

AGENDA

**FORT SMITH BOARD OF DIRECTORS
STUDY SESSION**

May 24, 2011 ~ 12:00 NOON

**FORT SMITH PUBLIC LIBRARY
COMMUNITY ROOM
3201 ROGERS AVENUE**

1. Review revised plan for fundraising efforts regarding the Mallalieu Restoration Project ~ *90 day extension granted at the February 15, 2011 regular meeting ~*
2. Discuss issues regarding future annexation of Southridge Industrial Park (*Old Harrison Lane*)
3. Review preliminary agenda for the June 7, 2011 regular meeting

MEMORANDUM

To: Ray Gosack, City Administrator
From: Wally Bailey, Director of Development Services
Date: May 20, 2011
Subject: 800 North 9th - Former Mallalieu Church

Mr. Monte Wilson and Scott Hathaway submitted a proposal to purchase the property at 800 North 9th Street. That proposal was submitted on January 22, 2008 and has been extended on four (4) previous occasions.

The most recent time extension was approved by the Board of Directors on February 15, 2011 with the passage of Resolution R-29-11. The resolution also provided for Mr. Wilson and Mr. Hathaway to submit a written plan and a timetable to raise funds for the stabilization and renovation of the former Mallalieu church building at 800 North 9th Street.

Mr. Wilson and Mr. Hathaway will attend the Board's study session on May 24th to provide an update on their fund-raising efforts and present a plan on the stabilization and renovation of the building.

I have enclosed a copy of the Resolution R-29-11 and a copy of the original proposal submitted by Mr. Wilson and Mr. Hathaway. The original proposal included several conditions related to the purchase of the property at 800 North 9th street.

The staff will need direction from the Board regarding any further amendments to the original proposal.

Please contact me if you have any questions.

Enc.

Blair

6 A.

RESOLUTION NO. R-29-11

A RESOLUTION ACCEPTING AN AMENDMENT TO THE PROPOSAL FOR THE PURCHASE, STABILIZATION AND RENOVATION OF THE FORMER MALLALIEU CHURCH BUILDING

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, THAT:

WHEREAS, the Board of Directors approved a resolution on February 5, 2008, accepting a bid proposal from Monte Wilson and Scott Hathaway to purchase the property at 800 North 9th Street; and

WHEREAS, the proposal included a clause that the City of Fort Smith retain ownership of the building until certain events occurred including raising the necessary funds to renovate the building; and

WHEREAS, The Board of Directors have previously approved resolutions amending the time deadline in the original proposal to raise funds for the purchase, stabilization and renovation of the former Mallalieu Church building at 800 North 9th Street; and

WHEREAS, Monte Wilson and Scott Hathaway have requested a fourth extension of 90 days to prepare and submit a written plan and timetable for the Board's consideration to continue efforts to raise the necessary funds.

THEREFORE, The Board of Directors accepts the request from Monte Wilson and Scott Hathaway to amend the time deadline to May 16, 2011, for the submission of a written plan and timetable.

THIS RESOLUTION APPROVED THIS 15th DAY OF FEBRUARY 2011.

APPROVED:

[Signature]
MAYOR

ATTEST:

[Signature]
CITY CLERK

*Approved as to form
JC
No publication required*

FORM OF BID PROPOSAL

DATE : January 22, 2008

Proposal submitted by:

Name: Monte Wilson and Scott Hathaway

Address: 1908 Ramsgate Way. 7718 Camelot Circle

City, State, Zip: Fort Smith, AR72903

Telephone: 479-649-9909; 479 452-6044

E-Mail:

TO: The City of Fort Smith

In compliance with your Invitation to Bid, the undersigned hereby proposes to purchase the property at 800 North 9th Street for the following amount:

Bid Amount:

One Dollar (\$1.00) (with conditions listed in Exhibit A).

(Bid amount shall be shown in both written form and figures. In case of discrepancy between the written amount and the figures, the written amount shall govern.)

Stabilization and Renovation Plan Acknowledgement:

I, Scott Hathaway, Monte Wilson, acknowledge that a Stabilization and Renovation Plan with the information detailed in the Instruction to Bidders is included with my Bid Proposal.

