

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



Mayor Dan Coody

City Attorney Kit Williams

City Clerk Sondra Smith

**Final Agenda
Public Hearing
Special City Council Meeting
January 6, 2005**

A Special meeting of the Fayetteville City Council will be held on January 6, 2005 at 5:30 p.m. in Room 219 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

Call to Order

Roll Call

Pledge of Allegiance

A. Public Hearing:

1. **I-540 Redevelopment District #3 Creation:** A Public Hearing to allow all members of the public and representatives of taxing entities to present their views on forming the I-540 Redevelopment District Number Three.

HEARING FOR PUBLIC COMMENT.

B. New Business:

1. **I-540 Redevelopment District #3 Adoption:** An ordinance forming the I-540 Redevelopment District Number Three pursuant to Amendment 78 of the Arkansas Constitution and authorizing the preparation of a project plan.

THIS ITEM WAS LEFT ON THE FIRST READING OF THE ORDINANCE.

C. Public Hearing:

1. **I-540 Redevelopment District #3 Proposed Project Plan:** A Public Hearing to allow all members of the public and representatives of taxing entities to present their views on the Proposed Project Plan for the I-540 Redevelopment District.

THIS ITEM WAS PULLED FROM THE AGENDA TO NO DATE SPECIFIC.

D. New Business:

- 1. I-540 Redevelopment District Project Plan Adoption:** An ordinance adopting the Project Plan for the I-540 Redevelopment District, and finding the plan is economically feasible.

THIS ITEM WAS PULLED FROM THE AGENDA TO NO DATE SPECIFIC.

Meeting adjourned at 8:35 p.m.

Meeting Adjourned
8:35 pm.

Subject:	Roll				
Motion To:					
Motion By:					
Seconded:					
Rhoads	absent				
Ferrell	✓				
Lucas	✓				
Jordan	✓				
Reynolds	✓				
Thiel	✓				
Cook	✓				
Marr	absent				
Mayor Coody	✓				

Subject:	Motion to Remove C E D off the				
Motion To:		Reynolds	agenda.		
Motion By:		Ferrell			
Seconded:					
Rhoads	absent				
Ferrell	✓				
Lucas	✓				
Jordan	✓				
Reynolds	✓				
Thiel	✓				
Cook	✓				
Marr	absent				
Mayor Coody					

passed
6-0

Public Hearing

Subject:	1-540 - Redevlopment District #3 Creation			
Motion To:				
Motion By:				
Seconded:				
Rhoads				
Ferrell				
Lucas				
Jordan				
Reynolds				
Thiel				
Cook				
Marr				
Mayor Coody				

Subject:	1-540 - Redevlopment District #3 Adoption.			
Motion To:	Amend Bondry (Township) (Drake)			
Motion By:	Lucas			Lindsey ²³
Seconded:	Reynolds			
Rhoads				
Ferrell	Amendment on	was		
Lucas				
Jordan	Withdrawn			
Reynolds				
Thiel				
Cook				
Marr				
Mayor Coody				

Kit: Side
4To Amend a bondry they have to go
through

Subject:	1-540 - Redevelopment District #3 Adoption				
Motion To:		2nd read			
Motion By:		Ferrell			
Seconded:		Reynolds			
	Rhoads	✓			
	Ferrell	✓			
	Lucas	✓			
	Jordan	N			
	Reynolds	✓			
	Thiel	✓			
	Cook	N			
	Marr	N			
	Mayor Coody				

Motion failed
Left on the first Reading.

There was not six votes. Six votes were needed to go to the second reading

Subject:					
Motion To:					
Motion By:					
Seconded:					
	Rhoads				
	Ferrell				
	Lucas				
	Jordan				
	Reynolds				
	Thiel				
	Cook				
	Marr				
	Mayor Coody				

Public Hearing Speaker Registration

Date of Public Hearing 1-6-05

1-540 TIF

	Speaker's Name (Please Print Clearly)	Phone No.	Address
1	Lindsey Smith	443-9706	340 N. Rollston Ave.
2	Paula Hanson	633-3031	B'ville
3	Steve Rust	442-8885	
4	Alice Church	521-6152	
5	Ben Israel	251-0707	Fayetteville
6	Pam Grogg		
7	Joe K. Simpson	(21-1710)	
8	Kathleen Anderson	575-7964	
9	Mike Wilson	982-2447	
10	Donny Stout	575-1024	
11	Bob Davis	442-5956	
12	Frank Munn	"	
13	Phil Ralston		Fay.
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25			

Mayor Dan Coody
City Attorney Kit Williams
City Clerk Sondra Smith



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**Call to Order
Roll Call
Pledge of Allegiance**

A. Public Hearing:

1. **I-540 Redevelopment District #3 Creation:** A Public Hearing to allow all members of the public and representatives of taxing entities to present their views on forming the I-540 Redevelopment District Number Three.

B. New Business:

*Left on the
First Reading*

1. **I-540 Redevelopment District #3 Adoption:** An ordinance forming the I-540 Redevelopment District Number Three pursuant to Amendment 78 of the Arkansas Constitution and authorizing the preparation of a project plan.

C. Public Hearing:

1. **I-540 Redevelopment District #3 Proposed Project Plan:** A Public Hearing to allow all members of the public and representatives of taxing entities to present their views on the Proposed Project Plan for the I-540 Redevelopment District.

D. New Business:

1. **I-540 Redevelopment District Project Plan Adoption:** An ordinance adopting the Project Plan for the I-540 Redevelopment District, and finding the plan is economically feasible.

*Pulled
from agenda
no date specific*

*Pulled
from the
agenda
no date specific*

ORDINANCE NO. _____

AN ORDINANCE FORMING THE I-540
REDEVELOPMENT DISTRICT NUMBER THREE
PURSUANT TO AMENDMENT 78 OF THE
ARKANSAS CONSTITUTION AND AUTHORIZING
THE PREPARATION OF A PROJECT PLAN

WHEREAS, the City Council after 15 day published notice has held a public hearing at which all interested parties were given the opportunity to express their views on the proposed creation of the I-540 Redevelopment District Number Three of Fayetteville, Arkansas and its proposed boundaries; and

WHEREAS, prior to publication, a copy of said notice was sent by first-class mail to the chief executive officer of all local governmental and taxing entities having the power to levy taxes on property located within the proposed I-540 Redevelopment District Number Three of Fayetteville, Arkansas, and to the school board of any school district which includes property located within the proposed I-540 Redevelopment District Number Three of Fayetteville, Arkansas; and

WHEREAS, the City Council has designated the boundaries of the proposed I-540 Redevelopment District Number Three, of Fayetteville, Arkansas.

**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 establishes the boundaries of the I-540 Redevelopment District Number Three of Fayetteville, Arkansas as set forth on the map attached hereto as Exhibit "A" and incorporated herein.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby names the District the following name for identification purposes: I-540 Redevelopment District Number Three of Fayetteville, Arkansas.

Section 3: That the City Council of the City of Fayetteville, Arkansas hereby creates the I-540 Redevelopment District Number Three of Fayetteville, Arkansas as of the effective date of this ordinance.

Section 4: That the City Council hereby finds that the real property within the I-540 Redevelopment District Number Three of Fayetteville, Arkansas, will be benefited by the redevelopment project by eliminating or preventing the development or

spread of blighted, deteriorated, or deteriorating areas, or discouraging the loss of commerce or employment, or increasing employment, or any combination thereof.

Section 5: That the City Council of the City of Fayetteville, Arkansas hereby creates a separate and special fund into which shall be deposited all tax increment revenues, and all other revenues designated by the City for the benefit of the I-540 Redevelopment District Number Three of Fayetteville, Arkansas. All project costs shall be paid from this fund. This fund shall be known as the I-540 Redevelopment District Number Three of Fayetteville, Arkansas.

Section 6: That the City Council of the City of Fayetteville, Arkansas hereby authorizes the preparation of a Redevelopment Project Plan.

PASSED and APPROVED this 6th day of January, 2005.

APPROVED:

By:

DRAFT

DAN COODY, Mayor

ATTEST:

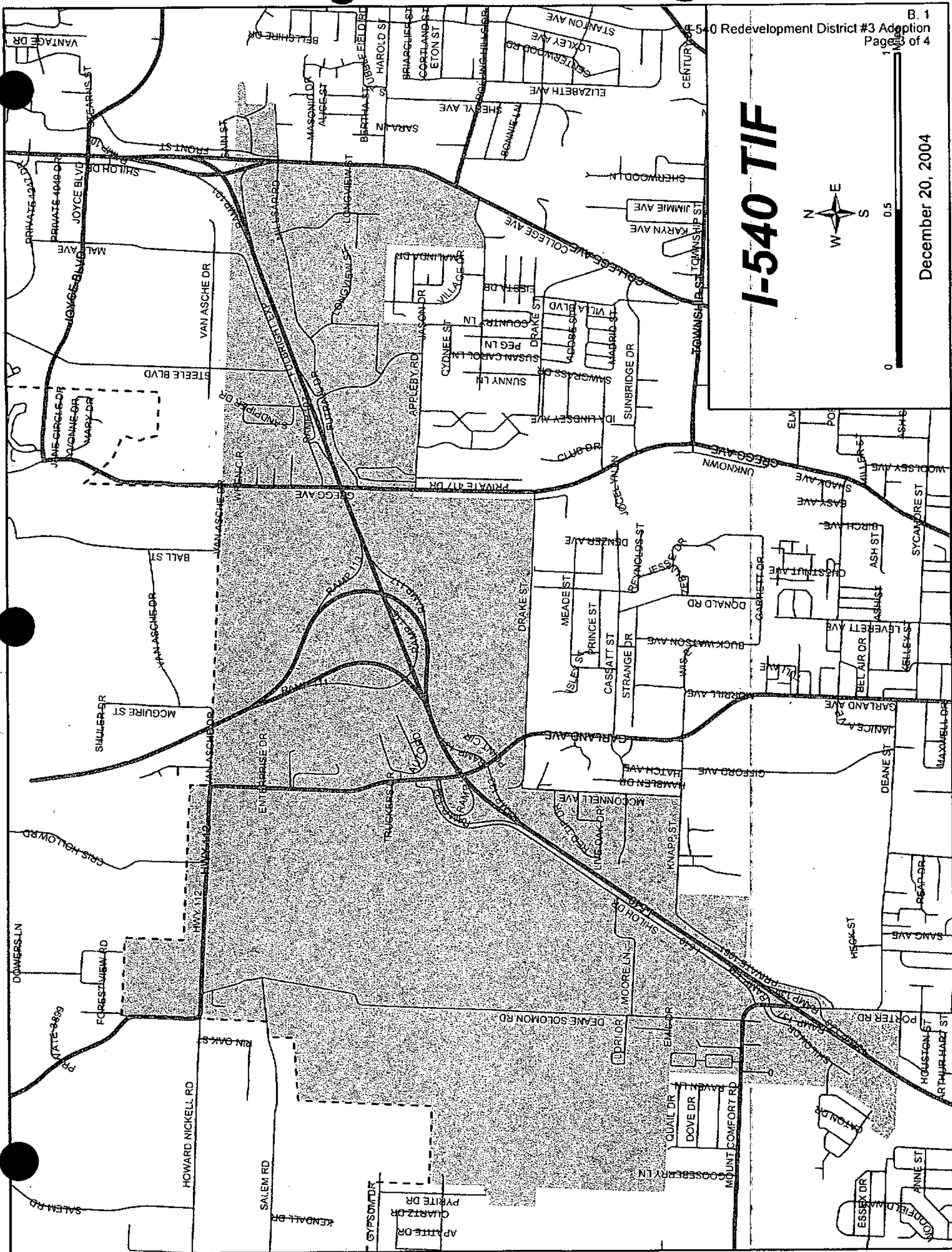
By:

SONDRA SMITH, City Clerk

December 20, 2004



I-540 TIF



ORDINANCE NO. _____

**AN ORDINANCE ADOPTING THE PROJECT PLAN FOR THE
I-540 REDEVELOPMENT DISTRICT, AND FINDING THE
PLAN IS ECONOMICALLY FEASIBLE**

WHEREAS, on January 6, 2005, the Fayetteville City Council held a Public Hearing concerning the creation of the I-540 Redevelopment District; and

WHEREAS, on January 6, 2005, the City Council passed an ordinance creating the I-540 Redevelopment District and authorized preparation of a Redevelopment Project Plan; and

WHEREAS, the City Council after 15 day published notice has held a public hearing at which all interested parties were given the opportunity to express their views on the proposed Project Plan of the I-540 Redevelopment District Number Three of Fayetteville, Arkansas and its economic feasibility; and

WHEREAS, prior to publication, a copy of said notice was sent by first-class mail to the chief executive officer of all local governmental and taxing entities having the power to levy taxes on property located within the proposed I-540 Redevelopment District Number Three of Fayetteville, Arkansas, and to the school board of any school district which includes property located within the proposed I-540 Redevelopment District Number Three of Fayetteville, Arkansas; and

WHEREAS, the City 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 acquisition of real estate, construction of parking facilities, improvements to streetscape, roads, trails and other necessary infrastructure;
- (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) the Plan includes construction of streets shown on the Master Street Plan;
- (k) non-project costs include financial advice, bond costs, economic forecasting;
- (l) no persons are anticipated to be displaced; but the City retains the right to condemn property to accomplish the Project Plan if necessary;
- (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 I-540 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 I-540 Redevelopment District and determines it has complied with all requirements set forth in A.C.A. §14-168-306.

PASSED and APPROVED this 6th day of January, 2005

APPROVED:

By: _____

DRAFT
DAN COODY, Mayor

ATTEST:

By: _____

SONDRA SMITH, City Clerk

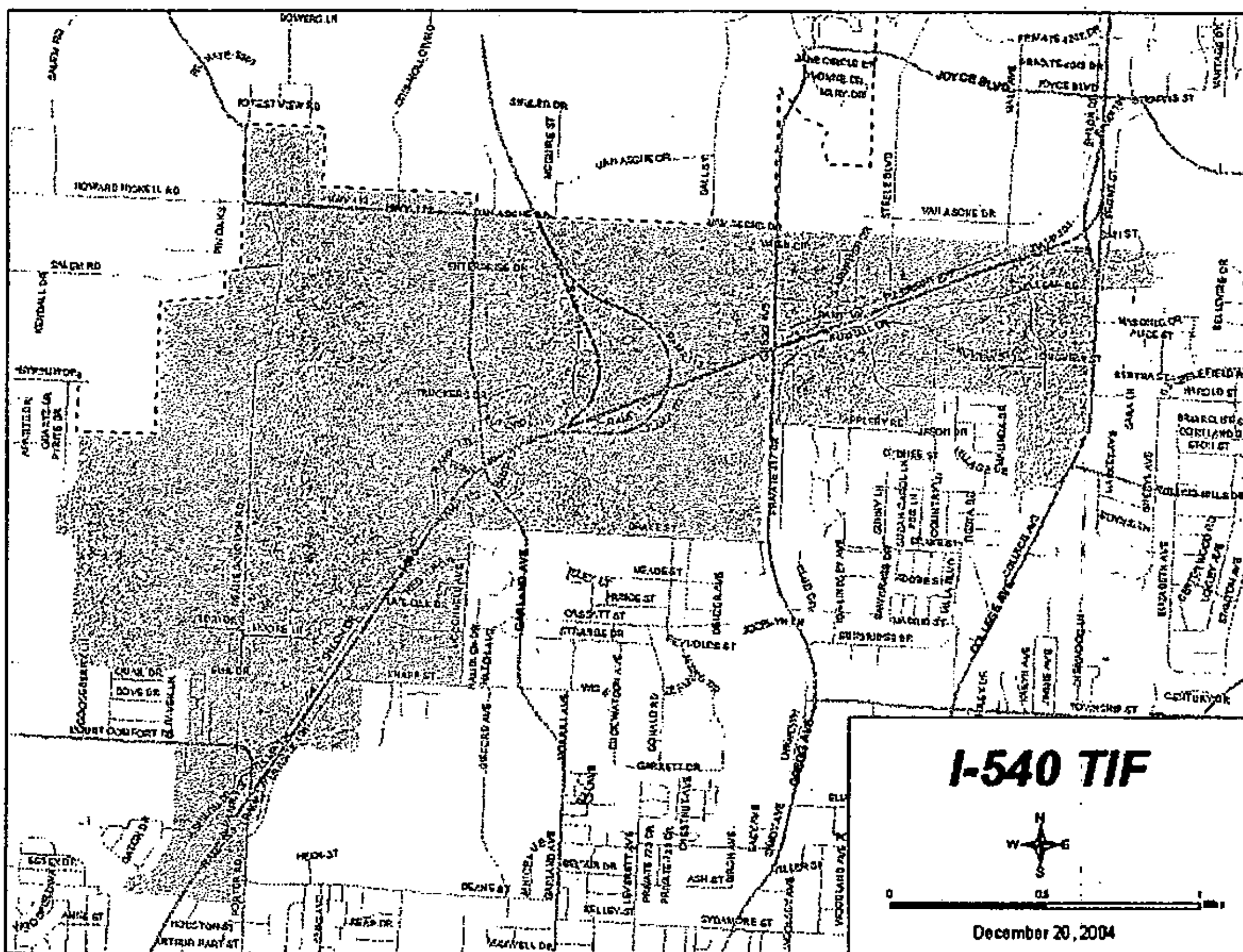
December 22, 2004

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I-540 REDEVELOPMENT DISTRICT PROJECT PLAN BOUNDARY

The boundaries of this redevelopment district area are illustrated below:



City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

LEGAL DESCRIPTION I- 540 TIF

I-540 TIF:

Part of Sections 5 and 6, both within Township 16 North, Range 30 West, and part of Sections 26, 27, 28, 32, 33, 34, and 35, all within Township 17 North, Range 30 West, being more particularly described as follows: Commencing at the Southwest corner of the SE-6-16-30, thence with the South line of said SE-6-16-30, South 87° 16' 45" East 667.7 feet, to the Point of Beginning; thence leaving said South line, North 00° 51' 18" East 20.02 feet; thence North 54° 51' 03" West 238.02 feet; thence North 35° 08' 55" East 351.08 feet; thence South 54° 55' 13" East 110.01 feet thence North 35° 04' 49" East 136.87 feet; thence South 56° 00' 33" East 165.03 feet; thence North 35° 04' 48" East 681.81 feet; thence North 01° 42' 11" East 157.99 feet; thence North 01° 42' 09" East 51.54 feet; thence North 01° 42' 12" East 125.14 feet; thence North 02° 49' 07" East 659.37 feet; thence North 02° 40' 06" East 655.22 feet, to a point on the South line of the Frl. NE-6-16-30; thence with said South line, South 87° 53' 35" East 137.7 feet; thence leaving said South line, North 02° 30' 39" East 32.74 feet; thence North 02° 17' 22" East 1163.19 feet, to a point on the South line of the SE-32-17-30; thence with said South line, North 87° 22' 57" West 1462.94 feet; thence North 87° 03' 38" West 562.2 feet to the Southwest corner of said SE-32-17-30; thence with the West line of said SE-32-17-30, North 02° 20' 47" East 2151.56 feet; thence leaving said West line, North 87° 26' 33" West 336.35 feet; thence North 01° 35' 23" East 14.51 feet; thence North 02° 33' 38" East 763.15 feet; thence South 87° 26' 18" East 160.00 feet; thence North 19° 12' 14" East 104.35 feet; thence South 87° 26' 19" East 141.58 feet, to a point on the West line of the NE-32-17-30; thence with said West line, North 01° 49' 29" East 917.64 feet; thence leaving said West line, South 87° 24' 46" East 1334.69 feet; thence North 02° 34' 27" East 2253.56 feet; thence North 86° 07' 57" East 1067.69 feet; thence North 02° 20' 20" East 423.41 feet; thence North 83° 09' 57" East 267.57 feet, to a point on the West line of the SW-28-17-30; thence with said West line, North 02° 33' 06" East 1120.86 feet, to the Southwest corner of the NW-28-17-30; thence with the West line of said NW-28-17-30, North 02° 36' 30" East 1297.98 feet; thence leaving said West line, North 66° 36' 12" East 38.17 feet; thence South 87° 19' 13" East 1287.2 feet; thence South 02° 38' 44" West 991.15 feet; thence South 87° 18' 06" East 2634.06 feet; thence South 02° 03' 40" West 330.0 feet, to a point on the North line of the SE-28-17-30; thence with said North line South 87° 26' 12" East 1319.57 feet, to the Northwest corner of the SW-27-17-30; thence with the North line of said SW-27-17-30, South 87° 40' 10" East 2641.46 feet, to the Northwest corner of the SE-27-17-30; thence with the North line of said SE-27-17-30, South 86° 50' 32" East 1104.94 feet; thence South 87° 48' 03" East 1525.04 feet, to the Northwest corner of the SW-26-17-30; thence with the North line of said SW-26-17-30, South 87° 25' 57" East 2636.45 feet, to the Northwest corner of the SE-26-17-30; thence with the North line of said SE-26-17-30, South 86° 59' 38" East 2631.75 feet, to the Northeast corner of said SE-26-17-30; thence with the East line of said SE-26-17-30, South 02° 43' 22" West 134.52 feet; thence leaving said East line, and within the right-of-way of Vantage Drive, the following courses: South 83° 12' 54" West 346.54 feet, South 04° 44' 05" West 228.02 feet, South 14° 02' 10" East 173.11 feet, South 34° 04' 38" West 57.45 feet; thence within the right-of-way of Millsap Road, South 87° 05' 29" West 998.51 feet; thence within the right-of-way of North College Avenue the following courses: South 02° 31' 31" West 2152.63 feet, South 11° 34' 12" West 254.87 feet, South 26° 13' 15" West 1093.92 feet; thence within the right-of-way of Appleby Road the following courses: North 74° 50' 08" West 282.13 feet, South 88° 18' 55" West 86.56 feet, South 61° 38' 42" West 182.19 feet, South 68° 21' 20" West 172.50 feet, South 89° 46' 45" West 160.92 feet, North 00° 23' 28" East 23.26 feet, to a point on the West line of the NE-35-17-30; thence with said West line, North 02° 46' 41" East 1607.54 feet to the Southeast corner of the SW-26-17-30; thence with the South line of said SW-26-17-30, North 87° 18' 58" West 1315.23 feet; thence leaving said South line, South 02° 32' 00" West 650.18 feet; thence within the right-of-way of Appleby Road, North 87° 37' 58" West 1898.77 feet; thence continuing within said right-of-way, North 86° 18' 37" West 901.67 feet; thence within the right-of-way of Gregg Avenue, South 01° 20' 10" West 1992.95 feet; thence within the right-of-way of Drake Street the following courses: North 87° 25' 01" West 1201.25 feet, North 87° 29' 30" West 3797.17 feet; thence within the right-of-way of McConnell Avenue, South 03° 11' 04" West 2644.47 feet; thence within the right-of-way of Knapp Street, the following courses: North 87° 13' 34" West 835.13 feet, North 87° 05' 43" West 605.58 feet, North 87° 26' 43" West

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

211.1 feet; thence leaving said right-of-way, South 02° 30' 13" West 1210.58 feet, to a point on the South line of the Frl. NW-5-16-30; thence with said South line, North 86° 59' 28" West 1178.92 feet; thence North 87° 26' 40" West 187.66 feet; thence leaving said South line, South 21° 57' 04" West 1478.0 feet, to a point on the East line of the SE-6-16-30; thence with said East line, South 02° 34' 35" West 1236.71 feet to the Southeast corner of said SE-6-16-30; thence with the South line of the SE-6-16-30, North 87° 22' 05" West 1976.47 feet, to the Point of Beginning and containing 2,333.501 acres, more or less.

