

City of Fayetteville Staff Review Form

2019-0545

Legistar File ID

9/3/2019

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Paul A. Becker

8/26/2019

Chief Financial Officer
Finance & Internal Services Department

Submitted By

Submitted Date

Division / Department

Action Recommendation:

A Resolution authorizing the approval of the Land Sale Agreement with the University of Arkansas System Division of Agriculture for the purchase of 11.6 acres located between Deane and Porter Roads for construction of a new Fire Station #8 and Police Headquarters for \$2,590,000, plus any associated closing costs; and approval of a Budget Adjustment.

Budget Impact:

4609.860.7900-5805.00	4609 - Police Projects 2019 Bonds																		
4610.860.7108-5805.00	4610 - Fire Projects 2019 Bonds																		
Account Number	Fund																		
46090.7900.8050	Police Projects/Police Headquarters																		
46100.7108.8050	Fire Projects/Fire Station #8																		
Project Number	Project Title																		
<p>Budgeted Item? <u>Yes</u></p> <p>Does item have a cost? <u>Yes</u></p> <p>Budget Adjustment Attached? <u>Yes</u></p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Current Budget</td> <td style="width: 10%;">\$</td> <td style="width: 60%; text-align: right;">49,629,778.00</td> </tr> <tr> <td>Funds Obligated</td> <td>\$</td> <td style="text-align: right;">485,746.00</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Current Balance</td> <td style="border-bottom: 1px solid black;">\$</td> <td style="border-bottom: 1px solid black; text-align: right;">49,144,032.00</td> </tr> <tr> <td>Item Cost</td> <td>\$</td> <td style="text-align: right;">2,590,000.00</td> </tr> <tr> <td>Budget Adjustment</td> <td>\$</td> <td style="text-align: right;">-</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Remaining Budget</td> <td style="border-bottom: 1px solid black;">\$</td> <td style="border-bottom: 1px solid black; text-align: right;">46,554,032.00</td> </tr> </table>	Current Budget	\$	49,629,778.00	Funds Obligated	\$	485,746.00	Current Balance	\$	49,144,032.00	Item Cost	\$	2,590,000.00	Budget Adjustment	\$	-	Remaining Budget	\$	46,554,032.00
Current Budget	\$	49,629,778.00																	
Funds Obligated	\$	485,746.00																	
Current Balance	\$	49,144,032.00																	
Item Cost	\$	2,590,000.00																	
Budget Adjustment	\$	-																	
Remaining Budget	\$	46,554,032.00																	

V20180321

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF SEPTEMBER 3, 2019

TO: Mayor and City Council
FROM: Paul A. Becker, Chief Financial Officer
DATE: August 26, 2019

SUBJECT: A Resolution authorizing the approval of the Land Sale Agreement with the University of Arkansas System Division of Agriculture for the purchase of 11.6 acres located between Deane and Porter Roads for construction of a new Fire Station and Police Headquarters

RECOMMENDATION:

A Resolution authorizing the approval of the Land Sale Agreement with the University of Arkansas System Division of Agriculture in the amount of \$2,590,000 for the purchase of 11.6 acres located between Deane and Porter for the construction of a new Fire Station and Police Headquarters, plus associated closing costs and taxes.

BACKGROUND:

Fayetteville voters approved the public safety bond question in the 2019 bond initiative, which included 3 new fire stations and a new police headquarters. Phase 1 funding for the bond includes the purchase of land and construction of 2 fire stations and the police headquarters.

The Fayetteville Fire Department has researched various locations for new fire station placements. The Deane and Porter road property is in the area identified to help improve response times and quality response efforts near the Interstate 49 interchange.

Additionally, the Police Department determined through a recent facilities study approved by the City Council that a minimum of 10 acres was required for police specific facilities. During the course of this study, the City and Police Department reviewed a number of land parcel sites throughout the city, and the 11.6 acre parcel between Deane and Porter was identified as having the most potential to accommodate the current and future land needs of the FPD.

The net total property for this location is 11.6 acres. The Fayetteville Fire Department will be utilizing 1.6 acres of this property; the Fayetteville Police Department will use the remaining 10 acres.

DISCUSSION:

The City and the University of Arkansas System Division of Agriculture negotiated to purchase the land according to the attached land sale agreement. The City Attorney and Mayor have recommended it is best to present the Land Sale Agreement to the City Council for approval before the Agreement is submitted to the U of A Board of Trustees on September 12th, 2019.

