



A G E N D A
SILOAM SPRINGS BOARD OF DIRECTORS
MAY 17, 2016
WORKSHOP: FLOOD PLAIN STUDY UPDATE - 5:30 PM
BOARD MEETING - 6:30 PM ADMINISTRATION BUILDING, 400 N. BROADWAY

Workshop: Flood Plain Study Update – 5:30 pm

Regular Board of Directors Meeting:

Opening of Regularly Scheduled Meeting

Call to Order

Roll Call

Prayer

Pledge of Allegiance

Approval of Minutes

Regular Meeting of May 3, 2016

I. Public Input

Items from the Public not on the Agenda (public may address any City business not listed on the agenda)

II. Public Hearing

A. AEDC Economic Development Grant / Simmons Feed Ingredients, Inc. / Jay Stallard

III. Regularly Scheduled Items

Resolutions

B. AEDC & Simmons Grant / Resolutions

1. Resolution 13-16 / Establish a Civil Rights Enforcement Plan

2. Resolution 14-16 / Anti-Displacement Plan

3. Resolution 15-16 / Establish Fair Housing and Equal Opportunity Policy

4. Resolution 16-16 / Designate Administrative Services

5. Resolution 17-16 / Authorize the City of Siloam Springs to Submit an ACEDP Grant Application to the State

C. Resolution 18-16 / Economic Incentives Authorization / New and Expanding Commercial and Industrial Uses

D. Resolution 19-16 / Authorize Expenditures Necessary for Award of Jefferson Drainage Grant / \$7,500 Improvements

Contracts and Approvals

E. Construction Manager at Risk Agreement / Nabholz Construction / Annex Building Renovation / \$712,875

F. Wastewater Treatment Plant Blowers / Repair and Replacement / \$107,275

G. Temporary Employee / Street Division

Staff Reports

M. Administrator's Report

IV. Directors Reports

V. Adjournment

MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CITY OF SILOAM SPRINGS, BENTON COUNTY,
ARKANSAS, HELD MAY 3, 2016

The Board of Directors of the City of Siloam Springs, Arkansas, met in regular session at the City of Siloam Springs Administration Building, on May 3, 2016.

The Meeting was called to order by Mayor Turner.

Roll Call: Jones, Coleman, Johnson, Smiley, Burns, Beers, Smith –Present

Phillip Patterson, City Administrator; Jay Williams, City Attorney; Judy Toler, Acting City Clerk; James Wilmeth, Police Chief; Greg Neely, Fire Chief; Christina Petriches, Finance Director; Don Clark, Community Services Director; all present.

Opening prayer was led by Steve Beers.

Mayor John Turner led the Pledge of Allegiance.

A copy of the April 19, 2016 minutes of the regular meeting had previously been given to each Director. A Motion was made by Smiley and seconded by Beers to accept the minutes. Mayor called for a voice vote. Motion passed unanimously.

The first agenda item was the Open Hearing for Citizens Present.

Don Cundiff, 601 W. Tahlequah, pointed out it was said at the last board meeting that no new taxes would be used in the partnership with John Brown University and that the money that was given was from proceeds received from the sale of the old hospital. He stated parents and grandparent's tax money helped pay for the hospital and believed that money should have gone back in to the general fund. Laura Diaz, 2016 W. Central, stated she lives next door to a drug dealer. She stated she has gone to the P.D. many times and nothing has been done. She stated in 2011 when the City had a Narcotics Division, the same house was busted for drugs. She stated she wants something done to take care of the situation.

The next item on the agenda: Resolution 11-16 / Significant Development Permit / Lykins Leasing, LLC / 310 N. Progress Ave.

Discussion: Ben Rhoads, City Planner, briefed the item. Johnson asked if the two intakes for water on the east side would be large enough to accommodate the runoff. Justin Bland, City Engineer, stated there are 3 more, being 5 total. Johnson asked if this structure is on two lots. Rhoads stated yes, the building sits on the southern lot and the access easement would accommodate ingress and egress if the northern lot were to sell. A Motion to approve Resolution 11-16 / Significant Development Permit / Lykins Leasing, LLC / 310 N. Progress Ave. was made by Smiley and seconded by Johnson.

Roll Call:

Johnson, Smiley, Burns, Beers, Smith, Jones, Coleman –Aye.

7 Ayes.

No Nays.

Motion passed.

The next item on the agenda: Resolution 12-16 / Amending Employee Handbook / Mandatory Participation in Deferred Compensation Plan.

Discussion: Phillip Patterson, City Administrator, briefed the item. Burns expressed his appreciation to Patterson and staff. He stated there are still other options available to them. He stated as long as the City can absorb the cost, than it's a better option. Patterson stated they can still voluntarily contribute to the 457; any funds in the 457 right now remain in their name. Beers stated this change needs to happen if we are in violation with the State. He asked what percent it comes to if we absorb. Patterson stated it is unknown at the moment. Beers asked if the budget for 2017 will need to be expanded. Patterson stated the budget for 2016 will not, but not sure about 2017. Smiley stated she is in favor of moving forward. She stated if it's funded for 2016, we would need to fund it for 2017. Patterson agreed. Jones asked if a salaried employee will get the higher pay upon being hired, rather than waiting the 12 months. Patterson stated not exactly. He then went over the system. Jones stated he fails to see the difficulty in decisions between smaller financial adjustments versus the larger projects we agree to. A Motion to approve Resolution 12-16 / Amending Employee Handbook / Mandatory Participation in Deferred Compensation Plan was made by Smiley and seconded by Smith.

