



MEETING OF OCTOBER 17, 2023

TO: Mayor Jordan and City Council
THRU: Paul Becker, Chief Financial Officer
FROM: Waylon Abernathy, Bond Projects & Construction Dir
DATE:
SUBJECT: Resolution authorizing a Real Estate Purchase Contract with Reindl Properties, Inc. for the Construction of a mixed-use building on the Ramble/Cultural Arts Corridor Civic Plaza

RECOMMENDATION:

Staff recommends approval of a resolution authorizing the mayor to sign the Real Estate Purchase Contract that includes terms of the development agreement with Reindl Properties, Inc., for the land sale of approximately .5 acres in the amount of \$1,247,455.00 and authorize the mayor to execute all closing documents.

BACKGROUND:

Schematic design for the Ramble Civic Plaza, a 2019 voter approved downtown revitalization project, focused on the West Avenue civic space. The vision for the civic space was completed in January 2019, following a series of public design charettes. The design chosen by participants who engaged in the process consists of a gathering and event lawn, public plaza, garden spaces, and a civic promenade, with two buildings bordering the site on the north and south ends, as bookends of the plaza. The southern building will be integral to the site, as a backdrop for what will become a stage and performance area for the plaza. Additionally, the building will provide public restrooms accessible from the Razorback Greenway and Civic Plaza storage space within the ground floor.

A Request for Proposals (RFP) process solicited competitive development proposals for a public private partnership to build the southern anchor building on the West Avenue Civic Plaza. The RFP asked for an approximately 14,300 square foot building footprint with a height limit of seven stories and three primary facades. Additionally, the city requested that the building be constructed of high-quality and lasting materials that are complimentary to the overall aesthetic of the site and the emergent Arts and Entertainment District. The RFP, issued in August 2021, was advertised on several platforms, including on the Costar website which provides market-leading research on commercial real estate properties in nearly all markets and sub-markets. The RFP was downloaded by over 100 interested parties. A non-mandatory pre-proposal conference held in September, 2021 was attended by over 30 participants.

Additional Background:

Key to the design and planning of the overall spaces are the public private partnerships that can help activate the space and provide a mixed use, sales tax generating, downtown development project to complement the city's investment in The Ramble. Partners are both private developers and philanthropic support efforts.

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Initial design for this transformative project was made possible by a 2017 grant from the Walton Family Foundation's Design Excellence Program. Award-winning landscape architects Nelson Byrd Woltz (NBW) were selected to design the corridor with the primary goals of:

- Increasing public access and strengthening the surrounding neighborhood,
- Leveraging the connected trail network,
- Demonstrating a commitment to sustainability, and
- Embodying an innovative spirit, encouraging visitors and residents to engage with the space in new ways.

There are five primary elements included in plans for the Cultural Arts Corridor bond project: The West Avenue Civic Space, West Avenue streetscapes, The Fay Jones Woods, The Razorback Greenway, and a new parking deck one block north of the corner of West Ave. and Dickson Street. In April 2019, citizens of Fayetteville voted to authorize a \$31,685,000 bond for construction of the Cultural Arts Corridor Improvements.

Arts Corridor improvements to the Fay Jones Woods, the southern portion of the Razorback Regional Greenway, and the southern portion West Ave. began in September 2020 with construction completed in September, 2022. Construction of the new parking deck began in January 2022 with completion planned in October of 2023. In June 2021, after a 5-month public renaming process, the City announced The Ramble as the new name for the Cultural Arts Corridor.

On October 26, 2021, the City of Fayetteville accepted proposals for the southern anchor building on the Civic Plaza. One proposal was received from Reindl Properties that included a project team with a passion for high-quality construction, human-scaled design, craftsmanship, efficiency, and love of community. Their team includes:

- Brian Reindl - Developer and owner of the adjacent Metro Building along with several other properties in and around downtown Fayetteville.
- Rob Sharp - Architect and designer of several Fayetteville projects including: Three Sisters Building, Mill District, The Dickson Building and most recently the Network Building, which was designed to be the first net zero mixed-use building in Fayetteville.

The LOI specifies that the final development agreement includes a termination and buy back clause requiring Reindl properties to start construction on the new building within 12 months of the completion of the Civic Space. Also, Reindl Properties met with organizations for additional community input on the ways in which the proposed building will interact with the plaza and civic space.

