

**AGREEMENT
BETWEEN
CITY OF LITTLE ROCK AND
PANKEY COMMUNITY IMPROVEMENT ASSOCIATION, INC.**

This Agreement is entered between the City of Little Rock and the Pankey Community Improvement Association, Inc. (“Agreement”).

WHEREAS, the Pankey Community Improvement Association, Inc. (“Association”) owns certain real property located at 13700 Cantrell Road in Little Rock, Arkansas; and

WHEREAS, a structure exists on the property at 13700 Cantrell Road that has only been partially constructed (the “Structure”); and

WHEREAS, there is a need for a police substation in west Little Rock that the location at 13700 Cantrell Road would fulfill; and

WHEREAS, the Association desires to engage with the City of Little Rock (“City”) for the City to fund the remaining design work and the completion of the Structure and for the City and the Association to jointly occupy the Structure; and

WHEREAS, the Association agrees to designate, for lease to the City, certain office space within the completed Structure specifically and solely for the use by the City including, but not limited to, use by the Little Rock Police Department (“LRPD”).

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE TERMS, COVENANTS AND CONDITIONS HEREIN CONTAINED, THE PARTIES HEREBY COVENANT AND AGREE AS FOLLOWS:

1. Term; Rent

1.1. Term. This Agreement concerns real property owned by the Association located at 13700 Cantrell Road in Little Rock, Arkansas (the “Property”), which is more particularly described in Attachment A hereto. The Term of this Agreement shall be for a period of twenty-five (25) years, effective _____, 2013, and ending _____, 2038, with the possibility of one (1) twenty-five (25) year extension on mutually agreeable terms.

1.2. Rent. The City shall receive credit applied to its rent charges specified below in this Section 1.2 for the City’s expenditures in completing the Structure up to the date of full completion and full occupation of the Structure by LRPD and for the City’s payment for utilities for the entire Property, as detailed below. The rent charges shall be offset dollar for dollar by (1) the expenditure the City incurred to design and complete the Structure and

Property, including but not limited to parking lot construction and striping, landscaping as designed and approved by the City, the items listed in Section 2.2 as the City's expense, and all expenses necessary for the Structure to be fully functional as a police substation, including fixtures and built-ins but not stand alone furniture and equipment, and (2) the cost to the City during the term of the Agreement of electric, gas (if any gas utility service exists in the Structure), sewer, waste disposal service and water utilities for the Property, such credit for utility costs to be capped at a maximum of Five Hundred Dollars (\$500.00) per month. The City's cost for the purchase and installation of gas pumps, however, shall not be credited against the rent.

The City's expenditures as described above shall be amortized and applied against the rent, starting when the entire Structure is fully complete and LRPD begins its occupation and continuing for the remainder of the Term and any renewal Term, and the City shall not pay any actual funds for rent until such time as the City has recouped all its expenditures related to the completion of the entire Structure and its prior payment of utilities, capped at Five Hundred Dollars (\$500.00) per month. It is understood that a limited number of LRPD personnel may occupy the Structure prior to the full completion of the Structure. Such limited occupation shall not constitute or signify the completion of the Structure that is the starting point for the periodic rent payments. LRPD shall promptly advise the Association of the date the Structure becomes fully completed and occupied.

With credit applied as detailed above, rent for the Property shall be charged beginning upon completion of the entire Structure by the City and the start of full occupation of the Structure by LRPD, with the rent during the first five (5) years of the Agreement to be computed at the rate of Thirteen Dollars (\$13.00) per square-foot per year for the Police Substation Area in the Structure, meaning that area restricted to LRPD and other City uses only. The square footage to be provided to the City for the Police Substation Area shall be 3,815 square-feet of the 6,415 square-foot Structure. During the remainder of the initial term of the Agreement, the rent shall be increased so that the rent for each such remaining year shall be Thirteen and 50/100 Dollars (\$13.50) per square-foot per year for the Police Substation Area.

