

City of Fayetteville Staff Review Form

2020-0148

Legistar File ID

3/3/2020

City Council Meeting Date - Agenda Item Only

N/A for Non-Agenda Item

Devin Howland

2/13/2020

ECONOMIC DEVELOPMENT (050)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

APPROVAL OF A RESOLUTION AUTHORIZING MAYOR JORDAN TO SIGN A LAND SALE AGREEMENT WITH DUKE REAL PROPERTIES LLC FOR THE SALE OF 5 ACRES OF CITY-OWNED COMMERCE PARK LAND FOR \$80,000

Budget Impact:

Account Number

Fund

Project Number

Project Title

Budgeted Item? No

Current Budget

\$ _____ -

Funds Obligated

\$ _____ -

Current Balance

\$ _____ -

Does item have a cost? No

Item Cost

Budget Adjustment Attached? NA

Budget Adjustment

\$ _____ -

Remaining Budget

Purchase Order Number: _____

V20180321
Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



CITY OF
FAYETTEVILLE
ARKANSAS

CITY COUNCIL MEMO

MEETING OF MARCH 3, 2020

TO: Mayor and City Council
THRU: Susan Norton, Chief of Staff
FROM: Devin Howland, Director of Economic Vitality
DATE: February 11, 2020

SUBJECT: SALE OF 5 ACRES OF CITY-OWNED COMMERCE PARK LAND TO DUKE REAL PROPERTIES, LLC

RECOMMENDATION:

City Staff is recommending approval of a land sale contract with Duke Real Properties LLC, a facet of Duke Technologies, for the sale of 5 acres of land owned by the City of Fayetteville at 2512 S. Industrial Drive for a purchase price of \$80,000.

BACKGROUND:

The property before the City Council for its consideration to sell is five acres of a 24-acre parcel (parcel 765-16578-001). This parcel is a part of a larger network of City-owned commerce park land that is reserved for the purpose of economic development. The City was approached by Duke Technologies last year, they expressed interest in potentially acquiring the property for an upcoming expansion.

DISCUSSION:

Duke Technologies is a Fayetteville headquartered company currently operating on Dean Solomon Road under a conditional use permit. The move to an I-2 zoned parcel in the Fayetteville Commerce District brings the opportunity for by-right operation of their business in an appropriate zoning classification. The company which specializes in research and development of alternative fuels is in the process of expanding its headquarters and research facilities. Their new campus will consist of four buildings comprised of an office, lab, shop, and pyrolysis center.

Other economic factors:

- Current Full Time Employees: 14
- Net New Employment: 14
- Average Salary: \$50,000
- Average Hourly Wage: \$24
- New Payroll: \$700,000+
- Capital Investment into facilities and equipment: \$2,500,000

The average hourly wage of \$24 per hour does exceed the minimum living wage for the region. Staff also wanted to note that a key reason for the company's interest in this specific parcel was its proximity to the St. Paul Trail.

The attached land sale agreement was reached through negotiations between the City of Fayetteville and Duke Real Properties LLC. The agreement outlines the sale of approximately five acres of property at a cost of \$16,000 per acre with an option to purchase an additional five acres within 12 months after the transfer of title.

City Code 34.27 establishes requirements regarding public notice and procedure for the sale of real property owned by the City of Fayetteville. City staff has performed all necessary public notification procedures in compliance with the ordinance (documentation attached).

NOTE ON POTENTIAL EDA GRANT:

Duke Technologies interest in the property began months before the Fayetteville Chamber of Commerce discovered the grant opportunity with the Economic Development Administration. As stated in the City's recent letter to Duke Technologies, and reflected in the Land Sale Agreement, if the City does not secure and or the Fayetteville City Council does not approve acceptance of a grant to build the road in the Commerce District, Duke Technologies shall have to build the industrial access drive to the south west corner of the parcel- maintaining an original condition from the City's initial response in August of 2019. The access easement has also been adjusted from 30-40 feet to accommodate the potential sidewalk added by the City Council.

BUDGET/STAFF IMPACT:

\$80,000 in revenue from the sale of the property will be paid to the fund that maintains ownership of the land.

Attachments:

Land Sale Contract
Offer Letter
City of Fayetteville Response to Offer Letter
Additional Letter from the City of Fayetteville
Letter of Support from the Fayetteville Chamber of Commerce
Proof of Public Notification
Location Map

LAND SALE AGREEMENT

THIS LAND SALE AGREEMENT (“Agreement”) is made and entered into by and between the City of Fayetteville, Arkansas, a municipal corporation of the State of Arkansas (hereinafter “Fayetteville”) and Duke Real Properties, LLC, a limited liability organized pursuant to the laws of the State of Arkansas (“Purchaser”).

For valuable consideration, the receipt and adequacy of which are hereby acknowledged, Fayetteville and Purchaser agree as follows:

TERMS AND CONDITIONS

1. Sale

Subject to the terms and conditions of this Agreement, Fayetteville agrees to sell and Purchaser agrees to purchase certain real property located in the Fayetteville Commerce District consisting of approximately five (5) acres as generally shown on the map attached as Exhibit A and as shall be more particularly described in a survey obtained by Purchaser within thirty (30) days of execution of this Agreement and approved by Purchaser and Fayetteville (the “Development Site”).

In exchange for the Purchase Price, at the closing, Fayetteville shall execute and deliver a general warranty deed to Purchaser which shall convey the Development Site to Purchaser subject to existing easements and rights of way of record.

The Development Site shall be located immediately to the east of a 35-foot utility easement in favor of Arkansas Western Gas Company, now known as Black Hills Energy. Fayetteville shall retain ownership of the land subject to the utility easement and shall grant to Purchaser in the general warranty deed an easement for ingress and egress at one point along South Industrial Drive. Access across the utility easement shall be subject to approval by Black Hills Energy or its successor..

The Development Site shall include access easements in favor of Fayetteville, its successors and assigns, the general public, and any future owners of the remaining property identified in the Washington County land records as Parcel Nos. 765-16578-001, 765-15312-001 and 765-16578-000. A 40-foot access easement shall extend from the northwest corner of the Development Site to the southwest corner of the Development Site. Fayetteville has applied for a federal Economic Development Administration grant for the purpose of constructing a road within the access easement that will connect South Industrial Drive to South City Lake Road. If the grant is approved, Fayetteville shall bear the entire cost of constructing the road.

If the grant is not approved, Purchaser agrees to construct a driveway to Fayetteville’s specifications from the cul-de-sac at the end of South Industrial Drive along the western property line to a stub-out at the southwest corner of the Development Site. Construction of the driveway (including approval by Fayetteville) shall be completed prior to the issuance of a final certificate of occupancy. Any further driveway extension shall be the responsibility of Fayetteville or the future developer of the remaining property to the south.

The Development Site may include access easements in favor of Fayetteville, its successors and assigns, the general public, and any future owners of the Option Land. As a condition to closing, the parties agree to enter into an agreement pursuant to which Purchaser will grant a 15-foot access easement that shall extend from the southwest corner to the southeast corner as shown in Exhibit A; provided however, if Purchaser shall also purchase the Option Land, such 15 foot access easement will not be required by Fayetteville.

2. Option to Purchase Additional Property/Right of First Refusal

Purchaser shall have the option to purchase the land owned by Fayetteville immediately east of the Development Site totaling approximately five (5) acres as generally described on Exhibit B and as shall be more particularly described in a survey obtained and approved by Purchaser prior to closing (the "Option Land"). The sale of the Option Land shall be upon the same terms and conditions and for the same gross purchase price as the Development Site. The option to purchase the Option Land shall be set forth in a separate Option Agreement to be agreed upon by Fayetteville and Purchaser prior to closing. The option to purchase shall expire twelve (12) months after the transfer of title to the Development Site from Fayetteville to Purchaser.

3. Purchase

In consideration of the sale of the Development Site, Purchaser shall pay to Fayetteville at closing the gross purchase price of EIGHTY THOUSAND DOLLARS (\$80,000.00) (the "Purchase Price") which shall be subject to adjustment as set forth in this Agreement. The Purchase Price shall be paid as follows:

A. Earnest Money deposit: An earnest money deposit in the amount of TWO THOUSAND FIVE-HUNDRED DOLLARS (\$2,500.00) shall be paid by Purchaser to Fayetteville at the time this Agreement, signed by Purchaser, is submitted to Fayetteville for approval (the "Earnest Money"). The Earnest Money shall be held by the title insurance company selected to issue the title insurance required by this Agreement. If the purchase and sale is consummated, this Earnest Money deposit shall be applied to the Purchase Price at closing. If Fayetteville or Purchaser exercises its option to terminate the Agreement pursuant to paragraphs 4, 9 or 10, this Earnest Money deposit shall be refunded in full. If the transaction is not consummated for any other reason, the Earnest Money deposit shall be refunded less Fayetteville's actual incurred out-of-pocket costs, if any, of obtaining the owner's title insurance policy and title insurance commitment.

B. Balance: The remaining balance of the Purchase Price in the amount of SEVENTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$77,500.00) shall be paid to Fayetteville at the closing subject to adjustments as set forth in this Agreement.

4. Closing Date and Place

Closing shall occur within one hundred twenty (120) days following the date this Agreement has been executed by both parties unless extended by mutual agreement of the parties in writing. The Closing shall occur at the offices of the title insurance company selected to issue the title insurance required by this Agreement. In the event that Purchaser shall not have obtained all approvals necessary for Purchaser's intended use of the Development Site for its facility

including approvals of the large-scale development permit and other plats and approvals by Fayetteville, Purchaser may defer Closing hereunder during such time as approvals and/or permits are pending review by Fayetteville or any other reviewing authority. If Purchaser does not receive such approvals, Purchaser may terminate this Agreement without penalty, being entitled to a return of its earnest money, or proceed under this Agreement to accept the property without development plans approved by Fayetteville.

The obligation of Purchaser to close pursuant to this Agreement shall be subject to the satisfaction of the following conditions precedent to the satisfaction of Purchaser in its discretion: (a) the survey and legal description of the Development Site, the Option Land, and all easements required by this Agreement; (b) the terms and conditions of the option agreement with respect to the Option Land; (c) the terms and conditions of all easements required by this Agreement; (d) the title insurance and all instruments identified in the title insurance including all liens, restrictions, easements, rights of way, and other encumbrances affecting the Development Site and the Option Land; (e) environmental assessments as referenced in this Agreement; (f) any approvals necessary for Purchaser's intended use of the Development Site for its facility including approvals of the large scale development permit and other plats and approvals by Fayetteville; (g) the form of the general warranty deed referenced in this Agreement; (h) the approval of the access granted across the utility easement referred to in paragraph 1 of this Agreement from Black Hills Energy and any other necessary persons; (i) any other conditions expressly referenced in this Agreement; (j) the development plan and construction budget for the completion of the facility for Purchaser's intended use; (k) financing upon reasonable terms and conditions; and (l) all closing documents required by the title insurance company or otherwise.

