Mayor Dan Coody

City Attorney, Kit Williams

City Clerk Sondra Smith

Fayetteville
ARKANSAS

Aldermen

Ward 1 Position 1 – Adella Gray
Ward 1 Position 2 – Brenda Thiel
Ward 2 Position 1 – Kyle B. Cook
Ward 2 Position 2 – Nancy Allen
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

City of Fayetteville Arkansas
City Council Meeting Minutes
January 16, 2007

SCANNED

A meeting of the Fayetteville City Council was held on January 16, 2007 at 6:00 PM in Room 219 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

Mayor Coody called the meeting to order.

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

Pledge of Allegiance

Mayor's State of the City Address:

Mayor Coody gave the State of the City Address. A copy of the State of the City Address is attached.

City Council Committees Council Approval: Nominating, Ordinance Review, Sewer, Street and Equipment. These committees are appointed by the Mayor and approved by the City Council.

City Attorney, Kit Williams: The Mayor appoints the City Council members according to our rules. The City Council members normally just accept that. They can if they want to ask to be reassigned. Because of the state law in relation to the Sewer Committee, which is a very important statutory committee, I think it would be good for there to be a motion to accept the committee membership assignments as made by the Mayor.

Alderman Jordan moved to approve the City Council Committee Appointments. Alderman Lucas seconded the motion. Upon roll call the motion passed unanimously.

CONSENT:

Approval of the December 19, 2006 and January 2, 2007 City Council meeting minutes.

Approved.

Performance Bond to Dead Horse Mountain Road Bridge: A resolution to approve the Performance Bond of Meadows Enterprises, Inc. to guarantee payment of $36,668.92 for Dead Horse Mountain Road Bridge upon request by the city.

Resolution 05-07 as Recorded in the Office of the City Clerk.

Alderman Jordan moved to approve the Consent Agenda as read. Alderman Ferrell seconded the motion. Upon roll call the motion passed unanimously.

UNFINISHED BUSINESS:

Amend Chapter 174 & Chapter 153; Signs: An ordinance to enact a replacement Chapter 174 Signs and § 153.08 (G) Signs to clarify sign regulations in Fayetteville. ***This ordinance was left on the first reading at the January 2, 2007 City Council meeting.***

Alderman Thiel 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.

City Attorney, Kit Williams: Let me hand out what was provided to the Ordinance Review Committee.

Alderman Thiel: The Ordinance Review Committee reviewed this and made the changes that the City Attorney passed out. These changes were what the Ordinance Review Committee felt were acceptable changes. We had some citizens participate in the discussion. Most of the changes that were recommended were improvements or more enabling.

City Attorney, Kit Williams: All the changes are on pages 4 and 5 of the item I just handed out to you. The first change would be if you are in a nonresidential zone you would be allowed to have more than one large campaign sign if you had more than 100 feet of frontage. Basically you can have one large campaign sign for every 100 feet of frontage. These are the signs that go up three weeks prior to an election and then have to come down.

Another change we made after listening to the Aldermen and also some of the nonprofit people was to reduce the amount of setback to 20 feet instead of 40 feet for banners. Also if your building was closer than 20 feet it would be the building face.

We tripled the amount of time. It went from twice a year for two weeks at a time to six times a year to make sure there would be enough time for the nonprofits to be able to display their banners.

The third change was an oversight on my part earlier. We talked about having the banners that hang over Dickson Street limiting them to events that happen in the Downtown Master Plan Area and events at the University Campus. So I just needed to include that language in there.

Cyrus Young, citizen: You are eliminating the sponsors on the banners. A lot of times they will have sponsors on them, I assume that you worked that out. I did not see where you addressed permanent signs in front of subdivisions. Developers like to put up signs in front of their subdivisions. The main reason I came here is because of the election signs and the ones that City Attorney, Kit Williams was referring to, the large signs. You are limiting it to two or three weeks before the election. The whole point of putting up a sign like that is to try to influence other voters to vote for whoever it is you are putting the sign up for. In my opinion that is a violation of the first amendment right. That is the whole point of being able to put it up. Having them brought down after the election I don't believe any one will argue with that. The ability to influence the voter is over so everyone is in favor of getting them down. Limiting it to two or three weeks before the election I don't think is a problem. Generally no one puts them up before Labor Day. I would suggest that you eliminate any prior restraint on the weeks before the election. People want to be able to influence voters and two or three weeks before the election most people have already made up their minds and you have lost the ability to influence those people.

Alderman Thiel: The existing ordinance was not changed. It read three weeks prior, even though people don't necessarily abide by that. That has been the ordinance. There might be some consideration in increasing that time due to early voting which has become very popular now.

City Attorney, Kit Williams: It use to be two weeks and we elected to change it to three weeks. Subsection H which is entitled Noncommercial Signs basically means you can put up a small election sign year around on your property. There is no restriction for the noncommercial sign which you are authorized to have on your property. This only deals with the large signs.

Alderman Ferrell: Could we reach an agreement that probably people are putting their signs up around September 15th if they are going to run for the November election. Why don't we have the date of September 15th for the November election?

City Attorney, Kit Williams: We have to choose a period of time because these are going to be up before primaries. I would recommend you use a particular period of time before an election, two months, six weeks, three weeks, whatever you want to do.

Alderman Ferrell: I would suggest two months or 60 days. I hope everyone understands this is going to cause a race for the position, because if there is one sign per 100 feet there is going to be a race to get there.

Alderman Lucas: It is the large signs that are limited to the 100 feet it is not the small election signs.

Mayor Coody: Does this ordinance state there can only be one sign per 100 feet per candidate or for all candidates?

City Attorney, Kit Williams: This is one sign and the property owner gets to choose who he wants to allow putting a sign on his property. Prior to this amendment there was no provision

allowing any of these large signs. We simply were not enforcing it. We should enforce our ordinances. That is why I suggested to the Ordinance Review Committee and they have agreed that we allow the large campaign signs but have some restrictions on them. It is up to you to decide what the proper balance is between aesthetic considerations, traffic safety considerations, and political expression.

Alderman Allen: I want to clarify that we are only talking about large signs in terms of time periods. Smaller signs will not have a time frame.

City Attorney, Kit Williams: We actually can not limit small signs since we allow real estate signs and for sale signs. You can not favor a commercial sign over a noncommercial sign.

Daniel Hintz, Fayetteville Downtown Partners: We are under contract with the City of Fayetteville to oversee the Cross Street Banner Program and have taken considerable effort to get as much feedback as we possibly can on the work that was done on this. We would like to thank the City Attorney, staff and the Ordinance Review Committee for putting an enormous amount of work into this discussion. This is taken very seriously by the nonprofits that utilize this. I think the final ordinance that you see in front of you is a compromise. We have heard from several of the people that had a concern that compromises were made.