The undersigned hereby declares that he will carry out the stabilization and renovation of 800 North 8th Street as required by the Instructions to Bidders.

The owner reserves the right to reject any or all bids and to waive formalities.

Bids shall remain valid for thirty (30) days after bid opening.

By: _____
Scott Hathaway Monte Wilson

Address

EXIHIBIT A

The City of Fort Smith will retain ownership of the building until the following events or commitments occur:

1. Bids are obtained for the renovation of the building to determine actual construction costs;
2. The Howard Foundation, a 501(c)(3) not-for-profit corporation, has received its tax exempt status;
3. The Fund Raising Campaign has been successfully completed achieving its goal to fund the project;
4. The City of Fort Smith will commit to contributing \$189,816.00 to the renovation project when the Fund Raising Campaign has reached its targeted goal;
5. The City of Fort Smith will designate the funds currently in the Mallalieu Renovation Fund in the amount of \$29,000 to the Capital Campaign for marketing purposes.

OTHER ITEMS:

1. A formal capital campaign plan will be developed and submitted to the City Administrator by March 31, 2008.
2. It is acknowledged by the City of Fort Smith that failure to raise the necessary funds by July 31, 2008 will result in the withdrawal of this proposal.

**PROPOSALS FOR PURCHASE, STABILIZATION and
RENOVATION
for MALLALIEU CHURCH,
FORT SMITH, ARKANSAS**

EXISTING CONDITION:

The existing structure has suffered through two decades of neglect and shows signs of severe deterioration. The exterior load bearing masonry walls do not show as much deterioration as the interior structure but do have areas of mortar loss and signs of deterioration due to vegetation growth through the masonry.

STABILIZATION and RENOVATION PROCESS:

Mr. Bill Hathaway of Hathaway Engineering, Inc. has agreed to be part of the team of professionals that will be involved in the rehabilitation of the building. Mr. Hathaway has 40 plus years of experience in structural engineering including experience evaluating old structure and providing solutions to rehab historic structures. Some of his past experience includes the complete rehabilitation of the King Opera House in historic downtown Van Buren and several buildings in Eureka Springs. Mr. Hathaway was also asked by the City of Fort Smith to evaluate several buildings along Garrison Avenue for structural integrity following the 1996 tornado that struck Fort Smith and Van Buren.

The stabilization of the existing structure will be linked to the renovation of the building for its proposed use and will occur at the same time. It is not our desire to "phase" the construction process where the building remains unoccupied between the stabilization phase and the renovation phase. Due to the condition of the existing interior structure once work begins it will not stop until the building is completed.

Although the exact process and sequence of work has not yet been determined, it will most likely will be similar to the process as described in the letter submitted by Mr. Michael Johnson of Architecture Plus, Inc. in September of 2007: The exterior roof and interior structure will be removed and a new structure will be built inside the existing load-bearing masonry walls. The exact means and methods of the renovation and construction will be determined with the consultation with the structural engineer, the architect of record and the building contractor.

It is anticipated that, provided the necessary funds are obtained by June 30, 2008, demolition will start immediately after that date and be completed by October 1, 2008. Work would then begin immediately to renovate the building with completion being in June of 2009. All work will comply with all applicable local, state, and federal regulations.

DETAILED INFORMATION ON HOW THE PROJECT WILL BE FINANCED:

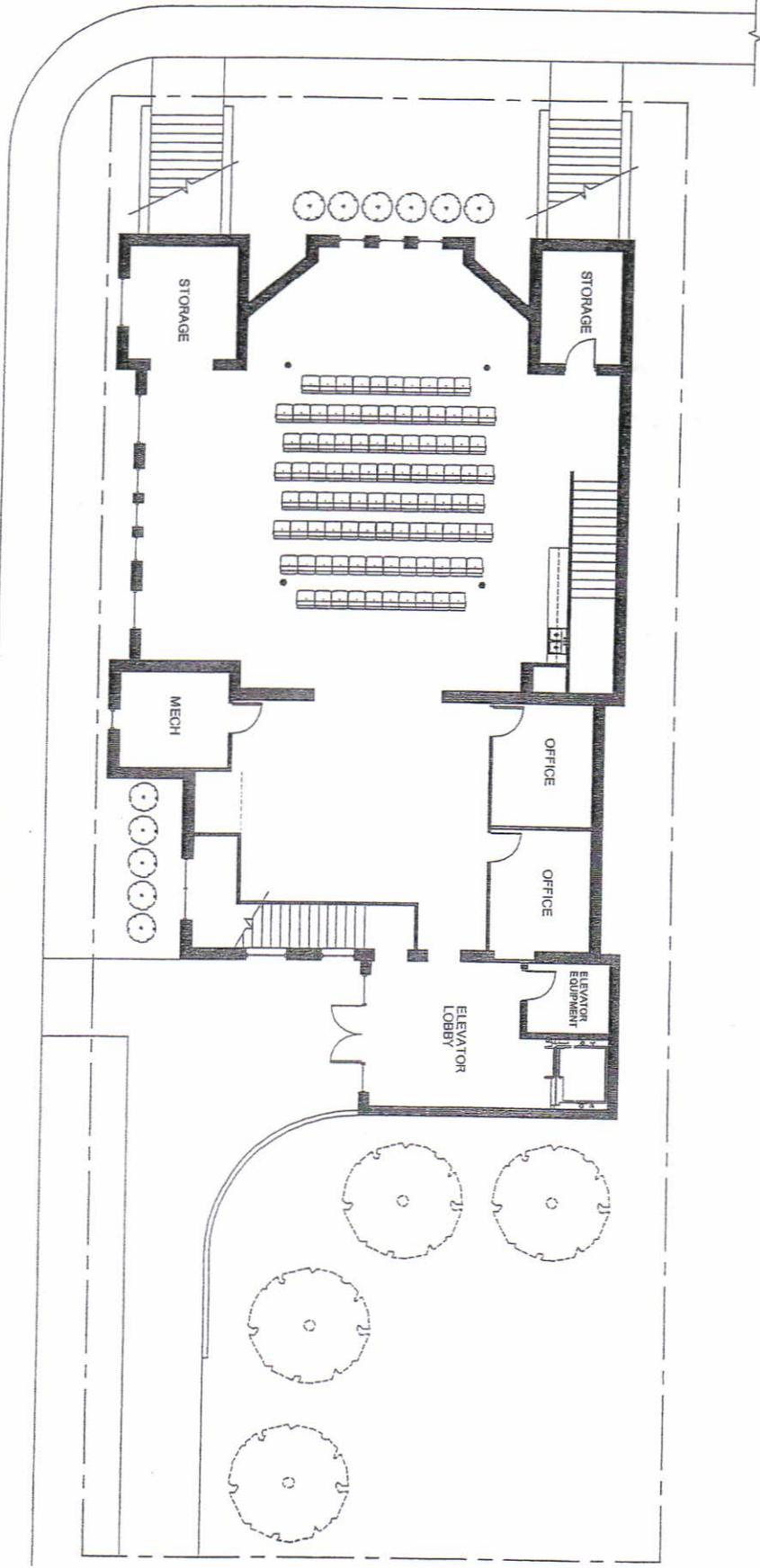
The project will be financed through the following:

1. Private and corporate donations, in-kind gifts, planned giving, foundations, and philanthropists.

EXPLANATION OF THE PROPOSED USE FOR THE BUILDING:

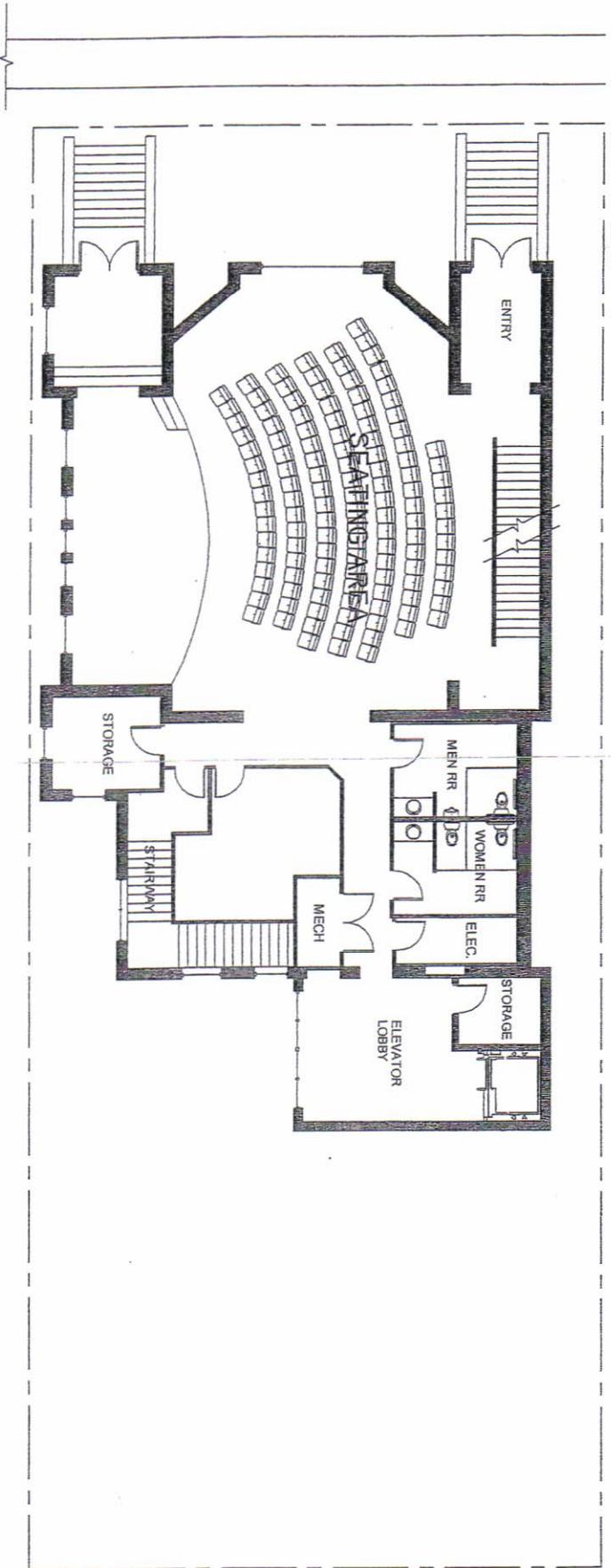
Creating a community of youth and adults that gives opportunities to the youth to develop their talents and gifts, through collaboration with local schools, local universities, by offering project based arts and science programs, community mentoring, leadership development activities, media advocacy projects, academic counseling and advancement, character development seminars and events that strengthen the family .

NORTH 9th STREET



NORTH "H" STREET

Proposed Lower Level Plan
Mallieu Church Renovation
Fort Smith, Arkansas



Proposed Upper Level Plan
Malalieu Church Renovation
Fort Smith, Arkansas

MEMORANDUM

To: Ray Gosack, City Administrator
From: Wally Bailey, Director of Development Services
Date: May 19, 2011
Subject: Southridge Industrial Park Annexation

The property owners of Southridge Industrial Park petitioned the Board of Directors to consider a zoning change on their property. The zoning change initiated a discussion regarding several issues between the Riley Farm property owners and the Southridge Industrial Park property owners.

This matter was presented to the Board of Directors at their April 5, 2011, regular meeting. Just prior to the meeting, the property owners on both sides of the issue appeared to reach an agreement that Southridge Industrial Park would seek annexation as a method of addressing the concerns of the Riley Farm property owners. With that information the Board of Directors voted to table the item for four (4) months allowing for the annexation petition to be submitted and reviewed.

Before the annexation petition is prepared and submitted to the County for consideration, the Southridge property owners asked City staff to review the annexation plan. The city departments have been reviewing the possible annexation of Southridge Industrial Park and its impacts on general service deliveries and infrastructure. This is our normal procedure for all annexation requests.