5. Date of Possession

Possession of the Development Site shall be delivered to Purchaser on the Closing date free of any tenancies or other third party possessory rights.

6. Title Insurance

Fayetteville shall order a title commitment on the Development Site, as soon as practicable following the full execution of this Agreement, through a title insurance company selected by Fayetteville and acceptable to Purchaser. If the report on title, binder or commitment discloses any defects in title (other than liens or encumbrances of a definite or ascertainable amount which may be paid at closing), Fayetteville shall have thirty (30) days from the date of Purchaser's notice of such defects to make a good faith effort to cure such defects and to furnish a report showing the defects cured or removed. If such defects are not cured within thirty (30) days, Purchaser may terminate this Agreement or may, at its election, take title subject to any such defects. The cost of the title insurance commitment and the cost of the owner's title insurance policy shall be borne by Fayetteville. The cost of any lender's title insurance policy and extended owner's title insurance coverage shall be borne by Purchaser. The title insurance policy shall be subject to the approval of Purchaser in its discretion. All easements, rights of way, and other encumbrances shall be subject to the approval of Purchaser in its discretion.

7. Deed and Other Documents

Prior to the closing of this Agreement, Purchaser shall obtain a survey at its sole cost containing a legal description of the Development Site as well as the legal description of the access easements described in Section 1 of this Agreement as shown in the map attached as Exhibit A. The survey and the legal descriptions shall be satisfactory to Purchaser in its discretion.

On the Closing date, Fayetteville shall convey marketable and insurable title to the Development Site by general warranty deed, free and clear of all liens, restrictions, and encumbrances except as provided in this Agreement and approved by Purchaser, subject only to current real estate taxes, if any (to be apportioned between the parties) and existing easements approved by Purchaser. Purchaser and Fayetteville shall equally share the cost a reasonable closing fee imposed by the closing agent employed by parties. The expense of revenue stamps shall be equally divided between the parties. All recordings fees for the deed and other documents that need to be filed shall be equally divided between the parties. All other closing costs shall be allocated between the parties in the same manner as customarily allocated by the title insurance company to issue the title insurance required by this Agreement.

8. Risk of Loss

Risk of loss as to the Development Site shall remain with Fayetteville until the Closing date.

9. Purchaser's Due Diligence

Purchaser may enter upon the Development Site to conduct any surveying, testing or inspection it deems necessary to ensure the Development Site will be appropriate for the construction and use for its facility. If Purchaser discovers any problems that would adversely impact its development and use of the Development Site for its facility, Purchaser shall notify Fayetteville which is granted sixty (60) days to remediate any problem. Fayetteville may also terminate this Agreement without penalty rather than remediating any problem or issue discovered by Purchaser. Likewise, if Fayetteville does not remediate the problem to the satisfaction of Purchaser within the time allowed by this Agreement, Purchaser may terminate this Agreement without penalty, being entitled to a return of its earnest money, or proceed under this Agreement to accept the property without resolution of the problem.

10. Large Scale Development Approval

Purchaser shall, at its sole cost and expense, prepare a Large Scale Development plat of the Development Site and obtain any and all approvals necessary for Purchaser's intended use of the Development Site for its facility. Fayetteville shall reasonably cooperate with Purchaser in Purchaser's request for development approval of its facility. Purchaser must present its development proposal through the normal City process and follow the Unified Development Code requirements.

Purchaser may defer Closing hereunder during such time as its Development plat and approvals are pending review by Fayetteville, and if such are not approved, Purchaser may terminate this Agreement without penalty, being entitled to a return of its earnest money, or proceed under this Agreement to accept the property without development plans approved by Fayetteville.

Purchaser agrees to construct, at its expense, a driveway to Fayetteville's specifications from the cul-de-sac at the end of South Industrial Drive along the western property line to a stub-out at the southwest corner of the Development Site. Construction of the driveway (including approval by Fayetteville) shall be completed prior to the issuance of a final certificate of occupancy. Any further driveway extension shall be the responsibility of Fayetteville or the future developer of the remaining property to the south.

Any future purchaser of property owned by Fayetteville to the south or east of the Development Site shall have the right, at their expense, to construct a driveway for access to their property through the access easement along the western property line of the Development Site. If the driveway has already been constructed at the time Purchaser is ready to proceed with its development, Purchaser shall be responsible for any costs associated with constructing a curb cut to Fayetteville's specifications for access from the driveway to the interior of the Development Site or for additional improvements to the driveway. Purchaser shall agree not to block or otherwise prevent access to the remaining property by Fayetteville or any future owner of property currently owned by Fayetteville.

11. Compensation to Fayetteville if Development Site is Sold Within 10 Years

Purchaser is aware that the Development Site is being sold by Fayetteville at a discount of approximately \$4,000.00 per acre below its normal selling price. If any portion of the Development Site conveyed by this Agreement is sold by Purchaser within the first five (5) years of the date of closing, an independent appraisal of the value of the Development Site shall be performed to segregate the actual sales price between that allocable to the raw land as acquired by Purchaser, and that allocable to the improvements subsequently added by Purchaser. Purchaser shall pay 75% of the increase in appraised value of the raw land of the Development Site (with prorated sales cost deducted) to Fayetteville. Purchaser shall pay Fayetteville 40% of the increase in appraised value of the land (with prorated sales costs deducted) for any sales after five (5) years until ten (10) years from the closing date.

12. Notices

Notices required by this Agreement shall be in writing and shall be delivered to:

Duke Real Properties, LLC
ATTN: Michael D. Ackerson
2434 Deane Solomon
Fayetteville, Arkansas 72703

City of Fayetteville
ATTN: Mayor's Office
113 W. Mountain Street
Fayetteville, AR 72701 72701-6083

13. Authority

Each of the parties represent and warrant that they are authorized to enter into this Agreement and that execution hereof will bind the entities to this Agreement.

14. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

15. Facsimile

For purposes of executing this Agreement, a facsimile signature shall be as effective as an actual signature.

16. Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of the State of Arkansas.

17. Survival

The representations, warranties, and agreements of the parties contained herein shall survive the closing date.

18. No Waivers

The waiver by either party hereto of any condition or the breach of any term, covenant or conditions herein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained.

19. Time of Essence

Time is of the essence in this Agreement.

20. Invalidity

If for any reason any term or provision of this Agreement shall be declared void and unenforceable by any court of law or equity, it shall only affect such particular term or provision of this Agreement and the balance of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto.

21. Complete Agreement

All understandings and agreements heretofore existing between 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 both of the parties hereto and shall apply to and bind the successors and assigns of each of the parties hereto and shall not merge with the deed delivered to Purchaser at closing.

22. Environmental Assessment

Purchaser may perform such tests and studies as Purchaser may deem necessary or appropriate to determine the environmental condition of the Development Site, such tests and studies to include, without limitation, so-called "Phase I" environmental site assessments and such additional testing, including so-called "Phase II" environmental site assessments, as determined by Purchaser to be necessary in Purchaser's discretion. As a condition of closing pursuant to this Agreement, all tests, studies, assessments, audits and reports shall confirm the absence of any and all forms of environmental surface, subsurface, groundwater and/or other contamination and shall in all other respects acceptable to Purchaser. Fayetteville hereby represents and warrants to Purchaser that, to the best of its knowledge, the Development Site is not contaminated with any chemical, material or substance to which exposure is prohibited, limited or regulated by any federal, state, county, local or regional authority or which is known to pose a hazard to health and safety and that the Development Site has never been used for a landfill, dump site, storage of hazardous substances, or by a manufacturer of any product or for any other industrial use.

Date: 2-11-2020

Date: _____

DUKE REAL PROPERTIES, LLC

By: 
Steve Byars, Manager

CITY OF FAYETTEVILLE,
ARKANSAS

By: _____
Lioneld Jordan, Mayor

WITNESS:

By: 

ATTEST:

By: _____
Kara Paxton, City Clerk-Treasurer

Exhibit A

Development Site

Exhibit B

Option Land



915 N Walton Blvd, Suite A Bentonville, AR 72712
craig@giveemhull.com 479 273 5454 479 236 1053

8/14/19

The Honorable Lioneld Jordan, Mayor

113 West Mountain
Fayetteville, AR 72703

Dear Mayor Jordan,

As my client's representative, I am pleased to submit this letter of intent to purchase a piece of City owned property in the Fayetteville Commerce District for expansion and consolidation of corporate offices, laboratories and biofuels research and development. The parent company is Duke Technologies, a Fayetteville - based company.

The property under consideration is 10 acres of land in the commerce district. Close on western most five acres by January 2020 @ \$80,000 and a 12 month option to purchase the remaining five (5) acres @ \$80,000.. Parcel # 765-16578-001 2512 S Industrial Dr. 10 acres out of the 24 acres. The buyer entity will be an Arkansas Limited Liability Company to be named. A survey will be required at sellers expense. The average price is \$16,000 per acre (\$160,000.00 total).

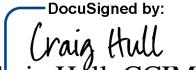
Particular attention is requested regarding the trail system access to the subject property, as the master plan for the R&D facilities campus will include fitness and worker healthfulness.

Supporting data on the company, preliminary job creation estimates and planned development has been shared with the staff.

We look forward to executing a formal purchase agreement under the supervision of the City Attorney, a 90 day due diligence period and closing by years end.

Special thanks are in order to Ms. Chung Tan of your staff and Mr. Steve Clark with the Fayetteville Chamber.

Respectfully submitted this 14th day of August, 2019.

DocuSigned by:

Craig Hull CCIM
Principal Broker



OFFICE OF THE MAYOR

8/19/2019

Craig Hull, CCIM
Principal Broker
The Osage Group
915 N Walton Blvd, Suite A
Bentonville, AR 72712

Dear Mr. Hull,

Thank you for your letter of intent on behalf of Duke Technologies, expressing their interest in purchasing five acres of City-owned land (Parcel # 765-16578-001 at 2512 S Industrial Drive) by January, 2020, with the option to purchase an additional five-acres within twelve months.

