FAYETTEVILLE CITY COUNCIL MEETING
DECEMBER 15, 1998

A meeting of the Fayetteville City Council was held on December 15, 1998, at 6:30 p.m. in the City Administration Building, 113 West Mountain Street, Room 219, Fayetteville, Arkansas.

PRESENT: Mayor Fred Hanna, Alderman Young, Alderman Russell, Alderman Trumbo, Alderman Pettus, Alderman Reynolds, Alderman Williams, Alderman Schaper, Alderman Daniel, City Clerk Heather Woodruff, Staff, Press, Audience

ABSENT: City Attorney Jerry Rose

*** NOMINATING REPORT**

Alderman Daniels moved to appoint Dwain Cromwell for Cable Board; Bob Shoulders, Wade Colwell, Gail Eades, and Brenda Thiel for the Parks and Recreation Board; and Rick McKinney for the Airport Board. Alderman Young seconded the motion. Upon roll call the motion carried unanimously.

CONSENT AGENDA

MINUTES: Approval of the minutes from the December 1, 1998 meeting.

LAND PURCHASE-EASTWOOD: A resolution authorizing the City to purchase 1.73 acres of land along Crossover Road; remainder of Lot #5, Block #3, Eastwood Addition, from Harry F. Locke, Jr., at a cost of $33,400 plus closing expenses for storm water drainage purposes in connection with the improvements and widening of Highway 265.

RESOLUTION 161-98 AS RECORDED IN THE CITY CLERK'S OFFICE.

AIRPORT FIRE STATION: A resolution approving a project contingency and budget adjustment of $60,000 for the Aircraft Rescue and Fire Fighting Station.

RESOLUTION 162-98 AS RECORDED IN THE CITY CLERK'S OFFICE

Alderman Williams moved to approve the consent agenda. Alderman Schaper seconded the motion. Upon roll call the motion carried unanimously.

OLD BUSINESS

PROPERTY ACQUISITION: Mayor Hanna introduced the purchase options for property located between Washington County Road #648 and #649, south of Highway 16 West and north of Highway 62, for the possible location of a second waste water treatment facility. Properties to be acquired from James McClelland, Jr., H.M. and Norma Lee Shipp, Broyles Farm Inc., and Calvin and Wanda Sue Hammond.

Alderman Trumbo stated he was not in favor of paying an option which did not go toward the purchase price of the property. He thought they needed to make a decision to buy the land or to stop growth. They were running out of options. He had spoken with the State Representative who gave him the history of the statute which moved the location of a sewer treatment plant back into the city limits. The possibility of having the statute repealed was very slim.

Alderman Pettus stated she would like to see the money which would go toward the option to go toward lobbying their case before the legislature. She felt they needed to challenge this legislation through legal action.

Alderman Schaper stated there was no scientifically best place to locate the plant, the only thing they would determine scientifically was where they would discharge the effluent into the receiving water. He added he was skeptical of a regional solution, because the other cities in the area did not have the same immediacy of need to enlarge their wastewater systems. They were the only ones with a problem. Before they spent taxpayer money on an option, they needed to vote on purchasing the land outright, which was the recommendation of the Water and Sewer Committee.

Alderman Schaper moved to purchase the land outright. Alderman Trumbo seconded the motion.

Alderman Trumbo stated he felt the purchase price was too high, but he noted the city would not have the opportunity again to have three willing sellers, as opposed to condemning someone's property.

Alderman Schaper stated it would take four years to get the additional sewer plant and capacity on line. He did not feel the city had the time to waste.

Alderman Trumbo noted the Planning Commission had approved a large apartment complex at their last meeting in which they cautioned the developer about the sewer capacity. The city's only option if they did not construct a second sewer plant was to stop growth.

Alderman Russell asked if anyone had spoken with Springdale to see if they would be interested in cooperating with the regional solution.

Alderman Trumbo replied he had spoken with Gary George, Chairman for Springdale Sewer Commission, who informed him they had tried to do things regionally, however, it had not worked in the past.

Alderman Russell asked if a regional solution would include Springdale or would it be Fayetteville and the smaller communities to the south and west.

Alderman Daniel stated they did not know yet. She added she had received a call from Ms. Paula Marinoni who asked if the city could update the plant on the east while they waited for more development on the proposed plant.

Alderman Williams asked if the upgrading would increase the capacity.

