

City of Fayetteville Staff Review Form

2018-0393

Legistar File ID

8/7/2018

City Council Meeting Date - Agenda Item Only

N/A for Non-Agenda Item

Don Marr, Chief of Staff

7/24/2018

MAYORS ADMIN (015)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Approval of a resolution to extend the lease of Indian Hills Property located on Razorback Road between the University of Arkansas Fayetteville Campus and the City of Fayetteville effective July 1st, 2018 for an additional 12 months ending June 30th 2019 and the agreement can be renewed and extended for additional terms of years upon the mutual written agreement of the two parities.

Budget Impact:

Recycling & Trash Fund

Account Number	Fund																								
Project Number	Project Title																								
<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Budgeted Item?</td> <td style="width: 20%; text-align: center;">No</td> <td style="width: 30%;">Current Budget</td> <td style="width: 20%; text-align: right;">\$ -</td> </tr> <tr> <td></td> <td></td> <td>Funds Obligated</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td></td> <td></td> <td>Current Balance</td> <td style="text-align: right; border: 1px solid black;">\$ -</td> </tr> <tr> <td>Does item have a cost?</td> <td style="text-align: center;">No</td> <td>Item Cost</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Budget Adjustment Attached?</td> <td style="text-align: center;">No</td> <td>Budget Adjustment</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td></td> <td></td> <td>Remaining Budget</td> <td style="text-align: right; border: 1px solid black;">\$ -</td> </tr> </table>	Budgeted Item?	No	Current Budget	\$ -			Funds Obligated	\$ -			Current Balance	\$ -	Does item have a cost?	No	Item Cost	\$ -	Budget Adjustment Attached?	No	Budget Adjustment	\$ -			Remaining Budget	\$ -	
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		Remaining Budget	\$ -																						

V20140710

Previous Ordinance or Resolution # _____

Original Contract Number: _____

Approval Date: _____

Comments: Previous lease was entered into on the 6th of May 2003

TO: Mayor Lioneld Jordan
Fayetteville City Council Members

FROM: Don Marr, Chief of Staff

DATE: July 24, 2018

SUBJECT: City Council Agenda Session Item to approve a Resolution for the extension of the Land Lease between the University of Arkansas Fayetteville Campus and the City of Fayetteville for the Indian Hills Property located on Razorback Road.

RECOMMENDATION:

City Staff recommends the City Council approve and the Mayor sign the attached lease agreement, extending the lease between the City of Fayetteville and the University of Arkansas – Fayetteville for 12 months with additional options to renew.

BACKGROUND:

The City went into a lease agreement for Indian Hills Property (City Property located south of Chick-Fil-A on Razorback Road) and Lewis Fields (for University of Arkansas System Division of Agriculture Research & Extension) over 25 years ago, and the joint lease of these properties expired June 30th 2018.

The University of Arkansas Fayetteville Campus has requested an extension of the Indian Hills property for an additional 12 months, and they have expressed an interest in the purchase of this property. Representative Whitaker has taken a request by the City Administration and University Administration to the State Attorney General's office to seek an opinion on how the new state law regarding land sales for municipalities applies to two governmental entities. We are still awaiting that opinion. We would like to extend the lease while further investigation of this property is underway, and continue the University's prior 25 year lease agreement.

BUDGET/STAFF IMPACT:

There is no additional budget impact to the City of Fayetteville as the University of Arkansas Fayetteville Campus has been responsible for and continues to care for the property upkeep and would continue to do so per these new lease terms.

Attachments:

1. Staff review form
2. Land Lease Agreement

LEASE AGREEMENT

THIS LEASE AGREEMENT is entered into between the City of Fayetteville, Arkansas ("the City"), an Arkansas municipal corporation, and the Board of Trustees of the University of Arkansas acting for and on behalf of the University of Arkansas, Fayetteville ("the University"), a public institution of higher education of the State of Arkansas.

