5:30pm -- Committee Meeting:
Discussion of the Impact Fee Exemption Potential
6:30pm -- City Council Meeting
Courtroom in District Court Building
810 Parkway, Conway, AR 72032
September 15th, 2009
(Originally scheduled for September 8th, 2009)

1. Call to Order
2. Roll Call
3. Minutes: September 1st & September 3rd, 2009
4. Recognition of Guests:
5. Public Hearings:
6. Report of Standing Committees:

A. Community Development Committee (Planning, Zoning, Permits, Community Development, Historic District, Streets, & Conway Housing Authority)


2. Resolutions requesting the Faulkner County Tax Collector to place certified liens on certain properties as a result of incurred expenses by the City.

3. Discussion/Update on the structure located at 912 Front Street.

4. Discussion of options for the sidewalk in lieu funds.

5. Discussion of right of way acquisition for S. Donaghey for the Dave Ward Drive & Donaghey Project.

7. Old Business

8. New Business

Adjournment
Study on Impact Fee Exemption Potential

A White Paper Prepared for Mayor Tab Townsell and the Conway City Council by the Conway Planning and Development Department

Bryan Patrick, Director
Donald Anthony, Planner and Principal Investigator

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1201 Oak Street
Conway, Arkansas 72032
501.450.6105

September 15, 2009
Study on Impact Fee Exemption Potential
Prepared by the Conway Planning and Development Department
September 15, 2009

Introduction

The purpose of this white paper is to offer Conway’s decision-makers suggestions on impact fee exemptions. At the September 1, 2009, City Council Committee Meeting, Mayor Tab Townsell and the Conway City Council requested that the Planning and Development Department investigate the potential for expansion of impact fee exemption areas. This paper offers brief background information on impact fees in Conway and briefly addresses three key issues that should be taken into account when considering the potential for expansion of the areas exempted from impact fees: 1) fiscal impacts; 2) equity; and 3) determining criteria. The Planning and Development Department supports impact fee exemptions for blighted areas, sites with environmental problems, and possible future transit oriented development sites.

Background

The City of Conway experienced a period of rapid, intense population growth during the 1990s and early 2000s. This growth placed significant burdens on the City’s streets and parks, leading the City to seek new revenue sources to pay for expansion and improvement of these facilities. Following a study conducted by a nationally-recognized firm, Duncan Associates, the City amended its Subdivision Ordinance in 2003 to include a section on impact fees. Impact fees are assessed on all new construction within the City and vary based on project type. Residential projects are assessed for both streets and parks, while commercial projects pay impact fees for streets only. Since 2004 (the first full year in which impact fees were collected), the City has collected more than $8.2 million in impact fees. As Table 1 shows, impact fee collections have steadily declined since 2006 when the City collected more than $2 million. Projections for 2009 indicate that impact fee collections are likely to decline slightly from 2008 collections; based on these projections, total impact fee collections in 2009 are likely to be down nearly 38 percent from the more than $2 million collected in 2006.\(^1\)

---

\(^1\) Based on linear projection using 2009 collections to date
Table 1: Impact Fee Collections by Year.

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009 (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>$84,193</td>
<td>$256,517</td>
<td>$491,109</td>
<td>$558,520</td>
<td>$327,662</td>
<td>$416,900</td>
</tr>
<tr>
<td>Residential (Streets)</td>
<td>$320,262</td>
<td>$627,873</td>
<td>$967,773</td>
<td>$742,503</td>
<td>$781,529</td>
<td>$462,263</td>
</tr>
<tr>
<td>Residential (Parks)</td>
<td>$211,727</td>
<td>$407,944</td>
<td>$601,796</td>
<td>$461,677</td>
<td>$281,740</td>
<td>$400,289</td>
</tr>
<tr>
<td>Total</td>
<td>$616,182</td>
<td>$1,292,334</td>
<td>$2,060,678</td>
<td>$1,762,700</td>
<td>$1,390,931</td>
<td>$1,279,452</td>
</tr>
<tr>
<td>% Change from Previous Year</td>
<td>+110%</td>
<td>+59%</td>
<td>-14%</td>
<td>-21%</td>
<td>-8%</td>
<td></td>
</tr>
</tbody>
</table>

Two areas in Conway are presently exempted from impact fees. The first area includes Conway’s major industrial sites and existing airport. The second area includes Conway’s central business district. Maps of these areas are included in the Appendix. In August 2009, the owners of Conway Towne Center, a shopping center located near the intersection of Skyline Drive and Interstate 40, asked the City to consider expanding the impact fee exemption areas to include Conway Towne Center.