Roll Call:

Smiley, Burns, Beers, Smith, Jones, Coleman, Johnson –Aye.
7 Ayes. No Nays. Motion passed.

Administrator's Report: Phillip Patterson, City Administrator, stated he has attached the 2016 First Quarter Financial Report. He stated if there are any questions, to email him or Christina Petriches. He then stated the Spring Cleanup is scheduled for May 16-20; items need to be on the curb no sooner than Saturday, May 14th. He stated the crews will only make one round of pickups, and that more information is available on the City's website, or by calling the City Hall. He reminded everyone this is the Municipal Clerks Week. He then went over some of the background and duties of the Clerk. He thanked Renea Ellis for all her hard work as City Clerk, and thanked Judy Toler as well for acting as City Clerk during Ellis' absence. He then asked Police Chief Wilmeth to give an overview of what has been done with regard to earlier comments. Wilmeth stated this information is under investigation; but are unable to operate under opinion. He stated they have made a commitment to operate in a manner that is constitutionally correct and morally sound. He stated this requires any action taken is predicated upon facts and evidence. He stated Miss Diaz has been in contact with the P.D. for quite some time and that the information has been reviewed. He stated they look for clusters of complaints and events occurring, which failed to take place in this situation. He stated investigations have been done on this particular residence, and none have led to reasonable belief that this individual is partaking in illegal activity. He said if further information was received, the PD would continue to look into it within the scope of its authority. He then explained the difference between a public nuisance, and a private nuisance.

Open Hearing of Directors: Mayor stated the Southside Park dedication was last Saturday and that the family of Eliana Chacon were present and very appreciative. He pointed there were lots of kids at the park. He reminded everyone that the National Day of Prayer is Thursday, May 5th at 12pm at the Presbyterian Church. He then stated several were in attendance for the send-off and welcome back for the Honor Flight at XNA. He said it is a great thing we can do for our

veterans. He said staff had recovered from this last Dogwood Festival; a vendor commented that vendors are treated much better here than at other festivals. Beers stated he drove past the Farmers' Market, the new Southside Park, and then out by the Kayak Park. He was reminded how beautiful this town is. Burns said on April 29th started with a kick-off breakfast for Bright Futures at the Middle School and that Bright Futures purpose was helping the less fortunate that citizens can get involved with. He said later on that day, Crystal Bridges came and did a pop-art at Pour Jon's downtown and Main Street gave walking tours. He said he appreciates the fuel farm savings and sanitation savings being placed on the website. Johnson expressed his appreciation for the workers that helped replace the Sager Creek wall. He stated he read in the paper that JBU received a \$3,000,000 donation from Windgate Foundation for remodeling Mayfield Hall. He said he was at the Southside Park ribbon cutting and he saw graffiti on an electrical box near the park. He stated it was taken off right away. He expressed appreciation for the Dogwood Festival and helping with security. Smith stated the Eliana Chacon Memorial Park is a tremendous gift. She then stated she believes she responded properly to a citizen's complaint by meeting with the Police Chief, Jim Wilmeth and City Administrator Patterson on the matter. Smiley expressed her appreciation for the gorgeous weather at the Dogwood Festival this past weekend. She then stated she appreciates the updates they have been receiving regarding various projects and activities. She went on to say that she would like to see an update on the soccer fields and what's happening with them. Coleman said he was excited to go through the workshop before the meeting. He then stated he is also appreciative of the additional financial performance data they have been receiving on the website.

Coleman made a motion to adjourn; seconded by Smiley. The Mayor called for a voice vote. All Ayes. Motion passed.

Meeting adjourned.

APPROVED:

ATTEST:

John Mark Turner, Mayor

Renea Ellis, City Clerk

{seal}



**NORTHWEST ARKANSAS
ECONOMIC DEVELOPMENT DISTRICT, INC.**
NWAEDD PLAZA
818 Highway 62-65-412 North _ P.O. Box 190
Harrison, Arkansas 72602-0190
(870) 741-5404

MEMORANDUM

TO: Phillip Patterson, City Administrator, City of Siloam Springs
FROM: Jay Stallard, Senior Grants Administrator 
DATE: May 11, 2016
SUBJECT: Simmons Feed Economic Development Project

Please be advised that the Simmons Feed Ingredients, Inc., is building a new Pet Food Ingredient Facility in Siloam Springs. They plan to create 78 net new jobs by early 2018. Simmons' current wastewater pre-treatment system is not sized to accommodate the added loading of a new facility. Simmons has estimated the cost to upgrade the pre-treatment system at about \$1,125,000.00.

The Arkansas Economic Development Commission (AEDC) has agreed to provide up to \$1,000,000.00 in Community Development Block Grant (CDBG) funds for the project. Simmons will cover the remaining balance and has agreed to create the 78 new jobs, with an average hourly wage of \$13.04, by the April 1, 2018 deadline. At least 51% of the new employees, when hired, will be considered in the Low-to-Moderate Income (LMI) range based on current HUD Section Eight Income Levels for the Siloam Springs area.

The City will be a pass through agent, using the City's financial office to assure accountability of funds and adherence to program regulations.

NWAEDD will be the Grants Administrator and project coordinator responsible for assuring compliance with all regulations and program documentation requirements.

This information is from recent letters by Mr. Jeff Webster, COO, Simmons Feed Ingredients, Inc., and Ms. Katherine Holmstrom at AEDC (501-682-7376).