Real Estate Agreement (Offer and Acceptance)

The Board of Trustees of the University of Arkansas, acting on behalf of the Division of Agriculture ("Seller"), makes the following offer to sell the property described herein to the City of Fayetteville, Arkansas ("City"):

1. The University officer signing this offer is authorized to extend an offer to sell. However, only the Board of Trustees of the University of Arkansas holds the authority to convey real property. Accordingly, the Seller's obligation to sell the Property (as defined below) is conditioned upon approval of a resolution by the Board of Trustees of the University of Arkansas, confirming the Board's consent to conveyance of the Property and the terms of this agreement.
2. Subject to and on the terms and conditions set forth herein, Seller offers to sell, and the City offers to purchase approximately 11.6 acres (the "Property") located at the northeast corner of North Porter Road and West Deane Street along with a secondary access easement for emergency vehicles as shown on the aerial photograph on page 10 of Reed and Associates' May 23, 2018 appraisal report for the University to be more particularly described after the City completes its survey.
3. Prior to closing the City shall obtain a land survey of the Property, at City's sole expense, in order to establish a more precise description of the Property's boundaries and access easement.
4. The City intends to divide the Property into lots for a new fire station and police headquarters complex. All surveying work, and any necessary approvals, and all associated costs for any lot splits, lot line adjustments or other subdivisions shall be the responsibility of the City. The Seller will cooperate with the City, at no cost to Seller, in completion of the required surveying.
5. At closing the City will pay to Seller the cash sum of **Two Million Five Hundred and Ninety Thousand Dollars (\$2,590,000.00)** for the Property. The Seller and the City will each pay one half of the closing agent's fee. The City will pay the recording fee for the general warranty deed and the cost of any revenue stamps. The City will prepare the general warranty deed and any other closing documents required by City at closing. Seller hereby authorizes the closing agent to have prepared any release deeds, affidavits or other documents required to be executed by Seller at closing.

6. Conveyance shall be made to the City, by general warranty deed, subject to restrictions and easements which, in the City's judgment, do not materially affect the merchantability of the Property or the City's intended use of the Property. Pursuant to Ark. Code Ann. § 22-6-1 13, Seller shall retain a one-half (1/2) ownership interest in and to all the oil, gas, and other minerals in or under the Property. Seller shall also execute at closing an affidavit stating in substance that the Property is not subject to adverse possession claims and that no work or materials have been performed on the Property within one hundred and thirty (130) days of closing for which a lien might be asserted. Possession of the Property shall be delivered to the City at closing, free of any tenancies or other third party possessory rights.

7. Seller shall furnish the City, at Seller's cost, an owner's title insurance policy in the amount of the purchase price, reflecting merchantable title and issued on terms and conditions satisfactory to the City. If objections are made to Seller's title, Seller shall have a reasonable time, not to exceed thirty (30) days from the date of City's written notification of such objections, to cure such defects to the City's satisfaction. If such defects are not cured within thirty (30) days, the City may terminate this agreement or may, at its election, take title subject to any such defects.

8. Prior to closing, the City may inspect the Property for environmental hazards and may obtain at its cost a Phase 1 environmental report performed by a licensed engineer or firm selected by the City. If the inspection or report discloses environmental hazards requiring remediation, the City will have the right to terminate this agreement on written notice to Seller unless Seller elects to pay the cost of remediation or to reduce the purchase price by the cost of remediation.

9. No general taxes are currently owed on the Property, as Seller is immune from ad valorem taxation. Any general taxes and special assessments incurred on the Property as of the closing date and thereafter shall be the responsibility of the City.

10. The City represents to Seller that the City has full power and authority to execute this real estate agreement subject to ratification or rejection by the Fayetteville City Council. Seller represents that it has full power and authority to convey the Property and that there are no options, rights of first refusal or contracts, written or oral, for the sale of the Property or which otherwise would affect Seller's obligations hereunder. Seller further represents that the

individual signing on its behalf is authorized to sign this agreement.

