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 – Robert Ferrell
Ward 4 Position 1 - Shirley Lucas
Ward 4 Position 2 - Lioneld Jordan

Mayor Dan Coody

City Attorney Kit Williams

City Clerk Sondra Smith

Fayetteville
ARKANSAS

City of Fayetteville Arkansas
City Council
Meeting Minutes
June 6, 2006

A meeting of the Fayetteville City Council was held on June 6, 2006 at 6:00 PM in Room 219 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

Vice Mayor Lioneld Jordan called the meeting to order.

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

Alderman Rhoads and Marr were absent until 6:10 PM.

Pledge of Allegiance

Vice Mayor Jordan: Mayor Coody is attending the US Conference of Mayors annual meeting in Las Vegas this week. He will return to the office on Monday.

Commemoration of the Fayetteville Public Library's 90th birthday - Louise Schaper, Library Director. Louise gave a brief history of the library. See attached report.

Alderman Thiel moved to suspend the rules and add to the Consent Agenda a resolution in support of Local Television Cable Franchising Authority and in opposition to Federal Legislation Reducing Local Authority. Alderman Lucas seconded the motion. Upon roll call the motion passed unanimously.

This item was added to the end of the Consent Agenda.

CONSENT:

Approval of the April 18, 2006, May 2, 2006 and May 16, 2006 City Council meeting minutes.

Approved.

Community Development Block Grant: A resolution approving the Community Development Block Grant (CDBG) Agreement for 2006 in the amount of $653,244.00.

Resolution 95-06 as Recorded in the Office of the City Clerk.

APAC-Arkansas, Inc. Change Order No. 2: A resolution approving Change Order #2 to the construction contract with APAC-Arkansas, Inc., McClinton-Anchor Division in the amount of $277,505.60; and approving a Budget Adjustment in the amount of $185,605.00 recognizing restored grant revenues.

Resolution 96-06 as Recorded in the Office of the City Clerk.

McClelland Consulting Engineers, Inc: A resolution approving a three-year contract with McClelland Consulting Engineers, Inc. for airport engineering services.

Resolution 97-06 as Recorded in the Office of the City Clerk.

Washington Regional Medical Center's Performance Bond: A resolution to approve Washington Regional Medical Center's Performance Bond and Promissory Note to guarantee payment of an offsite improvement (traffic light) in the amount of $110,000.00.

Resolution 98-06 as Recorded in the Office of the City Clerk.

Score Uniforms - Soccer Uniform Purchase: A resolution awarding Bid #06-05 and approving the purchase of youth soccer uniforms from Score Uniforms in an amount not to exceed $22,394.00 for the fall 2006 season and $4,000.00 for spring 2007 season.

Resolution 99-06 as Recorded in the Office of the City Clerk.

RJN Group, Inc. Amendment No. 2: A resolution approving contract Amendment #2 to the June 15, 2004 agreement for professional engineering services with RJN Group, Inc. in the amount of $124,105.00 to provide engineering design and construction phased services including inspection for sanitary sewer rehabilitation in the Farmington Sewer Basin; and approving a five percent (5%) contingency in the amount of $6,200.00.

Resolution 100-06 as Recorded in the Office of the City Clerk.

AHTD Widening of Hwy 16/Hwy 71B East Cost-share: A resolution expressing the willingness of the City of Fayetteville to participate in partial funding of the proposed widening of Highway 16 from Highway 71B East to Stone Bridge Road.

Resolution 101-06 as Recorded in the Office of the City Clerk.

AHTD Widening of Hwy 112 from Hwy 112 Spur North Cost-share: A resolution expressing the willingness of the City of Fayetteville to participate in partial funding of the proposed widening of Highway 112 from Highway 112 Spur North.

Resolution 102-06 as Recorded in the Office of the City Clerk.

Wheeler Lumber, LLC: A resolution approving the award of Bid #06-37 for the construction and delivery of the Crown Trail Bridge to Wheeler Lumber, LLC in the amount of $27,423.00.

Resolution 103-06 as Recorded in the Office of the City Clerk.

The Heights at Park West Master Street Plan Amendments: A resolution for PPL 06-1998 amending the Master Street Plan, realigning Deane Solomon Collector Street to the east and reclassifying the existing Deane Solomon Road to a local street; realigning the planned Collector Park West Boulevard south of the current alignment as described and depicted in the attached maps.

Resolution 104-06 as Recorded in the Office of the City Clerk.

2006 Justice Assistance Grant: A resolution authorizing the Fayetteville Police Department to accept a continuation of the Justice Assistance Grant in the amount of $181,426.00 to assist in funding the Fourth Judicial District Drug Task Force; and approving a budget adjustment in the amount of $31,426.00.

Resolution 105-06 as Recorded in the Office of the City Clerk.

Support of Local Television Cable Franchising Authority: A resolution in support of Local Television Cable Franchising Authority and in opposition to Federal Legislation Reducing Local Authority.

Resolution 106-06 as Recorded in the Office of the City Clerk.

Alderman Reynolds moved to approve the Consent Agenda as read. Alderman Lucas seconded the motion. Upon roll call the motion passed 7-0. Alderman Ferrell abstained.

UNFINISHED BUSINESS:

C-PZD 06-1921 Lazenby Phase II: An ordinance establishing a Commercial Planned Zoning District titled C-PZD 06-1921 Lazenby Phase II, located west of Razorback Road, north of 15th Street, containing approximately 1.34 acres; amending the Official Zoning Map of the City of Fayetteville; and adopting the Associated Master Development Plan. ***This ordinance was left on the Second Reading at the May 16, 2006 City Council meeting.***

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

City Attorney Kit Williams read the ordinance.

Vice Mayor Jordan: I have not received any calls in opposition to this.

Alderman Lucas: I haven't either. I was disappointed because one building was taken out and I understand why. If they are going to do a berm with trees then I think everyone seems to be okay with it.

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

Ordinance 4875 as Recorded in the Office of the City Clerk.

NEW BUSINESS:

Recognition of Local Redevelopment Authority (LRA): A resolution recognizing the Local Redevelopment Authority (LRA) for planning the redevelopment of Leroy R. Pond U.S. Army Reserve Center (USARC), including outreach to homeless providers and to other interested parties.