2. Duties

- 2.1 The parties agree that the design of the Structure shall be that shown in the June 13, 2013, design by Caradine Companies Architecture, a copy of which is attached as Attachment B. Of the 6,415 square-feet of the Structure, 3,815 square-feet shall be designated as the Police Substation Area and 2,600 square-feet is designated as a Community Center, space

that the Association may use for its purposes of public education and community center activities. The entry area of the Structure shall be a common area identified as area #1 on the floor plan legend and it shall be accessible for both City and Pankey community use. The common space for the entry area is considered for purposes of this Agreement as a part of the square footage of the Community Center. The south (Cantrell Road) entrance to the Structure shall be for both the community and LRPD, while the north building entrance shall be restricted to LRPD and other City purposes only. As a condition for the Association to enter into the Agreement, the City agrees to use the services of the original licensed architect for the Structure for the additional architectural design and oversight work needed, payable at 6% of the cost of construction of the Structure and parking lot improvements, inclusive of concept plan work for the June 13, 2013, design.

- 2.2 The City shall be responsible for the completion of the Structure and the parking lot improvements, for a total cost of up to One Million Dollars (\$1,000,000), inclusive of fuel pumps and architectural fees. This responsibility shall include walls, flooring, plumbing, restrooms, toilets, sinks, hot water tank, electrical work, kitchen cabinetry, air conditioning and heating, and parking lot improvements. City and Association shall each provide the furniture, appliances and equipment for its respective area and part of the entry. The target date for completion of the Structure will be April 30, 2014, but the completion of the Structure shall be accomplished no later than eighteen (18) months after the signing of this Agreement. Any further expansion or capital improvements beyond the completion of the Structure described in this Section 2 shall require the mutual agreement of the parties.
- 2.3 The City agrees to consult with the Association's appointed representative or representatives in the City's design and completion of the landscaping and the construction of the Structure to provide space for both parties. The City shall also provide striped and paved parking lot spaces, with the space in the rear of the Structure restricted to City use and spaces in the front of the Structure for Association and public use. The City shall have the authority to determine the final design of the Structure, parking lots and the landscaping so long as it is consistent with the June 13, 2013, design by Carradine Companies Architecture.
- 2.4 The Association agrees to allow the City to install a fueling site on the Property for the sole and exclusive use of fueling police and other City vehicles.
- 2.5 The City shall be responsible for installing and maintaining security cameras inside the common area of the Structure (the entry), and on the outer perimeter of the Property.

- 2.6 The City shall provide the Association with controlled access to the Community Center for a maximum of ten (10) persons determined by the Association and identified by the Association to City by name, address and date of birth. It shall then be the responsibility of the Association to control individual access and utilization of the access cards or other entry devices provided to the Association by City. Entry cards or devices provided to the Association for use by its members or others shall not include access to the Police Substation Area.
- 2.7 Police officers shall have access to the entire Structure, including the Community Center, if available and not booked by the Association, for law enforcement purposes. Whenever possible, the City shall seek permission of the Association before any City utilization of any Association room, equipment or items.
- 2.8 The City shall carry property insurance on the Structure and insurance proceeds provided to the City after a claim on such insurance shall be used by the City to repair or rebuild the Structure within a reasonable time frame. The Association shall be responsible for insuring its own personal property and carrying what other insurance on the Property it desires.
- 2.9 The City shall be responsible for major repairs to the Structure, including repairs relating to heating, cooling, and roofing and shall be responsible for making repairs to the parking lot and for the timing of its repairs. The City shall be responsible for major and minor repairs to the Police Substation Area. The Association shall be responsible for making Community Center repairs not listed in this Section 2.9.
- 2.10 The City shall have the responsibility to pay for all electric, water, sewer, waste disposal service and gas (if the Structure has natural gas service) utilities for the entire Property during the Term of the Agreement but the rent paid by City to Association each month during the entire term of the contract and any renewal shall be reduced by the lesser of Five Hundred Dollars (\$500.00), or the actual aggregated monthly cost of such electric, water, sewer, waste disposal and gas utilities for the Property.
- 2.11 The City shall be responsible for the care and maintenance of the landscaping and parking lots, for pest control for the Property, and for the cleaning of the common areas and the areas designated as restricted for City employees. The Association shall be responsible for maintenance and cleaning of the Community Center.

3. Staffing

- 3.1 Association Events. The Association shall be responsible for staffing such workers as it needs or desires at events on the Property sponsored by or booked by the Association. If police personnel are requested at events at the Community Center, the Association may, if it so desires, hire the services of off-duty LRPD officers for the events if doing so is consistent with departmental policy.
- 3.2 City Events. The City shall be responsible for staffing personnel at events on the Property sponsored by or booked by the City.