There is one thing I would like to bring to your attention. In Chapter 174.07, Placing Signs on Public and Private Property, under informational kiosk, there is no Downtown Entertainment Zone. We are asking that be changed to the Downtown Master Plan.

Alderman Thiel moved to amend the ordinance as per the recommendation of the Ordinance Review Committee and changing the name of the Downtown Entertainment Zone. Alderman Lucas seconded the motion. Upon roll call the motion passed unanimously.

Alderman Ferrell moved to amend the ordinance to allow large political signs 60 days prior to an election date. Alderman Lucas seconded the motion. Upon roll call the motion passed unanimously.

Alderman Thiel moved to suspend the rules and go to the third and final reading. Alderman Rhoads seconded the motion. Upon roll call the motion passed 7-1. Alderman Ferrell voting no.

City Attorney, Kit Williams read the ordinance.

Alderman Thiel: I do not feel like we are rushing this. There was a lot of discussion at the Ordinance Review Committee. I have no problem with moving this forward.

Mayor Coody asked shall the ordinance pass. Upon roll call the ordinance passed 7-1. Alderman Ferrell voting no.

Ordinance 4972 as Recorded in the Office of the City Clerk.

Amend Chapter 159; Road Impact Fees: An ordinance to amend Title XV Unified Development Code of Fayetteville, Chapter 159: Fees by enacting § 159.05 Road Impact Fees of the Unified Development Code and to refer this ordinance to the voters for their adoption or rejection. ***This ordinance was left on the first reading at the January 2, 2007 City Council meeting.***

Alderman Jordan 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.

City Attorney, Kit Williams: This was heard at the Street Committee. I have put together some of the possible amendments that the Street Committee looked at and approved.

Alderman Jordan: We went over a lot of the fees. We reduced the residential from over $4,000 to around $2,363.

Tim Conklin, Planning & Development Management Director: That is correct. City staff met with the City Attorney and we talked about looking at how the fees could be more uniform with the different land use classifications that we have. In your final agenda packet you have the amended fee schedule. We looked at how to potentially combine the residential uses together and recommended to the Street Committee the fee of $2,363.

Tim explained the fees and the current amount that they proposing for each zoning. He also gave a brief update on how they begin discussing impact fees and what impact fees are currently being collected. He spoke of the revenue that has been generated due to impact fees.

There are two methods, improvement based and consumption based. This looks at the fee as a system wide approach. The way the consult has calculated the fee is what does it cost to pay for a mile of capacity of road way. Each of the land uses have trip generation rates that are calculated by the Institute of Transportation Engineers (ITE Rates). Those are the rates that were used. There were adjustments made for the Federal funding that we received. There were also adjustments based on what we normally paid with regard to our CIP on street improvements. Section 3 in the ordinance states any valid permits that have been issued by the city prior to July 1, 2007 shall be exempt from the road impact fees.

City Attorney, Kit Williams: Section 3 is a new section and there were some minor changes in the whereas clauses. I would ask that you amend the ordinance to what I handed out tonight that includes Section 3 and other minor changes.

Jeff Erf: If someone gets a permit prior to July 1, 2007 when does that permit expire? Can someone get a permit on all the lots for a subdivision and hold on to them?

Tim Conklin: Permits are issued for six months and they need to show progress on that permit.

Jeff Erf: What type of progress? Is that spelled out specifically and who makes that determination?

Tim Conklin: The Building Safety Director would make that determination.

Jeff Erf: What would be an example of progress?

Tim Conklin: I don't want to speak for the Building Safety Director but I would assume that there would be inspections that would have to be completed during that six months that would show progress.

Mayor Coody: You would need to refer to the person that is in charge of that, the Building Safety Director.

Alderman Allen: I see that as problematic also Mr. Erf. I think that is something we need to look at.

Tim Conklin: We are in the process of drafting language that our City Attorney will need to look at with regard to what is a reasonable time period for substantial progress.

Alderman Allen: I hope that we will see something soon.

Alderman Thiel: What Jeff Erf referred to has increased the need for this and there definitely is a problem. I am looking forward to seeing something come forward to the Ordinance Review Committee in the near future.

Hank Broyles, Fayetteville Developer: I have observed the impact fees that started as a fairly small amount as getting larger and larger. With the road impact fees and some potential increases on the Water Impact Fees the amount will be somewhere around $6,000 per house for a single family residential home.

Tim Conklin: With the possible amendments the fee which includes the Park Land Dedication Fee for a single family dwelling would be $4,897. Duncan and Associates is looking at updating our Water and Wastewater Fees. That will be completed in the next couple of months.

Hank Broyles: I am far more in favor of a Real Estate Transfer Tax. This type of transfer tax would allow for a payment of all transactions on houses not just new construction. The impact fee is paid on a $2 million home and also the same fee is paid on $130,000 home. That is not fair. The person paying for the $2 million home can afford to pay more. We are trying to find ways to do attainable housing in Fayetteville and how can I hide $6,000 as a builder. It can not be done. That is this year, in 2010 is it going to be $10,000. I am not against the city finding ways to generate revenue. I personally do not feel that stacking this on top of new home buyers is the source of revenue. The real estate transaction is fair. It should be paid on a cost of house basis not on an individual basis. There has been an interest in the real estate transfer tax. This is a far more equitable way to raise money for our streets, parks, fire and police. I am not against raising the money. I am just looking at this procedure of continuing to stack on top of your lower income housing. These houses are not going to happen. At $6,000 on a 1,000 square foot home that is $6.00 a square foot. That is probably going to push new houses over the top and houses will not sell. I think we can talk to the state legislator and try to get the Real Estate Transfer Tax a legal option for cities to have. It would work in the same manner that Revenue Stamps are working now. I sure hope the City Council will look for an opportunity as soon as possible to assist the people in Northwest Arkansas that are trying to get the Real Estate Transfer Tax approved and when it is approved we will give the citizens an opportunity to vote on it.

Mayor Coody: There are pros and cons to both, the Real Estate Transfer Tax and impact fees. Is a Real Estate Transfer Tax applicable to what we would spend impact fee money on?

City Attorney, Kit Williams: The Real Estate Transfer Tax would be more like a regular tax to where you could spend the money on anything. It would be another general revenue source.

Alderman Allen: Mr. Broyles how does it seem fair to charge the seller of an old existing home for paying for the newer homes that are creating the sprawl.