Most of the Southridge property owners petitioned for annexation in February 2007. The review of that annexation request revealed the need for significant water system improvements, installation of fire protection (hydrants), and street and drainage infrastructure improvements. The request was abandoned as the property owners could not afford the costs of the needed improvements to annex.

A preliminary estimate by city staff indicates upgrading the infrastructure for the Southridge Industrial Park will cost between \$519,000.00 to \$1,045,000.00. The water system improvements, which includes the installation of seven (7) additional fire hydrants, will cost \$145,000.00. The street and drainage improvements will cost between \$374,000.00 and \$900,000.00, depending on the method of improving the existing streets and ditches. These improvements would likely enhance property values in the subdivision.

Historically, the City has not absorbed the additional costs to upgrade existing developments when an annexation is requested. With the rezoning request and the discussion with the Riley Farm property owners, we want the Board to understand the cost impacts of the annexation.

The Board could consider several options to address the infrastructure issues. Options include the petitioners are responsible for all the improvements; the City absorbs all the costs; or a cost share between the petitioners and the City. The most essential improvements that need to be addressed immediately would be the water system improvements and the installation of the seven (7) fire hydrants.

Another critical consideration of this and all future annexations, is the urgent need for a new fire station. Any additional growth or annexations where the property is more than 1 ½ miles from a fire station will have a negative impact on the City's ISO rating when the next review occurs in approximately three (3) years. The construction of a new fire station should alleviate that concern. Chief Richards can provide more information on this subject at the study session.

Additionally, we feel it is important for the Board to understand our concern about any policies or precedents that might be established by decisions made regarding the infrastructure improvements for Southridge Industrial Park.

For the past 12-13 years, we have reviewed similar annexation requests from other existing developments including Windy Acres (Howard Hill Road), Glidewell Distributing (Steep Hill Road), Spring Mountain and the Highway 271-253 annexation. (*See enclosed map.*) These requests had similar infrastructure issues that were very expensive which prevented the annexation of these properties. We are not promoting a discussion about the annexation of these areas but only want to illustrate the cost impacts, and the precedent that could be set with the Southridge Industrial Park annexation.

The following table shows the preliminary cost estimates for these areas:

	Water	Streets / Drainage	Total
Southridge Ind. Park	\$145,000	\$374,000 - \$900,000	\$519,000 - \$1,045,000
Windy Acres	\$14,000	\$83,000	\$97,000
Glidewell Dist.	\$210,000	\$160,000	\$370,000
Spring Mountain	\$2,477,850	\$256,000	\$2,733,850
Hwy. 271/253	\$3,200,000	\$1,000,000	\$4,200,000

*The preliminary water costs include the installation of the required fire hydrants. Enclosed with this memorandum is additional information from the Engineering Department about the streets and drainage costs.

As you can see from the table, the infrastructure improvements can be significant with some of these requests. We will be prepared to further discuss this matter at the Board study session on May 24, 2011.

Please contact me if you have any questions.

Proposed Annexations – South Fort Smith Area
Summary of Street and Drainage Infrastructure Improvements

5/19/11

The following areas were reviewed for future annexation into the City and a preliminary scope and estimate of the cost of street and drainage improvements was prepared.

1. Southridge Industrial Park
2. Windy Acres
3. Highway 271-253 (Three Areas)
4. 5707 Steep Hill Road (Glidewell Property)
5. Spring Mountain North

Except as otherwise noted, the scope of improvements generally follows the current capital improvement program criteria for streets and drainage. Scheduling of improvements is subject to the annual inspection and evaluation of overall street conditions throughout the City. It is assumed all rights of way and easements required for the improvements will be provided at no cost to the City.

Southridge Industrial Park

This subdivision consists of 11 lots with 2,550 linear feet of estate type streets. The street pavements are in good repair, however the 20 feet width is narrow for industrial truck traffic and there are no shoulders. A segment of roadside ditch is eroded. A picture of this area is attached. The majority of driveway approaches are gravel with substandard culverts. The primary outfall drainage is an earthen channel. Drainage along a portion of the north tier of lots enters the adjacent Southfield at Riley Farm subdivision.