As indicated in the LOI renderings, the proposed mixed-use building will be substantial and striking. The building's proposed uses will increase the liveliness of the adjacent Civic Plaza and attract visitors to the downtown. Hotel guests will eat, shop and recreate in the area, providing benefit to many existing local businesses. Initial analysis shows that the project would provide approximately \$300,000 per year in sales and HMR taxes to the City plus another \$63,000 per year in property tax to the City of Fayetteville for the general fund, library and fire and police departments. The construction impact of this \$40 million construction project will approximately yield another \$175,000 in sales tax revenue.

On October of 2022, Council passed Resolution 256-22 Authorizing the Mayor to Sign the Letter of Intent Defining Development Agreement terms with Reindl Properties Inc., for a Public Private Partnership for Construction of the Mixed-Use building at the Ramble Civic Plaza.

DISCUSSION:

Since the approval of the Resolution:

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- City staff and design consultants with Nelson Byrd Woltz have worked with Reindl Properties to finalize the building footprint in relationship to the trail relocation and relative to the final design of the Civic Plaza.
- Staff has worked with Reindl Properties to secure independent third-party appraisals. The City provided to Reindl a list of 5 appraisal firms with experience in commercial real estate. From that list, Reindl selected three firms. The 3 firms provided certified property value reports. The average of the 3 was used for the agreed to values.
- Major terms and conditions for a proposed Agreement are included in this Real Estate contract as Drafted by Vicki Bronson of Connors and Winters Law Firm.

BUDGET/STAFF IMPACT:

Revenues will be recognized after the closings. Net proceeds from this real estate contract will be applied to the Restrooms/Storage located in the building, and Civic Plaza Improvements.

ATTACHMENTS: Copy of SRF-Real Estate Purchase Agreement South Civic Plaza (#3), Real Estate Purchase Contract (City Reindl) Redline 9-27-23 (002) (#4), Exhibit 1 (#5), Appraisals and Summary South Civic Plaza (#6), 601 W Center St Deed (#7), 256-22 RESOLUTION (#8), Exhibit 2 South Elevation (#9), Exhibit 3 Fay Park Hotel - North Rendering (#10), Exhibit 3 Fay Park Hotel - City Storage (#11), Exhibit 3 Fay Park Hotel - City Toilets (#12), 20231012 REVISED Exhibit 3 Fay Park Hotel level 1 (#13), 20231012 REVISED Exhibit 3 Fay Park Hotel Level 2 (#14), 20231012 REVISED Exhibit 2 Fay Park Hotel - South Rendering (#15), 20231012 Attachment Fay Park Hotel Progression Summary (#16)

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City of Fayetteville, Arkansas

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Legislation Text

File #: 2023-1171

Resolution authorizing a Real Estate Purchase Contract with Reindl Properties, Inc. for the Construction of a mixed-use building on the Ramble/Cultural Arts Corridor Civic Plaza

A RESOLUTION TO AUTHORIZE THE MAYOR TO SIGN A REAL ESTATE PURCHASE CONTRACT WITH REINDL PROPERTIES, INC. FOR THE SALE OF APPROXIMATELY 0.5 ACRES OF CITY PROPERTY IN THE SOUTH END OF THE CIVIC PLAZA FOR THE AMOUNT OF \$1,247,455.00

WHEREAS, in October 2022, the City Council approved Resolution 256-22 authorizing the Mayor to sign the Letter of Intent Defining Development Agreement terms with Reindl Properties Inc. for a Public Private Partnership for Construction of the Mixed-Use building at the Ramble Civic Plaza; and

WHEREAS, Mayor Jordan recommends that the City Council approve the terms of the sale set out in the real estate purchase contract negotiated with Reindl Property, Inc.

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 authorizes Mayor Jordan to sign a real estate purchase contract with Reindl Properties, Inc., a copy of which is attached to this Resolution, for the land sale of approximately 0.5 acres in the amount of \$1,247,455.00, and further authorizes the Mayor to execute all closing and other documents necessary to effectuate the sale.



South Façade – Image looking northeast at the hotel main entry

Johnson Nathan Strohe – 10 October 2023



North Façade – Image looking south across the Ramble Park

Johnson Nathan Strohe – 10 October 2023



September 2021: City of Fayetteville issued RPF for Mixed-use Project at South and North ends of the Ramble Park

October 2021: Reindl Properties' RFP Response

RFP Response

- ~ Proposal: Hotel Project
- ~ Size: 170 guestrooms
- ~ Parking: Off-site at locations served by valet
- ~ Anticipated Demand: 84 valet spaces



October 2022

City Council Presentation

- ~ Project: Worked with local stakeholders , City staff, and the City Council to refine the proposal
- ~ Size: 135 guestrooms
- ~ Parking: 32 - 45 below grade parking stalls located in the hotel footprint
- ~ Anticipated Demand: 66 valet spaces

