

AGENDA REQUEST

FOR: COUNCIL MEETING OF May 6, 2014

FROM:
CITY COUNCIL MEMBER Justin Tennant

ORDINANCE OR RESOLUTION TITLE AND SUBJECT:

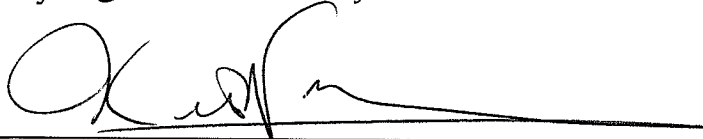
A RESOLUTION TO EXPRESS THE CITY COUNCIL'S INTENTION TO PAY FOR THE INSTALLATION OF A TRAFFIC SIGNAL AT MASONIC DRIVE AND COLLEGE AVENUE IF WHOLE FOODS, INC. CONSTRUCTS ITS STORE AT THIS INTERSECTION AND TO APPROVE A BUDGET ADJUSTMENT OF \$150,000.00

APPROVED FOR AGENDA:



City Council Member Justin Tennant

April 15, 2014
Date



City Attorney Kit Williams
(as to form)

April 15, 2014
Date



OFFICE OF THE
CITY ATTORNEY

DEPARTMENTAL CORRESPONDENCE



A. 11
Inc.
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Kit Williams
City Attorney

Blake Pennington
Assistant City Attorney

Patti Mulford
Paralegal

TO: Mayor Jordan
City Council

CC: Don Marr, Chief of Staff
Paul Becker, Finance Director
Jeremy Pate, Development Services Director

FROM: Kit Williams, City Attorney

DATE: April 15, 2014

RE: Installation of Traffic Signal at Masonic Drive and College Avenue
to be funded by the City at the cost of about \$150,000

Alderman Justin Tennant has proposed and sponsored a Resolution to express the City Council's intention to pay the full cost (about \$150,000.00) to have a traffic signal installed at Masonic Drive and College Avenue if Whole Foods builds its grocery store at 3535 North College. Attached is Justin's email which clearly explains the need for the traffic signal and justifies the City's investment into our traffic infrastructure.

Normally when a new development creates a need or a portion of a need for a traffic improvement, the developer is required by the Fayetteville Planning Commission applying the Unified Development Code to construct or pay for the construction of the traffic improvement or its proportionate share of the improvement. This is what has been required of Kum & Go for its development at the old Tyson Factory site and at its proposed development on Mt. Comfort Road.

However, the City Council may determine that it is in the best interest of Fayetteville citizens to wholly bear the cost of a traffic improvement even if the need for such improvement will be partially caused by new development. This is the primary manner that the City can encourage desirable development. It can make financial sense if such City funded infrastructure will serve an already established citizen transportation need and is needed to ensure a desirable development will locate in Fayetteville and pay back such investment by generating substantially increased City tax revenues. It is certainly legal to spend City revenues to build City infrastructure like traffic signals.

Please read Alderman Justin Tennant's email which explains why he requests the City Council to approve the Resolution and Budget Adjustment.

Williams, Kit

From: Justin Tennant <justintennant1@gmail.com>
Sent: Monday, April 14, 2014 9:06 PM
To: Williams, Kit
Cc: Mulford, Patti
Subject: Re: College/Masonic light
Attachments: Ark state highway dept -traffic light.pdf

Kit, Patti,

There is a potential large commercial development being proposed for old Mercedes Benz dealership on North College avenue near Millsap road. 3535 North College Avenue. This has gotten a lot of recent attention due to Whole Foods turning in a plat to the city laying out a design for that area to build a large grocery store and other retail spaces.

It has become clear to me that a traffic light is needed at the intersection of College ave and Masonic which would be the entrance and exit from this development into College avenue. This is needed for traffic control and public safety. The state of Arkansas has already given the support of the state highway department. Please see attachment.

I believe the city should pay the estimated cost for building this traffic light. City staff has informed me the cost estimate would be \$150,000 which would cover the materials and road/curb work on our side of the development.

