

City of Fayetteville Staff Review Form

2022-1059

Legistar File ID

12/6/2022

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

Devin Howland

11/16/2022

ECONOMIC DEVELOPMENT (050)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

APPROVAL OF A RESOLUTION AUTHORIZING MAYOR JORDAN TO SIGN AN ECONOMIC DEVELOPMENT PROJECT AGREEMENT WITH SOUTH CATO SPRINGS HOLDINGS, LLC, SIGN AND ACCEPT A GRANT AGREEMENT WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR \$3,000,000, COMMITTING \$2,000,000 OF ECONOMIC DEVELOPMENT BOND FUNDS AND \$1,480,000 OF STREET FUNDS TO CONSTRUCT A MASTER STREET PLANNED ROAD, ACCEPT AN ECONOMIC IMPACT ANALYSIS, AND APPROVE A BUDGET ADJUSTMENT.

Budget Impact:

<p>Various</p> <hr/> <p>Account Number</p> <p>46050.7650</p> <hr/> <p>Project Number</p>	<p>Various</p> <hr/> <p>Fund</p> <p>Economic Development (2019 Bonds), SLS Community - S Cato Springs</p> <hr/> <p>Project Title</p>
<p>Budgeted Item? <u>No</u></p>	<p>Current Budget \$ -</p>
<p>Does item have a cost? <u>No</u></p>	<p>Funds Obligated \$ -</p>
<p>Budget Adjustment Attached? <u>Yes</u></p>	<p>Current Balance \$ -</p>
	<p>Item Cost \$ -</p>
	<p>Budget Adjustment \$ 6,480,000.00</p>
	<p>Remaining Budget \$ 6,480,000.00</p>

V20210527

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF DECEMBER 6, 2022

TO: Mayor and City Council

THRU: Susan Norton, Chief of Staff
Chris Brown, Public Works Director
Alison Jumper, Director of Parks, Natural Resources, and Cultural Affairs

FROM: Devin Howland, Director of Economic Vitality

DATE: November 16, 2022

SUBJECT: Supporting Lifelong Success Community and South Cato Springs Economic Vitality Project

RECOMMENDATION:

Staff is recommending approval of a Resolution:

- Authorizing Mayor Jordan to sign an Economic Development Project Agreement with South Cato Springs Holdings, LLC.
- Authorizing Mayor Jordan to sign and accept a grant agreement with the Department of Housing and Urban Development for \$3M for infrastructure support for SLS Community and South Cato Springs Holdings, LLC;
- Committing \$2,000,000 of Question Six Economic Development Bond funds to construct a portion of the Master Street Planned road as outlined in the Economic Development Project Agreement;
- Committing \$1,480,000 in Street funds to construct the Master Street Planned road that will provide a secondary access point for Kessler Mountain Regional Park;
- Acceptance of an Economic Impact Analysis conducted by the Arkansas Economic Development Institute.

BACKGROUND SLS COMMUNITY:

Founded by Ashton and Betts McCombs in 2016, SLS Community is a non-profit organization with the vision and plan to create a community of vocational, residential, and clinical resources that will improve the lives of neurodiverse residents and their families. The City of Fayetteville was first introduced to this project over five years ago when it was still in its nascent stage. This vision was borne out of the McCombs' experience caring for their daughter Anna who was diagnosed on the autism spectrum at an early age and is now an adult. In 2019, South Cato Springs Holdings, LLC, an independent, privately-owned impact partner of SLS Community,

acquired the 230-acre parcel north of Kessler Mountain Regional Park to serve as the home of SLS Community.

In 2020, the organization received a letter of intent from the Psychiatric Research Institute of UAMS, expressing its plans to build an outpatient, multi-specialty facility specially adapted for the needs of neurodiverse adults on the property that would serve as a center-of-excellence for neurodiverse care and research (the "UAMS Facility"). Following this significant advancement, a conceptual master plan was developed in 2021 with input from a wide range of impact partners, including City of Fayetteville Departments such as Development Services and Parks and Recreation (attachment I). The University of Arkansas for Medical Sciences also completed a conceptual master plan for the UAMS Facility during this same time (Attachment M).

The SLS Community initiative will also honor the visionary behind this project and friend of the City: Ashton McCombs III whom we lost late last year. As both the SLS Community and the McCombs family have been navigating this challenging time, the SLS Community organization has continued to dedicate a high level of energy and resources to this project, with Ashton McCombs IV becoming the Executive Director of SLS Community.

BACKGROUND COMMUNITY PROJECT FUND AWARD:

Spring of 2021: Congressman Womack submitted a Community Project Fund request for infrastructure support for SLS Community and their impact partners, the University of Arkansas for Medical Science and South Cato Springs Holdings, LLC. On March 8, 2022, President Biden signed the Federal Budget, which included a \$3M Community Project Fund award for the City of Fayetteville.

March 22, 2022: City staff notified the City Council that the City had received a Community Project Fund award from Congressman Womack and provided expanded background information and details on the project, SLS Community, and South Cato Springs Holdings (attachment n). Additionally, a webpage was built to keep the public informed of this project: www.Fayetteville-AR.gov/4107.

July 26, 2022: Mayor Jordan receives award notification letter from Deputy Assistant Secretary Robin Keegan with the U.S. Department of Housing and Urban Development. The letter outlined next steps and requirements for the City of Fayetteville to proceed with review of the proposed project.

August 2022: City staff attends a series of online trainings with the U.S. Department of Housing and Urban Development pertaining to administering and implementing the Community Project Fund award.

September 2022: City staff and SLS Community Executive Director provide an update to the City Council during the September 27, 2022 City Council Agenda Session. Staff submits

required Federal forms and detailed project descriptions immediately following the City Council update (Attachment C).

November 2022: Grant B-22-CP-AR-0016 Agreement received for \$3,000,000, staff submits item for City Council review and consideration (Attachment B).

DISCUSSION:

SLS Community and South Cato Springs represent a unique Economic Vitality project in Fayetteville. Grounded in a model that utilizes impact partners to support the mission of the non-profit, SLS Community, this project represents a remarkable opportunity for equitable and inclusive economic development for a population in need. Beyond the benefits to the mission of SLS Community, this project's residential, commercial, employment, and placemaking components bring significant benefits to the City of Fayetteville.

The conceptual land plan shows intention with ensuring the neurodiverse community have meaningful interactions with patrons, visitors, and residents of the site. It respects and addresses Kessler Mountain Regional Park, with a mix of open spaces and natural areas throughout the property, presenting a development pattern far less dense than the former South Pass Planned Zoning District.

The following section provides expanded details on each of the unique components for this project. Collectively, they represent an opportunity that is so uniquely Fayetteville.

SLS Community and South Cato Springs:

SLS Community is a non-profit grounded in the mission to support lifelong success for neurodiverse adults and their families by making essential resources accessible to all. SLS Community is grounded on a collective impact model and collaborates with impact partners to connect residential, vocational, recreational, health and wellness, and clinical resources. The outcome of these efforts will be the creation of opportunities for neurodiverse adults to interact meaningfully with the broader community- finding their own path to self-actualization. Self-actualization is the concept that everyone, regardless of ability, deserves the opportunity and resources to explore and develop their innate gifts and interests to reach their full potential. Their goal extends beyond the City of Fayetteville, developing a replicable model that can be replicated across the country. SLS Community will be locating their headquarters on the property thanks in large part to impact partners such as South Cato Springs Holdings, LLC.

The South Cato Springs project abuts Kessler Mountain Regional Park to the north and front's Cato Springs road to the east. The master plan for the project intentionally integrates commercial, residential, cultural, educational, and entertainment components that promote a healthy lifestyle and meaningful interaction between the neurodiverse and broader community (Attachment L). Discussed further in the following section, the problems SLS Community is aiming to solve are complex. To address these issues, the South Cato Springs project is the

platform for impact partners, such as UAMS, whose resources will be leveraged to help realize the goals of SLS Community.

Problem Framing: Why does SLS Community exist?

SLS Community exists to address the unique challenges facing neurodiverse adults and their families.

- 1.3M neurodiverse adults live with family caregivers over the age of 60;
- Adults with Autism Spectrum Disorder have an unemployment rate of 85%;
- Federal Supplemental Security income is \$841/mo. per person, Arkansas is one of six states without a state supplement;
- 30% of the homeless population have intellectual/development disabilities;
- The U.S. Department of Housing and Urban Development has stated that housing for neurodiverse is in the *worst-case housing needs* category;
- The average wait time for a Medicaid waiver for an individual with developmental disability is 10-years;

For additional information please review p. 4 of the 'City Council Community Project Fund Notification Letter from March 2022' (Attachment O).

Impact Partners:

In addition to the land owner, South Cato Springs Holdings, LLC, two other impact partners will serve as anchors for the development:

Phigenics. A growing water-tech company named Phigenics, LLC has committed to develop its new corporate headquarters on the land. R&D efforts at the new facility will focus on developing microbial, molecular, and viral diagnostics. Phigenics has been an early impact partner of SLS Community. Ashton McCombs was one of the founders of Phigenics and served as its President and CEO until his death.

UAMS. SLS Community has also partnered with UAMS to develop and construct an outpatient medical facility on the property. Specialty medical services and allied therapeutic services will be provided to all patients, with special adaptations and accommodations for the special needs of the neurodiverse population. Other benefits of the UAMS medical facility include:

- Provide access to primary and specialty care for neurodiverse adults;
- A place for advancing science allowing these adults to live richer, meaningful lives;
- A home to academic programs for educating the next generation of health professionals, caregivers, and researchers.

Infrastructure Assistance:

Following the acquisition of the land in 2019, SLS Community and South Cato Springs Holdings, LLC approached the City about the possibility of infrastructure assistance given the site lacked access to sanitary sewer and is bisected by a planned Master Street planned road. In early 2021 following a presentation of the conceptual Master Plan, SLS Community and South Cato

Springs Holdings, LLC formally requested infrastructure assistance. The Department of Economic Vitality and the Fayetteville Chamber of Commerce began exploring various State and Federal avenues for assistance, ultimately securing the \$3,000,000 Community Project Fund award to fully cover the cost of sanitary sewer to the property.

To fund the access drive, staff is proposing to use a mix of Q6 Economic Development Bond funds (\$2,000,000) and \$1,480,000 in Street funds.

Project Component	Price	Proposed Funding Source
Sanitary Sewer Connection	\$2,937,738	HUD Community Project Fund
SLS Community/Kessler Mountain Regional Park Access Drive	\$3,480,000	\$2,000,000 Q6 Economic Development Bon
		\$1,480,000 in Street Funds
Total	\$6,417,738	

Triple Bottom Line Benefits:

Social:

- True inclusion of neurodiverse residents with the broader community;
- Incorporation of a network of soft surface hiking and biking trails throughout the property expanding trail opportunities for Kessler Mountain Regional Park patrons;
- On-going discussion on utilizing South Cato Springs Holding's land for ball-field development to avoid cutting into the slope of Kessler Mountain again;
- Lodging, accommodation, food services, and recreational support businesses for Kessler Mountain Regional Park.
- As outlined in the Kessler Mountain Regional Park Master Plan, removal of the onsite sewer treatment plant allows for the development of another needed soccer/multipurpose field;
- The public sewer connection will also allow for future expansion of other facilities at the park.

Economic:

- Estimated capital investment of over \$238,000,000 throughout the entire site;
- Headquarters of SLS Community and home to their residential, vocational, and clinical services;
- Headquarters and Research and Development facilities of Phigenics, a national water quality company;
- Neurodiverse job skill training, education, and employment opportunities across a range of industry sectors;
- UAMS Facility with specialty and allied therapeutic services for all residents, with adaptations and accommodations for the neurodiverse population;
- Significant sales tax revenue as the project develops (see attachment e);
- Placing Kessler on Sewer removes the city's long-term maintenance of the individual sewer treatment plant currently serving the park
- *Staff note: This section will be expanded upon receipt of the Economic Impact Analysis.*

- Removal of the onsite sewer allows for development of another multi-purpose field that can be used to host tournaments and generate revenue for the city.

Environmental:

- Connection of Kessler Mountain Regional Park to sanitary sewer and removal of the current onsite septic system;

Economic Development Project Agreement:

Required by the Local Job Creation, Job Expansion, and Economic Development Act of 2017, the attached Economic Development Project contract outlines a series of milestones and provisions related to the funding of the access drive associated with the project (Attachment D).

The key provisions of the contract include a series of project milestones that must be met by South Cato Springs Holdings, LLC (Section 4), including the securing of Certificates of Occupancy for both a healthcare facility and specialized technology employer within five years after the completion of the infrastructure. Staff felt it was necessary to extend this contract beyond a single year given the high level of economic uncertainty at the national level. The utilization of occupancy permits rather than Large Scale Development submittals represents a much more strict milestone.

Lastly, the recapture amount proposed by staff is \$890,000, with the rationale provided below. Described further in the chart below, both infrastructure projects provide benefit to the City of Fayetteville, which have been considered in the development of the recapture amount (Section 6).

Recapture Agreement Justification/Exploration	
Access Drive Total Cost	\$ 3,480,000.00
City Sewer Benefit (1)	\$ (900,000.00)
Kessler Regional Park Access Drive Benefit (2)	\$ (1,690,000.00)
Recapture Amount (3)	\$ 890,000.00
<p>(1) Estimate from Water and Sewer Department on what the cost would be for the City to connect Kessler Mountain Regional Park with Sewer without considering the South Cato Springs Property. The sanitary sewer connection unlocks three acres of programmable land currently being used as a leach field for the onsite septic system. The Kessler Mountain Regional Park Master Plan currently calls for Championship fields to be built in this location. These fields would enable the City of Fayetteville to compete for more tournaments across a range of sports. Additionally, expanding the onsite septic system as planned would erode the Great Lawn given the need to expand the leach field. The figure \$900,000 is the cost of connecting Kessler Mountain Regional Park to sanitary sewer without taking the South Cato Springs property into consideration.</p>	

(2) This figure represents 50% of the cost if the City was going to build a 20' secondary access drive to the park. This estimate was developed by Public Works in 2022. (Total estimate was \$3,380,000)

(3) The recapture amount represents the additional cost to the City for the development of the 30' cross section that enters the site off Cato Springs.

Staff Note: The cost of the sewer (\$3,000,000) is not being considered given no parties has a cost associated with this project. The City benefits from the grant, which would not have been received but for SLS Community and South Cato Springs project, which is why staff is attributing City benefit to the sewer.

BUDGET/STAFF IMPACT:

This resolution recognizes \$3,000,000 in Federal Grant revenues from the Department of Housing and Urban Development, to use \$2,000,000 in Q6 Economic Development Bond funds as well as \$1,480,000 in street funds.

Attachments:

- (A) Housing and Urban Development Award Letter
- (B) Housing and Urban Development Grant Agreement
- (C) City of Fayetteville HUD Project Submittal
- (D) Economic Development Project Agreement
- (E) Department of Economic Vitality Incentive Assessment
- (F) Economic Impact Analysis, Arkansas Economic Development Institute
- (G) Letter from SLS Community
- (H) Letter from South Cato Springs Holdings, LLC
- (I) Letter from Cam Patterson, Chancellor of the University of Arkansas for Medical Sciences
- (J) Letter from Startup Junkie Consulting, LLC
- (K) Letter from the Fayetteville Chamber of Commerce
- (L) South Cato Springs Conceptual Master Plan
- (M) UAMS Facility Conceptual Master Plan
- (N) Site Map

Background Attachments:

- (O) City Council Community Project Fund Notification Letter from March 2022
- (P) Urban Forestry Site Assessment

ATTACHMENT A: Housing and Urban Development Award Letter



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-1000

OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

July 26, 2022

Mayor Lioneld Jordan
Authorized Representative
City of Fayetteville
113 W. Mountain Street
Fayetteville, AR 72701
Email: mayor@fayetteville-ar.gov

Dear Mayor Jordan:

In the Consolidated Appropriations Act, 2022, (P.L. 117-103) (the Act), Congress made available “grants for the Economic Development Initiative for the purposes of Community Project Funding/Congressionally Directed Spending.” These Community Project Funding (CPF) awards are administered by the Department of Housing and Urban Development (HUD).

Pursuant to the requirements associated with the Act, this Letter of Invitation (LOI) is an important step in the grant award process and outlines the grant award requirements and the information needed from you to prepare the Grant Agreement for execution. Once we receive and verify your information, we will send your Grant Agreement for signature.

The information we received about your project in the Act’s Joint Explanatory Statement (JES) is below. A Grant Number has been generated and will be the unique identifier for your project during the grant process. The Grant Number is noted below.

Grantee: City of Fayetteville
Project Description: Fayetteville Supporting Lifelong Success (SLS) Community Infrastructure
Grant Amount: \$3,000,000.00
Grant Number: B-22-CP-AR-0016

The next step is for you to provide 1) your organization’s Authorized Representative, 2) a detailed project narrative, 3) a line-item budget, and 4) certain Federal forms. The detailed project narrative should capture the maximum anticipated scope of the proposal, not just a single activity that the CPF grant is going toward. It should include all contemplated actions that are part of the project. The line-item budget should identify the use of the CPF grant funds in context of the full project budget.

The “FY2022 Community Project Funding Grant Guide” (CPF Grant Guide) provides instructions for completing the requested information and filling out the required administrative forms. The CPF Grant Guide also provides information on the appropriations-specific and cross-cutting Federal requirements that govern these funds. Links to the required forms are included in the Grant Guide as an attachment to this letter and on our website at this link: https://www.hud.gov/program_offices/comm_planning/edi-grants

Upon receipt of your information, we will review the materials for consistency with the intent of Congress as set forth in the JES and prepare your Grant Agreement for signature. If there are questions about any of the information provided, the Department will notify you prior to issuing the Grant Agreement.

Please note two important considerations regarding allowable costs:

The first is that the Consolidated Appropriations Act, 2022, prohibits CPF funds from being used to reimburse expenses incurred before the date the CPF Grant Agreement is executed.

The second is that, in keeping with the National Environmental Policy Act (NEPA) and HUD's NEPA-implementing regulations at 24 CFR Part 50 or 24 CFR Part 58, **environmental reviews must be completed, and a Request for Release of Funds and Certification must be approved by HUD, as applicable, for all projects prior to taking any 'choice limiting actions.'** This step is required to avoid violations under 24 CFR 58.22 which provides limitations on activities pending clearance, and Section 110(k) of the National Historic Preservation Act which prohibits anticipatory demolition or significant harm of historic properties prior to completion of the historic preservation review process known as Section 106 review. Examples of 'choice limiting actions' include, but are not limited to, purchasing land, entering into contracts for property acquisition or construction, or physical work on the project.

HUD has determined the federalization of CPF projects as the date of this Letter of Invitation. This is also referred to as the federal 'nexus' date for environmental review for CPF projects. To prevent choice limiting actions from occurring, following issuance of this letter, you may not commit funds or take any actions (outside of existing contracts) until an environmental review is completed. Further explanation of choice limiting actions and the environmental review process, including historic preservation review, is included within the CPF Grant Guide.

All information required for your grant award should be submitted via email to the dedicated mailbox at CPFGrants@hud.gov. In transmitting your information, please copy and paste the bolded information as the subject line of your email:

B-22-CP-AR-0016: City of Fayetteville: Submission of Required LOI Materials.

If you or your staff have any questions regarding how to complete or submit the required documents or about your grant in general, please feel free to contact, Holly A. Kelly, CPD Congressional Grants Division, at Holly.A.Kelly@hud.gov.

We look forward to working with you on this important project!

Sincerely,



Robin J. Keegan
Deputy Assistant Secretary
Economic Development

ATTACHMENTS
FY 2022 Community Project Funding Grant Guide



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-1000

OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT

Tuesday, November 15, 2022

Mayor Lioneld Jordan
Mayor of
113 W. Mountain Street
Fayetteville, AR 72701
Email: Dhowland@fayetteville-ar.gov

Dear Mayor Jordan:

The Department of Housing and Urban Development (HUD) is pleased to announce the approval of your project narrative and budget for the purposes of issuing a grant agreement for the following FY2022 Economic Development Initiative, Community Project Funding/congressionally directed spending grant (hereafter, CPF grant), as funded by the Congress in the Consolidated Appropriations Act, 2022 (PL 117-103) (the Act) and as described in the Explanatory Statement accompanying the Act.

Grantee:	City of Fayetteville
Project Description:	Fayetteville Supporting Lifelong Success (SLS) Community Infrastructure
Grant Amount:	\$3,000,000
Grant Number.:	B-22-CP-AR-0016

This letter transmits the following documents and guidance that you will need to activate and administer your FY 2022 CPF grant.

Grant Agreement for this Award: The Grant Agreement references the provisions, regulations, and requirements for this award. Please read this Grant Agreement carefully and note any attachments which have appendices or special conditions that apply to this grant. The Authorized Representative for grantee must sign and date the Grant Agreement. Please retain a “copy” (either electronic and/or printed) of the signed and dated document for your records pending receipt of the countersigned copy from HUD.

Assistance Award/Amendment - HUD Form 1044: The HUD Form 1044 is used to collect and communicate certain grantee and HUD specific information. Please read the HUD Form 1044 carefully, noting the reference to the HUD Government Technical Representative in block 9 (your Grant Officer). The Authorized Representative (Official) for grantee must sign and date the form. Please retain a “copy” (either electronic and/or printed) of the signed document for your records pending receipt of the countersigned copy from HUD.

Direct Deposit Sign-Up Form - Standard Form 1199A: This form is used to collect the information necessary to establish an account for the grantee in HUD’s financial system. The form is to be completed by you and your financial institution.

Grant Award Instructions: This document will provide guidance and instructions for administering your CPF grant. HUD's Congressional Grants Division uses the Disaster Recovery Grants Reporting (DRGR) system for the financial management of these grant funds and periodic reporting of project status and accomplishments for this grant. The Grant Award Instructions provide guidance for various grant administration related actions. Please refer to this document as it includes important information and forms for accessing DRGR, as well as other information concerning reporting requirements.

Please ensure that following forms are complete. Return them together as noted below:

1. Signed and dated Grant Agreement;
2. Signed and dated Assistance Award/Amendment Form HUD 1044;
3. Completed Direct Deposit Sign-Up Form Standard Form SF1199A (to be completed by you and your financial institution);
4. Evidence of the ABA number for your depository account, such as a VOIDED blank check, a deposit slip or similar documentation.

You will be able to draw down funds upon completion of the following actions:

1. HUD has processed all grant award documents;
2. HUD has forwarded you the DRGR Access Instructions; and
3. After the required certifications and environmental review have been accepted by HUD for the project portion of your grant. Although funds for planning and management development or administration costs may be available prior in advance of a completed environmental review.

Please forward these documents, within 60 days from receipt of this letter, to Vaughn Watson , who is the Government Technical Representative serving as the Grant Officer for this grant. These documents must be sent to your Grant Officer via the CPFGrants@hud.gov mailbox, with a "cc" to the Grant Officer's email address. **Please review the Grant Award Instructions for guidance on how to encrypt and send this sensitive information.**

Please be sure that the email subject line reads as follows:

Grant Number: Grantee Name: FY2022 Community Project Funding Grant: Grant Award Materials

If you have any questions regarding these documents or procedures, please contact Vaughn Watson , in the CPD Congressional Grants Division at Vaughn.A.Watson@hud.gov.

The Department of Housing and Urban Development looks forward to working with you on this project.

Sincerely,



Robin J. Keegan
Deputy Assistant Secretary
Economic Development

ATTACHMENTS:

Grant Agreement
HUD Form 1044
Standard Form 1199A
FY2022 CPF Grant Award Instructions

**ATTACHMENT B: Housing and Urban Development Grant Agreement and other
required Federal forms**

**FY 2022 COMMUNITY PROJECT FUNDING
GRANT AGREEMENT NO. B-22-CP-AR-0016**

Grantee Name: City of Fayetteville

Grantee Address: 113 W. Mountain Street Fayetteville, AR 72701

Grantee's Unique Entity Identifier (UEI): FKCQRMDULFH9

Federal Award Identification Number (FAIN) B-22-CP-AR-0016

Assistance Listing Number and Name 14.251 Economic Development Initiative, Community Project Funding, and Miscellaneous Grants

Period of Performance/Budget Period Start Date Date of grant obligation

Period of Performance/Budget Period End Date August 31, 2030

This Grant Agreement between the Department of Housing and Urban Development (HUD) and City of Fayetteville (the Grantee) is made pursuant to the authority of the Consolidated Appropriations Act, 2022 (Public Law 117-103) and the Explanatory Statement for Division L of that Act, 2022, which was printed in the House section of the Congressional Record on March 9, 2022 (Explanatory Statement). This Grant Agreement includes and incorporates the Grantee's assurances and certifications, which are attached as Appendix 9.

In reliance upon and in consideration of the mutual representations and obligations under this Grant Agreement, HUD and the Grantee agree as follows:

ARTICLE I. Definitions

The definitions at 2 CFR 200.1 apply to this Grant Agreement, except where this Grant Agreement specifically states otherwise.

Grant obligation, for the purpose of this Grant Agreement, refers to the date the designated HUD official signs this Grant Agreement.

Grantee, for the purpose of this Grant Agreement, may also be referred to as “recipient.”

ARTICLE II. Total Grant Amount

Subject to the provisions of the Grant Agreement, HUD will make grant funds in the amount of \$3,000,000 available to the Grantee.

ARTICLE III. Award-Specific Requirements

A. Federal Award Description. The Federal funds provided under this Grant Agreement (Grant Funds) must be used for the Grantee’s “project” as identified in the table included in the Explanatory Statement and as further described in the project narrative in Appendix 1 to this Grant Agreement. The project narrative in Appendix 1 may be amended in accordance with conditions under 2 CFR 200.308, provided that the Grantee does not change its project in a manner that would conflict with the express language of the Explanatory Statement.

B. Approved Budget. The Grantee's approved budget in Appendix 2 to this Grant Agreement is the most recent line-item budget submitted by the Grantee and approved by HUD for this project. The Grantee may change the amounts budgeted for each activity only as provided by 2 CFR 200.308 and this Grant Agreement.