Hank Broyles: Sprawl is part of it. One of the city's goals is to promote infill. How are you going to do that if you are charging the house that is next to an existing house $6,000 to be built. There is no street improvement but the new house is $6,000 more, when we were further extending from the city that was definitely a viable look. The thought was new people are moving to town, existing citizens do not have to pay this tax, so we will slap this on the people moving to town that have not lived here and have not paid any taxes here. We will have them buy the new house and they will pay these fees. From the people that I have talked to over half the new houses that sell are selling to people that currently live here now not to new people that are moving into town. A very large percentage of the houses that are sold to new people that are moving into town are existing homes. We are not able to transfer that responsibility to people that are just moving into town. That is not a correct assumption. Once these streets are built the people that are living in that existing house are going to drive on them. It is not like they are not going to use the streets. I am trying to figure out how to build lower priced, more attainable housing and I can't do that if we continue to slap these fees onto new houses. These are not houses that are way out. I feel the Real Estate Transfer Tax would be a more equitable way to collect the funds. The revenue that is coming in on the impact fee is not just spent on the houses and the streets around the new houses. All those streets are built by the developer. The impact fees are spread all over the city for everybody to use all over town.

City Attorney, Kit Williams: They would be tied basically to a sales tax bond road program which are all major streets.

Alderman Thiel: In the past the developer did build some of the streets that were not within the development or they cost shared with the city. They will not do that now. They will not do that in addition to this.

Tim Conklin: If it is needed to serve the development and they need it for access we would continue to have them bring up substandard streets and require a local street access. As we look at developments on a case by case basis we will have to make a decision whether or not the developer is required to build those streets to provide local access.

City Attorney, Kit Williams: In most cases they would not. They would have to do something off site due to a safety consideration or no access.

Alderman Jordan: It was brought to our attention that if a business wanted to come in that we were interested in or if there was some affordable house the city could help with the infrastructure needs as long as the city owned the infrastructure. Is that correct?

City Attorney, Kit Williams: That is correct but that doesn't mean that we would waive the impact fees.

Paul Sullins, Rausch Coleman Homes: We want to be a partner with the city and we understand the need for the infrastructure. There is absolutely no argument there. We feel it needs to be on a more graduating scale because of the size home we specialize in. When I read this I read new development. There seems to be some grey area to me on whenever we develop a piece of ground and we pay for the infrastructure or we donate park land, we do our part for it, is the impact fee two separate items? When I buy a permit to build on our own property I pay those impact fees before the certificate of occupancy and before a water meter is set. The verbiage on this is not quite clear on that the permit is for a building structure and not for site improvements. Maybe I am just reading it wrong.

City Attorney, Kit Williams: New development is a building or structure. The impact fee will generate by the type of building you have.

Paul Sullins: We are leaning towards the transfer tax. I would ask the Council to table this for further discussion. It is real hard when we build a $130,000 to $160,000 house to have the same fees as someone that is building a $500,000 house. We want to help do our part but it is hard to swallow a bigger chunk because we can't absorb that cost in a lower margin house. That cost does have to be reflected to the public in the price of the home.

Alderman Jordan moved to amend the ordinance to include Section 3 and other changes. Alderman Cook seconded the motion. Upon roll call the motion passed unanimously.

Tom Terminella, 123 North College: I voted in the general election for our bond issue that deals with infrastructure needs for the city. I am a land owner and developer within the city.

Mr. Terminella voiced his concern about the way past improvements were assessed. He stated we have an ordinance on the books if administrated and treated fairly to all would assess the amount of improvements that need to happen.

The road impact fee as I view it is going back to the well a third time. It is not home development; it is also retail and commercial. You are asking anybody that develops vertically within Fayetteville to improve the adjoining improvements that surround their property. You are asking us as taxpayers to pay every time we go to the store for a sales tax that is ear marked for infrastructure and capital improvements for this city. Now you are asking for a road impact fee. I do not understand why we are asking anybody that wants to take a risk, an entrepreneur within this city to be burdened with a road impact fee when we are already collecting it through sales tax.

Mr. Terminella explained the cost for a proposed hotel that might be built in the city. He stated he has already improved the infrastructure and now we will be asking the retail person to pay impact fees. He stated you can't go to the well three times.

Please study this and treat everyone within this community fairly. A transfer tax is the way to do this or pass it in a bond issue. Why do we want to over burden the people that want to be the risk takers and the pioneers that build the city. Cities were built by people moving here and trying to obtain their slice of the American dream. This doesn't make sense. Please analyze this before you move on it. You are going to kill the city in which we live. The people are going to go other places and develop. They are not going to pay these type of fees to call Fayetteville their home. They can not afford it.

Rich Grubbs, Arkansas Commercial Real Estate: Tom hit most of the points. I bring most of the businesses that you see in town here. You guys are making my job hard. I would like to see this area grow. I think if we want this area to grow you don't need to run these businesses off. We will be running off these commercial properties. I think we need to do a general tax and let everybody pay for the roads, everybody uses them; let everybody pay for them.

A discussion followed on impact fees versus the fees that have been paid in the past. A discussion also followed on what method could be used instead of impact fees.

City Attorney, Kit Williams: Typically this is not going to be a wash. This is going to generate more revenue for the city than our typical offsite development fees. It will help some of the issues about fairness. Impact fees are more uniform fees so the burden is spread more evenly on new development.

Alderman Allen: If we are worrying about affordable housing and we are going to charge the renters that are now in affordable housing that doesn't some how compute very well to me.

Hank Broyles stated that on one of his developments they have to develop the infrastructure and then he will have to pay the road impact fee in addition to this infrastructure that they have to do for his development.

City Attorney, Kit Williams: I want to point out something in our UDO that we placed in there just for a situation where it might appear that someone is paying more than their fair share for development cost on a particular project. There is a provision in the UDO that allows someone who has been asked to make particular improvements to present that to the Planning Commission and explain why you believe that is beyond the rough portionally of the impact of your development and its cost.

Jeff Erf: I urge you to pass this ordinance tonight. There is no reason not to. You are not making a decision whether or not to have impact fees you are making a decision whether or not to refer this issue to the voters. There is no reason to wait. The transfer tax is not a law; until it is a law I don't think you should even discuss it. I think you should charge the maximum amount of impact fee based on the impact fee study. I encourage you to pass this tonight and bring it to the voters to let the voters decide.