Alderman Schaper explained the upgrading, which was approximately ten million dollars, on the existing plant would be for the purpose of bringing the plant up to contemporary standards. It would not increase the capacity of the system. Once the city had two plants then there would be a surplus of capacity on the east side of town which would allow them to grow in the White River Basin. He noted it would take approximately four years to split the flow between the two plants.

Alderman Williams did not believe upgrading the existing plant would be the easy way out because it would not help the existing capacity.

Alderman Schaper added the only way any of the projects would be done would be through a bond issue.

Alderman Williams stated he was not reading to purchase the property tonight because it was over three million dollars. He noted the price was above the appraised value and the city would have to purchase a house they did not want. He hoped a regional solution could be found soon. He thought it would be more appropriate to allow the new council to make the major decision to purchase the land. He agreed the only solution would be a second plant for the city. He added he did not want to spend the money on an option. He felt there were other options available.

In response to questions, Alderman Williams thought the regional solution would include surrounding towns such as Prairie Grove, Farmington, and the surrounding county. He expressed concern about combining efforts with Springdale because of the large area, which would leave raw sewage in the lines a long time.

Alderman Schaper commented there were times when it was better to have a number of smaller plants. He noted Goshen had a packaged plant which was quite economical because they avoided all the piping. The city had a tremendous investment in the collection system. If they were piping raw sewage from one place to another it created more problems. There was a limit on how regional they could be.

Alderman Young asked if a committee had been formed and if they met to discuss a regional solution.

Alderman Pettus suggested having Mayor Hanna head the committee.

Alderman Williams added it was Fayetteville's problem along with the surrounding areas. He thought the County Judge should also be very involved in the discussions.

Alderman Young did not believe the land would be going anywhere and he did not believe they should spend the money on the options.

Alderman Schaper stated if the council did not want to purchase the land outright, then they needed to take the option to prevent the land from being sold to someone else.

Alderman Daniel stated she was committed to exploring other avenues, however, she thought they should agree to the options to give the city something to fall back on.

Alderman Trumbo stated if they decided not to purchase the land or the options, then they needed to consider a moratorium on rezoning.

In response to comments, Mr. Venable, Public Works Director, stated the city did have some capacity left. The rezoning did not affect the capacity. He added they had planned to make a presentation at the first meeting in January on the sewer system. He noted the city was nearing capacity. The city's consultant had completed their work. He thought the city would need to move fast if they were going to do anything. They were not ready to declare a moratorium.

In response to questions from Alderman Williams, Mr. Venable stated Tract 5 was the site chosen for the sewer plant. Tract 3 was the property which was contiguous to the city limits. The land was relatively flat.

Alderman Williams asked if the city could condemn land outside the city limits then bring it within the city limits to construct the sewer plant.

Mayor Hanna replied they would not be able to condemn the land and bring it within the city limits.

Ms. McCarty stated there had to be a valid public purpose for the condemnation. She added if the statute stated that a wastewater treatment plant was not a valid reason then they did not have the authority to condemn the land.

Alderman Williams suggested only taking the options on certain parcels of land, which would save the city some of the option money.

Alderman Schaper stated they had always talked about a minimum of two hundred acres and being a good neighbor by providing a large buffer.

Mr. Millard Goff stated that if they were to purchase the McClelland land only they would not have access to the lowest point for the drainage from the sewer plant to the final discharge point. He asked if the city would have the right to condemn a route for the discharge line.

Alderman Williams thought the city would have the right to condemn the land because it was the only feasible way to get to the discharge point. He thought the feasibility requirement of the statute would be made.

In response to questions from Mr. Goff, Alderman Schaper stated they needed to separate the plant from the discharge point. The technical feasibility would determine where the discharge point had to be. The discharge point that the state would allow was downstream in any case.

Mr. Goff disagreed. He asked if the law would not allow them to construct the sewer plant, why would it allow them to construct the outfall lines.

Alderman Pettus added they were not allowed to construct the lines to the sewer plant either.

Mr. Goff asked if they were to construct the sewer plant without having provisions for the discharge lines, then they would have to discharge at the site.

Alderman Pettus stated she was not willing to construct the plant, then say it was unfeasible for them to construct the lines, so they could condemn the lines. She added the law had never been challenged. She added the statute was designed to stop Fayetteville from building the plant outside the city limits where they want to construct the plant.

In response to questions from aldermen in regards to purchasing only part of the property, Mr. Venable stated the primary purpose was to purchase enough land to provide screening.