C. Changes to Project Narrative or Budget. To request HUD's approval for a change in the project narrative or budget, the Grantee must submit a formal letter to the Director of HUD's Office of Economic Development - Congressional Grants Division through the assigned Grant Officer. The letter, submitted by email to the assigned Grant Officer, must include both justification for the change and a revised line-item budget that includes the requested change. The Grantee is prohibited from changing its budget in a manner that would conflict with the express language of the Explanatory Statement or the cost limitations provided in Article III, paragraphs C and D of this Grant Agreement. The assigned Grant Officer for this grant is provided in the Award Letter for this grant and found on HUD's website.

The HUD Office of Economic Development – Congressional Grants Division will notify the Grantee in writing, by email, whether HUD approves or disapproves the change and revised budget. If approved, the Grantee must update its budget information in Disaster Recovery Grant Reporting (DRGR) before the Grantee expends Grant Funds in accordance with an approved change.

D. Unless explicitly stated in the Explanatory Statement and documented in the approved budget in Appendix 2, no more than 20 percent of the total grant amount may be used for planning and management development costs, as described under 24 CFR 570.205, or administrative costs, as described under 24 CFR 570.206. Program income and eligible activities identified in the description of the Grantee's "project" in the Explanatory Statement are not subject to this spending limit.

This Grant Agreement is not otherwise subject to the Community Development Block Grant regulations at 24 CFR part 570 or Title I of the Housing and Community Development Act of 1974.

E. The Grantee may not use any grant funds to reimburse costs incurred before the date HUD signed this Grant Agreement.

F. As authorized under 2 CFR 200.307(e)(2), program income must be used for the purposes and under the conditions of this Grant Agreement. In accordance with 2 CFR 200.307(b), costs incidental to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the grant.

G. The Grantee must use the Grant Funds only for costs (including indirect costs) that meet the applicable requirements in 2 CFR part 200 (including appendices). The Grantee's indirect cost rate information is as provided in Appendix 3 to this Grant Agreement. Unless the Grantee is an Institution of Higher Education,

the Grantee must immediately notify HUD upon any change in the Grantee's indirect cost rate during the Period of Performance, so that HUD can amend the Grant Agreement to reflect the change if necessary. Consistent with 2 CFR Part 200,

Appendix III (C.7), if the Grantee is an Institution of Higher Education and has a negotiated rate in effect on the date this Grant Agreement is signed by HUD, the Grantee may use only that rate for its indirect costs during the Period of Performance.

H. The Grantee must comply with any specific award conditions that HUD may attach to this Grant Agreement as provided by 2 CFR 200.208. If applicable, these conditions will be listed or added as Appendix 5 to this Grant Agreement.

I. The Grantee is responsible for managing the project and ensuring the proper use of the Grant Funds. The Grantee is also responsible for ensuring the completion of the project, the grant closeout, and compliance with all applicable federal requirements.

The Grantee may subaward all or a portion of its funds to one or more subrecipients, as identified in the Project Narrative (Appendix 1) or as may be approved by HUD in accordance with 2 CFR 200.308. Subawards are subject to the requirements that apply to pass-through entities under 2 CFR Part 200, including 2 CFR 200.332, and other requirements provided by this Grant Agreement. The Grantee is responsible for ensuring each subrecipient complies with all requirements under this Grant Agreement, including the general federal requirements in Article IV.

ARTICLE IV. General Federal Requirements

A. If the Grantee is a unit of general local government, a State, an Indian Tribe, or an Alaskan Native Village, the Grantee is the Responsible Entity (as defined in 24 CFR part 58) and agrees to assume all of the responsibilities for environmental review and decision-making and action, as specified and required in regulations issued by the Secretary pursuant to the Multifamily Housing Property Disposition Reform Act of 1994 and published in 24 CFR Part 58.

B. If the Grantee is a housing authority, redevelopment agency, academic institution, hospital or other non-profit organization, the Grantee shall request the unit of general local government, Indian Tribe or Alaskan Native Village, within which the project is located and which exercises land use responsibility, to act as Responsible Entity and assume all of the responsibilities for environmental review and decision-making and action as specified in paragraph A above, and the Grantee shall carry out all of the responsibilities of a grantee under 24 CFR Part 58.

C. After Grantee's receipt of the Letter of Invitation for this grant, neither the Grantee nor any of its contractors, subrecipients and other funding and development partners may commit or expend grant funds or local funds for project activities (other than for planning, management, development and administration activities)

until one of the following occurs: (i) the Responsible Entity has completed the environmental review procedures required by 24 CFR part 58, and HUD has approved the environmental certification and given a release of funds; (ii) the Responsible Entity has determined that the activities are exempt under 24 CFR 58.34 or are categorically excluded and not subject to compliance with environmental laws under 24 CFR 58.35(b); or (iii) HUD has performed an environmental review under 24 CFR part 50 and has notified Grantee in writing of environmental approval of the activities.

D. Following completion of the environmental review process, the Grantee (recipient) shall exercise oversight, monitoring, and enforcement as necessary to assure that decisions and mitigation measures adopted through the environmental review process are carried out during project development and implementation.

E. The Grantee must comply with the generally applicable HUD and CPD requirements in 24 CFR Part 5, subpart A, including all applicable fair housing, and civil rights requirements. If the Grantee is a Tribe or a Tribally Designated Housing Entity (TDHE) as established under 24 CFR 1000.206, the Grantee must comply with the nondiscrimination requirements in 24 CFR 1000.12 in lieu of the nondiscrimination requirements in 24 CFR 5.105(a). The Grantee must report data on the race, color, religion, sex, national origin, age, disability, and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of the Grantee's project, consistent with the instructions and forms provided by HUD in order to carry out its responsibilities under the Fair Housing Act, Executive Order 11063, Title VI of the Civil Rights Act of 1964, and Section 562 of the Housing and Community Development Act of 1987 (e.g. HUD-27061).

F. The Grantee must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements in 2 CFR part 200, as may be amended from time to time. If 2 CFR part 200 is amended to replace or renumber sections of part 200 that are cited specifically in this Grant Agreement, the part 200 requirements as renumbered or replaced by the amendments will govern the obligations of HUD and the Grantee after those amendment become effective.

G. The Grantee must comply with the Award Term in Appendix A to 2 CFR Part 25 ("System for Award Management and Universal Identifier Requirements") and the Award Term in Appendix A to 2 CFR Part 170 ("Reporting Subawards and Executive Compensation"), which are hereby incorporated into and made part of this Grant Agreement.

H. If the Total Grant Amount, as provided in Article II of this Grant Agreement, is greater than \$500,000, the Grantee must comply with the Award Term and Condition for Grantee Integrity and Performance Matters in Appendix 4 to this Grant Agreement.

I. Unless the Grantee is exempt from the Byrd Amendment as explained below, the Grantee must comply with the provisions of Section 319 of Public Law 101-121, 31 U.S.C. 1352, (the Byrd Amendment) and 24 CFR Part 87, which prohibit recipients of Federal contracts, grants, or loans from using appropriated funds for lobbying the executive or legislative branches of the Federal Government in connection with a specific contract, grant, loan, or cooperative agreement. The Grantee must include in its award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements), the requirements for the certification required by Appendix A to 24 CFR Part 87 and for disclosure using Standard Form- LLL (SF-LLL), "Disclosure of Lobbying Activities." In addition, the Grantee must obtain the executed certification required by Appendix A and an SF-LLL from all covered persons. "Person" is as defined by 24 CFR Part 87. Consistent with these requirements, the Grantee must sign the certification that is included in Appendix 8 and return it to HUD with this signed agreement.

Federally recognized Indian tribes and TDHEs established by Federally recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage of the Byrd Amendment. State-recognized Indian tribes and TDHEs established only under state law must comply with this requirement.

J. The Grantee must comply with drug-free workplace requirements in Subpart B of 24 CFR Part 2429, which adopts the governmentwide implementation (24 CFR Part 182) of sections 5152-5158 of the Drug-Free Workplace Act of 1988, Pub. L. 100-690, Title V, Subtitle D (41 U.S.C. 701-707).

K. The Grantee must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) as implemented by regulations at 49 CFR Part 24. The URA applies to acquisitions of real property and relocation occurring as a direct result of the acquisition, rehabilitation, or demolition of real property for Federal or Federally funded programs or projects. Real property acquisition that receives Federal financial assistance for a program or project, as defined in 49 CFR 24.2, must comply with the acquisition requirements contained in 49 CFR part 24, subpart B. Unless otherwise specified in law, the relocation requirements of the URA and its implementing regulations at 49 CFR part 24, cover any displaced person who moves from real property or moves personal property from real property as a direct result of acquisition, rehabilitation, or demolition for a program or project receiving HUD financial assistance

L. If grant funds are used for purchase, lease, support services, operation, or work that may disturb painted surfaces, of pre-1978 housing, you must comply with the lead-based paint evaluation and hazard reduction requirements of HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR part 35)), and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

M. The Grantee must comply with Section 3 of the Housing and Urban Development Act of 1968 (Section 3), 12 U.S.C. 1701u, and HUD's regulations at 24 CFR Part 75, as applicable, including the reporting requirements in 24 CFR 75.25. Grants made to Tribes and TDHEs are subject to Indian Preference requirements in Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)). As stated in 24 CFR 75.3(c), grants to Tribes and TDHEs are subject to Indian Preference requirements in lieu of Section 3. Grantees that are not exempt from Section 3 must submit annual reports of Section 3 accomplishment Performance Measures in DRGR in January of the calendar year. This report reflects Section 3 accomplishments for the previous calendar year.

N. The Grantee must not use any Grant Funds to support any Federal, state, or local project that seeks to use the power of eminent domain, unless eminent domain is employed only for a public use. Public use includes use of funds for mass transit, railroad, airport, seaport, or highway projects, and utility projects which benefit or serve the general public (including energy-related, communication-related, water-related, and waste water-related infrastructure), other structures designated for use by the general public or with other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfields, as defined in the Small Business Liability Relief and Brownfields Revitalization Act (Pub. L. 107-118). Public use does not include economic development that primarily benefits private entities.

O. The Grantee must not use any Grant Funds to maintain or establish a computer network that does not block the viewing, downloading, and exchanging of pornography. This requirement does not limit the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities.

P. The Grantee must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, if applicable to the Grantee's project. Pursuant to HUD's Notice, "General Applicability Waiver of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (87 FR 26219), any funds obligated by HUD and the Grantee on or after November 14, 2022, are subject to BABA requirements, unless excepted by a waiver.

For Tribal recipients/Grantees, including Tribes and TDHEs, HUD's Notice, "General Applicability Waiver of Build America, Buy America Provisions as Applied to Tribal Recipients of HUD Federal Financial Assistance" (87 FR 26221), establishes that any funds obligated by HUD and the Grantee on or after May 14, 2023, are subject to BABA requirements, unless excepted by a waiver.

Additional information on BABA will be available at
https://www.hud.gov/program_offices/general_counsel/BABA

Q. The Grantee must administer its Grant Funds in accordance with the Conflict of Interest requirements set forth in Appendix 6 of this Grant Agreement.

R. The Grantee must comply with the governmentwide debarment and suspension requirements in 2 CFR part 180 as incorporated and supplemented by HUD's regulations at 2 CFR Part 2424.

S. The Grantee must comply with the award term and condition regarding trafficking in persons in Appendix 7 of this Grant Agreement.

ARTICLE V. Drawdown Requirements

A. The Grantee may not draw down grant funds until HUD has received and approved any certifications and disclosures required by 24 CFR 87.100 concerning lobbying, if applicable.

B. The Grantee must use HUD's Disaster Recovery Grant Reporting (DRGR) system to draw down grant funds and report to HUD on activities.

C. The Grantee must enter activity and budget information in DRGR that is consistent with the activities and budget HUD approved under this Grant Agreement and complies with HUD's instructions for entering information in DRGR found in the document titled "Grant Award Instructions" that accompanies the Grant Agreement.

D. The Grantee must only enter activities in DRGR that are described in the Approved Budget (Appendix 2).

E. The Grantee must expend all Grant funds in accordance with the activity and budget information in DRGR.

F. Each drawdown of grant funds constitutes a representation by the Grantee that the funds will be used in accordance with this Grant Agreement.

G. The Grantee must use DRGR to track the use of program income and must report the receipt and use of program income in the reports the Grantee submits to HUD under Article IV of this Grant Agreement. The Grantee must expend program income before drawing down grant funds through DRGR.

H. Notwithstanding any other provision of this grant agreement, HUD will not be responsible for payment of any grant funds after the date Treasury closes the account in accordance with 31 U.S.C. § 1552. Because Treasury may close the account up to one week before the September 30 date specified by 31 U.S.C. § 1552, the grantee is advised to make its final request for payment under the grant no later than September 15, 2030.

ARTICLE VI. Program-Specific Reporting Requirements.

In addition to the general reporting requirements that apply under other provisions of this Agreement, the following program-specific reporting requirements apply to the Grantee:

A. The Grantee must submit a performance report in DRGR on a semi-annual basis and must include a completed Federal financial report as an attachment to each performance report in DRGR. Performance reports shall consist of a narrative of work accomplished during the reporting period. During the Period of Performance, the Grantee must submit these reports in DRGR no later than 30 calendar days after the end of the 6-month reporting period. The first of these reporting periods begins on the January or June after the date this Grant Agreement is signed by HUD.

B. The performance report must contain the information required for reporting program performance under 2 CFR 200.329(c)(2) and (d), including a comparison of actual accomplishments to the objectives indicated in the Grantee's project narrative, the reasons why established goals were not met, if appropriate, and additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

C. The performance reports must contain the information required for reporting program performance under 2 CFR 200.329(c)(2) and (d), including a comparison of actual accomplishments to the objectives indicated in the Grantee's Project Narrative (Appendix 1), the reasons for slippage if established objectives were not overruns.

D. Financial reports must be submitted using DRGR or such future collections HUD may require and as approved by OMB and listed on the Grants.gov website <https://www.grants.gov/web/grants/forms/post-award-reporting-forms.html>

E. The performance and financial reports will undergo review and approval by HUD. If a report submission is insufficient, HUD will reject the report in DRGR and identify the corrections the Grantee must make.

F. No drawdown of funds will be allowed through DRGR while the Grantee has an overdue performance or financial report.

G. The Grantee must report and account for all property acquired or improved with Grant Funds as provided by 2 CFR part 200 using the applicable common forms approved by OMB and provided on the Grants.gov website <https://www.grants.gov/web/grants/forms/post-award-reporting-forms.html>

This reporting obligation includes submitting status reports on real property at least annually as provided by 2 CFR 200.330, accounting for real and personal property acquired or improved with Grant Funds as part of Project Closeout, and promptly submitting requests for disposition instructions as provided by 2 CFR 200.311(c), 200.313(e), and 200.314(a).

ARTICLE VII. Project Closeout.

A. The grant will be closed out in accordance with 2 CFR part 200, as may be amended from time to time, except as otherwise specified in this Grant Agreement.

B. The Grantee must submit to HUD a written request to closeout the grant no later than 30 calendar days after the Grantee has drawn down all Grant funds and completed the activities described in the Project Narrative (Appendix 1). HUD will then send the Closeout Agreement and Closeout Certification to the Grantee.

C. At HUD's option, the Grantee may delay initiation of project closeout until the resolution of any findings as a result of the review of semi-annual activity reports in DRGR. If HUD exercises this option, the Grantee must promptly resolve the findings.

D. The Grantee recognizes that the closeout process may entail a review by HUD to determine compliance with the Grant Agreement by the Grantee and all participating parties. The Grantee agrees to cooperate with any HUD review, including reasonable requests for on-site inspection of property acquired or improved with Grant Funds. E. No later than 120 calendar days after the Period of Performance, Grantee shall provide to HUD the following documentation:

1. A Certification of Project Completion.
2. A Grant Closeout Agreement.
3. A final financial report giving the amount and types of project costs charged to the grant (that meet the allowability and allocability requirements of 2 CFR part 200, subpart E); a certification of the costs; and the amounts and sources of other project funds.
4. A final performance report providing a comparison of actual accomplishments with each of the project commitments and objectives in the approved application, the reasons for slippage if established objectives were not met and additional pertinent information including explanation of significant cost overruns.
5. A final property report, if specifically requested by HUD at the time of closeout.

ARTICLE VIII. Default.

A default under this Grant Agreement shall consist of any use of grant funds for a purpose other than as authorized by this Grant Agreement, any noncompliance with statutory, regulatory, or other requirements applicable to the Grant Funds, any other material breach of this Grant Agreement, or any material misrepresentation in the Grantee's submissions to HUD in anticipation of this award. If the Grantee fails to comply with the terms and conditions of the Grant Agreement, HUD may adjust specific conditions of this Grant Agreement as described in 2 CFR part 200, as may be amended from time to time. If HUD determines that noncompliance cannot be remedied by imposing additional conditions, HUD may take one or more of the remedies for noncompliance described in 2 CFR part 200, as may be amended from time to time. HUD may also terminate all or a part of this award as provided by 2 CFR 200.340 and other applicable provisions of 2 CFR part 200, as may be amended from time to time. Nothing in this Grant Agreement shall be construed as creating or justifying any claim against the federal government or the Grantee by any third party.

ARTICLE IX. HUD Contact Information.

Except where this Grant Agreement specifically states otherwise, all requests, submissions, and reports the Grantee is required to make to HUD under this Grant Agreement must be made in writing via email CPFGrants@hud.gov

This agreement is hereby executed on behalf of the parties as follows:

GRANTEE

(Name of Organization)

BY: _____

(Signature of Authorized Official)

(Typed Name and Title of Authorized Official)

(Date)

HUD

BY: _____

Robin J. Keegan,
Deputy Assistant Secretary for Economic Development

(Date)

APPENDIX 1 – Project Narrative

APPENDIX 2 – Approved Budget

APPENDIX 3 – Grantee’s Indirect Cost Rate Information

OPTION 1: The Grantee will not use an indirect cost rate to charge its indirect costs to the grant. [This option must be checked if the Grantee has not provided its indirect cost rate information to HUD as specified in the Community Project Funding Grant Guide.]

OPTION 2: The Grantee is authorized to use the indirect cost rate(s) identified in the table below to charge its indirect costs to the grant, provided that each rate identified meets the applicable requirements under 2 CFR part 200 (including appendices).

Agency/Dept./Major Function	Indirect cost rate	Direct Cost Base
_____	_____ %	_____
_____	_____ %	_____

[This schedule must include each indirect cost rate that will be used to calculate the Grantee’s indirect costs under the grant. The schedule must also specify the type of direct cost base to which each included rate applies (for example, Modified Total Direct Costs (MTDC)). Do not include indirect cost rate information for subrecipients.

For government entities, enter each agency or department that will carry out activities under the grant, the indirect cost rate applicable to each department/agency (including if the de minimis rate is used per 2 CFR 200.414), and the type of direct cost base to which the rate will be applied.

For nonprofit organizations that use the Simplified Allocation Method for indirect costs or elects to use the de minimis rate of 10% of Modified Total Direct Costs in accordance with 2 CFR 200.414, enter the applicable indirect cost rate and type of direct cost base in the first row of the table.

For nonprofit organizations that use the Multiple Allocation Base Method, enter each major function of the organization for which a rate was developed and will be used under the grant, the indirect cost rate applicable to that major function, and the type of direct cost base to which the rate will be applied.]

**APPENDIX 4 –
Award Term and Condition for Grantee Integrity and Performance Matters**

Reporting of Matters Related to Grantee Integrity and Performance

1. General Reporting Requirement

If the total value of the Grantee's currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then during that period of time the Grantee must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

2. Proceedings About Which Grantee Must Report

During any period of time when the Grantee is subject to the requirement in paragraph 1 of this award term and condition, the Grantee must submit the information required about each proceeding that:

- a. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;
- b. Reached its final disposition during the most recent five-year period; and
- c. Is one of the following:
 - (1) A criminal proceeding that resulted in a conviction, as defined in paragraph 5 of this award term and condition;
 - (2) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;
 - (3) An administrative proceeding, as defined in paragraph 5. of this award term and condition, that resulted in a finding of fault and liability and the Grantee's payment of either a monetary fine or penalty of \$5,000 or more or reimbursement, restitution, or damages in excess of \$100,000; or
 - (4) Any other criminal, civil, or administrative proceeding if:
 - (i) It could have led to an outcome described in paragraph 2.c.(1), (2), or (3) of this award term and condition;

(ii) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on the Grantee's part; and

(iii) The requirement in this award term and condition to disclose information about the proceeding does not conflict with applicable laws and regulations.

3. Reporting Procedures

During any period of time when the Grantee is subject to the requirement in paragraph 1 of this award term and condition, the Grantee must enter in the SAM Entity Management area the information that SAM requires about each proceeding described in paragraph 2 of this award term and condition. The Grantee does not need to submit the information a second time under assistance awards that the Grantee received if the Grantee already provided the information through SAM because the Grantee was required to do so under Federal procurement contracts that the Grantee was awarded.

4. Reporting Frequency

During any period of time when the Grantee is subject to the requirement in paragraph 1 of this award term and condition, the Grantee must report proceedings information through SAM for the most recent five-year period, either to report new information about any proceeding(s) that the Grantee has not reported previously or affirm that there is no new information to report. If the Grantee has Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than \$10,000,000, the Grantee must disclose semiannually any information about the criminal, civil, and administrative proceedings.

5. Definitions

For purposes of this award term and condition:

a. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.

b. Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.

c. Total value of currently active grants, cooperative agreements, and procurement contracts includes—

(1) Only the Federal share of the funding under any Federal award with a cost share or match requirement; and

(2) The value of all expected funding increments under a Federal award and options, even if not yet exercised.

APPENDIX 5 – Specific Award Conditions
[NONE]

APPENDIX 6 – Conflict of Interest Requirements

1. *Conflicts Subject to Procurement Regulations.* When procuring property or services, the grantee and its subrecipients shall comply with the applicable conflict-of-interest rules in 2 CFR 200.317 and 2 CFR 200.318(c). In all cases not governed by 2 CFR 200.317 and 2 CFR 200.318(c), the Grantee and its subrecipients must follow the requirements contained in paragraphs 2-5 below.

2. *General prohibition.* No person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee or subrecipient and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have a financial interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has immediate family or business ties, during his or her tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), sibling (including a stepsibling), grandparent, grandchild, and in-laws of a covered person.

3. *Exceptions.* HUD may grant an exception to the general prohibition in paragraph (ii) upon the Grantee's written request and satisfaction of the threshold requirements in paragraph (iv), if HUD determines the exception will further the Federal purpose of the award and the effective and efficient administration of the Grantee's project, taking into account the cumulative effects of the factors in paragraph (v).

4. *Threshold requirements for exceptions.* HUD will consider an exception only after the Grantee has provided the following documentation:

- a. A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how that disclosure was made; and
- b. An opinion of the Grantee's attorney that the interest for which the exception is sought would not violate state or local law.

5. *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the Grantee has satisfactorily met the threshold requirements in paragraph (iii), HUD will consider the cumulative effect of the following factors, where applicable:

- a. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;
- b. Whether an opportunity was provided for open competitive bidding or negotiation;
- c. Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception

will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

d. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process regarding the assisted activity in question;

e. Whether the interest or benefit was present before the affected person was in a position as described in paragraph (ii);

f. Whether undue hardship will result either to the Grantee or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

g. Any other relevant considerations.

6. *Disclosure of potential conflicts of interest.* The Grantee must disclose in writing to HUD any potential conflict of interest.

APPENDIX 7 – Award Term and Condition Regarding Trafficking in Persons

The following award term and condition, which is required by 2 CFR part 175, applies as written:

a. Provisions applicable to a grantee that is a private entity.

1. You as the grantee, your employees, subrecipients under this award, and subrecipients' employees may not—

- i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
- ii. Procure a commercial sex act during the period of time that the award is in effect; or
- iii. Use forced labor in the performance of the award or subawards under the award.

2. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity:

- i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or
- ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—

A. Associated with performance under this award; or

B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by HUD at 2 CFR 2424.

b. Provision applicable to a grantee other than a private entity.

We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—

1. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or

2. Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either:

- i. Associated with performance under this award; or
- ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by HUD at 2 CFR 2424.

c. Provisions applicable to any grantee.