Solution

Cities frequently must offer incentives to property owners and/or developers in order to encourage growth, expansion, and redevelopment in economically-depressed or geographically undesirable areas. In some cities, this may take the shape of tax abatement programs, while other cities may offer land or other resources for little or no cost. In Conway, impact fee exemptions offer a sensible method of incenting growth and directing development or redevelopment to specific areas. However, waiving impact fees presents several problems for City government including: 1) the potential for misbudgeting and negative fiscal impacts, particularly with regard to the Street Department and Parks and Recreation Department; 2) the potential for a lack of equity in how street and park projects are funded and who must fund those projects; and 3) difficulty in determining fair criteria for which projects should be exempt. The fiscal issues should be resolved by the respective departments and the Finance Department; the Planning and Development Department is not in a position to evaluate the budgets of these departments. The equity and criteria issues are discussed in the following sections.
Equity

Public investment, tax breaks, and fee exemptions in targeted areas are often accompanied by accusations of unfairness. While these accommodations may be firmly supported by sensible public policy, perception can gain more attention than intent or even outcome. Any break or exemption should be explained in clear terms to the public—including the development community—and should be rooted in unambiguous public policy.

Determining Criteria

Besides the aforementioned industrial areas and central business district, other areas of the city may be appropriate for impact fee exemptions. The Conway Planning and Development Department recognizes the need for such exemptions in blighted areas, areas with significant environmental issues, and areas that may be adjacent to mass transit lines in the future. Exemptions should be place-specific rather than project-specific.

Blight. The Planning and Development supports impact fee exemptions in areas meeting specific criteria for blight. Exempted areas may be of any character (residential, commercial, industrial, etc.) or size but should be geographically defined. For example, the Department’s recent Northeast Old Conway Area Study (2009), which suggested that the Northeast Old Conway Area be considered for impact fee exemptions, clearly defined the area with maps and physical descriptions.

In order to exempt blighted areas from impact fees, the criteria for blight must be set forth in clear terms. The Planning and Development Department suggests the following criteria for an area to be declared blighted for impact fee exemption purposes. This section will examine two types of areas that may be considered for impact fee exemptions: areas that are primarily residential in character and major shopping centers. Residential areas will be examined through the use of U.S. Census block group data; the block group is the lowest geographic level at which detailed Census data is available. The data used in this paper for shopping centers comes from two primary sources: the Faulkner County Assessor’s Office and a visual survey conducted by Planning and Development Department staff on September 10, 2009; should the City Council choose to follow the recommended exemption criteria listed in this paper, all numbers cited in this paper should be verified with the Assessor’s Office and shopping center owners before any exemptions are granted or denied. Note that not all criteria apply to all types of development.
1) If residential in nature, property values in the area are in decline or are increasing at a rate lower than that of the City overall. Accounting for inflation, median home values in Conway increased 21 percent from $81,810 in 1990 to $98,754 in 2000.² Yet, inflation-adjusted median values in 13 of Conway’s 25 block groups increased at a slower rate.³ Five block groups actually saw decreases in median home values. Map 1 illustrates how property values in Conway’s block groups compare to the City’s overall property value change.

Map 1: Property Value Change by Block Group 1990-2000

2) If commercial or industrial in nature, both land and improvement values are significantly lower than the average of similar sites. For commercial/industrial areas, the subject area’s value should be compared to that of similar commercial/industrial areas in the City. Table 2 shows comparative property values for Conway’s shopping centers.

Table 2: Land and Building Values of Shopping Centers Compared to Averages

<table>
<thead>
<tr>
<th>Commercial Area</th>
<th>Acres</th>
<th>Total Land Value</th>
<th>Value per Acre</th>
<th>Difference between Average Per Acre at This Site and Overall Average per Acre ($17,530)</th>
<th>Building Square Footage</th>
<th>Total Building Value</th>
<th>Value per Square Foot</th>
<th>Difference between Average Per Square Foot at This Site and Overall Average per Square Foot ($44.04)</th>
<th>Land and Building Value below Overall Averages?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conway Commons</td>
<td>65.83</td>
<td>$9,444,650</td>
<td>$143,470</td>
<td>($36,060)</td>
<td>588,292</td>
<td>$36,282,650</td>
<td>$61.67</td>
<td>$17.64</td>
<td>No</td>
</tr>
<tr>
<td>Conway Market Place</td>
<td>20.3</td>
<td>$4,091,100</td>
<td>$201,532</td>
<td>$22,002</td>
<td>189,902</td>
<td>$7,743,250</td>
<td>$39.35</td>
<td>($4.68)</td>
<td>No</td>
</tr>
<tr>
<td>Conway Towne Center</td>
<td>20.38</td>
<td>$3,011,550</td>
<td>$147,770</td>
<td>($31,760)</td>
<td>175,934</td>
<td>$5,672,150</td>
<td>$32.24</td>
<td>($11.80)</td>
<td>Yes</td>
</tr>
<tr>
<td>Faulkner Plaza</td>
<td>9.61</td>
<td>$1,674,450</td>
<td>$174,240</td>
<td>($5,290)</td>
<td>121,672</td>
<td>$5,519,100</td>
<td>$45.36</td>
<td>$1.32</td>
<td>No</td>
</tr>
<tr>
<td>North Plaza</td>
<td>7.05</td>
<td>$1,473,500</td>
<td>$209,007</td>
<td>$29,477</td>
<td>126,075</td>
<td>$1,388,600</td>
<td>$11.01</td>
<td>($33.02)</td>
<td>No</td>
</tr>
<tr>
<td>Ridge Plaza^5</td>
<td>6.58</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>77,098</td>
<td>$4,434,950</td>
<td>$57.52</td>
<td>$13.49</td>
<td>No</td>
</tr>
<tr>
<td>Scherman Heights</td>
<td>19.59</td>
<td>$3,940,750</td>
<td>$201,161</td>
<td>$21,631</td>
<td>71,329</td>
<td>$4,357,200</td>
<td>$61.09</td>
<td>$17.05</td>
<td>No</td>
</tr>
</tbody>
</table>