Mr. Goff stated they had never had the authority to have an outfall line to the two creeks. He did not believe this was a usable site, because they did not have the authority to construct the line between the two points.

Alderman Pettus stated the court of law would determine if something was technically feasible, because someone would sue.

Alderman Williams thought the proposed site was a ligament site and that it was required by law to pipe the effluent to the location that allowed them by permit to put it in. Therefore, it was the only feasible way to do it. If it was the only feasible thing to do then they had the power to condemn the property to put the pipes in.

Alderman Pettus disagreed with Alderman Williams. She added they needed to get rid of the law.

Mr. Goff stated no action had been taken for a regional solution. He stated someone needed to be officially designated to the committee.

Mr. Charles Seifert, an area resident, stated this issue should be placed in a committee. He added the city needed common sense.

Mr. Jeff Erf, an area resident, asked how much the bond issue would be for and if water bills or sales taxes would go up.

Alderman Schaper stated the current citizens in Fayetteville should not be burdened with the cost of added capacity to accommodate future residents. He thought there should be an increase in the sewer tap fees, which would be for the expansion. The upgrading of the existing system should be borne by increasing the existing base because everyone would benefit.

In response to questions from Mr. Erf, Alderman Schaper explained the study did talk about various ways in which the plant might be paid for.

Mr. Bill Jowers, 452 North 46th Street, requested that the city not move so fast with this, because it would affect other people such as Oklahoma. There were people willing to participate in committees. He expressed concern about multiple plants because of the added cost of personnel. He noted the cost would be reduced if more cities were involved. He expressed concern about rushing into a purchase. He noted the proposed site had a 30" gas line through the property.

Mayor Hanna called for the vote on the purchase of the land. The motion failed by a vote of 2-6-0. Aldermen Young, Russell, Trumbo, Pettus, Williams, and Daniel voting nay.

Alderman Schaper moved to go forward with the six month option with the subsequent option which included the purchase of the house, with a total cost of $210,210, and if needed, an additional $60,140 for an additional six months. Alderman Daniel seconded the motion.

In response to questions, Mr. Ed Connell, City Land Agent, stated the property owners were expecting an answer tonight. If they did not accept the option, then they would start the process over. He reminded the council that the city had approached these property owners to sell their land. Their property had not been for sale.

Alderman Williams stated he was not in favor of spending the money at this time for the options. He added he did not believe this was the right location for the new plant.

Alderman Pettus stated she was not in favor of the option.

Alderman Schaper stated this option was an insurance policy which gave the city a place to go, if the regional solution did not come together.

Alderman Pettus stated if we were to buy the option, then the council needed to push the mayor to work on a regional solution.

Mayor Hanna stated there was a meeting on Friday with all the mayors and the new county judge. He added if the option did go the full twelve months, then it would cost the city $150,000 and one piece of property. The city had spent over $600,000 on a feasibility study and this was the only location that was open to the city at the present time. He added the purchase price was too high, but they had done the best they could to negotiate.

Alderman Daniels stated they were trying to be good neighbors.

Alderman Reynolds stated they were not just talking about Fayetteville, they had a number of smaller towns which would also have to shut down their growth, if something was not done.

In response to questions from Alderman Young, Ms. McCarty explained in order to condemn land there would have to be a statute which authorized it or it had to be for a valid public purpose. She added there was a specific statute which stated the city could not go outside their city limits to condemn for a sewer treatment plant.

Alderman Pettus added there were specific requirements the city had proven in order to prove it was not feasible to locate the plant within the city limits. She noted within the statue there was no authority to approve the feasibility, so the only way to challenge it would be a lawsuit.

Mayor Hanna called for the vote on the purchase of the options. Upon roll call the motion carried by a vote of 6-2-0. Alderman Pettus and Williams voted nay.

RESOLUTION 163-98 AS RECORDED IN THE CITY CLERK'S OFFICE

OFF-STREET PARKING LOT DESIGN: Mayor Hanna introduced an ordinance revising the UDO, Off-Street Parking Lot Design requirements, in reference to landscaping. The ordinance had been tabled on the third reading.

Ms. Kim Hesse, Landscape Administrator, stated the Tree and Landscape Committee had reviewed the proposed changes and thought the ordinance would be more clear.

Alderman Daniel moved to approve the amendment to the ordinance. Alderman Williams seconded the motion. Upon roll call the motion carried unanimously.