1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.
2. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:
 - i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and
 - ii. Is in addition to all other remedies for noncompliance that are available to us under this award.
3. You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.

d. Definitions. For purposes of this award term:

1. “Employee” means either:
 - i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or
 - ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.
2. “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

3. “Private entity”:

i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.

ii. Includes:

A. A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).

B. A for-profit organization.

4. “Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

APPENDIX 8 – Grantee's Assurances and Certifications

Included under this Appendix 9 are:

- Grantee's Certification Regarding Lobbying
- Grantee's Standard Form SF 424 B, Assurances for Nonconstruction Programs
- Grantee's Standard Form SF 424 D, Assurances for Construction Programs.
- Grantee's Standard Form SF- LLL Disclosure of Lobbying Activities
- Grantee's Request for Release of Funds Form 7015.15 and Certification

Certification Regarding Lobbying

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

(Signature of Authorized Official)

(Typed Name and Title of Authorized Official)

(Date)

Assistance Award/Amendment		U.S. Department of Housing and Urban Development Office of Administration																			
1. Assistance Instrument <input type="checkbox"/> Cooperative Agreement <input checked="" type="checkbox"/> Grant		2. Type of Action <input checked="" type="checkbox"/> Award <input type="checkbox"/> Amendment																			
3. Instrument Number B-22-CP-AR-0016	4. Amendment Number	5. Effective Date of this Action	6. Control Number																		
7. Name and Address of Recipient City of Fayetteville 113 W. Mountain Street Fayetteville, AR 72701 EIN: 71-6018462 DUNS# FKCQRMDULFH9		8. HUD Administering Office CPD, Congressional Grants Division 451 7th Street, SW, Rm 7146 Washington, DC 20410-7000																			
		8a. Name of Administrator	8b. Telephone Number																		
10. Recipient Project Manager		9. HUD Government Technical Representative Vaughn Watson 202-555-0000																			
11. Assistance Arrangement <input type="checkbox"/> Cost Reimbursement <input type="checkbox"/> Cost Sharing <input checked="" type="checkbox"/> Fixed Price	12. Payment Method <input type="checkbox"/> Treasury Check Reimbursement <input type="checkbox"/> Advance Check <input checked="" type="checkbox"/> Automated Clearinghouse	13. HUD Payment Office Chief Financial Officer																			
14. Assistance Amount		15. HUD Accounting and Appropriation Data																			
<table border="1"> <tr><td>Previous HUD Amount</td><td></td></tr> <tr><td>HUD Amount this Action</td><td>\$3,000,000.00</td></tr> <tr><td>Total HUD Amount</td><td>\$3,000,000.00</td></tr> <tr><td>Recipient Amount</td><td></td></tr> <tr><td>Total Instrument Amount</td><td>\$3,000,000.00</td></tr> </table>		Previous HUD Amount		HUD Amount this Action	\$3,000,000.00	Total HUD Amount	\$3,000,000.00	Recipient Amount		Total Instrument Amount	\$3,000,000.00	<table border="1"> <tr> <td>15a. Appropriation Number</td> <td>15b. Reservation Number EID 22</td> </tr> <tr> <td>Amount Previously Obligated</td> <td></td> </tr> <tr> <td>Obligation by this Action</td> <td>\$3,000,000.00</td> </tr> <tr> <td>Total Obligation</td> <td>\$3,000,000.00</td> </tr> </table>		15a. Appropriation Number	15b. Reservation Number EID 22	Amount Previously Obligated		Obligation by this Action	\$3,000,000.00	Total Obligation	\$3,000,000.00
Previous HUD Amount																					
HUD Amount this Action	\$3,000,000.00																				
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Total Instrument Amount	\$3,000,000.00																				
15a. Appropriation Number	15b. Reservation Number EID 22																				
Amount Previously Obligated																					
Obligation by this Action	\$3,000,000.00																				
Total Obligation	\$3,000,000.00																				

Fayetteville Supporting Lifelong Success (SLS) Community Infrastructure

This Award consists of the following items which are appended to and hereby made part of this Award:

- (A) Cover Page - HUD 1044
- (B) Grant Agreement

Instructions:

NO PROJECT FUNDS may be committed to the project or drawn down prior to environmental release of funds approval.

Locate your nearest HUD Regional Environmental Officer at

<https://www.hudexchange.info/programs/environmental-review/hud-environmental-staff-contacts/-region-i-regional-and-field-environmental-officers>.

17. <input checked="" type="checkbox"/> Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office.		18. <input type="checkbox"/> Recipient is not required to sign this document.	
19. Recipient (By Name): Mayor Lioneld Jordan		20. HUD (By Name): Robin J. Keegan	
Signature & Title:	Date:	Signature and Title: DAS for Economic Development	Date:

Previous Editions are Obsolete

form HUD-1044 (8/90)
Ref. Handbook 2210.17

DIRECT DEPOSIT SIGN-UP FORM

DIRECTIONS

- To sign up for Direct Deposit, the payee is to read the back of this form and fill in the information requested in Sections 1 and 2. Then take or mail this form to the financial institution. The financial institution will verify the information in Sections 1 and 2, and will complete Section 3. The completed form will be returned to the Government agency identified below.
- A separate form must be completed for each type of payment to be sent by Direct Deposit.
- The claim number and type of payment are printed on Government checks. (See the sample check on the back of this form.) This information is also stated on beneficiary/annuitant award letters and other documents from the Government agency.
- Payees must keep the Government agency informed of any address changes in order to receive important information about benefits and to remain qualified for payments.

SECTION 1 (TO BE COMPLETED BY PAYEE)

A NAME OF PAYEE (<i>last, first, middle initial</i>)		D TYPE OF DEPOSITOR ACCOUNT <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS	
ADDRESS (<i>street, route, P.O. Box, APO/FPO</i>)		E DEPOSITOR ACCOUNT NUMBER	
CITY	STATE	ZIP CODE	
TELEPHONE NUMBER AREA CODE		F TYPE OF PAYMENT (<i>Check only one</i>)	
B NAME OF PERSON(S) ENTITLED TO PAYMENT		<input type="checkbox"/> Social Security	<input type="checkbox"/> Fed. Salary/Mil. Civilian Pay
C CLAIM OR PAYROLL ID NUMBER		<input type="checkbox"/> Supplemental Security Income	<input type="checkbox"/> Mil. Active
Prefix	Suffix	<input type="checkbox"/> Railroad Retirement	<input type="checkbox"/> Mil. Retire.
		<input type="checkbox"/> Civil Service Retirement (OPM)	<input type="checkbox"/> Mil. Survivor
		<input type="checkbox"/> VA Compensation or Pension	<input type="checkbox"/> Other <i>(specify)</i>
		G THIS BOX FOR ALLOTMENT OF PAYMENT ONLY (<i>if applicable</i>)	
		TYPE	AMOUNT
PAYEE/JOINT PAYEE CERTIFICATION		JOINT ACCOUNT HOLDERS' CERTIFICATION	
I certify that I am entitled to the payment identified above, and that I have read and understood the back of this form. In signing this form, I authorize my payment to be sent to the financial institution named below to be deposited to the designated account.		I certify that I have read and understood the back of this form, including the SPECIAL NOTICE TO JOINT ACCOUNT HOLDERS.	
SIGNATURE	DATE	SIGNATURE	DATE
SIGNATURE	DATE	SIGNATURE	DATE

SECTION 2 (TO BE COMPLETED BY PAYEE OR FINANCIAL INSTITUTION)

GOVERNMENT AGENCY NAME	GOVERNMENT AGENCY ADDRESS
------------------------	---------------------------

SECTION 3 (TO BE COMPLETED BY FINANCIAL INSTITUTION)

NAME AND ADDRESS OF FINANCIAL INSTITUTION	ROUTING NUMBER	CHECK DIGIT
	DEPOSITOR ACCOUNT TITLE	
FINANCIAL INSTITUTION CERTIFICATION		
I confirm the identity of the above-named payee(s) and the account number and title. As representative of the above-named financial institution, I certify that the financial institution agrees to receive and deposit the payment identified above in accordance with 31 CFR Parts 240, 209, and 210.		
PRINT OR TYPE REPRESENTATIVE'S NAME	SIGNATURE OF REPRESENTATIVE	TELEPHONE NUMBER
		DATE

Financial institutions should refer to the GREEN BOOK for further instructions.
THE FINANCIAL INSTITUTION SHOULD MAIL THE COMPLETED FORM TO THE GOVERNMENT AGENCY IDENTIFIED ABOVE.

PAYEE COPY

BURDEN ESTIMATE STATEMENT

The estimated average burden associated with this collection of information is 10 minutes per respondent or recordkeeper, depending on individual circumstances. Comments concerning the accuracy of this burden estimates and suggestions for reducing this burden should be directed to the Bureau of the Fiscal Service, Forms Management Officer, Parkersburg, WV 26106-1328.

PRIVACY ACT NOTICE

Collection of the information in this Direct Deposit Sign-Up Form is authorized by 5 U.S.C. § 552a, 31 U.S.C. § 3332(g), and Executive Order 9397 (November 22, 1943). Your social security number and the other information requested will allow the Federal Government to process your direct deposit. Your social security number is requested to ensure the accurate identification and retention of records pertaining to you and to distinguish you from other recipients of federal payments. This information will be disclosed to the Department of the Treasury and its fiscal and financial agents, and other federal agencies, as necessary to process your direct deposit. This information may also be disclosed to a court, congressional committee or another government agency as authorized or required to verify your receipt of federal payments. Although providing the requested information is voluntary, your direct deposit cannot be processed without it.

PLEASE READ THIS CAREFULLY

All information on this form, including the individual claim number, is required under 31 USC 3322, 31 CFR 209 and/or 210. The information is confidential and is needed to prove entitlement to payments. The information will be used to process payment data from the Federal agency to the financial institution and/or its agent. Failure to provide the requested information may affect the processing of this form and may delay or prevent the receipt of payments through the Direct Deposit/Electronic Funds Transfer Program.

INFORMATION FOUND ON CHECKS

Most of the information needed to complete boxes A, C, and F in Section 1 is printed on your government check:

- (A) Be sure that payee's name is written exactly as it appears on the check. Be sure current address is shown.
- (C) Claim numbers and suffixes are printed here on checks beneath the date for the type of payment shown here. Check the Green Book for the location of prefixes and suffixes for other types of payments.
- (F) Type of payment is printed to the left of the amount.

The diagram shows a check with the following details:

- Top right: 15-51 000, PHILADELPHIA, PA, Check No. 0000 415785
- Date: Month 08, Day 31, Year 84
- Pay to the order of: (A) [Redacted]
- Amount: 28 28 (F) [Redacted]
- Check No. 0000 415785 (C) [Redacted]
- Bottom: :00000518: 0415771926"

SPECIAL NOTICE TO JOINT ACCOUNT HOLDERS

Joint account holders should immediately advise both the Government agency and the financial institution of the death of a beneficiary. Funds deposited after the date of death or ineligibility, except for salary payments, are to be returned to the Government agency. The Government agency will then make a determination regarding survivor rights, calculate survivor benefit payments, if any, and begin payments.

CANCELLATION

The agreement represented by this authorization remains in effect until cancelled by the recipient by notice to the Federal agency or by the death or legal incapacity of the recipient. Upon cancellation by the recipient, the recipient should notify the receiving financial institution that he/she is doing so.

The agreement represented by this authorization may be cancelled by the financial institution by providing the recipient a written notice 30 days in advance of the cancellation date. The recipient must immediately advise the Federal agency if the authorization is cancelled by the financial institution. The financial institution cannot cancel the authorization by advice to the Government agency.

CHANGING RECEIVING FINANCIAL INSTITUTIONS

The payee's Direct Deposit will continue to be received by the selected financial institution until the Government agency is notified by the payee that the payee wishes to change the financial institution receiving the Direct Deposit. To effect this change, the payee will contact the paying agency with updated financial information. It is recommended that the payee maintain accounts at both financial institutions until the transaction is complete, i.e. after the new financial institution receives the payee's Direct Deposit payment.

FALSE STATEMENTS OR FRAUDULENT CLAIMS

Federal law provides a fine of not more than \$10,000 or imprisonment for not more than five (5) years or both for presenting a false statement or making a fraudulent claim.

ATTACHMENT C: City of Fayetteville HUD Project Submittal



CITY OF
FAYETTEVILLE
ARKANSAS

CPF-B-22-CP-AR-0016
Supporting Lifelong Success Community Infrastructure Support

Project Contact:

Devin Howland
Director of Economic Vitality
479.575.8221
DHowland@Fayetteville-ar.gov

SLS Community Project Narrative CPF-B-22-CP-AR-0016

Narrative for Full SLS Community Infrastructure Project

Mayor Lioneld Jordan is preparing an infrastructure package to support the development of Supporting Lifelong Success Community (SLS) and their impact partners South Cato Springs Holding's LLC and the University of Arkansas for Medical Sciences (UAMS). The infrastructure package and acceptance of the \$3,000,000 CPF award will be considered by the Fayetteville City Council upon receipt of a grant agreement from the Department of Housing and Urban Development for CPF-B-22-CP-AR-0016.

The project connects SLS Community and their impact partners with critical infrastructure needed to proceed with construction of their facilities and delivery of services to neurodiverse residents, their families, and the broader community. Critical infrastructure includes a sanitary sewer connection to the project site (Exhibit C) which is comprised of 5,000 feet of sewer force main, 3,400 feet of new gravity lines, and 2,000 feet of sewer line enlargement. The sanitary sewer connection is the portion of the project proposed to be funded by the Community Project Fund award, with an estimated cost of \$2,937,783. The other infrastructure component includes the construction of approximately 3,500 of road way (Exhibit B) to provide access the property. The road way is composed of two different cross sections: a 30' access drive and a 20' access drive, with a total estimated cost of \$3,480,000.

The SLS Community initiative is one of the most significant and inclusive economic development projects to ever come to Fayetteville. Beyond these benefits, the infrastructure that serves the project also provides a sanitary sewer to Kessler Mountain Regional Park and a secondary access point to the park enhancing the safety of participants and park users.

Narrative for Community Project Fund Portion of SLS Community Infrastructure Project

The City intends to use the Community Project Funds received for infrastructure improvements to serve City facilities and SLS Community in the area of Cato Springs Road and Judge Cummings Road in southwest Fayetteville. The improvements enable SLS Community and other impact partners such as the University of Arkansas for Medical Sciences, and South Cato Holding's LLC to begin development of a holistic community centered around bettering the lives of neurodiverse residents and their families.

Infrastructure improvements for the Community Project Fund portion may include sewer gravity lines and force main lines, improvements to existing streets, and new street connections with associated sidewalks, storm drainage, and other appurtenances. Approximately 5,000 feet of sewer force main, 3,400 feet of new gravity line, and 2,000 feet of sewer line enlargement. It is expected that the sewer project will utilize all of the CPF funds; any excess funds will be used for the construction of approximately 3,500 feet of street connections within the project area.

The funding of the infrastructure package and acceptance of the \$3,000,000 CPF award will be considered by the Fayetteville City Council upon receipt of a grant agreement from the Department of Housing and Urban Development for CPF-B-22-CP-AR-0016.

SLS Community Project Narrative
CPF-B-22-CP-AR-0016

About SLS Community and their Impact Partners

SLS Community is a Fayetteville founded non-profit grounded in the mission of supporting lifelong success for neurodiverse adults and their families by making essential resources accessible to all. It will create opportunities for neurodiverse adults to flourish, interact meaningfully with the broader community and find their own paths to self-actualization. SLS is planning a community in South Fayetteville that provides clinical, educational, residential and employment opportunities for neurodiverse residents and their families. You can learn more about SLS Community by visiting its website: SLSCommunity.org.

SLS Community has adopted a collective impact model in order to combine resources from impact partners to solve the complex social problems experienced by neurodiverse adults. Its goal is to orchestrate this effort with its impact partners, including government, private enterprises, universities and philanthropic groups.

The University of Arkansas for Medical Sciences has partnered with SLS Community develop an on-site Genomic Clinic, including specialty medical services and allied therapeutic services for all residents, with special adaptations for neurodiverse residents.

SLS Community has partnered with South Cato Springs Holdings, LLC who purchased the property in 2019.

Community Project Fund Portion of the Projects Budget:

Line item budget for the Community Project Fund portion of the SLS Community Infrastructure project.

Item	Unit	Unit Price	Quantity	Ext. Price
Mobilization	LS	\$ 84,650	1	\$ 84,650
Bonding	LS	\$ 47,724	1	\$ 47,724
Trench Safety	LS	\$ 7,954	1	\$ 7,954
4FT Diam. Manhole	EA	\$ 5,500	22	\$ 121,000
8" Gravity Sewer	LF	\$ 80	3400	\$ 272,000
Lift Station Site incl. wet well	LS	\$ 800,000	1	\$ 800,000
500 gpm Lift Station pumps, controls, etc.	LS	\$ 200,000	1	\$ 200,000
8" PVC Force Main	LF	\$ 60	5000	\$ 300,000
Downstream Gravity Upsizing 6" to 12"	LF	\$ 150	1970	\$ 295,500
			SubTotal	\$ 2,128,828
			20% Contingency	\$ 487,983
			18% Engineering Services	\$ 383,189
			TOTAL	\$ 3,000,000

Figure 1: CPF SLS Community Sanitary Sewer Connection Budget

**SLS Community Project Narrative
CPF-B-22-CP-AR-0016**

Overall SLS Community Project Budget:

Project Component	Price
Sanitary Sewer Connection, Community Project Fund (a)	\$3,000,000
SLS Community Access Drive Construction and Design (b)	\$2,700,000
Access Drive Engineering and Construction Contingency (b)	\$780,000
TOTAL	\$6,480,000

(a) Detailed cost break down provided above

(b) Non Community Project Fund component of the project

Figure 2: Overall SLS Community Infrastructure Support Project Budget

Attachments

- Application for Federal Assistance SF-424
- Assurances- Construction Programs SF-424D
- Disclosure of Lobbying Activities SF-LLL
- Exhibit A- SLS Community Sanitary Sewer Connection (Community Project Fund Award)
- Exhibit B- SLS Community Access Road
- Exhibit C- Site Map

Application for Federal Assistance SF-424

* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>
---	---	--

* 3. Date Received: <input type="text" value="07/26/2022"/>	4. Applicant Identifier: <input type="text"/>
---	---

5a. Federal Entity Identifier: <input type="text" value="B-22-CP-AR-0016"/>	5b. Federal Award Identifier: <input type="text"/>
---	--

State Use Only:

6. Date Received by State: <input type="text"/>	7. State Application Identifier: <input type="text"/>
--	--

8. APPLICANT INFORMATION:

* a. Legal Name: <input type="text" value="City of Fayetteville"/>	
* b. Employer/Taxpayer Identification Number (EIN/TIN): <input type="text" value="716018462"/>	* c. UEI: <input type="text" value="FKCQRMDULFH9"/>

d. Address:

* Street1:	<input type="text" value="113 West Mountain Street"/>
Street2:	<input type="text"/>
* City:	<input type="text" value="Fayetteville"/>
County/Parish:	<input type="text"/>
* State:	<input type="text" value="AR: Arkansas"/>
Province:	<input type="text"/>
* Country:	<input type="text" value="USA: UNITED STATES"/>
* Zip / Postal Code:	<input type="text" value="72701-6083"/>

e. Organizational Unit:

Department Name: <input type="text" value="Economic Vitality"/>	Division Name: <input type="text"/>
---	---

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: <input type="text" value="Mr."/>	* First Name: <input type="text" value="Devin"/>
Middle Name: <input type="text" value="Blaine"/>	
* Last Name: <input type="text" value="Howland"/>	
Suffix: <input type="text"/>	

Title: <input type="text" value="Director, Economic Vitality"/>
--

Organizational Affiliation: <input type="text" value="Employee of the City of Fayetteville Arkansas Government"/>

* Telephone Number: <input type="text" value="479-575-8221"/>	Fax Number: <input type="text"/>
--	---

* Email: <input type="text" value="DHowland@fayetteville-ar.gov"/>

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

C: City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*** Other (specify):**

*** 10. Name of Federal Agency:**

US Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.251

CFDA Title:

Economic Development Initiative, Community Project Funding, and Miscellaneous Grants

*** 12. Funding Opportunity Number:**

B-22-CP-AR-0016

*** Title:**

Community Project Fund: Fayetteville Supporting Lifelong Success (SLS) Community Infrastructure

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

*** 15. Descriptive Title of Applicant's Project:**

Fayetteville Supporting Lifelong Success (SLS) Community Infrastructure

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant

* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

* a. Start Date:

* b. End Date:

18. Estimated Funding (\$):

* a. Federal	<input type="text" value="3,000,000.00"/>
* b. Applicant	<input type="text" value="3,400,000.00"/>
* c. State	<input type="text" value=""/>
* d. Local	<input type="text" value=""/>
* e. Other	<input type="text" value=""/>
* f. Program Income	<input type="text" value=""/>
* g. TOTAL	<input type="text" value="6,400,000.00"/>

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

- Yes
- No

If "Yes", provide explanation and attach

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)**

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name:
Middle Name:
* Last Name:
Suffix:

* Title:

* Telephone Number: Fax Number:

* Email:

* Signature of Authorized Representative: 

* Date Signed:

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 02/28/2025

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

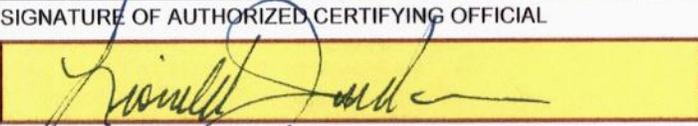
As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of

Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE Mayor of the City of Fayetteville, AR
APPLICANT ORGANIZATION City of Fayetteville, Arkansas	DATE SUBMITTED 09/29/22

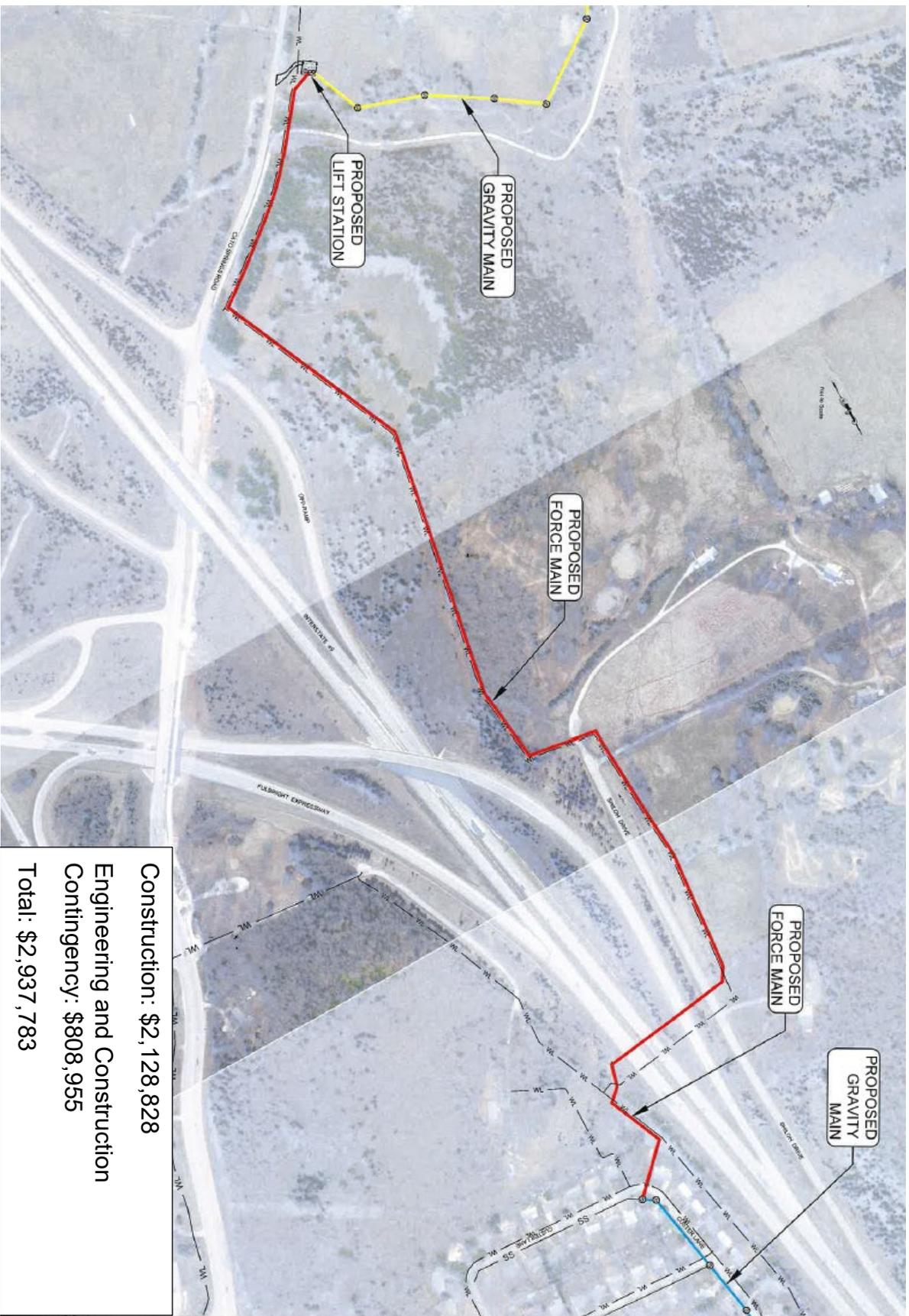
DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