Tom Terminella: The issue of fairness came up and a sales tax base of collection for infrastructure is what the citizens voted for. If our projections are that we are going to need this infrastructure based on development occurring within our city then we are looking to the elected officials to go back to the voters and come up with the amount of infrastructure that is going to be needed and vote and pass a bond issue to handle our infrastructure. That seems to be the fairest way to deal with it. It would take in anyone that is using our streets.

Alderman Thiel: I support home rule for cities. I feel cities should have the ability to enable legislation to allow them to find the best way to fund projects. In that regard I support this idea of this being considered by the legislator. Any enabling legislative I support that gives more home rule to municipalities. It is an up hill battle to get this passed in this session. I feel like we have had the impact fee study and paid the consultants for the study, this has been discussed for many months. I feel the voters are going to determine this. I feel we need to refer this to the voter and let them decide if this is a fair way to assess and pay for new development. Every new house you build whether someone within the city buys that house, their house is being sold to

somebody else so you are adding another family that is utilizing the infrastructure. If we see a good project within this we can provide some incentive.

Mayor Coody: I think you are exactly right. If the transfer tax one day does pass and gives localities the option to assess this, the City Council could reassess their position and see if they wanted to change from impact fees to a transfer tax. They could look at that option if and when it becomes viable. I hope we will begin to evolve to where we can use impact fees as a planning tool as a lot of cities do by encouraging development where we want it and discouraging development where we do not want it by the application of impact fees. We have some growing pains to go through with this because we are one of the first cities in Arkansas to have impact fees.

Alderman Jordan: This has been an ongoing debate for quite a while. The first documentation that I received on the real estate tax was last week so I really don't know that much about it. I don't want to hold these impact fees to see if we are going to get a sponsor for the real estate tax. The discussion about impact fees has been ongoing for about the last six years. Our City Attorney talked about how we could help out with infrastructure needs for attainable housing and other developments as long as it was city owned. Is this a tax or a fee? That is the reason I thought it would be best to bring this before the voters and let them decide. All we are talking about doing is putting this before the vote of the people. Another thing we talked about was graduated impact fees and I think our City Attorney said that would be difficult to enforce.

City Attorney, Kit Williams: It would be a more complicated tax and would also require a completely different study than what was done.

Alderman Jordan: We are not charging the maximum fee that we can charge.

Alderman Ferrell: Fayetteville was one of the prime movers on getting impact fees passed through the legislative. I am no friend of impact fees. To me it is a tax. If you don't like impact fees then work to beat this.

Alderman Jordan 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.

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

Ordinance 4973 as Recorded in the Office of the City Clerk.

RZN 06-2344 (Dunnerstock and Windsor SD): An ordinance rezoning that property described in Rezoning Petition RZN 06-2344, for approximately 34.44 acres located at the northeast corner of Double Springs Road and Sellers Road, from R-A, Residential Agricultural, to RSF-2, Residential Single Family, 2 units per acre. ***This ordinance was left on the second reading at the January 2, 2007 City Council meeting***

Alderman Lucas moved to suspend the rules and go to the third and final reading. Alderman Cook seconded the motion. Upon roll call the motion passed 6-0. Alderman Jordan and Thiel were absent during the vote.

City Attorney, Kit Williams read the ordinance.

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

Ordinance 4974 as Recorded in the Office of the City Clerk.

NEW BUSINESS:

Amend Chapter 159, Fees Sections 159.02, 159.03, and 159.04: An ordinance to amend Sections 159.02 (D)(6)(a), 159.03 (D)(4)(a) to include an exemption from the payment of impact fees for nonprofit, multifamily supportive housing.

City Attorney, Kit Williams: Before I read the ordinance I would suggest that we amend this to include 159.05 which is the Road Impact Fee that we just passed so we would have the same exemption language in all the ordinances.

Alderman Jordan moved to include Road Impact Fees to the ordinance. Alderman Cook seconded the motion. Upon roll call the ordinance passed 7-0. Alderman Thiel was absent during the vote.

City Attorney, Kit Williams read the ordinance.

Alderman Jordan moved to suspend the rules and go to the second reading. Alderman Ferrell seconded the motion. Upon roll call the motion passed 6-0. Alderman Rhoads and Lucas were absent during the vote.

City Attorney, Kit Williams read the ordinance.

Alderman Jordan moved to suspend the rules and go to the third and final reading. Alderman Ferrell seconded the motion. Upon roll call the motion passed 7-0. Alderman Rhoads was absent during the vote.

City Attorney, Kit Williams read the ordinance.

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

Ordinance 4975 as Recorded in the Office of the City Clerk.

Farmington Annexation Public Hearing Date: A resolution setting a public hearing date regarding the City of Farmington's desire to annex certain territory currently in the city limits of Fayetteville.

City Attorney, Kit Williams: The statute talks about the municipality desiring to annex land in the adjoining city that would be Farmington desiring to annex land in Fayetteville, after passage of the ordinance calling for the detachment and annexation "shall send the ordinance to the governing body of the city or town in which the lands are located". This has not occurred. We have unsigned copies but we do not have the ordinance that was passed. I think we should be very careful in proceeding and make sure we follow the statute exactly. Farmington did not get us a copy of the ordinance that was passed. I would recommend that we table this until we actually receive the ordinance that Farmington was supposed to get us.

Alderman Jordan moved to table the resolution indefinitely. Alderman Lucas seconded the motion. Upon roll call the motion to table passed unanimously.

This resolution was tabled indefinitely.

Tim Conklin: Farmington by state law put notice in the newspaper so they will be required to do that again. So that meeting will not happen now is that correct?

City Attorney, Kit Williams: Yes, it has to be called by this City Council and it has to be 15 days notice. We do not have the ordinance from them yet so I don't think we can go forward until they have supplied us with the ordinance.

Tim Conklin: I did not understand that when I talked to Farmington's business manager.

The following two items were added to the agenda at the City Council meeting:

Alderman Rhoads moved to add the GIS Data Contract to the agenda. Alderman Ferrell seconded the motion. Upon roll call the motion passed unanimously.

GIS Data Contract: A resolution to approve a contract with the Northwest Arkansas Regional Planning Commission to purchase GIS Data for 126 square miles within and around the City of Fayetteville for $17,892.00.

City Attorney, Kit Williams: This was added to the agenda because we need to have a Letter of Agreement signed tomorrow. This group that is being paid this money was selected by the Northwest Arkansas Regional Planning Commission with input from the city. They have already done the aerial work to prepare this topographic map. Since this was a $17,000 contract we are allowed under our Code of Ordinances for purchases under $20,000 from a government supplier not to have to have separate bids. We did not personally select this company. It was selected by the Northwest Arkansas Regional Planning Commission. We are a member of the Planning Commission but it is not the city. So I felt like either they needed to do a sole source provider form or come to you and present the resolution. Our ordinance says in a cost share situation you will approve it by resolution.