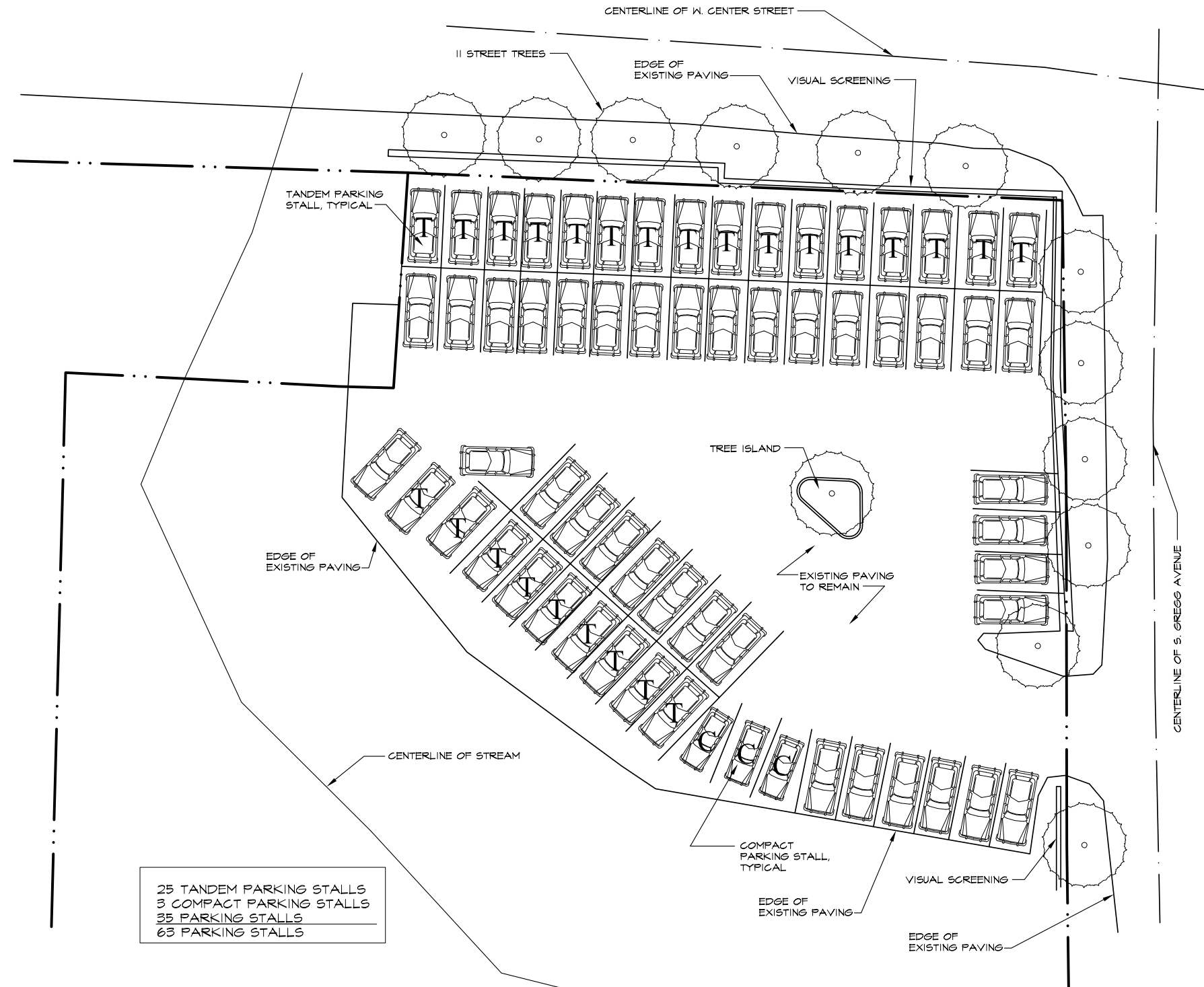


October 2023

Current Design Presentation

- ~ Project: Hotel with multiple mixed-use amenity offerings
- ~ Size: 110 - 115 guestrooms
- ~ Parking: 57 - 63 valet surface parking space at Owner acquired property for dedicated valet parking
- ~ Anticipated Demand: 54 valet spaces
- ~ Design: Simplified the building mass and building scale
- ~ Connectivity: Provide visual and multiple physical connections at the park level lobby

Design Progression



Valet Parking Plan – Diagram with Tandem Usage