ORDINANCE 4127 AS RECORDED IN THE CITY CLERK'S OFFICE

OVERLAY DISTRICT: Mayor Hanna introduced an ordinance revision to the Overlay District provision of the zoning ordinance to eliminate sections contained within the Commercial Design Standards. The ordinance had been left on the second reading as amended.

Alderman Williams moved to suspend the rules and go to the third and final reading. Alderman Young seconded the motion. Upon roll call the motion carried unanimously.

Ms. McCarty read the ordinance.

Alderman Williams stated the proposed revisions were to harmonize the Overlay District with the more recent Development Ordinance so the two would work better together.

There was no public comment.

Mayor Hanna called for the vote. Upon roll call the motion carried unanimously.

ORDINANCE 4128 AS RECORDED IN THE CITY CLERK'S OFFICE

EMINENT DOMAIN: Mayor Hanna introduced an ordinance authorizing the City Attorney to seek possession of property owned by Jill R. Jacoway located at the southeast corner of Old Missouri Road and Zion Road by the power of eminent domain, in association with the required right-of-way and easements for the old Missouri/Zion road Intersection Improvement. The ordinance had been left on the second reading.

Alderman Daniel moved to suspend the rules. Alderman Trumbo seconded the motion. Upon roll call the motion carried unanimously.

In response to questions from Alderman Williams, Mr. Venable stated they had notified Ms. Jacoway of the meeting and the previous meetings. They had not received any responses from Ms. Jacoway.

Mr. Charles Seifert, an area resident, presented a list of concerns and questions to Alderman Pettus to read.

Alderman Pettus read Mr. Seifert's letter which questioned who had appraised the property and what Ms. Jacoway would receive for it.

Mr. Ed Connell, Land Agent, stated Bellow and Associates had appraised the property and the price was approximately $3,700.

Mayor Hanna called for the vote. Upon roll call the ordinance passed unanimously.

ORDINANCE 4129 AS RECORDED IN THE CITY CLERK'S OFFICE

1999 BUDGET: Mayor Hanna introduced a resolution adopting the 1999 City of Fayetteville Annual Budget and Work Program. He stated there had been a proposal to amend the resolution to include the funds for the University Transit, the Downtown Parking Enhancement District and the Community Access Television.

Alderman Williams moved to approve the amendment. Alderman Young seconded the motion. Upon roll call the motion carried unanimously.

Alderman Trumbo stated the University was very appreciative of the $20,000 to help provide transport to the citizens.

Mayor Hanna stated the Red Route carried over 40,000 passengers to the mall last year.

Alderman Schaper noted there was still $300,000 for Steel Property street improvements which was for putting in Steel Boulevard this year. He added there was no development along this corridor presently. He suggested deleting the money from this year's budget until the road was needed.

Alderman Pettus asked how many times the city had been criticized for building infrastructure and then catching up with that infrastructure. She thought this was one time they could get ahead.

Alderman Williams stated the Street Committee had approved this. He added there would be other roads servicing this development. He thought it would enhance the shopping center to keep it and the regional shopping center attractive. In response to comments from Alderman Schaper, he added the boulevard was designed to be a primary artery to the west and intersect with Johnson Road.

Alderman Schaper moved to delete the money from the budget for Steel Boulevard and add the money to other street projects. Alderman Russell seconded the motion.

Alderman Russell stated he understood the theory of subsidizing businesses because it was an investment for the city. He questioned if the city had a policy on which business they gave the money to. He thought if they were going to subsidize business they should be giving incentives to people willing to locate downtown and along Dickson Street rather than near the mall.

Alderman Williams replied the city was spending $2.2 million for Dickson Street improvements, and $7 million for the Town Center on the Square. He disagreed with Alderman Russell about it being a subsidy for those business. He added this was an asset for Fayetteville and not for the development. It was something the city needed. The developer was providing all the land with no cost to the city for the very wide boulevard that the city requested.

Alderman Russell replied there needed to be a more defined policy on when the city would pay for infrastructure within commercial development. He noted the Planning Commission minutes state that the developer was willing to pay for whatever was necessary to provide for traffic flow and access from and to the property. He noted that we had to trust the developers' traffic engineer that what they were paying for was what was necessary to provide for traffic flow for their development.

Alderman Trumbo added it was currently difficult to get in and out of the mall and this four-lane would make it convenient for people to use the back side of the mall rather than having them use Highway 71.

Alderman Schaper stated the subdivision developers were required to install 28-foot wide streets and they were arguing that this developer was required to construct the same street that a small developer would be required.