Alderman Thiel: Have we seen this before?

City Attorney, Kit Williams: You have not. I saw it for the first time myself this morning. They did not think they had to bring it before the City Council. I thought that according to our Code of Ordinances it should be before the City Council by resolution. They waited a while because they did not realize that it had to go before the City Council and they wanted to make

sure they had the right amount of square mileage so that everyone would be happy with the data we collect.

Alderman Ferrell: What is the primary purpose of this and are there any other cities in Northwest Arkansas that are having their maps done?

City Attorney, Kit Williams: There are other cities and both counties.

Tim Conklin: Typically they group together and fly over the two counties.

Jeremy Pate: These are also the contours that we provide on our website and developers utilize the website.

Alderman Allen: Why is this a hurried thing?

Mayor Coody: Cities have the authority to spend up to $20,000 with the Mayors authority. I am assuming that the Regional Planning Commission thought that since this was $17,000 it fell within that jurisdiction therefore not requiring City Council action. Kit informed them that they are hiring the subcontractor not us, so it may be good to go ahead and get the Council's approval on this to make sure we stay within the law.

City Attorney, Kit Williams: This is a big cost savings to the city by joining with the Northwest Regional Planning Commission to have one fly over for both counties and the cities that use it. We save a lot of money this way.

Mayor Coody: If we did this on our own it would be a ton of money.

Alderman Rhoads: We are trying to be very safe here and I guess there are times for $20,000 we should allow the Mayor to make that decision and sign his name. If it is wrong he will suffer the consequences as opposed to having something come up very quickly and not having enough time to really understand it.

City Attorney, Kit Williams: Under state law the City Council sets the rules for contracts under $20,000. We have a code section that has a lot of exemptions and a lot of ways that it can be done. This was not done that way. Therefore I think they have to bring it to the City Council and have you approve it and if you don't approve it we are not going to do this.

Mayor Coody: If the City Council turns this down then I would not reject the City Council's intention and sign the contract anyway.

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

Resolution 06-07 as Recorded in the Office of the City Clerk.

Alderman Ferrell moved to add Amend Ordinance No. 4766 – Zion Gardens to the agenda. Alderman Rhoads seconded the motion. Upon roll call the motion passed unanimously.

Amend Ordinance No. 4766 – Zion Gardens: An ordinance amending Ordinance No. 4766, R-PZD 05-1599 for Zion Gardens, to allow a guarantee to be posted by the developer in lieu of constructing a sidewalk on Lot 97.

City Attorney, Kit Williams read the ordinance.

Jeremy Pate gave a brief description of the amendment.

Tom Hennelly: Closing dates were set based on an assumed date for the final plat to have been signed. Those closings are within a matter of days and if you can not grant this for us those closings will be put off and a loss of about $20,000 will be incurred.

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

City Attorney, Kit Williams read the ordinance.

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

City Attorney, Kit Williams read the ordinance.

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

Ordinance 4976 as Recorded in the Office of the City Clerk.

INFORMATIONAL:

2007 Community Development Block Grant Action Plan Report

Meeting adjourned at 8:30 PM

Dan Coody, Mayor **Sondra Smith, City Clerk/Treasurer**

State of the City Address 2007
January 16, 2007

I cannot believe how fast the years are flying by. It can't have been a year since I stood here and gave the last State of the City Address. But it has. Every year it is the mayor's duty to recount the year and examine our progress and our philosophy on three very important fronts.

The first area to consider is the mechanical operations of our city, from public safety to street paving, sidewalks, trials, to water, wastewater, and solid waste operations, to parks, and everything else the City does for our citizens. Every year we measure our progress to make sure we are increasing efficiency and customer satisfaction. The second is the assessment of the "architecture" of our short-term and long-term planning, making sure it reflects the collective, collaborative vision of our community. The third front is in the careful consideration of the horizon and just beyond.

To begin I'll give a brief update on the City's financial picture and talk a little about the accomplishments for 2006.

FINANCIAL POSITION

The City's financial picture remains healthy as the General Fund unobligated balance for 2006 is estimated to exceed $9,000,000. Investment earnings for the City were again strong and amount to approximately $3.3 million for the year.

Based on the City's new population numbers, pursuant to the special census completed in 2006, the City should receive approximately $300,000 additional turnback dollars in 2007.

In 2006 the City continued to issue bonds for important capital improvements. In response to the sales tax referendum of 2006, the City issued $50 million worth of capital improvements bonds for the water and wastewater, street, and trail programs. Three and one-half million dollars of short term bonds were also issued in 2006 for the construction of Fires Stations 3 and 5.

WSIP AND TIP UPDATE

As for accomplishments in 2006, the most important from almost any perspective was the successful election for the WSIP and Transportation Improvement Program bond issue. The citizens of Fayetteville showed their commitment to the future of this community by voting to support $110 million infrastructure bond program to complete the WSIP, implement Phase I of the transportation program and make huge strides in our trails program.

As of January 5, over $56 million in construction has been completed for the WSIP and another $132 million in construction is underway. This is a massive project. Listen to some of these numbers: Over 43,000 feet of sewer line, more than 19,800 yards of concrete, over 2,000 tons of steel have been installed so far in this project.

The Transportation Improvement Project is moving full steam ahead as well. Our Engineering Division is providing strict oversight for this project, and since the approval of the bond program

they have successfully negotiated engineering contracts for 7 of the 13 projects listed in the program. Our city engineers have also started design on two additional street bond projects.

The City is providing regular updates for both of these major infrastructure projects to show our citizens that we are keeping a watchful eye on the schedules and budgets for the WSIP and the transportation program. I invite anyone who wants to keep up with these projects to check the regular updates on the web, sign up for the bi-monthly WSIP project updates, check the updates as they are presented in the paper or attend one of our monthly Water & Sewer or Street Committee meetings.

PROGRESS TOWARD VISION & GOALS

In addition to these major infrastructure projects, the City has been very busy working to achieve the vision and goals set forth by this Council during the 2004 strategic planning process. The City's strategic plan is the document that dictates the administrative management agenda and guides our decision-making throughout the year. In all that we do, we try to operate according to our guiding principles and we constantly strive to achieve those goals. In that effort, 2006 was a very good year.