I-540 PROJECT PLAN

The project plan will address a number of public transportation issues that will collectively act as catalysts for continued development and growth within the regional retail and medical area. The projects proposed will drive growth not only in the redevelopment district area but also in the adjacent areas. The potential tax revenue derived from the additional growth and development within the district will exceed the revenues that would have been generated absent the district projects.

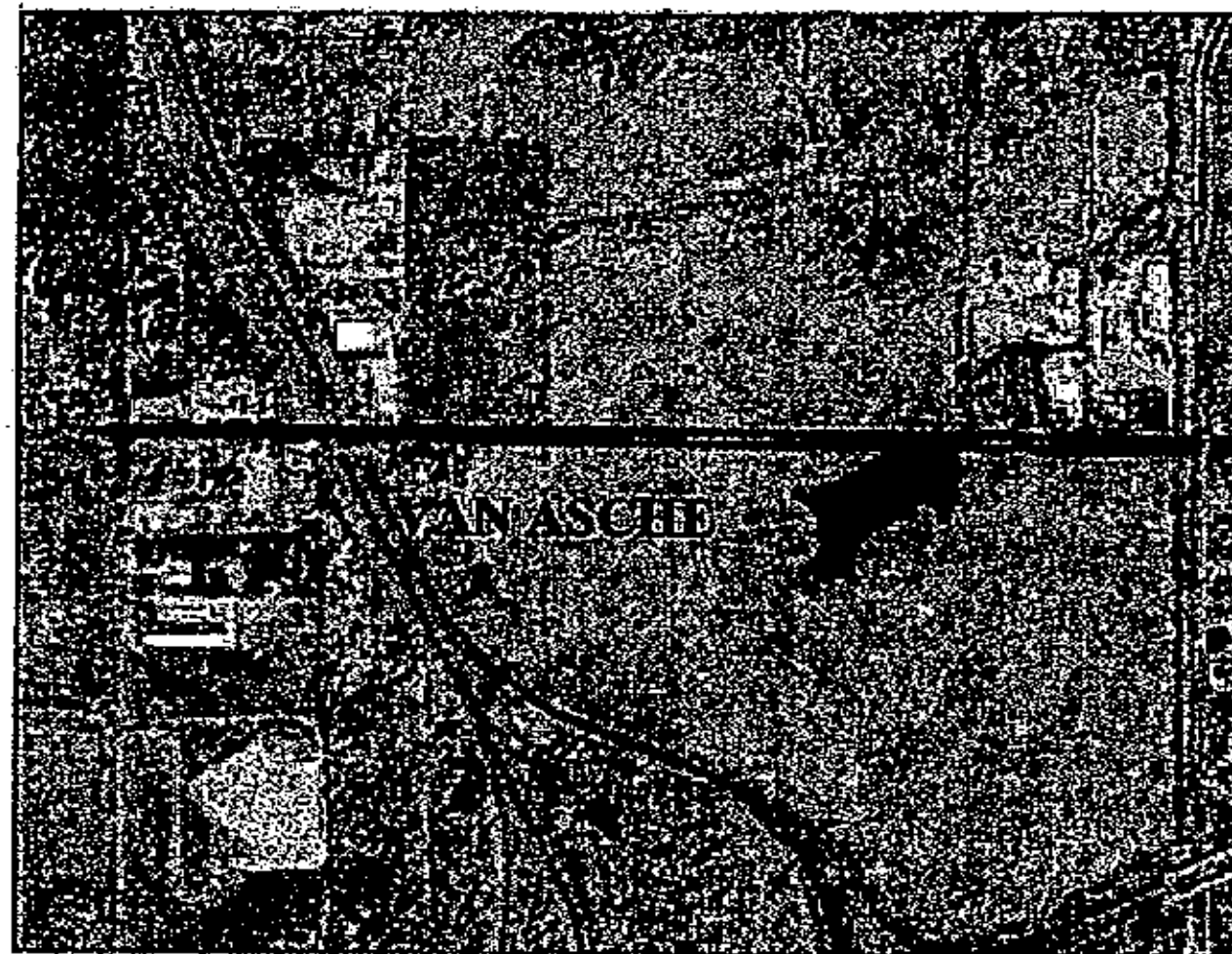
The projects proposed are divided into four phases over a 25 year period.

PHASE I Van Asche Engineering and Planning \$150,000

Phase I will involve the engineering and planning work necessary for preparing the first project recommended as part of the plan. The work done in this phase will involve the preparation of the bid documents necessary to construct the connection of Van Asche Drive from Gregg Street to Highway 112. Redevelopment district funds spent on this project will be limited to those portions of the project contained within the district.

PHASE II Van Asche Construction \$4,000,000

Phase II of the project will construct the Van Asche arterial from Gregg Street to Highway 112. The completion of this arterial connection will address the connectivity and accessibility of CMN and the Mall area from west Fayetteville. Improved access will distribute traffic to this area by increasing the number of ingress and egress points to this important commercial development area. Redevelopment district funds spent on this project will be limited to those portions of the project contained within the district.



**City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN**

PHASE III Overpass Connecting Steele To North Hills

\$4,347,930

This phase will address the issue of accessibility from the Fulbright Expressway through the construction of an elevated connection between Steele Blvd. and North Hills Blvd. Currently, no direct access exists linking Washington Regional Medical Center/Medical Area to the Regional Retail/Northwest Arkansas Mall Area north of Fulbright Expressway.

The City will be working with representatives of the development community, Washington Regional Medical Center, and the North Hills Medical complex to assist in the planning and construction of this vital connection. Additionally, the City is working with our congressional delegation in order to secure additional Federal assistance for this project.



City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

PHASE IV Controlled Access Interchange \$20,000,000

Phase IV will address the need to plan, engineer, and construct a new controlled access interchange to provide vehicular access to I-540 and the Fulbright Expressway. Current ingress and egress is limited to one side and in one direction along Fulbright and I-540 to these areas. This limited access directs additional traffic into the existing congested intersections.

**I- 540 REDEVELOPMENT DISTRICT
ESTIMATED PROJECT COSTS**

Phase I	Van Asche Gregg to Highway 112 Engineering	\$150,000
Phase II	Van Asche Gregg to Highway 112 Construction	\$4,000,000
Phase III	Overpass connecting Steele to North Hills	\$4,347,930
Phase IV	Controlled Access interchange to CMN-Mall and Medical Area - Location to be Determined	\$20,000,000

The project plan may be amended after adoption, pursuant to State law, to include additional transportation projects within the district. The project plan for all phases does not propose to displace or relocate persons within the district. There are no proposed zoning amendments associated with this redevelopment district.

City of Fayetteville, Arkansas

I- 540 REDEVELOPMENT DISTRICT PROJECT PLAN

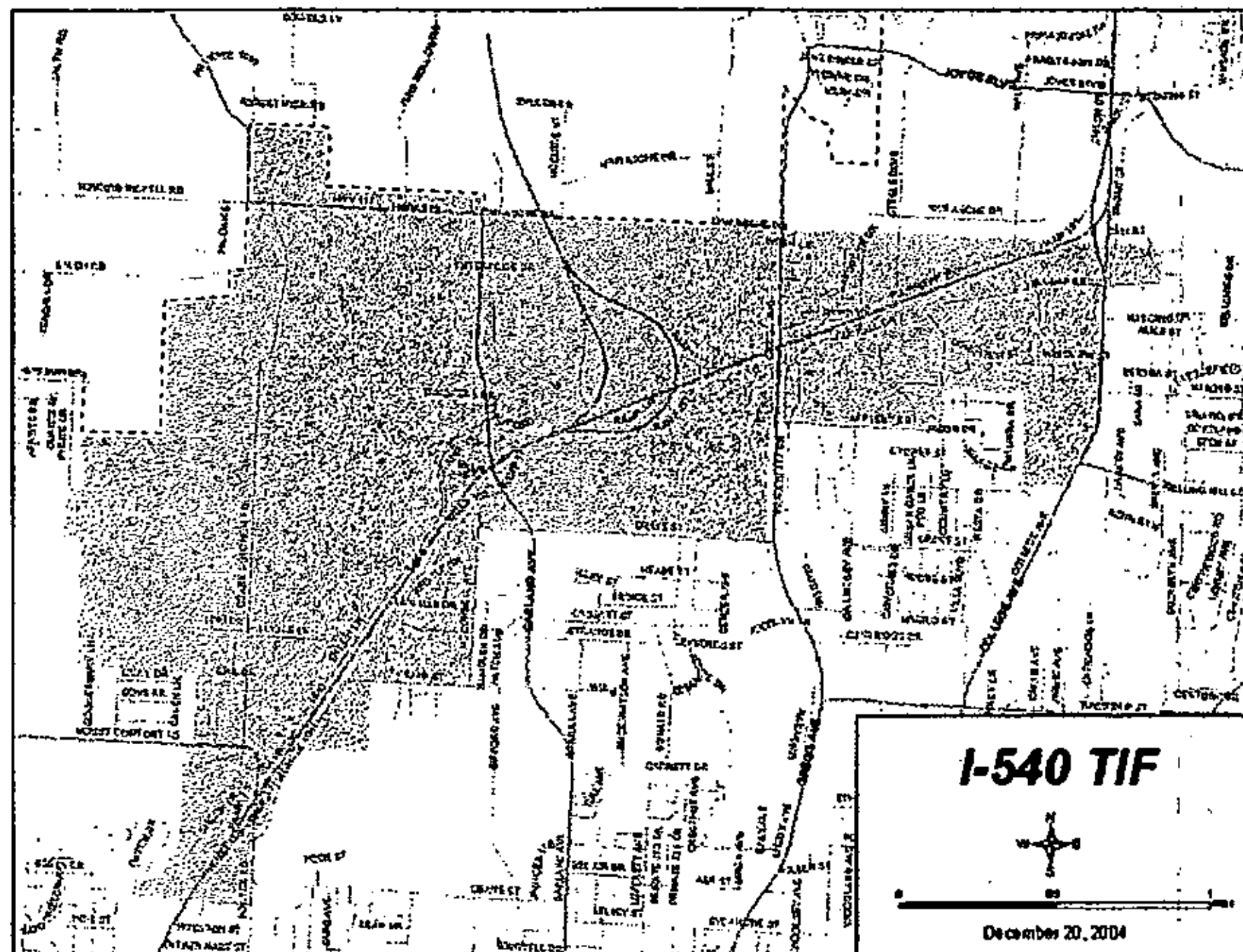
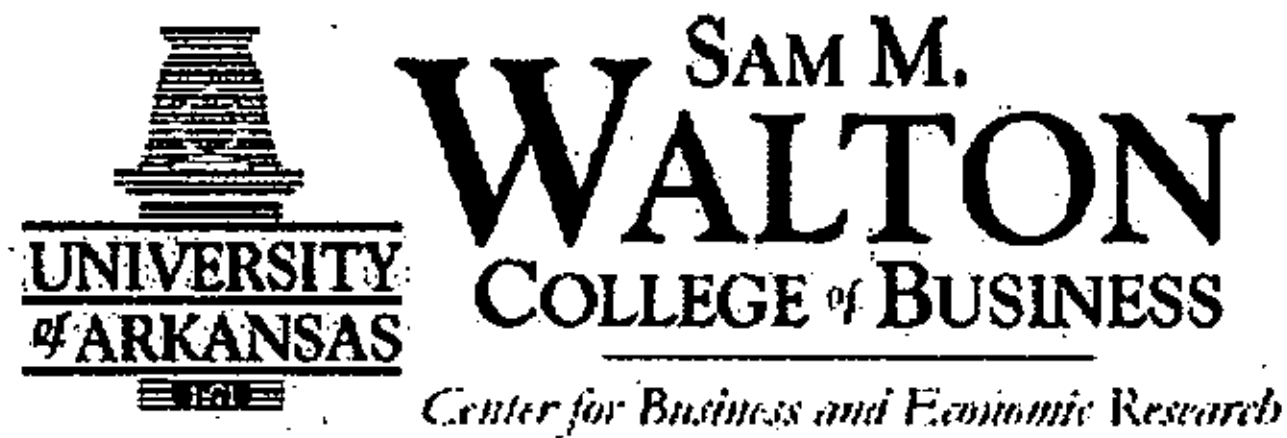


EXHIBIT No.1

Economic Feasibility Study

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

An Economic Forecast of Assessment Values in the I- 540 Redevelopment District



Center for Business and Economic Research
Reynolds Center Building 217
Sam M. Walton College of Business
1 University of Arkansas
Fayetteville, Arkansas 72701-1201
(479) 575-4151
Contact: Dr. Jeffery T. Collins, Director
December 2004

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

The purpose of this study is to estimate the cash flows that will accrue to the Fayetteville I-540 Tax Increment Financing district as a result of the tax increment financing project that has the improvement of street access as its centerpiece. The I-540 district encompasses 514 parcels in the northern part of Fayetteville. The formation of the I-540 district was spurred by the desire to finance the infrastructure that is necessary for development to continue to grow in the district. Congestion is likely to choke off growth in north Fayetteville if significant resources are not directed toward alleviating the traffic problem. Fixing the road structure is seen as key to improving local property values and fostering economic activity in the northern corridor of the city. Tax increment financing (TIF) was chosen as the appropriate tool for this private/public partnership.

Researchers at the Center for Business and Economic Research (CBER) in the Sam M. Walton College of Business at the University of Arkansas were asked to project the revenues that tax increment financing will provide for the I-540 district. The methodology employed was as follows. First, a copy of the property ownership report for the I-540 district was obtained from staff members at the city of Fayetteville. This report included the identification of and 2004 assessed valuation numbers for the 514 parcels included in the I-540 district. Supplementing this information, CBER researchers used the Washington County Assessor's online property search database to obtain the 2001-2003 assessment values for the same 514 parcels.

The collected data show that 155 of the parcels in the I-540 district are classified as Residential Improved, 108 of the parcels are classified as Commercial Improved, 59 of the parcels are exempt from property taxes (either as local or federal government properties, public services, or churches), 41 parcels are classified for mobile homes, and the remaining 151 parcels are a mix of commercial and residential vacant properties, agricultural lands, public services, and miscellaneous usages. A total of 455 of the identified parcels had non-zero assessment values in 2004.

In 2004, the total assessed value of the parcels in the I-540 district was \$39,627,677. In 2004, the year-on-year growth rate of the assessed value was 12.0 percent, while the median assessment growth rate was 10.0 percent. Of the 442 parcels with nonzero assessed values in both 2003 and 2004, 193 parcels had assessment growth rates of less than 10.0 percent, 143 had assessed values that grew at 10.0 percent, and 106 parcels had assessment growth rates of more than 10.0 percent. Only 11 parcels in the I-540 district had lower assessments in 2004 than in 2003.

Based on all of the previous information, CBER researchers have developed plausible revenue scenario for the I-540 district with the investments that would result from the creation of a TIF district. In order to provide a conservative estimate of the revenue that would be generated without a TIF district, a projection is made of the growth in assessed property values without any newly assessed properties. These revenue estimates do not capture the growth in assessments that will result from new construction, and as such, likely underestimate the true revenues that are likely to accrue to the district. Table 1 presents the revenue estimates by year for this conservative scenario without new construction.

Table 1 also shows estimates of what the increment would be in each year. The total increment over 25 years is \$3.1 billion. A millage rate of 28.16 is applied to the increment to illustrate what the yield to a TIF district would be. The total yield under this scenario is just over \$88.0 million. That yield is also discounted back for expected 3.0 percent annual inflation for a present value calculation. The present value is just over \$51 million under these assumptions.

The estimates shown in Table 1 project out average growth rates that are lower than those that have been experienced in the past three years for the parcels in the I-540 district. In 2002, the growth rate in assessed valuation was 15.4 percent. The years 2003 and 2004 saw higher growth rates in assessed valuations at 11.7 and 12.0 percent, respectively. Much of the growth in property value resulted from new construction in the area, rather than the growth in the values of existing parcels. It seems unlikely that such large increases in assessment values are likely to continue throughout the 25 year lifespan of the TIF district without significant additional investments in the infrastructure of the area. Therefore, while the estimates may understate the growth in aggregate district parcel values in the early years of the TIF, uncertainty about the horizon past 5-10 years calls for conservative estimation of growth rates.