Susan Thomas, Public Information and Policy Advisor: In the information that I am handing out there is an ad that will go in the paper assuming that Council approves the LRA tonight and a time line as indicated by the Department of Defense. There is also information regarding an informational presentation that I gave today to the NWA Housing Coalition that gave some basic information talking about the proposed membership of the committee and the Army's time line. We went out and looked at the property last week and they think it's going to be the full five years before they are ready to move. They have to select a site and build a building all of which takes congressional approval. Everything is scheduled to be completed by September 15, 2011. Our time line is that we will publish our notice on Thursday, we conduct public outreach for 90 to 180 days. The deadline for the notice of interest is the end of that period, so if we do the 180 day that will be somewhere around December 8th. The LRA issues their proposed redevelopment plan to HUD and the Department of Defense no more than 270 days after that.

Page three of that presentation lists the various property disposal alternatives, the disposal of property for use by the homeless, the second option is a Public Benefit Conveyance. Conservation Conveyance is another option, a public sale and Economical Development Conveyance is an option. I suspect with that piece of land being as beautiful and strategically located as it is there will be a great deal of public interest. We have already heard from the Cultural Arts District Initiative, NWA Housing Coalition, and the VA and I suspect that we will hear from others.

Alderman Cook: So we publicize it and we just sit back and see who responds to that?

Susan Thomas: We have to have at least one public meeting and a tour of the property for the interested parties.

Alderman Ferrell: I tend to agree with you that there will probably be a lot of people competing to try to get this property. When we make our case to try to get it I'm assuming the rational for what we are going to use it for will be expressed then.

Susan Thomas: That's correct.

Alderman Ferrell: Can I ask that the council get a copy of that?

Susan Thomas: Before it is submitted?

Alderman Ferrell: Yes.

Susan Thomas: Yes sir.

Alderman Marr: For the public record people are concerned that there's already a desired use from the City Administration's perspective for this as a homeless shelter or as a particular item. Is there any desired use at this point?

Susan Thomas: Not that I'm aware of.

Alderman Marr: So at this point it is still all up for public discussion and no initiative being driven at this time?

Susan Thomas: No.

Alderman Thiel: It's my understanding that the city has to prove that it has provided services necessary for the homeless. Is that right?

Susan Thomas: We do have to address the homeless issues in our community. You don't have to address those on that specific property but HUD will expect you to include in your report why you are not using the property to address homelessness issues.

Alderman Thiel: Was there not any consideration to add a local representative on this committee that had a broader knowledge of low income citizens and possibly homeless issues?

Susan Thomas: The make up of the committee was based on past experience with (BRAC) Base Realignment and Closure issues and the Economic Development nature of the redevelopment planning process. If it is Council's desire to add a public representative like that I don't see a problem with adding another member to the committee.

Alderman Thiel: Well it sounds like you are kind of addressing that. As long as you make sure you're visiting with all of these groups.

Susan Thomas: That is part of the requirement. You have to prove that you have done specific things in outreach to all of those groups. HUD also has to approve your redevelopment plan in addition to the military.

Alderman Thiel: One other thing that I wanted to ask Kit. Didn't the City Council give this entity a certain amount of our Gregory Park for easement or something?

Kit Williams, City Attorney: There was an issue between the us and the military actually about where the property line lay between that property and our park and so we compromised with them and we both adjusted our lines and traded deeds I think if I remember right so that it would be a clear demarcation between our Gregory Park land and this facility.

Alderman Thiel: We didn't actually give up any of our Gregory Park?

Kit Williams: I think because there was conflicting descriptions or ideas about exactly where the border was between us and the park, yes we did in fact compromise with them. They gave up some and we gave up some too and of course dealing with Federal Government I think we probably gave up more.

Alderman Thiel: It might be a good time to get some of that back; I don't know it's just a thought.

Kit Williams: Well it looks like at this point we basically might be able to get it all back and then we will have to use it for specific federal approved purposes but it all will be coming back to the city now.

Alderman Thiel: Okay. Thank you.

Alderman Rhoads: Is the homeless a 100% discount or 75%? I noticed on this chart there's like 75% if it is a self help homeless.

Susan Thomas: The self help housing is a different program that would be a public benefit conveyance verses the homelessness conveyance which is the first option.

Alderman Rhoads: Which is 100%.

Susan Thomas: Yes.

Alderman Rhoads: What other options are there that the city could push forward?

Susan Thomas: These are all listed in the (BRRM) Base Redevelopment Realignment Manual.

Alderman Cook: This building is sandwiched between two neighborhoods, Woodland Neighborhood Association and the VA Hill Neighborhood Association. I would certainly hope that there would be some representation or some outreach to these neighborhoods.

Susan Thomas: They will definitely be outreach.

Alderman Cook: This building will definitely affect these neighborhoods.

Susan Thomas: Absolutely.

Alderman Cook: No matter what the use is?

Susan Thomas: They will be open public meetings. Like I said we are required to have at least one public meeting but I suspect that we will have more and there will be opportunity for people that are interested in disposal alternatives but also people that are interested in defining the Redevelopment Plan.

Vice Mayor Jordan: Thank you Susan.

Susan Thomas: Thank you.

Eric Parkinson, resident of Fayetteville and member of the VA Hill Neighborhood Association: I don't know if any of you have had a chance to actually look at the facility. It's a real prime price of property on 4 ½ acres, 3 buildings and 26,000 square feet. I went and looked at it and was given a tour and I think there is quite a few possible uses some of which were mentioned on the list and some of which weren't. In speaking to the VA, they are very interested in that property and they are going to pursue whatever they need to pursue to annex it to the VA. I don't know the legalities and I don't know whether or not it is going to be a fight. I do know that depending upon how you decide to use that property you are going to encounter different levels of resistance ranging from the VA and their issues of security to the neighborhood and their issues of traffic and proper usage. I have seen the buildings and I know that there are a few things that you could do that would require very little modification, there are other things such as if you were going to turn it into housing it would require a tremendous amount of modification. There would be infrastructure cost and a lot of expense there may be hidden costs that will need to be analyzed. In talking to Allen Wilborn who works for Fayetteville schools he liked the idea of looking at it as a Children's Science Center. There is funding available through the National Science Foundation, NASA and other groups to possibly cover the grants that would be needed for overhead infrastructure and administration. As a member of the VA Hill Neighborhood Association I would just like to say that we would very much like to participate in the public hearing process about how that property is used. I think that Fayetteville has spent a lot of money as a city on various plans for the Downtown Master Plan and the over all city plan. I think that is a very important consideration and that we shouldn't just throw it off for the most convenient idea that everybody comes up with. We should really analyze it and study it for an overall cost benefit to the city.

Vice Mayor Jordan: Thank you.

Susan Thomas: Mr. Parkinson brought up a good point. Their idea of an education purpose would fall under the Public Benefit Conveyance and for each of those options there is a federal agency that would correlate with those possibilities and each federal agency has their own guidelines and processes for approving those plans.