4. Designation of Facility Space

In the design and operation of the Structure, the City will be provided with space for its restricted use Police Substation Area or other City use, as determined by the City. The entry area of the Structure shall be a common use area. The Association shall be provided with the remaining square footage in the Structure for its Community Center.

5. Parking Lot Use

- 5.1. Unless necessary, police officers assigned to the substation located in the Structure shall not park in parking spaces provided for the public.
- 5.4. Association members shall not park in spaces designated for police parking.

6. Professional Responsibility

Nothing in this Agreement shall be construed to interfere with or otherwise affect the rendering of services by the City in accordance with the independent and professional judgment of its employees. Police personnel assigned by the City to the Police Substation Area will perform their duties and services substantially in accordance with the City of Little Rock Administrative Personnel Policy and Procedure Manual, Little Rock Police Department Rules and Regulations and LRPD General Orders.

7. Breach of Agreement; Termination

7.1 Default

If there is a default, defined as a breach of or failure to adhere to any condition in this Agreement, written notice of the default shall be provided to the other party and such notified party shall have an opportunity to cure the default within thirty (30) days. If the default is not cured in such time, the parties shall resort to mediation by a mediator mutually agreeable to

the parties. If mediation efforts are unsuccessful, the parties may employ any remedy available under law.

7.2 Termination by the Association

During the initial term, the Association shall not terminate this Agreement until the City has recouped its capital investments in the Structure, parking lot, and landscaping and its payments for electric, gas, sewer, waste disposal and water utilities for the Property, capped at Five Hundred Dollars (\$500.00) per month. If the City has recouped such investment over time after having been given credit against the rent it otherwise would have paid, the City shall be allowed at least six (6) months to quit its use of the Structure and Property after a written notice of termination has been provided to the City from the Association and then at such time the City shall remove its personal property from the Property and any wiring previously needed for its operations, if desired, and relinquish the Structure to the Association. The City shall keep records of its expenses to fund the design, construction and completion of the Structure, the parking lot and landscaping improvements to the Property, and the utility costs for the Property and make them available to the Association upon request. In the event the City is in breach of any term or terms of the Agreement and the City has not cured the default within thirty (30) days after written notice to do so, the Association shall employ mediation to resolve the conflict, and if that fails, the Association may employ any other legal remedy available to it.

7.3 Termination by the City.

The City shall have the right to terminate this Agreement for any reason at any time, but if it does so, it shall forfeit the value of any improvements it shall have made in the Property unless it terminates the Agreement for cause after a notice of default has been provided to the Association, after the Association has failed to cure the default, and after mediation efforts have been unsuccessful.

8. **Tort Immunity**

Nothing in this Agreement shall be construed to waive the tort immunity of the City afforded to municipalities by statute, but rather, the parties acknowledge the City's intention to rely on such tort immunity.

9. **Signage**

The City shall provide all on-site signage to the Structure, in conformance with the City's sign code, to designate use by both parties.

10. Assignment

No assignment of this Agreement shall be made by either party without the written consent of the other party.

11. Condemnation

This Agreement may be terminated upon the taking by eminent domain of any part of the Property. This provision does not prevent the City from claiming or recovering from the condemning authority the value of the City's leasehold interests or prevent the Association from claiming or recovering from the condemning authority the value of the Association's ownership interests. Neither party shall have any rights in or to any award made to the other by the condemning authority. This Agreement shall terminate upon the taking of the Property by eminent domain by the City.

12. Taxes

During the term of the Agreement, any real estate taxes on the Property, if any are owed, shall be paid by the Association.

13. Right of First Refusal

The Association shall provide the City with the right of first refusal to purchase the Property at fair market value, minus any remaining credit for (1) the City's costs for completing the structure and parking lot improvements, not including fuel pump cost and installation, and (2) for its prior payments for utilities, capped at Five Hundred Dollars (\$500.00) per month. Such right of first refusal shall be provided to the City if at any time the Association has fee simple title without a reversion clause and it determines it wishes to sell the Property. Fair market value shall be determined by an appraisal obtained and paid for by the City and conducted by a certified appraiser mutually acceptable to the parties.

14. Force Majeure

Anything contained herein to the contrary notwithstanding, each party shall be excused for the period of delay in the performance of any and all of its obligations under this Agreement and shall not be considered in default when prevented from so performing by a cause or causes beyond the control of such party, including labor disputes, civil commotion, war, fire or other casualty, or acts of God.