3) If residential in nature, owner-occupancy levels are at a consistently lower rate than the City’s overall owner-occupancy rate. Housing tenure in the subject area should be compared to that of comparable areas in the City over a set period of time (two years, five years, or ten years, perhaps) to discern trends. Map 2 illustrates how owner-occupancy rates in Conway’s block groups compare to the City’s overall owner-occupancy rates.

^5 Available data suggests that Ridge Plaza’s value per acre ($435,653) exceeds comparable shopping centers by more than a two-to-one margin. Because the data is unverified and skews the averages disproportionately, acreage data for Ridge Plaza is not included in the table is not used in the calculation of average value per acre. Building square footage data for Ridge Plaza appears to be consistent with data collected for comparable shopping centers.
4) If commercial or industrial in nature, vacancy levels are higher than the average vacancy levels for similar developments. Commercial/industrial sites with vacancy rates that are consistently higher than the average vacancy rate of comparable sites meet this criterion. As an example, Table 3 shows estimated vacancy rates for selected shopping centers in relation to the average vacancy rate of those centers.

---

Table 3: Shopping Center Vacancy Rates

<table>
<thead>
<tr>
<th>Shopping Center</th>
<th>Estimated Total Tenant Units</th>
<th>Estimated Vacant Units</th>
<th>Estimated Vacancy Rate</th>
<th>Higher than Estimated Overall Average (23.1%)?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conway Commons</td>
<td>38</td>
<td>3</td>
<td>7.9%</td>
<td>No</td>
</tr>
<tr>
<td>Conway Market Place</td>
<td>17</td>
<td>6</td>
<td>35.3%</td>
<td>Yes</td>
</tr>
<tr>
<td>Conway Towne Center</td>
<td>26</td>
<td>11</td>
<td>42.3%</td>
<td>Yes</td>
</tr>
<tr>
<td>Faulkner Plaza</td>
<td>4</td>
<td>0</td>
<td>0.0%</td>
<td>No</td>
</tr>
<tr>
<td>North Plaza</td>
<td>15</td>
<td>4</td>
<td>26.7%</td>
<td>Yes</td>
</tr>
<tr>
<td>Ridge Plaza</td>
<td>8</td>
<td>1</td>
<td>12.5%</td>
<td>No</td>
</tr>
<tr>
<td>Sherman Heights</td>
<td>22</td>
<td>5</td>
<td>22.7%</td>
<td>No</td>
</tr>
</tbody>
</table>

5) The subject area displays a history of lack of new development and/or redevelopment. The subject area should be evaluated based on building activity (if a residential area) and/or renovation activity (if a commercial/industrial area) or lack thereof within a designated period of time. While visual surveys can provide some clarification, building permit data would be a better source for determining activity level over a period of time.

6) If commercial or industrial in nature, the site lacks major road visibility or is located in or near another area deemed blighted. Commercial/industrial sites near major roads and with significant visibility and frontage have advantages over less visible sites and should not be considered blighted except where dire circumstances can be demonstrated. For example, a shopping center may have high visibility but may be located in a high crime area or a blighted neighborhood where passers-by are less likely to stop, thus keeping the shopping center mostly vacant. In such a case, an exemption may be warranted if the subject site can meet the other criteria. Table 4 shows street frontage and visibility for the example shopping centers.