OMB Number: 4040-0013
Expiration Date: 02/28/2025

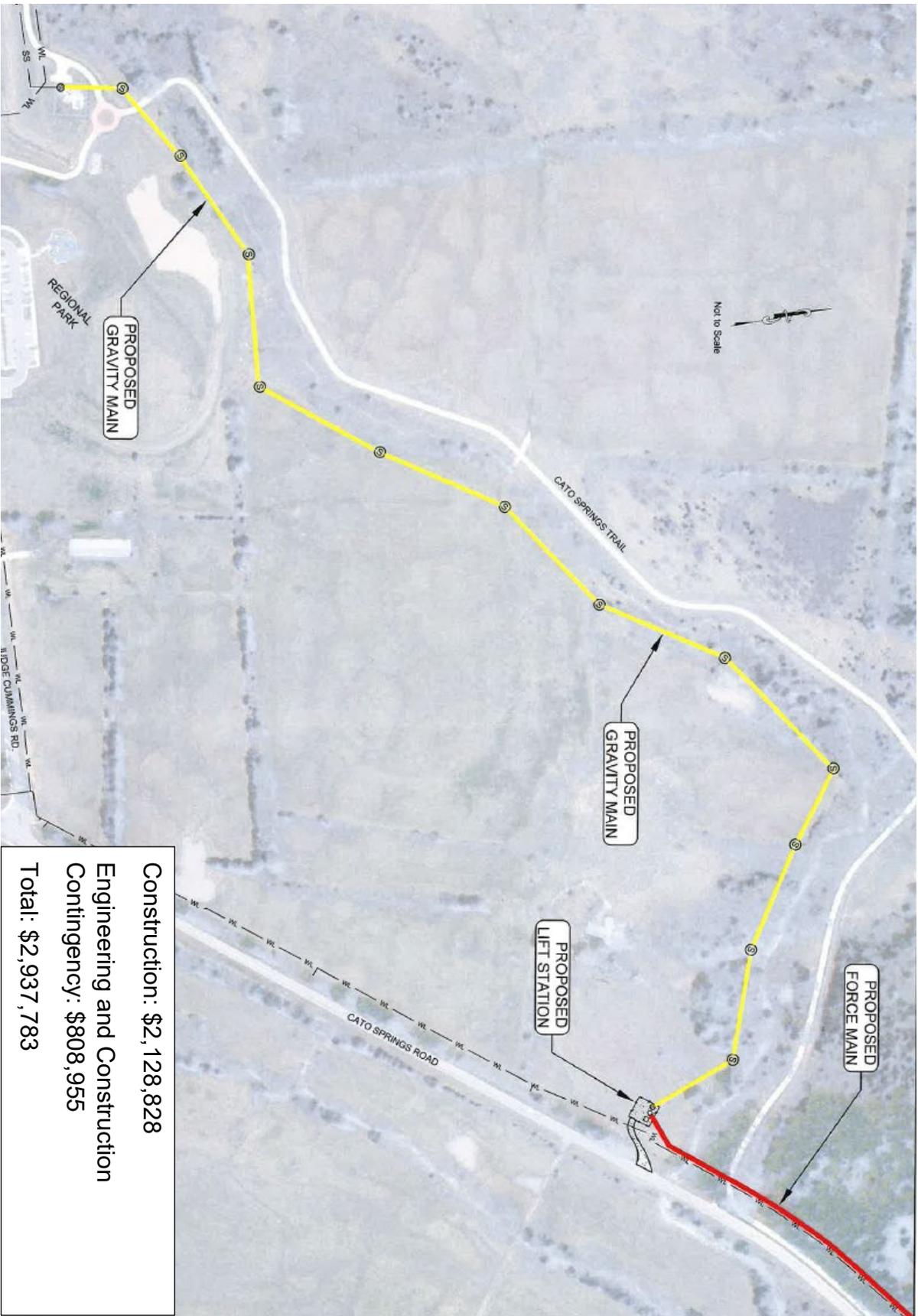
1. * Type of Federal Action: <input type="checkbox"/> a. contract <input checked="" type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. * Status of Federal Action: <input checked="" type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. * Report Type: <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change
4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> SubAwardee * Name: <input type="text" value="City of Fayetteville"/> * Street 1: <input type="text" value="113 West Mountain Street"/> Street 2: <input type="text"/> * City: <input type="text" value="Fayetteville"/> State: <input type="text" value="AR: Arkansas"/> Zip: <input type="text" value="72701"/> Congressional District, if known: <input type="text" value="3rd"/>		
5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime: <div style="border: 1px solid black; height: 40px;"></div>		
6. * Federal Department/Agency: <input type="text" value="Housing and Urban Development, HUD"/>	7. * Federal Program Name/Description: <input type="text" value="Economic Development Initiative
Community Project Funding/Congressionally Directed Spending"/> CFDA Number, if applicable: <input type="text" value="14.251"/>	
8. Federal Action Number, if known: <input type="text" value="FY2022 CPF
Grant Number: B-22-CP-AR-0016"/>	9. Award Amount, if known: \$ <input type="text" value="3,000,000.00"/>	
10. a. Name and Address of Lobbying Registrant: Prefix: <input type="text" value="Mrs."/> * First Name: <input type="text" value="Susan"/> Middle Name: <input type="text"/> * Last Name: <input type="text" value="Norton"/> Suffix: <input type="text"/> * Street 1: <input type="text" value="113 W. Mountain Street"/> Street 2: <input type="text"/> * City: <input type="text" value="Fayetteville"/> State: <input type="text" value="AR: Arkansas"/> Zip: <input type="text" value="72701"/>		
b. Individual Performing Services (including address if different from No. 10a) Prefix: <input type="text" value="Mrs."/> * First Name: <input type="text" value="Susan"/> Middle Name: <input type="text"/> * Last Name: <input type="text" value="Norton"/> Suffix: <input type="text"/> * Street 1: <input type="text" value="113 W. Mountain Street"/> Street 2: <input type="text"/> * City: <input type="text" value="Fayetteville"/> State: <input type="text" value="AR: Arkansas"/> Zip: <input type="text" value="72701"/>		
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$400,000 for each such failure.		
* Signature:		
* Name: Prefix: <input type="text"/> * First Name: <input type="text" value="Licneid"/> Middle Name: <input type="text"/> * Last Name: <input type="text" value="Jordan"/> Suffix: <input type="text"/>		
Title: <input type="text" value="Mayor of the City of Fayetteville"/> Telephone No.: <input type="text" value="479-575-8330"/> Date: <input type="text" value="09/29/22"/>		
Federal Use Only:		Authorized for Local Reproduction Standard Form - LLL (Rev. 7-97)

Exhibit A- SLS Community Sanitary Sewer Connection (Community Project Fund Award)



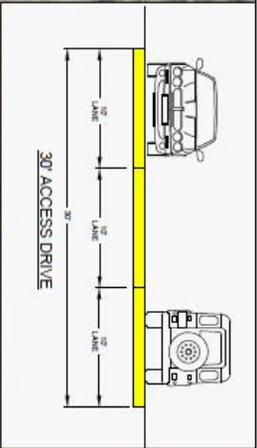
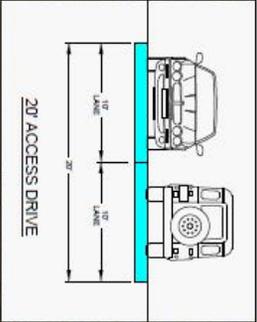
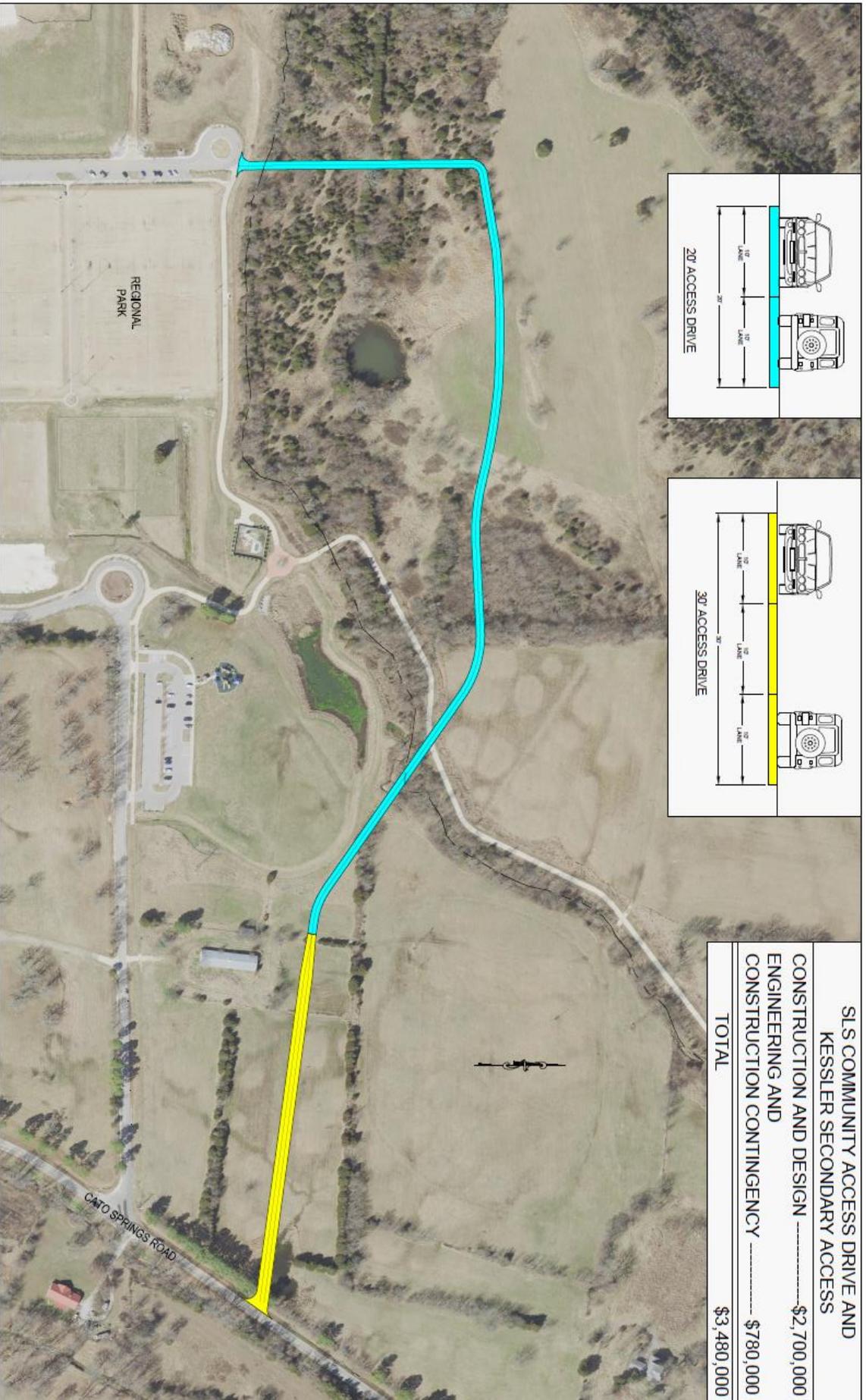
Construction: \$2,128,828
Engineering and Construction
Contingency: \$808,955
Total: \$2,937,783

Exhibit A- SLS Community Sanitary Sewer Connection (Community Project Fund Award)

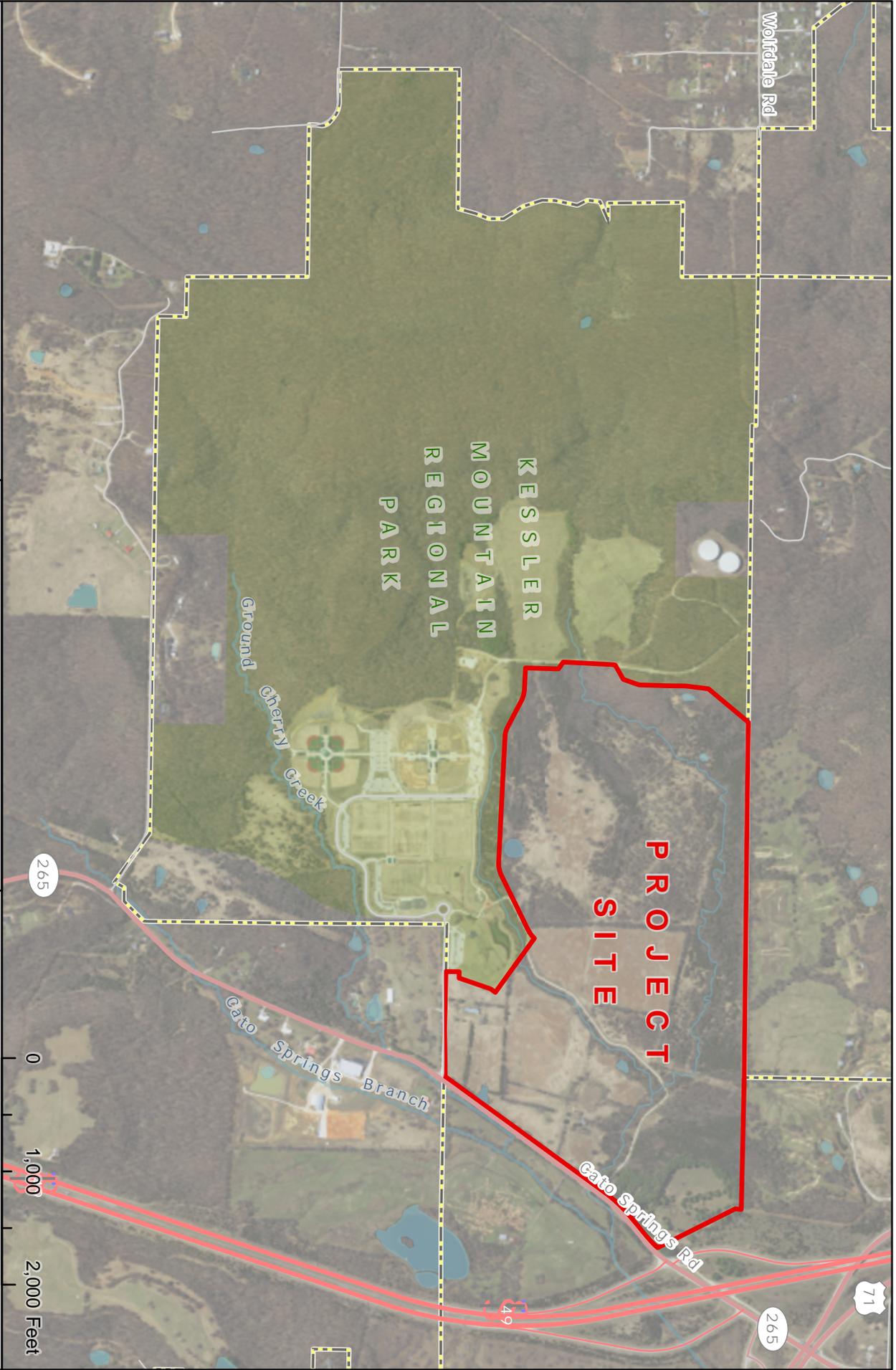


Construction: \$2,128,828
Engineering and Construction Contingency: \$808,955
Total: \$2,937,783

EXHIBIT B



SLS COMMUNITY ACCESS DRIVE AND KESLER SECONDARY ACCESS	
CONSTRUCTION AND DESIGN	\$2,700,000
ENGINEERING AND CONSTRUCTION CONTINGENCY	\$780,000
TOTAL	\$3,480,000



-  Project Site
-  Park
-  City Limits

Exhibit C:
 SLS Community Infrastructure Project Site
 Fayetteville, AR



The data contained herein was compiled from various sources for the scale, use and accuracy. It serves as a guide only. Any use of the data by anyone other than the City of Fayetteville is at the sole risk of the user, and by acceptance of this data, the user does hereby agree to indemnify the City of Fayetteville and hold the City of Fayetteville harmless from and against all claims, actions, suits, damages, and expenses of whatever kind and nature, including reasonable attorneys' fees, that may be asserted against or incurred by the City of Fayetteville in connection with the use of this data. The City of Fayetteville makes no express or implied warranties with reference to the data. No word, phrase, or clause found herein shall be construed to waive that tort immunity set forth under Arkansas law.
 Created: 8/17/2022
 Path: G:\GIS\Projects\2022\SLS Site Maps\SLS Site Map.aprx

ATTACHMENT D: Economic Development Project Agreement

ECONOMIC DEVELOPMENT PROJECT CONTRACT

THIS ECONOMIC DEVELOPMENT PROJECT CONTRACT (“Contract”) is made and entered into as of the _____ day of _____, 2022 (“Effective Date”), by and between **South Cato Springs Holdings, LLC**, an Arkansas limited liability company authorized to do business in the State of Arkansas (the “Company”), and the **City of Fayetteville, Arkansas**, an Arkansas municipal corporation (the “City”).

WITNESSETH

WHEREAS, the City is authorized to make economic development funds available to or for the benefit of qualified applicants for certain economic development projects pursuant to the Local Job Creation, Job Expansion, and Economic Development Act of 2017, Ark. Code Ann. § 14-176-101, *et seq.*; and

WHEREAS, the funding is provided by economic development bonds issued in accordance with Arkansas Constitution, Amendment 62; and

WHEREAS, the appropriation of funds by the City for infrastructure improvements that will be of benefit to the Company will permit the addition of new employment opportunities in the City of Fayetteville; and

WHEREAS, the funds provided under this Contract will be utilized to undertake certain public infrastructure improvements that will support Kessler Mountain Regional Park and the Company’s mixed-use development project in Fayetteville, Arkansas (the “Project”); and

WHEREAS, in accordance with Ark. Code Ann. § 14-176-104(a)(1), the City Council of the City of Fayetteville, Arkansas has reviewed and approved an economic impact and cost-benefit analysis of the proposed project; and

WHEREAS, in accordance with Ark. Code Ann. § 14-176-104(b)(3), the City Council of the City of Fayetteville, Arkansas has made a public finding that multiple years are necessary for the success of the proposed project and that multiple years are both lawful and a matter of public benefit.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereby agree as follows:

1. **Appropriation**. Subject to the terms and conditions set forth in this Contract, the City agrees to appropriate economic development bond funds to be used for the construction of public infrastructure in the amount of \$3,480,000 (the “Project Funds”).
2. **Public Purpose**. The purpose of the Project Funds is to appropriate funding for the construction of public infrastructure for the Company’s Project that supports private sector job creation opportunities pursuant to the Local Job Creation, Job Expansion, and Economic

Development Act of 2017, Ark. Code Ann. § 14-176-101, *et seq.* The Project Funds will be utilized only for public infrastructure improvements that will serve the Project.

3. **Term.** This Contract shall expire in accordance with Section 8 below unless extended by mutual written agreement of the City and the Company.
4. **Project Milestones.** Company acknowledges that its commitment to create employment opportunities for Fayetteville residents is a material inducement for the City to enter into this Contract and to make the Project Funds available to the Company. Therefore, all or a portion of the Project Funds will be subject to recapture by the Company to the City should it fail to satisfy the provisions of this Section 4 (the “Project Milestones”):

- A. **Technical Engineering, Design, and Construction of Public Infrastructure.** The City agrees to utilize economic development funds in the amount of \$3,480,000 for engineering, design, and construction of public infrastructure needed for the Project including, but not limited to, streets, and water, sewer, and stormwater infrastructure. Construction is estimated to be substantially completed by December 31, 2024. The date of the actual completion of the Project-related infrastructure will be referred to as the “Infrastructure Completion Date”. A diagram showing the location, general design, and estimated costs of the Project-related infrastructure is attached hereto as Exhibit A and incorporated herein. Within ninety (90) days of the Effective Date, the Company and the City will agree on a more detailed description of the Project-related infrastructure.

All public infrastructure shall meet or exceed the specifications contained in the *Fayetteville City Code*, the *Fayetteville Unified Development Code*, the *Master Street Plan*, the *Minimum Street Standards*, the *Standard Specifications for Street and Drainage Construction*, *City Standard Details*, and the *Standard Specifications for Design and Construction of Water Lines and Sewer Lines, 2022 Edition*, as may be amended from time to time, and any other applicable manual, code, ordinance, or statute.

Company shall dedicate all rights of way and easements necessary for the construction of the Project-related public infrastructure at no cost to the City within 90 days after the execution of this Contract.

- B. **Commencement of Work.** Company shall, within two hundred and forty (240) days after the execution of this Contract, begin work on the Project. This Milestone shall be considered satisfied if the Company has: 1) applied for and received development permits; 2) mobilized equipment and materials on the Project site; and 3) begun grading or other physical construction activities on the Project site.
- C. **Certificates of Occupancy.** Company shall, within five years after the Infrastructure Completion Date, obtain final certificates of occupancy for:
 - i. A healthcare, wellness, or related services facility with special accommodations for a neurodiverse population; and
 - ii. A facility of a specialized technology employer.

- D. **Quarterly Progress Reports.** Company shall provide a report to the City on or before the first day of each quarter following the execution of this Contract providing:
- i. A written financial accounting of the use of the moneys with documentation generally acceptable to Arkansas Legislative Audit's requirements; and
 - ii. A statement of the specific items contained in this Contract and articulation of compliance as to each item including, but not limited to, the Company's progress toward, or achievement of, the Project Milestones.

Each report shall be certified by an officer of the Company as true and accurate in all material respects to the best of his/her knowledge and belief. Such quarterly progress reports shall also be considered Project Milestones.

- E. **Final Report.** Company shall provide its final report to the City containing the information required by Section 4.D on or before the last day of the quarter in which the Certificates of Occupancy as set forth in 4.C are issued.

5. **Disbursement of Project Funds.** The City will follow its standard purchasing and accounting practices with respect to the disbursement of project funds for the infrastructure improvements.

It is expressly agreed and understood that upon execution of the Agreement, the City agrees to allocate no more than the amount of **\$3,480,000** for full and complete satisfactory performance of this Contract. Company shall not be entitled to receive any additional or separate compensation from the City in connection with the project without prior written approval of the City.

Drawdowns for the payment of eligible expenses shall be made in accordance with performance. Company may invoice the City monthly. Invoices shall state the period for which reimbursement is being requested and will itemize the costs for each drawdown. Copies of invoices and other supporting documentation shall be attached.

Payments due to Company shall be remitted within sixty (60) days after receipt of valid invoices, and pending successful inspection and acceptance of the completed work by the City.

6. **Project Cost Recapture.** In the event the Company fails to satisfy the Project Milestones set forth in Section 4, a portion of the Project Funds shall be reimbursed by the Company to the City as follows:

- A. If Company has not received the required final Certificates of Occupancy by the fifth anniversary of the Infrastructure Completion Date, the City shall be entitled to recapture \$890,000.00.
- B. If Company fails to satisfy a Project Milestone set forth in Section 4 the City may pass a Resolution within 90 days after the relevant Project Milestone date demanding a

refund and authorizing a cause of action to recapture the funds in the Circuit Court of Washington County, Arkansas in the event Company does not remit the refund payment upon demand.

- C. Any refund payment required for whatever reason under this Contract shall be paid by the Company to the City within a reasonable time (but in no event more than 45 days) after receiving written notice of demand (the “Refund Obligation”).
- D. In no event will the Company be obligated to refund more than \$890,000.00 plus any out-of-pocket expenses incurred by the City in collecting any amounts owed by the Company.
- E. The Company’s failure to meet the Project Milestones detailed in Section 4 shall subject the Company to termination of the Contract for Good Cause as provided in Section 8 below as well as the recapture provisions of this Section 6.

7. **Contracts, Obligations, Representations, and Warranties of the Company.**

- A. The Company represents and warrants it is authorized to do business in the State of Arkansas.
- B. The Company represents and warrants the making and performance of this Contract along with each and every other document required to be delivered hereunder, as well as the performance of the Project are within its respective powers, have been duly authorized by all necessary action, have received all necessary approvals, and do not contravene any law, regulation or decree or any contractual restriction.
- C. The Company represents and warrants this Contract and each and every other document required to be delivered hereunder, when duly executed and delivered, will be the legal and binding obligations of the Company enforceable in accordance with their respective terms.
- D. The Company represents and warrants, to the best of the Company’s knowledge, there are no pending or threatened actions or proceedings before any court or administrative agency which may materially adversely affect the financial condition or operation of the Company.
- E. **Cooperation.** The Company agrees to use commercially reasonable efforts to abide by and adhere to the directives, rules, regulations, and other requirements issued by the City arising out of this Contract.
- F. **Financial Management and Accounting.** The Company will use commercially reasonable efforts to establish and maintain a financial management and accounting

system that materially conforms to generally accepted accounting principles and that complies with the Arkansas Legislative Audit's requirements.

G. **Indemnification.** The Company will defend, protect, and save harmless the City from and against all claims, suits, and actions arising from any negligent or tortious act or omission of the Company or any employee or agent of the Company in the performance of this Contract.

H. **Record Keeping.** The Company agrees to keep reasonably necessary records pertinent to the Project Funds and this Contract.

i. Access to Records. The Company agrees the City and duly authorized officials of the City will have full access and the right to examine (but not copy or remove from the Company's premises) any pertinent documents, papers, records, and books of the Company related to the terms and obligations of this Contract.

ii. Reports. The Company shall be required to maintain and provide to the City the quarterly progress reports required by Section 4 of this Contract. Furthermore, the Company, at such times and in such forms as the City may reasonably require, will furnish the City with such other reports as it may reasonably request pertaining to the activities undertaken pursuant to this Contract, the costs and obligations incurred in connection therewith, and any other matters covered by this Contract. All reports submitted by the Company shall be certified by an officer of the Company as true and accurate in all material respects to the best of his/her knowledge and belief.

iii. Confidentiality. The City agrees to keep all information obtained from the Company pursuant to this Contract confidential to the extent permitted by law. Company acknowledges that the City is subject to the Arkansas Freedom of Information Act ("FOIA") and that certain information concerning the Project and this Contract may be subject to disclosure under FOIA, to the extent not otherwise exempted. In the event that the City receives a request for disclosure of Project information under FOIA, it will only disclose that material which in the opinion of City's counsel the City is legally obligated to disclose.

8. **Close-out, Good Cause, Termination, and Remedies.**

A. **Close-Out.** If all Project Funds have been disbursed and the Company has satisfied the Project Milestones, the City shall pass a resolution confirming the completion of the Project, at which time this Contract shall terminate.

B. **Termination by Mutual Agreement.** This Contract may be terminated, in whole or in part, prior to the completion of the Project when the City and the Company mutually determine that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of Project Funds.

- C. **Termination by Company.** The Company may terminate this Contract at any time, with or without cause, upon seven (7) days written notice and the reimbursement to the City of all Project Funds previously disbursed under this Contract.
- D. **Notice of Termination.** Except as otherwise provided herein, the City may only terminate this Contract (a) for Good Cause, (b) upon 30 days prior written notice to the Company, and (c) upon the Company having an opportunity to cure. The City’s notice shall include: (1) the Company’s act or omission constituting Good Cause, (2) the time period in which to cure, (3) the act or omission necessary to cure such Good Cause, and (4) the provisional termination date. The Company shall have 30 days after receipt of notice to cure the Good Cause (the “Cure Period”).
- E. **Termination for Good Cause.**
- i. Events Constituting Good Cause. Only the following events shall constitute “Good Cause” for termination:
- Any Company representation or warranty made in connection with the execution and delivery of this Contract or any other document executed in connection herewith or in any certificate furnished pursuant hereto shall prove to be, at any time, materially incorrect or untrue;
 - The Company fails to satisfy any Project Milestone as set forth in Section 4;
 - The Company materially defaults in the performance of any other term, covenant, or obligation contained in this Contract;
 - The Company shall become insolvent or bankrupt or have ceased operations or cease paying its debts as they mature;
 - The Company makes an assignment of or for the benefit of creditors, or a trustee or receiver or liquidator shall be appointed for the Company, for all or substantially all of its assets, or
 - A bankruptcy, reorganization, arrangement, insolvency, or similar proceedings shall be instituted by or against the Company under the law of any jurisdiction (provided, however, that in the event an involuntary bankruptcy action is commenced against the Company, then the Company shall have 90 days to secure the dismissal of such action).
- ii. Recovery of Funds. If the City terminates this Contract for Good Cause and the Company does not voluntarily cure the reason for termination for cause in accordance with Section 8.D. of this Contract, the City may institute actions to recover a portion of the Project Funds paid by the City up to the amount of \$890,000.00 plus any out-of-pocket expenses incurred by the City in collecting any amounts owed by the Company. If an uncured Good Cause exists after the lapse of the Cure Period, the City shall be entitled to declare any disbursed Project Funds plus any out-of-pocket expenses incurred by the City in collecting any amounts owed by the Company immediately due and payable and

immediately collect from the Company all such Project Funds and collection expenses.