15. Binding Nature of Agreement; Authority to Execute Agreement

This Agreement constitutes the legal and binding obligation of the City and the Association and their successors, heirs and permitted assigns, but only upon execution by an authorized representative of each party. Each person executing this Agreement hereby represents and warrants that he has the necessary power

and authority to bind the respective party to the obligations contained herein.

16. Construction of Agreement; Captions

This Agreement shall be construed without regard to the identity of the person or persons who drafted the provisions contained herein. Each and every provision of this Agreement shall be construed as though each party hereto participated equally in the drafting hereof. The parties acknowledge that each party has had the opportunity to consult with such party's own attorney regarding this Agreement. The captions of sections appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections.

17. Severability

In the event that any section, subsection, subdivision, paragraph, item, sentence, clause, phrase or word of this Agreement is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining provisions of this Agreement, as if such invalid or unconstitutional portion were not originally a part of this Agreement.

18. Entire Agreement; Modifications

The parties acknowledge that except as expressed herein or by a subsequent document in writing signed by the parties, this Agreement expresses their entire agreement and no oral representations or inducements have been made that would alter the terms hereof. This Agreement shall not be modified except by a written instrument signed by an authorized representative of each of the parties.

19. Governing Law

This Agreement shall be interpreted in accordance with the laws of the State of Arkansas. Nothing in the Agreement shall be construed to waive existing Arkansas statutes or City of Little Rock ordinances.

20. Non-appropriation

Notwithstanding the Agreement's term, or any renewal terms thereof, this Agreement shall terminate at such time as appropriated funds are no longer available for the City to satisfy the obligations, covenants, terms and agreements of the Agreement.

21. Waiver

No waiver of any default of Association or City hereunder shall be implied from any failure to take any action on account of such default if such default persists or is repeated.

22. No Joint Venture

The parties agree that nothing contained in this Agreement shall be deemed or construed as creating a partnership or joint venture between City and Association or cause one to be responsible in any way for the debts and obligations of the other party.

23. Compliance with Laws

The parties shall comply with all laws, ordinances, orders, rules and regulations of municipal, state, federal or other agencies or bodies having jurisdiction relating to the use, condition and occupancy of the Property, including application for required permits. Such laws include, but are not limited to, the Americans with Disabilities Act, Arkansas Civil Rights Act, and the Arkansas Freedom of Information Act.

24. Quiet Enjoyment

The Association represents and warrants that it is seized in fee simple title to the Property. The Association covenants that provided no City Default has occurred, City shall have quiet and peaceful possession of the Police Substation Area portion of the Property and all other uses herein provided as against the Association and any person claiming the same by, through or under the Association. The Association further represents and warrants that it has good right, full power, and lawful authority to enter into this Agreement for the Term of the Agreement.

25. Notices

Any notice provided for herein to be given by a party to the other shall be delivered in person or mailed by First-Class U.S. Mail, postage prepaid, as set forth below. Notice shall be deemed to have been given when received if delivered in person or, if mailed, three (3) days after having been deposited in the U.S. Mail. A party may from time to time designate a different person or address to receive notice for that party but shall do so in a writing provided to the other party.

CITY OF LITTLE ROCK

City Manager
500 W. Markham, Rm. 203
Little Rock AR 72201

PANKEY COMMUNITY
IMPROVEMENT ASSOCIATION, INC.

Wade Norwood, President
P.O. Box 17623
Little Rock AR 72222

with an additional copy to:

Chief of Police
700 W. Markham
Little Rock AR 72201

with an additional copy to:

Rick Thomas, Vice-President
P.O. Box 17354
Little Rock AR 72222

and an additional copy to:

City Attorney
500 W. Markham, Suite 310
Little Rock AR 72201

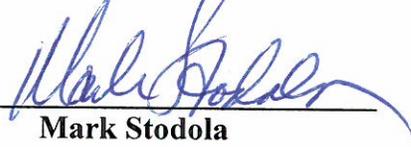
IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date last set forth below.

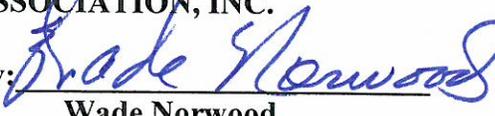
LESSEE:

LESSOR:

CITY OF LITTLE ROCK

PANKEY COMMUNITY IMPROVEMENT
ASSOCIATION, INC.