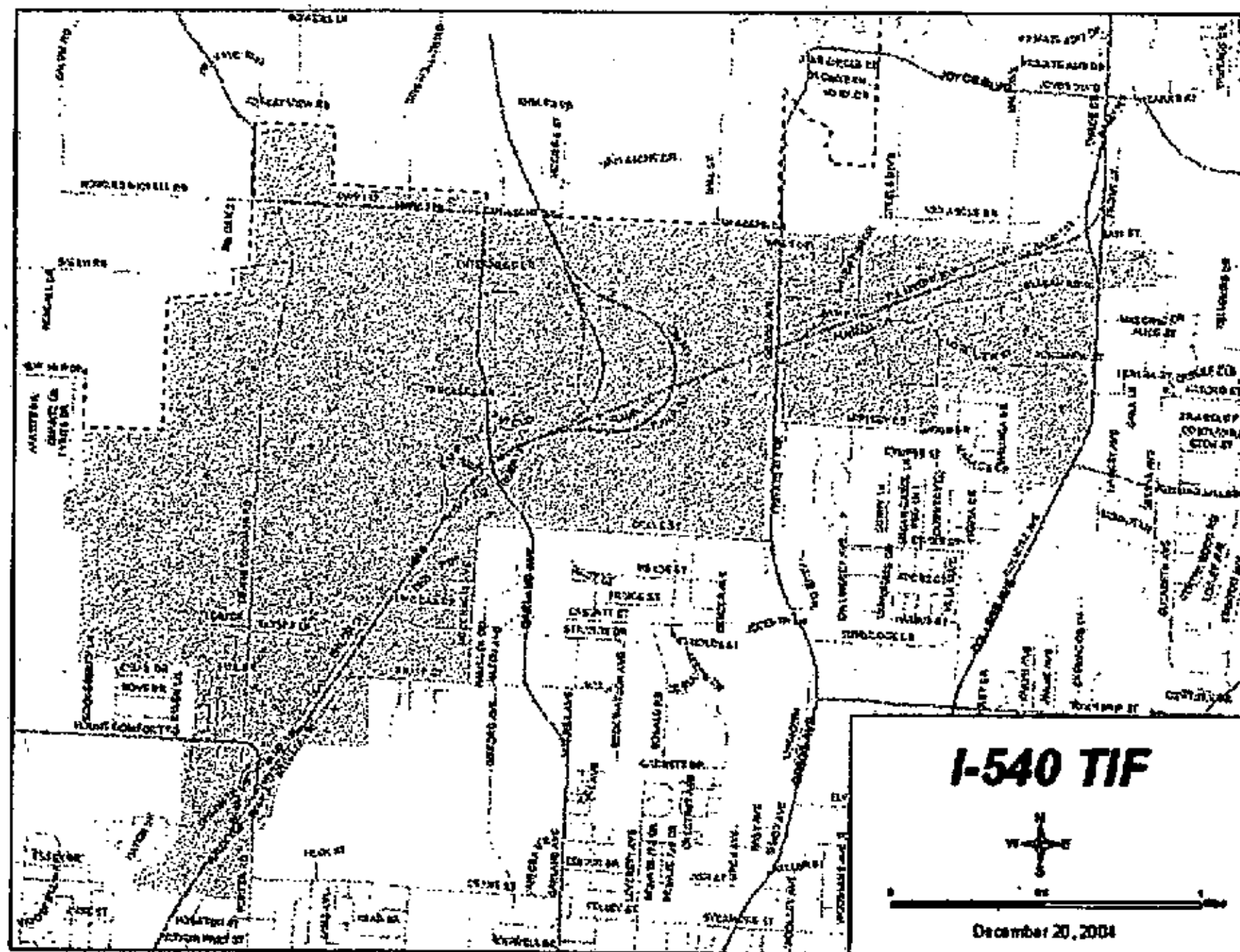
Table 1: Estimates of Growth in I-540 Assessed Valuations with TIF Investments

Weighted Estimates by Property Taxation Classification					
Total Available Increment: \$3,126,291,749					
Total Available Yield: \$88,036,376					
Net Present Value of Total Available Yield: \$51,021,513					
Year	2005	2006	2007	2008	2009
Frozen Assessment	\$39,627,677	\$39,627,677	\$39,627,677	\$39,627,677	\$39,627,677
Total Assessment	\$43,416,766	\$47,580,889	\$52,157,355	\$57,187,197	\$62,715,536
Assessment Growth Rate	9.56%	9.59%	9.62%	9.64%	9.67%
Increment	\$3,789,089	\$7,953,212	\$12,529,678	\$17,559,520	\$23,087,859
Available Yield	\$106,701	\$223,962	\$352,836	\$494,476	\$650,154
PV of Available Yield	\$103,593	\$211,106	\$322,895	\$439,336	\$560,829
Year	2010	2011	2012	2013	2014
Frozen Assessment	\$39,627,677	\$39,627,677	\$39,627,677	\$39,627,677	\$39,627,677
Total Assessment	\$68,792,000	\$75,471,164	\$82,813,052	\$90,883,677	\$99,755,639
Assessment Growth Rate	9.69%	9.71%	9.73%	9.75%	9.76%
Increment	\$29,164,323	\$35,843,487	\$43,185,375	\$51,256,000	\$60,127,962
Available Yield	\$821,267	\$1,009,353	\$1,216,100	\$1,443,369	\$1,693,203
PV of Available Yield	\$687,798	\$820,696	\$960,001	\$1,106,222	\$1,259,902
Year	2015	2016	2017	2018	2019
Frozen Assessment	\$39,627,677	\$39,627,677	\$39,627,677	\$39,627,677	\$39,627,677
Total Assessment	\$109,508,786	\$120,230,937	\$132,018,674	\$144,978,227	\$159,226,428
Assessment Growth Rate	9.78%	9.79%	9.80%	9.82%	9.83%
Increment	\$69,881,109	\$80,603,260	\$92,390,997	\$105,350,550	\$119,598,751
Available Yield	\$1,967,852	\$2,269,788	\$2,601,730	\$2,966,671	\$3,367,901
PV of Available Yield	\$1,421,618	\$1,591,983	\$1,771,652	\$1,961,319	\$2,161,727
Year	2020	2021	2022	2023	2024
Frozen Assessment	\$39,627,677	\$39,627,677	\$39,627,677	\$39,627,677	\$39,627,677
Total Assessment	\$174,891,778	\$192,115,607	\$211,053,360	\$231,876,007	\$254,771,594
Assessment Growth Rate	9.84%	9.85%	9.86%	9.87%	9.87%
Increment	\$135,264,101	\$152,487,930	\$171,425,683	\$192,248,330	\$215,143,917
Available Yield	\$3,809,037	\$4,294,060	\$4,827,347	\$5,413,713	\$6,058,453
PV of Available Yield	\$2,373,666	\$2,597,977	\$2,835,558	\$3,087,365	\$3,354,418
Year	2025	2026	2027	2028	2029
Frozen Assessment	\$39,627,677	\$39,627,677	\$39,627,677	\$39,627,677	\$39,627,677
Total Assessment	\$279,946,948	\$307,629,556	\$338,069,629	\$371,542,374	\$408,350,493
Assessment Growth Rate	9.88%	9.89%	9.90%	9.90%	9.91%
Increment	\$240,319,271	\$268,001,879	\$298,441,952	\$331,914,697	\$368,722,816
Available Yield	\$6,767,391	\$7,546,933	\$8,404,125	\$9,346,718	\$10,383,234
PV of Available Yield	\$3,637,806	\$3,938,688	\$4,258,301	\$4,597,966	\$4,959,091

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

City of Fayetteville, Arkansas

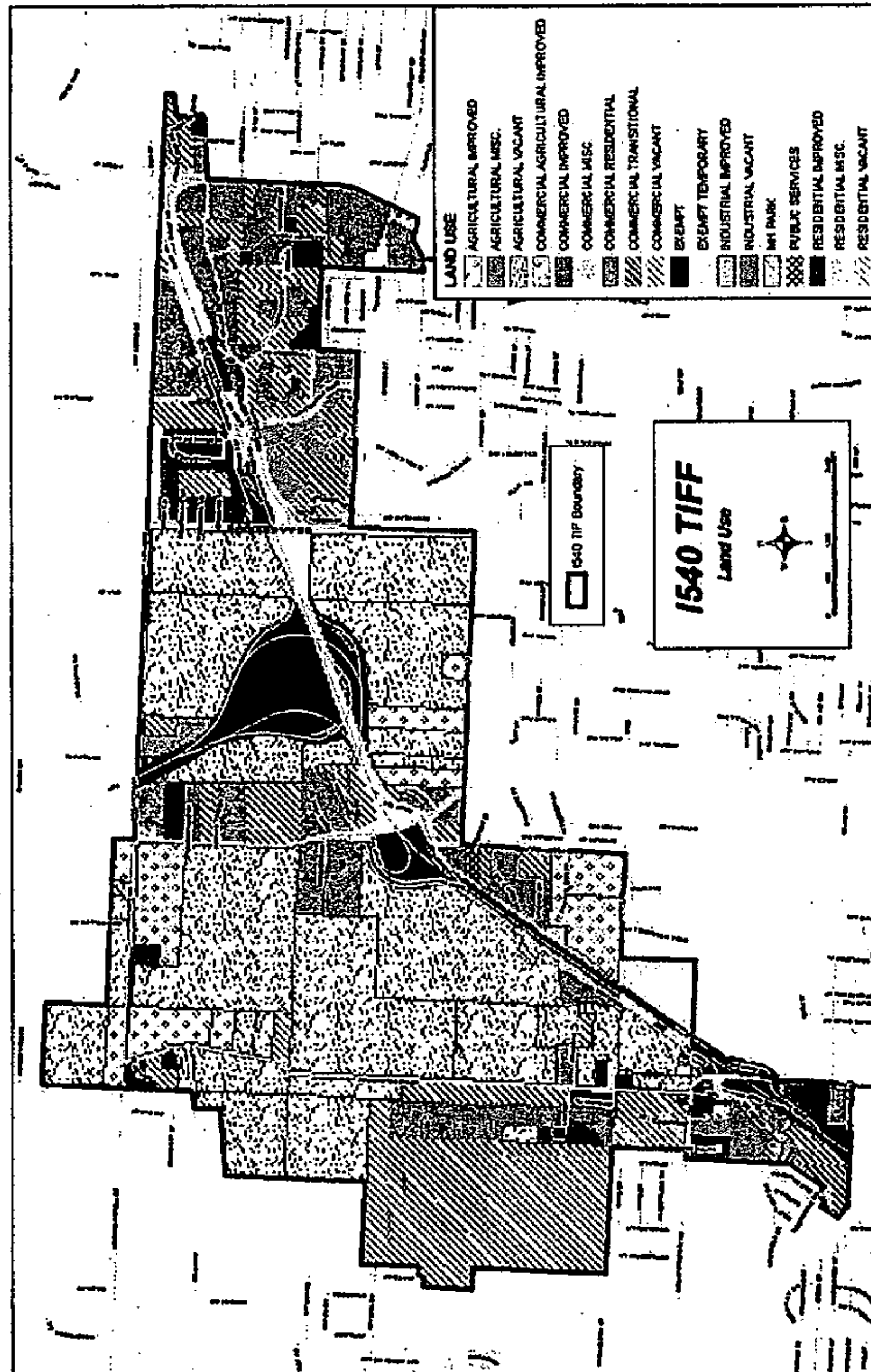
I- 540 REDEVELOPMENT DISTRICT PROJECT PLAN



City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

EXHIBIT No.2

Existing Uses and Conditions Map



City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

City of Fayetteville, Arkansas

I- 540 REDEVELOPMENT DISTRICT PROJECT PLAN

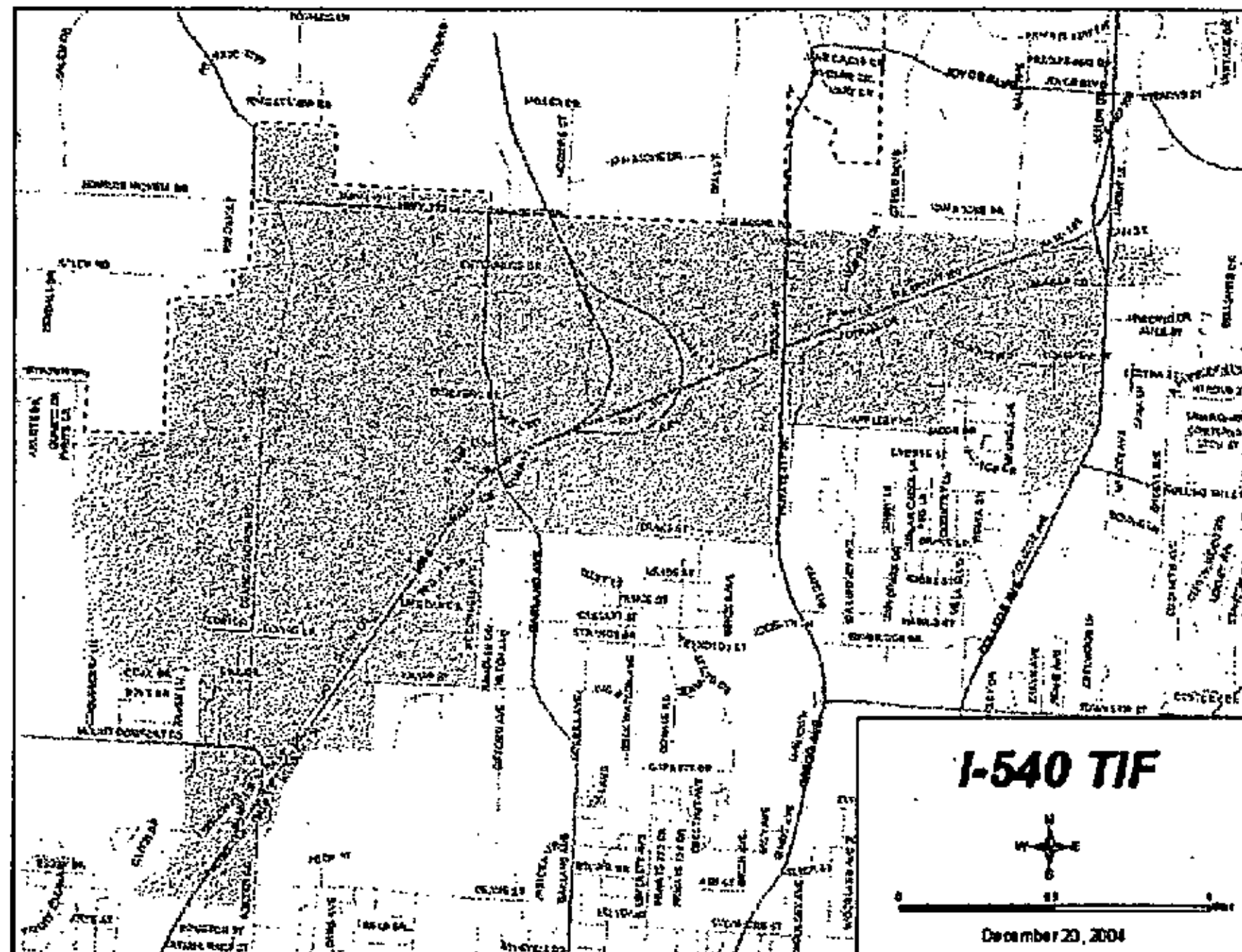


EXHIBIT No.3

Assessor's Certification

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN



WASHINGTON COUNTY

STATE OF ARKANSAS
Washington County Courthouse
280 North College - Suite 250
Fayetteville, Arkansas 72701

LEE ANN KIZZAR
COUNTY ASSESSOR

TELEPHONE
479/444-1500

December 21, 2004

Mr. Hugh Earnest
City of Fayetteville
113 West Mountain
Fayetteville AR 72701

Dear Mr. Earnest,

Please accept this letter and its attachments as the assessor's certification required by ACA 14-168-306(b)(5) for the approval of the Fayetteville I-540 Redevelopment District Project Plan.

The assessed value of all real property within the redevelopment district subject to ad valorem taxation, also known as the Base Value as of January 1, 2004, is:
39,627,677.

The rolled back total millage rate of Washington County, the Fayetteville School District, and the City of Fayetteville, also known as the Total Ad Valorem Rate, is:
51.86.

The portion of the total ad valorem rate that was, at January 1, 2001, pledged to the payment of debt service by the Fayetteville School District, also known as the Debt Service Ad Valorem Rate, is:
23.7.

The total rolled back ad valorem rate less the debt service ad valorem rate for property located in the Fayetteville School District, also known as the Applicable Ad Valorem Rate, is:
28.16.

Attached are the certifications from the Fayetteville School District of the debt service ad valorem rate, a copy of the most recent millage ordinance detailing levied ad valorem millage rates for all taxing entities in Washington County, and a report from the assessor's database detailing the appraised and assessed value of each parcel in the redevelopment district along with totals for the entire district.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lee Ann Kizzar".

Lee Ann Kizzar

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

ORDINANCE NO. 2004-68

APPROPRIATION ORDINANCE:

**BE IT ENACTED BY THE QUORUM COURT
OF THE COUNTY OF WASHINGTON,
STATE OF ARKANSAS, AN ORDINANCE
TO BE ENTITLED:**

**FILED
04 DEC 13 PM 2 48
KAREN COMBS PRITCHARD
CO. & PROBATE CLERK
WASHINGTON CO. ARK.**

**AN ORDINANCE LEVYING THE COUNTY, MUNICIPAL AND
SCHOOL DISTRICT TAXES FOR THE YEAR 2004.**

WHEREAS, Article 7, Section 30, of the Constitution of the State of Arkansas requires the Justices of the Peace of each county to "sit with and assist the County Judge in levying the county taxes"; and,

WHEREAS, A.C.A. 14-14-904 provides that "The Quorum Court, at its regular meeting in November of each year, shall levy the county, municipal, and school taxes for the current year."

**NOW, THEREFORE, BE IT ORDAINED BY THE QUORUM COURT
OF WASHINGTON COUNTY, ARKANSAS:**

ARTICLE 1. The following taxes are hereby levied for the Year 2004 for Washington County, Arkansas:

**REAL ESTATE/
PERSONAL PROPERTY**

(A) County General	4.75 mills
(B) County Road	1.11 mills
(C) County Library	1.0 mills*

* To be collected throughout the County except for property within the City Limits of Fayetteville.

ARTICLE 2. The following taxes are hereby levied for the Year 2004 for the respective municipalities within Washington County, Arkansas:

**REAL ESTATE/
PERSONAL PROPERTY**

(A) Fayetteville	1.8 mills**
(B) Springdale	5.8 mills
(C) Elkins	5.0 mills
(D) Greenland	2.8 mills
(E) West Fork	5.0 mills

**City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN**

ORDINANCE NO. 2004-88
PAGE 2

(F) Winslow	3.0 mills
(G) Farmington	4.9 mills
(H) Tontown	2.0 mills
(I) Elm Springs	5.0 mills
(J) Johnson	4.8 mills
(K) Prairie Grove	9.4 mills
(L) Lincoln	8.5 mills
(M) Goshen	0.0 mills

** 1.0 mil is a library millage and is to be collected only inside the City limits of Fayetteville. .8 mil is for all other legal purposes.

ARTICLE 3. The following taxes are hereby levied for the Year 2004 for the respective school districts within Washington County, Arkansas:

	REAL ESTATE/ PERSONAL PROPERTY		
	Debt	U.S.D.	Total
(A) Fayetteville, #1	19.2 mills	25.0 mills	44.2 mills
(B) Farmington, #6	15.7 mills	25.0 mills	40.7 mills
(C) Elkins, #10	15.2 mills	25.0 mills	40.2 mills
(D) Winslow, #20	3.0 mills	25.0 mills	28.0 mills
(E) Prairie Grove, #23	12.9 mills	25.0 mills	37.9 mills
(F) Lincoln, #48	14.8 mills	25.0 mills	39.8 mills
(G) Springdale, #50	14.5 mills	25.0 mills	39.5 mills
(H) Greenland, #95	12.0 mills	25.0 mills	37.0 mills
(I) West Fork, #141	14.0 mills	25.0 mills	39.0 mills
(J) Benton County, #21	15.0 mills	25.0 mills	40.0 mills

ARTICLE 4. The levy of taxes for 2004 is in accordance with State law.

Jerry Hanton
JERRY HANTON, County Judge

12.13.04
DATE

Karen Combs Pritchard
KAREN COMBS PRITCHARD, County Clerk

Sponsor: Kurt Anderson
Date of Passage: December 8, 2004
Votes For: 12 Votes Against: 0
Abstentions: 0 Absent: 1

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN



CELEBRATING THE PAST WHILE EMBRACING THE FUTURE

September 21, 2004

Ms. Lee Ann Kizzar
County Assessor
Washington County Courthouse
280 North College - Suite 360
Fayetteville, AR 72701

Dear Ms. Kizzar:

Please be informed that the Fayetteville School Districts millage structure at January 1, 2001 was as follows:

19.3 mills General Maintenance & Operation
23.7 mills Debt Service
1.0 mill Capital Outlay
44.0 mills

I have attached the school ballot from that election for your reference. Please call me if you have any questions.