11. The closing date shall be at a time and place established by the City and is estimated to occur within sixty (60) days following the date the Board of Trustees of the University of Arkansas approves a resolution confirming this agreement. The parties may extend the closing date beyond such time if necessary to complete title requirements, inspections, review or approvals. Possession shall be delivered to the City upon closing.
12. All structures, improvements, fixtures and attached equipment, if any, are included in the purchase price.
13. The City will inspect the Property prior to closing and are not relying upon any warranties, representations or statements of Seller, if any, as to the age or condition of the improvements, other than those specified in this agreement.
14. Each party covenants that no broker has been involved in this real estate agreement and that no commission is or will be owed on the sale of the Property.
15. This real estate agreement contains the entire agreement of the parties and may not be changed, modified or amended except by a written instrument signed by both parties.
16. There are no agreements or representations, written or oral, with respect to the subject matter of this agreement which are not contained herein.
17. Seller shall provide to the City any disclosure required by Governor's Executive Order 98-04.
18. Notices required by this agreement shall be in writing, and shall be delivered via mail, personal delivery, or email, to the following:

If to the City of Fayetteville:

City of Fayetteville
Attn: Mayor's Office
113 W. Mountain Street
Fayetteville, AR 72701

If to the Seller:

University of Arkansas Division of Agriculture
Attn: Dr. J.F. Meullenet
DTAS 215
1371 Altheimer Drive
Fayetteville, AR 72704

With a copy to:

Office of General Counsel
University of Arkansas System
2404 North University
Little Rock, AR 72207

19. For purposes of executing this agreement, a scanned or facsimile signature shall be as effective as an actual signature.

20. All understandings and agreements heretofore existing between or among the parties are merged into this agreement that alone fully and completely expresses their agreement. This agreement may be changed only in writing signed by all of the parties hereto and shall apply to and bind the successors and assigns of all of the parties hereto.

21. This agreement may be executed in two or more counterparts, each of which shall be deemed an original.

City of Fayetteville, Arkansas

Attest:

By: _____
Lionel Jordan, Mayor

By: _____
Sondra Smith, City Clerk

Date: _____

Date: _____

The Board of Trustees of the University of Arkansas,
acting on behalf of the
University of Arkansas Division of Agriculture

By: _____
Dr. Mark J. Cochran, Vice President,
Division of Agriculture

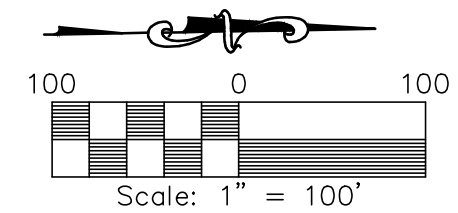
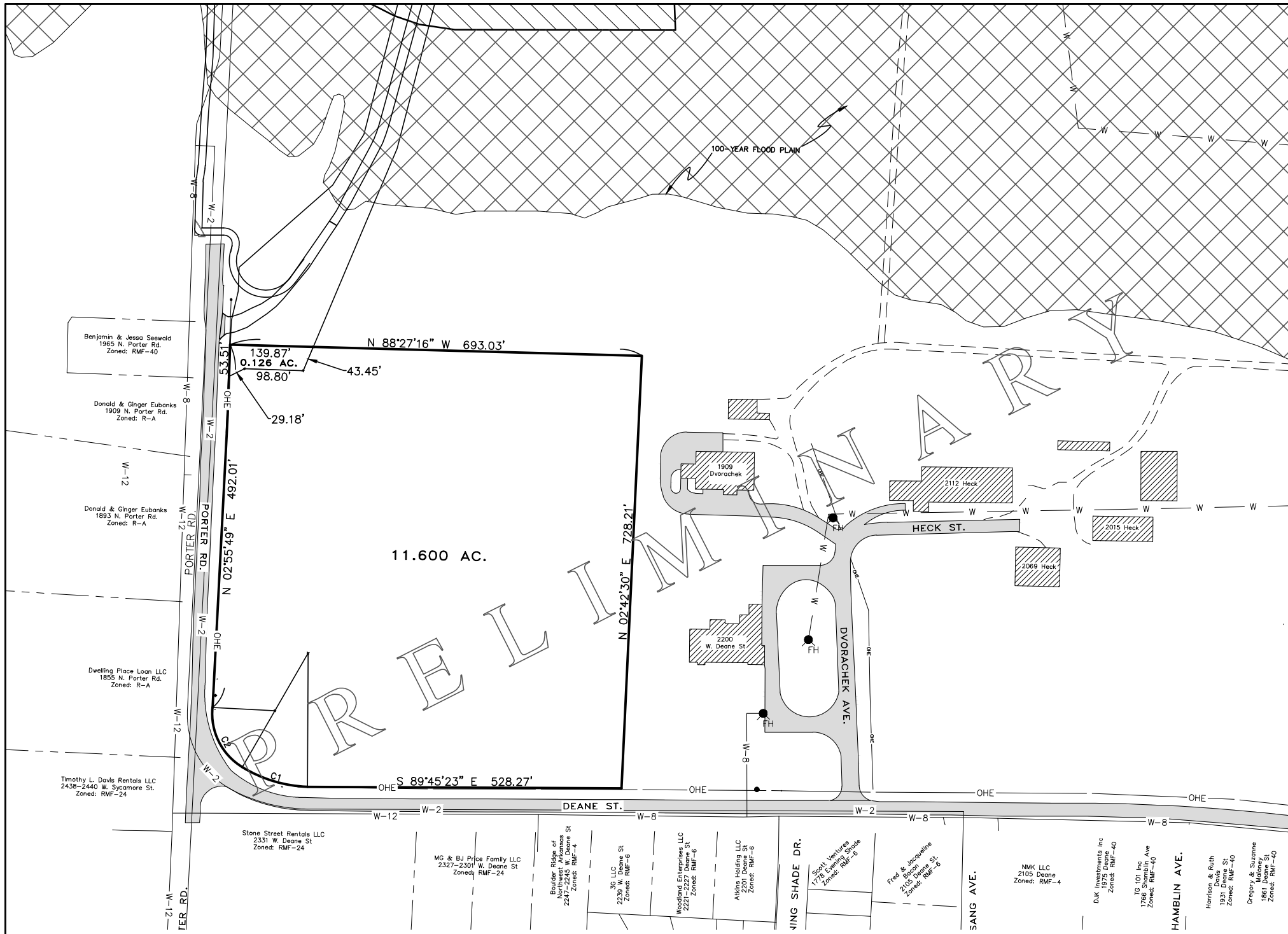
Date: _____