One of the most critical elements of our strategic plan is the City's vision to be a safe community. The most important way the City works to ensure this is to provide our public safety personnel with sufficient resources to protect and serve our citizens. To that end, we secured funding and began construction on the new fire station #5 on Crossover Road. We also secured funding for architectural design and construction of the new Fire Station #3 which will be located at the Tyson Complex. We should break ground on this station in May. Throughout the year we also made substantial investments in equipment including a new ladder truck for the Fire Department and a new police vehicle equipped to serve as an Emergency Response Vehicle or mobile command post.

Our Police Department is constantly coming up with new and inventive ways to keep Fayetteville a safe community. In November 2006, the Community Policing Division conducted the first training session of the Crime Free Multi-Housing Program to several Fayetteville apartment owners and managers. This police sponsored program is designed to be very easy, yet extremely effective, at reducing criminal activity in rental properties, and it works to develop a beneficial relationship between the Police Department and property managers and owners. The Fayetteville Crime Free Multi-Housing Program is the first and only crime free program in the State of Arkansas.

We have also made tremendous progress toward the goal of planned and managed growth.

Thanks to the hard work of the planning staff, the leadership of the City Council and the critical public participation by our citizens, we adopted City Plan 2025 which created a comprehensive land use plan for 2025 that emphasizes the following six goals: 1) We will make infill and revitalization our highest priorities; 2) We will discourage suburban sprawl; 3) We will make traditional town form the standard; 4) We will grow a livable transportation network; 5) We will assemble an enduring green network; and 6) We will create attainable housing.

We adopted a Form-Based Zoning Code (Downtown Master Plan) and drafted the first form-based code in Arkansas, designating four zoning districts (Main Street Center, Downtown

General, Downtown Core, and Neighborhood Conservation) in the Downtown area that regulate building form.

After almost five years of intense work and debate, we adopted the Hillside Overlay District and Best Management Practices Manual for Hillside Development which protects Fayetteville's hillsides and requires development patterns that are respectful of the City's topography.

We also adopted the Supplementary Downtown District Regulations of the Downtown Master Plan and completed an ordinance that permits sidewalk cafes, bus shelters and taxicab stands within the Downtown Master Plan area.

Finally, there was the successful election of the West Side Annexation where Fayetteville was able to incorporate critical commercial growth nodes along Hwy 16.

PROFESSIONALISM OF STAFF

As we work together to achieve our common vision and reach our stated goals, the Council and the citizens of this community should take great pride in your city staff. We have the hardest working, most committed, and most professional staff of any city I know.

The City of Fayetteville has not suffered a litigation defeat since Kit Williams became City Attorney almost six years ago.

Our City Clerk, Sondra Smith, organized and hosted our first Arkansas City Clerks District meeting which was a huge success. Two employees in the office have earned the designation of Certified Municipal Clerk which is awarded by the International Institute of Municipal Clerks, and two more are in the process of certification. The city should be proud of this achievement as it has never had certified municipal clerks in the past.

Those of you that follow city government closely know the tremendous effort that our staff and elected officials dedicate to this City, taking our most precious asset, time, away from families and friends. We're very fortunate to have the best of the best working for the City of Fayetteville. I couldn't do my job without them and this City wouldn't be the great place it is without them.

PRODUCTIVITY AND EFFICIENCY

One of the benefits of having a professional, intelligent, and committed staff is that our productivity and efficiency levels continue to increase. While the population of this City continues to grow by leaps and bounds, many of our City divisions absorb that increase in workflow without any increases in personnel. The amount of work accomplished in one year is astounding. In a couple of weeks, my office will issue a year-end report on the 2006 management agenda in conjunction with the planned agenda for 2007. I assure you, you will be amazed at what this city staff has accomplished in one-year's time. Let me briefly list some highlights:

The Engineering Division was the lead division for developing the Transportation Improvement Bond Program, which included conceptual drawings and cost estimates.

They also provided a record number of 347 engineering reviews for private development projects. They provided onsite inspection & review for 18 miles of new public streets, 22 miles of new public water lines, 16 miles of new public sewer lines, and 19 miles of new public sidewalks.

The Engineering Division also completed the Happy Hollow/Huntsville intersection project that was designed in house. The Van Asche Extension Project and Kings Drive reconstruction project were both designed and bid in 2006. They designed and obtained permitting for new traffic signalization at 15th Street/Morningside, Sixth Street/College, and West/Lafayette; and provided numerous other in-house designs for other city divisions. All this has been done with the same number of staff we had in 1998. I want to repeat this point. While we have all seen the tremendous growth in Fayetteville over the last decade, our engineering staff has not grown at all for nine years. This fact alone speaks volumes about the work ethic, efficiency and dedication of our staff.

A great deal of progress was made in our Trails Program: Engineering staff provided trail design & construction management services for five trail segments that were completed in 2006 including segments of Scull Creek Trail, Frisco Trail, St. Paul Trail, Shiloh Trail and Timber Trails. Also, three additional segments are currently under construction including portions of Town Branch Trail, Clabber Creek Trail, and Lake Fayetteville Trail for a total of just over 5 miles.

The planning staff was equally busy. In a fluctuating economic year, staff processed 4,083 dwelling units, roughly the same as 2005, and 1.5 million square feet of non-residential development, roughly twice the amount in 2005, through the Fayetteville Planning Commission. This is in addition to the monumental tasks they achieved in passing the hillside ordinance, revising the landscape ordinance, and the passage of City Plan 2025.

The City Prosecutor was busy year round forcing the payment of over $100,000.00 in unpaid, overdue Hotel, Motel and Restaurant taxes. More than $160,000.00 has been recovered for Fayetteville merchants by the Hot Check Program. This program also collected over $110,000.00 in prosecutor's fees, fines and costs for hot checks in addition to the rest of their daily work load.

The Solid Waste Division has worked diligently to save the City money and look for new ways to increase efficiency and effectiveness. They acquired a new contract with Cherokee Nation for operation and disposal of solid waste at the Transfer Station. The new contract is anticipated to save $296,000 annually in disposal costs.

They collected over 250 tons of trash, over 117 tons of metal for recycling, and almost 17 tons of e-waste all from the 9 Ward clean ups in 2006. The E-Waste program was very successful in the first year of separating E-waste from trash at these clean ups. E-Waste was taken to a recycler in Springdale in anticipation of the 2008 ban on electronics in state landfills. We are now set up to handle E-waste if brought to the Solid Waste Facility.

The Police Department implemented a new software program that has dramatically increased their efficiency in recovering stolen property. Working in conjunction with pawnshops located in the Fayetteville city limits, the Leads Online Program has been a huge success resulting in multiple arrests and the recovery of thousands of dollars in stolen property. The implementation of Leads Online has also allowed the Fayetteville Police Department to assist other agencies in

Northwest Arkansas resulting in several successful prosecutions. Leads Online has reduced investigative research man-hours tremendously.