We will be holding a Public Hearing on May 17, 2016, as a required element of the project application. We will also be addressing required resolutions on May 17, 2016.

RESOLUTION NO. 13-16

A RESOLUTION ESTABLISHING A CIVIL RIGHTS ENFORCEMENT PLAN.

WHEREAS, the City of Siloam Springs is applying for funds through the Arkansas Community and Economic Development Program; and

WHEREAS, as required by the Housing and Community Development Act of 1974, as amended, it shall be the policy of the City of Siloam Springs to ensure that the following are true:

1. The City of Siloam Springs has adopted and is enforcing this policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations.
2. The City of Siloam Springs will ensure that all law enforcement agencies within its jurisdiction will enforce all applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.
3. In response to non-violent civil rights demonstrations, the City of Siloam Springs will be mindful and protective of the rights of all participants in such demonstrations, as well as any onlookers, bystanders, or any other persons located in the vicinity or owning property in the vicinity.
4. In connection with such demonstrations, the use of force shall be permitted only when necessary to protect the rights of individuals or to uphold the law. In no event shall the use of force in excess of that necessary to achieve the lawful goals of the City of Siloam Springs be permitted.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF SILOAM SPRINGS, ARKANSAS:

That, consistent with the goals and objectives of activities assisted under the Act, as amended, the City of Siloam Springs will adopt and enforce the policy contained herein.

This Resolution to be in full force and in effect from the date of its passage.

DONE AND RESOLVED this ___ day of May, 2016.

ATTEST:

APPROVED:

Renea Ellis, City Clerk

John Mark Turner, Mayor

RESOLUTION NO. 14-16

CITY OF SILOAM SPRINGS ANTI-DISPLACEMENT PLAN

WHEREAS, the City of Siloam Springs will replace all occupied and vacant occupiable low and moderate income dwellings demolished or converted to a use other than as low/moderate income housing as a direct result of activities assisted with funds provided under the housing and Community Development Act of 1974, as amended, and described in 24 CFR 570.496a(b)(1), and that all replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating to the conversion; and

WHEREAS, the City of Siloam Springs will provide relocation assistance as described in 570.496(a)(b)(2), to each low/moderate income household displaced by demolition or by the conversion of a low/moderate income dwelling to another use as a direct result of assisted activities; and

WHEREAS, if any such project will involve the demolition or conversion of low or moderate income dwelling units, the following will be provided:

1. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than low/moderate income dwelling units as a direct result of the assisted activity; and
2. A time schedule for commencement and completion of the demolition or conversion; and
3. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units; and
4. The source of funding and a time schedule for the provision of replacement dwelling units; and
5. The basis for concluding that each replacement dwelling will remain a low/moderate income dwelling unit for at least 10 years from the date of initial occupancy.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF SILOAM SPRINGS, ARKANSAS:

That, consistent with the goals and objectives of activities assisted under the Act, as amended, the City of Siloam Springs will make every effort to minimize the displacement of persons from homes.

This Resolution to be in full force and in effect from the date of its passage.

DONE AND RESOLVED this ___ day of May, 2016.

ATTEST:

APPROVED:

Renea Ellis, City Clerk

John Mark Turner, Mayor

RESOLUTION NO. 15-16

**A RESOLUTION ESTABLISHING A FAIR HOUSING
AND EQUAL OPPORTUNITY POLICY.**

WHEREAS, the Congress of the United States of America has declared that all citizens of the United States have the same right to inherit, purchase, lease, sell, hold, and convey real property and;

WHEREAS, the Congress of the United States of America has declared that Fair and Open Housing is to be the law of the land and;

WHEREAS, the Congress of the United States of America has also declared that all citizens will have an equal opportunity for employment.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
THE CITY OF SILOAM SPRINGS, ARKANSAS:**

1. It is hereby declared to be the policy of the City of Siloam Springs to adhere to and comply with all provisions of the laws prohibiting discriminatory policies in relation to both the private and public use of housing, property ownership and employment opportunities. The City of Siloam Springs supports Open Housing and Equal Opportunity Employment.
2. It is further herewith resolved that the City of Siloam Springs will promote Fair Housing and Equal Opportunity Employment for all persons and utilize its efforts and energies to end any unlawful type of discrimination within the City of Siloam Springs.

This Resolution to be in full force and in effect from the date of its passage.

DONE AND RESOLVED this ___ day of May 2016.

ATTEST:

APPROVED:

Renea Ellis, City Clerk

John Mark Turner, Mayor

{Seal}

RESOLUTION NO. 16-16

A RESOLUTION DESIGNATING ADMINISTRATIVE SERVICES

WHEREAS, the City of Siloam Springs is making a grant application to the Arkansas Economic Development Commission for funding under the provisions of the Arkansas Community and Economic Development Program; and

WHEREAS, the City of Siloam Springs desires to secure the services of an administrative consultant to assist in the implementation of the grant application and the administration of such a project if awarded; and

WHEREAS, the City of Siloam Springs has a long-standing relationship with the Northwest Arkansas Economic Development District, Inc., and feels confident they have demonstrated expertise in the implementation of grant applications and project administration under the Arkansas Community and Economic Development Program; and

WHEREAS, the Northwest Arkansas Economic Development District, Inc., is preparing and implementing a grant application with minimal cost to the City of Siloam Springs; and

WHEREAS, the Arkansas Economic Development Commission will allocate funds to the City of Siloam Springs to pay administrative costs incurred under any successful application.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF SILOAM SPRINGS, ARKANSAS:

That the Northwest Arkansas Economic Development District, Inc., is hereby designated to serve as the project administrator of the Arkansas Community and Economic Development Program funded grant; and that the City Administrator is hereby authorized to enter into a contract with the Northwest Arkansas Economic Development District, Inc., for the provision of administrative services in accordance with the regulations of the Arkansas Community and Economic Development Program and subject to the mutual consent of the City, the Consultant, and the Arkansas Economic Development Commission.