F. **Other Enforcement Actions.** Notwithstanding anything else herein to the contrary, after 10 days written notice to the Company, the City may:

- i. Conduct a site visit to examine pertinent records and recommend remedial courses of action,
- ii. Issue informal letters of warning advising either party of a deficiency, recommended cures for such deficiency, date by which deficiency must be cured, and notice that more serious sanctions may be imposed if the deficiency continues or is repeated,
- iii. Request additional information from either party to verify the nature of performance,
- iv. Reasonably withhold or delay any further payment of Project Funds pending corrective action by the responsible parties, or
- v. Institute a civil action for the remedies and damages herein permitted.

9. **Miscellaneous.**

A. **Amendments and Modifications.** This Contract may only be modified through a written amendment signed by the City and the Company.

B. **Conflict of Interest.** No officer or employee of the City, no member of the governing body of the jurisdiction in which the Project is undertaken or located and no other official of such locality or localities who exercises any functions or responsibilities with respect to the Project during his tenure, will have any personal pecuniary gain or interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Project assisted under this Contract. The Company will promptly notify the City should it become aware of any violation or attempt at circumventing the requirements of this section by any party.

C. **Governing Law.** This Contract shall be governed by the laws of the State of Arkansas. The parties agree that the Circuit Court of Washington County, Arkansas shall have exclusive jurisdiction over any proceeding arising under this Contract. Nothing in this contract is intended to nor shall waive the sovereign immunity of City.

D. **Notice.** All communications and notices provided for hereunder shall be in writing and mailed or delivered to the parties hereto at their business addresses set forth below or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties.

- i. If to the Company, then to: South Cato Springs Holdings, LLC c/o Phigenics, LLC, Attn: Matthew R. Zakaras, 4375 N. Vantage Drive, #104, Fayetteville, AR 72703

- ii. If to the City, then to: Mayor Lioneld Jordan, 113 W. Mountain Street, Fayetteville, AR 72701

- E. **Obligations regarding Third Party Relationships.** The Company will remain fully obligated under the provisions of this Contract notwithstanding their designation of any third party or parties for the undertaking of all or any part of the Project. Any subcontractor who is not the Company will comply with all lawful requirements of the Company necessary to ensure the Project is carried out in accordance with the provisions of this Contract. The Company shall secure all such services in accordance with applicable State or local law and the provisions of this Contract.
- F. **Severability.** If any provision under this Contract or its application to any person or circumstances is held invalid by any court of competent jurisdiction, this invalidity does not affect other provisions of this Contract which can be given effect without the invalid provision.
- G. **Successors and Assigns.** This Contract shall be binding upon and inure to the benefit of the Company and the City, and their respective personal representatives, successors and assigns, except the Company may not assign or transfer its rights hereunder without the prior written consent of the City.
- H. **Waivers.** No failure to exercise and no delay in exercising, any right, power, or remedy hereunder on the part of the City or Company shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy. No express waiver shall affect any event or default other than the event or default specified in such waiver, and any such waiver, to be effective, must be in writing and shall be operative only for the time and to the extent expressly provided by the City or Company therein. A waiver of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.
- I. **Third Parties.** The City and the Company are the only parties to this Contract and nothing in this Contract, express or implied, is intended to or shall confer any rights, benefits, or remedies upon any other party.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed as of the Effective Date.

CITY OF FAYETTEVILLE, ARKANSAS:

By: _____
LIONELD JORDAN, Mayor Date _____

ATTEST:

By: _____
KARA PAXTON, City Clerk-Treasurer

SOUTH CATO SPRINGS HOLDINGS, LLC

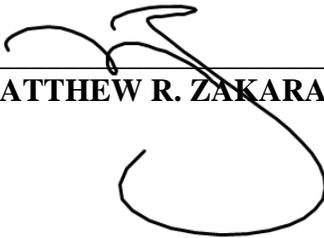
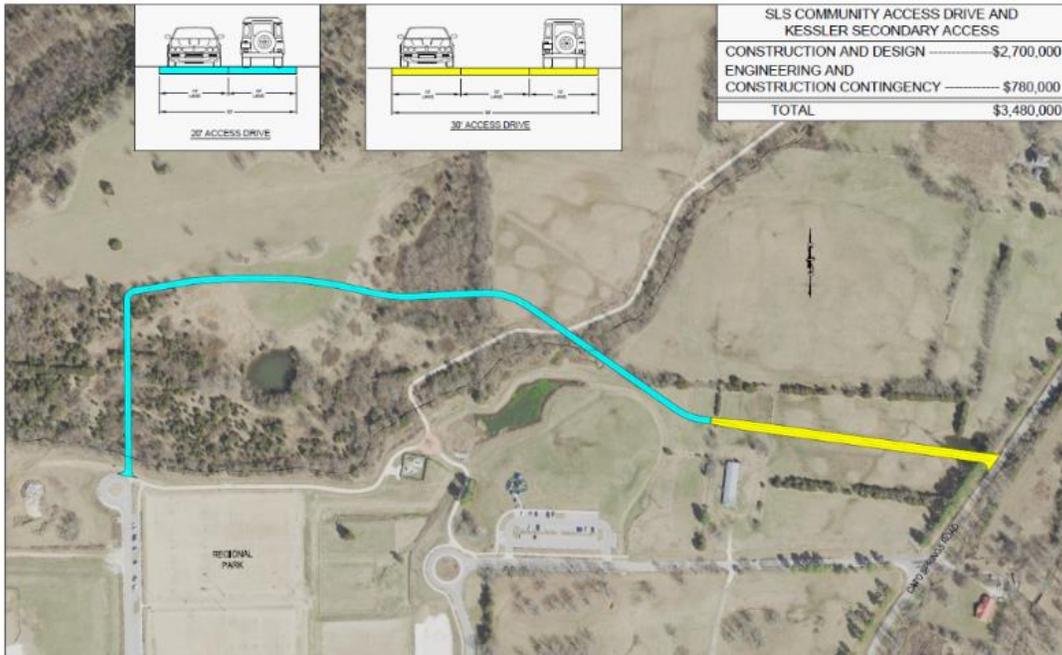
By:  _____
MATTHEW R. ZAKARAS, Authorized Signatory Date **11/16/2022**

EXHIBIT A



ATTACHMENT E: Economic Vitality Incentive Assessment



South Cato Springs Community Incentive Assessment

*Prepared by Devin Howland CEcD, Director of Economic Vitality & Chung Tan, CEcD, EDFP
Deputy Director of Economic Vitality*

South Cato Holdings, LLC Infrastructure Incentive Analysis

November 29, 2021

Methodology:

- **Persons per household:** Staff utilizes the U.S. Census Bureau to estimate population for proposed housing units. The U.S. Census Bureau estimates 2.21 person per household for the City of Fayetteville (2019)¹.
- **Market Value:** Staff utilizes property tax collections on similar properties/businesses in Fayetteville to estimate the market value for various buildings and businesses². The market value assumption includes a combined valuation of the building and land within its parcel.
- **Internet Sales from residential living units:** In 2021 staff estimated the average internet sales per housing unit by totaling all sales in NAICS Code 454110 'Electronic Shopping and Mail-Order' and dividing it by the number of residential units in the City³. This averaged \$3,500 per residential unit⁴.
- **Restaurant Sales Per Foot:** Staff uses the estimate of \$350 in annual sales per square foot of the restaurant⁵. This figure is used to define a 'high profit' restaurant in the accommodation and food services industry. Some restaurants produce more than this and some produce less. Restaurants in Fayetteville totaled \$304 million in sales in 2019⁶.
- **Retail Sales Per Foot:** Staff uses CoStar data to estimate sales per square foot for brick and mortar retail establishments. *CoStar is the largest commercial real estate listing firm in the United States. CoStar focuses of listings and market analytics for commercial real-estate.* \$325 in retail sales per square foot is an estimate derived from CoStar⁷. The City of Fayetteville has exceeded the national average for retail sales per square foot in the past, with retail (NAICS 44-45) sales totaling \$1.5 billion in 2020.
- **Office Employee Spending:** This item is an estimate of weekly spending by full time office/medical employee on the site. Staff utilized the 2012 study by the International Council of Shopping Centers *Office-Worker Retail Spending in the Digital Age*. Using the 2011 figures from the estimate of \$150-160 in spend per week⁸, inflation was estimated to 2020 dollars using the U.S. Bureau of Labor Statistics CPI Inflation Calculator, which equates to \$180 per week in spending⁹.

¹ <https://www.census.gov/quickfacts/fayettevillecityarkansas>

² <https://www.actdatascout.com/RealProperty> The Department of Economic Vitality uses similar properties to hypothetical properties in the assessments to establish market value.

³ <https://www.ark.org/dfa/localtaxes/index.php> The Department of Economic Vitality utilizes DFA data to calculate true sales by NAICS code in the City of Fayetteville. NAICS codes are classifications of businesses within the North American Industrial Classification System.

⁴ In 2019, NAICS code 454110 totaled \$71 million in taxable sales. In 2020 from January to November, this sector totaled \$110 million in taxable sales and continues to climb at a healthy rate. The average per residence is estimated by dividing the total sales figures by an estimate of residential living units in Fayetteville (\$3,500 per household).

⁵ ICSC 'The Successful Integration of Food and Beverage Within Retail Real Estate'. p. 37 'Sales productivity per square foot'.

⁶ <https://www.ark.org/dfa/localtaxes/index.php> The Department of Economic Vitality utilizes DFA data to calculate true sales by NAICS code in the City of Fayetteville. NAICS codes are classifications of businesses within the North American Industrial Classification System.

⁷ CoStar, 2017, <https://www.prnewswire.com/news-releases/retails-most-profitable-square-footage-636947493.html>

⁸ ICSC, 2012, <http://www.southfieldcitycentre.com/wp-content/uploads/2012/06/Office-Worker-Retail-Spending-in-a-Digital-Age.pdf> p. 14.

⁹ https://www.bls.gov/data/inflation_calculator.htm (\$151.54 in January 2011= \$180 in January of 2021).

**South Cato Holdings, LLC Infrastructure Incentive Analysis
November 29, 2021**

Recapture of Municipal Investment: *The funding gaps presented below are staff estimates. The actual project gap and total cost of the project will not be known until more detailed engineering and design is completed. The City's Public Works Director has advised that detailed engineering and design begin as soon for the true project total to be identified and value engineering be able to take place.*

Project Specifics	
Total cost for entry road and sewer connection to Kessler	\$7,890,000
Federal Support	\$3,000,000
Initial City funding allocated to the project	\$2,000,000
Project funding gap pre-cost inflation	\$900,000
Current project funding gap	\$2,890,000

Staff estimates that recapture of municipal investment (\$4.4M) would take place during the onset of construction of phase three of the development, roughly 30 months after the completion of municipal infrastructure (the analysis can be found on p. 12). After one full year of operation, the site will provide the City of Fayetteville with net profit of \$5.8M and produce annual revenue of at least \$3.2M every year thereafter.

The Department of Economic Vitality feels this estimate is grossly conservative for the 230-acre site, primarily due to the lack of housing density for single family homes, townhomes, duplexes and triplexes. Presently, the programming document that accompanies the master plan shows 40 single family homes and 45 townhouses, duplexes, and triplexes. The zoning districts of UT, CS, and NC afford the property owner residential density that greatly exceeds the figures outlined in the programming document. Increased residential density would not only greatly increase municipal revenue it can also enable the site to develop more sensitively when it comes to the environment.

Lastly, the City's investment will be protected by a 'Recapture Provision' a requirement of the Local Economic Development Enhancement Act. The structure of the provision will rest on the delivery on several occupancy permits, ensuring that primary anchor tenants not only commit to the property but also complete construction of their respective facilities within five years of sanitary sewer connecting to Kessler Regional Park, and a preliminary road connection to Judge Cummings Drive . Given increased size of this municipal investment, this recapture provision is far more strict than those used for the two railroad crossings in north Fayetteville.

Staff Note on Report:

This report is focused solely on direct municipal revenue from the South Cato Holdings project. It does not explore induced and indirect economic benefits, social benefits such as enabling neurodiverse residents to achieve self-actualization, or environmental benefits from connecting Kessler Regional Park and the land fill to sanitary sewer.

**South Cato Holdings, LLC Infrastructure Incentive Analysis
November 29, 2021**

Constants: The tables below outline the variables used when assessing the projects economic impact. As with previous economic impact analyses performed by the Department of Economic Vitality (Drake Farms Phase 1 and River Pointe LLC), the variables were applied in the same manner with the only exception being a focus on adjusting for inflation given increases in building materials and cost of goods sold. The economic constants are aggregated by the Department of Economic Vitality to ensure consistent application across all projects. The South Cato Holdings constants were derived from the programming document that accompanies the South Cato Springs Master Plan.

Economic Constants	
Construction materials purchased in Fayetteville	50%
Retail sales per square foot	\$325 ¹⁰
Restaurant sales per square foot	\$400 ¹¹
Residents per household	2.21 ¹²
Weekly retail expenditure per employee	\$120 ¹³
Weekly restaurant expenditure per employee	\$60 ¹⁴
Residential and retail construction cost per foot	\$200
Medical construction cost per foot	\$300
Research and development and office construction cost per foot	\$200
Hotel average daily rate (ADR)	\$150 ¹⁵
Hotel occupancy rate	70% ¹⁶
Internet sales per resident (annual)	\$3,500 ¹⁷
Grocery sales per resident (annual)	\$4,300 ¹⁸
Entertainment sales per resident (annual)	\$2,700 ¹⁹
Eating out sales per resident (annual)	\$2,100 ²⁰
Construction cost inflation	40%
Cost of goods sold inflation	7% (annual)

South Cato Holdings Constants²¹	
Residential units	385
Multifamily square feet	363,750 sq. ft.
Townhomes, Duplexes, and Triplexes	132,500 sq. ft.
Single Family	68,000 sq. ft.
Phigenics and office leasable	116,000 sq. ft.
Onsight medical	150,000 sq. ft.
Trade school	53,000 sq. ft.
Retail including mixed use	187,500 sq. ft.
Hotel	79,000 sq. ft.
Restaurant(s)	12,000 sq. ft.

¹⁰ Costar, 2019

¹¹ 2021, Department of Economic Vitality calculations, Arkansas Department of Finance and Administration Local NAICS Reports, <https://www.ark.org/dfa/localtaxes/index.php>

¹² <https://www.census.gov/quickfacts/fayettevillecityarkansas>

¹³ International Council of Shopping Centers. Office Worker Retail Spending in the Digital Age. New York (NY): 2012.

¹⁴ *Ibid.*

¹⁵ STR. Northwest Arkansas Metropolitan Accommodation Market Report. 2020

¹⁶ *Ibid.*

¹⁷ Department of Economic Vitality calculations of Arkansas Department of Finance and Administration Local NAICS data. 2021

¹⁸ *Ibid.*

¹⁹ *Ibid.*

²⁰ *Ibid.*

²¹ South Cato Springs Master Plan- Program and Parking Mix. 2021. (All figures included in the table were derived from the fore mentioned report).

**South Cato Holdings, LLC Infrastructure Incentive Analysis
November 29, 2021**

(Revenue) Direct Sales Tax Revenue from Construction Activity: \$1,786,306-\$2,500,000

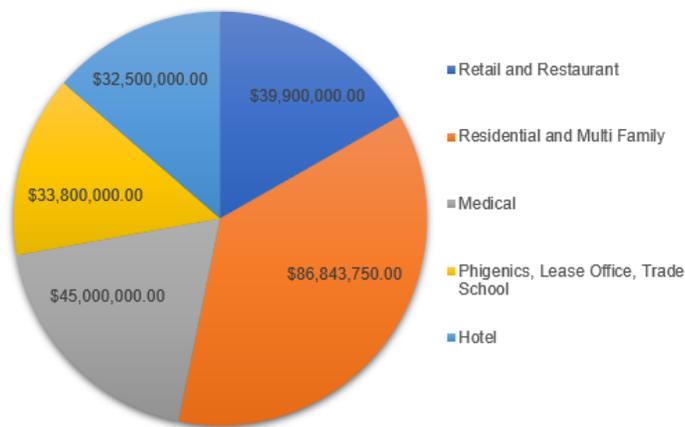
Direct sales tax from construction activity on the property is estimated at \$1.8M. To calculate sales tax from construction activity, 70% of the projects cost is attributed to materials²². Once the cost of materials has been established, staff assumes 50% of the materials are purchased within Fayetteville’s sales tax jurisdiction²³.

*Note on inflation: The costs below represent construction pricing from Q4 of 2020. As of Q4 of 2021, all municipal construction projects have seen a 40% increase due to the inflated cost of materials. The direct tax revenue to the City of Fayetteville may be as high as \$2,500,000 as of late November of 2021.

Construction Cost Table 1 of 2			
Item	Sq. Ft.	CPF (Cost per room for hotel)	Total Cost
Retail and Restaurant	199,500.00	\$ 200.00	\$ 39,900,000.00
Residential and Multi Family	496,250.00	\$ 175.00	\$ 86,843,750.00
Medical	150,000.00	\$ 300.00	\$ 45,000,000.00
Phigenics, Lease Office, Trade S	169,000.00	\$ 200.00	\$ 33,800,000.00
Hotel	130.00	\$ 250,000.00	\$ 32,500,000.00

Construction Cost Table 2 of 2			
Item	Materials (70%)	50% Sourced in Fayetteville	Fayetteville Sales Tax
Retail and Restaurant	\$ 27,930,000.00	\$ 13,965,000.00	\$ 279,300.00
Residential and Multi Family	\$ 60,790,625.00	\$ 30,395,312.50	\$ 607,906.25
Medical	\$ 38,500,000.00	\$ 19,250,000.00	\$ 385,000.00
Phigenics, Lease Office, Trade S	\$ 28,660,000.00	\$ 14,330,000.00	\$ 286,600.00
Hotel	\$ 22,750,000.00	\$ 11,375,000.00	\$ 227,500.00
Total			\$ 1,786,306.25

Capital Investment for Residential and Commercial Building Construction: \$238,000,000



Nearly a quarter of a billion dollars in capital investment is planned for residential and commercial building construction. This figure does not include interior roads, utility extensions, recreation, trail, or other investments such as an event venue or food truck court.

*Note on inflation: The capital investment for residential and commercial building construction may be as high as \$333,200,000 as of mid-December 2021.

²² Figure derived from consultations with numerous developers in Fayetteville.

²³ The 50% of materials being purchased in the City of Fayetteville is an assumption the Department of Economic Vitality has used on all direct sales tax analyses.

**South Cato Holdings, LLC Infrastructure Incentive Analysis
November 29, 2021**

(Revenue) Annual Direct and Indirect Sales Tax from Retail, Restaurant, and Accommodation Sales: \$1,655,085

Retail and accommodation and food services are the highest revenue industry sectors for the City of Fayetteville. On the property, the hotels are projected to generate roughly \$250,000 annually in tax revenue²⁴. Retail and restaurants are projected to generate nearly \$1.4M in sales tax revenue²⁵.

Direct Sales:

Item	Number of Rooms	Average Daily Rate	Annual Potential	Sales at 70% Occupancy	Fayetteville Sales and HMR Tax
Hotel 1	130	\$150	\$7,117,500	\$4,982,250.0	\$199,290.00
Hotel 2 (Boutique)	15	\$250	\$1,368,750	\$958,125.0	\$38,325.00
Total					\$237,615.00

Item	Sq. Ft.	Sales Per Sq. Ft.	Annual Sales	Fayetteville Sales and HMR Tax
Restaurants	12,000	\$375	\$4,500,000	\$180,000.00
Retail	187,500	\$325	\$60,937,500	\$1,218,750.00
Total				\$1,398,750.00

(Revenue) Annual Indirect Sales Tax from all other Employees Spending: \$305,760

Another source of municipal sales tax revenue is residual spending from employees working on the property. Current estimates for total number of full-time employees working on the property are roughly 1,175. Weekly expenditures by employee are derived from the ICSC report 'Office Worker Spending in the Digital Age' and adjusted for cost of living increases (COLI) by the Department of Economic Vitality²⁶. Employee spending is estimated to generate over \$305,000 annually.

Item	Number of Employees	Weekly Retail Spending per Employee	Weekly Restaurant Spending per Employee	Annual Spending Retail and Restaurant	Annual Sales Tax	Annual HMR
Medical	650	\$120	\$60	\$ 6,084,000.00	\$ 121,680.00	\$40,560.00
Phigenics, Other Office, Trade School	425	\$120	\$60	\$ 3,978,000.00	\$ 79,560.00	\$26,520.00
Hotel	50	\$120	\$60	\$468,000	\$9,360.00	\$9,360.00
Restaurant	50	\$120	\$60	\$468,000	\$9,360.00	\$9,360.00
Total						\$ 305,760.00

²⁴ Hotel sales are projected using STR reports obtained by the Department of Economic Vitality. These reports highlight the City's average daily rate and occupancy for hotels and other lodging businesses.

²⁵ Sales per foot for retail and restaurant establishments are developed using national industry reports as well as data from the Arkansas Department of Finance and Administration.

²⁶ International Council of Shopping Centers. Office Worker Retail Spending in the Digital Age. New York (NY): 2012.

**South Cato Holdings, LLC Infrastructure Incentive Analysis
November 29, 2021**

(Revenue) Annual Direct and Indirect Sales Tax from Residents Residing (Market rate housing only) on Site: \$268,422

Retail and restaurant sales are driven by proximity to residential units. With the rise of e-commerce showing no signs of slowing down, a future sales tax growth will be partly attached to the increase in the number residents residing in Fayetteville. Within the past twelve months, *known*²⁷ internet sales have totaled \$141,506,178 a thirty percent increase over the prior twelve months.

The current master plan shows 385 living units mixed across varying unit type and bedroom count. The City of Fayetteville averages 2.21 residents per living unit, the figure which was used to estimate the number of residents (900+) living on the property²⁸. To estimate annual sales per person, the Department of Economic Vitality utilizes its sales tax interpretation tool which produces true sales figures utilizing ADFA data. Sales tax revenue from residents living on the property is estimated to be \$268,422 annually.

Unit Type	Number of Units	Residents	E-Commerce Sales	Grocery Sales
Multifamily/Apartment	300	687	\$ 2,404,500.00	\$ 2,954,100.00
Townhouses	10	30	\$ 105,000.00	\$ 129,000.00
Duplex/Triplex	35	83	\$ 290,500.00	\$ 356,900.00
Single Family	40	113	\$ 395,500.00	\$ 485,900.00

Unit Type	Entertainment Sales	Eating Out Sales	Annual Sales Tax	Annual HMR Tax
Multifamily/Apartment	\$ 1,854,900.00	\$ 1,442,700.00	\$ 173,124.00	\$ 28,854.00
Townhouses	\$ 81,000.00	\$ 63,000.00	\$ 7,560.00	\$ 1,260.00
Duplex/Triplex	\$ 224,100.00	\$ 174,300.00	\$ 20,916.00	\$ 3,486.00
Single Family	\$ 305,100.00	\$ 237,300.00	\$ 28,476.00	\$ 4,746.00
Total			\$ 230,076.00	\$ 38,346.00

Spending Category	Annual Spend Per Resident
E-Commerce	\$3,500
Grocery Shopping	\$4,300
Entertainment	\$2,700
Eating Out	\$2,100

(Revenue) Annual Revenue from Property Taxes: \$191,400

Given deviations between construction costs and market value, the number of \$191,400 represents half of the property tax revenue calculated by the Department of Economic Vitality. This number was chosen to maintain a conservative analysis.

Millage Breakdown	
City General Fund	2.3 mills
Police	0.4 mills
Fire	0.4 mills
Library	3.7 mills
Total	6.8 mills

²⁷ 'Known Internet Sales' refers to sales the Department of Economic Vitality is able to identify as being exclusively from online shopping. Depending on the NAICS code the business used when registering with ADFA, internet sales are also mixed in across other retail categories such as furniture stores. With the data presently available from ADFA, it is not possible to state just how much internet sales are actually taking place within Fayetteville.

²⁸ U.S. Census Bureau, Quick Facts, 2021.

**South Cato Holdings, LLC Infrastructure Incentive Analysis
November 29, 2021**

(Revenue) Annual Revenue from Water and Sewer Service on the Property and One Time Revenue from Impact Fees: \$714,841 from Impact Fees \$716,118 in revenue from Annual Billing

The City will realize \$714,841 in revenue from water and sewer impact fees on the property across a range of uses outlined in the table below²⁹. Impact fees represent a one-time revenue source for the City and are utilized to expand this divisions Capital Improvement Plan.

Impact Fees (Water and Sewer)	
Retail IF	\$ 36,864.00
Restaurant IF	\$ 73,720.00
Healthcare IF	\$ 9,215.00
Officing IF	\$ 29,488.00
Medical Clinic IF	\$ 14,744.00
Other Officing IF	\$ 46,075.00
Multifamily IF	\$ 504,735.00
Total	\$ 714,841.00

Annual water and sewer bills on the property are estimated at \$2,864,472, with 25% of those sales going towards the City's Capital Improvement Plan and the remaining 75% going towards operations and maintenance. From billing, the City is estimated to receive \$716,118 in annual revenue from water and sewer service (\$60,000 per month).

