



City Council Memo

TO: Mayor Coody and City Council

FROM: Susan B. Thomas, Ph.D., Public Information & Policy Advisor

DATE: September 10, 2007

SUBJECT: Fayetteville City Council Top Six Priorities: Activity Update Report

CC: Paul Becker, Ray Boudreaux, Tim Conklin, Gary Dumas, Tony Johnson, David Jurgens, Ron Petrie, Greg Tabor

On June 7, 2007 the Fayetteville City Council met with staff to outline policy priorities for the second half of the year. The priorities were determined by a vote of the council members present at the meeting. The purpose of the prioritization process was to enable staff to have clear guidance and understanding of where to focus resources for the last half of the year. The top six priorities, in order, are: Affordable Housing, Water and Sewer Impact Fees, Road Impact Fees, Water and Sewer Rates, Economic Development, and Senior Day Care Facility. Staff has been making progress on achieving these priorities. Council requested that staff provide a mid-term update on staff action related to the priorities. A brief update is provided below.

#1 Affordable Housing

Affordable housing has long been a top priority for Mayor and Council. In support of this goal, planning staff has consistently recommended approval of each proposed project that incorporates smaller lots and housing structures or has a density that would be able to support more affordable units. Planning staff also drafted inclusionary zoning legislation and located a sponsor for the legislation. Mayor and Council were invited to join staff to testify before the City, County and Local Affairs Committee of the Arkansas General Assembly. Mayor and staff made the trip to push for this planning tool that would have had a dramatic impact on the City's ability to promote and encourage affordable housing in all new residential developments. Unfortunately, the legislation was not successful. Staff has also drafted an accessory dwelling unit by right ordinance that would promote affordable housing by removing the conditional use process. This ordinance will be presented to the Planning Commission in October.

After Council established affordable housing as the number one priority for the remainder of this year, staff approached the council for additional guidance on the types of policy proposals and projects Council favored. City Council directed staff to focus on 60 to 80% Area Median Family Income (AMFI) as the first phase. Toward that end, staff has achieved the following:

- ✓ Worked with Habitat for Humanity to expand their income target group requesting the organization change their target up to 80% AMFI. Habitat Board responded by increasing their maximum income limit to 70% AMFI.
- ✓ Habitat Low Impact Development Project - Land Sale (8 acres) approved on Huntsville Road
- ✓ Working with Habitat for Humanity and the Community Design Center to develop an affordable and “green” housing neighborhood
- ✓ Habitat for Humanity has requested assistance in securing additional lots for Habitat homes. A map of available city property appropriate for this purpose was provided to City Council for their comments.

Other projects addressing the affordable housing priority include:

- ✓ Walker Park Neighborhood
 - In the process of creating a Walker Park Neighborhood Master Plan, which will include a charrette and a housing strategy
- ✓ Holcomb Heights
 - Worked with private developers to create 6 houses at \$120,000
- ✓ Arkansas Development Finance Authority HOME Funds
 - Staff has drafted and City has issued an RFP seeking a private developer partner to pursue HOME funding through the Arkansas Development Finance Authority. Once a partner has been selected City will submit our request for HOME funds the first quarter of next year. Information on ADFA programs can be found online <http://www.arkansas.gov/adfa>

#2 Water and Sewer Impact Fees

Staff is currently reviewing a working draft of the update for water and sewer impact fees for Water and Sewer Committee presentation in October.

#3 Road Impact Fees

On April 10, 2007 the City of Fayetteville held a special election for voters to approve or disapprove the collection of road impact fees from new development. Voters did not approve the measure. Council indicated that these fees remained a priority and stated the intention to revisit the issue before the end of the year. Staff was not able to pursue any activity related to the Road Impact Fee until Council passed Resolution No. 153-07 on August 23, 2007. With the passage of that resolution, action related to this priority can proceed. The next steps include:

- ✓ Special Street Committee Meeting Set-up for September to set policy options
- ✓ Continuing the push at the state level to initiate a Real Estate Transfer Tax

#4 Water and Sewer Rates

- ✓ Staff has presented the Water and Sewer Committee with the draft rate report. Rates have been discussed at four Committee meetings, the last of which included input from the industrial/business community.
- ✓ Staff has developed the following time line for City Council to follow in order to have new rates in place by January 1, 2008. The proposed time line is as follows:

September 21	Answer remaining policy questions regarding size, timing, and distribution, and design of rate adjustments
September 28	Submit agenda packet for rate adjustment ordinance
October 2	Announce public hearing, advertise rate adjustment
October 16	Public hearing, first reading of rate adjustment ordinance
November 6	Second reading of rate adjustment ordinance
November 20	Third reading of rate adjustment ordinance
January 1, 2008	Ordinance/First portion of new water rates take effect
January 1, 2009	Second portion of new water rates take effect; Sewer rates take effect.

#5 Economic Development

Many of the day-to-day projects which the City undertakes have an impact upon economic development. The Fayetteville Expressway Economic Development Corridor improving access to the north-end and the Technology Corridor Enhancement Project near the University of Arkansas Research and Technology Park are two examples of street projects that will positively affect economic development.

Many of our partners including FEDC, Chamber of Commerce, Fayetteville School District, and the University of Arkansas also have projects that help drive economic development in the city. For example, the University of Arkansas Research and Technology Park recently announced a new public-private partnership to develop a 60,000 +/- sq ft facility with labs. These individual

projects along with our major infrastructure development projects (WSIP and Street Bond Program) all work in concert to create an environment that will protect Fayetteville's quality of life, stimulate healthy and balanced growth, and fuel the steady, strategic economic development that will sustain our community.

Council also requested a series of meetings over several months that would serve multiple purposes. First, these meetings will help keep Council informed of the current economic development activity in town. They also serve to bring perspectives and experiences from other communities and other states. Perhaps most importantly, they provide Council an opportunity to gather research and information that will enable the development of an economic development policy for the City of Fayetteville. An outline of the education and training sessions is below.

✓ Economic Development Data Analysis Project

- An agreement between the City and the U of A Center for Business and Economic Research (CBER) will provide for economic development specific data research and analysis. Generalized data will be published and kept current on the City and FEDC web sites. The agreement also allows for specific data to be provided for project development and prospect site selection criteria as needed. The budget and expenses will be managed by the Aviation and Economic Development Department Director within agreement criteria. Staff will present project proposal to Council in October and request that the project be funded in the 2008 budget.

✓ Economic Development Training and Education Sessions

- July 9, 2007: Steve Rust, President and CEO, FEDC -- Presentation on FEDC goals, objectives and priorities
- August 28, 2007: FEDC Annual Meeting -- Presentations by Maria Haley, Director, Arkansas Economic Development Commission and Dan Sanker, CEO, CaseStack, Inc.
- Planning is underway for future sessions. Possible topics include:
 - Economic Development in University Towns (September)
 - Retaining Your Current Business Base (October)
 - Building an Entrepreneurial Community (January)
 - Understanding Your Economic Development Assets (February)
 - Becoming the Economic Development Leader in Arkansas (March)
- Final Session (April) will be organized as a round table discussions with representatives from City Staff, City Administration, City Council, Fayetteville School Board, Fayetteville School District, President and CEO FEDC, Board Chairman FEDC, President and CEO of the Chamber of Commerce, Board Chairman Chamber of Commerce, Representative U of A

#6 Senior Day Care Facility

Staff determined that the most effective way to approach this endeavor was to allow the Northwest Arkansas Economic Development District (NWAEDD) to lead this project. City staff will play a facilitative/supportive role. NWAEDD has a tremendous amount of knowledge and experience with adult day cares, and they currently operate facilities in NWA. Ray Boudreaux represents the Mayor and the City of Fayetteville on the NWAEDD board and is the staff assigned to support NWAEDD and this project.

NWAEDD is working to raise the necessary funds and looking to acquire a suitable space to open a limited day care facility in Washington County by the end of the year. Once open, limited grant funds are available. It would be a pay for service operation to cover the costs in excess of grant funding. The only senior day care available in the vicinity (private) is in Johnson and is \$80.00 a day. Current critical needs include start-up costs, facility space, and continued operating funds. The NWAEDD has a committee working to address these needs. Kaye Curtis with the NWAEDD is the contact for this project (870-741-8007).