This City-owned land is reserved for economic-development opportunities and the purchase price of \$16,000 per acre represents a reduction for that purpose. As such, the City will require the buyer to complete a survey at their expense. We are interested in proceeding by presenting a Land Sale Agreement to the Fayetteville City Council that will reflect the following conditions:

1. The Development Site shall be located immediately to the east of a 35-foot utility easement in favor of Black Hills Energy. The City shall retain ownership of the land subject to the utility easement and shall grant Duke Technologies one access point along South Industrial Drive. Access across the utility easement shall be subject to approval by Black Hills Energy;
2. The Development Site shall include access easements in favor of the City of Fayetteville, its successors and assigns, the general public, and any future owners of the remaining property identified;
 - a. A 30-foot access easement shall extend from the northwest corner of the Development Parcel to the southwest corner, and a 15-foot access easement shall extend from the southwest corner to the southeast corner as shown in Exhibit A.
3. Duke Technologies shall be required to obtain a survey within thirty days of the execution of the Land Sale Agreement;
4. Duke Technologies shall be required to build a driveway to City specifications within the access easement from the northwest corner of the Development Parcel to the southwest corner of the Development Parcel;
5. If the property to the south is purchased and the new owner is ready to develop before Duke Technologies, that owner may, at its own cost, build the driveway from South Industrial Drive, through the Duke Technologies property, to other property on the interior of this parcel;

6. Duke Technologies will have first right of refusal on the additional five acres owned by the City immediately to the east of the site for twelve months. The land subject to this right of first refusal is described as follows:
 - a. From the northeast corner of the Development Site due south to the southeast corner of the Development Site then due east to the property line of Parcel No. 765-16578-001, then due north to the northeast corner of Parcel No. 765-16578-001, then due west to the point of beginning.
7. Compensation to the City of Fayetteville if Development Site is sold within ten years, given the discount of \$4,000 per acre;
8. Other conditions will be included in the Land Sale Agreement.

Land Sale Agreements are subject to approval by the Fayetteville City Council. If a Land Sale Agreement that is amendable to both parties is signed by Duke Technologies, a minimum of a fifteen-day public notification period will begin per *City of Fayetteville Ordinance 34.27- Sale of Municipally Owned Real Property*, before the item is considered by the Fayetteville City Council.

Since this land is reserved for economic development purposes, can you please provide the following information:

1. Total payroll of new R&D facility?
2. Capital investment into the new R&D facility is estimated to be \$2,000,000, is this correct?

This information will be presented to the City Council when the economic impact of the project is discussed during their consideration of the Land Sale Agreement.

Lastly, pertaining to your inquiry regarding access to the Saint Paul Trail from the Parcel: a connection that would cross the existing utility easement will be evaluated during the development review process. Typically, trail connections are encouraged.

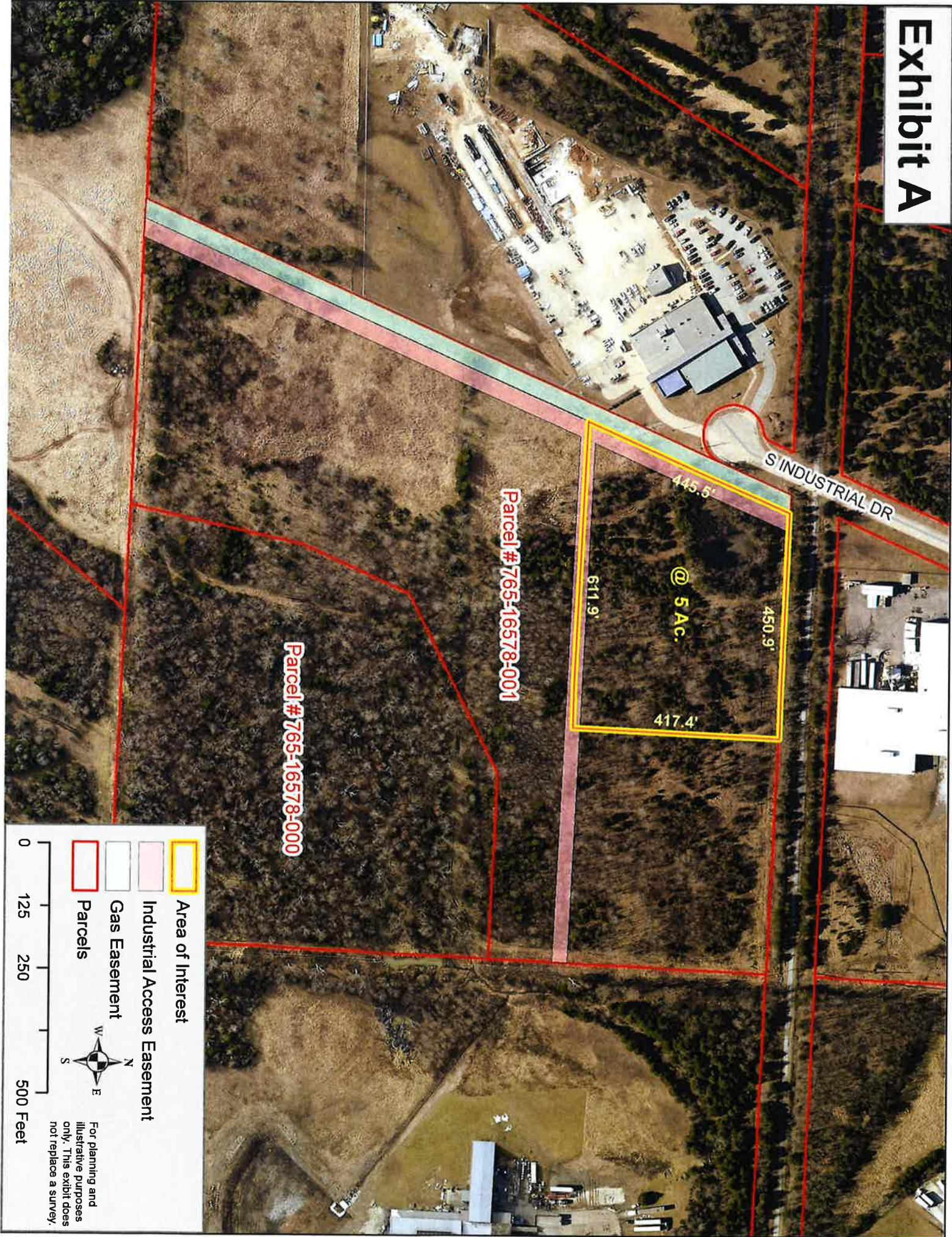
Regards,



Susan Norton
Director of Communications
City of Fayetteville

CC: Don Marr, Chief of Staff
Devin Howland, Director of Economic Vitality

Exhibit A





OFFICE OF THE MAYOR

February 3, 2020

Craig Hull, CCIM
Principal Broker
The Osage Group
915 N Walton Blvd, Suite A
Bentonville, AR 72712

Re: City of Fayetteville Commerce Park Land

Dear Mr. Hull,

This letter is a follow up from my previous letter to you on August 19, 2019. I wanted to update you on a potential impact to the commerce park land (Parcel # 765-16578-001 at 2512 S. Industrial Drive) Duke Technologies expressed interest in purchasing last year.

On January 21, 2020 the Fayetteville City Council authorized City staff to apply for a grant with the Economic Development Administration which would construct a road within the Industrial Access Easement shown on the original Exhibit A of the property. I have attached Resolution 38-20 for your review, which shows this potential road and sidewalk.

We are also needing to adjust the current access easement of 30 feet to 40 feet to accommodate this new road.

Should the City receive the grant award from the Economic Development Administration and acceptance of the grant be approved by the Fayetteville City Council, the City will construct the road within the access easement on the parcel. In the event the City does not receive the grant or if the Fayetteville City Council does not vote to accept the grant, Duke Technologies shall be required to build a driveway to City specifications within the access easement from the northwest corner of the Development Parcel to the southwest corner of the Development parcel, per condition four of our letter to you on August 19, 2019.

If you are agreeable to these alterations, please let us know and we will work with the City Attorney's Office to reflect these revisions in the Land Sale Contract. All other conditions outlined in our response letter remain in effect.

Land Sale Agreements are subject to approval by the Fayetteville City Council. If a Land Sale Agreement that is amenable to both parties and is signed by Duke Technologies, a minimum of a 15-day public notification period will begin per *City of Fayetteville Ordinance 34.27- Sale of Municipally Owned Real Property*, before the item is considered by the Fayetteville City Council.

Regards,



Susan Norton
Chief of Staff, City of Fayetteville

CC: Blake Pennington, Assistant City Attorney
Devin Howland, Director of Economic Vitality

Attachments: Resolution 38-20
Exhibit A



113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Resolution: 38-20

File Number: 2019-0897

ECONOMIC DEVELOPMENT ADMINISTRATION:

A RESOLUTION TO AUTHORIZE AN APPLICATION FOR AN 80/20 MATCHING GRANT FROM THE ECONOMIC DEVELOPMENT ADMINISTRATION IN THE AMOUNT OF \$2,225,268.00 FOR THE CONSTRUCTION OF A ROAD FROM INDUSTRIAL DRIVE TO CITY LAKE ROAD, AND TO AUTHORIZE MAYOR JORDAN TO SIGN A FUNDING COMMITMENT LETTER CONFIRMING THAT THE CITY HAS MATCHING FUNDS AVAILABLE IN THE AMOUNT OF \$556,317.00

WHEREAS, the construction of a road from Industrial Drive to City Lake Road, at a total estimated cost of \$2,781,585.00, would allow a significant amount of landlocked City property in the Commerce District to be developed; and

WHEREAS, the Fayetteville Chamber of Commerce, working with the Northwest Arkansas Economic Development District, has identified an 80/20 matching Economic Development Administration grant for which the City can apply; and

WHEREAS, staff recommends utilizing Economic Development Bond funds approved by Fayetteville voters for the City's 20% match in the estimated amount of \$556,317.00; and

WHEREAS, the Economic Development Administration requires a funding commitment letter to be included in the grant application stating the City's matching funds are available, unencumbered, and dedicated to this project in the event the City is awarded the grant.