Annual Billing (Not all revenue, rates support operations)	Annual	Monthly
Retail	\$ 442,368.00	\$ 36,864.00
Restaurants	\$ 529,068.00	\$ 44,089.00
Healthcare	\$ 188,508.00	\$ 15,709.00
Officing	\$ 448,884.00	\$ 37,407.00
Medical Clinic	\$ 171,480.00	\$ 14,290.00
Other Officing	\$ 552,900.00	\$ 46,075.00
Multifamily	\$ 531,264.00	\$ 44,272.00
Total	\$ 2,864,472.00	\$ 238,706.00
Total towards Operations and Maintenance	\$ 2,148,354.00	\$ 179,029.50
Total towards Capital Improvement	\$ 716,118.00	\$ 59,676.50

(Revenue) One-Time Revenue from Police and Fire Impact Fees and Parkland Dedication: \$82,050

The City will realize \$82,050 in revenue from Police and Fire impact fees. Police impact fees are \$162 per dwelling unit and Fire impact fees are \$150 per dwelling unit³⁰. The City will also realize 7.85 acres of new parkland for Kessler Mountain Regional park³¹.

Impact Fees	Revenue
Fire Impact Fees	\$ 57,750.00
Police Impact Fees	\$ 24,300.00
Park in-lieu fees	\$ 373,370.00
w/ Proposed parkland dedication of 7.85 acres	\$ -
Total	\$ 82,050.00

²⁹ Impact fees estimated by the City's Water and Sewer Division in November of 2021.

³⁰ City of Fayetteville Unified Development Code § 159.

³¹ City of Fayetteville Unified Development Code § 166.

**South Cato Holdings, LLC Infrastructure Incentive Analysis
November 29, 2021**

Macro Level Municipal Investment Recapture

Non-phased revenue not adjusted for 2021 Inflation, infrastructure cost adjusted for inflation.

This model presents a macro level overview of the City of Fayetteville’s investment into the project and the economic outputs of the entire master planned community. This assessment presents the economic benefits of the project when it is fully developed.

- **Timeframe for Recapture of Municipal Investment:** Q4 of the first full year of operation.
- **Net Profit after Year 2 of Full Operation:** \$4,028,741.67

Item	Time Period	Cost and Revenue	Running Balance	TO CITY
Infrastructure Package		\$ 7,980,000.00		
Department of Transportation Federal Grant	Pre-construction	\$ (3,000,000.00)	\$ 4,980,000.00	
Fire and Police Impact Fees	Construction	\$ (82,050.00)	\$ 4,897,950.00	\$ 82,050.00
Water and Sewer Impact Fees	Construction	\$ (714,841.00)	\$ 4,183,109.00	\$ 714,841.00
Direct Sales Tax Revenue from Construction Activity	Construction	\$ (1,786,306.00)	\$ 2,396,803.00	\$ 1,786,306.00
Direct Sales Tax Revenue from Retail, Hotel, and Restaurant Sales	Year 1 Full Operation	\$ (1,655,085.00)	\$ 741,718.00	\$ 1,655,085.00
Indirect Sales Tax from Employees on Property	Year 1 Full Operation	\$ (305,760.00)	\$ 435,958.00	\$ 305,760.00
Indirect Sales Tax from Residents Residing on the Property	Year 1 Full Operation	\$ (268,422.00)	\$ 167,536.00	\$ 268,422.00
Property Tax Revenue	Year 1 Full Operation	\$ (167,536.00)	\$ -	\$ 191,422.00
		\$ 23,886.00	\$ 23,886.00	
Water and Sewer (25% of total billing)	Year 1 Full Operation	\$ 716,118.00	\$ 740,004.00	\$ 716,118.00
Direct Sales Tax Revenue from Retail, Hotel, and Restaurant Sales	Year 2 Full Operation	\$ 1,704,737.55	\$ 2,444,741.55	\$ 1,704,737.55
Indirect Sales Tax from Employees on Property	Year 2 Full Operation	\$ 314,932.80	\$ 2,759,674.35	\$ 314,932.80
Indirect Sales Tax from Residents Residing on the Property	Year 2 Full Operation	\$ 276,474.66	\$ 3,036,149.01	\$ 276,474.66
Property Tax Revenue	Year 2 Full Operation	\$ 191,422.00	\$ 3,312,623.67	\$ 191,422.00
Water and Sewer (25% of total billing)	Year 2 Full Operation	\$ 716,118.00	\$ 4,028,741.67	\$ 716,118.00
Total				\$ 8,016,149.01
Net Profit After Year 2 of Full Operation				\$ 4,028,741.67

Macro Level Municipal Investment Recapture

Non-phased revenue adjusted for 2021 Inflation, infrastructure cost adjusted for inflation.

Construction prices were inflated by 40%, consumer expenditure (cost of retail and restaurant goods sold) were inflated by 7%, and property tax was not adjusted.

- **Timeframe for Recapture of Municipal Investment:** Q1 of the first full year of operation.
- **Net Profit after Year 2 of Full Operation:** \$4,974,990.05

Item	Time Period	Cost and Revenue	Running Balance	TO CITY
Infrastructure Package		\$ 7,980,000.00	\$ 7,980,000.00	
Department of Transportation Federal Grant	Pre-construction	\$ (3,000,000.00)	\$ 4,980,000.00	
Fire and Police Impact Fees	Construction	\$ (82,050.00)	\$ 4,897,950.00	\$ 82,050.00
Water and Sewer Impact Fees	Construction	\$ (714,841.00)	\$ 4,183,109.00	\$ 714,841.00
Direct Sales Tax Revenue from Construction Activity	Construction	\$ (2,500,828.40)	\$ 1,682,280.60	\$ 2,500,828.40
Direct Sales Tax Revenue from Retail, Hotel, and Restaurant Sales	Year 1 Full Operation	\$ (1,682,280.60)	\$ -	\$ 1,770,940.95
		\$ 88,660.35	\$ 88,660.35	
Indirect Sales Tax from Employees on Property	Year 1 Full Operation	\$ 327,163.00	\$ 415,823.35	\$ 327,163.00
Indirect Sales Tax from Residents Residing on the Property	Year 1 Full Operation	\$ 287,211.54	\$ 703,034.89	\$ 287,211.54
Property Tax Revenue	Year 1 Full Operation	\$ 191,422.00	\$ 894,456.89	\$ 191,422.00
Water and Sewer (25% of total billing)	Year 1 Full Operation	\$ 716,118.00	\$ 1,610,574.89	\$ 716,118.00
Direct Sales Tax Revenue from Retail, Hotel, and Restaurant Sales	Year 2 Full Operation	\$ 1,824,069.18	\$ 3,434,644.07	\$ 1,824,069.18
Indirect Sales Tax from Employees on Property	Year 2 Full Operation	\$ 336,978.10	\$ 3,771,622.16	\$ 336,978.10
Indirect Sales Tax from Residents Residing on the Property	Year 2 Full Operation	\$ 295,827.89	\$ 4,067,450.05	\$ 295,827.89
Property Tax Revenue	Year 2 Full Operation	\$ 191,422.00	\$ 4,258,872.05	\$ 191,422.00
Water and Sewer (25% of total billing)	Year 2 Full Operation	\$ 716,118.00	\$ 4,974,990.05	\$ 716,118.00
Total				\$ 9,238,872.05
Net Profit After Year 2 of Full Operation				\$ 4,974,990.05

**South Cato Holdings, LLC Infrastructure Incentive Analysis
November 29, 2021**

Phased Municipal Investment Recapture (Inflated Infrastructure, Non-Inflated Revenue)

This model estimates recapture and future revenue for the City of Fayetteville over a series of three construction phases³². Within the model, the infrastructure package from the City has been inflated by the City's Engineering division to reflect current costs³³. Inflation was not applied to construction costs, NAICS 44-45 and 72 sales³⁴, or residential or employee expenditures.

- **Timeframe for Recapture of Municipal Investment:** During construction of phase three, three years after completion of municipal infrastructure.
- **Net Profit after Year 1 of Full Operation of the Site:** \$4,833,794.11

Construction by Phase		
Phase 1	Phase 2	Phase 3
All Medical Facilities	40% of Office	20% of Office
40% of Office	40% of Retail	20% of Retail
40% of Retail	40% of Housing	20% of Housing
40% of Housing		
All Restaurant and Hotels		

Phase 1: Construction (18 months)					
Item	Time Period	Percentage of Total Planned	Cost and Revenue	Running Balance	TO CITY
Infrastructure Package	Pre-construction		\$ 7,980,000.00	\$ 7,980,000.00	
Department of Transportation Federal Grant	Pre-construction		\$ (3,000,000.00)	\$ 4,980,000.00	
Fire and Police Impact Fees	Construction	40%	\$ (32,820.00)	\$ 4,947,180.00	\$ 32,820.00
Water and Sewer Impact Fees	Construction	40%	\$ (285,936.40)	\$ 4,661,243.60	\$ 285,936.40
Direct Sales Tax Revenue from Construction Activity	Construction	See table above	\$ (1,062,022.50)	\$ 3,599,221.10	\$ 1,062,022.50
Total					\$ 1,380,778.90
Debt Balance After Construction					\$ 3,599,221.10

Phase 2: Operation of Phase 1 and Construction of Phase Two (18 months)					
Item	Time Period	Percentage of Total Planned	Cost and Revenue	Running Balance After Phase 1 Construction is Complete	TO CITY
Fire and Police Impact Fees	Construction (Phase 2)	40%	\$ (32,820.00)	\$ 3,566,401.10	\$ 32,820.00
Water and Sewer Impact Fees	Construction (Phase 2)	40%	\$ (285,936.40)	\$ 3,280,464.70	\$ 285,936.40
Direct Sales Tax Revenue from Construction Activity	Construction (Phase 2)	See table above	\$ (601,667.96)	\$ 2,678,796.74	\$ 601,667.96
Indirect Sales Tax from Employees on Property	Year 1 of Phase 1 Operation	920 Employees	\$ (212,784.00)	\$ 2,466,012.74	\$ 212,784.00
Indirect Sales Tax from Residents Residing on the Property	Year 1 of Phase 1 Operation	40%	\$ (107,368.80)	\$ 2,358,643.94	\$ 107,368.00
Property Tax Revenue	Year 1 of Phase 1 Operation	40%	\$ (76,568.80)	\$ 2,282,075.14	\$ 76,568.80
Water and Sewer (25% of total billing)	Year 1 of Phase 1 Operation	40%	\$ (268,447.20)	\$ 2,013,627.94	\$ 268,447.20
Direct Sales Tax Revenue from Retail, Hotel, and Restaurant Sales	Year 1 of Phase 1 Operation	40%	\$ (797,115.00)	\$ 1,216,512.94	\$ 797,115.00
Total					\$ 3,763,486.26
Debt Balance After Construction of Phase 2					\$ 1,216,512.94

³² Each construction phase is 18 months, this estimate was provided by the owner of South Cato Springs LLC.

³³ Estimate completed by City of Fayetteville Engineering Division in October of 2021.

³⁴ NAICS 44-45 Retail Trade. NAICS 72 Accommodation and Food Services.

South Cato Holdings, LLC Infrastructure Incentive Analysis November 29, 2021

Phase 3: Operation of Phase 1 and 2 and Construction of Phase Three (18 months)

Item	Time Period	Percentage of Total Planned	Cost and Revenue	Running Balance After Phase 2 Construction is Complete	TO CITY
Water and Sewer Impact Fees	Construction (Phase 3)	20%	\$ (142,968.20)	\$ 1,073,544.74	\$ 142,968.20
Fire and Police Impact Fees	Construction (Phase 3)	20%	\$ (16,410.00)	\$ 1,057,134.74	\$ 16,410.00
Direct Sales Tax Revenue from Construction Activity	Construction (Phase 3)	See table above	\$ (224,761.25)	\$ 832,373.49	\$ 224,761.25
Indirect Sales Tax from Employees on Property	Year 1 of Phase 1 and 2 Operation	1090 Employees	\$ (244,608.00)	\$ 587,765.49	\$ 244,608.00
Indirect Sales Tax from Residents Residing on the Property	Year 1 of Phase 1 and 2 Operation	80%	\$ (214,737.60)	\$ 373,027.89	\$ 214,737.60
Direct Sales Tax Revenue from Retail, Hotel, and Restaurant Sales	Year 1 of Phase 1 and 2 Operation	80%	\$ 1,356,615.00	\$ 938,587.11	\$ 1,356,615.00
Property Tax Revenue	Year 1 of Phase 1 and 2 Operation	80%	\$ 153,137.60	\$ 1,091,724.71	\$ 153,137.60
Water and Sewer (25% of total billing)	Year 1 of Phase 1 and 2 Operation	80%	\$ 572,894.40	\$ 1,664,619.11	\$ 572,894.40
Total					\$ 6,689,618.31
Net Profit After Completion of Phase 3					\$ 1,664,619.11

Phase 4: Full Operation of Completed Master Plan

Item	Time Period	Percentage of Total Planned	Cost and Revenue	Running Balance After Phase 1 Construction is Complete	TO CITY
Indirect Sales Tax from Employees on Property	Year 1 of Full Operation	1615 employees	\$ 338,128.00	\$ 2,002,747.11	\$ 338,128.00
Indirect Sales Tax from Residents Residing on the Property	Year 1 of Full Operation	100%	\$ 268,422.00	\$ 2,271,169.11	\$ 268,422.00
Direct Sales Tax Revenue from Retail, Hotel, and Restaurant Sales	Year 1 of Full Operation	100%	\$ 1,655,085.00	\$ 3,926,254.11	\$ 1,655,085.00
Property Tax Revenue	Year 1 of Full Operation	100%	\$ 191,422.00	\$ 4,117,676.11	\$ 191,422.00
Water and Sewer (25% of total billing)	Year 1 of Full Operation	100%	\$ 716,118.00	\$ 4,833,794.11	\$ 716,118.00
Total					\$ 9,858,793.31
Net Profit After First Year of Full Operation					\$ 4,833,794.11

**South Cato Holdings, LLC Infrastructure Incentive Analysis
November 29, 2021**

Phased Municipal Investment Recapture (Inflated Infrastructure, Inflated Revenue)

The final model of the report presents what staff feels is the most accurate measure of repayment of the City's infrastructure investment on the South Cato Springs property. The model maintains the same inflated infrastructure cost and estimates inflation on construction pricing, business sales, and onsite expenditures by employees and residents.

- **Timeframe for Recapture of Municipal Investment:** During the early stages of construction for phase 3, roughly 30 months after completion of municipal infrastructure.
- **Net Profit after Year 1 of Full Operation of the Site:** \$5,861,857.09

Construction by Phase		
Phase 1	Phase 2	Phase 3
All Medical Facilities	40% of Office	20% of Office
40% of Office	40% of Retail	20% of Retail
40% of Retail	40% of Housing	20% of Housing
40% of Housing		
All Restaurant and Hotels		

Inflation/Cost Escalation Percentages			
Measurement	Phase 1	Phase 2	Phase 3
Construction Cost	40%	40%	40%
Impact Fees, Utility Billing, Property Taxes	0%	0%	0%
Direct Sales from Hotel, Retail, Restaurant ³⁵	6% ³⁶	5%	3%
Resident and Employee on property spending ³⁷	6%	5%	3%

Phase 1: Construction (18 months)					
Item	Time Period	Percentage of Total Planned	Cost and Revenue	Running Balance	TO CITY
Infrastructure Package	Pre-construction		\$ 7,980,000.00	\$ 7,980,000.00	
Department of Transportation Federal Grant	Pre-construction		\$ (3,000,000.00)	\$ 4,980,000.00	
Fire and Police Impact Fees	Construction	40%	\$ (32,820.00)	\$ 4,947,180.00	\$ 32,820.00
Water and Sewer Impact Fees	Construction	40%	\$ (285,936.40)	\$ 4,661,243.60	\$ 285,936.40
Direct Sales Tax Revenue from Construction Activity	Construction	See table above	\$ (1,486,831.50)	\$ 3,174,412.10	\$ 1,486,831.50
Total					\$ 1,805,587.90
Debt Balance After Construction					\$ 3,174,412.10

Table 1: 40% Inflation on construction costs

³⁵ Annual cost of goods increased based off 2021 sales and expenditure estimates. Each phase (18 months) is increased off 2021 figures.

³⁶ U.S. Bureau of Economic Analysis

³⁷ Ibid.

South Cato Holdings, LLC Infrastructure Incentive Analysis November 29, 2021

Phase 2: Operation of Phase 1 and Construction of Phase Two (18 months)

Item	Time Period	Percentage of Total Planned	Cost and Revenue	Running Balance After Phase 1 Construction is Complete	TO CITY
Fire and Police Impact Fees	Construction (Phase 2)	40%	\$ (32,820.00)	\$ 3,141,592.10	\$ 32,820.00
Water and Sewer Impact Fees	Construction (Phase 2)	40%	\$ (285,936.40)	\$ 2,855,655.70	\$ 285,936.40
Direct Sales Tax Revenue from Construction Activity	Construction (Phase 2)	See table above	\$ (842,335.14)	\$ 2,013,320.56	\$ 842,335.14
Indirect Sales Tax from Employees on Property	Year 1 of Phase 1 Operation	920 Employees	\$ (225,551.04)	\$ 1,787,769.52	\$ 225,551.04
Indirect Sales Tax from Residents Residing on the Property	Year 1 of Phase 1 Operation	40%	\$ (113,810.08)	\$ 1,673,959.44	\$ 113,810.08
Property Tax Revenue	Year 1 of Phase 1 Operation	40%	\$ (76,568.80)	\$ 1,597,390.64	\$ 76,568.80
Water and Sewer (25% of total billing)	Year 1 of Phase 1 Operation	40%	\$ (268,447.20)	\$ 1,328,943.44	\$ 268,447.20
Direct Sales Tax Revenue from Retail, Hotel, and Restaurant Sales	Year 1 of Phase 1 Operation	40%	\$ (844,941.90)	\$ 484,001.54	\$ 844,941.90
Total					\$ 4,495,998.46
Debt Balance After Construction of Phase 2					\$ 484,001.54

Table 2: 40% Inflation on construction costs, 6% inflations on employee, residential, and direct spending. No inflation on property taxes, water and sewer billing, and impact fees.

Phase 3: Operation of Phase 1 and 2 and Construction of Phase Three (18 months)

Item	Time Period	Percentage of Total Planned	Cost and Revenue	Running Balance After Phase 2 Construction is Complete	TO CITY
Water and Sewer Impact Fees	Construction (Phase 3)	20%	\$ (142,968.20)	\$ 341,033.34	\$ 142,968.20
Fire and Police Impact Fees	Construction (Phase 3)	20%	\$ (16,410.00)	\$ 324,623.34	\$ 16,410.00
Direct Sales Tax Revenue from Construction Activity	Construction (Phase 3)	See table above	\$ (314,665.75)	\$ 9,957.59	\$ 314,665.75
Indirect Sales Tax from Employees on Property	Year 1 of Phase 1 and 2 Operation	1090 Employees	\$ 256,838.40	\$ 246,880.81	\$ 246,880.81
Indirect Sales Tax from Residents Residing on the Property	Year 1 of Phase 1 and 2 Operation	80%	\$ 225,474.48	\$ 472,355.29	\$ 225,474.48
Direct Sales Tax Revenue from Retail, Hotel, and Restaurant Sales	Year 1 of Phase 1 and 2 Operation	80%	\$ 1,424,445.75	\$ 1,896,801.04	\$ 1,424,445.75
Property Tax Revenue	Year 1 of Phase 1 and 2 Operation	80%	\$ 153,137.60	\$ 2,049,938.64	\$ 153,137.60
Water and Sewer (25% of total billing)	Year 1 of Phase 1 and 2 Operation	80%	\$ 572,894.40	\$ 2,622,833.04	\$ 572,894.40
Total					\$ 7,592,875.45
Net Profit After Completion of Phase 3					\$ 2,622,833.04

Table 3: 40% Inflation on construction costs, 5% inflation on employee, residential, and direct spending. No inflation on property taxes, water and sewer billing, and impact fees.

Phase 4: Full Operation of Completed Master Plan

Item	Time Period	Percentage of Total Planned	Cost and Revenue	Running Balance After Phase 1 Construction is Complete	TO CITY
Indirect Sales Tax from Employees on Property	Year 1 of Full Operation	1615 employees	\$ 348,271.84	\$ 2,971,104.88	\$ 348,271.84
Indirect Sales Tax from Residents Residing on the Property	Year 1 of Full Operation	100%	\$ 278,474.66	\$ 3,249,579.54	\$ 278,474.66
Direct Sales Tax Revenue from Retail, Hotel, and Restaurant Sales	Year 1 of Full Operation	100%	\$ 1,704,737.55	\$ 4,954,317.09	\$ 1,704,737.55
Property Tax Revenue	Year 1 of Full Operation	100%	\$ 191,422.00	\$ 5,145,739.09	\$ 191,422.00
Water and Sewer (25% of total billing)	Year 1 of Full Operation	100%	\$ 716,118.00	\$ 5,861,857.09	\$ 716,118.00
Total					\$ 10,831,899.50
Net Profit After First Year of Full Operation					\$ 5,861,857.09

Table 4: 40% Inflation on construction costs, 3% inflation on employee, residential, and direct spending. No inflation on property taxes, water and sewer billing, and impact fees.

ATTACHMENT F: AEDI Economic Impact Analysis

ATTACHMENT G-K: Letters of Support



Supporting Lifelong Success for Neurodiverse Adults

14 November 2022

Fayetteville Mayor & City Council
c/o City of Fayetteville
113 West Mountain St
Fayetteville, Arkansas 72701

RE: Support for the Infrastructure Funding for the South Cato Springs Project

Dear Mayor Jordan and Fayetteville City Council,

I am writing to express my strong support for the proposed infrastructure funding for the South Cato Springs project.

I am the co-founder of SLS Community and the wife of Ashton McCombs III. This project is grounded in our personal experience with our daughter, Anna, who is on the autism spectrum with severe behavior. Along our journey with Anna, we met many families in the same struggle to find access to services and a supportive environment where their loved one can thrive.

SLS Community seeks to be a part of the growing movement to change the current paradigm of services, opportunities, and inclusion for those with neurodivergent conditions. We are devoted with many incredible partners to building on the groundwork Ashton laid and making the family's dream for Anna and others a reality for many.

Our vision is a "live, work, play" community with the requisite resources and services for neurodiverse adults to reach their full potential. This includes capacity for those individuals with high intervention needs for severe behavior that can be hardest to place. Like everyone, neurodiverse individuals seek to lead full lives, and deserve access to community, employment, housing options, recreation, health resources, and support services. Our goal is to orchestrate this effort through collaborative relationships with our "impact partners".

This infrastructure funding is an important catalyst for the combined SLS Community/South Cato Springs project. We believe this project, once actualized, will reap substantial quality-of-life, economic, and social dividends for the neurodiverse population and many others in NWA.

Thank you very much for recognizing the importance of this mission and your leadership. We seek to produce a model that is a jewel for Arkansas, and replicable in other parts of the country. As the tide of Northwest Arkansas continues to rise, our mission is to help ensure that those with the greatest need are brought along.

Warm Regards,

A handwritten signature in black ink, appearing to read 'Betts McCombs'.

Betts McCombs
Co-Founder, SLS Community

SOUTH CATO SPRINGS HOLDINGS, LLC
4375 N. Vantage Drive, #104
Fayetteville, AR 72703

November 16, 2022

Fayetteville City Council
c/o City of Fayetteville
113 West Mountain Street
Fayetteville, Arkansas 72701

Re: Support for Proposed Infrastructure Funding

To whom it may concern:

On behalf of South Cato Springs Holdings, LLC which purchased +230-acres located on South Cato Springs Road in 2019, we support the proposed infrastructure funding from the City of Fayetteville.

South Cato Springs Holdings, LLC and SLS Community have worked closely together on our planned mixed-use development that is grounded in the non-profit's mission: to create opportunities for neurodiverse adults to flourish, interact meaningfully with the broader community, and find their own path to self-actualization.

To this end, we have collaborated with architects, engineers, clinical experts, the business community, and the City of Fayetteville on a master plan for a development that not only addresses the needs of this neurodiverse population, but also becomes a stage that promotes positive everyday interactions between the neurodiverse and broader population.

We are proud to be an impact partner of SLS Community and part of a community that is receptive to these ambitious goals. Thank you for considering this infrastructure funding which will be an essential piece in activating the project.

Sincerely,


Matthew R. Zakaras

Office of Chancellor

4301 W. Markham St., #541
Little Rock, AR 72205

MAIN: 501-686-5681
Fax: 501-686-8137



UAMShealth.com

Cam Patterson, M.D., M.B.A.
Chancellor

November 10, 2022

Fayetteville City Council
c/o City of Fayetteville
113 West Mountain St.
Fayetteville, Arkansas 72701

RE: Support for Plans by the SLS Community

Dear Fayetteville City Council Members:

I am writing to voice my strong support for the SLS Community and their plans for a special facility for adults with complex neurodevelopmental conditions. This development, on land near Kessler Mountain Regional Park, will support neurodiverse adults in their journey to fulfillment and self-actualization. To enable this project, SLS Community will need your support.

Years ago, the University of Arkansas for Medical Sciences (UAMS) opened a clinic to serve patients with these kinds of challenging behavioral conditions. More recently, we started a similar clinic on our Northwest Campus in Fayetteville, with our specialists seeing patients every two weeks. Much of the inspiration to open a clinic in Northwest Arkansas came as we got acquainted with the McCombs family, who founded the SLS Community.

Betts and the late Ashton McCombs were inspired to start SLS Community as a way to assemble the specialized types of resources that would allow neurodiverse adults, such as their daughter Anna, a young adult who requires intense support to manage her behavioral and physical health. Their vision for this development is a community that would include housing, employment, recreation and on-site services to promote the physical and mental wellbeing of the neurodiverse.