With Whole Foods submitting plans and going to Planning commission, I am highly confident they will occupy this development. I believe, however, that they do not have the budget and cannot justify building this city infrastructure (the stoplight). I believe they are looking for a true partnership with Fayetteville and this is our opportunity to be that partner. If they do come to Fayetteville, it will be the most significant commercial project to come in years. It has the potential if it matches it's average sales volume per square foot of giving our city between 800k and 1.3 Million dollars of tax revenues per year. There will be an initial investment in our city of over 25 million dollars by Whole Foods. They will employ many local professionals in the building of their center, and then create a permanent 140 jobs at the average annual wage of \$40,000 each. The estimated total annual payroll is \$5.6 million. The estimated average hourly wage exceeds \$19.00 an hour.

This is more payroll, more initial job creation, and more sales tax revenue than any other business in Fayetteville in a number of years.

This traffic light is essential to the opening of this retail development. We as a city should only commit to this investment in the infrastructure when the development is underway. In other words, if the project falls apart unexpectedly, then the taxpayers in Fayetteville will not spend 150K to build the stoplight.

Fayetteville has the possibility of making the very dangerous part of North College Avenue a more safe road for our residents with this stoplight. There is an accident every 4 days on that stretch of road between Rolling Hills/College and Millsap/College.

Safety, business partnership, and cultural and financial gain for this development going in at Masonic and College makes the stoplight a tremendous return on our investment for our taxpaying citizens. The city should commit to 150K for building this stoplight.

Kit and Patti if you need anything from me please don't hesitate to let me know.

Sincerely,

Justin Tennant
Alderman, Ward 3
City of Fayetteville

On Mon, Apr 14, 2014 at 12:08 PM, Justin Tennant <justintennant1@gmail.com> wrote:
Thanks. I will send something today. I got my email working again maybe but I still may send this from this email address. Not sure but thanks in advance!

Justin

On Mon, Apr 14, 2014 at 9:35 AM, Williams, Kit <kwilliams@fayetteville-ar.gov> wrote:

Justin,

I will be in most of the day, but probably not much past eleven this morning. I have Planning Commission tonight. Just send me or leave with my Paralegal, Patti, the information to support the request for the Resolution needed to fund the traffic signal. I will draft the Resolution and an Agenda request form for you.

Kit Williams

Fayetteville City Attorney

479.575.8313

RESOLUTION NO. _____

A RESOLUTION TO EXPRESS THE CITY COUNCIL'S INTENTION TO PAY FOR THE INSTALLATION OF A TRAFFIC SIGNAL AT MASONIC DRIVE AND COLLEGE AVENUE IF WHOLE FOODS, INC. CONSTRUCTS ITS STORE AT THIS INTERSECTION AND TO APPROVE A BUDGET ADJUSTMENT OF \$150,000.00

WHEREAS, a potential large (\$25 million) commercial development to include a Whole Foods grocery store and other businesses is planned for property at 3535 North College Avenue which is West of the Masonic Drive and College Avenue intersection; and

WHEREAS, the potential Whole Foods store would likely create 140 permanent jobs with estimated average wages at \$19.00 per hour for an annual payroll of over \$5 million; and

WHEREAS, this potential Whole Foods store would likely generate around \$1 million annually in tax revenues; and

WHEREAS, this large, traffic generating development needs a traffic signal to ensure safe access onto College Avenue for its customers and existing drivers on North College near the Masonic Drive intersection; and

WHEREAS, a traffic signal at this location has been approved by the Arkansas Highway and Transportation Department if Whole Foods is constructed as planned; and

WHEREAS, it is in the best interest of the citizens of Fayetteville for the City to install a traffic signal at College Avenue and Masonic Drive at a cost of about \$150,000.

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

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby approves a budget adjustment of \$150,000.00 that can be spent for the installation of a traffic signal at North College Avenue and Masonic Drive if approved by the Arkansas Highway and Transportation Department and if Whole Foods constructs its store approximately as shown on the Large Scale Development submitted and approved by the Fayetteville Planning Commission.