The Parks Department has successfully leveraged state and federal dollars to increase the number and quality of parks in the City. They received $100,000 from Arkansas State Parks and Tourism 50/50 matching grant from the Outdoor Recreation Grant program. These funds, will be utilized to renovate Sweetbriar Park, Davis Park and install fall safe material at the Gulley Park playground. Also, they were awarded a GameTime® Obesity Grant for Children Through Play. This grant provided playgrounds at half price for Harmony Pointe and Cooper Creek Parks. The Arkansas Urban Forestry Program is providing $12,000 for a matching grant to construct a bioswale associated with a parking lot in Gulley Park. This project is a cooperative study between the City and the U of A and will serve as an educational tool for the public.

The Transportation Division completed 13 miles of street overlay; repaired 268 street cuts; constructed almost 2.5 miles of sidewalk, 3.5 miles of curb, and 32,700 sq. ft of driveway approaches.

The billing and collections department billed approximately 33,000 accounts monthly with telephone and internet payments increasing 169% over the previous year.

The purchasing division completed the organization-wide implementation of the City's procurement card.

Water and Sewer designed and installed 7,400 feet of water main line, installed or repaired 96 fire hydrants, designed and installed 5,500 feet of sewer main line, cleared 12,100 feet of easements, responded to 506 water and sewer after hours/emergency customer service calls, washed a record 221 miles of sewer lines and televised a record 25 miles of sewer lines, responded to a record high 10,600 requests for customer service utility locates through Arkansas 1-Call, and completed numerous capital projects totaling over $6 million. They performed over $2 million in Sanitary Sewer Rehabilitation to reduce sewer overflows. Even with the increased workload the Water and Sewer Division has experienced, overtime has been reduced by 35% since 2003.

These numbers from divisions all across the City are very impressive, and one of the reasons our staff is able to be as productive as they are is because this City Council has always been committed to providing the equipment and facilities necessary for our people to do their jobs safely, effectively, and efficiently.

In addition to the two new fire stations I already mentioned and the new fire and police equipment, in 2006 we cut the ribbon on a new Water and Sewer Operations Center moving operations from their previous building on Cato Springs Road which was constructed in 1964. The new facility is 27,000 square feet and houses all Water and Sewer operations, including the meter and maintenance divisions.

An architect has been hired for the design of the Police Facility to be constructed adjacent to the City Administration Building. The new facility will be a state of the art central police station, and will house the District Court and the City Prosecutor's office.

ACHIEVEMENTS / RECOGNITION

Given the limited resources in both human and financial capital, this staff is remarkably successful at providing the citizens of Fayetteville with an incredible level of efficiency and effectiveness in their city government. And they continue to be recognized by their peers and professional associations for their various achievements. Let me list a few of these.

The City won the State American Planning Association Award for Achievement in Comprehensive Planning for City Plan 2025 at the annual meeting of the Arkansas American Planning Association chapter.

We partnered with the University of Arkansas to create a 3-D model of the Downtown Master Plan area. Using Sketch-Up and GoogleEarth, high school and college students worked during a summer program to create the model, which was featured on GoogleEarth and written about in the periodical, New Scientist.

Drake Field received FAA Southwest Region 2005 Airport of the Year for the State of Arkansas at the annual Spring FAA Partnership Conference in Ft. Worth, Texas, in recognition of "performance in support of aviation in Arkansas (which) has contributed significantly to assuring the future growth and efficiency of the national air transportation system."

Drake Field also received Arkansas Department of Aeronautics/Arkansas Airport Operators Association 2006 Airport of the Year Award at the annual Fall AAOA Annual Conference in Little Rock, Arkansas in recognition of outstanding service to the flying public for recent airport expansion and improvements that will enhance economic development as well as aviation safety.

Drake Field also received the Fayetteville Chamber of Commerce 2006 Impact Award at the Annual Chamber of Commerce Banquet at the Fayetteville Town Center for being a "strong influence on the City and community through business ventures with the goal of making Fayetteville the best city to live, work, and play." When we think of where Drake Field was a short six years ago, the turnaround has been phenomenal.

Fayetteville has been named Tree City USA for the eleventh year and received the Growth Award for the fifth year.

We participated in the America in Bloom contest and were awarded the 2006 National Champion Award in our population category. The City also won an award of special recognition in the Tidiness Criteria. This was the fifth annual America in Bloom (AIB) competition and the second time for Fayetteville to take the title.

Lake Fayetteville spillway bridge was awarded the 2006 Engineering Excellence Award from the American Consulting Engineers Council and the 2006 Small Project of the Year Award from the American Public Works Association.

The City's 2005 comprehensive annual financial report received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association and our Budget Staff received the Distinguished Budget Presentation Award from that same organization.

Our Information Technology staff won the 2006 Achievement in Technology Award from the Arkansas Chapter of the American Planning Association for the City Plan 2025 Website.

The OMI staff at the Noland Wastewater Treatment Plant received two safety awards this year from the Arkansas Department of Labor and the National Safety Council, recognizing OMI associates for working over 9 years and over 500,000 hours without a lost time injury or illness.

OMI staff at Paul R. Noland WWTP received three OMI annual awards this year: an Honorable Mention on a highly prestigious OMI Presidential Teamwork Award, an OMI Excellence Laboratory Award, and an OMI Perfect Compliance and Reporting Award.

These accomplishments, recognitions, and achievements are all of our successes. Collectively, we as a city should be proud of what we are able to accomplish year after year with such high levels of efficiency. From an operations and organizational standpoint, the City is functioning superbly.

2007 AGENDA AND VISION

In additional to this big picture look at the organization, it is also important to review the "architecture" of our short-term and long-term planning. Our efforts to chart a truly handcrafted future is taking shape. For decades Fayetteville has done what most cities do. We "planned" our future based on a segregated-by-use, cars-only, sprawl-inducing zoning method where growth is the benchmark for success. Over the last six years we have changed our perspective to make livability our benchmark for success. We have begun to define and sculpt a much more inward, community-oriented future that blends complementary uses and compact design, which welcomes pedestrians and bicyclists of all ages. Our forward-thinking planning efforts are being recognized nationally, from the City of Pleasanton, California, working to incorporate Fayetteville's "form-based code", to being invited to give the keynote address at Iowa's League of Cities Annual Conference. Our innovative planning strategy is gaining attention and being studied by many other cities that want to improve their livability and have a better future.