---

7 Figures based on observations from visual survey conducted by Conway Planning and Development Department staff on September 10, 2009. Figures should be verified by shopping center owners.
Table 4: Shopping Center Frontage and Visibility

<table>
<thead>
<tr>
<th>Shopping Center</th>
<th>Road Frontage</th>
<th>Additional Visibility from Highways / Major Arterials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conway Commons</td>
<td>Oak Street</td>
<td>Interstate 40</td>
</tr>
<tr>
<td>Conway Market Place</td>
<td>Dave Ward</td>
<td>Hogan Lane</td>
</tr>
<tr>
<td>Conway Towne Center</td>
<td>Skyline</td>
<td>Interstate 40, Lower Ridge</td>
</tr>
<tr>
<td>Faulkner Plaza</td>
<td>Oak Street</td>
<td>Interstate 40</td>
</tr>
<tr>
<td>North Plaza</td>
<td>Harkider</td>
<td></td>
</tr>
<tr>
<td>Ridge Plaza</td>
<td>Old Morrilton Highway</td>
<td>Interstate 40</td>
</tr>
<tr>
<td>Scherman Heights</td>
<td>Salem</td>
<td>College</td>
</tr>
</tbody>
</table>

7) Development or redevelopment at the site would not have negative impacts on the Comprehensive Plan or the street network. Projects at exempted sites should follow the Comprehensive Plan and should not have negative affects on the street network. While it is not possible to have complete foresight to determine the exact nature of a project that might locate in a particular exempted site, it is possible—by exercising due diligence—to determine the general desirability of an area for particular types of projects.

8) Cost of development at the site is higher than development at comparable sites. If the subject site poses specific, inherent cost issues that similar sites do not pose, incentives may be necessary to direct development to the subject site. For example, water and sewer lines in a subject area may have limited capacity, necessitating upgrades for the area to be viable for redevelopment.

As Table 5 and Map 3 indicate, applying the criteria outlined in this paper and pending additional necessary information, as many as seven block groups may be considered for possible impact fee exempt sites. These block groups are: 307.001, 307.003, 308.002, 308.003, 309.001, 309.002, and 309.003. Notably, each of these block groups lies near or within the central portion of the City; both of the areas that are currently exempt from impact fees are proximate to these block groups.

---

8 Based on observations from visual survey conducted by Conway Planning and Development Department staff on September 10, 2009.
Table 5: Example Block Groups Qualifications for Blight Status Based on Criteria Previously Outlined

<table>
<thead>
<tr>
<th>Block Group</th>
<th>Map Code</th>
<th>C R I T E R I A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1  2  3  4  5  6  7  8</td>
</tr>
<tr>
<td>050450304011</td>
<td>A Y NA  N NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450304021</td>
<td>B Y NA  N NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450304031</td>
<td>C N NA  N NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450304041</td>
<td>D Y NA  N NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450305001</td>
<td>E N NA  N NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450305002</td>
<td>F Y NA  N NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450306001</td>
<td>G Y NA  N NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450306002</td>
<td>H Y NA  N NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450306003</td>
<td>I Y NA  N NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450307001</td>
<td>J Y NA  Y NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450307002</td>
<td>K Y NA  N NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450307003</td>
<td>L Y NA  Y NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450307004</td>
<td>M N NA  Y NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450307005</td>
<td>N N NA  Y NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450307006</td>
<td>O N NA  Y NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450308001</td>
<td>P Y NA  N NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450308002</td>
<td>Q Y NA  Y NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450308003</td>
<td>R Y NA  Y NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450309001</td>
<td>S Y NA  Y NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450309002</td>
<td>T Y NA  Y NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450309003</td>
<td>U Y NA  Y NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450310011</td>
<td>V Y NA  N NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450310021</td>
<td>W N NA  N NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450310022</td>
<td>X Y NA  N NA CD NA CD CD</td>
<td></td>
</tr>
<tr>
<td>050450311021</td>
<td>Y N NA  N NA CD NA CD CD</td>
<td></td>
</tr>
</tbody>
</table>

Y = Meets criterion  
N = Does not meet criterion  
NA = Criterion not applicable  
CD = Cannot determine whether criterion is met
As Table 6 indicates, based on the suggested criteria for blight, none of the seven shopping centers considered in this paper would qualify as blighted areas; each fails to meet at least one of the two tested criteria. Additional information is necessary to determine whether any of the shopping centers meet the remaining criteria. The City Council may wish to consider other arguments to support exemptions for these areas. It is important to note that none of the figures cited in this paper are scientific; should the City Council choose to follow the criteria suggested here, individual studies should be carried out for each area considered for an exemption.
Table 6: Example Shopping Centers Qualifications for Blight Status Based on Criteria Previously Outlined