Based on the McCombs' vision for this project, UAMS joined with them to convene an advisory group of national and international neurodiversity experts. The group included parents of neurodiverse children and adults, along with clinicians and researchers focused on a planned clinic for the project and how it could be most impactful to those its patients. The advisory group offered suggestions around infrastructure, design considerations and ways the clinic could dramatically improve the life experiences for neurodiverse individuals in a holistic manner, complementing to the entire development. This shared vision included attention to these individuals' medical, neuro-psychiatric, nutritional, recreational, social, training and employment, and spiritual needs.

Page 2

Letter of Support — SLS Community

11-10-2022

I am thrilled that the SLS Community's plan is moving forward. This unique project will serve and improve the lives of individuals from all over Arkansas and beyond. UAMS will continue to be a supporter and champion for it.

While the SLS Community's vision is achievable, it will need your help. Specifically, we are hopeful the city will provide support for land development at the site.

I ask you to support the SLS Community in this endeavor. If I can provide any additional information in support of this project, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Cam Patterson", is centered on a light blue rectangular background.

Cam Patterson, M.D., MBA

Chancellor

University of Arkansas for Medical Sciences



November 9, 2022

Fayetteville City Council

Re: SLS Community Funding Support

Dear Council Members,

I am writing to express my confidence and enthusiastic support for the proposed City of Fayetteville funding to match the federal infrastructure funding for the SLS Community buildout on South Cato Springs. This project will be a game-changer for neurodiverse adults, who suffer life-long challenges in employment and engagement. In addition, the integrated approach being undertaken engages the largest healthcare, real estate development, and entrepreneurial support organizations in the State to help drive an unprecedented public-private partnership. This SLS project will have significant impacts on the overall quality of life in Northwest Arkansas, not just for the neurodiverse, but for the entire community. Startup Junkie Consulting has been an active partner in promoting and supporting the SLS project since inception.

Startup Junkie supports, inspires, and educates entrepreneurs and innovators by providing no-cost, one-on-one consulting; events, workshops and programs; and access to capital and talent. We remove barriers for historically underserved populations by democratizing access to entrepreneurial resources and providing strategic support to any individuals seeking to establish or grow their business. Our robust team is equipped to support entrepreneurs at every stage of their journey including but not limited to venture finance, commercial finance and crowdfunding. We work with over 1000 entrepreneurs each year across multiple disciplines. I also have run several early-stage funds and have an investment portfolio of over 90 ventures with some substantial exits. The SLS project expands access to employment and entrepreneurship to a neurodiverse community largely overlooked historically.

This SLS team has continuously demonstrated commitment, passion, and willingness to make this needed organization and infrastructure a reality. Startup Junkie Consulting will continue to support the SLS team as they launch and expand their capabilities. The requested infrastructure match funding is absolutely crucial for the impact of the SLS Community to be fully realized. I strongly recommend the City Council approve this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Amerine", written over a horizontal line.

Jeff Amerine, PMP
Founding Principal

jeff@startupjunkieconsulting.com

www.startupjunkie.com

870.577.0759

CHAMBER

FAYETTEVILLE

November 16th, 2022

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

Dear Mayor Jordan and City Council,

It is rare for a project to come before us that has such a profound impact on our City. The SLS Community project is a symbol of hope and the beginning of a new chapter in the lives of countless families. I have had the honor of being in the life of many individuals who would be touched by this development, and I know all too well the need for this in our community. It truly speaks to the character and goodwill of Fayetteville and its collaborators, and the partnerships created will be immortalized in the very fabric of our City.

We have an opportunity to reshape what it means to deliver community and healthcare services. This project will be an example for all to see that we can always become more inclusive, more supportive, and better equipped to meet the modern needs of the families of the neurodiverse. This is a once in a lifetime opportunity that will provide a new heart and soul to Fayetteville, supplementing the amazing growth we are already experiencing. This will ensure that through all that growth, we continue to focus on providing services to those most in need.

The Fayetteville Chamber of Commerce is in complete support of the SLS Community project. We urge the community and our leaders to rally behind the staff and officials behind this project and thank them for bringing us to where we are now. The Chamber specifically thanks the McComb's Family, Matthew Zakaras, Devin Howland and the City of Fayetteville Staff for the heart and vision to see this through.

Respectfully,



Taylor Shelton
Chief Economic Development Officer
Fayetteville Chamber of Commerce



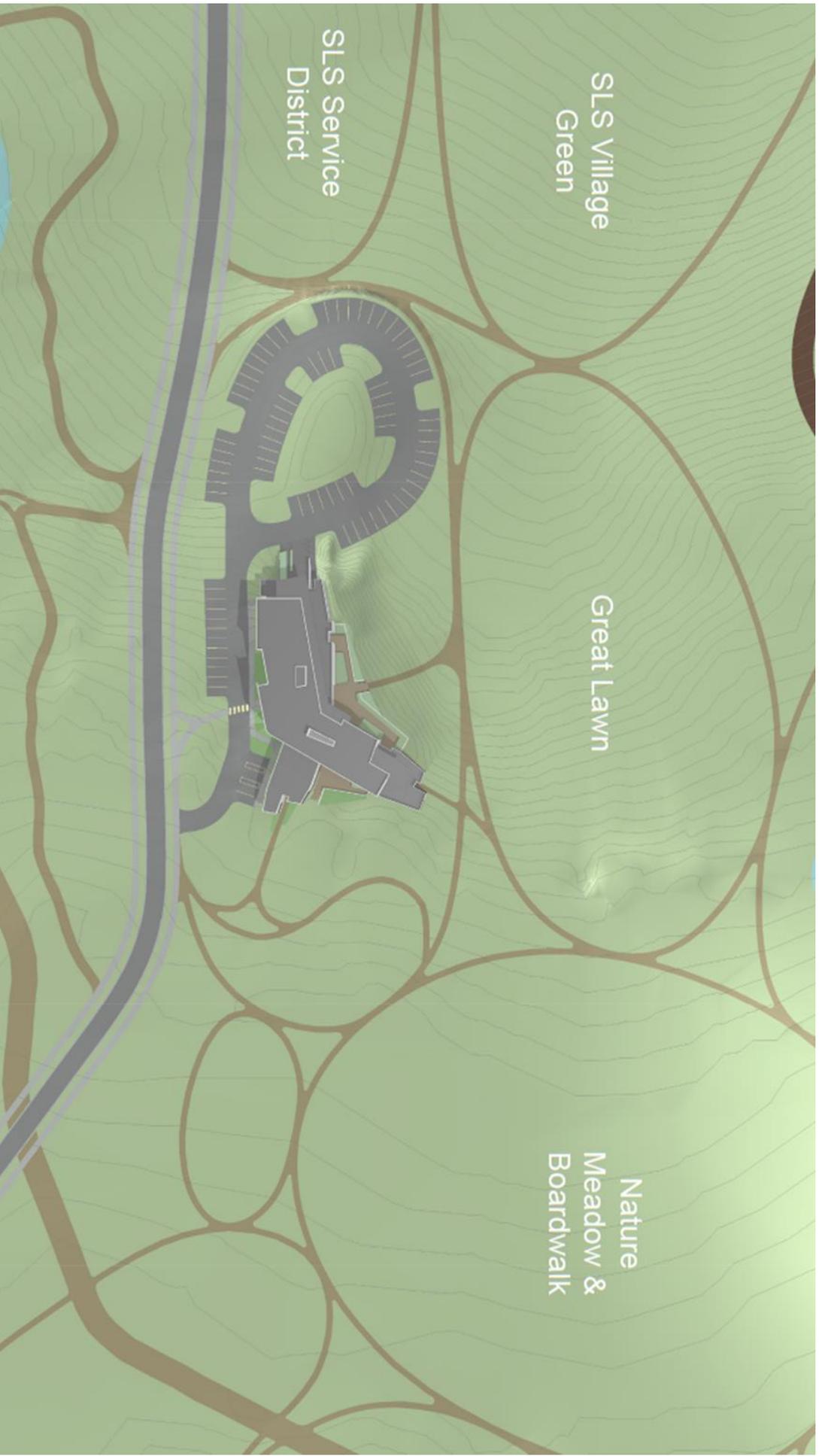
ATTACHMENT L: South Cato Springs Conceptual Master Plan

South Cato Springs Conceptual Master Plan



ATTACHMENT M: UAMS Conceptual Master Plan





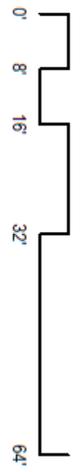
SLS Village
Green

SLS Service
District

Great Lawn

Nature
Meadow &
Boardwalk

UAMS PROJECT LLAMA
CONCEPTUAL FIRST FLOOR PLAN
 11.03.2021



PLAN DIAGRAM COLOR LEGEND

- WELCOME GALLERY
- CLINIC SUITE
- APPLIED BEHAVIOR ANALYSIS (ABA) SUITE
- THERAPY SUITE
- STAFF / ADMINISTRATIVE SUITE
- BUILDING SUPPORT
- GREEN / GARDEN SPACE



POLK
 STANLEY
 WILCOX

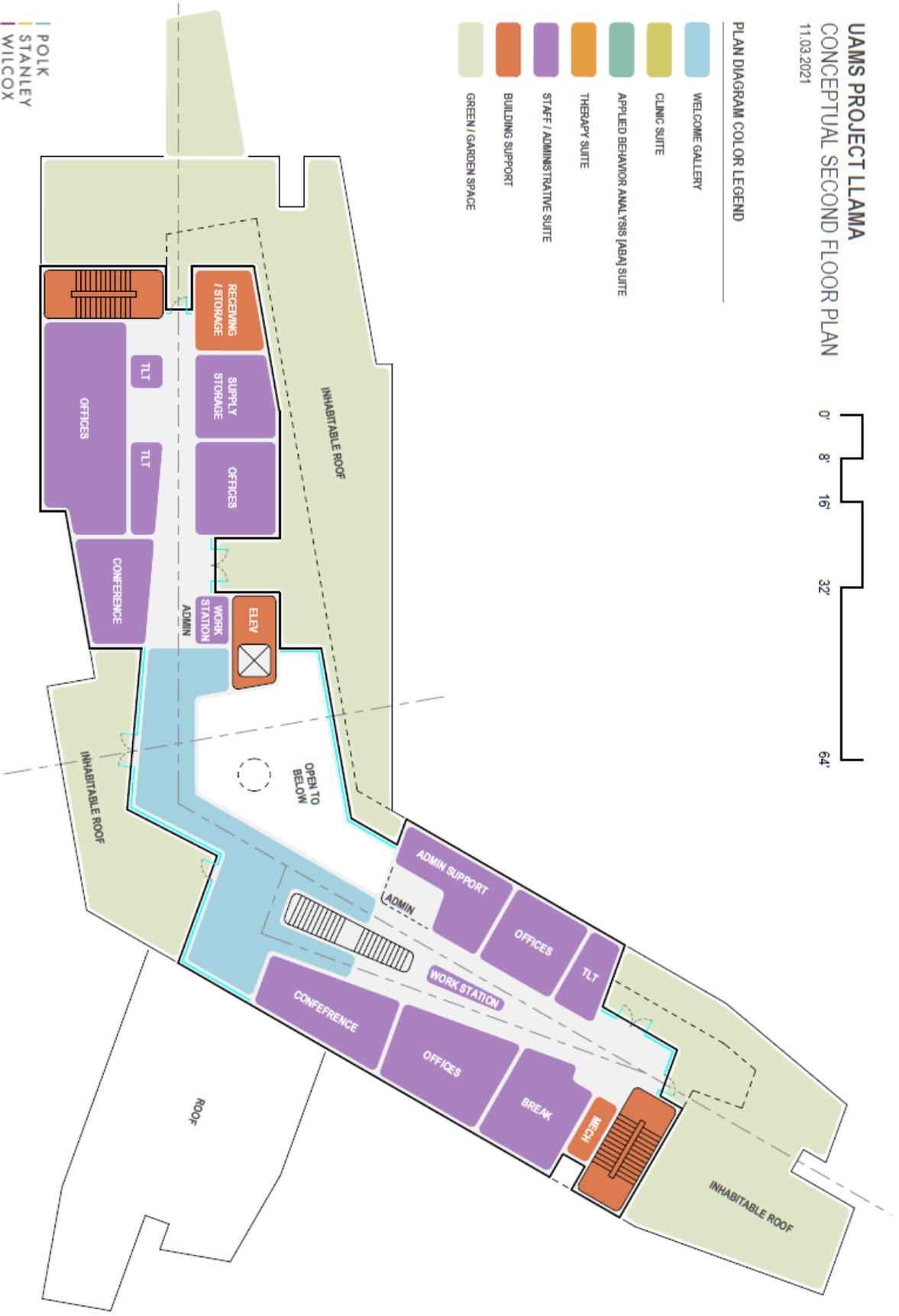
UAMS PROJECT LLAMA
CONCEPTUAL SECOND FLOOR PLAN
 11.03.2021



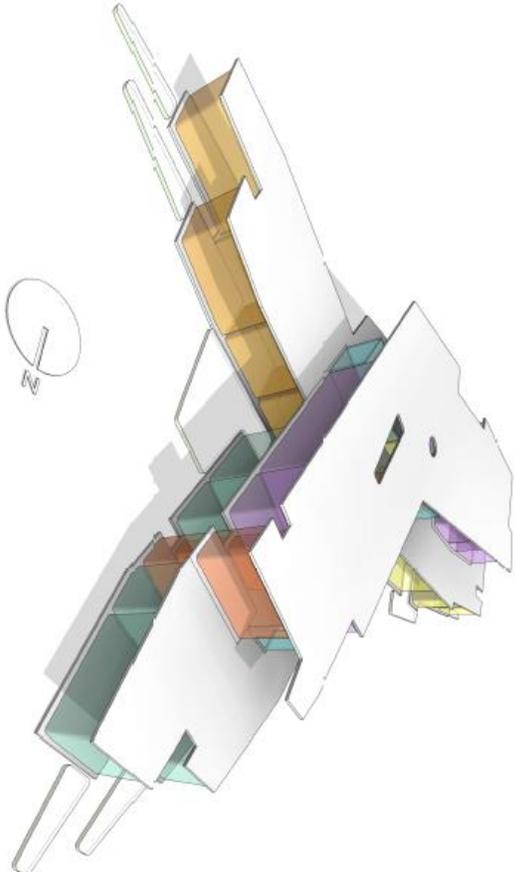
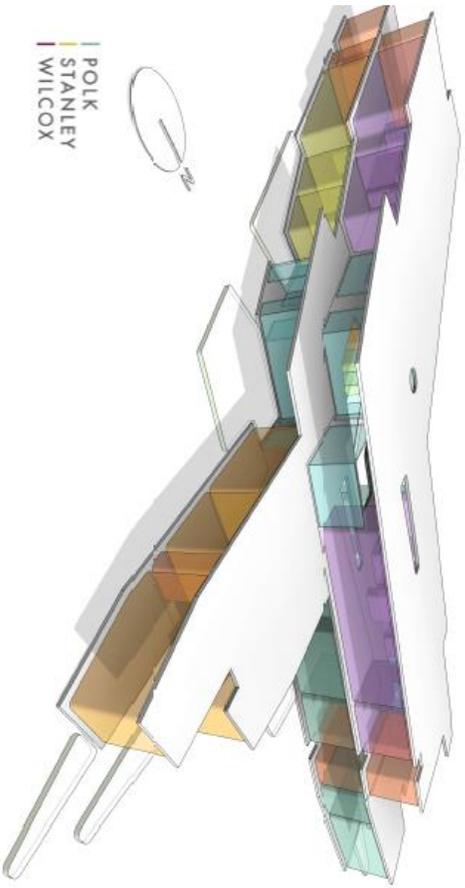
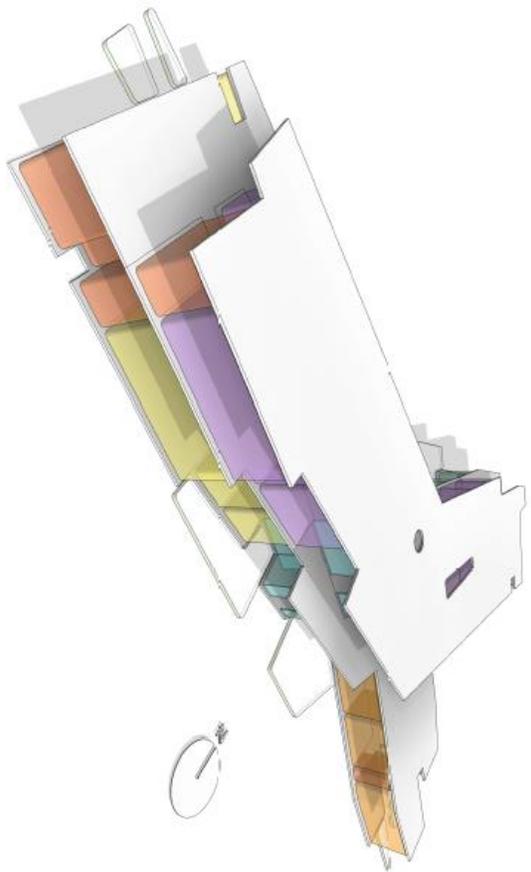
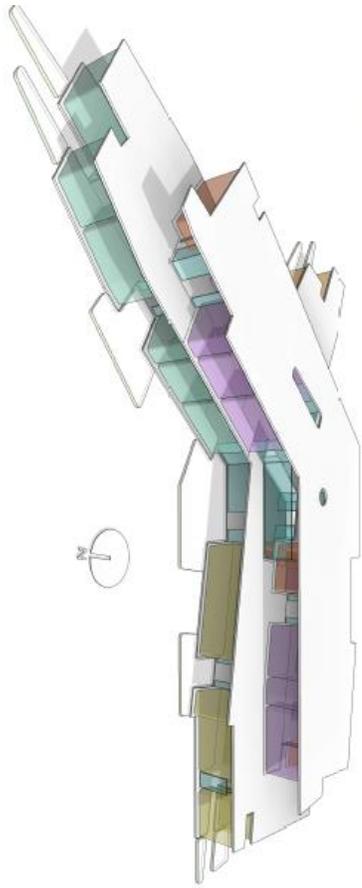
PLAN DIAGRAM COLOR LEGEND

- WELCOME GALLERY
- CLINIC SUITE
- APPLIED BEHAVIOR ANALYSIS (ABA) SUITE
- THERAPY SUITE
- STAFF / ADMINISTRATIVE SUITE
- BUILDING SUPPORT
- GREEN / GARDEN SPACE

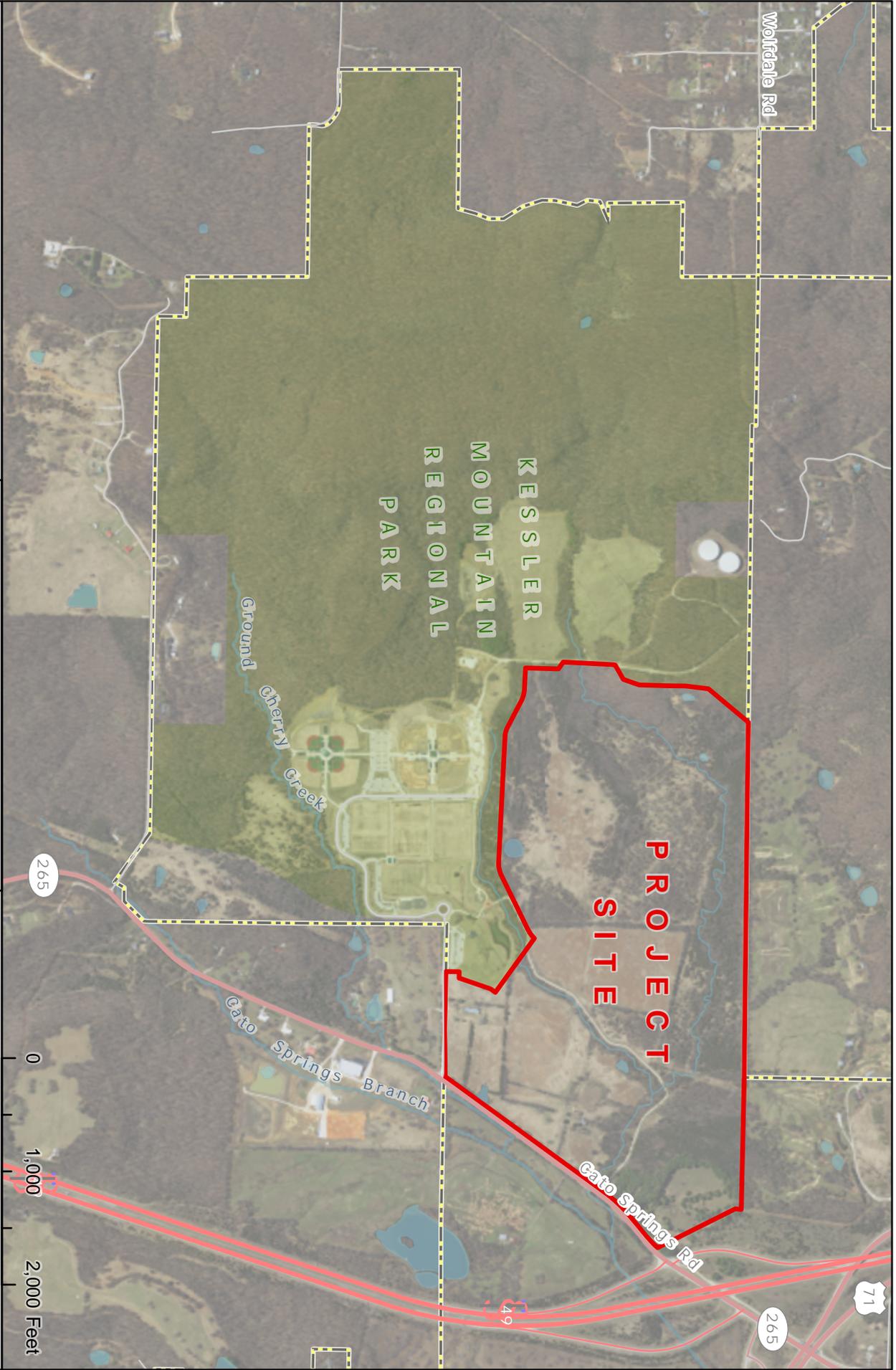
POLK
 STANLEY
 WILCOX



UAMS PROJECT LLAMA
CONCEPTUAL MASSING IMAGES
11.03.2021



| POLK
| STANLEY
| WILCOX



-  Project Site
-  Park
-  City Limits

Attachment N:
 SLS Community Infrastructure Project Site
 Fayetteville, AR



The data contained herein was compiled from various sources for the scale, use and accuracy. It serves as a reference only. Any use of the data by anyone other than the City of Fayetteville is at the sole risk of the user, and by acceptance of this data, the user does hereby agree to indemnify the City of Fayetteville and hold the City of Fayetteville harmless from and against all claims, damages, losses, costs, and expenses of service rendered by the City of Fayetteville, and its employees, agents, and contractors, arising from the use of this data. No word, phrase, or clause found herein shall be construed to waive that tort immunity set forth under Arkansas law.
 Created: 8/17/2022
 Path: G:\GIS\Projects\2022\SLS Site Maps\SLS Site Map.aprx

**ATTACHMENT O: City Council Community Project Fund Notification Letter from
March 2022**



March 22, 2022

Council Member
City of Fayetteville
113 W. Mountain Street
Fayetteville, AR 72701

Dear Council,

Notice of receipt of a Community Project Fund Award:

Starting in 2017, the City of Fayetteville administration became aware of the potential to attract a new economic development project. The City began working with Ashton and Betts McCombs, founders of the non-profit [SLS Community](#), on planning for a large-scale development that would seek to address the issue of a lack of community resources, infrastructure, and 21st century vocational opportunities aimed at serving neurodiverse individuals and their families. The project is comprised of several different impact partners including UAMS, the Fayetteville Chamber of Commerce, and Phigenics.

In April of 2021, Mayor Jordan sent a letter to Congressman Womack requesting support for a \$15 million Federal Community Project Fund Award to build infrastructure needed to support the property identified for the project. The Fayetteville Chamber of Commerce has also been instrumental in securing this award from Congress. Referenced in his letter, Mayor outlined a proposed match of \$2 million that he plans to bring to the City Council for review and consideration (proposing to use Q6 Bond Economic Development Funds). [Question 6 of Fayetteville's 2019 Bond Program is Economic Development.](#)

As you've read in the news, the Federal Budget finally passed on March 8, 2022. On March 9, 2022, we were notified that the City of Fayetteville would receive a \$3 million Federal award. The acceptance of this award will be brought before you for your review and consideration this year. Given cost escalation in construction as inflation challenges continue, City staff is currently in the process of refining infrastructure project costs to reflect current pricing.

The Administration wants to provide you with an update on (i) the City's collaboration with a local non-profit [SLS Community](#) charged with improving the lives of neurodiverse adults and (ii) a related development project called South Cato Springs located just north of Kessler Regional Park. SLS Community and this project were included in the Mayor's State of the City address in January, and were also part of US Congressman Steve Womack's recent [press release](#) on infrastructure projects in his district that were awarded federal funding as part of the recently passed federal spending bill.

Representatives from SLS Community would like the opportunity to meet with each member of the City Council to share the SLS Community story, their plans, next steps for the project as well as solicit feedback from you on ways to improve their project. These meetings will be held on the property where SLS will locate and include representatives from UAMS. The City's Department of Economic Vitality will be reaching out to you to coordinate these meetings in the coming weeks.

* * * *

Background on SLS Community

Founded by Ashton and Betts McCombs in 2016, SLS Community is a non-profit organization with the vision and plan to create a community of vocational, residential, and clinical resources that will improve the lives of neurodiverse residents and their families. The vision of SLS Community was borne out of the McCombs' experience in caring for their daughter Anna who was diagnosed on the autism spectrum at an early age and is now an adult.