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Resolution No.

PASSED and **APPROVED** this 6th day of May, 2014.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer



ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT

DISTRICT FOUR

808 FRONTIER RD. • BARLING, AR 72923 • P.O. BOX 11170 • FORT SMITH, AR 72917-1170
TELEPHONE (479) 484-5306 • FAX (479) 484-5300

WASHINGTON – CRAWFORD – FRANKLIN – SEBASTIAN – LOGAN – SCOTT – POLK

March 21, 2014

Justin Jorgensen
Jorgensen & Associates
124 W. Sunbridge, Suite 5
Fayetteville, AR 72703

RE: Masonic Drive Signalization
Highway 71, Section 16B
Washington County
Fayetteville

Dear Mr. Jorgensen:

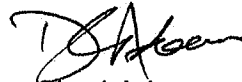
The Department has reviewed the traffic study submitted by Ramey Kemp & Associates on behalf of the City of Fayetteville. The study recommends construction of a traffic signal at the intersection of Highway 71 and Masonic Drive to mitigate the traffic generated by the proposed grocery store in the southwest quadrant of the Highway 71 and Millsap Road intersection. After detailed review of the trip generation, capacity analysis, and warrant analysis in the study, it has been determined that this development does meet the Department's guidelines for signalization approval based on projected traffic volumes. Therefore, the Department will issue a Traffic Control Device Permit granting the City approval to install the traffic signal under the following conditions:

- Construction plans for the intersection geometry and the proposed traffic signal are submitted and approved by the Department.
- The City of Fayetteville will be responsible for relocating all traffic signal equipment installed within Department right-of-way that conflict with possible future improvements to Highway 71.
- The City will be responsible for funding 100% of the design and construction cost and for providing and maintaining the traffic signal after installation.

- Timing plans, for the coordination of this traffic signal with others in the corridor, will be developed and programmed by the City of Fayetteville or its representative to the satisfaction of the Department.
- The proposed traffic signal shall not be put in full operation prior to one week before 100% of the development is open for business.

If you have any questions regarding this matter, please contact Jason Hughey, District Construction Engineer, at (479) 484-5306.

Sincerely,



Chad Adams
District 4 Engineer

April 24, 2014

To my fellow City Council members and Mayor Jordan,

As you are all aware, Whole Foods has submitted plans to build a retail center in East Fayetteville near the new fly-over uptown area. They are proposing to occupy the area which is currently an abandoned car dealership that is sometimes used for overflow auto inventory from a neighboring dealership.

It came to my attention that a traffic light is needed at the intersection of Masonic and College, which will serve as the primary way in and out of the proposed development. I believe the city should invest \$150,000 to build the traffic light, which is the estimated cost. This partnership between the city and Whole Foods is important for our citizens both in the short term and long term.

There are many reasons this traffic light should be built and paid for by the city. This \$25 million investment of Whole Foods in Fayetteville is expected to create 140 jobs at the average annual wage of \$40,000 each. The estimated total annual payroll is \$5.6 million. The estimated average hourly wage exceeds \$19.00 an hour. The sales tax revenue for the retail center is estimated to be between 800,000 and 1.2 million dollars annually.

The traffic light is needed on that section of North College as stated by the State of Arkansas highway department letter you all have in your packet. I believe this will improve safety for the drivers and pedestrians in the area. Regarding the site itself, this real estate is one of the first things that visitors see as they enter our city from the 540/expressway. We have discussed on the council making North College a more beautiful and productive street, and I believe this development will be a tremendous improvement to what is there now.

I want Fayetteville to be known as a city that is willing to help business thrive. I want to be sure we are looking for the right businesses to partner with, and Whole Foods is unquestionably one of those. It fits perfectly in Fayetteville, and we need to show we are truly a community and a partner in their business plans.

The city will get a tremendous return on this investment for these and many other reasons for decades to come.

Thank you.

Justin Tennant
Alderman, Ward 3
City of Fayetteville