Alderman Cook: They are not looking to move for probably five years down the road.

Susan Thomas: They are consolidating some reserve centers, so they've got to put their plans together for a new facility, they have to find a site and location and then deal with all of the congressional approvals that go along with that. Their estimate to me was that they would take the full five years to do that but our planning process won't take that long.

Alderman Cook: Then our planning process takes about a year roughly?

Susan Thomas: I'm guessing if we use the full amount of time next September.

Alderman Cook: Then we forward our plan to the government and they decide from there.

Susan Thomas: Yes, and they may send it back and say fix these things or they may say sure that's great. For a site this small the plan is usually going to be 2 to 3 pages. It's not a real complicated process from a content prospective it is complicated from the federal hoops and loops that you've got to jump through.

Alderman Ferrell: Susan is that 3 ½ or 4 ½ acres?

Susan Thomas: I thought it was 3 ½ but I will double check.

Alderman Ferrell: Okay.

Susan Thomas: Your memo has the information that was provided to me so whatever that first memo said is the information that I have.

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

Resolution 107-06 as Recorded in the Office of the City Clerk.

Improvement District No. 14 Clearwood Crossing Dissolution: An ordinance to repeal Ordinance No. 4843 and dissolve the Clearwood Crossing Improvement District No. 14 of Fayetteville, Arkansas.

City Attorney Kit Williams read the ordinance.

Kit Williams: Their attorney contacted me and indicated they wanted to dissolve this, they have done no business or issued any bonds. Their initial analysis was that it wasn't going to be feasible to go forward with this to build the infrastructure improvements by selling the bonds and that they wish to dissolve this. I told them we needed a unanimous resolution according to the statue from their commissioners to dissolve it. They sent me one and so I drafted the ordinance. It is very similar to how we establish them we don't really have to much authority one way or the other. We establish them if they all want it but now when they want to dissolve it I think since there is no debt owed or anything I think they have the right to have it dissolved.

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

City Attorney Kit Williams read the ordinance.

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

City Attorney Kit Williams read the ordinance.

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

Ordinance 4876 as Recorded in the Office of the City Clerk.

East Square Redevelopment PZD Appeal (C-PZD 05-1610): A resolution to grant the appeal of East Square Developers to add two floors of Hotel Rooms as a minor modification of C-PZD 05-1610.

Jeremy Pate: The planning staff has prepared an ordinance and staff report for you. The applicant previously presented to staff a request for a minor modification of their previously approved Planned Zoning District for East Square Development. That proposal was approved by the City Council in December, 2005 for a mixed use 16 story maximum height structure consisting of 147 hotel rooms, 25 condominiums, a restaurant, retail and meeting space. At that time we were going through amendments to our Planned Zoning District process which changed pretty dramatically in October or November. The applicant because they were already in the process elected not to utilize that new ordinance. The new ordinance as opposed to the older one that was repealed allowed for minor modifications to be approved administratively. Staff did not feel comfortable approving a modification for this Planned Zoning District because when the City Council and Planning Commission reviewed the Planned Zoning District at that time staff would not have had the ability to approve anything administratively. We felt it was important for the City Council to act on this request. The request is to extend the height of the structure for two additional floors, I believe the applicant stated a maximum of 22 feet; that would be a total of 18 floors. The reason for that request is the demand for 53 additional hotel rooms as approved it was 147 rooms. This does fall within the minor modification of the PZD; it is about a 13% increase in the overall height. Staff is allowed to make an administrative amendment up to 20%; however we did feel that it was important for the City Council to look at this particular request.

John Nock, developer: This was originally C-4 we went through the PZD obviously there was not a limitation on the height at the time we did it because of the residential and the parking deck requirements that came under the PZD. Also one of the questions that come up was the parking requirements, the requirements were 280.5 spaces we are providing 348 spaces which gives an overage of the requirement of 67.5 spaces. We were very concerned when Marriott made the request to us they asked that we go out and hire a feasibility expert again to review that. We brought in an international hospitality advisor they are one of the leading firms in the country. They came in and did another market survey since the previous approval process and said that by far if we are looking at an economical model and because of the growth, the convention space that's available in downtown Fayetteville, that you need the additional spaces in the hotel. That's when we reluctantly decided to go through this process.

Alderman Cook: John there is a comment in there about if you need the additional hotel rooms then why don't you use the space you already have in the existing 16 story building.

John Nock: That's a good question we as you know in the current regime we have 5 condo floors, plus we have the meeting space which is approximately 12,500 square feet. The meeting space we set up banquet facilities and other adjunt space to that allowed us to get the state tourism tax credit dollars which was a major issue in getting the project to come with a real economical model that worked. Secondly the condos are used simply to pay down debts so the hotel that we built won't be like the other hotels that were on that site that failed over time. The other option was we could tear down additional historic buildings but we were pretty clear when we were in front of the City Council and the public that what was being taken down was it. We weren't going to take down any more of the historic structures and we have already put as much on that site as we could. Could we remove some of the other uses in the building, sure and you could redesign it again but that's not what the economic model says is the right thing to do so that was our proposal. It was the least painful and probably the smartest in the long term for Fayetteville and for the project and for us as developers.

Alderman Marr: John I had citizens say to me that when this came through as a TIF these guys stood in front of you and said we have everything all we are waiting on is you guys to go forward and now it appears that a big part of what was the sale on this project with the hotel was not a deal so to speak. How would you respond to that?

John Nock: That's a fairly good question. It's a give and take process when you're dealing with a project of this size, especially when you're dealing with one of the largest hoteliers in the world, Marriott. We have currently an agreement to build it with the size stated that we have, when they came back with the 200 rooms that was a suggestion from them not from us. Yes that was what we presented and that was a very accurate statement at the time but when you get better information from better sources that are smarter and know what they are doing the right thing to do is just stop and listen.

Alderman Marr: Is your contract with the Marriott contingent on the difference between 153 and 200?

John Nock: Our draft contract that we have is based upon approval as is with a very strong push to go with additional floors.

Rick Alexander, developer: I just want to expand on that, you asked why we are here you said you had everything, we did have everything but part of what we had was a letter of intent from Marriott as the franchiser to approve this project and go forward. Now if you know anything about the franchising operation they come in then and do an extensive dodiligence and they look at your qualifications once you sign your letter of intent. They spend significant resources and send teams of people to review all of your plans. We have redrawn all of our plans to fit their model. Mr. Alexander went through the process they have been going through with Marriott.

Karen Reece, a resident of Fayetteville stated she is a friend of Rick Alexander's and spoke highly of the work that he has done. She states height however has been a huge issue for Fayetteville residents. She feels the decision to grant two more stories would be a mistake.