Thank you,

Lisa Z. Morstad
Lisa Z. Morstad

1000 WEST STONE STREET

PO Box 849

FAYETTEVILLE, ARKANSAS 72702

(501) 444-3000

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

ANNUAL SCHOOL ELECTION BALLOT

A	FAYETTEVILLE SCHOOL	B	WASHINGTON COUNTY	C	SEPTEMBER 19, 2000
DISTRICT NO. 1 INSTRUCTIONS TO VOTER 1. To vote you must blacken the Oval (☐) completely next to the candidate of your choice. 2. Use only the pencil provided. 3. After voting, deposit ballot in ballot box.		School Tax 44.0 Mills The total rate proposed above includes the uniform rate of 25.0 mills (the Statewide Uniform Rate) to be collected on all taxable property in the State and remitted to the State Treasurer pursuant to Amendment No. 74 to the Arkansas Constitution to be used solely for maintenance and operation of schools in the State. As provided in Amendment No. 74, the Statewide Uniform Rate replaces a portion of the existing rate of tax levied by this school District and available for maintenance and operation of the schools in this District. The total proposed school tax levy of 44.0 mills includes 18.3 mills for general maintenance and operation, 1.0 mill for current expenditures/dedicated maintenance and operation expenditures dedicated specifically for the purposes of purchasing school buses, purchasing furniture and equipment, purchasing computer software and renovating and repairing existing facilities, and 23.7 mills for debt service as a continuing levy pledged for the retirement of existing bonded indebtedness. The 23.7 debt service mills are allocated as follows: 3.0 mills is a continuing levy dedicated exclusively to the retirement of the District's Bonds dated November 1, 1997 and May 1, 1998, and 20.7 mills is a continuing levy pledged for the retirement of all other existing bonded indebtedness. The surplus revenues produced by the 20.7 debt service mills may be used by the District for other school purposes. If the proposed school tax levy is approved by the electors, then the total school tax rate shall be 44.0 mills (this being the effect of such approval notwithstanding the results of the litigation referred to below). If the proposed school tax levy is not approved by the electors, then the total school tax rate shall be a lower rate determined in accordance with pending litigation in the Circuit Court of Washington County, Arkansas (the "Court") involving the rollback provisions of Amendment No. 69 to the Arkansas Constitution, in which the Court has ruled that the rollback provisions of Amendment No. 69 have been triggered (the "Rollback Millage Rate"). The total proposed tax levy of 44.0 mills represents an increase in total mills equal to the difference between the proposed levy of the 44.0 mills and the lower Rollback Millage Rate.			
School Board Director. - 3yr. Pos 2 ☐ Howard Hamilton (Unopposed)					
School Board Director. - 3yr. Pos 6 ☐ Pam Grondin (Unopposed)					
		☐ FOR TAX ☐ AGAINST TAX			

Fayetteville I-540 TIF district

	Parcel ID	Tax District	Type	Total Appraised	Total Assessed
010	001-16701-000	010	AV	4,650	930
	001-16815-000	010	CI	1,007,900	167,706
	001-16828-000	010	AV	300	60
				1,012,850	168,696
011	765-02330-000	011	CI	4,178,800	835,760
	765-02331-000	011	CM	532,000	106,400
	765-02332-000	011	CI	5,915,700	1,039,301
	765-02333-000	011	CI	1,125,350	214,951
	765-02334-000	011	CI	3,158,850	631,370
	765-02335-000	011	CI	857,000	166,767
	765-02335-001	011	PS	39,100	7,820
	765-02335-000	011	CM	315,650	31,117
	765-02336-001	011	CB	318,000	63,768
	765-02337-000	011	CM	263,800	27,427
	765-02337-001	011	CB	195,850	39,170
	765-02503-000	011	CI	2,767,600	501,387
	765-02503-002	011	CV	292,500	58,500
	765-02503-004	011	CV	83,950	12,790
	765-02503-005	011	PS	2,794,800	558,960
	765-02504-001	011	CV	125,250	25,050
	765-03680-000	011	RI	123,800	21,758
	765-03681-000	011	RV	13,800	2,112
	765-03682-000	011	RI	108,400	19,337
	765-03683-000	011	RI	82,650	14,091
	765-03684-000	011	RI	103,250	17,819
	765-03685-000	011	RI	87,500	16,349
	765-03688-000	011	RI	100,000	18,106
	765-03687-000	011	RI	120,850	20,297
	765-03688-000	011	RI	101,450	17,547
	765-03689-000	011	RI	101,300	16,590
	765-03690-000	011	RI	98,950	16,622
	765-03691-000	011	RI	94,800	14,600
	765-03692-000	011	RI	89,750	16,720
	765-03693-000	011	RI	99,300	17,147
	765-03694-000	011	RI	115,050	19,194
	765-03695-000	011	RI	115,800	18,900
	765-03696-000	011	RI	98,900	18,569
	765-03697-000	011	RI	97,000	16,748
	765-03698-000	011	RI	101,400	17,281
	765-03699-000	011	RI	101,850	15,160
	765-03700-000	011	RI	101,450	18,062
	765-03701-000	011	RI	102,700	16,885
	765-03702-000	011	RI	100,600	17,273
	765-03703-000	011	RI	95,550	16,589
	765-03704-000	011	RI	94,350	16,118
	765-03705-000	011	RI	91,800	15,545
	765-03706-000	011	RI	118,500	19,438
	765-03707-000	011	RI	133,650	23,834
	765-03708-000	011	RI	124,100	22,398
	765-03709-000	011	RI	116,000	20,931
	765-03710-000	011	RI	115,650	19,950
	765-03711-000	011	RI	89,400	16,060
	765-03712-000	011	RI	94,350	16,962
	765-03713-000	011	RI	84,850	15,086
	765-03714-000	011	RI	83,300	14,817
	765-03715-000	011	RI	90,950	16,383
	765-03716-000	011	RI	95,100	16,457

12/20/2004

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

<u>Parcel ID</u>	<u>Tax District</u>	<u>Type</u>	<u>Total Appraised</u>	<u>Total Assessed</u>
765-03717-000	011	RI	103,100	18,871
765-03718-000	011	RI	93,400	15,884
765-03719-000	011	RI	94,250	15,530
765-03720-000	011	RI	120,700	19,705
765-03721-000	011	RI	100,850	18,141
765-03722-000	011	RI	113,750	20,694
765-03723-000	011	RI	97,400	16,664
765-03724-000	011	RI	90,800	16,478
765-03725-000	011	RI	98,500	18,110
765-03726-000	011	RI	108,050	17,338
765-03727-000	011	RI	105,400	17,115
765-03728-000	011	RI	97,750	16,599
765-03729-000	011	RI	108,600	15,900
765-03730-000	011	RI	90,850	18,336
765-07161-000	011	RI	62,000	12,400
765-07162-000	011	EX	0	0
765-07163-000	011	RI	72,050	10,256
765-07164-000	011	RI	74,100	12,558
765-07165-000	011	RI	83,800	14,572
765-07166-000	011	RI	72,700	12,859
765-07167-000	011	RI	72,600	10,770
765-07168-000	011	RI	69,850	12,123
765-07169-000	011	RI	77,800	13,331
765-07170-000	011	RI	76,200	13,146
765-07171-000	011	RI	71,850	13,684
765-07172-000	011	EX	0	0
765-07173-000	011	RI	71,700	12,328
765-07174-000	011	RI	77,800	10,930
765-07175-000	011	RI	76,750	12,440
765-07176-000	011	RI	73,500	13,255
765-07177-000	011	RI	81,250	14,779
765-07178-000	011	RI	73,400	11,930
765-07179-000	011	RI	68,750	10,616
765-07180-000	011	RI	68,950	11,604
765-07181-000	011	RI	72,800	13,541
765-07182-000	011	RI	74,600	13,222
765-07183-000	011	RI	89,150	14,490
765-07184-000	011	RI	71,700	12,062
765-07185-000	011	RI	94,500	15,016
765-07186-000	011	RI	73,650	13,431
765-07187-000	011	RI	78,750	12,570
765-07188-000	011	RI	69,550	12,858
765-07189-000	011	RI	69,850	10,958
765-07190-000	011	RI	65,800	10,785
765-07191-000	011	RI	70,250	12,653
765-07192-000	011	RI	71,400	13,024
765-07193-000	011	RI	80,250	14,377
765-07194-000	011	RI	72,550	13,123
765-07195-000	011	RI	73,300	13,840
765-07196-000	011	RI	71,500	13,024
765-07197-000	011	RI	89,200	15,627
765-07198-000	011	RI	91,350	16,645
765-07199-000	011	RI	70,800	12,123
765-07200-000	011	RI	73,200	12,454
765-07201-000	011	RI	78,100	12,280
765-07202-000	011	RI	53,000	7,486
765-07203-000	011	RV	1,500	300
765-07401-000	011	RV	25,000	1,430
765-07402-000	011	RV	26,000	1,430
765-07403-000	011	RV	25,000	1,430
765-07404-000	011	RV	25,000	1,659
765-10971-000	011	CI	496,550	78,047

12/20/2004

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City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

Parcel ID	Tax District	Type	Total Appraised	Total Assessed
765-10971-001	011	CI	1,215,650	218,780
765-10972-001	011	CI	1,179,850	206,250
765-10973-000	011	CI	2,226,800	409,882
765-10973-001	011	CI	773,950	139,691
765-13554-000	011	RV	24,000	329
765-13555-000	011	AV	2,000	400
765-13555-001	011	CI	291,550	49,236
765-13556-000	011	EX	0	0
765-13557-000	011	ET	0	0
765-13558-000	011	EX	0	0
765-13578-000	011	EX	0	0
765-13579-000	011	RV	11,450	872
765-13580-000	011	RI	94,900	15,439
765-13580-001	011	RB	50,500	10,100
765-13581-000	011	AV	800	160
765-13582-000	011	CP	341,100	68,220
765-13582-101	011	RI	75,650	8,351
765-13605-000	011	EX	0	0
765-13606-000	011	EX	0	0
765-13607-114	011	CI	470,300	83,154
765-13607-116	011	CV	48,600	9,720
765-13607-118	011	CI	242,150	48,220
765-13607-120	011	CI	238,150	47,630
765-13607-122	011	II	2,485,900	287,187
765-13607-124	011	CV	75,950	8,820
765-13607-126	011	CV	75,950	8,820
765-13607-128	011	CV	75,950	8,820
765-13608-000	011	RM	4,750	950
765-13609-000	011	RV	21,400	2,027
765-13609-001	011	RI	87,600	10,802
765-13610-000	011	EX	0	0
765-13611-000	011	CV	27,850	649
765-13612-000	011	RV	4,750	272
765-13613-000	011	RI	63,550	9,331
765-13613-001	011	RI	59,800	8,201
765-13613-002	011	RI	50,000	6,223
765-13614-000	011	RM	23,350	4,670
765-13615-000	011	RI	91,750	15,270
765-13616-000	011	CV	32,400	5,698
765-13617-000	011	CI	74,850	12,620
765-13618-000	011	RI	92,850	13,844
765-13619-000	011	RI	90,400	10,778
765-13620-000	011	RI	70,500	5,890
765-13621-000	011	CR	236,100	47,220
765-13622-001	011	RI	92,000	15,902
765-13622-002	011	RI	90,950	18,190
765-13623-000	011	CT	128,500	11,308
765-13628-000	011	RI	116,050	17,340
765-13628-001	011	RI	111,850	20,559
765-13628-002	011	EX	0	0
765-13628-100	011	RV	27,200	658
765-13629-000	011	EX	0	0
765-13630-000	011	CI	1,370,180	274,030
765-13631-000	011	CV	278,850	18,051
765-13632-000	011	EX	0	0
765-13633-000	011	CI	1,597,600	319,520
765-13634-000	011	RI	77,500	11,354
765-13635-000	011	EX	0	0
765-13636-000	011	EX	0	0
765-13637-000	011	CT	286,450	18,975
765-15721-000	011	CI	1,581,000	285,873
765-15723-000	011	CI	210,600	38,251

12/20/2004

3

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

Parcel ID	Tax District	Type	Total Appraised	Total Assessed
765-15723-001	011	CI	703,550	54,919
765-15728-000	011	RI	97,200	16,027
765-15733-000	011	EX	0	0
765-15734-000	011	CI	1,863,750	349,915
765-15735-002	011	EX	0	0
765-15738-001	011	CI	2,582,000	509,090
765-15738-002	011	CI	2,402,650	467,779
765-15738-003	011	CV	207,650	25,088
765-15738-101	011	CV	278,100	40,150
765-15738-102	011	CR	2,065,250	257,314
765-15738-103	011	CI	8,038,100	1,304,509
765-15738-106	011	CT	1,812,200	7,708
765-15738-108	011	CV	87,600	17,520
765-15749-000	011	RI	111,750	11,870
765-15751-000	011	CV	157,350	2,660
765-15762-000	011	CV	108,700	5,225
765-15763-000	011	CV	283,600	30,800
765-15754-000	011	CV	188,850	9,240
765-15755-000	011	CI	587,250	102,370
765-15766-000	011	CI	348,700	57,180
765-15757-000	011	RI	139,700	17,875
765-15758-000	011	RI	221,100	33,705
765-15769-000	011	CT	207,900	10,164
765-15759-001	011	CI	597,950	119,590
765-15759-002	011	EX	0	0
765-15760-000	011	RI	114,550	17,174
765-15761-000	011	CI	1,133,750	169,681
765-15762-000	011	CV	131,350	6,424
765-15763-000	011	CI	157,250	31,450
765-15764-000	011	CI	638,550	114,543
765-15765-000	011	CV	173,250	8,470
765-15768-000	011	RI	119,150	20,273
765-15767-000	011	CI	2,455,850	364,254
765-15767-001	011	EX	0	0
765-15767-002	011	EX	0	0
765-15768-000	011	CI	139,700	27,940
765-15769-000	011	CT	78,750	1,788
765-15770-000	011	CT	597,550	38,763
765-15772-000	011	EX	0	0
765-15772-020	011	PS	0	0
765-15773-000	011	AV	8,500	1,700
765-15773-001	011	EX	0	0
765-15774-000	011	EX	0	0
765-15780-000	011	PS	0	0
765-15781-000	011	RI	146,750	27,263
765-15781-010	011	RV	16,000	1,144
765-15782-000	011	CV	57,300	8,104
765-15782-013	011	MH	4,450	890
765-15782-014	011	MH	4,450	890
765-15782-015	011	MH	4,450	890
765-15782-023	011	MH	4,050	398
765-15782-037	011	MH	5,150	652
765-15782-039	011	MH	4,050	434
765-15782-041	011	MH	6,050	760
765-15782-074	011	MH	11,150	2,230
765-15782-076	011	MH	5,150	772
765-15782-080	011	MH	10,600	2,120
765-15782-083	011	MH	5,800	1,100
765-15782-089	011	MH	3,850	770
765-15782-090	011	MH	4,450	890
765-15782-091	011	MH	5,850	1,130
765-15782-102	011	MH	10,400	2,080

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City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

Parcel ID	Tax District	Type	Total Appraised	Total Assessed
765-15782-108	011	MH	5,150	1,029
765-15782-111	011	MH	12,800	2,560
765-15782-113	011	MH	6,800	872
765-15782-116	011	MH	13,650	2,608
765-15782-123	011	MH	16,750	3,350
765-15782-125	011	MH	11,950	2,290
765-15782-126	011	MH	17,700	3,540
765-15782-128	011	MH	18,500	3,700
765-15782-129	011	MH	17,700	3,540
765-15782-132	011	MH	16,750	3,350
765-15782-133	011	MH	18,500	3,700
765-15782-134	011	MH	18,500	3,700
765-15782-135	011	MH	5,750	1,150
765-15782-137	011	MH	18,500	3,654
765-15782-138	011	MH	16,400	3,280
765-15782-139	011	MH	11,750	2,350
765-15782-140	011	MH	10,700	2,140
765-15782-141	011	MH	4,050	810
765-15782-142	011	MH	16,000	3,200
765-15782-143	011	MH	3,850	770
765-15782-144	011	MH	6,150	1,030
765-15782-145	011	MH	9,850	1,930
765-15782-146	011	MH	16,750	3,350
765-15782-147	011	MH	3,850	770
765-15782-148	011	MH	13,650	2,730
765-15782-149	011	MH	3,850	770
765-15783-000	011	AV	11,150	2,230
765-15783-001	011	EX	0	0
765-15784-000	011	EX	0	0
765-15804-000	011	AM	85,100	12,401
765-15804-001	011	RV	55,000	7,975
765-15805-000	011	EX	0	0
765-15806-000	011	AI	127,700	21,048
765-15807-000	011	RV	21,200	43
765-15808-000	011	AV	200	40
765-15809-000	011	AV	1,050	210
765-15810-000	011	AI	89,700	16,962
765-15811-000	011	CV	79,000	15,092
765-15812-000	011	CV	52,600	10,054
765-15813-000	011	CV	204,500	29,286
765-15814-000	011	CI	938,150	172,161
765-15815-000	011	CV	100,750	18,233
765-15816-000	011	CV	99,750	18,132
765-15817-000	011	RV	100	20
765-15817-001	011	AV	3,500	700
765-15818-000	011	EX	0	0
765-15819-000	011	CI	459,050	91,810
765-15820-000	011	RI	73,650	11,254
765-15821-000	011	EX	0	0
765-15822-000	011	CM	70,150	8,864
765-15823-000	011	CV	35,700	6,039
765-15824-000	011	CI	273,400	54,680
765-15824-001	011	CI	322,650	64,530
765-15824-002	011	EX	0	0
765-15825-000	011	CI	190,400	24,971
765-15826-000	011	CI	151,350	23,109
765-15827-000	011	EX	0	0
765-15828-000	011	EX	0	0
765-15828-001	011	EX	0	0
765-15829-000	011	EX	0	0
765-15829-001	011	EX	0	0
765-15830-000	011	AV	14,600	2,960

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City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

Parcel ID	Tax District	Type	Total Appraised	Total Assessed
765-15830-001	011	CG	867,500	45,067
765-15830-002	011	EX	0	0
765-15831-000	011	RI	263,300	42,492
765-15832-000	011	AI	198,850	30,559
765-15833-000	011	AI	138,950	21,210
765-15834-000	011	AV	700	140
765-15835-000	011	AV	700	140
765-15836-000	011	RV	52,000	229
765-15837-000	011	AV	1,800	360
765-15837-001	011	RI	335,000	65,604
765-15838-000	011	CI	380,850	72,903
765-15838-001	011	CI	483,600	83,704
765-15838-002	011	CI	253,500	49,632
765-15839-001	011	CI	233,000	41,343
765-15839-002	011	RV	18,750	2,893
765-15840-000	011	AI	63,950	12,370
765-15841-000	011	CV	128,250	20,005
765-15842-001	011	AV	14,050	2,810
765-15842-002	011	CI	8,741,550	1,474,000
765-15842-003	011	RV	40,000	215
765-15842-004	011	CV	288,650	48,610
765-15842-005	011	ET	0	0
765-15843-000	011	EX	0	0
765-15844-000	011	CI	635,700	127,140
765-15845-000	011	PS	482,650	98,530
765-15846-000	011	CT	216,000	25,626
765-15847-000	011	CI	7,092,650	1,418,510
765-15847-001	011	CV	386,900	515
765-15847-002	011	EX	0	0
765-15848-000	011	CV	50,700	43
765-15848-001	011	CV	50,700	43
765-15850-000	011	EX	0	0
765-15851-000	011	EX	0	0
765-15852-000	011	EX	0	0
765-15853-000	011	EX	0	0
765-15855-000	011	CI	621,000	107,151
765-15855-001	011	EX	0	0
765-15855-002	011	CI	255,260	18,403
765-15856-000	011	CI	681,700	120,888
765-15858-000	011	CI	552,850	61,427
765-15859-000	011	CI	158,500	25,604
765-15860-000	011	AV	184,800	38,960
765-15863-000	011	AV	2,000	400
765-15865-000	011	CV	201,350	17,718
765-15868-000	011	EX	0	0
765-15867-000	011	CG	100,100	20,020
765-15868-000	011	ET	0	0
765-15868-010	011	ET	0	0
765-15869-000	011	AV	5,500	1,100
765-15870-000	011	AV	1,450	290
765-15871-000	011	CI	181,500	17,191
765-15872-000	011	CI	515,000	91,443
765-15873-000	011	CI	233,600	44,528
765-15874-000	011	CI	122,700	24,540
765-15874-001	011	EX	0	0
765-15876-000	011	CI	126,400	25,680
765-15877-000	011	EX	0	0
765-15879-000	011	AV	2,050	410
765-15879-001	011	ET	0	0
765-15879-002	011	EX	0	0
765-15879-003	011	CV	90,000	18,000
765-15880-000	011	CR	148,900	18,799

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City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

Parcel ID	Tax District	Type	Total Appraised	Total Assessed
765-15881-030	011	CP	158,550	31,310
765-15884-000	011	AV	1,121,550	12,412
765-15887-000	011	AV	40,400	3,604
765-15888-000	011	EX	0	0
765-15888-010	011	EX	0	0
765-15889-000	011	AI	31,650	3,804
765-15889-010	011	AV	1,050	210
765-15890-000	011	EX	0	0
765-15890-010	011	AV	850	170
765-15890-020	011	EX	0	0
765-15890-030	011	EX	0	0
765-15891-000	011	AI	355,600	71,120
765-15908-000	011	AV	2,100	420
765-15916-000	011	CI	1,404,300	225,407
765-15917-000	011	CI	481,050	69,334
765-15917-001	011	CI	284,050	38,148
765-15918-000	011	CI	398,800	68,728
765-15927-000	011	CI	1,149,450	220,780
765-15927-001	011	CV	218,200	42,471
765-16857-000	011	CI	137,950	20,405
765-16857-002	011	RI	288,150	55,893
765-16858-000	011	RI	117,550	20,427
765-16858-010	011	RV	125,300	25,060
765-16858-011	011	CV	198,800	35,376
765-16858-020	011	CV	288,850	33,047
765-16858-030	011	RV	21,550	4,310
765-16858-050	011	RV	236,250	47,250
765-16858-070	011	RV	33,200	6,478
765-16858-100	011	AV	8,000	1,200
765-16858-200	011	AV	5,200	1,040
765-16955-000	011	CI	594,500	97,607
765-16958-000	011	CI	798,550	127,613
765-16957-000	011	CI	1,158,600	188,245
765-16958-000	011	CI	738,900	120,435
765-16959-000	011	CI	1,317,350	199,385
765-16960-000	011	CI	1,962,050	314,185
765-16961-000	011	CI	5,079,200	1,015,840
765-16962-000	011	CI	1,622,900	262,096
765-16963-000	011	CI	3,214,450	642,890
765-16964-000	011	CV	195,550	26,098
765-16965-000	011	CI	3,037,550	492,470
765-16966-000	011	CV	230,400	30,745
765-16967-000	011	CV	210,250	28,057
765-16968-000	011	EX	0	0
765-16969-000	011	EX	0	0
765-16970-000	011	CV	176,800	23,568
765-16971-000	011	CI	1,990,100	297,165
765-16972-000	011	CV	1,996,150	399,230
765-17045-000	011	RI	90,250	16,055
765-17046-000	011	RI	89,050	15,845
765-17047-000	011	RI	91,300	16,152
765-17048-000	011	RI	94,100	16,684
765-17049-000	011	RI	96,400	17,220
765-17050-000	011	RI	95,150	14,931
765-17051-000	011	RI	95,000	17,715
765-17052-000	011	RI	97,450	17,189
765-17053-000	011	RI	99,850	17,724
765-17054-000	011	RI	108,890	18,633
765-17055-000	011	RI	86,650	15,078
765-17056-000	011	RI	93,100	16,485
765-17057-000	011	RI	105,700	18,890
765-17058-000	011	RI	97,750	18,209