Although we're being recognized as a model city by other communities across the country, we still have to be vigilant as our City plans begin to take shape and become reality. Each year, as we implement new ordinances and adjust our codes, we need to ensure that our new rules and regulations are fair and logical, that they don't further complicate the development process, and that our new codes are reconciled with our existing ones. I have asked planning staff to take some time this year to look at our processes and our codes and make sure they are clear, consistent, and user-friendly for the public.

And yet, as we go about that daily business of making the machine of local government run as smoothly as we can for the public, we must be aware of challenges and opportunities on the near horizon. The building of the Crystal Bridges American Art Museum in Bentonville will forever change and improve the landscape of the arts in this part of the United States. Bentonville, Arkansas, will be on a map with the best art museums in the world. This will prove to be one of the very best things ever to happen in our humble and rural state. But I foresee a day when there will be a move to build a state-of-the-art performance hall there, as well. We have always been the one city that had the corner on that market but we must not take it for granted. We must do all we can to strengthen and stimulate the essential element of the arts in Fayetteville. And we must start now. With the advent of the Fayetteville Arts Commission we will open the

discussion about how best to support public art and music, which, in turn, will attract more of the creative class. Elevating the profile of this keystone in Fayetteville's quality of life will assure our continued place as one of America's best cities in which to live. Being more of an attraction to the country's most creative people includes those individuals whose strengths extend to other areas, such as technology and business. This leads to my next point which, in my opinion, is the most important topic we should discuss this coming year and beyond.

While other places around the country are studying what Fayetteville is doing with an eye to follow in our footsteps in city planning, our city is also being invited into other vitally important conversations in a search for solutions to our most pressing national issues. American cities house the vast majority of our nation's population, consume the most resources, and produce the most pollution. By necessity, and by default, cities have become the centers of innovation to find ways to dramatically reduce the waste of our natural and financial resources by increasing efficiency and developing alternative sources of energy. While these discussions and initiatives may be taking place around the country, they have already had a direct impact here at home.

In the last year Fayetteville has been included in conversations with other cities about how best to resolve our common problems. The sharing of information has directly benefited our city and our joining forces with other cities help us all. At the Chicago Energy and Alternative Fuels Summit we learned from cities that had switched to biofuels and that are buying hybrid vehicles for their fleet services. Our own biodiesel fueling system will be functioning in a few months. David Bragg, our fleet manager, is on a national task force aimed at producing a new hybrid solid waste truck. Fayetteville will test a prototype, leading the way for improving the nation's overall fleet fuel economy and efficiency.

As a guest of the Mayor of Anchorage and the International Council for Local Environmental Initiatives, I was invited to represent Fayetteville for a first-hand look at the devastating effects of rapid climate change in Alaska. At the Sundance Institute in Utah, Fayetteville was recognized as a member of the coalition of cities willing to step up to the plate and work for change. In conjunction with the Rockefeller Brothers Fund in New York, our city is helping to craft a unified and concise message from America's cities to Congress concerning the need for higher energy efficiency standards and research into the production of alternative fuels. As a guest of the State Department of France, Fayetteville was one of only five cities represented to discuss water and wastewater issues, potential business prospects, and environmental sustainability efforts. The International Council on Local Environmental Initiatives sees Fayetteville as a leader in the sustainability movement in mid-America. That is why they are working to hold their annual summer conference in Fayetteville which would bring local officials, industry leaders and scientists representing 150 to 200 cities to our community.

The reason I say all that is this: Fayetteville is perfectly positioned to take advantage of a unique situation, the importance of which cannot be overstated. Here is how: Wal-Mart is focusing like a laser on sustainability. The reason is simple, to reduce waste and increase efficiency is to improve the bottom line. The first year Wal-Mart began developing their sustainable environment program, they saved $50 million simply by cutting waste which also dramatically reduced the amount of greenhouse gases emissions pumped into our atmosphere by millions of tons. The understanding of the economics of sustainability is quickly gaining traction with businesses around the world. When Wal-Mart, the world's largest company, tells its vendors and suppliers that a deciding factor. Wal-Mart will consider is the supplier's impact on the environment, we know things are going to change. We are at a new "tipping point" in the world of business. The University of Arkansas is participating in this revolution with their addition of

sustainability to their research and development, and engineering and technology perspective. This convergence of timing and location, as well as the potential three-way partnership between the public sector (Fayetteville), the private sector (Wal-Mart), and the University, presents us with an unbelievable opportunity. This new way of doing business will call for new technology development in many areas, such as higher efficiency in electric motors, photovoltaic equipment, alternative fuels, next generation automotive advancements, refrigeration, transportation, green building technology, clean energy production, and more environmentally-friendly consumer products, to name just a few.

We have the potential to become the next center for advanced technology. In 2001, When the University, the City, and the private sector made a proposal to Advanced Micro Devices in Austin for their new production facility, we competed well against everyone from Silicon Valley to Germany to Australia. But we were up against a long-established and well-functioning infrastructure. This is different. Some forward-thinking entrepreneurs see what the future holds and they know, just as I know, that whatever city gets established in this field first, wins. The outside world has long known of Fayetteville as the Home of the Razorbacks. In the last few years we have been acknowledged as an excellent place to retire or to start a business or to raise a family. Lately, we have been gaining respect as a leader in urban design and planning, with our focus on being a very walkable, livable, naturally beautiful community. Now, we are being recognized nationally as a leader in the economic and environmental sustainability movement. And if we seize this incredible opportunity, Fayetteville will reap the benefits of our own sustainable economy based on research and innovation.

At the same time, we all must do more to let our citizens know how we can do a better job reducing waste and becoming more efficient. We have been seeing communities and state governments taking the initiative to leave a healthier, more sustainable world to the next generation. Led by citizens and by elected leaders, city councils and state governments across the country are responding to new environmental challenges, responsibilities, and opportunities. Fayetteville is a leader in recycling and we are using high-efficiency traffic signals. We are designing green public buildings and we are converting to biofuels. We are developing a trails system and a more walkable city. But these are only the first steps forward. There is much more we can do. All of us in Fayetteville are in this together and each of us can and should be a part of the solution. With dominion comes great responsibility. What good are all of our plans, our aspirations, our successes, our history, and our hopes for the future if we fail to leave a healthy environment to our children and their children? We should endeavor to be as successful, in this area, as we have been with reinvigorating Drake Field, building trails, building sidewalks, paving streets, and planning our community.

The years fly by, and next January, it will again be our duty to recount the year and examine our progress. This time next year, let's have some real successes to report on this very important front. The citizens of Fayetteville are up to the job. We should be, too.