<table>
<thead>
<tr>
<th>Shopping Center</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conway Commons</td>
<td>NA</td>
<td>N</td>
<td>NA</td>
<td>N</td>
<td>CD</td>
<td>N</td>
<td>CD</td>
<td>CD</td>
</tr>
<tr>
<td>Conway Market Place</td>
<td>NA</td>
<td>N</td>
<td>NA</td>
<td>Y</td>
<td>CD</td>
<td>N</td>
<td>CD</td>
<td>CD</td>
</tr>
<tr>
<td>Conway Towne Center</td>
<td>NA</td>
<td>Y</td>
<td>NA</td>
<td>Y</td>
<td>CD</td>
<td>N</td>
<td>CD</td>
<td>CD</td>
</tr>
<tr>
<td>Faulkner Plaza</td>
<td>NA</td>
<td>N</td>
<td>NA</td>
<td>N</td>
<td>CD</td>
<td>N</td>
<td>CD</td>
<td>CD</td>
</tr>
<tr>
<td>North Plaza</td>
<td>NA</td>
<td>N</td>
<td>NA</td>
<td>Y</td>
<td>CD</td>
<td>N</td>
<td>CD</td>
<td>CD</td>
</tr>
<tr>
<td>Ridge Plaza</td>
<td>NA</td>
<td>N</td>
<td>NA</td>
<td>N</td>
<td>CD</td>
<td>N</td>
<td>CD</td>
<td>CD</td>
</tr>
<tr>
<td>Scherman Heights</td>
<td>NA</td>
<td>N</td>
<td>NA</td>
<td>N</td>
<td>CD</td>
<td>N</td>
<td>CD</td>
<td>CD</td>
</tr>
</tbody>
</table>

Y = Meets criterion  
N = Does not meet criterion  
NA = Criterion not applicable  
CD = Cannot determine whether criterion is met

Environmental Issues. Areas that have a history of environmental hazards (including brownfields) are particularly difficult and costly to redevelop due to the mitigation efforts that are required for such areas to be viable for new development. Such sites are often eyesores; more importantly, unmitigated sites can have negative effects on the health of humans, wildlife, waterbodies, soils, and air. On property where a significant effort or financial investment is necessary to mitigate environmental hazards and make the site usable, the Planning and Development Department supports impact fee exemptions.

Transit Oriented Development. As Conway and the Little Rock metro area continue to grow, the potential for future light rail or other regional mass transit increases. Should a commuter line be established between Conway and Little Rock in the coming years, areas adjacent to the line should be considered for impact fee exemptions. By allowing residents to live and work near the line, dependence on automobiles would be reduced, thus lessening need for new roads. While this is not now a reality, City leaders would be well-advised to look ahead and keep this type of development in mind.

Conclusion

In order to attract or direct businesses, industry, and residents to certain areas of the City, the City should be prepared to offer incentives. One of the incentives the City can offer is an exemption from impact fees. Such exemptions, however, should not be granted without consideration of fiscal impacts, equity, and site characteristics which may include blighted conditions, environmental damage, or proximity to future
transit lines. The Planning and Development Department urges that firm public policy underlie all impact fee exemptions.

The Planning and Development Department does not recommend an expansion of the impact fee exempted areas to include Conway Towne Center at this time. Conway Towne Center has visibility from two heavily-traveled major roads, Skyline Drive and Interstate 40; thus the shopping center fails to meet one of the criteria listed. Additionally, using these criteria, the owners of Conway Towne Center would need to demonstrate that development/redevelopment at Conway Towne Center would cost more than development/redevelopment at similar shopping centers; this would be a second criterion Conway Towne Center would likely fail to meet.
APPENDIX
MEMO

September 11, 2009
Conway Mayor and City Council

Currently the road impact fee for a movie theater is $4,976 per 1000 square feet of area under roof. The Planning and Development Department has researched this fee to determine its equitability.

The current road impact fee schedule is based on average daily land use traffic generation figures from ITE, Trip Generation, 6th Edition 1998. A newer 7th edition was published in 2003. Most traffic generation numbers have remained the same, however a new peak hour traffic generation number was included in the 7th edition. This new number is based on seven studies of a multiplex theater whereas the older number is based on a single study of a one screen theater. The newer number reduces the average daily vehicle trips.

By plugging this new figure into the street impact fee formula, along with a reduced assumption of primary trips, a significantly lower impact fee can be calculated for a multiplex movie theater. This new number could reduce the current impact fee from $4.976 per square foot to $2.342 per square foot.

A second page is attached showing the math calculations.