WHEREAS, the City owns certain vacant land near the south entrance to the University of Arkansas, Fayetteville, campus, which is not presently needed for City purposes and which the University has been leasing as part of the Joint Lease Agreement between the City and the University entered into on the 6th day of May 2003 and now desires to continue to lease; and

WHEREAS, it is in the best interest of the public for the City to lease this property to the University.

NOW THEREFORE, in consideration of the mutual promises of the parties contained herein, the best interest of the public, and other good and valuable consideration, the parties agree as follows:

1. The City hereby leases to the University the following described property situated in Washington County, Arkansas:

Vacant Land near W. Indian Trail & S. Razorback Road as more particularly described below:

A tract of land situated in the Northeast Quarter (NE $\frac{1}{4}$) of the Northeast Quarter (NE $\frac{1}{4}$) of Section Twenty (20), Township Sixteen (16) North, Range Thirty (30) West of the 5th Principal Meridian, being more particularly described as follows, to-wit: Beginning at a point which is 1318.36 feet West and 266.5 feet South 0 degrees 07 minutes West of the Northeast corner of the above described quarter quarter, thence East over the centerline of an existing well 823.36 feet, thence South 0 degrees 07 minutes West 264.52 feet, thence West 823.36 feet, thence North 0 degrees 07 minutes East 264.52 feet to the point of beginning and containing 5.0 acres, more or less.

AND

A tract of land situated in the Northeast Quarter (NE $\frac{1}{4}$) of the Northeast Quarter (NE $\frac{1}{4}$) of Section Twenty (20), Township Sixteen (16) North, Range Thirty (30) West of the 5th Principal Meridian, being more particularly described as follows, to-wit: Beginning at a point which is 12.11 feet South of the Northwest corner of said forty, said point is also 10.0 feet North of the centerline of the St. Louis-San Francisco Railroad, thence N 83°0'E, paralleling said railroad centerline 10.0 feet to the North, 99.40 feet to the North line of said Northeast Quarter of the Northeast Quarter, thence East, along said forty line, 725.0 feet, thence South 266.5 feet, thence West 823.66 feet to the West line of said Northeast Quarter of the Northeast Quarter, thence North, along said forth line, 254.38 feet, to the point of beginning. Containing 5.02 acres, more or less. Less and except that portion contained in the railroad right of way in the Northwest corner of herein described tract.

2. The University shall not construct any permanent structure on the leased premises without the prior written approval of the lessor. Any such permanent structure shall become a permanent

fixture to the land, and become the property of the party/lessor at the end of the lease term, unless otherwise agreed to in writing prior to construction of the structure.

3. RENT. In lieu of any monetary rental, the University shall maintain the property in good condition, mowing and removing trash and debris as needed, and at the University's sole cost and expense.
4. This Agreement shall have a term of one (1) year, beginning on July 1, 2018 and ending on June 30, 2019.
5. This Agreement may be renewed and extended for additional terms of years upon the mutual written agreement of the parties.
6. At the end of the term of this Agreement or any extension thereto, the University agrees to surrender possession of the leased premises to the City, including all permanent fixtures, without demand.
7. INTERPRETATION. This Lease Agreement shall be interpreted according to and enforced under the laws of the State of Arkansas; jurisdiction and venue is Washington County, Arkansas.
8. ENTIRE AGREEMENT. This Lease Agreement contains the entire agreement of both parties hereto and no other oral or written agreement shall be binding on the parties hereto. This lease agreement supersedes all previous agreements, contracts, and understandings of any kind between the parties relating to the subject matter hereof. This agreement may be executed in all or more counterparts each of which shall be deemed an original **but** all of which together shall constitute the same instrument.

IN WITNESS WHEREOF, the parties set their hands by their respective duly authorized representatives.

CITY OF FAYETTEVILLE

BOARD OF TRUSTEES OF THE UNIVERSITY OF
ARKANSAS, ACTING FOR AND ON BEHALF OF
THE UNIVERSITY OF ARKANSAS, FAYETTEVILLE

By: Lioneld D. Jordan, Mayor Date

By: Tim O'Donnell, Vice Chancellor Date
for Finance & Administration

ATTEST:

By: _____