This Resolution to be in full force and in effect from the date of its passage.

DONE AND RESOLVED this ___ day of May 2016.

ATTEST:

APPROVED:

Ellis Renea, City Clerk

John Mark Turner, Mayor

{Seal}

RESOLUTION NO. 17-16

**A RESOLUTION AUTHORIZING THE CITY OF SILOAM SPRINGS TO
SUBMIT AN ACEDP GRANT APPLICATION TO THE STATE**

WHEREAS, the City of Siloam Springs is applying for funds through the Arkansas Community and Economic Development Program; and

WHEREAS, it is necessary that certain conditions be met as part of the application requirements; and

WHEREAS, the City of Siloam Springs has conducted a public hearing and has an active Citizen Participation Plan/Community Development Plan, and as part of the application process will receive and consider comments on community development and housing needs, and proposed activities; and

WHEREAS, as a result of the Community Development Planning activities, the City of Siloam Springs will identify and prioritize community development and housing needs.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE CITY OF SILOAM SPRINGS, ARKANSAS:**

That the City Administrator of Siloam Springs is hereby authorized, on behalf of the City of Siloam Springs, to submit an application to the State of Arkansas for funds under the Community Development provisions of the Arkansas Community and Economic Development Program, and to expend funds to accomplish such community development activities, if such funds are awarded.

This Resolution to be in full force and in effect from the date of its passage.

DONE AND RESOLVED this ___ day of May 2016.

ATTEST:

APPROVED:

Renea Ellis, City Clerk

John Mark Turner, Mayor

{Seal}



CITY OF
Siloam Springs
It's a natural

STAFF REPORT

TO: Mayor and Board of Directors
FROM: Phillip Patterson, City Administrator
DATE: May 11, 2016
RE: Resolution No. 18-16 / Economic Development Incentives for New and Expanding Commercial or Industrial Businesses

Recommendation: Approval of Resolution No. 18-16 authorizing the City Administrator to offer economic development incentives for new and expanding commercial or industrial businesses, subject to final approval by the Board of Directors.

Background: The City has two (2) official documents related to economic development incentives. Ordinance No. 08-23 (copy attached), establishes certain incentives for qualifying developments (residential and non-residential) located within the H-1 (Historic Overlay) zoning district, and along Main Street from Broadway Street to Ravenwood Boulevard. The incentives include the waiver of service extension fees, a 10% discount on permit fees, and three (3) years of discounted electrical rates for commercial businesses. These incentives are valid until rescinded by ordinance. Resolution No. 39-14 (copy attached), establishes certain incentives for large electrical consumers who qualify for the City's Large Power Rate 80 (see §98-60 of the Municipal Code). The incentives are performance based and include up to five (5) years of discounted electrical rates, and potentially three (3) years of discounted water and wastewater rates. These incentives are valid through November 18, 2016. The resolution will have to be renewed after that date for these incentives to continue.

Both the ordinance and resolution are very specific as to the incentives offered and the types/locations of businesses who qualify for the incentives. Also, both documents authorize the City Administrator to grant the incentives without requiring Board approval.

The issue that needs to be addressed is to simply provide authority for negotiating economic development incentives for potential developments that do not qualify for the incentives referenced in the above ordinance or resolution. Resolution No. 18-16 will authorize the City Administrator, when appropriate to ensure economic growth within the City, to negotiate and offer incentives to new or expanding businesses. The incentives available to be negotiated will include, but not be limited to, fee waivers or rebates, reduced utility service fees, tax rebates, and assistance with the development of public infrastructure. However, unlike the reference ordinance and resolution, any incentives negotiated and offered by the City Administrator would be subject to formal approval by the Board of Directors.

Fiscal Impact: There is no fiscal impact with the adoption of this resolution.

Attachments:

Ordinance No. 08-23, dated December 2, 2008
Resolution No. 39-14, dated November 18, 2014
Resolution No. 18-16

ORDINANCE NO. 08-23

AN ORDINANCE CREATING AN ECONOMIC DEVELOPMENT RIDER FOR
THE HISTORIC DISTRICT AND MAIN STREET CORRIDOR OF THE CITY
OF SILOAM SPRINGS

WHEREAS, the City of Siloam Springs, Arkansas, desires to maintain and enhance its historic business and residential core by promoting economic development; and

WHEREAS, incentives in the form of targeted electric rate and fee adjustments will encourage development in these areas; and

WHEREAS, increased development and economic activity will help add to, diversify and stabilize the tax base and provide additional jobs and opportunities to the citizens of Siloam Springs;

NOW, THEREFORE, BE IT ENACTED BY THE CITY BOARD OF
DIRECTORS OF THE CITY OF SILOAM SPRINGS, ARKANSAS;

That the following Economic Development Rider (EDR) be adopted for the Historic District (H-1) and Main Street Corridor of the City of Siloam Springs. In furtherance thereof, Article II of Chapter 98 of the Siloam Springs City Code is hereby amended by adding section 98-76, as follows:

ECONOMIC DEVELOPMENT RIDER

PURPOSE:

The purpose of this Economic Development Rider is to encourage development in the City's historic core.