Bryan C. Patrick
Director of Planning and Development
REVISED MULTIPLEX MOVIE THEATER IMPACT FEE


Movie Theater w/o Matinee (1000 sf), based on 1 study
78.06 average daily vehicle trip generation per 1000 sf
6.16 pm peak hour vehicle trip traffic generation per 1000 sf


Multiplex Movie Theater (1000 sf), based on 7 studies
Average daily vehicle trip generation per 1000 sf - not supplied
5.22 pm peak hour vehicle trip traffic generation per 1000 sf

Taking the original number and getting a ratio to estimate a newer average daily number:
78.06 / 6.16 = 12.67; 5.22 (12.67) = 66.14 average daily vehicle trip generation / 1000 square feet

Street Impact Fee Formula from the Conway Subdivision Ordinance

<table>
<thead>
<tr>
<th>Fee</th>
<th>Project VMT x Net Cost/VMT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Where:</td>
<td></td>
</tr>
<tr>
<td>Project VMT = TRIPS x % NEW x LENGTH / 2</td>
<td></td>
</tr>
<tr>
<td>TRIPS = Daily trip ends generated by the development during the work week</td>
<td></td>
</tr>
<tr>
<td>% NEW = Percent of trips that are primary, as opposed to passby or diverted VMT trips</td>
<td></td>
</tr>
<tr>
<td>LENGTH = Average length of a trip on major road system</td>
<td></td>
</tr>
<tr>
<td>.5 = A value double-counting trips for origin and destination</td>
<td></td>
</tr>
<tr>
<td>Net Cost/VMT = Cost/VMT - Credit/VMT</td>
<td></td>
</tr>
<tr>
<td>Cost/VMT = Cost/VMC x VMC/VMT</td>
<td></td>
</tr>
<tr>
<td>Cost/VMC = Average cost to create a new VMC based on historical or planned projects</td>
<td></td>
</tr>
<tr>
<td>VMC/VMT = The system-wide ratio of capacity to demand in the major roadway system</td>
<td></td>
</tr>
<tr>
<td>Credit/VMT = Credit per VMT, based on revenues to be generated by new development</td>
<td></td>
</tr>
</tbody>
</table>

Plugging in the Numbers:

66.14/2 x 1.78 x .5 x 79.57 = $2342

$2342 / 1000 square feet -or- $2.342 / square foot

66 = Trips
1.78 = Length*
.5 = % New (The original assumption was 90%)
$79.57 = Net cost/vmt*

* Determined in the Conway Impact Fee Study by Duncan Associates April 2003
September 11, 2009

CONWAY TOWNE CENTRE - CINEMARK THEATER IMPACT FEES

EXISTING IMPACT FEE FOR PROPOSED MULTIPLEX THEATER:
38,869 square feet @ $4.976/square foot = $193,412

Existing Land Use / Impact Fee Credits

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Square Footage</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theater</td>
<td>12,236 s.f. @ $4.976</td>
<td>$60,886</td>
</tr>
<tr>
<td>Subway (Former)</td>
<td>1,500 s.f. @ $2.421</td>
<td>$3,631</td>
</tr>
<tr>
<td>Retail</td>
<td>8,180 s.f. @ $1.915</td>
<td>$15,665</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>25,500 s.f.</strong></td>
<td><strong>$80,182</strong></td>
</tr>
</tbody>
</table>

TOTAL IMPACT FEES AFTER CREDIT ADJUSTMENT:
$193,412 TOTAL NEW THEATER
- $80,182 CREDIT FOR EXISTING
$113,230 DUE FOR NEW THEATER

REVISED IMPACT FEE FOR PROPOSED MULTIPLEX THEATER:
38,869 square feet @ $2.342/square foot = $91,031

Existing Land Use / Impact Fee Credits

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Square Footage</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theater</td>
<td>12,236 s.f. @ $2.342</td>
<td>$28,657</td>
</tr>
<tr>
<td>Subway (Former)</td>
<td>1,500 s.f. @ $2.421</td>
<td>$3,631</td>
</tr>
<tr>
<td>Retail</td>
<td>8,180 s.f. @ $1.915</td>
<td>$15,665</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>25,500 s.f.</strong></td>
<td><strong>$47,953</strong></td>
</tr>
</tbody>
</table>

TOTAL IMPACT FEES AFTER CREDIT ADJUSTMENT:
$91,031 TOTAL NEW THEATER
- $47,953 CREDIT FOR EXISTING
$43,078 DUE FOR NEW THEATER
Memo:

To: Mayor Tab Townsell
CC: City Council Members
    Barbara Money, A&P Commission

From: Felicia Rogers
Date: September 11, 2009
Re: A&P Commission Nomination

The City of Conway Advertising and Promotion Commission selected the following for the vacant positions on there board:

Jeremy Gardner – Filling out the remainder of Dale Bruins 4 year term, which just started in May 2009.

Please advise if you have any questions
A RESOLUTION APPROVING AMOUNT OF LIEN TO BE CERTIFIED TO THE FAULKNER COUNTY TAX COLLECTOR AGAINST REAL PROPERTY AS A RESULT OF GRASS CUTTING EXPENSES BY THE CITY OF CONWAY; AND FOR OTHER PURPOSES.