Hank Broyles, a resident of Fayetteville spoke about the difficulty of financing a hotel. He stated that trying to get another hotelier in at this point in time would be a disaster. He stated he likes tall buildings and hopes the Council approves the 18 stories.

Rick Hancock stated he is excited and has talked to a lot of people that are excited about the height of the building and they want something that is successful here. He feels that the Marriott has done the research and knows what they are doing and feels we should listen to what they are saying and try to give this thing the best opportunity that it can have going forward.

Steve, Fayetteville Economic Development Council stated he has been watching this for a long time and this has been a tremendous team effort using the TIF in a very innovative way. He feels this will be an example of how a community can work together to make a really beautiful project work and now we have one of the best hoteliers in the world working with us. He states he would certainly encourage you to approve it tonight. He feels it will certainly be a shining star in everybody's hat for a long time to come.

Alderman Lucas: This was zoned C-4, is there a height requirement in C-4?

Jeremy Pate: There is no height requirement in C-4.

Alderman Marr: This is a project that I supported when it came through as a 16 story project. Since then we have had a lot of discussion about height in Fayetteville and what it means. As the construction on the Bank of America site, it has added two floors if you're at the Farmers Market on Saturday you hear people say when we build this 16 story building is the square going to be in shade? One thing I want to know is what would the shadow of an 18 story building on this site do, would it hit the square? Do we have any idea of what that pitch is?

Jeremy Pate: I don't know what the answer to that question is.

Alderman Marr: So it's never been looked at at this point.

Jeremy Pate: Not that I'm aware of.

Richard Alexander: It depends on what time of the day.

Alderman Marr: Right, but I guess I'm talking about how long it would be in the shade.

Vice Mayor Jordan: I don't think there's an answer to that.

Alderman Marr: I guess it will continue to be the discussion at the Farmers Market.

Alderman Rhoads: I think from the position of the building and what I know about having lived in Chicago, having visited cities all over the country, there's probably going to be a bit of shade but I think it's going to be pretty minimal based on the distance of the building from the square.

Alderman Marr: I guess that's the point I've been having with people, the further away you are from the square the shorter the distance that the time period will be in the shade. I asked the question because no one has really talked about it and all of these discussions keep coming up. I go back to what would we have done if we would have had an 18 story building in front of us a year ago when we talked about tearing down the Mountain Inn and when we approved it at 16 because at that time we had no discussion about the height of the building. We talked about the blight, job creation, property tax mileage for our school district, there were positive items about it and I'm not sure I would not have voted for it if it had been 18 at that time. It really concerns me to lose a project of this scope if that is truly what would happen in this case and more importantly we are competing against an Embassy Hotel and Convention Center in Rogers and I think if you're going to compete in Fayetteville with our own benefits we have to still have a comparable hotel quality to compete against someone who wants to stay in that and Marriott obviously is world renowned.

Alderman Thiel: I agree with Don that this building is going to cast a big shadow probably but I think a few years ago when we first approved this it was casting a big shadow and I don't think we really discussed that at that point that much. I don't think 22 feet more is that significant. I think the city has a very large vested interest in this project both in the project and the redevelopment of that area. I think it's going to be a land mark building, it's a beautiful building. I understand the concerns about the height and I appreciate those concerns but I think once we accept it and really didn't even consider the 16 stories that strongly, I just don't think the additional 22 feet is that significant at this time. I feel like it is very important that they do get the Marriott. I feel like we would be taking a giant step backward if we even considered not going along with this project.

Alderman Ferrell: Those extra 2 stories or 22 feet aren't free there's going to be further infusion of capital dollars spent which will trickle through this community. I know that there are people that the height bothers but I ask them to consider what the community faces with other things this is going to help us retire some of the debt with more money being spent. We've got to put our best foot forward sometimes and I think that once again baring in mind what used to be sitting on that corner this will be a diamond.

Alderman Reynolds: I just want to say that when I go to St. Louis or wherever I go if there is a Marriott that's where we stay because we know their product we know what they produce it's a great place. I'm going to support this because we have gone too far to stop now. We need to support these guys.

Vice Mayor Jordan: Robert.

Alderman Rhoads: I'm going to pass, everything I was about to say has been said once or twice already.

Alderman Lucas: The reason I asked about the C-4 is we don't have a height limit for C-4 we may have other buildings that come forward even taller as long as we keep no height limit in C-4. I don't think that 22 feet is going to add that much. I think this is probably the appropriate place to have them. I don't think that tall buildings like this are appropriate in other areas downtown but I think this corner can handle it. I'm going to support it.

Vice Mayor Jordan: Kyle.

Alderman Cook: I'm a little frustrated about the fact that we are talking about this again and I'm sure the developers are frustrated that they had to come in front of us also. I'm going to be the only one to vote against it. We as the City of Fayetteville have given and given to this project and we all want to see it be successful. You are right we did spend a lot of time on this project. We bought all the properties, provided the building pad, reworked the utilities that was roughly our $3.5 million contribution from the TIF. We made adjustments on set backs, we allowed them to build over part of Mountain Street with the parking deck, I feel like we gave and gave to this project, we did everything we could to make it work and frankly I'm tired of giving to the project. Richard's comment about the letter of intent I'm really surprised they give a letter of intent at 153 rooms if they require 200 rooms. I do support the Mountain Inn project and voted for it originally I'm not willing to add two more stories.

Alderman Marr: I want to make a comment because I'm going to vote in support of the project but I want to make a statement clear at least from my view on this and how it is different from other height discussions we're having. This is a PZD and it came before us in a zone that is C-4. I think it sends a message why we need to get the Downtown Master Plan zone passed because we don't have a downtown commercial core. We don't have the zones we are talking about in that plan that citizens are locking into a particular height that is in that particular plan. These zones don't have a height today and I think we also have to make decisions about that until we buck up and decide to vote on that particular plan. Even in that plan if we were going to use it as a guiding document it sits in the very foot print of what we are calling our downtown core which is our tallest and highest buildings. So that's the other reason I would look at it differently in this case.

Alderman Ferrell moved to approve the resolution. Alderman Reynolds seconded the motion. Upon roll call the motion passed 7-1. Alderman Cook voting no.

Resolution 108-06 as Recorded in the Office of the City Clerk.

Crystal Springs IV Appeal: Appeal the approval of the PPL 06-1977 Preliminary Plat Crystal Springs IV for property located north of Mt. Comfort Road, at the end of Raven Lane.