Proposed street improvements would include asphalt pavement overlays, shoulder construction and roadside ditch grading and stabilization. Drainage improvements would include concrete channel paving at the outfall channel and construction of an earth channel near the north boundary.

A preliminary cost estimate for the improvements is \$374,000. For comparison purposes an estimate was prepared for constructing street and drainage improvements to current standards. This would include a 27 feet wide curb and gutter street section with storm drains. Estimated cost of this approach is \$900,000.

Windy Acres

This subdivision consists of 20 residential lots with 2,100 linear feet of estate type streets (Howard Hill Road not included). Street pavements are in good condition, roadside ditches are

well maintained and driveway approaches are concrete pavement. Earthen channels convey the outfall drainage northward to the adjacent subdivision.

Proposed street improvements include asphalt pavement overlays and minor culvert and roadside ditch improvements. A preliminary cost estimate for the improvements is \$83,000.

Highway 271 – 253 (Three Areas)

This annexation area includes the following street segments: a) Old Highway 271 South (south side of I-540); b) Old Highway 271 North (north side of I-540); c) Rabbit Run Road; d) Rutgers Road (County Road 188); e) Texas Road; and f) State Line Road. This area consists of approximately 2.8 miles of streets. The street pavements vary in width from 16 to 20 feet and are in fair to good condition.

Proposed street improvements include asphalt pavement overlays and related repairs. A preliminary cost estimate for the improvements is \$1,000,000.

5707 Steep Hill Road (Glidewell Property)

Annexation is a single tract commercial development with no internal streets. A drainage tributary extends approximately 1,200 feet along the west boundary of the property. The tributary is eroded and will require substantial improvement.

The drainage improvements include a concrete channel, fence relocations and related site work. The estimated cost of the improvement is \$160,000.

Spring Mountain North

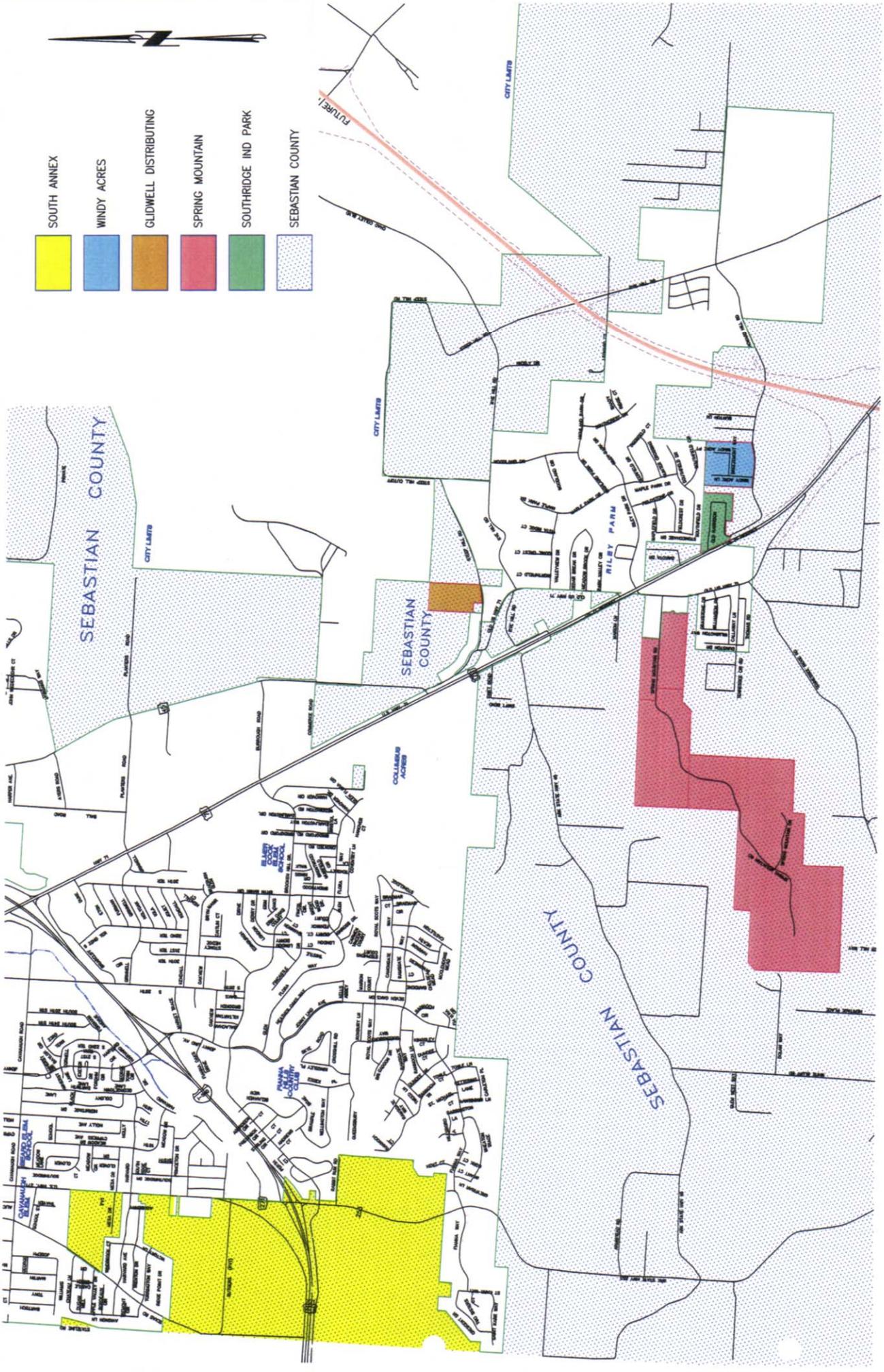
This subdivision includes 14 lots served by approximately 2,100 linear feet of Spring Mountain Road. In addition, a 1,550 linear feet segment of Spring Mountain Road extending between Spring Mountain North and the current City limits is included for a total length of 3,650 feet. The Spring Mountain subdivision served by private streets within a gated facility was not included in this survey. Spring Mountain Road is an estate type street, well maintained and in good condition. Cedar Creek, a large tributary with several smaller intersecting streams traverses the Spring Mountain North subdivision.