WHEREAS, in accordance with Ark. Code Ann. § 14-54-901, the City of Conway has corrected conditions existing on 1618 Clifton Street within the City of Conway and is entitled to compensation pursuant to Ark. Code § 14-54-904: and

WHEREAS, State law also provides for a lien against the subject property, with the amount of lien to be determined by the City Council at a hearing held after the notice to the owner thereof by certified mail with said amount $116.77 (plus a ten percent collection penalty) to be thereafter certified to the Faulkner County Tax Collector; and

WHEREAS, a hearing for the purpose of determine such lien has been set for September 15, 2009 in order to allow for service of the attached notice of same upon the listed property owners, by certified or publication as is necessary.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Conway, Arkansas

SECTION 1: That after said public hearing the amount listed above is hereby certified and is to be forwarded to the Faulkner County Tax Collector and Assessor by the City of Conway.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

ADOPTED this 15th day of September, 2009.

Approved:

__________________________
Mayor Tab Townsell

Attest:

_______________________
Michael O. Garrett
City Clerk/Treasurer
Conway Code Enforcement
Incident Report

Date of Violation: July 01, 2009
Violator Name: Miriam Ziegler
Address of Violation: 1618 Clifton
Violation Type: Grass
Warning #: 8736
Description of Violation and Actions Taken: On July 1, 2009 a warning was issued to Miss Ziegler in reference to tall grass. July 14, a recheck was performed with no progress. July 20, 2009 recheck with no progress, pictures were taken. On July 22, 2009 Physical plant mowed the property and brought it into compliance with city ordinance. Code Enforcement has been dealing with tall grass issues at 1618 Clifton since 2005. A total of 9 warnings have been issued to date.

Code Enforcement Officer: Otie Cowgill

Officer Signature: Otie Cowgill

Date: 7-22-09 Time: 15:55
A RESOLUTION REQUESTING THE FAULKNER COUNTY TAX COLLECTOR PLACE A CERTIFIED LIEN AGAINST REAL PROPERTY AS A RESULT OF INCURRED EXPENSES BY THE CITY OF CONWAY; AND FOR OTHER PURPOSES.

WHEREAS, in accordance with Ark. Code Ann. § 14-54-901, the City of Conway has corrected conditions existing on 44 Frances Drive within the City of Conway and is entitled to compensation pursuant to Ark. Code § 14-54-904: and

WHEREAS, State law also provides for a lien against the subject property, with the amount of lien to be determined by the City Council at a hearing held after the notice to the owner thereof by certified mail with said amount $153.36 (plus a ten percent collection penalty) to be thereafter certified to the Faulkner County Tax Collector; and

WHEREAS, a hearing for the purpose of determine such lien has been set for September 15, 2009 in order to allow for service of the attached notice of same upon the listed property owners, by certified or publication as is necessary.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Conway, Arkansas

SECTION 1: That after said public hearing the amount listed above is hereby certified and is to be forwarded to the Faulkner County Tax Collector and Assessor by the City of Conway.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

ADOPTED this 15th day of September, 2009.

Approved:

__________________________
Mayor Tab Townsell

Attest:

__________________________
Michael O. Garrett
City Clerk/Treasurer
Conway Code Enforcement
Incident Report

Date of Violation: 6-23-09
Violator Name: Mark Thurman
Address of Violation: 44 Frances Drive
Violation Type: Tall grass, rubbish/trash/unsanitary matter (overgrown shrubs/bushes)
Warning #: CE8712

Description of Violation and Actions Taken:
On 6-23-09 I wrote a code violation warning to Mark Thurman of 44 Frances Drive for
tall grass and rubbish/trash/unsanitary matter. The rubbish/trash/unsanitary matter was
for extremely overgrown bushes and shrubs on the property that would be a haven for
rats, mice, snakes and other varmints. The property was rechecked on 7-1-09 with no
progress noted. Certified and regular letters concerning the violations were then sent to
the residence on 7-1-09. The property was checked again on 7-13-09 with minor
progress made on the tall grass. Due to some progress being made, I scheduled another
recheck on 7-20-09. On the recheck on 7-20-09 no further progress had been made and a
cleanup/mowing was scheduled at this time. The property was cleaned/mowed on 7-27-
09. I also made contact with Thurman at the time the property was being cleaned and
issued him a Code Enforcement Citation (CE 076) with a plea date of 8-17-09 at 0730
hours at Conway District Court. Thurman did ask if he could work some in his yard
while the city work crew was there. I told Thurman that he could and that the more he
did, the less the city would have to do and that would lower his bill. After the cleanup
was complete, a bill was sent to Thurman via certified mail.

Code Enforcement Officer: Grant Tomlin

Officer Signature: ___________________________

Date: 8-3-09               Time: 1310
City of Conway, Arkansas  
Resolution No. R-09-——

A RESOLUTION REQUESTING THE FAULKNER COUNTY TAX COLLECTOR PLACE A CERTIFIED LIEN AGAINST REAL PROPERTY AS A RESULT OF INCURRED EXPENSES BY THE CITY OF CONWAY; AND FOR OTHER PURPOSES.