AVAILABILITY:

The rider is available until rescinded by City Ordinance. While in effect, same shall be extended, upon approved application therefore, to qualifying development within the H-1 district, and within a corridor extending eastward from the H-1 district along Main Street to Ravenwood Boulevard, said corridor lying 300 feet north and south from the centerline of east Main Street. (Main Street Corridor.) See Exhibit "A".

APPLICABILITY:

Upon the request of the customer and acceptance by the City, the provisions of this rider will be applicable to customers who qualify as:

- (1) New development where no existing service has been established; or
- (2) Additional facilities of existing commercial customers (having a minimum projected annual increase, as determined by the City Electrical Director or his designee, of 20% over existing kilowatt demand); or
- (3) Existing commercial and residential structures that have been refurbished, where the estimated value of the refurbishment is at least 40% of the assessed value.

Request for service under this Rider shall be accompanied by sufficiently detailed information to enable the City to determine, at its sole discretion, whether the new

customer or additional/refurbished facilities meet the above criteria. All requests for service under this Rider will be considered by the City; however, requests which do not conform to the purpose and availability of this Rider as stated above will not be approved.

INCENTIVE PROVISIONS:

Residential EDR:

Residential Development shall be exempt from Service-extension fees (Municipal Code sections 98-75.1, 98-75.2) within the H-1 District, and Main Street Corridor.

Residential Development permit fees in the H-1 District and Main Street Corridor shall be discounted from all applicable standard fee amounts by 10%.

Commercial EDR:

Commercial Development shall be exempt from Service-extension fees (Municipal Code sections 98-75.1, 98-75.2) within the H-1 District, and Main Street Corridor.

Commercial Development permit fees in the H-1 District and Main Street Corridor shall be discounted from all applicable standard fee amounts by 10%.

Qualifying commercial businesses shall receive discounted monthly electric utility rates for three years pursuant to the following schedule:

15% first year

10% second year

5% third year

After the third year, this incentive provision shall cease. The economic development rider adjustment or discount is not applicable to penalties or other non-usage charges.

Effective Date:

This Economic Rider shall be deemed to have an effective date of July 1, 2008. The City Administrator, or his designee, is hereby authorized to refund, to qualified applicants, any applicable EDR discounts earned on or after July 1, 2008.

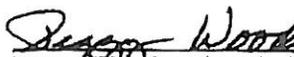
TERM:

The City may discontinue the availability of this Rider at any time.

Done and Ordained this 2 day of December, 2008.

ATTEST:
(SEAL)

APPROVED:


Peggy Woody, City Clerk



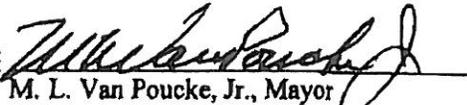
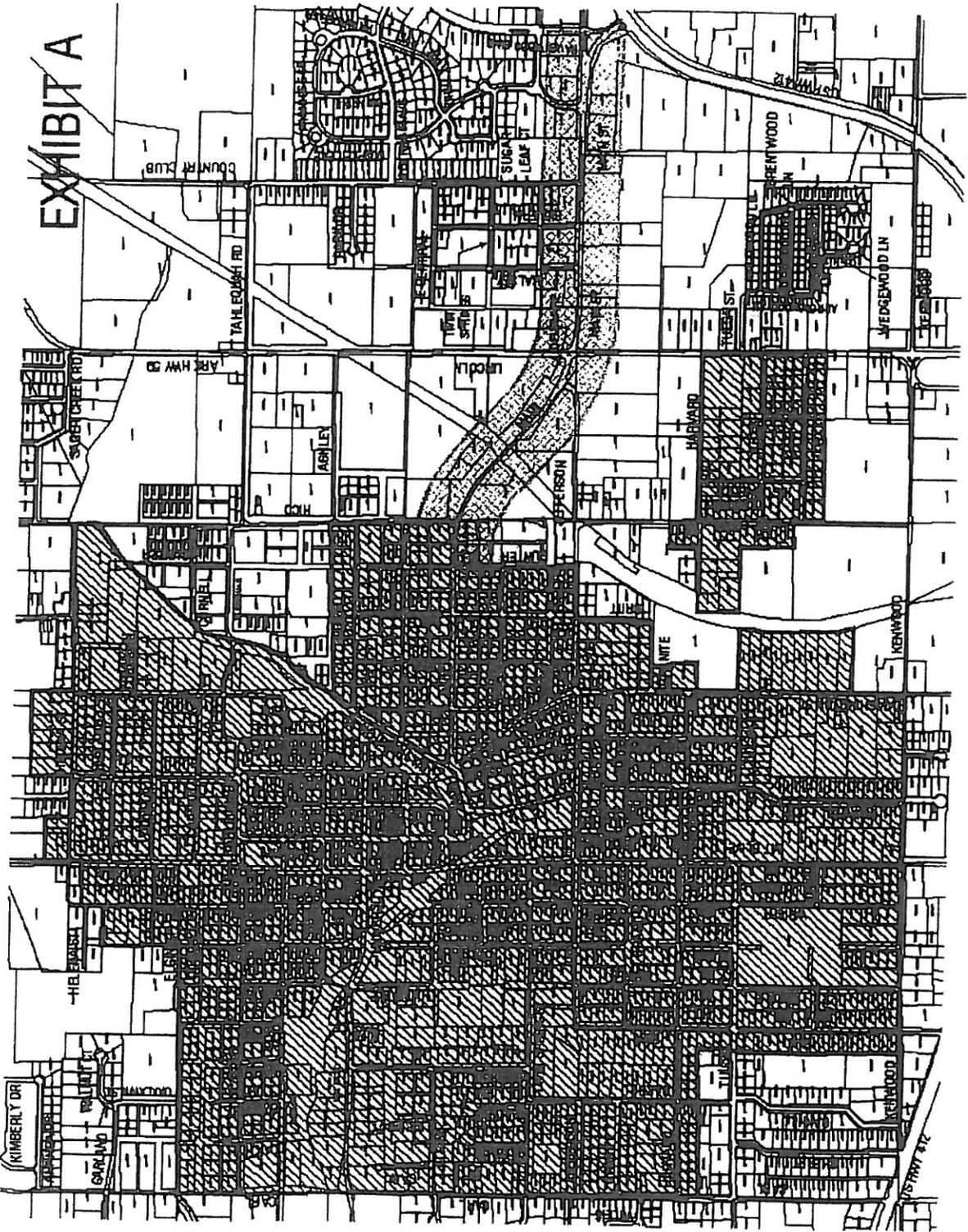