Future improvements anticipated are an asphalt pavement overlay and minor roadside ditch improvements. Estimated cost is \$256,000. Evaluation of flood potential and improvements to Cedar Creek and the various tributaries was not included in this estimate.



Old Harrison Lane, steep and erodible roadside ditch
Located in Southridge Industrial Park

- SOUTH ANNEX
- WINDY ACRES
- GLIDWELL DISTRIBUTING
- SPRING MOUNTAIN
- SOUTHRIDGE IND PARK
- SEBASTIAN COUNTY



AGENDA ~ *Summary*

FORT SMITH BOARD OF DIRECTORS STUDY SESSION

May 24, 2011 ~ 12:00 NOON

**FORT SMITH PUBLIC LIBRARY
COMMUNITY ROOM
3201 ROGERS AVENUE**

1. Review revised plan for fundraising efforts regarding the Mallalieu Restoration Project ~ *90 day extension granted at the February 15, 2011 regular meeting ~ Presentations by Monte Wilson, Scott Hathaway and Dr. Paul Beran. Such included review and artist rendering of a proposed development to be known as the "Mallalieu Center for Academic Excellence", as well as a request for the City's commitment to the project.*

The Board requested staff obtain an up-to-date estimated cost for demolition prior to consideration of the requested commitment. In order to allow staff adequate time to obtain cost estimates, a resolution was placed on the June 7, 2011 regular meeting agenda to temporarily extend the existing agreement with Mr. Wilson and Mr. Hathaway.

2. Discuss issues regarding future annexation of Southridge Industrial Park (*Old Harrison Lane*)
Presentation by Director of Development Services Wally Bailey. Staff does not recommend annexation due to existing infrastructure concerns, especially financial constraints to provide adequate water service and fire protection. Mr. Mike Redd, representing the property owners, advised he will discuss the matter with his clients and advise. The Board took no action.
3. Review preliminary agenda for the June 7, 2011 regular meeting