Jeremy Pate: The staff recommended and the Planning Commission approved a Preliminary Plat for Crystal Springs Subdivision Phase 4 with a vote of 7-2. Jeremy gave a brief description of the property.

Vice Mayor Jordan: Shirley and I appealed this decision of the Planning Commission simply to let the neighborhood be heard before this council. At the neighborhood meeting most of the discussion was around the connectivity going through the neighborhood but we also released that if the bridge was built first then that would not happen and would give people a northern access later on out of that area.

Alderman Lucas: If they started the construction before the bridge was built then all the construction vehicles would have to go through this neighborhood. This is an established neighborhood that's been there a while. It's a quiet neighborhood and we just felt like it was important for us to look at this and decide about protecting an established neighborhood that's been there awhile.

Vice Mayor Jordan: Would the owner of the property like to address us?

Mel Milholland, Milholland Engineering: I represent Jed Inc. who is the developers and Mr. Joe Edwards is here tonight representing them. We appreciate the staff working with us and we do concur with what Jeremy read here tonight and what the staff has recommended on this project. We also concur with the Planning Commissions approval of the Preliminary Plat of this final phase of this project. He gave a brief history of the project.

Jeremy Pate: If the City Council wanted to change the condition of approval as discussed with the City Attorney and did not want to affirm the Planning Commissions decision. The resolution would read *a resolution affirming the Planning Commission approval of Preliminary Plat 06-1997with one additional condition as offered by the applicant that would state the applicant shall construct the crossing at Clabber Creek to the north to be completed and accepted by the City with Phases I and II of the subdivision prior to the construction of a home on the subject property.*

Mel Milholland: We respectfully offer that.

Vice Mayor Jordan: So basically we are saying no homes would be built until the bridge is put in.

Mel Milholland: That is correct.

Greg Edwards with Jed, Inc.: We will be glad to do both connectivity's in the beginning. There will not be a house built on any of the property until we have connectivity to the north and to the south.

Wayland Harris, 2397 Woodlark Lane stated he is speaking tonight on behalf of the residents in the Bird Haven Subdivision. He stated they are opposed to this development for several reasons. He stated they are concerned about the traffic on Mount Comfort Road and that it can not handle the additional traffic this subdivision will produce. They have not seen any road improvements even though two schools are accessed from this road as well as numerous other subdivisions. He stated this development will only compound the existing problems. He stated they do not have a city park, bicycle trails or any sidewalks to walk on therefore the residents in this area must use the streets to walk, ride and play on. He voiced his concern about the lack of connectivity. He also voiced his concern about the infrastructure in this area. He stated they do not feel like their subdivision should have to bear the impact of this development because of poor planning. He stated this is a safety hazard both to the residents of Bird Haven and to the drivers.

Vice Mayor Jordan: Mr. Harris you are asking that Raven and Woodlark Streets remain closed until there are improvements on Mount Comfort and the bridge to the north is in place is that correct?

Wayland Harris: Yes sir.

Alderman Lucas: Can the connection be made but they remain closed until Mount Comfort is improved?

Jeremy Pate: I suppose they could. I think that would probably be a decision of the City Council.

Alderman Thiel: They will be building a road to Rupple Right?

Jeremy Pate: No madam. There will be one connection to the north and two connections to the south through the existing subdivision.

Alderman Thiel: Unless we don't make those connections.

Jeremy Pate: Right and then there would be only one connection into the entire development.

A discussion followed on connections to the property.

Jim Smith, attorney for Jed, Inc. stated the developer is caught in the middle of growth. He said they understand the position of the neighborhood. He stated they are not opposed to leaving Raven and Woodlark closed however if they do need to build these streets they would like to go ahead and do it while they do the development. The developer has caused and created significant improvement in this area. We are working closely with staff to preserve the connectivity that is so vital to the growth and that is so important to the growth and expansion of Fayetteville.

Ann Donovan a resident of the area stated she thinks until Mount Comfort Road has been expanded that any access that is built along Raven and Woodlark is just going to cause difficulty.

Joyce Thompson stated if this additional traffic is allowed to come onto Mount Comfort it impacts everyone else out there. She stated there is a traffic problem in the mornings right now. She stated she is not here to oppose the development but she is trying to emphasise to everyone that putting this traffic on Mount Comfort is not the thing to do.

A discussion followed on connections in the area, fire access and installing traffic signals in this area.

Alderman Lucas: Lioneld and I have pushed for improvements to Mount Comfort Road. The City has a policy that development is going to build the infrastructure instead of the infrastructure happening at the same time or before the development. This is a classic case of where that fails. We have to have this infrastructure in place before we get all this development. Mount Comfort Road is horrendous. I know the developer has done a lot. This has been coming since 1992 and we still have not improved Mount Comfort in that length of time. It is something that we have to do before someone is killed. This is just an accident waiting to happen.

Vice Mayor Jordan: I have to agree with Alderman Lucas on this. Mount Comfort Road is one area of our Ward that I have the most complaints on. I can not get the premise that we are going to put more cars in that area without any kind of improvements. I don't have a problem if we leave those closed off until we get the bridge and we get a way north out of there and we have made the improvements to Mount Comfort.

Alderman Marr: Our City 2025 Plan talks about our strategy when we talk about infrastructure. Today our policy is the developer builds it as they develop it. We do not have a policy to go out and build things before it is developed. This land is zoned to build out at a certain level and it is required to develop at a certain planning process with certain connectively because that is how we do it until we change one of the items that the 2020 Plan talked about which infrastructure concurrency with development. We don't have that today. I am for building it than not building it. Concurrency development is an item in the 2025 Master plan that I hope we all support because we need to talk about where we want to drive traffic in those particular areas. It concerns me to not have connectivity.

A discussion followed on connectivity.

Mel Milholland: The Master Street Plan is a direction for developers to use and this developer has used that. One of these streets is a collector street.

Alderman Ferrell moved to amend the preliminary plat to add a condition of approval to build a bridge for access to the north and that no houses be built until that bridge is constructed. Alderman Reynolds seconded the motion.

Wayland Harris: Emergency vehicles can not access Bird Haven now in the morning due to the traffic. He voiced his concern about streets in the area and access from the north or south.

Alderman Thiel stated if this north south connection is required before houses are built and it connects into the current development then that has given the current development another access. I do not understand why that would not benefit the current development.

Alderman Marr: If that bridge is built and then the connection goes to the north have you had any feedback from that neighborhood on the north side if you close it off that they don't want the connection coming through their neighborhood?

Vice Mayor Jordan: No we have not.

A discussion followed on street in the area and the collector streets in the area and the proposed collector streets in this area.

Alderman Ferrell withdrew his motion. Alderman Reynolds withdrew his second.