M. L. Van Poucke, Jr., Mayor

EXHIBIT A



RESOLUTION 39 - 14

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO OFFER ECONOMIC DEVELOPMENT INCENTIVES FOR NEW AND EXPANDING INDUSTRIES, AND PROVIDING FOR SUSPENSION OF PRIOR INCONSISTENT RESOLUTIONS OR ORDINANCES.

WHEREAS, Siloam Springs' industrial and manufacturing base is an essential component of the local economy; and

WHEREAS, national and regional economic downturns have negatively affected the industrial and manufacturing sector, reducing local jobs and payrolls; and

WHEREAS, local control of electrical and other city utilities permits flexibility in rates and fees in furtherance of public policy goals; and

WHEREAS, the Board of Directors believes that temporary reductions in utility service fees, for new and expanding industrial and manufacturing firms that increase their net jobs available, will diversify the tax base and encourage valuable economic activity of benefit to the entire community; and

WHEREAS, this Resolution is in the best interests of the public health, safety, and welfare of the citizens of Siloam Springs;

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the City of Siloam Springs, as follows:

The City Administrator is authorized to offer and negotiate, on behalf of the City, incentives to encourage significant capital investment, increased electrical demand, and/or net job growth. Incentives may be offered to customers or potential customers who are eligible, or may become eligible, for the City's large power rate 80, (Siloam Springs Municipal Code §98-60).

That any economic incentives offered shall be for a fixed and determinate period of time, not to exceed five years. Incentives that would, either individually or in cumulative effect, reduce overall revenue to a degree that would impair the City's ability to provide essential services shall not be offered.

That the authority to negotiate and offer incentives vested by this resolution shall remain in effect for a period of two (2) years, subject to the right of the Board of Directors to modify, terminate or extend its provisions, as economic conditions may require.

That any resolution or ordinance in conflict with these provisions shall be suspended, to the extent of such conflict only, so long as this resolution, or any incentives approved thereunder, shall remain in effect.

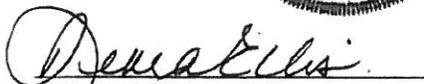
The attached Exhibit A is provided as an example of incentives that the City Administrator is authorized to extend to qualifying business or industry. Same shall not be construed as a limitation or requirement of the type of incentives that may be offered, but incentives falling outside these parameters shall be subject to Board of Directors approval.

Done and Resolved this 18th day of November 2014.

(SEAL)

Attest:




Renea Ellis, City Clerk

Approved:


John Mark Turner, Mayor



Exhibit A, incentive and eligibility example.

Eligibility:

- 1) The customer is a large power customer, qualifying for service under City's large power rate 80, (Siloam Springs Municipal Code §98-60) and either:
 - (a) a new manufacturing or industrial facility/an expansion of an existing facility, with a new capital investment of at least five (5) million dollars; or
 - (b) the facility will provide a net increase of at least fifty (50) jobs within one year.
- 2) The facility must maintain the increased net number of jobs for at least five (5) years.
- 3) That new customers create peak electrical demand reasonably projected to be at least 250 KW within two years of the addition of the new customer or metered facilities, or negotiated net load increases.
- 4) That expansion facilities create peak electrical demand reasonably projected to be at least 150 KW within two years of the addition of the new additional metered facilities, or negotiated net load increases.
- 5) Request for service under the rider shall be accompanied by sufficient information to enable the City Administrator to determine whether the customer's job creation, additional facilities and increased electrical demand meets the above requirements or provides equivalent economic benefit. If granted a rider, customer shall periodically supply such additional information as the City may require to determine continued eligibility for the program. Failure to supply necessary information as requested by the Administrator, or to maintain the required number of new jobs, shall be grounds for immediate termination of the incentives.

Performance Based Incentive Schedule:

The rates under this performance based incentive rider shall be on the base charge for the entire metered KW demand of the new/expanded facility's interconnection point, exclusive of any of the adjustments in the monthly billing. The credit shall be up to 25% during the first contract year, 20% during the second contract year, 15% during the third contract year, 10% during the fourth contract year and 5% during the fifth contract year. After the fifth contract year, this incentive provision shall cease. Performance will be calculated or triggered from the Customer's monthly metered kilowatt-hours. To receive the full annual allotted incentives on demand charges the customer's metered kilowatt-hours must be at least 25% greater than used/purchased

in the 12 months preceding the qualifying development or expansion. Performance based incentives will be calculated monthly for the customers kilowatt-hours for that months energy usage from table below.