The Administration first met Ashton five years ago when SLS Community was still in its nascent stage. On June 4, 2018, Ashton McCombs gave a [presentation about the SLS Community](#) to the Town and Gown Committee. Progress on the SLS Community project has also been referenced in several of the City's [Economic Vitality Contract partners monthly reports](#). During the City Council Meeting on February 2, 2021, the project was discussed during the Entrepreneurial Contract Services renewal ([2021-0020](#)). Most recently, Mayor Jordan announced in his [2022 State of the City Address](#):

"This year, you will hear more about a new project in Fayetteville that I'm really excited about. SLS Community and South Cato Springs LLC are creating a community of vocational, residential and clinical resources that will help improve the lives of neurodiverse residents and their families.

I believe this will be one of the most significant economic and community development projects ever to come to Fayetteville."- Mayor Jordan, January 25, 2022

Grounded on a collaborative model which leverages the resources of impact partners, SLS Community will create opportunities for neurodiverse adults to interact meaningfully within the broader community, flourish and find their own paths to self-actualization.

The SLS Community initiative will also honor the visionary behind this project and friend of the City, Ashton McComb's III whom we lost late last year. As both the SLS Community and the McComb's family have been navigating this challenging time, we are excited to report that the SLS Community organization has continued to dedicate a high level of energy and resources to this project.

South Cato Springs Project

The South Cato Springs project is located on +230-acres along South Cato Springs Road in Fayetteville, Arkansas. The land is near the University of Arkansas campus, Kessler Mountain Regional Park, downtown Fayetteville, and Interstate 49—the main thoroughfare in northwest Arkansas. The master plan, which is still a work in progress and living document that includes commercial, vocational, residential, recreational, and clinical resources to improve the quality of

life of the entire community of Northwest Arkansas while promoting meaningful interaction between neurodiverse adults and the broader community along “live, work and play” themes that are interwoven in “this mixed-use” development.

The City of Fayetteville has been collaborating with the private landowner South Cato Springs Holdings, LLC (another impact partner which purchased the land in 2019), to craft a land plan that was grounded in the SLS Community mission and the City of Fayetteville’s vision for the future.

The City has had an unprecedented seat at the table for the past five years working with the SLS Community. Staff has been exploring opportunities for how the South Cato Springs Project can provide a number of other City benefits. Examples include a sanitary sewer connection to Kessler Mountain Regional Park. A secondary access point to Kessler Mountain Regional Park and other recreational enhancements have also been discussed. This high level of collaboration has enabled us to work together on numerous fronts to ensure a great deal of social, environmental, and economic benefits for our community. One of the challenges of the project relates to infrastructure, specifically access to sanitary sewer and an access road for the site. Following a request from SLS Community for infrastructure assistance, staff began exploring numerous avenues for grants to support this request.

The project intentionally integrates commercial, residential, cultural, institutional and entertainment components that promote a healthy lifestyle and meaningful interaction between the neurodiverse and broader community. True inclusion of neurodiverse individuals within the broader community is more likely to succeed if neurodiverse individuals are seen as assets rather than burdens.

Triple Bottom Line Benefits

The project boasts an array of social, economic, and environmental benefits:

Social:

- Headquarters and facilities for SLS Community and the UAMS Genomic Clinic;
- Opportunities to enhance Kessler Mountain Regional Park;
- Incorporation of a network of soft surface hiking and biking trails;
- True inclusion of neurodiverse residents with the broader community.

Economic:

- Estimated capital investment of over \$238 million;
- UAMS Genomic Clinic;
- Headquarters and Research and Development facility of Phigenics, a national water quality company;
- Technical education and employment opportunities for neurodiverse residents.

Environmental:

- Expanded tree preservation on the property;
- Connection of Kessler Mountain Regional Park to sanitary sewer and removal of the current onsite septic system.

Problem Framing: Why Does SLS Community Exist?

About a half million individuals with neurodiversity in the United States will become adults over the next decade, a swelling tide for which the country is unprepared. When they turn 21, these individuals leave behind the programming and funding they received under the Individuals With Disabilities Education Act and enter a labyrinth of government services that vary wildly from state to state. This gap between services provided to a neurodiverse child and services provided to an adult is often called the “Services Cliff.”

In general, adults diagnosed with autism spectrum disorder (ASD) are eligible for resources through Medicaid, income supplement programs under Supplemental Security Income (SSI), and various state disability agencies. These funds are meant to be combined and configured to fit the needs and priorities of each person, going toward everything from employment opportunities and day services to long-term care. It is difficult for families to navigate these layers of bureaucracy. But all the layers of bureaucracy often seem to tangle together for families. Safeguards intended to protect neurodiverse adults from being exploited often stymie parents and cost them money they simply do not have.

The reality is that less than two percent of funding for autism is directed to the experience of adulthood and aging—even though people with autism spend a vastly greater proportion of their life as adults. Meanwhile, global estimates range as high as 85 percent unemployment or underemployment for adults with intellectual and developmental disabilities (IDD)—the lowest employment rate among disability groups. There’s not enough funding in the first place, but even so, a lot of money is left on the table because the system is so difficult to navigate. It’s an extremely tough problem for families of full-time professionals and nearly impossible for families with less resources.

In addition, services for adults with neurodiversity are overcrowded and ill-equipped. Nationally, 850,000 people with significant disabilities are waiting for help to avoid being institutionalized. People with neurodiversity and their families often wait years—sometimes decades—to access these government-supported services. Furthermore, many private healthcare providers report lacking skills and tools to care for the growing number of adults with neurodiversity.

The scale and complexity of the social problems facing the neurodiverse community has made reforms difficult. The heroic efforts of countless direct service providers and nonprofits, together with billions of dollars in charitable contributions, may have led to important improvements in individual services, yet systemic change seems out of reach. While many of these services exist, the crux of the problem remains that they are often both isolated and cost-prohibitive for most families. Against these daunting realities, a remarkable exception is emerging in Fayetteville Arkansas: SLS Community and its impact partners.

Other Impact Partners of SLS Community: UAMS and Phigenics

UAMS. SLS Community has also partnered with UAMS to develop and construct an outpatient medical facility on the property. Specialty medical services and allied therapeutic services will be provided to all consumers, with special adaptations and accommodations for the special needs of the neurodiverse population. Other benefits of the UAMS medical facility include:

- Provide access to primary and specialty care for neurodiverse adults;
- A place for advancing science allowing these adults to live richer, meaningful lives;
- A home to academic programs for educating the next generation of health professionals, caregivers, and researchers.

Phigenics. A growing water-tech company named Phigenics, LLC has committed to developing its new corporate headquarters on the land. R&D efforts at the new facility will focus on developing microbial, molecular, and viral diagnostics. Phigenics has been an early impact partner of SLS Community. Ashton McCombs was one of the founders of Phigenics and served as its President and CEO until his death.

The SLS Community, UAMS, McComb's family, and other project partners are excited to meet with each member of our City Council in the coming weeks and share more about their plans, next steps for the project as well as solicit feedback from you on ways to improve their project.

The Department of Economic Vitality will be assisting in coordinating these meetings which will be hosted at the project site. A separate email for scheduling purposes and logistics will follow.

* * * *

Sincerely,

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

ATTACHMENT P: Urban Forestry Site Assessment



TO: Mayor Lioneld Jordan
City Council
Devin Howland, Director of Economic Vitality

THRU: Alison Jumper- Director of Parks and Recreation
Ted Jack- Parks Planning Superintendent

FROM: John J. Scott - Urban Forester

DATE: May 12, 2022

SUBJECT: Forestry Assessment, Parcel 765-15443-500 117.2 Acres, 765-15443-000 36.8 Acres, 765-15443-003 11.1 Acres, 765-15443-002 5.9 Acres, 765-15443-503 1.3 Acres, 765-15443-504 12.6 Acres, 765-15443-503 4.2 Acres, 765-15443-202 2.0 Acres, 765-15433-200 32.2 Acres, and 765-15443-208 5.9 Acres. A total of 229.2 Acres.

BACKGROUND: Urban Forestry staff was asked by Devin Howland, Director of Economic Vitality, to conduct a Forestry Assessment of the properties listed above, totaling 229.2 acres. Staff divided the property into four sections based on existing boundaries, such as a fence and streams, for ease of review.



Exhibit 1- Overall Site with Sections 2022

This assessment looks at the general condition of the forests, age, species profile, and health of the forests. Information about hydrology, wildlife habitat, and the history of the lands is included in the assessment. The assessment is created with GIS aerial images and information gathered during several site visits.

Forestry staff used the standard measurement of tree diameter at breast height (DBH) to indicate tree size and approximate age for the assessment. Large and medium species trees

with a DBH of 10-20" are typically no larger than 30 feet and not older than 30 years. Large and medium species trees with a DBH of 20-30" are typically 30-50' tall. Trees with 30" DBH and above are typically larger than 40' in height. The age of a tree after 20" DBH is more difficult to determine without taking core samples from the tree. Small species trees usually hit maturity at 20-25' tall, and the DBH varies according to species, usually no larger than 20" DBH.

SECTION 1 SITE VISIT:

On May 9, 2022, staff visited section 1 of the property, accessed from the south side of Judge Cummings Road through the fields. Staff also accessed the west and north sides of section 1 via Cato Springs Trail.



Exhibit 2- Section 1 2022

SECTION 1 ANALYSIS:

Evidence of typical wildlife was found and seen during the site visit. Deer, coyotes, raccoons, and other mammals are typically found in areas like this, and evidence of all three and many more was observed during the site visit. A few typical bird species, such as crows, blue jays, and red tail hawks, were also observed during the site visit.

Archival aerial imagery shows that the southern and middle portions of the site were historically used as pasture and agriculture fields, which did not have trees in the fields or the fence rows before 1998. The area in front of the homestead was maintained as a lawn/field. Aerial images indicate that this site has been a working farm until very recently, around 2007.

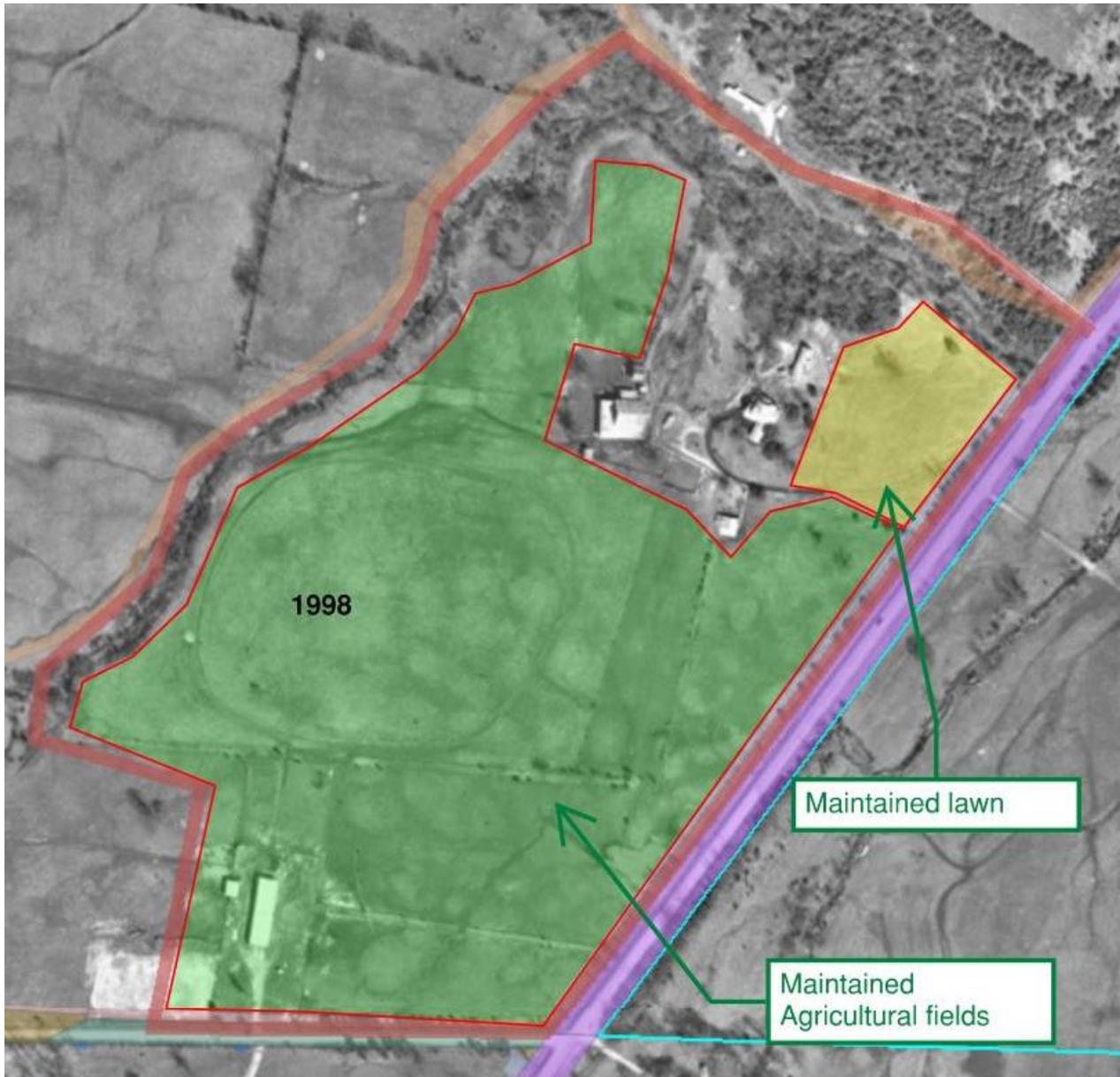


Exhibit 3- Section 1 1998

The trees in the southern and middle fields and the fence rows are no larger than 24" DBH.

The pine trees that run along S. Cato Springs Road are between 20-26" DBH. The species found in the fence rows consist of hackberry, locust, Bradford Pear, and bush honeysuckle with less than 24" DBH.

The most important forest and trees in section one are along the streams. Most of the property drains into two creeks, meeting at the northwest corner of section one. The trees along these streams consist of oak, willow, osage orange, hackberry, locust, hickory, persimmon, dogwood, cedar, and pine trees. These stream corridors provide important habitats for wildlife and help with stormwater and flood control.

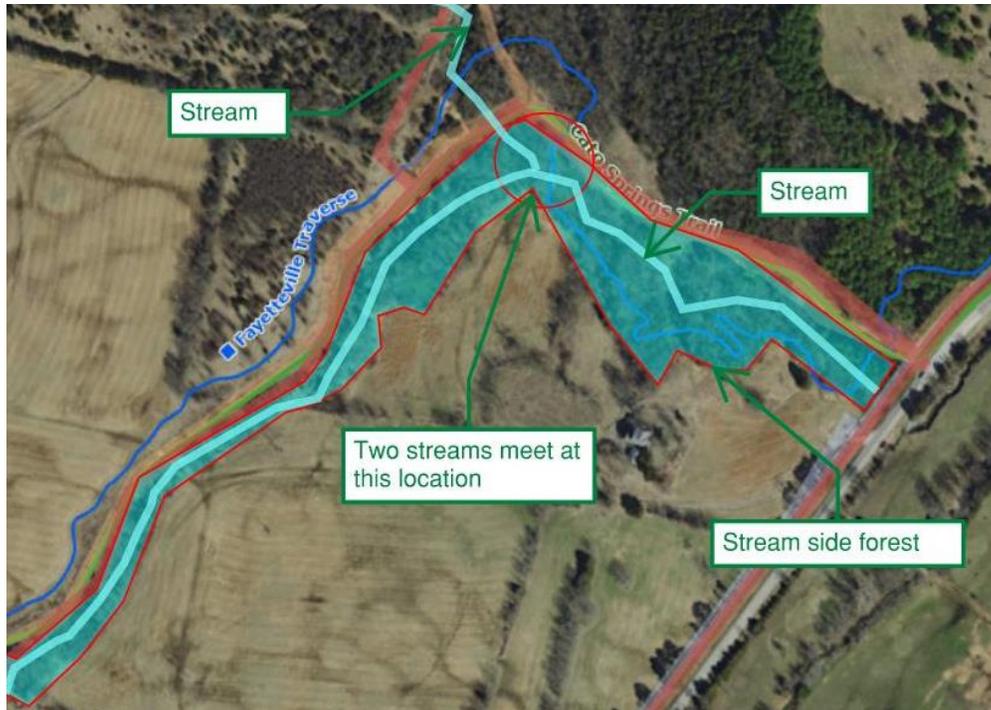


Exhibit 4- Streamside forests

SECTION 1 HOMESTEAD:

There are several large trees near the homestead. North of the home is a clump of trees containing three large oak trees 40-50" DBH. Two of these oaks are healthy, and one is in poor condition. There is also a large 46" DBH hackberry growing into the house. To the southwest of the home are two large healthy hackberries 46" DBH or above. There are a few large mature cedar trees around the home as well.



Exhibit 5- Section 1 Homestead 2022

SECTION 2 SITE VISIT:

On May 10th, staff visited section 2 and accessed the property from the Traverse trail and open field areas. Staff walked up the hillside and observed the wooded areas.



Exhibit 6- Section 2 2022

SECTION 2 ANALYSIS:

Section 2 has four distinct ecosystems. The trees in the open field in section 2 are mostly pines, cedar, hackberry, and callery pear trees. Pines dominate the healthy pine forest, and there are very few other species in this location. The cedar tree dominates the healthy cedar forest part of section 2 and contains some pines and a few oaks. The west portion of section 2 contains a mixture of pioneer plants, such as callery pear, locust, cedar, hackberry, bush honeysuckle, green briar, and blackberry patches.



Exhibit 7- Forests 2022

SECTION 2 HISTORICALLY:

Section 2 is on the northeast portion of this property. This section was mostly void of vegetation as recent as 1965. The western part of section 2, identified with pioneer species, was an agriculture field in the 1980s.



Exhibit 8-1980

SECTION 3 SITE VISIT:

On May 11th staff visited section 3. Staff used the field, Traverse Trails, and remnant farm roads to access the site.



Exhibit 9 – Section 3 2022

SECTION 3 ANALYSIS:

After the site visit, staff noted there were significant large trees scattered about section 3. Overall most of the trees have grown since 2000. There is a large pond to the south adjacent to Kessler Regional Park. The pond was used for agriculture but now provides a healthy wetland ecosystem.

SECTION 3 HISTORICALLY:

This area was a maintained agriculture field prior to 2000. The trees grown in the area are typical pioneer species, locust, callery pear, hackberry, bush honeysuckle, and cedar.

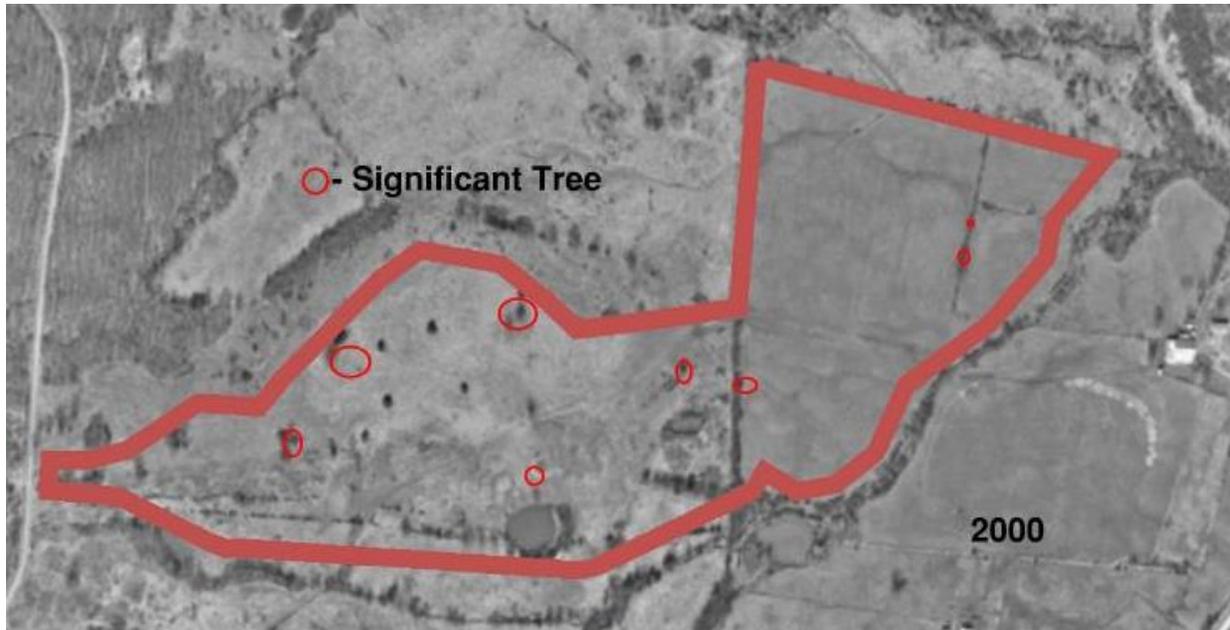


Exhibit 10- Section 3 2000

There are two large walnut trees on the northeast side of section 3; both are 40" DBH or greater. Two large hackberries are near the middle of section 3 and are both 40" DBH or greater. The rest of the significant trees are oaks scattered in the field. These are healthy post oaks that are 40" DBH or greater.

SECTION 4 SITE VISIT:

Urban Forestry staff visited section 4 on May 12th. This portion contained several impenetrable areas due to thorns from locusts, briar, blackberry, and callery pears. Staff used park access roads, the Traverse Trail, and open fields to access the site.

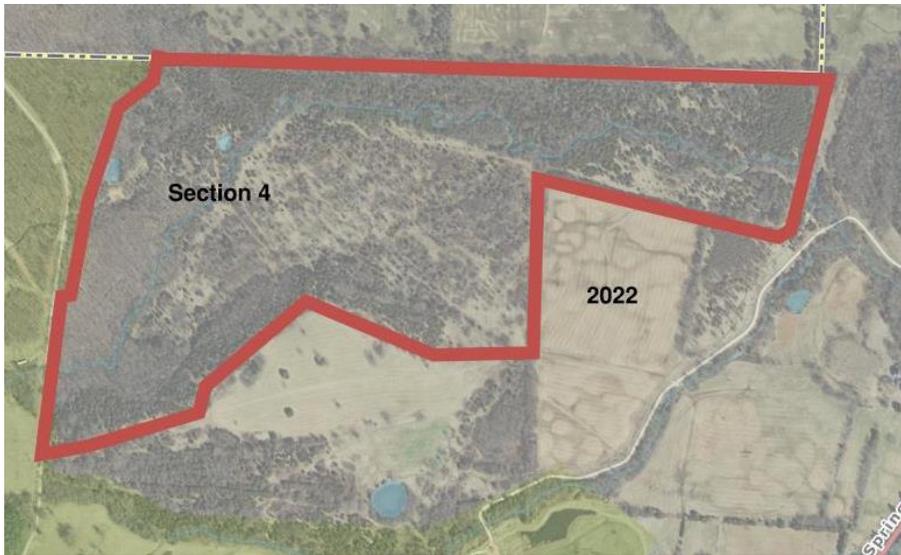


Exhibit 11- Section 4 2022

SECTION 4 ANALYSIS:

Like the other sections, most of this site was used for agriculture until 1998-2000. The areas that have grown since 1998 are colonized by callery pear trees, honey locusts, cedar, willow, and bush honeysuckle.

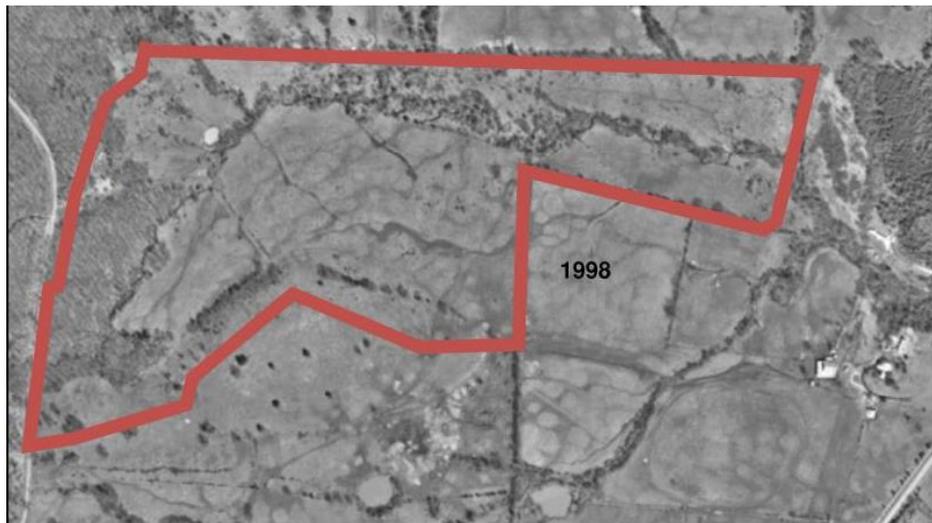


Exhibit 12- Section 4 1998

The portion to the west adjacent to the park is a healthy, typical oak-hickory forest. There are several species of hickory and oak in section 4. Other tree species typically found in these areas: are persimmon, ash, osage orange, elm, dogwood, redbud, locust, and cedar trees. The trees along the stream and drainage corridor are mature and consist of locusts, willow,

sycamore, osage orange, oaks, and hickory. The vegetation along the stream and western portion of section 4 has been wooded since 1965.



Exhibit 13- Section 4 forests

OVERALL SITE ANALYSIS:

The entire site serves as drainage for the surrounding mountains. Two creeks run through the site and join in the eastern portion of the site. The streams continue to the east and under Cato Springs Road. GIS maps illustrate several wet spots, and most of the site contains hydric soils.



Exhibit 14- GIS Streams and Hydric Soils

The most important areas are highlighted and consist of stream corridors, a pine forest, an oak-hickory forest, and scattered large trees in the open fields.



Exhibit 15- Overall Site with noted Forests

The overall site is indicative of historic pasture lands that have gone fallow and are turning back into forests dominated by pioneer species. High-quality mature trees are primarily located on the western portion of the site adjacent to Kessler Regional Park, with bands of mature trees following the stream corridors and historic fence rows. Large significant oaks are sprinkled through the fields on the southwest portion.



Exhibit 16- Overall Site 2004



Exhibit 17- Overall Site 2022