Alderman Jordan moved to table the appeal until the June 20, 2006 City Council meeting. Alderman Rhoads seconded the motion. Upon roll call the motion passed unanimously.

This appeal was tabled until the June 20, 2006 City Council meeting.

<u>Arkansas Department of Aeronautics SAAG Grants:</u> A resolution authorizing airport staff to apply for and accept two (2) SAAG Grants in the amount of $250,000.00 each from the Arkansas Department of Aeronautics to fund a portion of the cost to construct two (2) corporate hangars at the Fayetteville Municipal Airport; approving the financing plan to cover the city's match of $700,000.00; and approving budget adjustments recognizing the grant revenues.

Ray Boudreaux, Aviation and Economic Development: The hanger buildings at Fayetteville Municipal Airport are fully occupied and we have a waiting list. Drake Field continues to grow at an unprecedented rate mirroring the entire region. Recently we were able to convince the FAA Contract Tower Department to lower our cost share for the air traffic control tower due to that unprecedented growth. Recently the airport was selected Arkansas Airport of the year by the FAA District office in Fort Worth, Texas for management of the growth and successful rebirth as a general aviation airport. We need to continue this momentum to be able to support our citizens and our visitors. This action allows staff to apply to the State Department of Aernomics Commission for two hanger construction grants of $250,000 each. It also allows the Airport Fund to finance up to $700,050 from the General Revenue Fund to match the SAAG grant from the State and complete the project. The airport needs space for aircraft, more aircraft activity and increased cash flow to the Airport Fund. This project as structured can accomplish all three.

Alderman Thiel: I am supportive of doing this.

Alderman Thiel amended the resolution to state that $700,000 will come from the General Fund and the Airport will repay that over 15 years at 5% annual interest rate. Alderman Marr seconded the motion. Upon roll call the motion passed unanimously.

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

Resolution 109-06 as Recorded in the Office of the City Clerk.

VAC 06-2045 Bellafont II: An ordinance approving VAC 06-2045 submitted by H2 Engineering, Inc. for property located northwest of Joyce Boulevard and Vantage Drive, vacating a portion of the utility easement located within the subject property.

City Attorney Kit Williams read the ordinance.

Jeremy Pate gave a brief description of the vacation. Staff is recommending approval.

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

City Attorney Kit Williams read the ordinance.

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

City Attorney Kit Williams read the ordinance.

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

Ordinance 4877 as Recorded in the Office of the City Clerk.

RZN 06-2026 Lafayette and Mission: An ordinance rezoning that property described in rezoning petition RZN 06-2026 for 11 non-contiguous parcels, located north of Lafayette Street and east of Mission Boulevard, from RMF-24, Residential Multi-Family, 24 units per acre to RMF-6, Residential Multi-Family, 6 units per acre.

City Attorney Kit Williams read the ordinance.

Jeremy Pate gave a brief description of the rezoning. Staff is recommending approval.

Alderman Thiel: I worked with these residents some time back and they wanted to rezone their property to make their property more compatible with the adjoining neighborhood. They still have concerns about the property that is owned by Mr. Lindsey. I am still working with Mr. Lindsey regarding the rezoning of his property. I think this rezoning is a very good effort by the neighborhood. I appreciate their effort in doing this.

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

City Attorney Kit Williams read the ordinance.

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

City Attorney Kit Williams read the ordinance.

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

Ordinance 4878 as Recorded in the Office of the City Clerk.

<u>**BMW Investments, LLC Cost-Share:**</u> An ordinance waiving the requirements of formal competitive bidding and approving a cost-share agreement with BMW Investments, LLC in the amount of $14,500.00 for the upsizing of approximately 860 feet of 8" water main to 12" water main; and approving a contingency in the amount of $1,450.00.

City Attorney Kit Williams read the ordinance.

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

City Attorney Kit Williams read the ordinance.

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

City Attorney Kit Williams read the ordinance.

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

Ordinance 4879 as Recorded in the Office of the City Clerk.

<u>**RZN 06-2028 Mountain Ranch C-2:**</u> An ordinance rezoning that property described in rezoning petition RZN 06-2028 for approximately 22.68 acres, located west of I-540 and south of Betty Jo Drive, from R-A, Residential-Agricultural, C-1, Neighborhood Commercial, and RMF-24, Residential Multi-Family, 24 units per acre to C-2 Thoroughfare Commercial.

City Attorney Kit Williams read the ordinance.

Jeremy Pate gave a brief description regarding this rezoning and the next five rezonings.

Chris Bracket, Jorgenson and Associates: We have taken over this project. He explained the reason for the rezonings. Most of these rezonings are due to a road that had to be moved.

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

City Attorney Kit Williams read the ordinance.

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

City Attorney Kit Williams read the ordinance.

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

Ordinance 4881 as Recorded in the Office of the City Clerk.

RZN 06-2028 Mountain Ranch RMF-24: An ordinance rezoning that property described in rezoning petition RZN 06-2028 for approximately 0.28 acres, located west of I-540 and south of Betty Jo Drive, from RSF-4, Residential Single Family, 4 units per acre to RMF-24, Residential Multi-Family, 24 units per acre.

City Attorney Kit Williams read the ordinance.

Jeremy Pate gave a brief description of the rezoning.

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

City Attorney Kit Williams read the ordinance.

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

City Attorney Kit Williams read the ordinance.

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

Ordinance 4882 as Recorded in the Office of the City Clerk.

RZN 06-2028 Mountain Ranch RSF-4: An ordinance rezoning that property described in rezoning petition RZN 06-2028 for approximately 1.17 acres, located west of I-540 and south of Betty Jo Drive, from RMF-24, Residential Multi-Family, 24 units per acre to RSF-4, Residential Single Family, 4 units per acre.

City Attorney Kit Williams read the ordinance.

Jeremy Pate gave a brief description of the rezoning.

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

City Attorney Kit Williams read the ordinance.

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

City Attorney Kit Williams read the ordinance.

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

Ordinance 4883 as Recorded in the Office of the City Clerk.

RZN 06-2028 Mountain Ranch RMF-12: An ordinance rezoning that property described in rezoning petition RZN 06-2028 for approximately 5.28 acres, located west of I-540 and south of Betty Jo Drive, from C-1, Neighborhood Commercial to RMF-12, Residential Multi-Family, 12 units per acre.

City Attorney Kit Williams read the ordinance.

Jeremy Pate gave a brief description of the rezoning.

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

City Attorney Kit Williams read the ordinance.

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

City Attorney Kit Williams read the ordinance.

Alderman Cook: I am not enthusiastic about having more apartments along I-540.