BUDGET/STAFF IMPACT:

The budget for this project will be approved on the September 3rd, 2019 City Council meeting prior to this item. The attached Budget Adjustment will be moving \$2,719,000 (\$2,590,000 for the actual land purchase + \$129,000 to cover any closing costs) from the Police Bond Project and Fire Bond Project unallocated budget programs. Any residual budget will revert back to the unallocated budget once all costs have concluded.

Attachments:

Budget Adjustment,
Real Estate Agreement (Offer and Acceptance)



VICINITY BOOK



CURVE	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	115.68'	225.15'	29°26'14"	N 73°08'41" W	114.41'
C2	118.34'	104.84'	64°40'28"	S 26°29'40" E	112.16'

FLOOD CERTIFICATION:
 A portion of this property is located within Flood Zone "A" OR "AE" as determined by the National Flood Insurance Program, Flood Insurance Rate Map for Washington County, Arkansas. FIRM Panel #0514C0205F Dated April 2, 2008

BUILDING SETBACKS: ZONING R-A

Front	35'
Side	20'
Rear	35'

- LEGEND**
- FOUND 5/8" REBAR
 - FOUND CRIMP PIPE
 - SET 5/8" REBAR W/CAP C.O.F. #1514
 - CRI-46 STATE No. 015509
 - POWER POLE
 - WATER METER
 - FH FIRE HYDRANT
 - FENCE
 - OHE OVERHEAD ELECTRIC
 - W-6 WATER MAIN
 - W U of A WATER (Size Unknown)
 - S-8 SANITARY SEWER
 - R/W RIGHT OF WAY
 - ▨ 100-YR FLOODPLAIN
 - ▤ FLOODWAY

CERTIFICATION:
 THIS IS TO CERTIFY that the plat hereon is a true representation of the above described property as determined by survey and that I, Daryl V. Doyal, P.L.S. #1514, have surveyed and marked on the ground the boundaries and corners as shown and that there are no encroachments or protrusions except as shown herein.

SURVEYED BY: DVD/JB
 DRAWN BY: JTS
 DESIGNED BY: ---
 FILE NAME: Lot Split.dwg

UNIVERSITY OF ARKANSAS

LOT SPLIT

REVISED

CITY OF FAYETTEVILLE ARKANSAS
ENGINEERING DIVISION
 1113 W. MOUNTAIN STREET
 PHONE NO: (479) 575-5206 FAX NO: (479) 575-5222

Aug 27, 2019

1
 PROJECT: ---

CIRCUIT CLERK STAMP