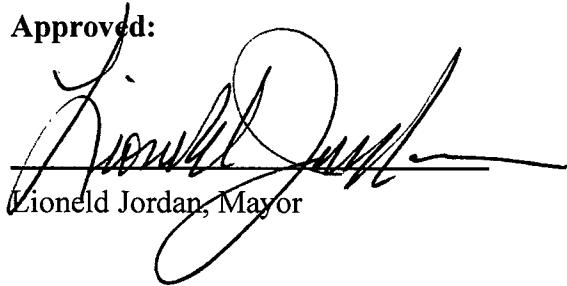
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby authorizes an application for an 80/20 matching Economic Development Administration grant application for \$2,225,268.00 for the construction of a road and sidewalk from Industrial Drive to City Lake Road with the 20% match to be funded by City of Fayetteville economic development bond funds.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby authorizes the Mayor to sign a funding commitment letter that will be included in the grant application stating that the City's matching funds in the amount of \$556,317.00 are available, unencumbered, and dedicated to this project in the event the City is awarded the grant.

PASSED and APPROVED on 1/21/2020

Approved:

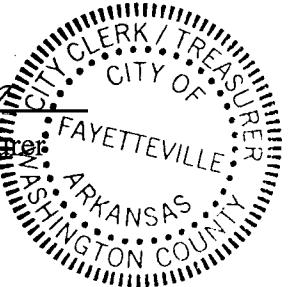


Lionel Jordan, Mayor

Attest:



Kara Paxton, City Clerk Treasurer



The seal is circular with the text "CITY CLERK / TREASURER" at the top, "CITY OF FAYETTEVILLE" in the center, "WASHINGTON COUNTY" at the bottom, and "ARKANSAS" on the right side.



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Text File

File Number: 2019-0897

Agenda Date: 1/21/2020

Version: 1

Status: Passed

In Control: City Council Meeting

File Type: Resolution

Agenda Number: C. 3

ECONOMIC DEVELOPMENT ADMINISTRATION:

A RESOLUTION TO AUTHORIZE AN APPLICATION FOR AN 80/20 MATCHING GRANT FROM THE ECONOMIC DEVELOPMENT ADMINISTRATION IN THE AMOUNT OF \$2,225,268.00 FOR THE CONSTRUCTION OF A ROAD FROM INDUSTRIAL DRIVE TO CITY LAKE ROAD, AND TO AUTHORIZE MAYOR JORDAN TO SIGN A FUNDING COMMITMENT LETTER CONFIRMING THAT THE CITY HAS MATCHING FUNDS AVAILABLE IN THE AMOUNT OF \$556,317.00

WHEREAS, the construction of a road from Industrial Drive to City Lake Road, at a total estimated cost of \$2,781,585.00, would allow a significant amount of landlocked City property in the Commerce District to be developed; and

WHEREAS, the Fayetteville Chamber of Commerce, working with the Northwest Arkansas Economic Development District, has identified an 80/20 matching Economic Development Administration grant for which the City can apply; and

WHEREAS, staff recommends utilizing Economic Development Bond funds approved by Fayetteville voters for the City's 20% match in the estimated amount of \$556,317.00; and

WHEREAS, the Economic Development Administration requires a funding commitment letter to be included in the grant application stating the City's matching funds are available, unencumbered, and dedicated to this project in the event the City is awarded the grant.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby authorizes an application for an 80/20 matching Economic Development Administration grant application for \$2,225,268.00 for the construction of a road and sidewalk from Industrial Drive to City Lake Road with the 20% match to be funded by City of Fayetteville economic development bond funds.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby authorizes the Mayor to sign a funding commitment letter that will be included in the grant application stating that the City's matching funds in

the amount of \$556,317.00 are available, unencumbered, and dedicated to this project in the event the City is awarded the grant.



OFFICE OF THE MAYOR

January 22, 2020

Mr. Jorge Ayala, Regional Director
Economic Development Administration
Austin Regional Office
903 San Jacinto Blvd, Suite 206
Austin, TX 78701-4037

Dear Mr. Ayala:

Re: Availability of Local Matching Funds

I am writing to affirm that the City of Fayetteville has \$556,317.00 in matching funds available, unencumbered, and dedicated for the grant in which we are applying for through the Economic Development Administration.

These funds will be utilized as detailed in the grant proposal. Should you have any further questions regarding the matching funds, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Lionel Jordan".

Lionel Jordan
Mayor

City of Fayetteville Staff Review Form

2019-0897

Legistar File ID

1/21/2020

City Council Meeting Date - Agenda Item Only

N/A for Non-Agenda Item

Devin Howland

12/31/2019

ECONOMIC DEVELOPMENT (050)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

APPROVAL OF A RESOLUTION AUTHORIZING MAYOR JORDAN TO APPLY FOR AN 80/20 MATCHING GRANT WITH THE ECONOMIC DEVELOPMENT ADMINISTRATION FOR \$2,084,720 AND SIGN A FUNDING COMMITMENT LETTER FOR QUESTION SIX BOND FUNDS.

Budget Impact:

Account Number

Fund

Project Number

Project Title

Budgeted Item? No

Current Budget

\$

Funds Obligated

\$

Current Balance

\$

Does item have a cost? No

Item Cost

Budget Adjustment Attached? NA

Budget Adjustment

\$

Remaining Budget

Purchase Order Number:

Previous Ordinance or Resolution #

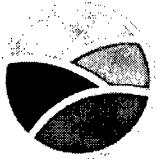
V20180321

Change Order Number:

Approval Date:

Original Contract Number:

Comments:



CITY OF
FAYETTEVILLE
ARKANSAS

CITY COUNCIL MEMO

MEETING OF JANUARY 21, 2020

TO: Mayor and City Council
THRU: Don Marr, Chief of Staff
FROM: Devin Howland, Director of Economic Vitality
DATE: December 30, 2019

SUBJECT: A Resolution authorizing Mayor Jordan to apply for an 80/20 matching grant with the Economic Development Administration and sign a funding commitment letter for question six bond funds.

RECOMMENDATION:

Staff is recommending approval of a resolution authorizing Mayor Jordan to apply for an 80/20 matching grant with the Economic Development Administration (EDA) and sign a funding commitment letter.

BACKGROUND:

The Fayetteville Chamber of Commerce, as the City's economic development contractor, has identified the lack of "shovel ready" parcels as a key challenge for the past several years, particularly within our Commerce District. Staff concurs with the challenge, as many other shovel ready parcels exist and continue to be developed throughout the region in other municipalities, available City owned sites in the commerce district have become increasingly limited.

City-owned land in the Commerce District is reserved for the purpose of economic development. This land is for sale at \$20,000 an acre to existing businesses looking to expand in Fayetteville or new businesses considering locating here. One major benefit of municipally owned land within the commerce park, is the ability to reserve this land for projects which offer employment opportunities that meet a living wage and align with our targeted industry sectors, outlined in the Fayetteville First Economic Development Plan.

In the past, staff reviewed several requests to extend Borick Drive between S. City Lake Road and S. Armstrong, two challenges were identified:

1. Cost: the 4,004 L.F. road would have cost an estimated \$3.5M
2. Environmentally Sensitive areas: Parcel: 765-16578-000 (13.1 acres) and Parcel: 765-15271-000 (10.5 acres)

However, the Fayetteville Chamber of Commerce and City staff have identified a unique opportunity to open a significant amount of land locked City-owned commerce park land and negate both previously identified concerns.

DISCUSSION:

The Fayetteville Chamber of Commerce, working with the Northwest Arkansas Economic Development District, has identified a pool of Economic Development Administration funding which Fayetteville can apply for. Traditionally, EDA grants are not eligible in Fayetteville given the City not meeting guidelines given job totals and income ranges.

The grant request is to construct 2,472 L.F. of road from Industrial Drive to City Lake Road at the following cost breakdown:

ITEM	COST
Construction	\$2,200,000
Engineering	\$330,000
NWAEDD Administrative Fee	\$75,900
Total Grant Ask	\$2,605,900
City of Fayetteville 20% Contribution	\$521,180
EDA 80% Contribution	\$2,084,720
City of Fayetteville's cost per foot	\$210.83

The City of Fayetteville's cost is \$521,180, representing 20% of the project cost. Staff is recommending utilizing Question 6 "Economic Development" Bond funding to cover the City's portion for the match. The amount represents 16% of the total Question 6 funds, ensuring the remaining 84% of the funds can be utilized for workforce development and job skill training opportunities, as outlined in the ordinance. If the grant is awarded, the City would receive \$2,084,720 from the Economic Development Administration.

As depicted in Exhibit A (attached) the proposed road would travel south off the cul-de-sac on Industrial drive for roughly 1,250 feet, then turns west and goes roughly 1,100 feet connecting with S. City Lake Road. Staff reviewed eight different alignment options and chose the proposed alignment for the following reasons:

1. Primarily benefits City-owned Commerce Park Land;
2. Does not go near environmentally sensitive areas to the east;
3. Opens roughly 46 acres of City-owned Commerce Park Land.

The City of Fayetteville will also be conducting an environmental impact analysis before applying for the grant- given the proximity to environmentally sensitive areas and to meet guidelines set forth by the Economic Development Administration.

The Economic Development Administration also requires a funding commitment letter to be included in the grant application (Exhibit B) stating funds are available in the event of being awarded the grant.

BUDGET/STAFF IMPACT:

If the grant is awarded the City of Fayetteville will be responsible for \$521,180 in Question 6 "Economic Development" Bond Funds.

The Environmental assessment which will be conducted as part of the grant submission will cost \$12,000. In the event of the grant not being awarded, staff feels there is a great deal of value in having this environmental assessment completed given on-going efforts to recruit new employers to our commerce district.

