

**City of Fayetteville Staff Review Form**

**2022-0086**

**Legistar File ID**

**2/15/2022**

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

Matt Casey

1/27/2022

ENGINEERING (621)

**Submitted By**

**Submitted Date**

**Division / Department**

**Action Recommendation:**

Amending Ordinance 6393, authorizing an agreement with Arkansas and Missouri Railroad for a new railroad crossing at Futrall Drive and Gregg Avenue.

**Budget Impact:**

4602.860.7220-5809.00

2019 Transportation Bond

Account Number

Fund

46020.7220

Futrall/Gregg and Shiloh/Gregg RR Xings

Project Number

Project Title

**Budgeted Item?** Yes

Current Budget \$ 1,154,578.00

Funds Obligated \$ 2,806.00

Current Balance **\$ 1,151,772.00**

**Does item have a cost?** No

Item Cost \$ -

**Budget Adjustment Attached?** No

Budget Adjustment \$ -

Remaining Budget **\$ 1,151,772.00**

V20210527

**Purchase Order Number:** \_\_\_\_\_

**Previous Ordinance or Resolution #** 6393

**Change Order Number:** \_\_\_\_\_

**Approval Date:** \_\_\_\_\_

**Original Contract Number:** \_\_\_\_\_

**Comments:**



**MEETING OF FEBRUARY 15, 2022**

**TO:** Mayor and City Council

**THRU:** Susan Norton, Chief of Staff  
Chris Brown, Public Works Director

**FROM:** Matt Casey, Engineering Design Manager

**DATE:** January 27, 2022

**SUBJECT: Amendment to Ordinance 6393 authorizing an agreement with Arkansas and Missouri Railroad for a new railroad crossing at Futrall Drive and Gregg Avenue**

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**RECOMMENDATION:**

Staff recommends amending Ordinance 6393, authorizing an agreement with Arkansas and Missouri Railroad for a new railroad crossing at Futrall Drive and Gregg Avenue.

**BACKGROUND:**

The extension of Futrall Drive has long been on the City's Master Street Plan, to provide an additional access to approximately 150 acres of undeveloped property west of the railroad tracks, east of Garland Avenue, and north of Drake Street. This project was identified as a priority project in the 2019 bond program, as opportunities to partner with developers of the property arose. The connection will provide a more direct access from the property to the Fulbright Expressway, and will include pedestrian facilities to allow for safe crossings at the railroad and Gregg Avenue.

Agreements with the Arkansas and Missouri Railroad for the construction of the railroad crossing equipment were approved by the City Council on 12/15/2020 by Ordinance 6393..

**DISCUSSION:**

Section 3 of Ordinance 6393 states the following:

*Section 3: Execution of these agreements shall be authorized upon development approval of a preliminary plan or large scale development for the first phase of development with a minimum of 100,000 square feet of commercial employment space, with posting of a bond to secure the construction of a connecting roadway to railroad crossing.*

Washington Regional Medical System has purchased 15.22 acres adjacent to this crossing and has the option to purchase an additional 25 acres in that area. Washington Regional is currently developing the plans for expansion of their medical facilities onto this property, that will meet the stipulations noted in the ordinance, but it will be several months before their plans will be ready to submit for development review. Washington Regional has requested that the City Council remove the requirement of Section 3 of this ordinance to allow the City to move forward

with the permitting and construction of the new railroad crossing prior to the development approval of the hospital expansion.

**BUDGET/STAFF IMPACT:**

None. The remaining terms of the ordinance and agreement are unchanged.

**Attachments:**

Washington Regional Letter  
Ordinance 6393

January 25, 2022

Dear Mayor Jordan,

Washington Regional Medical System is preparing to meet the growing health care needs of Northwest Arkansas. On September 17, 2021, Washington Regional closed on the purchase of 15.22 acres of unimproved real property that lies immediately to the west of the Gregg Street and Futrall Road intersection. This property lies directly across Gregg Avenue from the western boundary of the current Washington Regional Medical Center campus. In addition, Washington Regional also acquired the option to purchase two additional parcels within the Drake Farms development consisting of approximately 25 acres of land. The property will allow for future expansion of hospital and related medical services. Plans for the property are currently being developed by our architectural firm, HKS, Inc. of Dallas, Texas, and will include facilities for expanded inpatient hospital services, outpatient surgical services, to include overnight stay capabilities, ambulatory care services, and a center for wellness focused on whole person care.

Our medical center campus at North Hills opened in 2002 with 345,000 square feet of space. In less than 20 years, it has grown to over 724,000 square feet and are unable to expand any further on our main campus. Purchasing this property adjacent to our campus will allow Washington Regional to plan for the next 20 years of growth by optimizing our medical center campus for higher acuity services and offering outpatient and lower acuity services at our expanded campus at the Drake Farms property.

As we have discussed with the City Planning staff, our architects have indicated that the final plans and specifications will provide for improvements that meet the square footage requirements discussed in ordinance 6393. Of concern, Section 3 of Ordinance 6393 requires “approval of a preliminary plan or large scale development for the first phase of development with a minimum of 100,000 square feet of commercial employment space, with posting of a bond to secure the construction of a connecting roadway to railroad crossing.” Washington Regional is diligently working to finalize initial design plans for its portion of the property, but it is simply not feasible or in the best interests of our community to require delay in the commencement of the railroad improvements until a large scale development plan is finalized and approved. We have been advised that the railroad will not start work until this requirement is met. The current pandemic environment where rising material costs, labor shortages and inflationary concerns already impose significant costs and delays on projects, coupled with our need to develop additional healthcare resources, makes the necessity for timely commencing these two projects on a parallel course of critical importance.

