Oestre		
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

**Final Agenda
Public Hearing
Special City Council Meeting
November 30, 2004**

A Special meeting of the Fayetteville City Council will be held on November 30, 2004 at 6:30 p.m. in Room 219 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

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



THE CITY OF FAYETTEVILLE, ARKANSAS

Date: November 22, 2004
To: The Mayor and Council
From: Hugh Earnest *AD for H. Earnest*
Subject: Highway 71 East Square Redevelopment District

Recommendation

Key City staff have been working since last summer with a very committed team of developers on a project that all parties have recognized as difficult and time consuming. I am in reference to the project that has as its immediate focus the removal of an acknowledged blight, namely the long abandoned Mountain Inn. As required by State Law, the City has scheduled a public hearing on Tuesday November 30 to receive public comment on the now completed Project Plan. This hearing and subsequent meetings of the council will afford the council and all interested parties the opportunity to comment on the plan content. The process itself allows the council at any time to amend the project plan to address any and all issues that are of concern to them.

It is staff recommendation that the council adopt the plan, as submitted, with the understanding that certain amendments to the plan relative to Financing will be made available in the next two weeks. The plan adoption, at this time, will be of benefit to the developer and the city inasmuch as the approval of the second leg of the process, namely the Project Plan, serves under law as a further validation of the TIF process. The Council, and properly so, reserves to itself the ability to modify the plan at any time.

Background

The project plan for this particular District follows the requirements as dictated in 14-168-306 Project Plan approval. The document that has been furnished to the council and public for review and comment properly addresses the long litany of conditions contained in the legislation. This project, from both the perspective of the City Staff and the developer, carries with it the distinction of best meeting the intent of this landmark state legislation in acting to remove a blight coupled with a clear focus on redevelopment. It also carries with it a strong endorsement from the recently completed Downtown Master plan.

Discussion

The public participation in this project consists of clearly defined activities in two principal Phases of the scope of work. They are:

Phase 1	Real Property Assembly Costs	\$2,613,000
	Demolition and Site Preparation	\$887,000
Phase 2	City Streetscape Improvements	<u>\$7,116,000</u>
Total in 2004 dollars		\$10,616,000

It has been the intent of this project to secure public participation in the removal of the blight and to have associated with the project a series of public improvements within the project boundary. All parties have understood that, on completion of the demolition and site preparation, the area will be sold to the developers at a fair market price for raw land as established by an appraisal. As of this date, that price has not yet been set for the entire project area.

The recommendation from staff contained the caveat that a project of this type is by its very nature difficult to bring to fruition. Such has been the case relative to financing the public component of this effort. Our Financial Advisor - Crews and Associates and our Bond Council - Kutak Rock received the numbers supporting the proposed financing package from the developers last Friday, November 19th. Both firms are now involved in an analysis of a number of issues surrounding this particular aspect of the funding package. We will have a representative from both firms at the public hearing to address this crucial component.

A very preliminary review of revenues available through a complicated process involving Capital Appreciation Bonds shows some \$6,861,000 that will be available at the project onset. This will cover Phase 1 and a portion of the public streetscape improvements in the plan. However, as stated earlier, these numbers and the yield available over time for public projects await a careful review by our city consultants.

In closing, this project remains, after these many months, challenging and difficult but exciting because of the opportunity to utilize a carefully blended public private participation model that will enable this great city to materially improve a critical part of our downtown infrastructure.

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that, pursuant to Arkansas Code Annotated §14-168-306, a public hearing will be conducted on November 30, 2004 at 6:30 p.m. in the City Administration Building, Room 219, 113 W. Mountain, Fayetteville, Arkansas. All interested parties will be afforded a reasonable opportunity to express their views on the proposed project plan for the Highway 71 East Square Redevelopment District Number One.

This public hearing is to provide opportunity for the public to express views on the proposed project plan for the Highway 71 East Square Redevelopment District Number One. The ordinance proposing the adoption of the Project Plan will be on the December 7, 2004 City Council agenda.

All interested parties may appear and be heard at the public hearing. A copy of the proposed plan and other pertinent data is available for viewing on the city's website at www.accessfayetteville.org and is open and available for inspection in the City Administration Office at 113 W. Mountain (575-8330). All interested parties are invited to review the information.

Interpreters or TDD for hearing impaired are available for all public meetings. 72 hour notice is required. For further information or to request an interpreter, please call 479-575-8330.

Nov. 30th Special City
Council meeting.