WHEREAS, in accordance with Ark. Code Ann. § 14-54-901, the City of Conway has corrected conditions existing on Mildred Street (parcel # 710-04605-000) within the City of Conway and is entitled to compensation pursuant to Ark. Code § 14-54-904: and

WHEREAS, State law also provides for a lien against the subject property, with the amount of lien to be determined by the City Council at a hearing held after the notice to the owner thereof by certified mail with said amount $153.36 (plus a ten percent collection penalty) to be thereafter certified to the Faulkner County Tax Collector; and

WHEREAS, a hearing for the purpose of determine such lien has been set for September 15, 2009 in order to allow for service of the attached notice of same upon the listed property owners, by certified or publication as is necessary.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Conway, Arkansas

SECTION 1: That after said public hearing the amount listed above is hereby certified and is to be forwarded to the Faulkner County Tax Collector and Assessor by the City of Conway.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

ADOPTED this 15th day of September, 2009.

Approved:

__________________________
Mayor Tab Townsell

Attest:

__________________________
Michael O. Garrett  
City Clerk/Treasurer
Date of Violation: 6-18-09  
Violation Name: Summit Electric Company of Arkansas, Inc.  
Address of Violation: Mildred Street (vacant lot)  
Violation Type: Tall grass, dilapidated structure  
Warning #: CE8674  
Description of Violation and Actions Taken:  
On 6-18-09 I wrote warning number CE8674 to Summit Electric Company of Arkansas, Inc. for a vacant lot on Mildred Street. The vacant property has the parcel number of 710-04605-000. The property was written for tall grass and dilapidated structure for an old well house cover and an old storage shed that is still on the property. The warning was mailed to the owners of the property through both certified and regular mail to the billing address listed in Arkansas County Data. The property was rechecked on 7-10-09 and no progress was made to correct the violations. The property was scheduled for cleanup at this time and pictures were taken of the violations. The property was mowed on 7-22-09 and pictures were taken before and after the property was mowed. The dilapidated structures have not been removed at this time. These structures will be brought before the City Council for resolution of intent to remove them. After the property was mowed, a bill was sent to the owner through certified mail.

Code Enforcement Officer: Grant Tomlin  
Officer Signature: [Signature]  
Date: 7-31-09    Time: 1231
A RESOLUTION REQUESTING THE FAULKNER COUNTY TAX COLLECTOR PLACE A CERTIFIED LIEN AGAINST REAL PROPERTY AS A RESULT OF INCURRED EXPENSES BY THE CITY OF CONWAY; AND FOR OTHER PURPOSES.

WHEREAS, in accordance with Ark. Code Ann. § 14-54-901, the City of Conway has corrected conditions existing 1105 Bob Courtway Drive within the City of Conway and is entitled to compensation pursuant to Ark. Code § 14-54-904: and

WHEREAS, State law also provides for a lien against the subject property, with the amount of lien to be determined by the City Council at a hearing held after the notice to the owner thereof by certified mail with said amount $246.42 (plus a ten percent collection penalty) to be thereafter certified to the Faulkner County Tax Collector; and

WHEREAS, a hearing for the purpose of determine such lien has been set for September 15, 2009 in order to allow for service of the attached notice of same upon the listed property owners, by certified or publication as is necessary.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Conway, Arkansas

SECTION 1: That after said public hearing the amount listed above is hereby certified and is to be forwarded to the Faulkner County Tax Collector and Assessor by the City of Conway.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

ADOPTED this 15th day of September, 2009.

Approved:

__________________________
Mayor Tab Townsell

Attest:

__________________________
Michael O. Garrett
City Clerk/Treasurer
Date of Violation: 6-9-09
Violator Name: Crain Investments LP
Address of Violation: 1105 Bob Courtway (vacant field)
Violation Type: Tall grass
Warning #: CE8599
Description of Violation and Actions Taken:
On 6-9-09 I received a complaint about tall grass in a field behind the bank and equipment rental store at Bob Courtway and E. Oak. I knew the field that the complaint was in reference to because we (Code Enforcement) had written it before. Upon arrival at 1105 Bob Courtway, I noticed that the grass in the field was approximately 12-15 inches tall and in several places was over 18 inches. I issued a warning at this time to the owners of the property, Crain Investments LP. The warning was sent through both certified and regular mail to the owners. I rechecked the property on 6-19-09 and no progress had been made. The property was then scheduled for mowing at this time. The property was mowed on 7-27-09 by the Conway Physical Plant, using city owned equipment. Pictures were taken before and after the mowing was complete. A bill was sent to the property owner through certified and regular mail.

Code Enforcement Officer: Grant Tomlin

Officer Signature: [Signature]

Date: 8-13-09           Time: 0828