Attachments:

- Exhibit A: Road Alignment Map
- Exhibit B: Draft Funding Commitment Letter
- Exhibit C: Environmental Narrative Requirements
- Exhibit D: Preliminary Engineering Report Requirements
- Exhibit E: Chamber of Commerce Letter of Support
- Exhibit F: Flood Plain Map

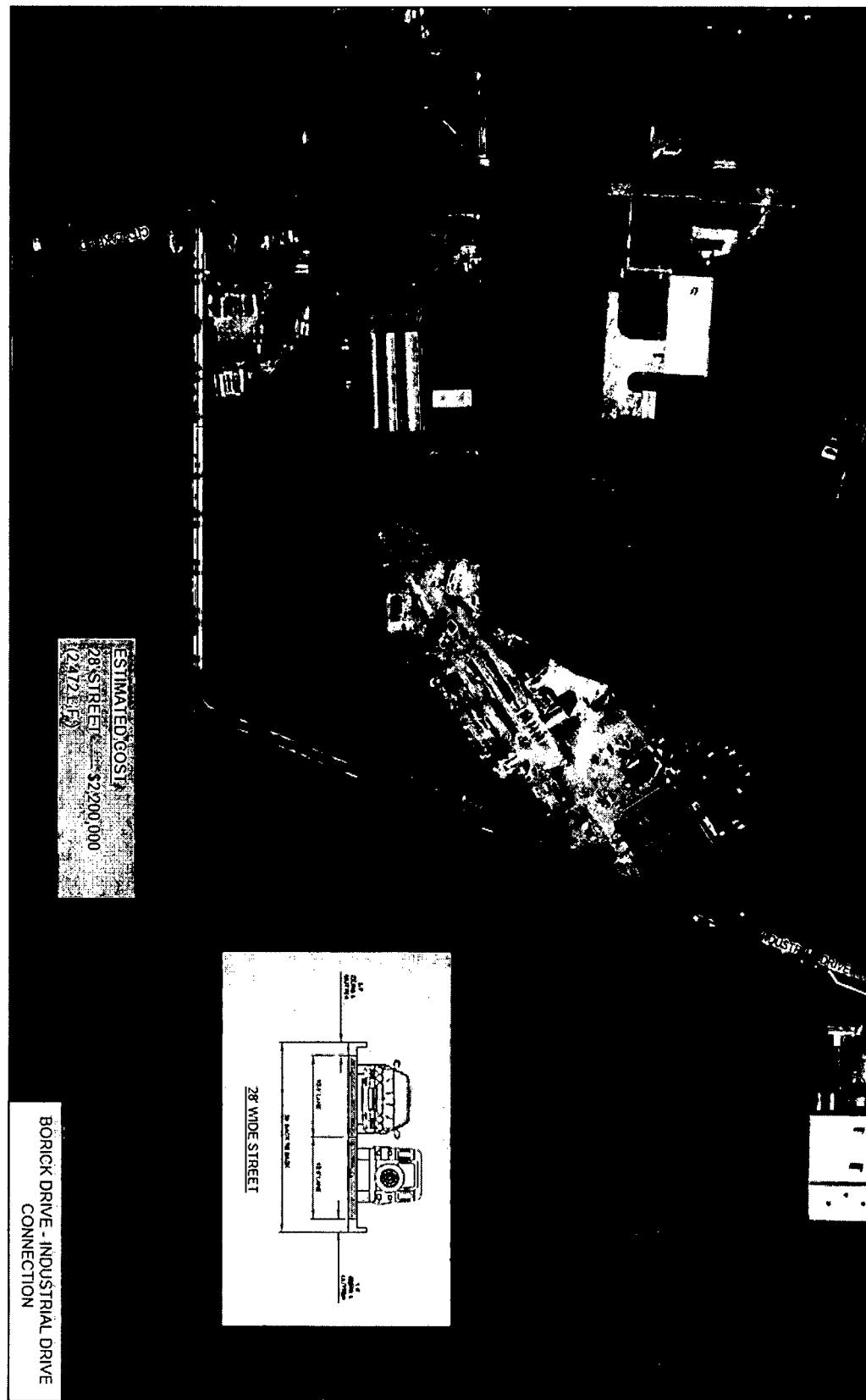


EXHIBIT-A



OFFICE OF THE MAYOR

January 21, 2020

Mr. Jorge Ayala, Regional Director
Economic Development Administration
Austin Regional Office
903 San Jacinto Blvd, Suite 206
Austin, TX 78701-4037

Re: Availability of Local Matching Funds

Dear Mr. Ayala:

I am writing to affirm that the City of Fayetteville has \$521,180 in matching funds available, unencumbered, and dedicated for the grant in which we are applying for through the Economic Development Administration.

These funds will be utilized as detailed in the grant proposal. Should you have any further questions regarding the matching funds, please do not hesitate to contact me.

Sincerely,

Lioneld Jordan
Mayor

Environmental Narrative Requirements

All Applicants for Construction Assistance must provide all required environmental information in order for an application to be considered complete.

The National Environmental Policy Act (NEPA) requires Federal agencies to assess the expected environmental impacts associated with proposed federal actions. Per EDA Directive 17.02-2, EDA must ensure that “proper environmental review of program activities takes place, that there is a proper balance between the goals of economic development and environmental enhancement, and that adverse environmental impacts are mitigated or avoided to the extent possible”.

In order to comply with NEPA requirements, the applicant must submit, in its application package, information detailing the present environmental condition of the project area and how the project will impact environmental resources in and around the project area.

The Applicant must provide detailed, comprehensive information for the:

1. site(s) where the proposed project facilities will be constructed and the surrounding areas affected by its operation; and
2. areas to be affected by any primary beneficiaries of the project.

The information submitted must be sufficient to evaluate all reasonable alternatives to the proposed project, the direct and indirect environmental impacts, as well as the cumulative impacts on the environment as defined in the Council on Environmental Quality (CEQ) regulations for implementing NEPA set out at 40 C.F.R. 1500-1508. The level of detail should be commensurate with the complexity and size of the project, and the magnitude of the expected impact. Relevant, recently completed environmental impact documentation (assessments, impact statements, etc.) for activities in the region in which the proposed project will be located may be included along with the environmental narrative.

Applicants must provide information on all the items identified below in their application for EDA assistance. Applicants must provide a detailed explanation for any area in which the applicant asserts that an item is not applicable to a project. Applicants are encouraged to contact their designated Economic Development Representative or the applicable EDA Regional Environmental Officer with questions (please see the EDA website for contact information).

Several issues discussed in the environmental narrative below may require consultation with other State or Federal agencies before EDA's final approval of an award (for example, the State Historic Preservation Agency or the U.S. Fish and Wildlife Service). While EDA does not require that applicants complete such consultations before submitting an application, applicants should be aware that in the event their project is selected for funding, the applicant will be expected to proceed with consultations in an expeditious manner. EDA expects applicants to be prepared to submit all required information to the appropriate agencies upon receipt of a Non-Binding Commitment letter.

APPLICANTS MUST PROVIDE INFORMATION ON THE FOLLOWING ITEMS IN THE ENVIRONMENTAL NARRATIVE:

Note: Applicants must provide all information requested below. Although EDA strongly recommends following the format of this template, other formats will be accepted provided that the narrative contains all required information.

A. BENEFICIARIES

Identify any existing businesses or major developments that will benefit from the proposed project, and those that will expand or locate in the area because of the project.

B. PROJECT DESCRIPTION**1. Proposed Construction**

Describe the project construction components in detailed, quantifiable terms. Describe the project location, proposed construction methods, and schedule. Summarize the environmental resources that would be impacted by the project. See the mock example below for the level of specificity expected by EDA:

The City of _____ is proposing to construct a 30-inch (in) water line which would be constructed within an existing 50-foot City of _____ right-of-way (ROW) and measure 1,220 linear feet (lf). The project is located within Township 39N, Range 10E, Section 24 in the City of _____, _____ County, [[[State]]]. The project would be constructed over a three-month period from April June 2011. Construction of this project would entail trenching a 1 ft wide by 3 ft. deep ditch and installing the 30-in. pipe within the existing ROW. Total land disturbance will be 2.1 acres. The construction staging area would be located entirely within the existing ROW. Best Management Practices (BMP) would be implemented including the installation of straw bales and silt fences to minimize impacts to storm water. Construction would only occur from 7 am-5 pm to minimize noise impacts in the project areas. Minor maintenance would occur during the operation of the waterline, but would not entail any ground disturbing activities. The waterline would bisect a palustrine emergent wetland in two places and result in the impact of 0.10 acre of wetland.

As an exhibit to this Narrative, provide a topographical map of the project area and a site map (with legends) displaying the project location and boundaries, existing and proposed project components and location of all sites and/or companies benefiting from the proposed project. The documents should be of sufficient clarity for adequate interpretation of the Applicant's intentions.

2. Alternative to the Proposed Project

Provide a detailed description of alternative actions that were considered during the project planning but were not selected (e.g., alternative locations, designs, other projects having similar benefits, or a "no project" alternative). Explain why this project/site was selected as the preferred alternative with respect to other choices. Provide detail on why others alternatives were rejected (e.g. did not meet the purpose and need of the project, implicated more environmental impacts than the proposed action).

3. Mitigation

Describe methods to be employed to reduce adverse impacts from construction, such as noise, dust generation, soil erosion, and siltation. List all mitigation measures that would be implemented to minimize impacts to environmental resources from project implementation.

C. HISTORIC/ARCHEOLOGICAL RESOURCES

Identify any known historic/archeological resources within the project site(s) or area of potential effect that are either listed on the National Register of Historic Places or considered to be of local or State significance and perhaps eligible for listing on the National Register. Discuss the potential impacts of the project on culturally significant resources and provide a determination as

to whether there will be: no historical properties/culture resources present; no historical properties/culture resources adversely affected; or historical properties/culture resources adversely impacted.

Provide a list of Tribal Historic Preservation Officers (THPO), Tribal Leaders, and other interested parties to be consulted with, as well as any comments already obtained from these parties. This can be obtained from the State Historic Preservation Officer (SHPO), Native American organizations, or online. The National Association of Tribal Historic Preservation Officers maintains a database of currently recognized THPOs. In addition, the Advisory Council on Historic Preservation (AHP) and the National Park Service both has information on THPOs.

Applicants will be required to provide the relevant SHPO with information about the project and request that the SHPO submit comments on the proposed project to the appropriate EDA Regional Office **prior to final approval** of any award. **Note that the applicant is not required to contact the SHPO until directed to do so by EDA.** If comments from the SHPO have already been received, they should be attached along with copies of the information provided to the SHPO. The following information will be required for the SHPO to review the project:

- a. a narrative description of the project's elements and its location;
- b. a map of the area surrounding the project, which identifies the project site, adjacent streets and other identifiable objects, and the Area of Potential Effect;
- c. line drawings or sketches of the project;
- d. photographs of the affected properties if building demolition or renovation is involved; and
- e. an archeological survey and report if one has been prepared.

D. AFFECTED ENVIRONMENT

For the resource areas identified below, indicate potential direct, indirect, and cumulative impacts from proposed project activities and specify proposed measures to mitigate probable impacts.

1. Affected Area

Describe the general project area, including topography, historic land usages, unique geological features, and economic history. Provide site photographs if available.