AGENDA REQUEST FORM

FOR: COUNCIL MEETING OF DECEMBER 7, 2004

FROM:

Hugh Earnest, Chief Administrative Officer
Tim Conklin, Community Planning & Engineering Svs. Director
Kit Williams, City Attorney

ORDINANCE OR RESOLUTION TITLE AND SUBJECT:

An Ordinance Adopting The Project Plan For The Highway 71 East Square Redevelopment District, Finding The Plan Is Economically Feasible And Authorizing The Issuance Of Tax Increment Financing Bonds To Fund The Improvements Outlined In The Plan

APPROVED FOR AGENDA:



Hugh Earnest
Chief Administrative Officer

11-30-04

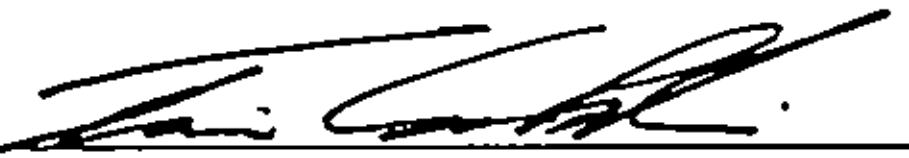
Date



Stephen Davis
Finance & Internal Services Director

11-30-04

Date



Tim Conklin
Community Planning &
Engineering Svs. Director

11-30-04

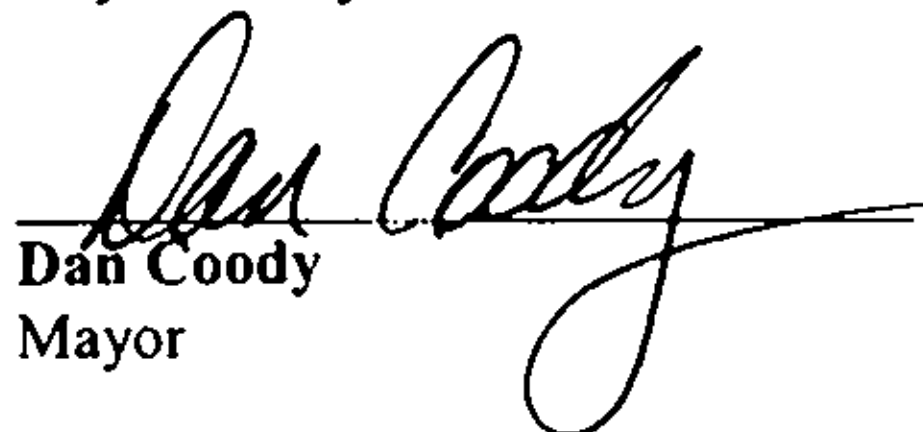
Date



Kit Williams
City Attorney

11-30-04

Date



Dan Coody
Mayor

11/30/04

Date

ORDINANCE NO. _____

AN ORDINANCE ADOPTING THE PROJECT PLAN FOR THE HIGHWAY 71 EAST SQUARE REDEVELOPMENT DISTRICT, FINDING THE PLAN IS ECONOMICALLY FEASIBLE AND AUTHORIZING THE ISSUANCE OF TAX INCREMENT FINANCING BONDS TO FUND THE IMPROVEMENTS OUTLINED IN THE PLAN

WHEREAS, on July 27, 2004, the Fayetteville City Council held a Public Hearing concerning the creation of the Highway 71 East Square Redevelopment District; and

WHEREAS, on August 17, 2004, the City Council passed Ordinance No. 4608 creating the Highway 71 East Square Redevelopment District and authorized preparation of a Redevelopment Project Plan; and

WHEREAS, the City with input from the proposed redevelopers of a Twenty-Two Million Dollar hotel project to be constructed after removal of the blighted Mountain Inn has prepared a proposed Project Plan attached as Exhibit "A"; and

WHEREAS, the Project Plan includes:

- (a) The kind, number and location of all public works or improvements within the district including the acquisition of real property, demolition of blighted/vacant buildings, and sale of the cleared land to the redevelopers;
- (b) an economic feasibility study;
- (c) a detailed list of estimated project costs;
- (d) a description of financing including tax increment bonds;
- (e) a certification of the county tax assessor of the base value, ad valorem rate, debt service ad valorem rate, and ad valorem rate for the redevelopment district;
- (f) no other funds are expected to be deposited into the special funds;
- (g) a map showing existing uses and conditions of real property in the district;
- (h) a map of proposed improvements and uses in the district;
- (i) no zoning changes are anticipated;
- (j) reference to the Downtown Master Plan;

- (k) no non-project costs are anticipated;
- (l) no persons are anticipated to be displaced;
- (m) the amount of TIF indebtedness;;
- (n) the amount of tax increment estimated to be generated by the project;
- (o) no other revenues are anticipated to be used to secure the tax increment financing.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby finds that the Project Plan for the Highway 71 East Square Redevelopment District (attached as Exhibit A) is economically feasible.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby adopts the Project Plan for the Highway 71 East Square Redevelopment District and determines it has complied with all requirements set forth in A.C.A. §14-168-306.

Section 3: That the City Council of the City of Fayetteville, Arkansas hereby approves and authorizes the issuance of the tax increment financing bonds as outlined in the Project Plan in the amount, interest rates, duration, etc. stated within the Project Plan.

PASSED and APPROVED this 7th day of December, 2004.