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City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

Parcel ID	Tax District	Type	Total Appraised	Total Assessed
765-17059-000	011	RI	88,250	15,425
765-17060-000	011	RI	83,600	15,543
765-17081-000	011	RI	100,500	17,589
765-17231-000	011	CI	5,401,850	568,295
765-17232-000	011	CI	5,298,250	629,692
765-17233-000	011	CV	83,300	2,431
765-17234-000	011	CV	89,200	2,574
765-17235-000	011	IV	104,850	9,416
765-17238-000	011	CI	237,450	47,490
765-17431-000	011	CI	543,250	101,804
765-17432-000	011	CI	383,250	60,372
765-17433-000	011	CI	405,200	58,971
765-17434-000	011	CI	359,850	81,629
765-17435-000	011	CV	74,800	9,581
765-17436-000	011	CV	84,250	10,725
765-17437-000	011	CI	293,950	47,482
765-17438-000	011	CI	383,250	68,554
765-18518-000	011	CV	580,950	87,487
765-18518-001	011	CB	1,501,200	300,240
765-18518-002	011	CB	1,291,050	258,210
765-18517-000	011	CI	1,270,750	235,794
765-18518-000	011	CI	1,291,500	239,801
765-18519-000	011	CI	1,021,150	355,769
765-18520-000	011	CI	2,373,050	474,610
765-18521-000	011	CI	2,468,000	493,600
765-18522-000	011	CI	1,337,950	249,513
765-18523-000	011	CI	1,835,550	341,488
765-18524-000	011	CI	4,591,650	917,017
765-18525-000	011	CI	1,324,700	250,188
765-18526-000	011	CI	1,103,000	198,808
765-18527-000	011	CI	1,031,600	204,765
765-18528-000	011	CI	1,553,000	241,894
765-18529-000	011	CI	2,243,300	405,715
765-18530-000	011	CI	1,318,900	283,780
765-18530-001	011	PS	311,400	62,280
765-18531-000	011	CV	358,300	63,239
765-18532-000	011	CV	475,800	84,256
765-18533-000	011	CI	4,970,800	984,120
765-18534-000	011	CV	529,250	79,680
765-18877-000	011	CI	509,550	100,723
765-18878-000	011	CI	229,550	45,111
765-18879-000	011	CI	459,800	90,343
765-18880-000	011	CI	459,800	90,657
765-19428-000	011	RI	237,350	46,748
765-19429-000	011	RI	239,450	44,810
765-19430-000	011	RV	35,000	4,290
765-19431-000	011	RV	35,000	4,290
765-19432-000	011	RV	75,000	5,383
765-19433-000	011	RI	229,700	45,940
765-19434-000	011	RI	218,950	40,427
765-19435-000	011	RI	205,750	38,181
765-20617-000	011	RI	175,400	31,361
765-20618-000	011	RI	168,400	31,405
765-20619-000	011	RI	170,600	31,526
765-20620-000	011	RI	172,800	32,134
765-20621-000	011	RI	169,900	30,855
765-20622-000	011	RI	169,450	32,200
765-20623-000	011	RI	183,350	27,874
765-20624-000	011	RI	215,550	36,259
765-20625-000	011	RI	159,800	27,794
765-20626-000	011	RI	182,100	27,279
765-20627-000	011	RI	178,950	33,194

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**City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN**

Parcel ID	Tax District	Type	Total Appraised	Total Assessed
765-20828-000	011	RI	182,450	33,195
765-20829-000	011	RI	178,850	33,182
765-20830-000	011	RI	167,800	30,542
765-20831-000	011	RI	178,200	33,041
765-20832-000	011	RI	174,850	33,573
765-22072-000	011	CI	3,514,250	666,202
765-22072-002	011	CV	385,700	73,140
765-22072-003	011	CI	7,034,400	1,392,798
765-22073-001	011	CV	7,950	1,590
765-22073-002	011	CV	537,950	107,590
765-22074-001	011	CV	55,850	11,130
765-22234-000	011	CV	2,247,650	449,530
765-22238-000	011	CI	964,800	192,920
765-22238-001	011	CI	8,738,500	1,747,700
765-22238-002	011	CV	475,950	73,988
765-22237-002	011	CV	3,300	1,060
765-22643-000	011	CV	421,300	84,260
765-22644-000	011	CI	2,789,100	557,820
765-22645-000	011	CV	358,800	71,360
765-22645-000	011	CV	358,800	71,360
765-22647-000	011	CV	349,600	69,920
765-22648-000	011	CI	3,828,150	765,230
765-22649-000	011	CV	443,100	88,620
765-22650-000	011	EX	0	0
			227,624,800	39,453,981
			228,537,350	39,627,877

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City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

City of Fayetteville, Arkansas

I- 540 REDEVELOPMENT DISTRICT PROJECT PLAN

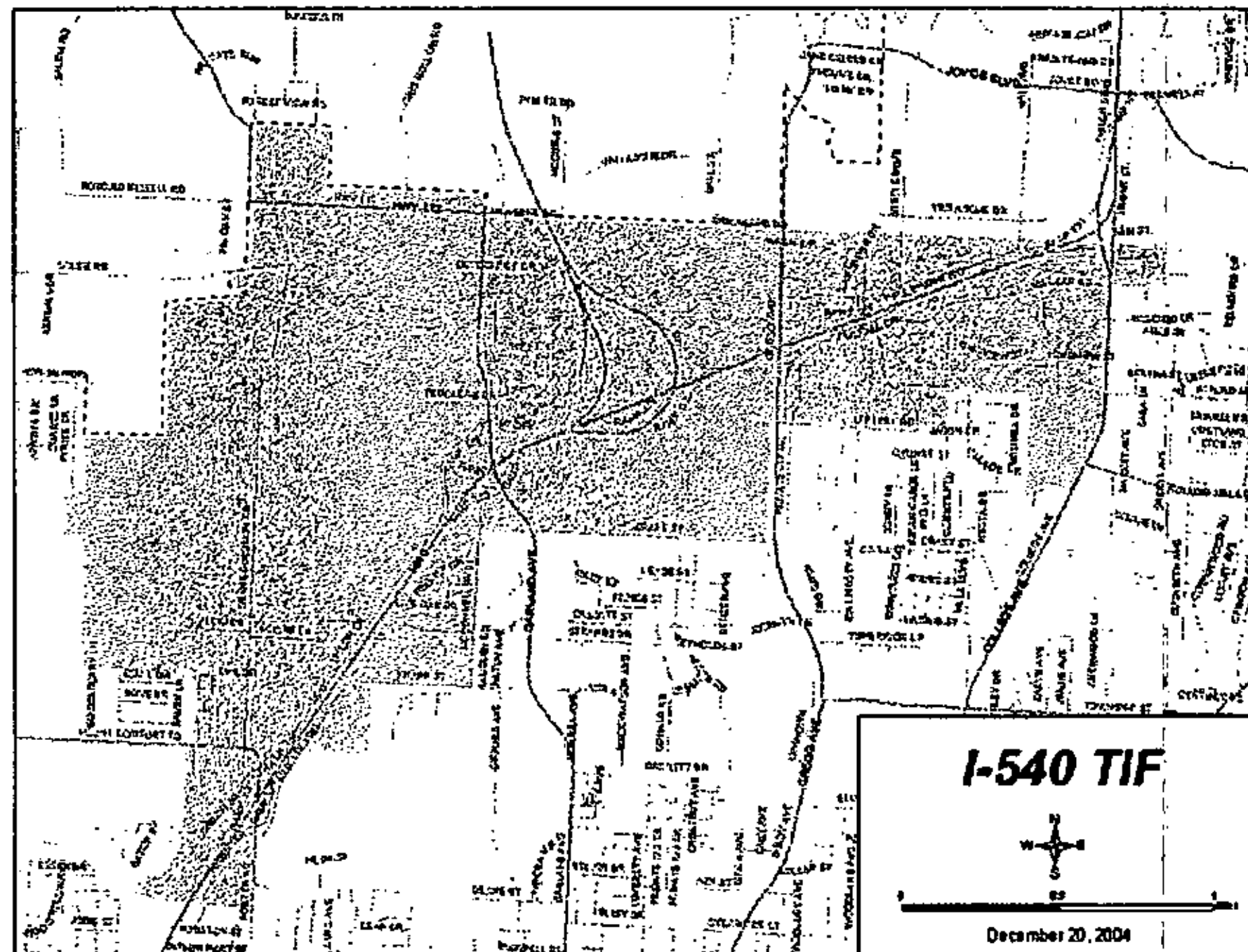


EXHIBIT No.4

TIF Financing Strategies

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

EXHIBIT No.4

TIF Financing Strategies General Tax Increment Financing Information

Tax increment finance ("TIF") is a type of public finance that the Arkansas General Assembly added to the powers of municipalities and counties by Amendment 78 to the Arkansas Constitution. Amendment 78 empowers municipalities and counties to create "redevelopment districts" that can issue bonds the repayment of which is secured by ad valorem tax payments made by owners of taxable real property in the district.

The real property within the district receives an increased assessed value due to the public improvements and private reinvestment. Public improvements are financed by the proceeds of the bonds issued and sold by the district. The district pledges to the payment of its bonds that portion of the ad valorem tax that is otherwise levied by the city or county that formed the district (the amount of which is increased by the value of the public and private improvements within the district). That is, the district pledges the tax on the increment in value of the real property within its boundaries before and after the improvements. TIF bonds are secured by the existing municipal and county tax levied against the increase in assessed value. There is no new tax levied.

TIF's are generally used as a tool for economic development available to municipalities to promote industry and redevelopment of real property, and to eliminate blight. Projects are funded by using taxes collected in the district itself, without raising the taxes of residents outside the district. This concept is referred to as "redevelopment from within." A TIF financing raises funds for redevelopment and acts to stimulate revitalization without using general revenues of a municipality.

TIF uses tax-exempt financing to encourage growth and redevelopment within the district, which in turn stimulates economic growth outside the district. TIF captures, during its life, the increased tax revenue that results when private investment is stimulated. These tax receipts are called the "tax increment." As private investment adds to the tax base within the district, the increment is directed back to pay for the public investment projects. When the bonds are paid off, the tax receipts generated by the tax increment goes back into the general tax revenues or can be dedicated to additional projects within the district.

Financing of Estimated Project Costs

The proposed project costs for improvements within the I- 540 Redevelopment District are as follows:

Financing Time Table

Phase I	Potential Funding (Debt)	\$150,000	2005
Phase II to IV	Potential Bond Funding	\$ to be determined	2006 to 2030

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

District Indebtedness

It is anticipated that tax-exempt bonds will be issued by the I-540 Redevelopment District due to the public nature and purposes of the proposed improvements.

Other Costs

Other costs relating to the issuance of bonds may include, among other things, reserve funds, capitalized interest, feasibility studies, accounting, financial advisory, legal and underwriting fees. Any initial bonds and subsequent financings will be subject to allowable financing parameters as determined by bond underwriting requirements, debt service coverage ratios, projections of incremental growth in assessed values, interest rates and other requirements of the capital markets.

Professional Services

In accordance with Arkansas Code Annotated 14-168-304 (see Exhibit No. 7). Powers Generally, a district may "(3) Issue redevelopment bonds and notes and to pledge tax increments and other redevelopment revenues for repayment of them; (15) Designate one (1) or more official or employee of the local government to make decisions and handle the affairs of redevelopment districts created pursuant to this subchapter; and (19) Do all things necessary or convenient to carry out the powers granted in this subchapter". The district may engage as may be necessary professional advisors, consultants, attorneys and other TIF specialists to carry out the project plan and related financings. The Mayor of the City of Fayetteville or others as may be assigned by the Mayor may engage professionals to specifically meet the desired results of the Project Plan.

Application of District Revenues

All tax increment collected for the established twenty-five year period will be used to cover district indebtedness and/or other direct district expenses including initial bonded debt and additional bonds that may be issued as district revenues permit. Excess revenues shall retire the district's indebtedness or fund additional projects as may be approved by the City Council in accordance with bond covenants and obligations.

Interest Earnings

All interest earnings will be used towards debt service obligations on issued Tax Increment Financing bonds/notes. Earnings may be applied to the payment of Capitalized Interest and any prepayment of debt obligations as may be permitted.

City of Fayetteville, Arkansas

I-540 REDEVELOPMENT DISTRICT PROJECT PLAN

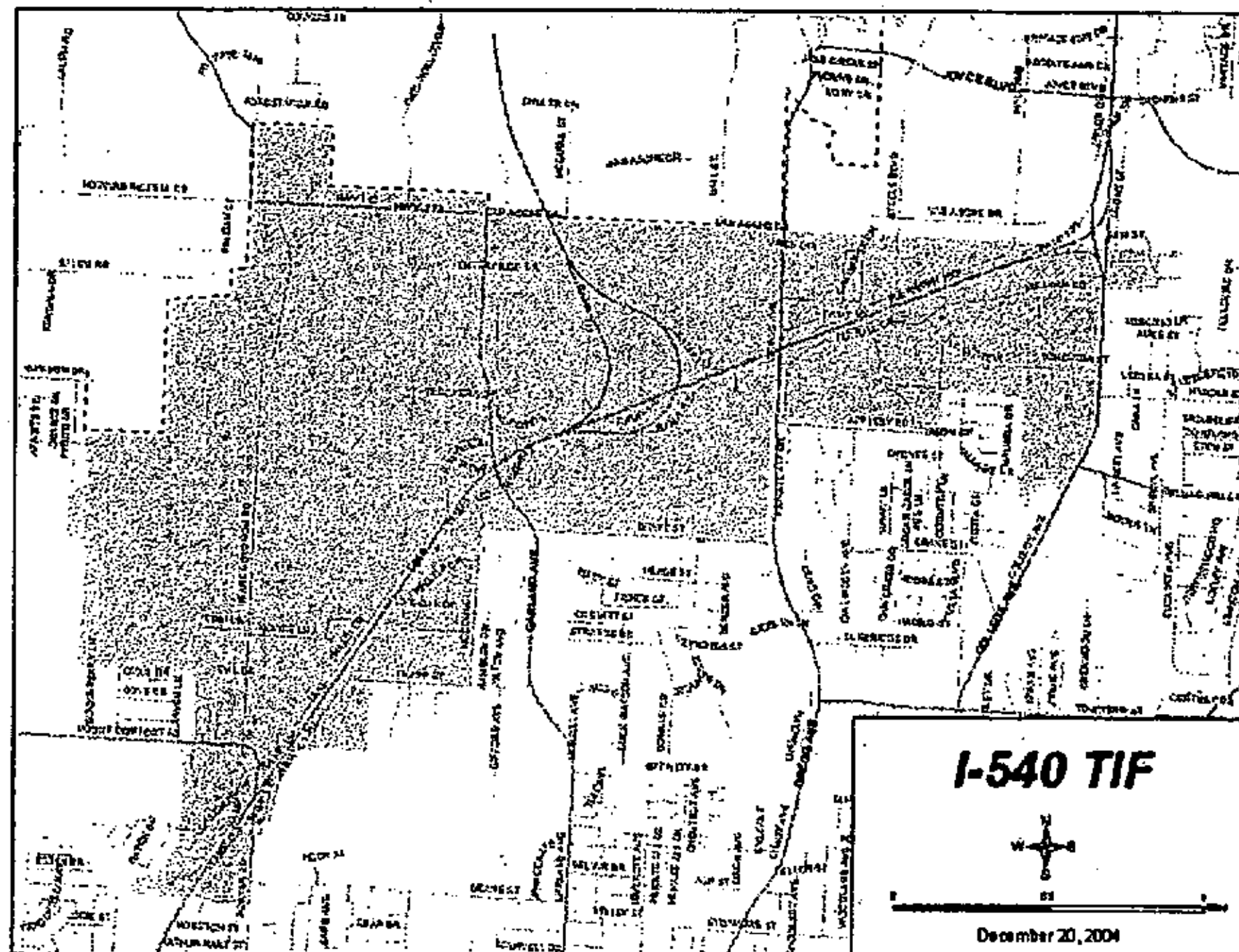


EXHIBIT No.5

Arkansas Code Annotated
14-168-301 through 14-168-323

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

EXHIBIT No.5

Arkansas Code Annotated 14-168-301 through 14-168-323

Redevelopment District

Chapter 168

Community Redevelopment Generally

Subchapter 3

Community redevelopment — Creation and procedures

14-168-301. Definitions.

As used in this act subchapter, unless the context otherwise requires:

- (1) "Applicable ad valorem rate" means the total ad valorem rate less the debt service ad valorem rate;
- (2) "Base value" means the assessed value of all property within a redevelopment district subject to ad valorem taxation, as of the most recent assessment preceding the formation of the redevelopment district;
- (3)(A) "Blighted area" means an area in which the structures, buildings, or improvements, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for access, ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding or the existence of conditions which endanger life or property, are detrimental to the public health, safety, morals, or welfare.

(B) "Blighted area" includes any area which, by reason of the presence of a substantial number of substandard, shum, deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax on special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a city, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use, or any area which is predominantly open and which because of lack of accessibility, obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community;
- (4) "Current value" means the assessed value of all property within a redevelopment district subject to ad valorem taxation, as of the most recent assessment after the formation of the redevelopment district;
- (5) "Debt service ad valorem rate" means that portion of the total ad valorem rate that has been, at January 1, 2001, pledged to the payment of debt service on bonds issued by any taxing unit in which all or any part of the redevelopment district is located;
- (6)(A) "Incremental value", for any redevelopment district, means the difference between the base value and the current value.

(B) The incremental value will be positive if the current value exceeds the base value, and the incremental value will be negative if the current value is less than the base value;

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- (7) "Local governing body" means the city council, city board of directors, county quorum court, or any other legislative body governing a local government in the State of Arkansas;
- (8) "Local government" means any city or county in the State of Arkansas;
- (9)(A) "Project costs" means expenditures made in preparation of the project plan and made, or estimated to be made, or monetary obligations incurred, or estimated to be incurred, by the local government, which are listed in the project plan as costs of public works or improvements within a redevelopment project district, plus any costs incidental thereto.
- (B) Project costs include, but are not limited to:
- (i) Capital costs, including, but not limited to, the actual costs of the construction of public works or improvements, new buildings, structures, and fixtures, the demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and fixtures, environmental remediation, parking and landscaping, the acquisition of equipment, and site clearing, grading, and preparation;
 - (ii) Financing costs, including, but not limited to, all interest paid to holders of evidences of indebtedness issued to pay for project costs, all costs of issuance, and any redemption premiums, credit enhancement, or other related costs;
 - (iii) Real property assembly costs, meaning any deficit incurred resulting from the sale or lease as lessor by the local government of real or personal property within a redevelopment district for consideration which is less than its cost to the local government;
 - (iv) Professional service costs, including, but not limited to, those costs incurred for architectural, planning, engineering, and legal advice and services;
 - (v) Imputed administrative costs, including, but not limited to, reasonable charges for the time spent by local government employees in connection with the implementation of a project plan;
 - (vi) Relocation costs, including, but not limited to, those relocation payments made following condemnation and job training and retraining;
 - (vii) Organizational costs, including, but not limited to, the costs of conducting environmental impact and other studies, and the costs of informing the public with respect to the creation of redevelopment project areas and the implementation of project plans;
 - (viii) The amount of any contributions made in connection with the implementation of the project plan;
 - (ix) Payments made, in the discretion of the local governing body, which are found to be necessary or convenient to the creation of redevelopment areas or the implementation of project plans; and
 - (x) That portion of costs related to the construction of environmental protection devices, storm or sanitary sewer lines, water lines, or amenities or streets or the rebuilding or expansion of streets, the construction, alteration, rebuilding, or expansion of which is necessitated by the project plan for a district, whether or not the construction, alteration, rebuilding, or expansion is within the area;
- (10) "Project plan" means the plan which shall be adopted by a local governing body for a redevelopment project as described in § 14-168-308;
- (11) "Real property" means all lands, including improvements and fixtures on them and property of any nature appurtenant to them or used in connection with them and every estate, interest, and right, legal or equitable, in them, including terms for years and liens by way of judgment, mortgage, or otherwise, and the indebtedness secured by the liens;

(12) "Redevelopment district" means a contiguous geographic area within a city or county in which a redevelopment project will be undertaken, as defined and created by ordinance of the local governing body;

(13)(A) "Redevelopment project" means an undertaking for eliminating or preventing the development or spread of slums or deteriorated, deteriorating, or blighted areas, for discouraging the loss of commerce, industry, or employment, or for increasing employment, or any combination thereof.