Chris Bracket: Our thought process behind that is when we first looked at it we had single family homes directly across the street from our commercial and we felt that was not in the best interest of the development or the City. This is set off from I540 there is quite a bit of room between us and I-540. It is shaped more for town homes, condo development as opposed to what you see now on I-540.

Vice Mayor Jordan asked shall the ordinance pass. Upon roll call the ordinance passed 7-1. Alderman Thiel, Marr, Rhoads, Ferrell, Lucas, Jordan and Reynolds voting yes. Alderman Cook voting no.

Ordinance 4884 as Recorded in the Office of the City Clerk.

RZN 06-2028 Mountain Ranch RSF-2: An ordinance rezoning that property described in rezoning petition RZN 06-2028 for approximately 8.91 acres, located west of I-540 and south of Betty Jo Drive, from C-1, Neighborhood Commercial and R-A, Residential-Agricultural to RSF-2, Residential Single Family, 2 units per acre.

City Attorney Kit Williams read the ordinance.

Jeremy Pate gave a brief description of the rezoning.

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

City Attorney Kit Williams read the ordinance.

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

City Attorney Kit Williams read the ordinance.

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

Ordinance 4885 as Recorded in the Office of the City Clerk.

RZN 06-2028 Mountain Ranch RMF-18: An ordinance rezoning that property described in rezoning petition RZN 06-2028 for approximately 9.16 acres, located west of I-540 and south of Betty Jo Drive, from C-1, Neighborhood Commercial and R-A, Residential-Agricultural to RMF-18, Residential Multi-Family, 18 units per acre.

City Attorney Kit Williams read the ordinance.

Jeremy Pate gave a brief description of the rezoning.

A discussion followed on the map.

Alderman Marr: Part of this parcel is in the commercial design overlay area and I don't think we should give up commercial zoning that is next to I-40.

Alderman Thiel agreed with Alderman Marr.

Chris Bracket: This parcel does not have direct access to Shiloh Street. That commercial would have to access our residential road to get to it. Also we need some kind of buffer between our single family and our commercial.

Alderman Thiel: The property just north of there is C-2 so you would have access through that property to Shiloh Street.

Chris Bracket: But we would not have a buffer between our single family and our commercial.

Alderman Marr: Our 2025 Plan talks about having neighborhood commercial in residential areas to reduce the need to get in your car and go some where. I do not think of neighborhood commercial as being high impact commercial. I am not comfortable with that being residential.

Chris Bracket: I would propose that you hold it at this reading so I can talk to my client.

This ordinance was left on the First Reading.

RZN 06-2050 Wales: An ordinance rezoning that property described in rezoning petition RZN 06-2050 for approximately 1.4 acres, located at 2055 North Fox Hunter Road, from R-A, Residential-Agricultural to RSF-4, Residential Single Family, 4 units per acre.

City Attorney Kit Williams read the ordinance.

Jeremy Pate gave a brief description of the rezoning.

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

City Attorney Kit Williams read the ordinance.

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

City Attorney Kit Williams read the ordinance.

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

Ordinance 4886 as Recorded in the Office of the City Clerk.

West Fayetteville Annexation Election: An ordinance calling an election to determine whether approximately 2,000 acres contiguous to the western city limits should be annexed into Fayetteville.

City Attorney Kit Williams read the ordinance.

Tim Conklin gave a brief description of the annexation. He stated the Annexation Study Committee is recommending this annexation. In the ordinance it talks about the Special Election occurring on August 8. The Special Election will cost approximately $20,000. The City Clerk's budget had one Special Election budgeted for 2006 which was used for the library millage that was approximately $17,000. If you would like to go forward with this proposal if you set the Special Election for August 8 it is possible to meet those deadlines with regard to notification. If you do pass this ordinance this evening we will need to bring forward a budget adjustment to add money to the City Clerk's budget in order to fund that election.

The City of Farmington is looking at utilizing the new state law that allows annexation of islands that are in between two cities. Whoever has the most frontage or lineal feet of contiguous corporate boundary. It is my understanding they are moving forward with that. There are also some annexation petitions that have been filed at the County by private property owners to come into the City of Fayetteville. At the time of annexation the property would be zoned residential agricultural.

A discussion followed on the date for the Special Election.

Alderman Thiel moved to amend the date for the Special Election to September 12, 2006. Alderman Marr seconded the motion.

Alderman Ferrell: Is the idea to have this election in September and to have the sales tax election on the same day.

Tim Conklin: That is correct.

Alderman Lucas: I am all for saving money but this type of election is going to be very confusing because the people outside the city can not vote on other city election items.

Alderman Marr: It concerns me that we may create a very confusing ballot in a time when we really need to educate and motivate people to support these projects.

Alderman Cook: Because of the timing of the projects we have to have the Sales Tax Election no later than September 12th.

A discussion followed on the dates for the election.

Alderman Thiel withdrew her motion. Alderman Marr withdrew his second.

Alderman Thiel: If we combine this with the School Board Election we might have some savings in the cost of the election. I have an issue about special elections.

Alderman Marr: I think you make a good point. There is just a lot of education on these issues that is why we think it should stand alone.

Ernie Penn, Farmington Alderman: We are exercising that state law that allows us to bring into our City an annexation without an election. I am here to appeal to you that we object to the annexation area that you are proposing with your boundary maps.

It has been my pleasure to work with Kyle Cook and Stephen Davis on the Sewer Negotiating Team. I appreciate their efforts and everything they have done to make that a pleasurable situation.

Mr. Penn discussed some of the areas of annexation that were talked about with the City of Fayetteville. He stated they talked about Farmington not extending their annexation north of Dot Tipton Road that seemed to be a line that was reasonably acceptable to both parties. He said if someone wishes to annex to the City of Fayetteville they are not going to be disagreeable with that. He said the area they are most concerned about is south of Edwards Road because they have city limits on the west side already and that will restrict them. He discussed the areas that they are concentrating their annexation efforts on. They would like to square their boundaries up.

Alderman Marr: The annexation that you did last night is any of that north of Dot Tipton Road?

Ernie Penn: There is a small section above that on the other side of the road. We are willing to pull that back if necessary.

A discussion followed on the proposed area that the City of Farmington would like to annex. They also discussed the fire response time for the proposed annexed area.

Ernie Penn: We are trying to determine a good area that would be beneficial to us and to you also.

John Shreve representing the Shreve family stated they really do not want to be in any city limits but they would prefer to be in Fayetteville.