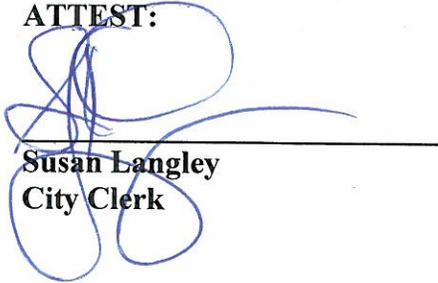
By: 
Mark Stodola
Mayor

By: 
Wade Norwood
President

Date: 11/20/2013

Date: 11/08/2013

ATTEST:


Susan Langley
City Clerk

APPROVED AS TO LEGAL FORM:


Thomas M. Carpenter
City Attorney

ACKNOWLEDGMENT

STATE OF ARKANSAS)
) SS
COUNTY OF PULASKI)

I, Stacia Chastain, notary public in and for said county in the state aforesaid, do hereby certify that Mark Stodola and Susan Langley, personally known to me to be the Mayor and City Clerk, respectively, of the City of Little Rock, Arkansas, appeared before me this day in person and acknowledged that, as such, they signed the said instrument on behalf of the City of Little Rock, Arkansas, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 20th day of November, 2013.

Stacia Chastain
Notary Public

My Commission Expires:

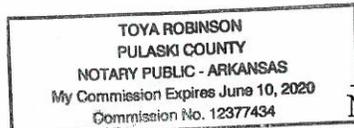
09-03-2021

ACKNOWLEDGMENT

STATE OF ARKANSAS)
) SS
COUNTY OF PULASKI)

I, Toya Robinson, notary public in and for said county in the state aforesaid, do hereby certify that Wade Norwood, as the President of the Pankey Community Improvement Association, Inc., appeared before me this day in person and acknowledged that, as such, he signed the said instrument on behalf of the Pankey Community Improvement Association, Inc., for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 8th day of November, 2013.



Toya Robinson
Notary Public

My Commission Expires:

June 10, 2020

ATTACHMENT A

Description of Property

Lands situated in Pulaski County, Arkansas, as follows:

All of that part of Block 34 of Josephine Pankey's Extension of her Third Addition to the City of Little Rock, Pulaski County, Arkansas, that is north of the present Northerly Right-of-Way of Cantrell Road.

ATTACHMENT B

Design of Structure (June 3, 2013)
By Carradine Companies Architecture

Floor Plan Legend

Community Spaces:

1. Community Lobby - 652 Sq. Ft. (35'-10" x 29'-0")
2. Community Women's Restroom - 50 Sq. Ft. (7'-0" x 7'-0")
3. Community Men's Restroom - 50 Sq. Ft. (7'-0" x 7'-0")
4. Secretary Station - 134 Sq. Ft. (16'-1" x 8'-5")
5. Community Administration Office - 139 Sq. Ft. (16'-8" x 8'-5")
6. Community Special Events - 1313 Sq. Ft. (40'-1" x 32'-9")
7. Storage - 18 Sq. Ft. (3'-0" x 6'-0")
8. Community Kitchen - 148 Sq. Ft. (10'-0" x 14'-6")
- 8A. Community Conference Room - 98 Sq. Ft. (10'-0" x 9'-9")
- 8B. Attic Access for storage - (Added into Community Events)

Police Department Spaces:

9. Secured Storage
10. Evidence Storage
11. Police Department Lobby
12. Squad Sergeants' Office
13. Lieutenant's Office
14. Detectives Lieutenants' Office
15. Captain's Office
16. Women's Restroom
17. Men's Restroom
18. Detectives' Workstations
19. Interview Room
20. Access to Mechanical/Electrical Space
21. Police Conference Room
22. Data/Network Room
23. Police Station Kitchen
24. Janitor's Closet
25. Line-Up Room
26. Receptionist

Square Footage Tabulations:

- Building Gross Sq.: 6,415 sf
- Police Sub-Station: 3,815 sf.
- Community Center: 2,600 sf



Floor Plan
1/8" = 1'-0"



The City of Little Rock Police Sub-Station

Preliminary Conceptual Plan

June 13, 2013 - November 7, 2013