Table for incentive reduction to customers kilowatt-demand charges by %

kWhr's above preceding 12-Mo. Usage	Performance Incentives for EDI 1st Year	Performance Incentives for EDI 2nd Year	Performance Incentives for EDI 3rd Year	Performance Incentives for EDI 4th Year	Performance Incentives for EDI 5th Year
25%	25%	20%	15%	10%	5%
20%	20%	15%	10%	5%	3%
15%	15%	10%	5%	3%	2%
10%	10%	5%	4%	3%	2%
5%	5%	4%	3%	2%	1%

All other billing schedules and related provisions and future rate increases shall remain in effect.

Qualifying customers shall also be eligible for a reduction in water and wastewater utility fees as follows: 9% during the first contract year, 6% during the second contract year and 3% during the third contract year. After the third contact year, this incentive provision shall cease. All other billing schedules and related provisions and future rate increases shall remain in effect.

RESOLUTION 18-16

A RESOLUTION AUTHORIZING THE CITY AMINISTRATOR TO OFFER ECONOMIC DEVELOPMENT INCENTIVES FOR NEW AND EXPANDING COMMERCIAL OR INDUSTRIAL BUSINESSES

WHEREAS, the City of Siloam Springs commercial, industrial and manufacturing market is an essential part of the City's economy; and

WHEREAS, economic development is a priority for the City of Siloam Springs; and

WHEREAS, increased commercial, industrial and manufacturing development will expand, diversify and assist with stabilizing the City's tax base; and

WHEREAS, increased commercial, industrial and manufacturing development will provide additional jobs and opportunities to the citizens of the City; and

WHEREAS, the Board of Directors finds that providing the appropriate incentives for the purposes of recruiting and retaining commercial, industrial and manufacturing advances the public interest and welfare of the City and its citizenry.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the City of Siloam Springs, as follows:

In order to ensure that certain economic activities occur within the City of Siloam Springs that grow and expand the City's economy, the City Administrator is authorized to negotiate and offer, on behalf of the City, incentives to encourage new and expanded commercial, industrial and manufacturing businesses when appropriate. Available incentives include, but are not limited to, fee waivers or rebates, reduced utility service fees, tax rebates, and assistance with the development of public infrastructure.

Any incentive package negotiated by the City Administrator per this resolution shall be presented to the Board of Directors in the form of an economic development agreement for the Board's formal consideration.

Done and Resolved this ____ day of _____, 2016

(SEAL)

Approved:

Attest:

John Mark Turner, Mayor

Renea Ellis, City Clerk



CITY OF
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STAFF REPORT

TO: Phillip Patterson, City Administrator
FROM: Justin Bland, City Engineer
CC: Don Clark, Community Services Director
DATE: May 5, 2016
RE: Resolution 19-16 / Authorize Expenditures Necessary for Award of Jefferson Drainage Grant / \$7,500

Recommendation: Approval of Resolution No. 19-16 authorizing expenditures necessary for award of grant funds, to construct Jefferson drainage improvements.

Background: The Board of Directors has previously approved Resolution 25-10 for the authorization to submit a grant application to the State for disaster funding stemming from the flooding of homes in the area west of Holly St. between Twin Springs St. and Tulsa St. The grant was approved for the amount of \$375,820 without any match requirement from City.

Civil Engineering, Inc. was selected to perform the engineering work and has completed a design for the extents shown on the attached Exhibit A. During this process, the plans were submitted to the U.S. Army Corps of Engineers (USACE) for regulatory approval. After review, the USACE is requiring stream mitigation to offset the impact of channelizing and concrete lining the stream in question before they authorize the project. In order to meet the USACE's stream mitigation requirements, Staff has consulted GBMc and Associates for recommendations. After visiting several sites in town, the section of Sager Creek between Lincoln St. and Country Club Rd. as shown on attached Exhibit B appears to give the best value of mitigation credits. The intent would be to construct stream improvements similar in nature, but a smaller scale to what was done along Sager Creek between Maple St. and University St.

Fiscal Impact: Considering timing and budgetary restraints, Staff proposes the following plan of action:

- Execute contract with GBMc for stream mitigation services. The mitigation plan development and Corps permit application will be performed this year for \$7,000.
- If Corps permit is approved, the \$375,820 Jefferson drainage project can proceed to be bid out. Staff will present bid results to Board for approval. There will be no City match required.
- In 2017, Staff will budget for remainder of GBMc tasks including design of mitigation project for a total of \$40,700.
- In 2017, Staff will budget for time and materials for City crews to construct stream mitigation project. This is estimated to cost \$60,000.