Alderman Cook: Should we even annex this amount of land. Alderman Cook voiced his concern about being able to provide the infrastructure for the annexed area. He is also concerned about the current congestion on the streets. He stated the first two goals on the 2025 Plan are infill and revitalization which are our highest priorities and we will discourage suburban sprawl. I don't see why we continue to annex.

Alderman Thiel: I am supportive of developers coming to us and wanting to annex because we get the services done when the annexation occurs. It concerns me when and if we can provide services to the annexed area if we annex this. If we do go with this annexation I think we need to make some modifications to the map.

Alderman Reynolds: I feel like we do not need to go out and grab up more when we can't handle what we have.

Alderman Lucas: Some of these things we discuss every time an annexation is brought before us. The Task Force was given the responsibility to look at this mainly because we are always talking about planning growth instead of just piece milling it. This would give us the opportunity to do what consultants have told us that we need to do, look at areas and designate things such as the commercial nodes. We are going to be providing sewer to this area whether it is in Fayetteville or not and it is going to develop whether it is in the City of Fayetteville or not. I just feel there can be some planning if it is brought into the City.

Alderman Ferrell: There is a large portion of developable land in this area that is under contract to be sold. It is not coming it is here. I think we need to be good partners with Farmington and try to work something out.

Alderman Marr: The arguments for annexation never go away, when you create the new line there is another line. At some point you have to say where is the line going to be and how does the City benefit regarding revenue. The majority of our revenue is sales tax based, do we have the majority of these individuals buying in our City. I think there is a risk to that because if it develops as commercial nodes it will drain money being spent in our City. I like not having something coming in five acres at a time. If I felt the Council was actually going to commit to these boundaries and vote against something that is outside of them I might feel better about looking at something this size but we do not have a track record of doing that. We have Highway 16 on this section and I believe Highway 16 will develop as a commercial node and it is something that we should all consider when we think about the impact on our future tax base.

A discussion followed on Farmington's annexation and the affect that would have on our proposed annexation.

Kit Williams: I would recommend that we have a new subsection 6 that says if any area is no longer legally annexable then the ballot shall so reflect the land that can still be annexed within the City of Fayetteville. If you do not pass this ordinance tonight there would not be enough time to get this before the voters on August 8, 2006. Obviously you cannot annex an area if it has already been annexed into another city.

Alderman Thiel: I am not saying I am not in support of this going to the voters and let them decide.

Kit Williams: I would add a Section 6 *if any of the property identified for annexation by Exhibits A, B, C and D is no longer legally available for annexation at the time of the election, this ordinance and the ballot shall refer to only to the remaining legally annexable area.*

Alderman Lucas moved to amend the ordinance to add a new Section 6 as proposed by City Attorney Kit Williams. Alderman Thiel seconded the motion. Upon roll call the motion passed unanimously.

Alderman Marr moved to amend the ordinance to have the election held at the next General Election, November 7, 2006. Alderman Thiel seconded the motion.

Alderman Marr: The reason for the motion is we have had a request from the Farmington City Council that we come to an agreement on boundary lines and we need some time to do that. I do not want this on the Road and Sewer Election which is September 12, 2006.

Upon roll call the motion passed 7-1. Alderman Lucas voting no.

Alderman Lucas: The reason that I voted no was because when the committee to study this was formed we had a mandate to bring this back in four weeks.

A discussion followed on the boundaries for the proposed annexation.

Staff will draw up proposed annexation area maps.

This ordinance was left on the First Reading

Fire Stations #3 and #5 Bond Purchase Agreement: An ordinance authorizing the issuance and sale of not to exceed three million two hundred thousand dollars ($3,500,000.00) of the city's General Obligation Bonds, Series 2006A, for the purpose of financing all or a portion of the cost of Fire Station facility improvements; authorizing the execution and delivery of a trust indenture pursuant to which the bonds will be issued and secured; authorizing the execution and delivery of an Official Statement pursuant to which the bonds will be offered; authorizing the execution and delivery of a Bond Purchase Agreement providing for the sale of the bonds; authorizing the execution and delivery of a Continuing Disclosure Agreement; and prescribing other matters relating thereto.

Alderman Marr moved to move this to Item # 9 on the agenda. Alderman Reynolds seconded the motion. Upon roll call the motion passed unanimously.

Kit Williams: I think there is a request that this be amended to $4,000,000

Bob Wright, Crews and Associates stated the request from the City is for $3.560 million for the project. They gave the Council information regarding the new amount. He stated the only reason they are going above the $3.560 is to have a little more cushion. He stated in marketing these bonds they have seen recently some very aggressive bids with some institutions that are asking for a Debt Service Reserve Fund attached to the financing. He stated they do not expect to issue a Debt Service Reserve Fund on this financing but they wanted that flexibility in case it made sense and saved the City money.

Alderman Marr moved to amend the ordinance amount to $4,000,0000 and replace the previous ordinance with a new ordinance. Alderman Cook seconded the motion. Upon roll call the motion passed unanimously.

City Attorney Kit Williams read the ordinance.

Alderman Ferrell stated he is very much in favor of fire stations. He stated his concerns about the amount of this Bond Purchase Agreement. He is concerned about the cost of these fire stations.

Alderman Marr: I thought the Rupple Road Fire Station was around $1.8 million without the land cost.

Steve Davis, Finance and Internal Services Director: I would have to check the files on that. We based the Fire Station # 5 construction cost on what it cost us to construct Fire Station # 7.

Kit Williams: This is not approving any contract to build anything. The City Council has the last word whether or not they want to accept a bid to build any fire station.

Alderman Thiel: The building that will be constructed on the Tyson property is not just a fire station it will also include a training center. The cost of construction has gone up tremendously.

Alderman Marr: This is where we get in trouble communicating numbers two and three times before we actually have dates because it sets a public expectation that it is going to be a certain amount. I think we need to learn from prior projects that throwing a number out to be published on the cost of a project shouldn't be done until we feel fairly confident on the range.

Steve Davis: Construction cost was $1,613,065.90. The land cost was on top of this amount. The land cost was approximately $230,000 to $240,000. That was two years ago. This is the full cost. Basic construction materials are going up. It is reasonable to expect that Fire Station # 5 relocation will probably come in closer to $1.7 million.

Bob Wright: The true cost as far as the financing itself the expected amount is $3.560. If there are questions on that we can certainly adjust the size of the issue.

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

City Attorney Kit Williams read the ordinance.

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

City Attorney Kit Williams read the ordinance.

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

Ordinance 4880 as Recorded in the Office of the City Clerk.

Meeting Adjourned at 10:50 PM

Dan Coody

Dan Coody, Mayor

Sondra Smith

Sondra Smith, City Clerk/Treasurer