APPROVED:

By: _____
DAN COODY, Mayor

ATTEST:

By: _____
SONDRA SMITH, City Clerk



THE CITY OF FAYETTEVILLE, ARKANSAS

Date: November 22, 2004
To: The Mayor and Council
From: Hugh Earnest *AD for H. Earnest*
Subject: Highway 71 East Square Redevelopment District

Recommendation

Key City staff have been working since last summer with a very committed team of developers on a project that all parties have recognized as difficult and time consuming. I am in reference to the project that has as its immediate focus the removal of an acknowledged blight, namely the long abandoned Mountain Inn. As required by State Law, the City has scheduled a public hearing on Tuesday November 30 to receive public comment on the now completed Project Plan. This hearing and subsequent meetings of the council will afford the council and all interested parties the opportunity to comment on the plan content. The process itself allows the council at any time to amend the project plan to address any and all issues that are of concern to them.

It is staff recommendation that the council adopt the plan, as submitted, with the understanding that certain amendments to the plan relative to Financing will be made available in the next two weeks. The plan adoption, at this time, will be of benefit to the developer and the city inasmuch as the approval of the second leg of the process, namely the Project Plan, serves under law as a further validation of the TIF process. The Council, and properly so, reserves to itself the ability to modify the plan at any time.

Background

The project plan for this particular District follows the requirements as dictated in 14-168-306 Project Plan approval. The document that has been furnished to the council and public for review and comment properly addresses the long litany of conditions contained in the legislation. This project, from both the perspective of the City Staff and the developer, carries with it the distinction of best meeting the intent of this landmark state legislation in acting to remove a blight coupled with a clear focus on redevelopment. It also carries with it a strong endorsement from the recently completed Downtown Master plan.

Discussion

The public participation in this project consists of clearly defined activities in two principal Phases of the scope of work. They are:

Phase 1	Real Property Assembly Costs	\$2,613,000
	Demolition and Site Preparation	\$887,000
Phase 2	City Streetscape Improvements	<u>\$7,116,000</u>
Total in 2004 dollars		\$10,616,000

It has been the intent of this project to secure public participation in the removal of the blight and to have associated with the project a series of public improvements within the project boundary. All parties have understood that, on completion of the demolition and site preparation, the area will be sold to the developers at a fair market price for raw land as established by an appraisal. As of this date, that price has not yet been set for the entire project area.

The recommendation from staff contained the caveat that a project of this type is by its very nature difficult to bring to fruition. Such has been the case relative to financing the public component of this effort. Our Financial Advisor - Crews and Associates and our Bond Council - Kutak Rock received the numbers supporting the proposed financing package from the developers last Friday, November 19th. Both firms are now involved in an analysis of a number of issues surrounding this particular aspect of the funding package. We will have a representative from both firms at the public hearing to address this crucial component.

A very preliminary review of revenues available through a complicated process involving Capital Appreciation Bonds shows some \$6,861,000 that will be available at the project onset. This will cover Phase 1 and a portion of the public streetscape improvements in the plan. However, as stated earlier, these numbers and the yield available over time for public projects await a careful review by our city consultants.

In closing, this project remains, after these many months, challenging and difficult but exciting because of the opportunity to utilize a carefully blended public private participation model that will enable this great city to materially improve a critical part of our downtown infrastructure.

NORTHWEST ARKANSAS EDITION Arkansas Democrat-Gazette

AFFIDAVIT OF PUBLICATION

I, Gill R. Scott, do solemnly swear that I am
Legal Clerk of the Arkansas Democrat-Gazette/Northwest Arkansas
Times newspaper, printed and published in Lowell, Arkansas, and that
from my own personal knowledge and reference to the files of said
publication, that advertisement of:

Final Agenda was inserted in the regular editions on
11/29/04.

PO# 04-0003089-001

** Publication Charge: \$ 74.40

Subscribed and sworn to before me this

30th day of November, 2004.

Catherine Sall
Notary Public

My Commission Expires:

Catherine Sall
Notary Public, State of Arkansas
Washington County
My Commission Expires: 11/30/05
** Please do not pay from Affidavit.
An invoice will be sent.

RECEIVED

DEC 01 2004

CITY OF FAYETTEVILLE
CITY CLERK'S OFFICE

**FINAL AGENDA
PUBLIC HEARING
SPECIAL CITY
COUNCIL MEETING
NOVEMBER 30, 2004**

Fayetteville
ARKANSAS

A Special meeting of the Fayetteville City Council will be held on
November 30, 2004 at 6:30 p.m. in Room 219 of the City
Administration Building located at 113 West Mountain Street,
Fayetteville, Arkansas.

**A Public Hearing on the Proposed Project Plan for the
Highway 71 East Square Redevelopment District Number
One:** A Public Hearing to allow all members of the public and repre-
sentatives of taxing entities to present their views on the proposed
project plan for the Highway 71 East Square Redevelopment District
Number One.