2. Shorelines, Estuaries, Beaches and Dunes

Identify any shorelines, beaches, dunes, or estuaries within or adjacent to the project site(s). Indicate whether the project is located within a designated coastal zone subject to the Coastal Zone Management Act. Information on coastal zone boundaries is available on the National Oceanic and Atmospheric Administration's (NOAA) website at www.noaa.gov. Also indicate if there are any proposed overwater structures that could impact navigable waters.

3. Wetlands

Identify any wetlands within or adjacent to the project site(s). If available, provide an on-site wetland/waters delineation performed in accordance with the 1987 (or current version) U.S.

Army Corps of Engineers Wetland Delineation Manual, as amended. If the delineation has received a preliminary or final Jurisdictional Determination from the U.S. Army Corps of Engineers (USACE), please provide the determination. Provide a determination of effects including the amount of jurisdictional waters affected by type (e.g. 1.1 acres of palustrine emergent wetlands would be impacted by the proposed project).

If wetlands, streams, or navigable waters may be impacted, it is recommended that Applicants contact USACE concerning any jurisdictional waters resources. Include any correspondence or comments from USACE related to the project's impacts as an exhibit to the environmental narrative as part of the application for EDA assistance.

4. Floodplains

Provide a FEMA floodplain map (with the map number and effective date) displaying the project location and boundaries, existing and proposed project components, and location of all sites and/or companies benefiting from the proposed project. The document should be of sufficient clarity for adequate interpretation of the applicant's intentions. Floodplain maps can be viewed and printed from FEMA's website at www.fema.gov. If FEMA floodplain maps do not exist in the project area, provide a letter from a Professional Engineer regarding the presence or absence of a 100-year flood plain. The narrative should also indicate whether the Applicant's community participates in the National Flood Plain Insurance Program.

5. Vegetation and Wildlife Resources

Identify native vegetation and wildlife found in the project area or its immediate vicinity. Describe the amount and type of vegetation in the project area and indicate the impact to vegetation if removed (e.g., 1.2 acres of early successional native hardwood forest). Identify any designated State and National Parks, National Wildlife Refuges, or National Game Preserves located on or in the vicinity of the proposed project activities. Identify any Wilderness Areas, as designated or proposed under the Wilderness Act, or wild or scenic rivers, as designated or proposed under the Wild and Scenic Rivers Act, that are located on or in the vicinity of the proposed project activities.

6. Endangered Species

Provide a list of all threatened, endangered, and candidate species located in the project area and its immediate vicinity. Identify these species' potential or existing habitat, and critical habitat designations in the project area. Critical habitat designations and lists of protected species by county are generally available on the U.S. Fish and Wildlife Services (USFWS) website. If an Effect Determination or Biological Assessment has been completed for any of the species listed, please provide them. Applicants may refer to the most recent USFWWW Endangered Species Consultation Handbook for effect determination definitions.

Applicants should include any correspondence with the USFWS that exists related to their proposal for EDA investment assistance as an exhibit to the Environmental Narrative. For projects with possible impacts to marine/coastal species, provide and correspondence with the National Marine Fisheries Service (NMFS).

7. Land Use and Zoning

Describe the present formal zoning designation and current land use of the specific project site and adjacent land parcels. The areas include: the site of construction activities, adjacent areas,

and areas affected by the primary beneficiaries. Land uses to be considered include, but are not limited to, industrial, commercial, residential, agriculture, recreational, woodlands, mines/quarries, and open spaces. Please indicate if the project is located entirely within a city limit.

Identify agriculture land parcels designated as “prime/unique agriculture lands” by the U.S. Department of Agriculture (USDA) under the Federal Farmlands Protection Act or a local equivalent. Additional information may be found at the USDA’s Natural Resources Conservation Service website.

8. Solid Waste Management

Indicate the types and quantities of solid wastes to be produced by the project facilities and primary beneficiary. Describe local solid waste collection and disposal methods and the expected useful life of the disposal facility.

Indicate if recycling or resource recovery programs are currently being used or will be used in the future.

9. Hazardous or Toxic Substances

Describe any toxic, hazardous, or radioactive substances that will be utilized or produced by the proposed project facilities and primary beneficiaries.

Describe the manner in which these substances will be stored, used, or disposed.

Complete and sign one “Applicant Certification Clause” for each co-applicant (see Appendix A). If a recent Phase I or Phase II Environmental Site Assessment has been performed, please provide a copy.

10. Water Resources

Describe surface and underground water resources at or near the project site(s) and any impacts of the project to these. If groundwater will be used, is the aquifer in overdraft and /or adjudicated? If there will be discharges to surface water, is the receiving surface water body listed on the U.S. Environmental Protection Agency’s (EPA) Section 303(d) list of impaired waters? Is a National Pollution Discharge Elimination System (NPDES) permit required for any discharges to surface waters? Indicate if the proposed project is located within an area mapped by the EPA as sole source aquifer recharge area (maps and further information are available on EPA’s website at www.epa.gov). Describe any induced changes in local surface water runoff patterns, and the status of storm water discharge permit processes (if applicable).

11. Water Supply and Distribution System

Indicate the source, quality, and supply capacity of local domestic and industrial/commercial water resources, and the amount of water that project facilities and primary beneficiaries are expected to utilize. Applicants should note whether the water that is being supplied is in compliance with the Safe Drinking Water Act, and if not, what steps are being taken to ensure compliance.

12. Wastewater Collection and Treatment Facilities

Describe all domestic class or process wastewater or other discharges associated with the project facilities and its primary beneficiaries, and the expected composition and quantities to be discharged either to a municipal system or to the local environment.

Describe the wastewater treatment facilities available for processing the additional effluent and indicate their design capacities and current loading (both daily average and peak), and their adequacy in terms of degree and type of treatment required. Indicate all discharges that will

require on-site pre-treatment. Applicants should note whether the wastewater treatment plant is in violation of the Clean Water Act, and if so, what steps are being taken to ensure compliance. If local treatment and sewer systems are or will be inadequate or overloaded, describe the steps being taken for necessary improvements and their completion dates.

13. Environmental Justice (Executive Order 12898)

Applicants should describe whether the proposed project will result in disproportionate adverse human health or environmental impacts relative to minority and low income populations. Sufficient detail should be provided to enable EDA to determine whether the project will comply with Executive Order 12898.

14. Transportation (Streets, Traffic and Parking)

Briefly describe the local street/road system serving the project site(s) and describe any new traffic patterns that may arise because of the project. Indicate if land use in the vicinity, such as residential, hospital, school, or recreational, will be affected by these new traffic patterns. Indicate if any existing capacities of these transportation facilities will be exceeded as a direct or indirect result of this project implementation, particularly in terms of car and truck traffic, and what the new Level of Service designation will be.

15. Air Quality

Indicate types and quantities of air emissions (including odors) to be produced by the project facilities and its primary beneficiaries, and any measures proposed to mitigate adverse impacts. Indicate the impact that the project would have on greenhouse gas emissions. Is the proposed project site classified as a "non-attainment" area for any criteria pollutants? If so, what are those pollutants? Indicate any local topographical or meteorological conditions that hinder the dispersal of air emissions.

16. Noise Pollution

Will operation of project facilities or primary beneficiaries' facilities increase local ambient noise levels? If yes, indicate the estimated levels of increase, and the areas and sensitive receptors (e.g., residences) to be affected.

17. Permits

Identify any Federal, State, or local permits of an environmental nature needed for the project (e.g., USACE, US Environmental Protection Agency (EPA), Coastal Zone Management/Shoreline Management, Air Quality, State Environmental Policy Act, NPDES, etc.) and the status of any such permits. Attach copies of any such permits and all associated correspondence, including the permit applications.

18. Public Notification/Controversy

Provide evidence of the community's awareness of the project, such as newspaper articles or public notification and/or public meetings, as applicable.

If a formal public hearing has been held, attach a copy of the transcript.

Fully describe any public controversy or objections which have been made concerning this proposed project and discuss steps taken to resolve such objections.

19. Direct, Indirect, and Cumulative Effects

Please list projects (public and private) that have occurred or will occur in the past, present, and future in and around the project area that could result in significant cumulative or indirect impacts when considered in aggregate with the proposed EDA project. Cumulative impacts result from the incremental impacts of a proposed action when added to other past, present and reasonable foreseeable future actions (40 C.F.R. Section 1508.7). Indirect impacts are those that are caused by a proposed action, but that may occur later in time or farther removed in distance, relative to the primary impacts of the proposed action (40 C.F.R. Section 1508.7)

Applicants should identify the direct and indirect effects of the proposed action; which resources, ecosystems, and human communities are affected; and which effects on these resources are important from a cumulative effects perspective.

E. LIST OF ATTACHMENTS

The following checklist is a list of required and optional attachments to the Environmental Narrative as described in the sections above. The items listed in the optional section may be required by EDA at a later date to complete the project review and selection process, so it is recommended that you provide them now if they are currently available to expedite decision-making. While the documents listed below are the most common required to make determinations of compliance with all environmental requirements, EDA reserves the right to request additional items that are not listed below when necessary.

Applicants are not required to contact other governmental agencies for environmental or historical resources consultation until directed by EDA, though any interagency coordination letters that may be currently available should be provided. **EDA expects that all Applicants whose projects are selected for a Non-Binding Commitment letter will proceed with consultations in an expeditious manner. As such, Applicants should have the required information prepared for submission immediately upon notification of selection by EDA.** If you determine that your project may affect environmental or historical resources, you may contact the appropriate Regional Environmental Officer to determine if early interagency consultation is appropriate.

Checklist of Required Environmental Documents that must be submitted with Application:

- USGS topographic map(s) and site map(s) (see Section B1)
- FEMA floodplain map with map number (see D4)
- Appendix A: Applicant Certification Clause (See D9)

Checklist of Optional Environmental Documents that should be submitted with Application if available (will expedite review and selection process):

- SHPO/THPO and Tribal leader comments and copy of submittals (see Section C)
- Site photographs (see Section D1)
- Coastal Zone consistency determination (see D2)
- Wetland delineation and/or Jurisdictional Determination (see D3)
- Preliminary wetland info (see D3)
- U.S. Army Corps of Engineers comments, Section 404 Permit, Section 10 Permit, and/or Water Quality Certification (401 approval) (see D3)
- Biological Assessment and/or survey for federally protected species (see D6)
- Correspondence with US Fish and Wildlife Service and/or National Marine Fisheries Service (see D6)
- Natural Resources Conservation Service determination of Prime Farmland, Form AD-1006, if applicable (see D7)
- Phase I and II Environmental Site Assessment (see D9)
- Sole Source Aquifer review by US Environmental Protection Agency, if applicable (see D10)
- Other federal, state and local environmental permits (see D17)
- Copies of public notices, public hearing minutes, etc. (see D18)

All References refer to applicable Environmental Compliance section of Form ED-900, *Application for EDA Assistance*. Applicants should carefully review the applicable FFO for unique requirements for each individual grant competition.