Alderman Trumbo explained the property tax for the mall went to Springdale and the sales taxes went to Fayetteville. He added they needed to encourage people to shop at the mall.

Alderman Young suggested using the money to install streets in the High Tech Industrial Park.

Alderman Williams noted they were doing both.

Mayor Hanna called for the vote. Upon roll call the motion failed by a vote of 3-5-0. Alderman Trumbo, Pettus, Reynolds, Williams, and Daniel voting nay.

Alderman Trumbo noted they were not able to fund some of the requests for additional Police and Fire. He complimented both groups for the outstanding job they were doing.

Alderman Williams noted over the past six years both Fire and Police budgets had gone over 50%.

Alderman Daniel complimented the Police and Fire and how nice the City Staff was.

Mr. Jeff Erf, an area resident, asked if money had been allocated to the trolley. He asked if the city had always funded the trolley.

Mr. Crosson replied the city had allocated $30,000 to the trolley. In the past, the majority of the money had come from the A&P.

Mr. Erf questioned the contract with the Chamber for Economic Development. He expressed concern about the Chamber looking after the city. He noted the Chamber did not adopt the marketing plan for Drake Field. He asked them to reconsider their funding.

In response to questions, Mr. Steve Green, Chamber of Commerce, stated they had developed the marketing plan for Drake Field, and they had endeavored to support Drake Field and the marketing of the field.

Mr. Erf expressed concern about the Police Department budget and noted the crime rate had been going up the last five years. He thought they needed more policemen on the force. He suggested the Police Department stop helping citizens unlock cars to save money.

Alderman Williams thought it was a good outreach program to show the Police as helpers. He did not believe policemen would leave an emergency situation to unlock a car. He added he had seen them unlock cars and it took only a few seconds.

Alderman Pettus stated some people could not afford a locksmith and it only took a few seconds to unlock a car.

Randy Zurcher, an area resident, expressed concern about the city spending money on Steel Boulevard. He thought the money should be used to fund non-profit organizations or individuals that would use it for community projects.

Alderman Pettus moved to approve the budget. Alderman Reynolds seconded the motion. Upon roll call the motion carried unanimously.

RESOLUTION 164-98 AS RECORDED IN THE CITY CLERK'S OFFICE

RZ98-19: Mayor Hanna introduced an ordinance approving rezoning request submitted by Tom Terminella for property located north of Township East extension. The request is to rezone 45.87 acres from A-1, Agricultural, to R-1, Low Density Residential. The ordinance had been left on the second reading.

Alderman Pettus moved to suspend the rules and go to the third and final reading. Alderman Daniel seconded the motion. Upon roll call the motion carried unanimously.

Ms. McCarty read the ordinance.

Alderman Williams noted the developer was only planning to develop 61 lots for the 45 acres. He questioned why he was requesting R-1 and not some other zoning.

Mr. Dave Jorgensen, Jorgensen and Associates, replied they had some lots which were under an acre. He stated they had only planned 60 lots.

Alderman Williams reminded that the city was four to five years away from increasing capacity in the sewer plant. He thought they would have to be careful on all future rezonings.

Mayor Hanna stated the developer had offered to only construct sixty lots, however, a bill of assurance would have to be offered during the large scale development.

Ms. Little added the developer could offer a bill of assurance at the rezoning level. The Planning

Commission then would affect compliance with the bill of assurance.

In response to questions from the Mayor, Mr. Jorgensen explained the lay of the land required that some of the lots be less than half of an acre. The majority of the lots were larger.

In response to questions, Ms. Little explained the Planning Commission had made a statement regarding the Large Scale Development for 216 units proposed for Cliffs Development with a caveat to the developer that there may not be sufficient sewer capacity and it was the developer's risk. The Planning Commission had made it very clear they were concerned about the sewer capacity and that they did not have any information stating they needed to deny the project. They had discussed the possibility of a moratorium, which could be no additional rezoning or additional development or building permits.

Alderman Reynolds stated the project had gone through the proper procedures and it was only fair for them to continue. If they were going to impose a moratorium they needed to start at the beginning of the process.

Alderman Young expressed concern about voting for this rezoning without a report from the consultants.

Alderman Williams noted this development was near the existing sewer treatment plant and this was like an infill project because there was a lot of the city surrounding it.

Alderman Russell questioned the meaning of the statement that the developer would bear the risk.