We respectfully ask that that the City consider amending the ordinance so the City of Fayetteville, the railroad and Washington Regional can begin construction of the connecting roadway and railroad crossing.

Sincerely,



Birch G. Wright, MPA  
Chief Operating Officer and Administrator

**Washington Regional Medical System**

3215 N. Northhills Blvd. | Fayetteville, AR 72703 | 479.463.1000 | [wregional.com](http://wregional.com)



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

**Ordinance: 6393**

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**File Number: 2020-0414**

**ARKANSAS AND MISSOURI RAILROAD FUTRALL DRIVE AND GREGG AVENUE -  
2019 TRANSPORTATION BOND PROJECT:**

AN ORDINANCE TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE A NEW RAILROAD CROSSING COST AND MAINTENANCE AGREEMENT AND AN EASEMENT AGREEMENT WITH THE ARKANSAS AND MISSOURI RAILROAD FOR A NEW RAILROAD CROSSING AT FUTRALL DRIVE AND GREGG AVENUE, TO APPROVE A PROJECT CONTINGENCY IN THE AMOUNT OF \$30,820.86, AND TO APPROVE A BUDGET ADJUSTMENT FOR THE ESTIMATED TOTAL PROJECT COST OF \$550,000.00

**WHEREAS**, the extension of Futrall Drive has long be a part of the Master Street Plan to provide an additional access to approximately 150 acres of undeveloped property west of the railroad tracks, east of Garland Avenue, and north of Drake Street; and

**WHEREAS**, Arkansas and Missouri Railroad (AMRR) presented two agreements to the City, one for the construction and maintenance of a new railroad crossing and the second an easement agreement; and

**WHEREAS**, pursuant to the terms of the New Railroad Crossing Cost and Maintenance Agreement, the City will reimburse the AMRR for the full cost of labor and materials for installation of the crossing signal, panels, and appurtenances necessary for a fully operational crossing, which is estimated to be \$519,179.14; the City agrees to close the existing unimproved crossing at Jocelyn Lane and Gregg Avenue; the City will pay a yearly maintenance fee of \$7,500.00, increasing by 2.5% per annum or by the yearly increase in the Consumer Price Index (whichever is greater), for basic maintenance and wear and tear; and the City and AMRR agree to equally share the cost of repairs or major maintenance; and

**WHEREAS**, the Easement Agreement establishes the terms of the City's perpetual use of the AMRR

property for the crossing including a requirement that the City maintain an insurance policy in the amount of \$15 million; and

**WHEREAS**, it is not feasible or practical to competitively bid such a project because the land over which the crossing is proposed is owned and controlled by the Arkansas and Missouri Railroad, which has the sole power to authorize and construct new crossings; and

**WHEREAS**, AMRR has requested an amendment to the Railroad Crossing Cost and Maintenance Agreement for the new crossing at Shiloh Drive and Gregg Avenue, which was authorized by Ordinance 6348 on August 18, 2020, to change the maintenance fee adjustment from 2% per year to 2.5% per year or the annual increase in the Consumer Price Index, whichever is greater.

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

Section 1: That the City Council of the City of Fayetteville, Arkansas, determines an exceptional situation exists in which competitive bidding is deemed not feasible or practical and therefore waives the requirements of formal competitive bidding and authorizes Mayor Jordan to sign the New Railroad Crossing Cost and Maintenance Agreement and Easement Agreement with Arkansas and Missouri Railroad for a new railroad crossing, and further approves a project contingency in the amount of \$30,820.86 for a total estimated project cost of \$550,000.00.

Section 2: That the City Council of the City of Fayetteville, Arkansas hereby approves a budget adjustment, a copy of which is attached to this Ordinance.

Section 3: Execution of these agreements shall be authorized upon development approval of a preliminary plan or large scale development for the first phase of development with a minimum of 100,000 square feet of commercial employment space, with posting of a bond to secure the construction of a connecting roadway to railroad crossing.

Section 4: That the City Council of the City of Fayetteville, Arkansas hereby authorizes Mayor Jordan to sign an amendment to the Railroad Crossing Cost and Maintenance Agreement for the new crossing at Shiloh Drive and Gregg Avenue, which was authorized by Ordinance 6348 on August 18, 2020, to change the maintenance fee adjustment from 2% per year to 2.5% per year or the annual increase in the Consumer Price Index, whichever is greater.

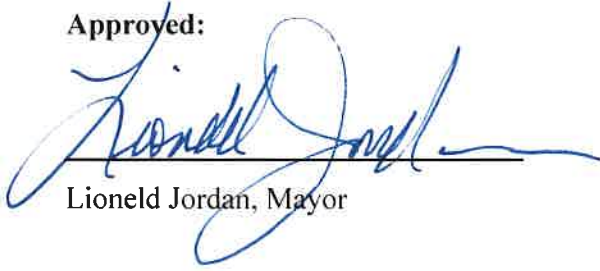
PASSED and APPROVED on 12/15/2020

Ordinance: 6393

File Number: 2020-0414

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Approved:

  
Lioneld Jordan, Mayor

Attest:

  
Kara Paxton, City Clerk Treasurer