Overview

EDA is required to complete an engineering review for all construction and design projects before making an award. EDA's Application Form (Form ED-900, *Application for EDA Assistance*) and related forms require Applicants to provide key information about the proposed construction and design projects to enable EDA to complete its requisite reviews.

All applications for construction and design assistance must complete the **Preliminary Engineering Report (PER)**. The following outline provides more detailed information on these requirements in order to assist Applicants in preparing their application.

Preliminary Engineering Report Requirements

In order to be considered for assistance, all construction and design applications must include a PER that at a minimum provides the following information:

1. Description of Project Components—Provide a general description of all project components involved in the project. Indicate where the project involves the construction of new facilities or the renovation or replacement of existing ones. Describe each of the project components in terms of dimensions, quantities, capacities, square footage, etc..
2. A statement verifying the project components described in the engineering report are consistent with the EDA investment project description that is provided in Section A.2 of Form ED-900. Engineering reports that describe project components that are inconsistent with the EDA investment project description in Section A.2 of Form ED-900 will not be considered valid.
3. Sketches of schematics showing the general layout and location of the existing site conditions and of the project components as well as location of project beneficiary(s) identified in Section B.5 of Form ED-900 that provide economic justification for the project, if any. Rough dimensions and quantities for major project components should be shown and labeled on the drawings. Drawings should clearly identify the project components that are being proposed. Applicants are encouraged to clarify such drawings, for example, through color coding, labeling, and other appropriate methods.
4. A feasibility analysis for the constructability of the project, including a review of the existing conditions and noting particular features, alignments, and events affecting construction of project components.
5. The proposed method of construction. Indicate whether construction procurement shall be done through competitive bid or other method. Indicate if any portion of the project is to be done by design/build, construction management at risk, by the applicant's own forces, or whether a third party construction manager will be used. If an alternate construction procurement method (other than traditional design/bid/build with sealed competitive bid process) is proposed, a construction services procurement plan must be provided to EDA for approval in accordance with EDA's regulation at 13 C.F.R. 305.6(a).
6. The number of construction contracts anticipated. If multiple contracts are proposed, provide a description of the project components included in each contract. If separate contracts are

anticipated for demolition or site work, the budget information cost classification should reflect the estimated costs for these components. If project phasing is proposed, a project phasing request must be provided to EDA for approval per EDA's regulation at 13 C.F.R. 305.9(a).

7. A current detailed construction cost estimate for each of the project components, showing quantities, unit prices, and total costs. Provide a basis for the determination of construction contingencies.
8. If the budget includes costs for real property acquisition, the Applicant should include a current fair market value appraisal completed by a certified appraiser for the property to be purchased.
9. A list of all permits required for the proposed project and their current status. Identify all permits required; include the timeline to obtain the permits and discuss how the permitting relates to the overall project schedule. If the project crosses a railroad right-of-way or is within a railroad right-of-way, provide an explanation of any permitting or approvals that may be required from the railroad or other authority and the timeframe for obtaining these permits or approvals.
10. An overall estimated project schedule, including the number of months for each of the following:
 - i. design period;
 - ii. period of time to obtain required permits;
 - iii. period of time to obtain any required easements of rights-of-way;
 - iv. solicitation of bids and awarding of contracts, and
 - v. construction period.

CHAMBER

FAYETTEVILLE

December 31, 2019

Mayor Lionel Jordan
Fayetteville City Council
113 W. Mountain St.
Fayetteville, AR 72701

Dear Mayor Jordan and Council Aldermen,

I strongly support the submission of the Federal Grant application through the Northwest Arkansas Economic Development District for a road extension in the Commerce District. This grant for \$2,605,900 will only require a 20% match by the City or \$521,180. The Economic Development bond's first use will generate an immediate 500% return and open over 40 acres for small to medium scale light manufacturing facilities in Fayetteville.

The Chamber requests approval of the resolution to

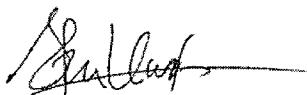
- Apply for the grant
- Mayor Jordan to sign a funding commitment letter
- Conduct Environmental Study

The estimated costs are listed below

- Construction: \$2,200,000
- Engineering (15%): \$330,000
- Administrative/NWAEDD (3% of Construction and Engineering): \$75,900
- Total Grant Ask: \$2,605,900
- City of Fayetteville 20% Match: \$521,180

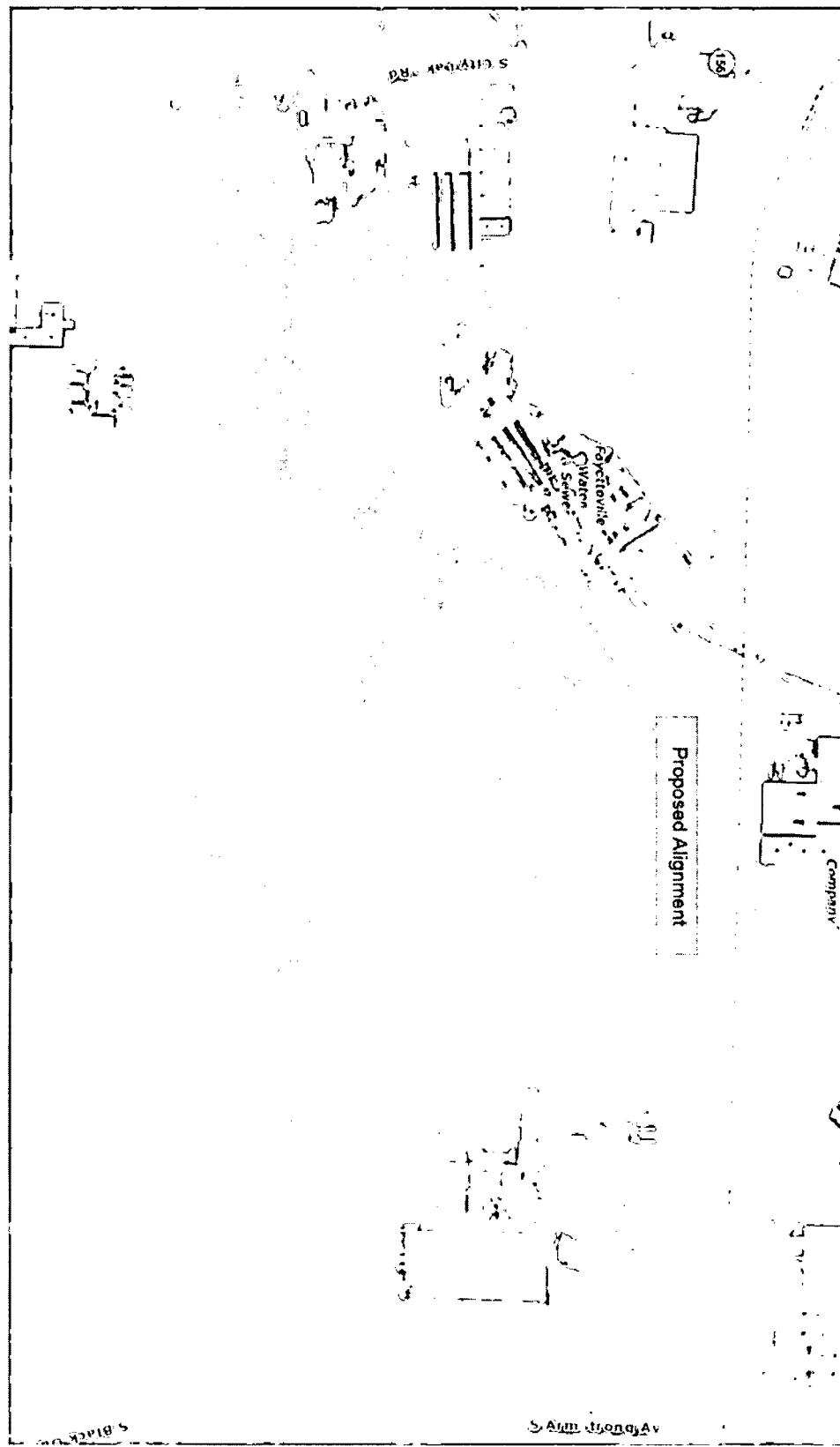
This project supports the City's economic development goals as outlined in our contract. The type jobs typical of the Commerce District pay well above the City average and therefore improves the standard of living for all Fayetteville and Northwest Arkansas residents. By creating the opportunity for expansion in the Commerce District, we also create access to higher paying jobs for our citizens who live nearby. This project contributes to the sustainability of a manufacturer base in Fayetteville.