(B) A redevelopment project may include one (1) or more of the following:

(i) The acquisition of land and improvements, if any, within the redevelopment district and clearance of the land so acquired; or

(ii) The development, redevelopment, revitalization, or conservation of the project area whenever necessary to provide land for needed public facilities, public housing, or industrial or commercial development or revitalization, to eliminate unhealthful, unsanitary, or unsafe conditions, to lessen density, mitigate or eliminate traffic congestion, reduce traffic hazards, eliminate obsolete or other uses detrimental to the public welfare, or otherwise remove or prevent the spread of blight or deterioration; or

(C) The financial or other assistance in the relocation of persons and organizations displaced as a result of carrying out the redevelopment project and other improvements necessary for carrying out the project plan, together with such site improvements as are necessary for the preparation of any sites and making any land or improvements acquired in the project area available, by sale or by lease, for public housing or for development, redevelopment, or rehabilitation by private enterprise for commercial or industrial uses in accordance with the plan;

(D) The construction of capital improvements within a redevelopment district designed to alleviate deteriorating conditions or a blighted area or designed to increase or enhance the development of commerce, industry, or housing within the redevelopment district; or

(E) Any other projects the local governing body deems appropriate to carry out the purposes of this subchapter;

(14) "Special fund" means a separate fund for a redevelopment district established by the local government into which all tax increment revenues and other pledged revenues are deposited and from which all project costs are paid;

(15) "Tax increment" means the incremental value of a redevelopment district multiplied by the applicable ad valorem rate;

(16) "Taxing unit" means any city, county, school district, or community college district; and

(17) "Total ad valorem rate" means the total millage rate of all county, city, school, or other local general property taxes levied on all taxable property within a redevelopment district in a year. History. Acts 2001, No. 1197, § 2.

14-168-302. Construction.

The General Assembly declares that this subchapter is necessary for the welfare of this state and its inhabitants, and it is the intent of the General Assembly that it is to be broadly construed to effect its purpose. History. Acts 2001, No. 1197, § 3.

14-168-303. Powers supplemental.

The powers conferred by this subchapter are in addition and supplemental to the powers conferred upon local governments and improvement districts by the General Assembly relating to the issuance of bonds. History. Acts 2001, No. 1197, § 4.

14-168-304. Powers generally.

In addition to any other powers conferred by law, a local government may exercise any powers necessary and convenient to carry out the purpose of this subchapter, including the power to:

- (1) Create redevelopment districts and to define the boundaries of redevelopment districts;
- (2) Cause project plans to be prepared, to approve the project plans, and to implement the provisions and effectuate the purposes of the project plans;
- (3) Issue redevelopment bonds and notes and to pledge tax increments and other redevelopment revenues for repayment of them;
- (4) Deposit moneys into the special fund for any redevelopment project district;
- (5) Enter into any contracts or agreements, including agreements with bondholders, determined by the local governing body to be necessary or convenient to implement the provisions and effectuate the purposes of project plans;
- (6) Receive from the federal government or the state loans and grants for, or in aid of, a redevelopment project and to receive contributions from any other source to defray project costs;
- (7)(A) Exercise the right of eminent domain to condemn property for the purposes of implementing the project plan.
(B) The rules and procedures set forth in §§ 18-15-301 - 18-15-307 shall govern all condemnation proceedings authorized in this subchapter;
- (8) Make relocation payments to such persons, businesses, or organizations as may be displaced as a result of carrying out the redevelopment project;
- (9) Clear and improve property acquired by it pursuant to the project plan and construct public facilities on it or contract for the construction, development, redevelopment, rehabilitation, remodeling, alteration, or repair of the property;
- (10) Cause parks, playgrounds, or water, sewer, or drainage facilities, or any other public improvements, including, but not limited to, fire stations, community centers, and other public buildings, which it is otherwise authorized to undertake, to be laid out, constructed, or furnished in connection with the redevelopment project;
- (11) Lay out and construct, alter, relocate, change the grade of, make specific repairs upon, or discontinue public ways and construct sidewalks in, or adjacent to, the redevelopment project;
- (12) Cause private ways, sidewalks, ways for vehicular travel, playgrounds, or water, sewer, or drainage facilities and similar improvements to be constructed within the redevelopment project for the particular use of the redevelopment district or those dwelling or working in it;
- (13) Construct any capital improvements of a public nature, as such term is defined in § 14-164-303(a)(2), as now or hereafter amended;
- (14) Construct capital improvements to be leased or sold to private entities in connection with the goals of the redevelopment project;
- (15) Designate one (1) or more official or employee of the local government to make decisions and handle the affairs of redevelopment districts created pursuant to this subchapter;

- (16) Adopt ordinances or bylaws or repeal or modify such ordinances or bylaws or establish exceptions to existing ordinances and bylaws regulating the design, construction, and use of buildings within the redevelopment district;
- (17) Sell, mortgage, lease, transfer, or dispose of any property, or interest therein, acquired by it pursuant to the project plan for development, redevelopment, or rehabilitation in accordance with the project plan;
- (18) Invest project revenues as provided in this subchapter; and
- (19) Do all things necessary or convenient to carry out the powers granted in this subchapter. History. Acts 2001, No. 1197, § 5.

14-168-305. Creation of district.

- (a) The local governing body, upon its own initiative or upon request of affected property owners or upon request of the city or county planning commission, may designate the boundaries of a proposed redevelopment district.
- (b)(1) The local governing body shall hold a public hearing at which interested parties are afforded a reasonable opportunity to express their views on the proposed creation of a redevelopment district and its proposed boundaries.
- (2)(A) Notice of the hearing shall be published in a newspaper of general circulation in the city or county at least fifteen (15) days prior to the hearing.
- (B) Prior to this publication, a copy of the notice shall be sent by first-class mail to the chief executive officer of all local governmental and taxing entities having the power to levy taxes on property located within the proposed redevelopment district and to the school board of any school district which includes property located within the proposed redevelopment district.
- (c) The local governing body shall adopt an ordinance which:
 - (1) Describes the boundaries of a redevelopment district sufficiently definite to identify with ordinary and reasonable certainty the territory included in, which boundaries may create a contiguous or noncontiguous district;
 - (2) Creates the redevelopment district as of a date provided in it;
 - (3)(A) Assigns a name to the redevelopment district for identification purposes.
 - (B) The name may include a geographic or other designation, shall identify the city or county authorizing the district, and shall be assigned a number, beginning with the number one (1).
 - (C) Each subsequently created district shall be assigned the next consecutive number; and
 - (4) Contains findings that the real property within the redevelopment district will be benefitted 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.
- (d)(1) No county shall establish a redevelopment district, any portion of which is within the boundaries of a city.
- (2) Provided, however, that one (1) or more local governments through interlocal agreement may join in the creation of a district, the boundaries of which lie in one (1) or more local governments.
- (e)(1) The ordinance shall establish a special fund as a separate fund into which all tax increment revenues and other revenues designated by the local government for the benefit of the redevelopment district shall be deposited, and from which all project costs shall be paid.

(2) Such special fund may be assigned to and held by a trustee for the benefit of bondholders if tax increment financing is used.

(f)(1) The boundaries of the redevelopment district may be modified from time to time by ordinance of the local government.

(2) Provided, however, that in the event any bonds, notes or other obligations are outstanding with respect to the redevelopment district, any change in the boundaries shall not reduce the amount of tax increment available to secure such tax increment financing. History. Acts 2001, No. 1197, § 6.

14-168-306. Project plan - Approval.

(a)(1) Upon the creation of the redevelopment district, the local governing body shall cause the preparation of a project plan for each redevelopment district, and such project plan shall be adopted by ordinance of the local governing body.

(2) This process shall conform to the procedures set forth in this section.

(b) Each project plan shall include:

(1) A statement listing the kind, number, and location of all proposed public works or improvements within the district or, to the extent provided, outside the district;

(2) An economic feasibility study;

(3) A detailed list of estimated project costs;

(4) A description of the methods of financing all estimated project costs, including the issuance of tax increment bonds, and the time when the costs or monetary obligations related thereto are to be incurred;

(5) A certification by the county tax assessor of the base value, total ad valorem rate, debt service ad valorem rate, and applicable ad valorem rate for the redevelopment district;

(6) The type and amount of any other revenues that are expected to be deposited to the special fund of the redevelopment district;

(7) A map showing existing uses and conditions of real property in the district;

(8) A map of proposed improvements and uses in the district;

(9) Proposed changes of zoning ordinances;

(10) Appropriate cross-references to any master plan, map, building codes, and city ordinances affected by the project plan;

(11) A list of estimated nonproject costs; and

(12) A statement of the proposed method for the relocation of any persons to be displaced.

(c) If the project plan is to include tax increment financing, the tax increment financing portion of the plan shall set forth:

(1) The amount of indebtedness to be incurred pursuant to this subchapter;

- (2) An estimate of the tax increment to be generated as a result of the project;
 - (3) The method for calculating the tax increment, which shall be in conformance with the provisions of this subchapter, together with any provision for adjustment of the method of calculation;
 - (4) Any other revenues, such as payment-in-lieu-of-taxes revenues, to be used to secure the tax increment financing; and
 - (5) Any other provisions as may be deemed necessary in order to carry out any tax increment financing to be used for the redevelopment project.
- (d) If less than all of the tax increment is to be used to fund a redevelopment project or to pay project costs or retire tax increment financing, the project plan shall set forth the portion of the tax increment to be deposited in the special fund of the redevelopment district, and provide for the distribution of the remaining portion of the tax increment to the taxing units in which the district lies.
- (e)(1) The local governing body shall hold a public hearing at which interested parties are afforded a reasonable opportunity to express their views on the proposed project plan.
- (2)(A) Notice of the hearing shall be published in a newspaper of general circulation in the city or county at least fifteen (15) days prior to the hearing.
- (B) Prior to this publication, a copy of the notice shall be sent by first-class mail to the chief executive officer of all local governmental and taxing entities having the power to levy taxes on property located within the proposed redevelopment district and to the school board of any school district which includes property located within the proposed redevelopment district.
- (3) The hearing may be held in conjunction with the hearing set forth in § 14-168-305(b)(1).
- (4) Prior to publication, a copy of the notice shall be sent by first-class mail to the chief executive officer of all local governments or entities having the power to levy taxes on property within the district and to the school board of any school district which includes property located within the proposed redevelopment district.
- (f)(1) Approval by the local governing body of a project plan must be within one (1) year after the date of the county assessor's certification required by subdivision (b)(5) of this section.
- (2) The approval shall be by ordinance which contains a finding that the plan is economically feasible. History. Acts 2001, No. 1197, § 7.

14-168-307. Project plan - Amendment.

- (a) The local governing body may adopt by ordinance an amendment to a project plan.
- (b)(1) Adoption of an amendment to a project plan shall be preceded by a public hearing held by the local governing body as provided in § 14-168-306(e)(1), at which interested parties shall be afforded a reasonable opportunity to express their views on the amendment.
- (2)(A) Notice of the hearing shall be published in a newspaper of general circulation in the city or county once a week for two (2) consecutive weeks. The first such publication shall be fifteen (15) days prior to the hearing.
- (B) Prior to publication, a copy of the notice shall be sent by first-class mail to the chief executive officer of all local governments or entities having the power to levy taxes on property within the district and to the school board of any school district which includes property located within the proposed district.

(c)(1) One (1) or more existing redevelopment districts may be combined pursuant to lawfully adopted amendments to the original plans for each district.

(2) Provided that the local governing body finds that the combination of the districts will not impair the security for any bonds previously issued pursuant to this subchapter. History. Acts 2001, No. 1197, § 8.

14-168-308. Termination of districts.

(a) No redevelopment district may be in existence for a period longer than twenty-five (25) years, unless, pursuant to amendment of the redevelopment plan, additional bonds have been issued and would not be fully paid until after the date which is twenty-five (25) years from the date of creation of the district.

(b) The local governing body may set a shorter period for the existence of the district, and may also provide that no bonds shall have a final maturity on a date later than the termination date of the district.

(c) Upon termination of the district, no further ad valorem tax revenues shall be distributed to the special fund of the district.

(d)(1) The local governing body shall adopt, upon the expiration of the time periods set forth in this section, an ordinance terminating the redevelopment district.

(2) Provided, however, that no district shall be terminated so long as bonds with respect to the district remain outstanding. History. Acts 2001, No. 1197, § 9.

14-168-309. Costs of formation.

(a) The local government may pay, but shall have no obligation to pay, the costs of preparing the project plan or forming the redevelopment district.

(b) If the local government elects not to incur those costs, they shall be made project costs of the district and reimbursed from bond proceeds or other financing, or may be paid by developers, property owners, or other persons interested in the success of the redevelopment project. History. Acts 2001, No. 1197, § 10.

14-168-310. Overlapping districts.

The boundaries of any redevelopment districts shall not overlap with any other redevelopment district. History. Acts 2001, No. 1197, § 11.

14-168-311. Valuation of real property.

(a)(1) Upon and after the effective date of the creation of a redevelopment project district, the county assessor of the county in which the district is located shall transmit to the county clerk, upon the request of the local governing body, the base value, total ad valorem rate, debt service ad valorem rate, and applicable ad valorem rate for the redevelopment district and shall certify to it.

(2)(A) The assessor shall undertake, upon request of the local governing body, an investigation, examination, and inspection of the taxable real property in the district and shall reaffirm or revalue the base value for assessment of the property in accordance with the findings of the investigation, examination, and inspection.

(B) The assessor shall determine, according to his or her best judgment from all sources available to him or her, the full aggregate value of the taxable property in the district, which aggregate valuation, upon certification thereof by the assessor to the clerk, constitutes the base value of the area.

(b)(1)(A)(i) The assessor shall give notice annually to the designated finance officer of each taxing unit having the

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power to levy taxes on property within each district of the current value and the incremental value of the property in the redevelopment district.

(ii) The assessor shall also determine the tax increment by applying the applicable ad valorem rate to the incremental value.

(B) The notice shall also explain that the entire amount of the tax increment allocable to property within the redevelopment district will be paid to the special fund of the redevelopment district.

(2) The assessor shall identify upon the assessment roll those parcels of property which are within each existing district specifying on it the name of each district. History: Acts 2001, No. 1197, § 12.

14-168-312. Division of ad valorem real property tax revenue.

— (a) For so long as the redevelopment district exists, the tax assessor shall divide the ad valorem tax revenue collected, with respect to taxable property in the district, as follows:

(1) The assessor shall determine for each tax year:

(A) The amount of total ad valorem tax revenue which should be generated by multiplying the total ad valorem rate times the current value;

(B) The amount of ad valorem tax revenue which should be generated by multiplying the applicable ad valorem rate times the base value;

(C) The amount of ad valorem tax revenue which should be generated by multiplying the debt service ad valorem rate times the current value; and

(D) The amount of ad valorem revenue which should be generated by multiplying the applicable ad valorem rate times the incremental value;

(2) The assessor shall determine from the calculations set forth in subdivision (a)(1) of this section the percentage share of total ad valorem revenue for each according to subdivisions (a)(1)(B) - (D) of this section, by dividing each of such amounts by the total ad valorem revenue figure determined by the calculation in subdivision (a)(1)(A) of this section; and

(3) On each date on which ad valorem tax revenue is to be distributed to taxing units, such revenue shall be distributed by:

(A) Applying the percentage share determined according to subdivision (a)(1)(B) of this section to the revenues received and distributing such share to the taxing entities entitled to such distribution pursuant to current law;

(B) Applying the percentage share determined according to subdivision (a)(1)(C) of this section to the revenues received and distributing such share to the taxing entities entitled to such distribution by reason of having bonds outstanding; and

(C) Applying the percentage share determined according to subdivision (a)(1)(D) of this section to the revenues received and distributing such share to the special fund of the redevelopment district.

(b) In each year for which there is a positive tax increment, the county treasurer shall remit to the special fund of the redevelopment district that portion of the ad valorem taxes that consists of the tax increment.

(c) Any additional moneys appropriated to the redevelopment district pursuant to an appropriation by the local

governing body and any additional moneys dedicated to the fund from other sources shall be deposited to the redevelopment district fund by the treasurer of the local government.

(d) Any funds so deposited into the special fund of the redevelopment district may be used to pay project costs, principal and interest on bonds, and to pay for any other improvements of the redevelopment district deemed proper by the local governing body.

(e) Unless otherwise directed pursuant to any agreement with bondholders, moneys in the fund may be temporarily invested in the same manner as other municipal funds.

(f) If less than all of the tax increment is to be used for project costs or pledged to secure tax increment financing as provided in the plan for the redevelopment project, the assessor shall account for such fact in distributing the ad valorem tax revenues. History. Acts 2001, No. 1197, § 13.

14-168-313. Payments in lieu of taxes and other revenues.

(a) The local governing body may elect to deposit in the special fund of the redevelopment district all or any portion of the local government's share of payments in lieu of taxes on property within the redevelopment district.

(b) Other revenues to be derived from the redevelopment project may also be deposited in the special fund at the direction of the local governing body. History. Acts 2001, No. 1197, § 14.

14-168-314. Bonds generally.

(a)(1) Bonds may be issued for project costs which may include interest prior to and during the carrying out of a project and for a reasonable time thereafter, with such reserves as may be required by any agreement securing the bonds and all other expenses incidental to planning, carrying out, and financing the project.

(2) The proceeds of bonds may also be used to reimburse the costs of any interim financing entered on behalf of the redevelopment district.

(b) Bonds issued under this subchapter shall be payable solely from the tax increment or other revenues deposited to the credit of the special fund of the redevelopment district and shall not be deemed to be a pledge of the faith and credit of the local government.

(c) Every bond issued under this subchapter shall recite on its face that it is a special obligation bond payable solely from the tax increment and other revenues pledged for its repayment. History. Acts 2001, No. 1197, § 15.

14-168-315. Redevelopment bonds or notes - Authority to issue.

For the purpose of paying project costs or of refunding notes issued under this subchapter for the purpose of paying project costs, the local governing body may issue redevelopment bonds or notes payable out of positive tax increments and other revenues deposited to the special fund of the redevelopment district. History. Acts 2001, No. 1197, § 16.

14-168-316. Redevelopment bonds or notes - Authorizing resolution.

(a) Redevelopment bonds and notes shall be authorized by ordinance of the local governing body.

(b)(1) The ordinance shall state the name of the redevelopment project district, the amount of bonds or notes authorized, and the interest rate to be borne by the bonds or notes.

(2) The ordinance may prescribe the terms, form, and content of the bonds or notes and such other matters as the local governing body deems useful, or it may include by reference the terms and conditions set forth in a trust indenture or other document securing the redevelopment bonds. History. Acts 2001, No. 1197, § 17.

14-168-317. Redevelopment bonds or notes - Terms, conditions, etc.

(a)(1) Redevelopment bonds or notes may not be issued in an amount exceeding the estimated aggregate project costs, including all costs of issuance of the bonds or notes.

(2) The redevelopment bonds and notes shall not be included in the computation of the constitutional debt limitation of a local government.

(b)(1) The bonds or notes shall mature over a period not exceeding twenty-five (25) years from their date of issuance or a period terminating with the date of termination of the redevelopment district, whichever period terminates earlier.

(2) The bonds or notes may contain a provision authorizing their redemption, in whole or in part, at stipulated prices, at the option of the local government on any interest payment date and, if so, shall provide the method of selecting the bonds or notes to be redeemed.

(3) The principal and interest on the bonds and notes may be payable at any place set forth in the resolution, trust indenture, or other document governing the bonds.

(4) The bonds or notes shall be issued in registered form.

(5) The bonds or notes may be in any denominations.

(6) Each such bond or note is declared to be a negotiable instrument.

(c) The bonds or notes may be sold at public or private sale.

(d) Insofar as they are consistent with subdivision (a)(1) and subsections (b) and (c) of this section, the provisions of §§ 14-169-220 and 14-169-221 relating to procedures for issuance, form, contents, execution, negotiation, and registration of municipal bonds and notes are incorporated by reference therein.

(e)(1) The bonds may be refunded or refinanced and refunding bonds may be issued in any principal amount.

(2) Provided, that the last maturity of the refunding bonds shall not be later than the last maturity of the bonds being refunded. History. Acts 2001, No. 1197, § 18.

14-168-318. Redevelopment bonds or notes - Security - Marketability.

To increase the security and marketability of redevelopment bonds or notes, the local government may:

(1) Create a lien for the benefit of the bondholders upon any public improvements or public works financed by the bonds; or

(2) Make such covenants and do any and all such actions, not inconsistent with the Arkansas Constitution, which may be necessary or convenient or desirable in order to additionally secure the bonds or notes, or which tend to make

the bonds or notes more marketable according to the best judgment of the local governing body. History. Acts 2001, No. 1197, § 19.

14-168-319. Redevelopment bonds or notes - Special fund for repayment.

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(a) Redevelopment bonds and notes are payable out of the special fund created for each redevelopment district under this subchapter.

(b)(1) The local governing body shall irrevocably pledge all or part of the special fund to the payment of the bonds or notes.

(2) The special fund, or the designated part thereof, may thereafter be used only for the payment of the bonds or notes and their interest until they have been fully paid.

(c) A holder of the bonds or notes shall have a lien against the special fund for payment of the bonds or notes and interest on them and may bring suit, either at law or in equity, to enforce the lien. History. Acts 2001, No. 1197, § 20.

14-168-320. Redevelopment bonds or notes - Tax exemption.

Bonds and notes issued under this subchapter, together with the interest and income therefrom, shall be exempt from all state, county, and municipal income taxes. History. Acts 2001, No. 1197, § 21.

14-168-321. Excess funds.

(a) Moneys received in the special fund of the district in excess of amounts needed to pay project costs may be used by the local governing body for other purposes of the district or for any other lawful purpose of the local governing body.

(b) Upon termination of the district, all amounts in the special fund of the district may be used by the local governing body for any lawful purpose. History. Acts 2001, No. 1197, § 22.