Attachments: Resolution No. 19 -16
Exhibit A & B

RESOLUTION 19 - 16

**A RESOLUTION AUTHORIZING EXPENDITURES NECESSARY FOR
AWARD OF GRANT FUNDS, TO CONSTRUCT JEFFERSON
DRAINAGE IMPROVEMENTS**

WHEREAS, the Board of Directors did previously authorize a grant application to the Arkansas Economic Development Commission, for funds earmarked for Cities and Counties affected by federally declared disasters in 2008; and

WHEREAS, the requested grant has been approved in the amount of \$375,820.00, with said funds to be utilized for the Jefferson drainage improvement project; and

WHEREAS, the U.S. Army Corps of Engineers has required that streambank mitigation credits be provided to offset the impacts of said undertaking; and

WHEREAS, in order to proceed with the grant, the City must obligate itself to commence mitigation project design as quickly as possible, and to construct the stream bank mitigation project in a future fiscal period, for when it can be budgeted; and

WHEREAS, the costs for a consultant to provide mitigation project design, required in the current fiscal year, are currently unbudgeted.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the City of Siloam Springs, as follows:

Staff is authorized to proceed with the unbudgeted cost, not to exceed \$7,500, to develop a mitigation plan and submit same to the Army Corps of Engineers for approval. Upon approval, staff is directed to proceed with bidding out the grant-funded Jefferson Drainage project and present the recommended proposal to the Board for consideration. In addition, staff is directed to include future costs for design and construction of the mitigation project in the 2017 budget request.

Done and Resolved this _____ day of May, 2016.

Attest:

Approved:

Renea Ellis, City Clerk

John Mark Turner, Mayor

RESOLUTION 19-16 EXHIBITS A and B



EXHIBIT A: LIMIT OF JEFFERSON DRAINAGE IMPROVEMENTS



EXHIBIT B: LIMITS OF STREAM MITIGATION IMPROVEMENTS



CITY OF
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STAFF REPORT

To: Phillip Patterson, City Administrator
From: Don Clark, Community Services Director
Date: May 10, 2016
Subject: Construction Manager at Risk Agreement / Nabholz Construction / Annex Building Renovation / \$712,875

Recommendation: Approve the City Annex Building renovation by Nabholz Construction for the amount of \$712,875.

Background: The City of Siloam Springs Board of Directors set a goal to have a one-stop permit shop for public permitting needs. This will enable the City to provide better customer service to our residents and contractors.

City staff met with consultants numerous times for walk-throughs of the City Annex building (old police station) to determine the scope of work needed to make this goal a reality. After coming up with the best fiscal option, staff presented the City Board of Directors with the proposed layout at a March 15, 2016 workshop.

Early estimates for the project came to approximately \$1,300,000. City staff worked together to reduce this cost. The HVAC system was not originally slated to be replaced but was deemed a necessary improvement. The replacement of the HVAC system will cost \$93,299, bringing the guaranteed maximum price for the renovation down to \$712,875. Additional soft costs such as desks, furniture, etc. will total approximately \$50,000 bringing the total funds needed for the renovation to \$762,875.00.

Funds totaling \$500,000 were previously earmarked for the remodel of the City Annex Building. Additionally, savings realized from not fully remodeling City Hall total \$100,000 and savings realized from not remodeling the Animal Shelter total \$224,000.

Fiscal Impact: The fiscal impact will be \$762,875.00 and will come out of the Administration Capital Outlay budget, line item 01-01-599999-048.



CITY OF
Siloam Springs
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STAFF REPORT

TO: Phillip Patterson, City Administrator
FROM: Steve Gorszczyk, Public Works Director
DATE: May 10, 2016
RE: Wastewater Treatment Plant Blowers / Repair and Replacement / \$107,275

Recommendation: Approval to include repair and replacement costs for two (2) blowers in the Wastewater's 2016 depreciation fund budget at a cost of \$107,275.

Background: The wastewater treatment plant has recently experienced a failure of the plants centrifugal blowers. These blowers supply oxygen to the biological treatment process, which is the backbone of the treatment plant.

While waiting on a permanent solution we have had another set of blowers that supply oxygen to the solids handling portion of the plant back-fed into the biological treatment process; however, these blowers do not provide the same volume of air needed to sustain the biological process and a permanent fix needs to be established so that the wastewater plant can stay in compliance with ADEQ.

Since the failure of the biological treatment process blowers, staff has been working with the manufacturer's representative to attempt to repair the blowers on-site. Unfortunately, the on-site repair was not successful. One blower was shipped to the repair center and when opened by the shop, it was discovered that the damage was extensive.

Fiscal Impact: The manufacturer's quote to repair one of the blowers is \$40,654 and can be repaired in a week. This expenditure is not a budgeted item, and therefore staff is asking the Board to amend the 2016 budget and use funds from the Wastewater Treatment Plant's depreciation fund. However, staff is asking the Board to amend the budget to include this expense along with another \$66,621 to purchase a replacement blower. This amount was quoted for a larger blower and while I do not anticipate quotes to be as high for a comparable replacement, the amount will allow for any shipping expense in addition to the purchase amount.

Staff has already contracted to have one of the blowers repaired and the funds that are to be used to facilitate this emergency repair are actually earmarked for another capital replacement project. If necessary, the Plant will forego this other project, but staff would prefer the Board to amend the 2016 budget accordingly.

Attachments: None



CITY OF
Siloam Springs
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TO: Phillip Patterson, City Administrator
FROM: Steve Gorszczyk, Public Works Director
DATE: May 10, 2016
RE: Temporary Employee / Street Division

Recommendation:

Approval of hiring a temporary employee for the Street Division.

Background: The Street Division desires to hire a temporary employee to assist the mowing crew this season. Recently, there have been new projects added for our department to complete in a timely manner.

With the extra demands of projects added for the year, staff would like to use some of the employees from the mowing crew to assist with construction. By hiring a temporary employee, the Street Division can continue mowing as scheduled throughout the City this season.

Fiscal Impact: Due to the vacancy of the Project Coordinator position in the Street Division, staff proposes using funds available in the Salaries and Wages line item. This will require a budget amendment to re-classify the said position since this was not originally a budgeted item.

Attachments: None