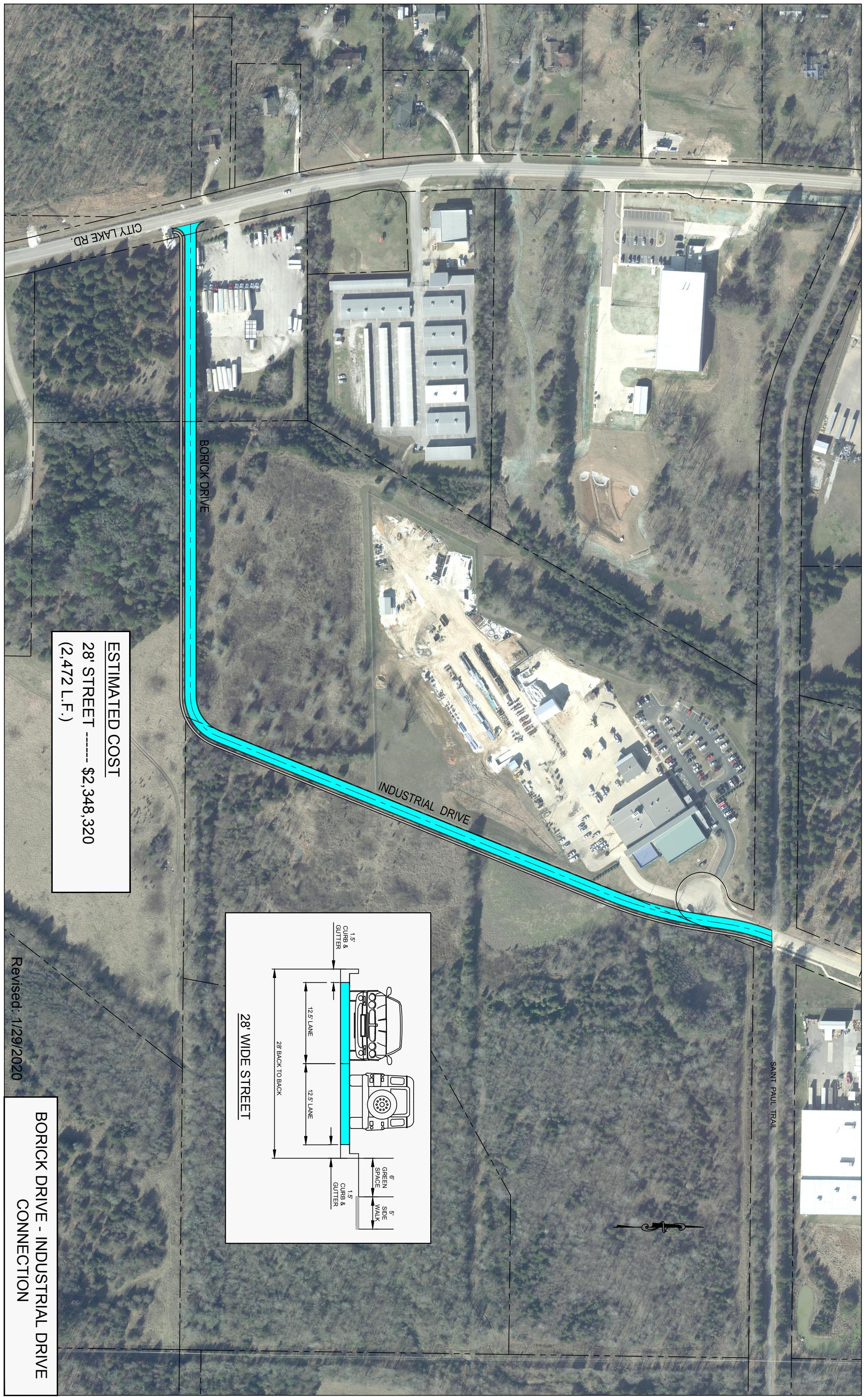
Thank you for your consideration,



Steve Clark
President and Chief Executive Officer
Fayetteville Chamber of Commerce
21 W. Mountain St., Ste. 300 72701

EXHIBIT F: Flood Plain Map







February 5, 2020

Mayor Lioneld Jordan
Fayetteville City Council
113 W. Mountain St.
Fayetteville, AR 72701

Dear Mayor Jordan and Council Aldermen,

The Fayetteville Chamber of Commerce, acting as the Economic Development agency for the City of Fayetteville strongly supports the land sale within the Commerce District to Duke Technologies, LLC. This company is a privately held company headquartered in Fayetteville and owned by a long-term resident. They perform research on biofuels technology and license this production technology to renewable fuel industry outside the area. It should be noted that no production is performed in Fayetteville. Their research is focused on the conversion of biomass and oil to fuel and lubricants, they are a Green Business Incubator. Their existing plant in Fayetteville is not a primary production facility, it does proof of concept and process improvement and technology development, their new facility will operate as does their existing facility.

Duke Technologies, LLC will be expanding its operation and footprint in Northwest Arkansas. Their current facility on Deane Solomon road in Fayetteville will close. The company will build a new facility/campus, their current first choice is in the Fayetteville Commerce District. This new facility will sit on 5 to 10 acres and will have four structures built over time. The four building will consist of an office, lab, shop and small pyrolysis center. Duke will hire up to 14 net new employees over a 12 to 24-month period with average salaries in the \$50K range, generating over \$700K in net new payroll. The company will invest an estimated \$2.5M, with \$0.5M of that in equipment. Once this expansion is completed, it is assumed the Huntsville location will no longer be needed, but there will be no job loss as all current employees primarily work from the Fayetteville location.

Thank you for your consideration,

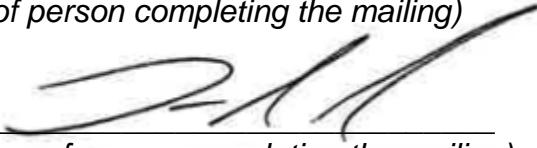
Steve Clark
President and Chief Executive Officer
Fayetteville Chamber of Commerce
21 W. Mountain St., Ste. 300 72701

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the attached written notice was placed in the U.S. mail, first-class, postage prepaid this 12 day of February 2020, and addressed as follows:

SEE ATTACHED LIST

Devin Howland
(name of person completing the mailing)



(signature of person completing the mailing)

City File No. /Name: ADM 20-7032

765-16573-000	BRIDGETON LLC	3350 S PINNACLE HILLS PKWY	ROGERS	AR	72758
765-15278-000	MARSHALLTOWN COMPANY	2200 S INDUSTRIAL DR	FAYETTEVILLE	AR	72701
765-15311-000	BLACK HILLS ENERGY ARKANSAS INC	PO BOX 20	RAPID CITY	SD	57709
765-19960-000	HFNWA LLC	1601 E PUMP STATION RD	FAYETTEVILLE	AR	72701
765-16578-000	CITY OF FAYETTEVILLE	113 W MOUNTAIN ST	FAYETTEVILLE	AR	72701
765-16577-000	CITY OF FAYETTEVILLE	113 W MOUNTAIN ST	FAYETTEVILLE	AR	72701
765-15312-001	CITY OF FAYETTEVILLE	113 W MOUNTAIN ST	FAYETTEVILLE	AR	72701
765-16578-001	CITY OF FAYETTEVILLE	113 W MOUNTAIN ST	FAYETTEVILLE	AR	72701
765-15312-000	FARRELL HOGEYE PROPERTY HOLDING CO LLC	PO BOX 1288	FAYETTEVILLE	AR	72702
765-19958-000	BRIGHT INVESTMENTS LLC	2501 S ARMSTRONG AVE	FAYETTEVILLE	AR	72701



CITY OF
FAYETTEVILLE
ARKANSAS

February 12, 2020

Public Notice- Sale of municipally owned real property

Dear property owner,

Please be aware that the Fayetteville City Council will consider a resolution to sell five acres of municipally owned land (parcel: 765-16578-001) to Duke Real Properties LLC for \$80,000.

In the fall of 2019, Duke Technologies, approached the City about purchasing five acres of City-owned commerce park land, in the Fayetteville Commerce District, for the purpose of expansion. The company, which is currently located on Dean Solomon Road, plans to build their new headquarters and research and development facility on the property. The Mayor recommends selling approximately five acres of property to Duke Real Properties LLC for the purpose of economic development.

This possible sale will be considered by the City Council during it's 5:30 p.m. meeting on March 3, 2020 in Room 219 of City Hall, located at 113 W. Mountain Street.

If you wish to learn more about this proposed sale, please contact Devin Howland, Director of Economic Vitality at 479.575.8221. You are also invited to attend the March 3, 2020 City Council meeting and make comments when the resolution is presented for the City Council's consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Devin Howland".

Devin Howland
Director of Economic Vitality
City of Fayetteville, Arkansas

CERTIFICATE OF SIGN POSTING



I, Devin Howland, attest that the above sign was posted on February 12, 2020 adjacent to Industrial Dr.

Sincerely,

A handwritten signature in black ink, appearing to read "Devin Howland".

**Devin Howland
Director of Economic Vitality
City of Fayetteville, Arkansas**

City File No./Name: ___ADM 20-7032

Howland, Devin

From: Harrison, Andy
Sent: Thursday, February 13, 2020 12:34 PM
To: Howland, Devin
Cc: Bertram, Becca
Subject: FW: draft ad for March 3 City Council

Devin - Here's the email from the paper with the cost of the ad if that helps any.
Becca – when this affidavit shows up would you forward it to Devin please?

Thank you.

Andy Harrison
Development Coordinator
Planning Division
125 W. Mountain
City of Fayetteville, Arkansas 72701
aharrison@fayetteville-ar.gov
T 479.575.8267 | F 479.575.8202
[Website](#) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [YouTube](#)



From: Cathy Wiles [mailto:cwiles@nwadg.com]
Sent: Thursday, February 13, 2020 12:03 PM
To: Harrison, Andy <aharrison@fayetteville-ar.gov>
Subject: RE: draft ad for March 3 City Council

Hi Andy, this is set to run Monday 2/17 cost 53.30
Enjoy you day off!

Cathy



Northwest Arkansas Democrat-Gazette www.nwadg.com
Our community. Our paper.

212 N. East Ave. Fayetteville, AR 72701

From: Harrison, Andy [mailto:aharrison@fayetteville-ar.gov]
Sent: Thursday, February 13, 2020 9:07 AM
To: Cathy Wiles
Subject: draft ad for March 3 City Council

Cathy,

Can you please set this ad to run in the Monday, Feb 17 edition? Thank you.

Andy Harrison
Development Coordinator
Planning Division
125 W. Mountain
City of Fayetteville, Arkansas 72701
aharrison@fayetteville-ar.gov)
T 479.575.8267 | F 479.575.8202
[Website](#) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [YouTube](#)



NOTICE OF PUBLIC HEARING

A meeting of the City of Fayetteville City Council will be held on March 3, 2020 at 5:30 p.m., in room 219, Fayetteville Administration Building at 112 W. Mountain Street, Fayetteville, Arkansas, 72701. The following item is required to be published in the local newspaper pursuant to the Code of Ordinances of the City of Fayetteville and will be heard at the March 3, 2020 Fayetteville City Council Meeting.

ADM 20-7032 : SALE OF MUNICIPALLY OWNED REAL PROPERTY):

Submitted by CITY STAFF for property located EAST of 2435 INDUSTRIAL DRIVE. The Fayetteville City Council is considering the sale of 5 acres it owns EAST OF 2435 INDUSTRIAL DRIVE to Duke Real Properties LLC. The proposed use of the property is a research and development company. The possible sale will be considered by the City Council during its March 3, 2020 meeting at 113 W. Mountain Street, Room 219.

Exhibit A