14-168-322. Impact reports.

The Assessment Coordination Department, in cooperation with other state agencies and local governments, shall make a comprehensive impact report to the Governor and to the General Assembly at the beginning of each biennium as to the economic, social, and financial effect and impact of community redevelopment financing projects. History. Acts 2001, No. 1197, § 23.

14-168-323. Value of assessed property in a redevelopment district.

(a) If state funding to a school district is calculated with regard to the value of assessed property located in the school district, the incremental value of real property within a redevelopment district shall not be included in the assessed value of the real property within the school district for purposes of computing school district funding if the real property is located within the redevelopment district and within the school district and the assessed value of the real property increases above the base value.

(b) Subsection (a) of this section shall apply for each school year during which the tax increment for real property within the redevelopment district is distributed pursuant to § 14-168-312. History. Acts 2003 (2nd Ex. Sess.), No. 43, § 1.

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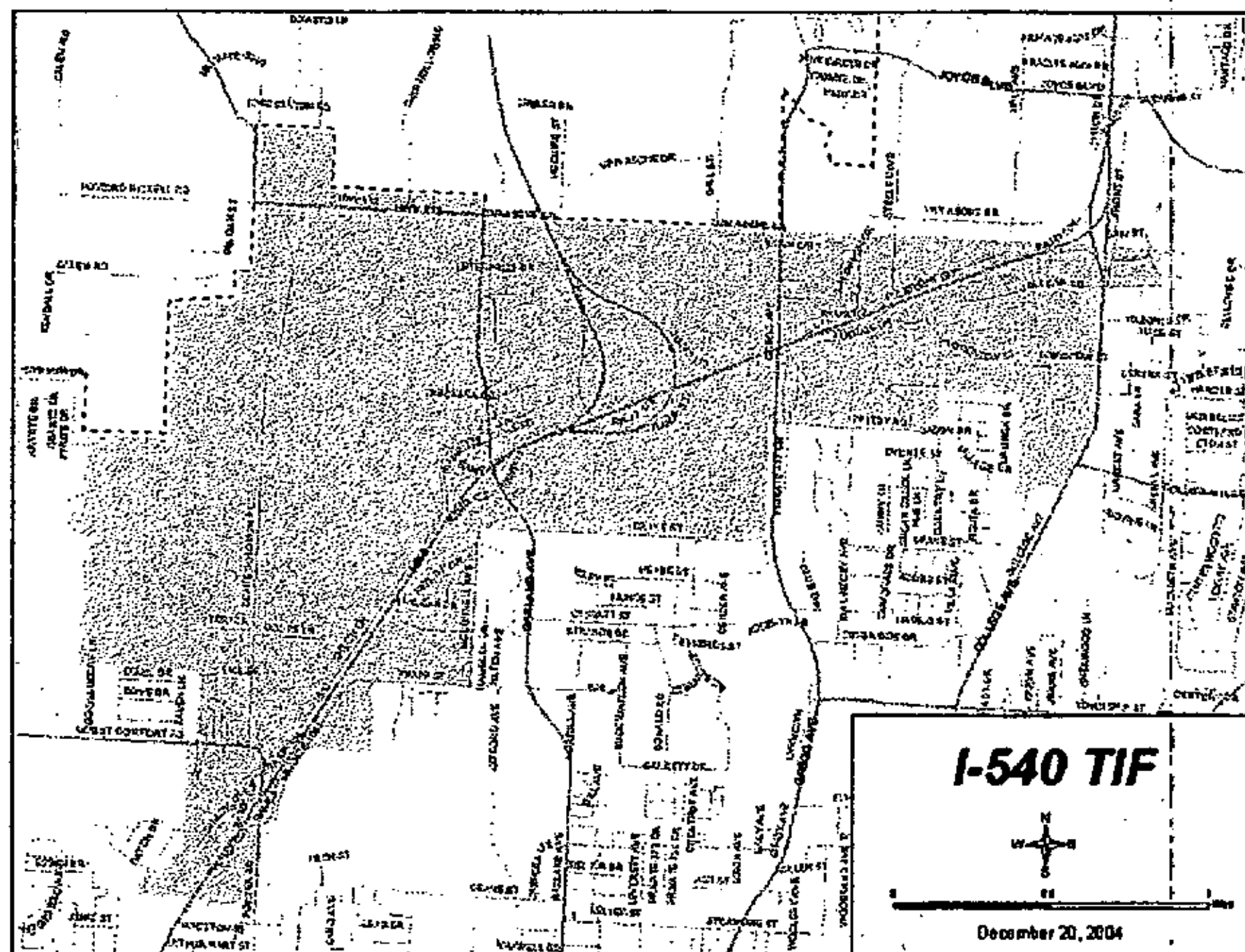


EXHIBIT No.6 Local Demographics

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

EXHIBIT No.6

Local Demographics Summary

Economic strength continues to be the mainstay of the Northwest Arkansas MSA. Recently named as the top ranking MSA in the country by the Milken Institute, NWA is now gathering much attention for its regional economy. Fayetteville continues to experience robust growth along with the rest of Northwest Arkansas. Fayetteville is still considered the city of choice for living mainly because of its reputation for offering a superb quality of life. One highlight Fayetteville offers are the attractions associated with the University of Arkansas including sporting events and cultural activities. Fayetteville also is known in the region for its entertainment district located primarily along Dickson Street which connects the historic areas of town and the university campus. There has been a tremendous surge in demand for downtown/urban style living in Fayetteville near the heartbeat of culture for northwest Arkansas.

Economic impact from the University of Arkansas in Fayetteville continues to be a major factor. Beginning in 1871 when the University of Arkansas was created with a major land-grant under the Morrill Land-Grant College Act the campus population has been ever increasing. On April 11, 2002 the University of Arkansas announced that it had been the recipient of the largest gift in the history of American public higher education. The Walton Family Charitable Support Foundation of Bentonville, AR committed \$300 million to establish and endow an undergraduate honors college and endow the graduate school. \$177 million will be targeted towards students, \$82 million towards faculty, and \$41 million towards library, technology, and other support areas. At the time, the University was in the midst of a six-year campaign targeting to raise \$500 million. As a result of the Walton's gift, the University decided to revise its parameters, upping the goal to raising \$900 million by June 2005. As of Fall, 2003 the campaign had raised \$770 million. Chancellor John White said in his annual State of the University address in September 2002 that over the next decade the University would spend \$642 million on building construction and improvement. Many of these facilities and projects are necessary to the University's vision, as they have stated a goal of having 22,500 students by the year 2010. Current enrollment is just over 16,000.

The Fayetteville-Springdale-Rogers corridor gained notoriety when the 2000 Census indicated that the area was the sixth fastest growing MSA in the country over the last 10 years. The population jumped from approximately 211,000 to 311,000. Most notably during that time Wal-Mart Stores, whose headquarters are in Bentonville, a sister city and north of Fayetteville, increased their sales from \$26 billion to \$191 billion. Besides Wal-Mart, two other corporate giants call Northwest Arkansas home. Tyson Foods, which had been a \$7 billion sales giant, increased to \$23 billion in sales in 2002 with the takeover of IBP. JB Hunt Trucking, also headquartered in the MSA, has annual sales in the \$2-2.5 billion range. All three of these companies had phenomenal success during the 1990s and are significant factor in the growth of the area. This bustling corner of the state's saga has not escaped the media's attention as it has received write-ups in several national publications thus aiding growth in yet another way.

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

Economic Overview of the Fayetteville-Springdale-Rogers MSA

Overview

The two-county area of Northwest Arkansas has experienced unprecedented economic and population growth since the 1990's. A dominant driver behind the growth has been the success of Wal-Mart, as it grew to become the world's largest retailer. Along the way, Wal-Mart has encouraged its vendors to be accessible to the company which directly translated into the opening of offices within Benton or Washington County for Fortune 500 and other companies. The resulting high quality job creation has spawned a boom in the commercial real estate market, as the demand for office space has increased and as the population growth has created the need for more retail shops, restaurants, entertainment facilities and service providers. A corresponding escalation has occurred in the construction of residential housing.

Wal-Mart has not been the only driver of growth in Northwest Arkansas. Tyson Foods has also grown rapidly during the same period, becoming the world's largest "protein" company. The Northwest Arkansas area has long been the home base of several large trucking companies. JB Hunt has become one of the largest providers of logistics services in North America and Willis Shaw Express is a major provider of transportation of refrigerated and frozen food products.

Fayetteville is also home to the University of Arkansas, a major research university, which is steadily improving its national rankings. Some academic areas have reached the top tier nationally. In 2002, the University of Arkansas was the recipient of a \$300 million challenge grant from the Wal-Mart Foundation, the largest grant ever given to a public university in the U.S. The university has accelerated its quest for excellence and at the same time is pursuing a goal of increasing its enrollment, to a total of 22,500 students by 2010.

The following pages provide some economic highlights of the Fayetteville-Springdale-Rogers MSA.

National Perspective

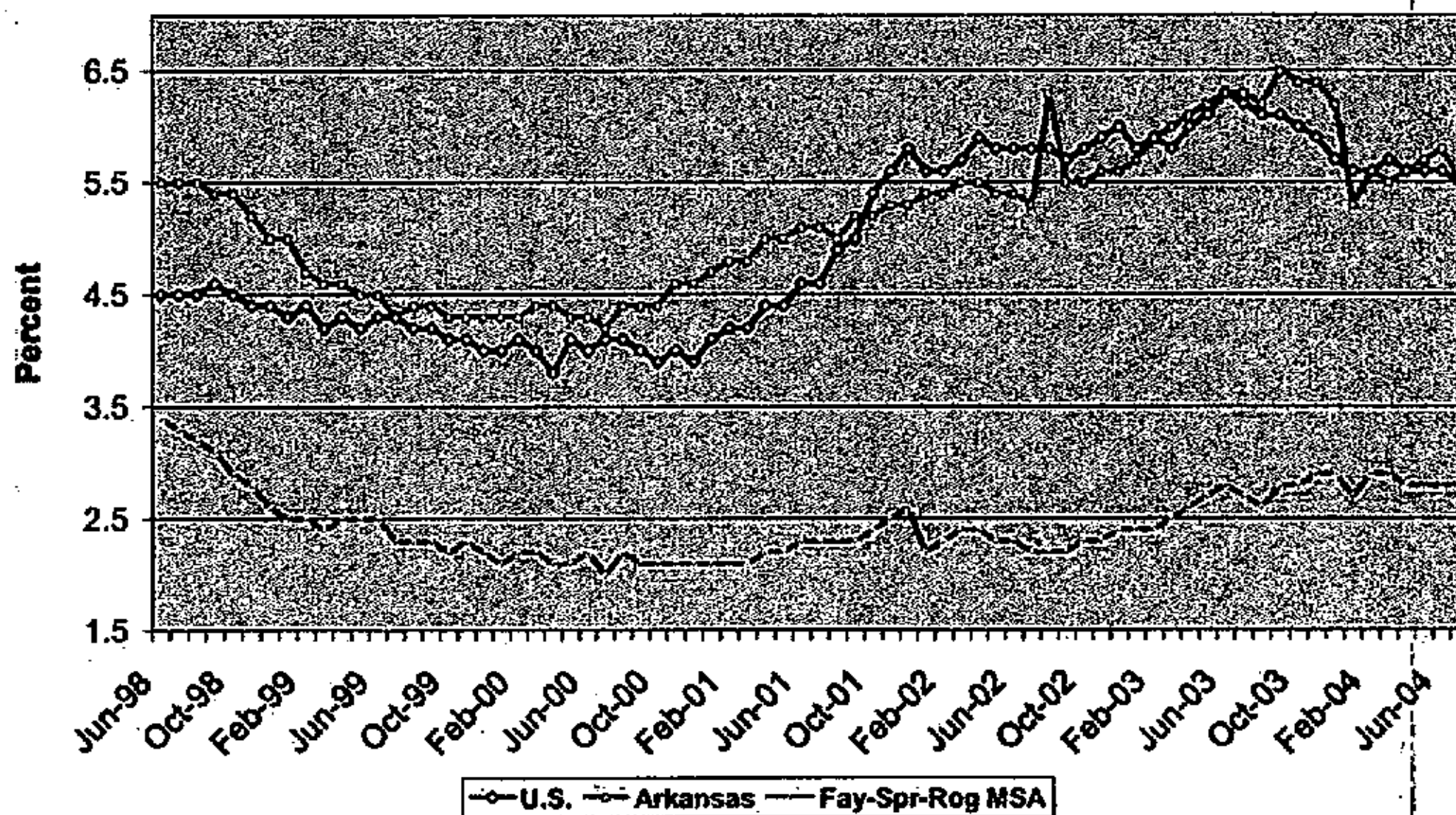
In November of 2004, the Milken Institute released an update of its "Best Performing Cities" rankings, which is intended to rank U.S. cities on two counts: leading the nation in economic performance overall and in job creation. The components of the index include job, wage and salary and technology growth. Using these criteria, the Fayetteville-Springdale-Rogers MSA ranked as the 7th regional economy in the United States.

1. Fort Myers-Cape Coral, FL (3)
2. Las Vegas, NV (2)
3. Phoenix-Mesa, AZ (43)
4. West Palm Beach-Boca Raton, FL (4)
5. Daytona Beach, FL (116)
6. Sarasota-Bradenton, FL (41)
7. Fayetteville-Springdale-Rogers, Ark. (1)
8. Riverside-San Bernardino, CA (20)
9. Fort Lauderdale, FL (29)
10. Monmouth-Ocean, NJ (10)

Unemployment Rate

The unemployment rates for the U.S. and for the state of Arkansas have followed the same general trend and the levels have been fairly close. The unemployment rate for the Fayetteville-Springdale-Rogers MSA has consistently been significantly lower than both. It has been at the three percent or under level since the second half of 1998.

Unemployment Rates, Seasonally Adjusted

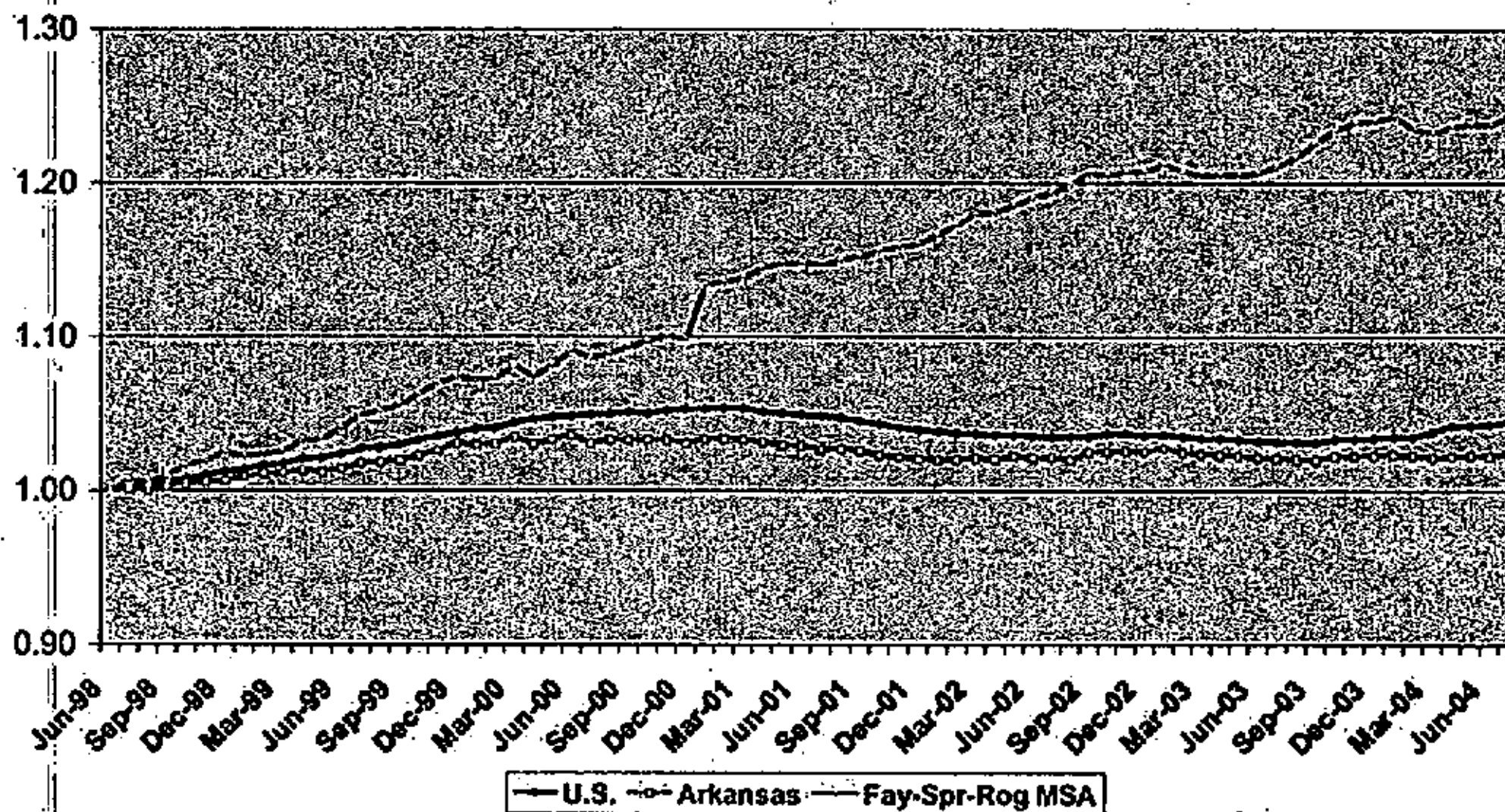


Source: Bureau of Labor Statistics, Seasonal Adjustment By
UA Center for Business and Economic Research

Non-Farm Employment

The monthly establishment-based employment survey conducted by the Bureau of Labor Statistics shows that, on a seasonally adjusted basis, total non-farm employment in both the U.S. and Arkansas are at levels about 105 percent of the level in June of 1998. The Fayetteville-Springdale-Rogers MSA has experienced a noticeably larger increase in employment. Currently, the level is just about 125 percent of the level of June 1998.

Non-Farm Employment Relative to June 1998
Seasonally Adjusted



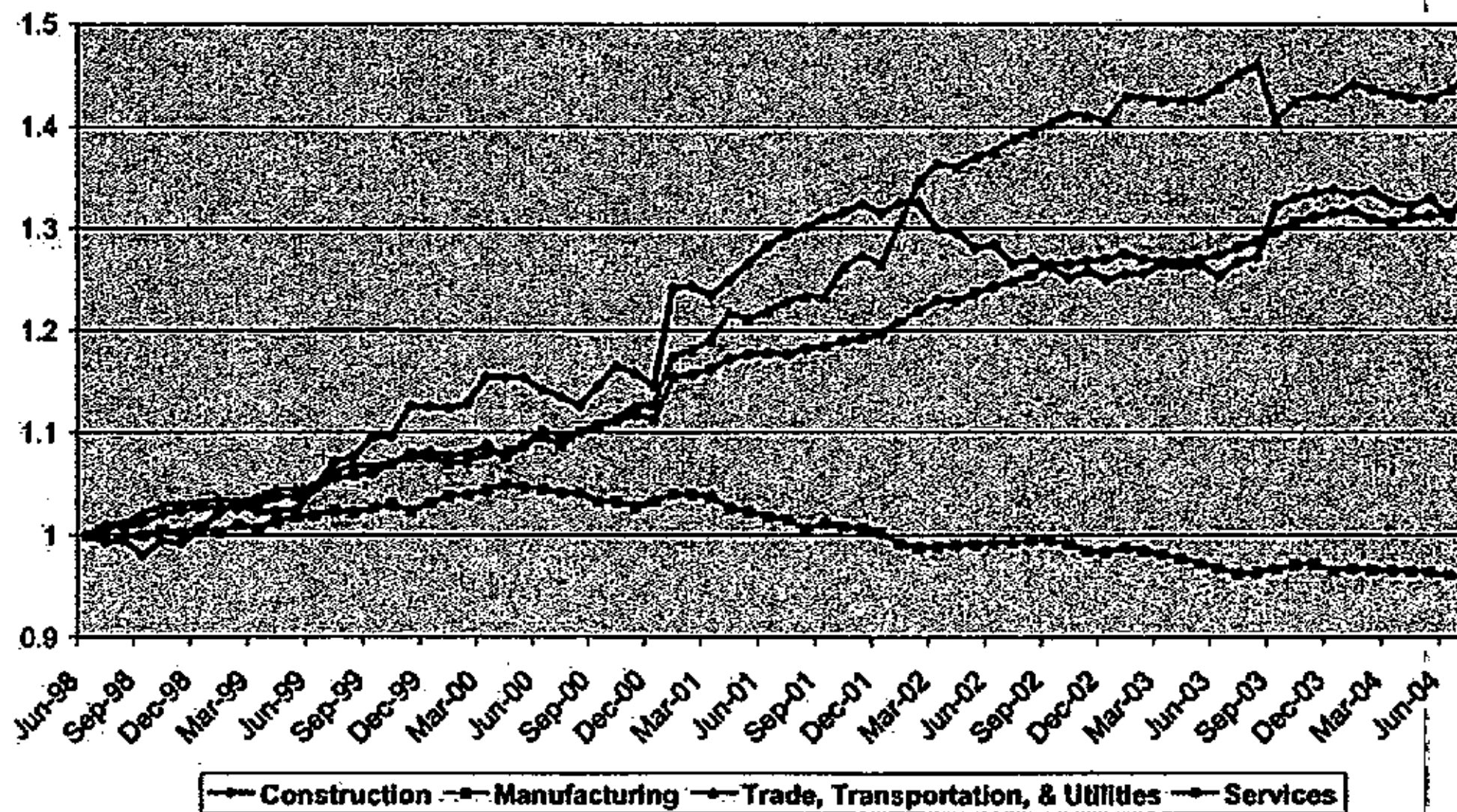
Source: Bureau of Labor Statistics, Seasonal Adjustment by
UA Center for Business and Economic Research

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

Sector Employment

Sector employment in the region has shown varying trends. Manufacturing employment has declined since 1998, but by a lesser amount than nationally or in the state. Construction, trade-transportation-utilities and services have shown significant gains in the past six years.