Ms. Little replied Planning Commission felt that in the absence of instructions from the council that they should continue business as usual. They had not received instructions from council that there needed to be a moratorium or a slow down in development.

In response to comments, Mr. Jorgensen stated this would be a show piece property. They were developing only 60 lots on 45 acres. It fit very well with the surrounding property.

Mr. Dan Coody, an area resident, expressed concern about the proposed moratorium and how it would affect existing developments.

Alderman Williams stated it would depend on the type of moratorium. He stated he would be in favor of a rezoning moratorium, before a massive investment was made by the developer.

Alderman Schaper explained there were three levels of a moratorium. Rezoning, Large Scale or

Subdivisions and the most drastic would be the building permit.

Mr. Venable stated they did not anticipate a moratorium on taps. It would more than likely be at the Subdivision or Large Scale Development level.

Mayor Hanna stated a moratorium was a good reason why more people needed to get involved because it would affect the whole city.

Mr. Coody volunteered to serve on the committee.

Mayor Hanna called for the vote. Upon roll call the motion carried by a vote of 6-2-0. Alderman Young and Russell voted nay.

ORDINANCE 4130 AS RECORDED IN THE CITY CLERK'S OFFICE

RZ 98-20.00: Mayor Hanna introduced an ordinance approving rezoning request submitted by Sharman Sturchio and Rich King for property located at 716 West Sycamore Street. The property is zoned I-1, Heavy Commercial / Light Industrial, and contains approximately 6.36 acres. The request is to change the zoning to C-2, Thoroughfare Commercial. The request was denied by the Planning Commission and appealed to the City Council December 1, 1998.

Ms. McCarty read the ordinance for the first time.

Alderman Reynolds stated he would be abstaining since he voted on the rezoning at the Planning Commission level.

Alderman Pettus stated she would also be abstaining.

Alderman Williams stated he would be voting against the rezoning because he believed Fayetteville had a good entertainment district. He thought it helped the city to have dancing located within certain areas and not to have it spread throughout the town. There had also been some complaints from neighbors about potential night hours.

Mayor Hanna stated they had withdrawn their request for dancing. It was only a request for a private club.

Alderman Schaper questioned what they wanted to do with the property.

Ms. Little explained the applicant could have a private club with I-1 zoning.

Mr. Sharman Sturchio explained they had a person willing to lease the property with the condition that the property be rezoned from I-1 to C-2 so Mr. Clark could request a conditional use for dancing in the future. He added the C-2 zoning was allowed in a mixed use area. He added the former tenant had been in beer and wine sales.

In response to questions from Mr. Schaper, an area resident stated the previous renters were open to 10:00 p.m. The proposed club would be open until 2:00 a.m. on the weekends.

Alderman Russell clarified there was nothing that would prevent them from having a club there now with the current zoning.

Ms. Little added the C-2 zoning would allow them to have the Liquor by the Drink. In response to questions from Alderman Schaper, she explained a private club was not allowed in C-1. Dancing was not allowed in C-1. Restaurants serving liquor were allowed in C-1. Bars were not allowed in C-1, it would require C-2.

Alderman Schaper stated he had a number of complaints about the other clubs near this location. He would not encourage this type of activity in this neighborhood.

Mr. Sharman Sturchio replied a band had been using the building and they had not had any complaints. It was a very well insulated building. Mr. Clark was planning a much smaller use. He added the Planning Staff had recommended approval of the rezoning.

Alderman Schaper reminded rezoning was supposed to be for the good of the city and not the convenience of a property owner. He cautioned about spot zoning.

Alderman Young stated the zoning of the property needed to reflect the use of the property and the general land use plan, which recommended mixed uses.

Alderman Schaper moved to suspend the rules and go to the second reading. Alderman Trumbo seconded the motion. Upon roll call the motion carried by a vote of 5-1-2, Alderman Williams voting nay, Alderman Pettus and Reynolds abstaining.

Ms. McCarty read the ordinance for the second time.

Alderman Schaper moved to go to the third and final reading. The motion died for lack of a second.

NEW BUSINESS

DICKSON STREET ENHANCEMENT: Mayor Hanna introduced a resolution authorizing the Mayor and City Clerk to enter into an agreement with the Benham Group for planning and engineering services relative to the Dickson Street Enhancement Project. The amount of the contract is $346,748.04 and approval of a budget adjustment.

Alderman Pettus and Reynolds stated they would be abstaining because they stood to gain from the enhancement.