**Fayetteville-Springdale-Rogers MSA Sector Employment Relative to June 1998,
Seasonally Adjusted**

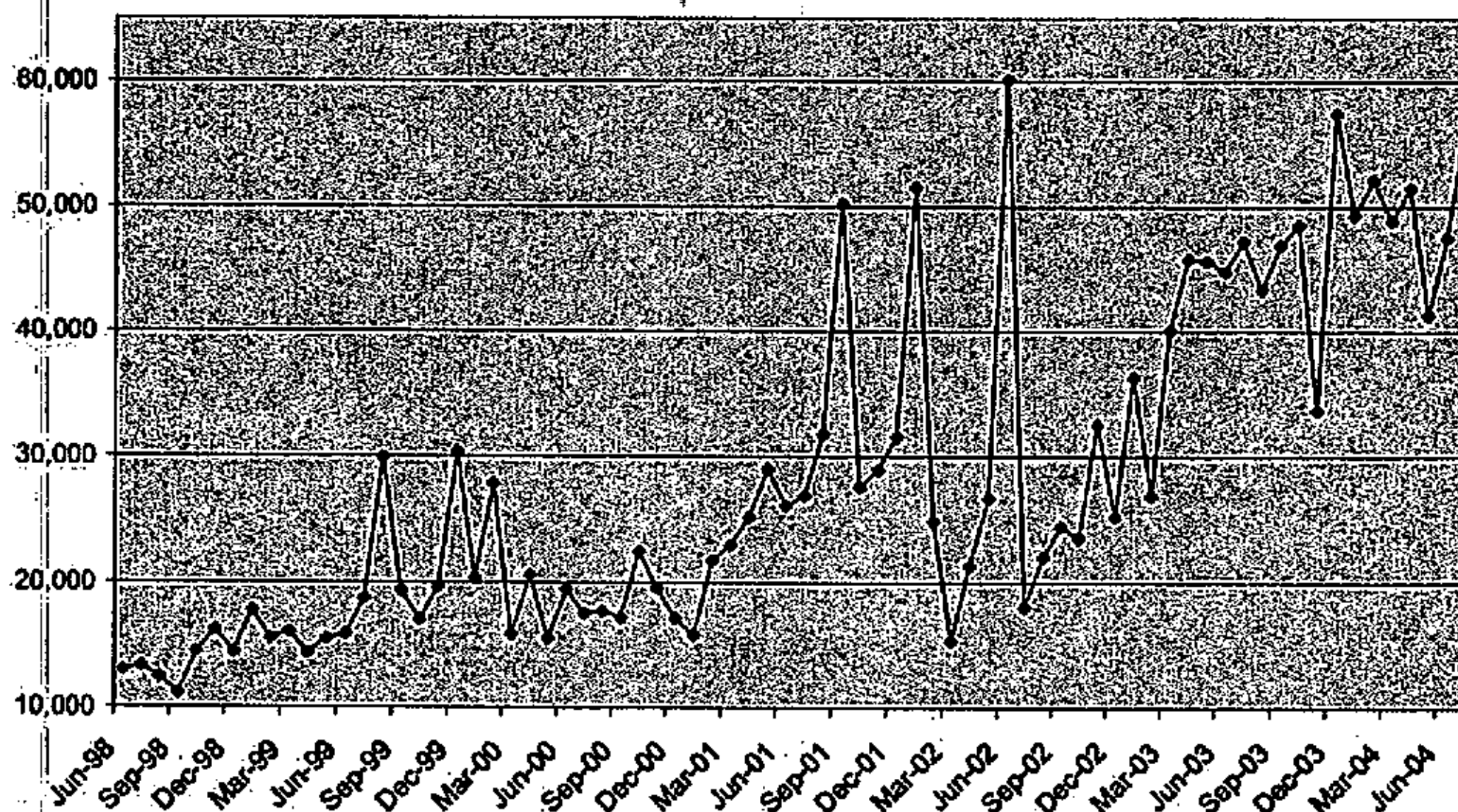


Source: Bureau of Labor Statistics, Seasonal Adjustment by UA Center for Business and Economic Research

Building Permits

While there is some monthly volatility in the monthly data compiled by the United States Census Bureau, the strong upward trend in the value of building permits in Northwest Arkansas since the Fall of 1998 is evident. Over the last two years, this growth trend has accelerated. In fact, the value of residential building permits in the area has equaled or exceeded the value of those in the Little Rock metropolitan area, an area that currently has a population almost double that of the Fayetteville-Springdale-Rogers MSA.

**Fayetteville-Springdale-Rogers MSA Residential Building Permits, Seasonally
Adjusted Value in \$ Millions,**

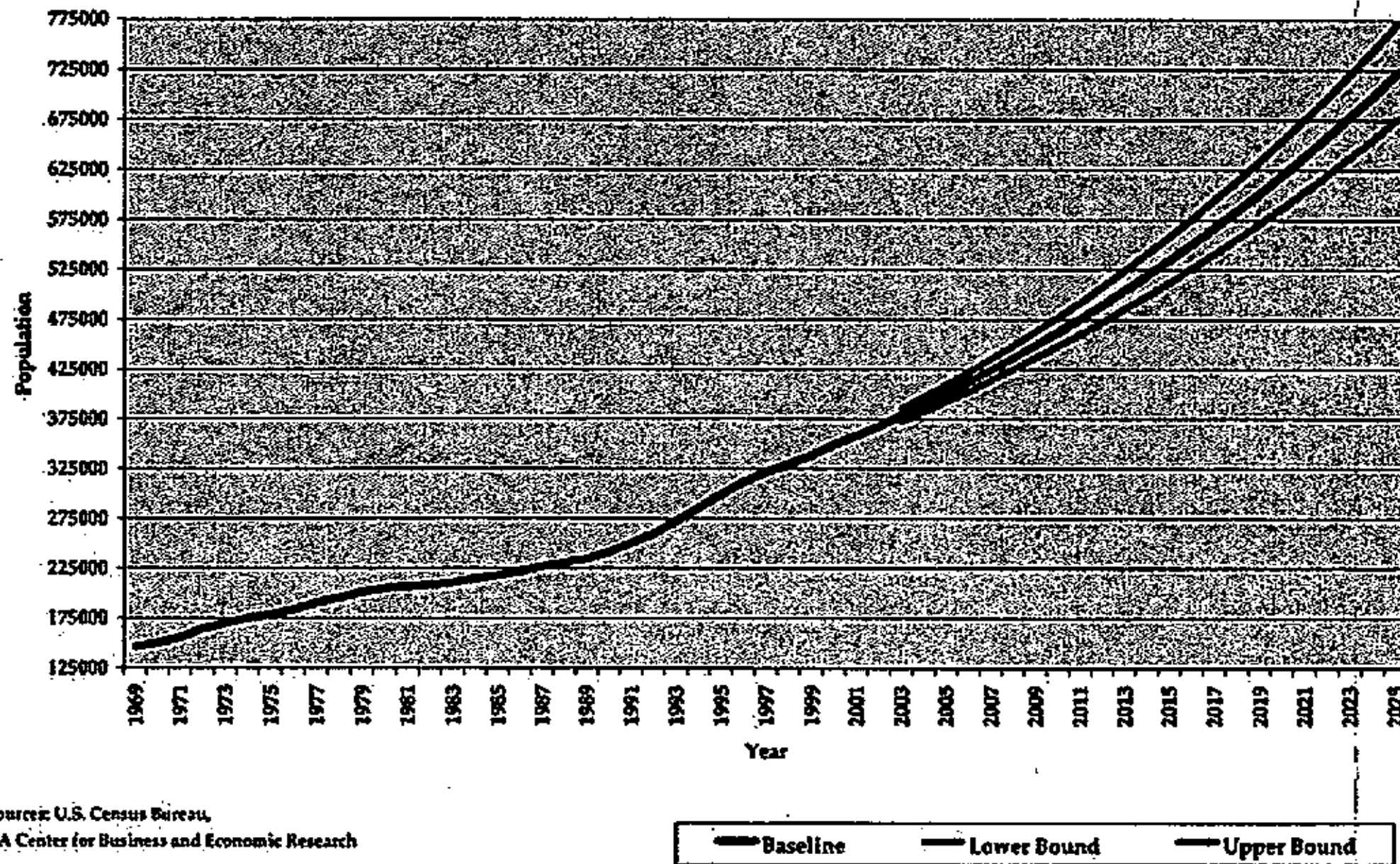


Source: Bureau of the Census, Seasonal Adjustment by UA Center for Business and Economic Research

Population Projections

In June of 2003, the Center for Business and Economic Research released updated population projections for Arkansas, its counties and its metropolitan areas. The Fayetteville-Springdale-Rogers MSA is projected to experience a doubling of its population by the year 2025.

Population Projections for Fayetteville-Springdale-Rogers MSA



City of Fayetteville
 I-540 REDEVELOPMENT DISTRICT
 PROJECT PLAN

City of Fayetteville, Arkansas I-540 REDEVELOPMENT DISTRICT PROJECT PLAN

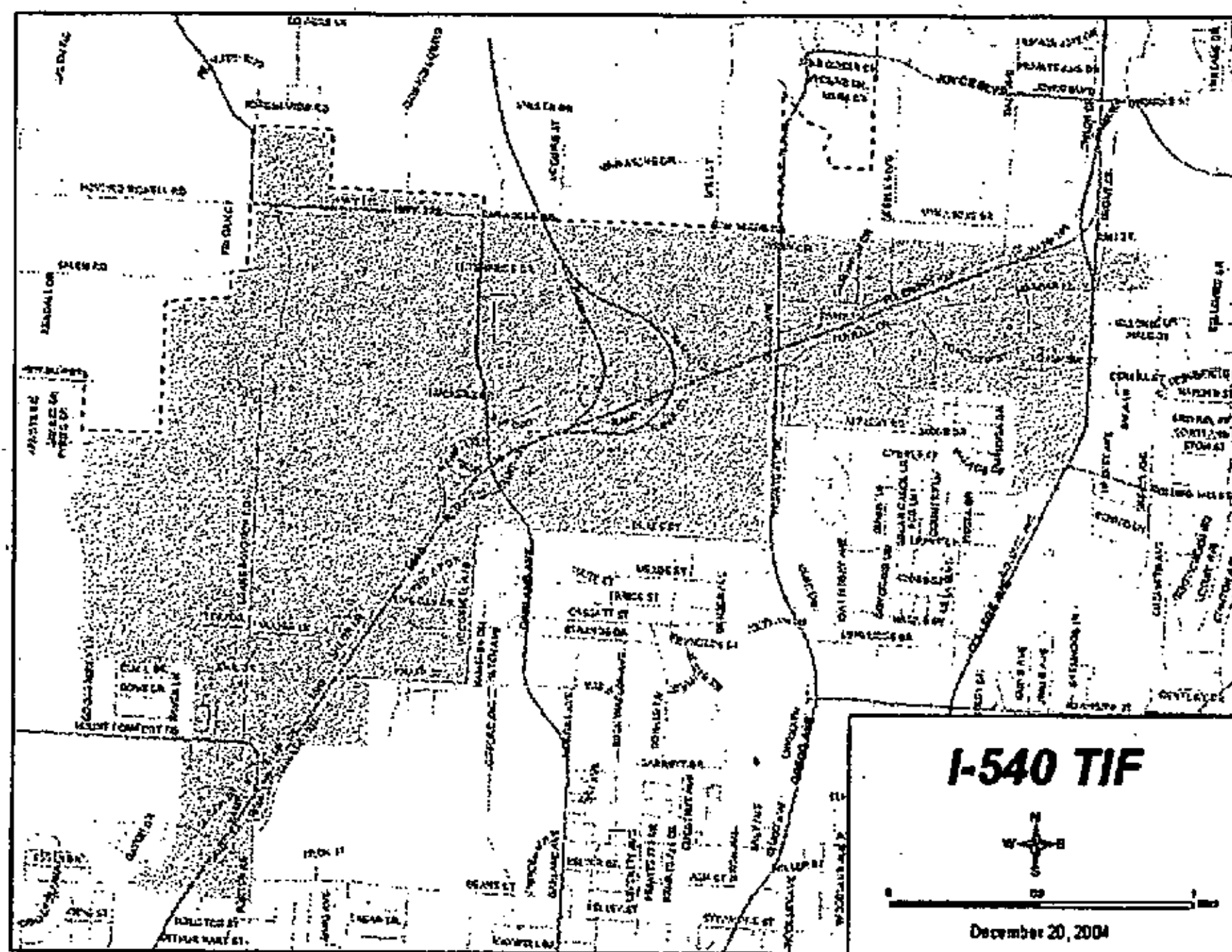


EXHIBIT No.7

STEELE / NORTHILLS OVERPASS
ESTIMATION OF COSTS

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

STEELE / NORTHHILLS OVERPASS ESTIMATION OF COSTS

Item No.	Item Description	Unit	Estimated Quantity	Unit Price	Extended Price
1	Mobilization	LS	1	\$100,000.00	\$100,000.00
2	Construction Staking	LS	1	\$50,000.00	\$50,000.00
3	Maintenance of Traffic	LS	1	\$50,000.00	\$50,000.00
4	Tree Protection Fencing	LF	880	\$5.00	\$4,400.00
5	Excavation Safety	LS	1	\$1,000.00	\$1,000.00
6	Clearing & Grubbing	LS	1	\$20,000.00	\$20,000.00
7	R & D Curb & Asphalt	LS	1	\$40,000.00	\$40,000.00
8	Unclassified Excavation	CY	14,800	\$5.00	\$74,400.00
9	Compacted Embankment - Select Hillside Material	CY	17,280	\$8.00	\$138,240.00
10	Undercut & Backfill	CY	5,000	\$12.00	\$60,000.00
11	Six-inch Aggregate Street Base Course (Class 7)	SY	14,900	\$7.00	\$104,300.00
12	Concrete Curb and Gutter	LF	8,640	\$10.00	\$86,400.00
13	Two-inch ACHM Surface Course (Type 2)	SY	12,000	\$8.00	\$96,000.00
14	Four-inch ACHM Binder Course (Type 2)	SY	12,000	\$12.00	\$144,000.00
15	Traffic Circle Mountable Island Area	SF	5,500	\$12.00	\$66,000.00
16	Bridge (46' wide w/ 180 ft. span)	SF	8,280	\$100.00	\$828,000.00
17	Aggregate Base Course (Class 7)	TN	5,000	\$15.00	\$75,000.00
18	30-inch Reinforced Concrete Pipe (RCP)	LF	450	\$65.00	\$29,250.00
19	36-inch Reinforced Concrete Pipe (RCP)	LF	300	\$90.00	\$27,000.00
20	4 Ft x 4 Ft Type 'C' Drop Inlet	EA	16	\$3,000.00	\$48,000.00
21	Drop Inlet Extension (8 FT)	EA	10	\$1,000.00	\$10,000.00
22	Concrete Headwalls	EA	5	\$5,000.00	\$25,000.00
23	Signalization (Steele Blvd. / Shiloh Drive)	LS	1	\$250,000.00	\$250,000.00
24	Erosion Control	LS	1	\$20,000.00	\$20,000.00
25	Concrete Sidewalk(4")	SY	2,000	\$20.00	\$40,000.00
26	Seeding and Mulching	AC	7.50	\$5,000.00	\$37,500.00
27	Imported Top Soil	CY	8,000	\$10.00	\$80,000.00
28	Double 4" Yellow Line Pavement Markings	LF	2,500	\$3.00	\$7,500.00
29	6" White Line Pavement Markings (Thermoplastic)	LF	3,000	\$2.00	\$6,000.00
30	18" White Pavement Markings (Thermoplastic)	LF	400	\$7.00	\$2,800.00
31	24" White Pavement Markings (Thermoplastic)	LF	300	\$10.00	\$3,000.00
32	White Pavement Marking Arrows (Thermoplastic)	EA	32	\$300.00	\$9,600.00
33	3" PVC Schedule 40 Conduit	LF	600	\$10.00	\$6,000.00
34	Right-of-Way Acquisition	SF	60,000	\$8.00	\$480,000.00
TOTAL ESTIMATED CONSTRUCTION COSTS					\$3,019,390.00
CONTINGENCY (20%)					\$603,880.00
SUB-TOTAL					\$3,623,270.00
ENGINEERING & CONSTRUCTION MANAGEMENT (20%)					\$724,660.00
TOTAL ESTIMATED COST					\$4,347,930.00

City of Fayetteville
I-540 REDEVELOPMENT DISTRICT
PROJECT PLAN

Arkansas Democrat-Gazette

NORTHWEST ARKANSAS EDITION

"Northwest Arkansas' Most Widely Read Newspaper"

RECEIVED

JAN 07 2005

CITY CLERK'S OFFICE
FAYETTEVILLE

AFFIDAVIT OF PUBLICATION

I, Lori Button, do solemnly swear that I am the 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 January 5, 2005.

PO# _____

** Publication Charge: \$ 104.16

Subscribed and sworn to before me this

5th day of January, 2005.

Sharlene D. Williams
Notary Public

Sharlene D. Williams
Notary Public
My Commission Expires _____
State of Arkansas
My Commission Expires
October 18, 2014

** Please do not pay from Affidavit.
An invoice will be sent.

FINAL AGENDA PUBLIC HEARING SPECIAL CITY COUNCIL MEETING JANUARY 6, 2005	
A Special meeting of the Fayetteville City Council will be held on January 6, 2005 at 5:30 p.m. in Room 219 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.	
Call to Order Roll Call Pledge of Allegiance	
A. Public Hearing:	
1. I-540 Redevelopment District #3 Creation: A Public Hearing to allow all members of the public and representatives of taxing entities to present their views on forming the I-540 Redevelopment District Number Three.	
B. New Business:	
1. I-540 Redevelopment District #3 Adoption: An ordinance forming the I-540 Redevelopment District Number Three pursuant to Amendment 78 of the Arkansas Constitution and authorizing the preparation of a project plan.	
C. Public Hearing:	
1. I-540 Redevelopment District #3 Proposed Project Plan: A Public Hearing to allow all members of the public and representatives of taxing entities to present their views on the Proposed Project Plan for the I-540 Redevelopment District.	
D. New Business:	
1. I-540 Redevelopment District Project Plan Adoption: An ordinance adopting the Project Plan for the I-540 Redevelopment District, and finding the plan is economically feasible.	

From: Tim Conklin
To: Davis, Steve; Williams, Kit
Date: 12/15/04 4:48PM
Subject: Draft Agendas for Special Council Meetings

Draft

This is a draft agenda to make sure we all understand what will be asking the Council to approve at these meetings. I will e-mail a final draft to Sondra after you e-mail me back any changes and we fill in the blanks. Thanks.

**Special City Council Meeting Agenda
December 28, 2004 Agenda**

Public Hearing
1. Highway 71 East Square Redevelopment District No. 1. An ordinance forming the Highway 71 East Square Redevelopment District No. 1 pursuant to Amendment 78 of the Arkansas Constitution and authorizing preparation of the project plan. *use K.F.'s*

2. Highway 71 East Square Redevelopment District No. 1. Project Plan. An ordinance adopting the project plan for the Highway 71 East Square Redevelopment District No. 1, finding the plan is economically feasible and authorizing the issuance of tax increment financing bonds to fund the improvements outlined in the plan. *use K.F.'s*

3. Contract Approval. Approval of a contract to sell property acquired by the 71 East Square redevelopment District for \$300,000 to _____.

**Special City Council Meeting Agenda
January 6, 2005**

Public Hearing
1. I-540 Redevelopment District. An ordinance forming the I-540 Redevelopment District pursuant to Amendment 78 of the Arkansas Constitution and authorizing preparation of the project plan.

2. I-540 Redevelopment District Project Plan. An ordinance adopting the project plan for the I-540 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.

3. Highway 71 East Square Redevelopment District Bond Ordinance Approval. Approval of a bond ordinance for the Highway 71 East Square Redevelopment District issuing _____.

*Not on this agenda
Per KW
1-4-05*
Tim Conklin, AICP
Director of Community Planning & Engineering Services
City of Fayetteville
113 West Mountain Street
Fayetteville, AR 72701

Phone: 479-575-8267
Fax: 479-575-8202

planning@ci.fayetteville.ar.us

CC: Dumas, Gary