Mr. Venable stated that some of the fund came from the Federal Aid Highway Act which had been passed this year. One million and a half dollars had been set up for this improvement. This was 80% of the cost. The other 20% would come from local money. Mr. Carl Collier stated the Dickson Street Improvement District would also be contributing approximately $300,000. The project was for the enhancement of the Dickson Street area. This contract would be for the engineering. The city would be reimbursed up to the amount of the Federal Aid. However, it would take six years to get the money. This contract was strictly city money.

Alderman Schaper added there was a lot of engineering involved because of all the utilities and construction required. He thought they were on their way to a very healthy downtown because of this and the private development which was being invested in the area.

Alderman Schaper moved to approve the resolution. Alderman Daniel seconded the motion.

Mr. Dan Coody asked if this project would actually get off the ground.

Alderman Williams reassured Mr. Coody this project would get off the ground.

Mayor Hanna called for the vote. Upon roll call the motion carried by a vote of 6-0-2, Alderman Pettus and Reynolds abstaining.

RESOLUTION 165-98 AS RECORDED IN THE CITY CLERK'S OFFICE

COMMUNITY ACCESS TELEVISION: Mayor Hanna introduced a resolution approving a contract with the Community Access Television for public television services.

Alderman Young moved to approve the resolution. Alderman Daniel seconded the motion. Upon roll call the motion carried unanimously.

RESOLUTION 166-98 AS RECORDED IN THE CITY CLERK'S OFFICE

CHILD CARE FACILITY: Mayor Hanna introduced a resolution approving the extension of water and sewer service to a tract of land in the Fayetteville South Industrial Park at a cost not to exceed $20,000, as requested by the Chamber of Commerce, for a child care facility.

Alderman Williams asked if the land was owned by the city or the Chamber of Commerce.

Mr. Jim Crider, Fayetteville Chamber of Commerce, stated the land was owned by the Fayetteville Development Foundation, Inc. He explained the group had been dissolved to only a handful of banks and utility companies.

Mayor Hanna explained the Fayetteville Development Foundation was founded to borrow the money to put in the original industrial park. Two to three banks agreed to loan the money. They would be paid back the proceeds of the lots. When he came into office, they had asked the city to pay off the notes. The city declined and only bought part of the lots.

Mr. Crider added originally there had been 160 acres, and the city had purchased approximately 120 acres. He had been able to sell all but 13.8 acres. The purchase money would go towards retiring the debt on the bonds which were originally used to purchase the land.

Alderman Trumbo stated he would have to abstain from this item.

Alderman Williams stated he had a problem with a subsidy for a small nonindustrial client. He stated a child care facility was a service which would be in competition with other child care facilities throughout town. He thought it would be unfair to other child care facilities.

Mr. Crider stated Fayetteville had a low rate of unemployment. One issue facing industry is availability of people and the high rate of turnover. This child care facility would be a means of attracting employees that would otherwise be staying at home. The idea was for the industries in the South Industrial Park to offer a voucher system where they would pay 40-60% of an individual's child care in order get people out to work. He added Fayetteville's child care centers were at capacity and they needed another facility.

Alderman Schaper noted the industries in this area were in competition for workers because the unemployment was so low. Anything which made the city Industrial Park more attractive would contribute to the health and economy of Fayetteville. They were still creating jobs whether they were service or industrial. He noted they had been willing to give $20,000 to Panels by Mickey. He was inclined to approve the resolution because of the tight employment.

In response to questions, Mr. Crider stated that although Dixie Development would be building the facility they would be turning the facility over to Intercare, a professional child care management organization. The price per acre was $23,000 per acre, which was breaking even.

Alderman Reynolds asked if they could lower the purchase price of the property.

Mr. Crider replied the $23,000 was the bottom line to get the return payment on the debt of the bonds. They would not be making a profit, it would be for retiring the bonds.

Mr. Jeff Erf stated he was opposed to subsidizing the child care facility. He expressed concern about the children being located around vacant lots and it being in an industrial lot. He thought the day care facility might decrease the value of the surrounding vacant lots.

Alderman Daniel moved to approve the resolution. Alderman Young seconded the motion. Upon roll call the motion carried by a vote of 6-1-1. Alderman Williams voted nay and Alderman Trumbo abstained.

RESOLUTION 167-98 AS RECORDED IN THE CITY CLERK'S OFFICE

Meeting adjourned at 9:35 p.m.