

**Little Rock Board of Directors Reconvened Meeting
December 23, 2014
4:00 PM**

The Board of Directors of the City of Little Rock, Arkansas, met in a reconvened meeting with Mayor Mark Stodola presiding. Assistant City Clerk Toya Robinson called the roll with the following Directors present: Richardson; Hurst; Cazort; Hines; Wyrick; Fortson; Kumpuris; Adcock; and Mayor Stodola. Absent: Director Hendrix and Vice-Mayor Wright.

RESOLUTION NO. 14.023: To authorize the Consent of Assignment of certain properties (The Doubletree Hotel) from TB Little Rock, LLC, to FAC-W Markham, LLC, a Delaware corporation; to authorize the Mayor and City Clerk to execute any documents to accomplish such consent, including, but not limited to, a fourth amendment to the Construct and Lease, Parking and Concession Agreement; to accept the recommendation of the Little Rock Advertising and Promotion Commission to adopt this resolution; and for other purposes.

Little Rock Convention & Visitors Bureau Executive Director Gretchen Hall stated that the item was for the Concession & Lease Agreement for the DoubleTree property that was owned by the City. Ms. Hall stated that the original Concession & Lease Agreement was created in 1971 for a length of ninety-nine (99) years. Ms. Hall stated that there had been three (3) amendments to the original document and this would be the fourth amendment and assignment. Ms. Hall stated that the current leaseholder was TB Little Rock, LLC, out of New York, and the new leaseholder would be FAC-W Markham, LLC, a subsidiary of Pearson Partners, of New York. The current management company was Associated Hotel, Chicago, IL, and the new management company would be Waterford Group, Waterford, CT. Ms. Hall reported that the current term would run through 2033 and had two (2), twenty-five (25)-year optional renewal periods, and they were asking for a third twenty-five (25)-year optional renewal period. Ms. Hall stated that the current rent was \$20,200.00 annually; however, during negotiations, they agreed to increase the rent should the third term be agreed upon to the greater of \$300,000.00, or 1% of their annual gross revenue for the hotel. Ms. Hall stated that the parking lease was \$75,000 annually for 205 parking spaces, and should the third term be agreed upon, the lease would increase to 75% of market value and would increase every three (3) years based on market value. The concessions fee would remain 7% of gross concessions within Robinson Auditorium in exchange for being the exclusive catering partner for Robinson Auditorium & Conference Center.

Harry Hamlin: Stated that he was legal counsel for LRCVB and was available for any questions.

Director Kumpuris asked for the City Attorney's opinion of the proposed lease. City Attorney Tom Carpenter stated that he thought the fourth amendment was basically okay. City Attorney Carpenter stated that there were some issues in the fourth amendment that dealt with the Bill of Assurance that initially caused him concern; however, he had discussed those concerns Cliff McKinney, who represented the new

lessor to be, FAC-W Markham, LLC, and they had agreed to the language changes that he wanted. City Attorney Carpenter stated that there was a provision in the original lease regarding other insurance that might be required by the lessor and that it had remained throughout the various changes; however, now there was a provision in the fourth amendment that stated that for at least ten (10) years (and ten (10) years thereafter), the City wouldn't exercise its rights under the ability to ask for other insurance that might be appropriate. City Attorney Carpenter stated that his concern was that he never knew when a Federal or State mandate would be received and he didn't want the City to be in the position of having to insure or provide something effectively through insurance and then to not be able to tell the hotels that they needed to take care of the issue. City Attorney Carpenter stated that he had suggested the addition of a clause and had spoken with the legal team and was now satisfied. In addition, City Attorney Carpenter stated that he had a concern regarding the assignment of the lease; however, changes had been made in regards to the assignment, and he was now satisfied.

Director Kumpuris stated that the language in the lease needed to reflect the quality of hotel that was required to be maintained at the facility. Ms. Hall stated that there was language in the lease that addressed the specific brands that would be approved and the services that came with those brands. Director Kumpuris asked how often the brands were updated. Ms. Hall stated that they reviewed the different brands every five (5) years. Mayor Stodola stated that the new lessee would be required to invest a minimum \$5.6 million dollars in the property, which was a significant enhancement. Director Adcock asked how the \$5.6 million dollars would be utilized and would there be additional investment. Ms. Hall reported that according to the Property Improvement Plan (PIP), all the rooms would be upgraded, there would be cosmetic changes to the interior and some mechanical improvements and the vast majority of the improvements would be made within the first eighteen (18) months. Director Adcock asked if there would be any improvements made to the north side (river side) of the facility. Ms. Hall stated that at that time, there were no plans for improvements on the north side.

Director Fortson made the motion, seconded by Director Cazort, to approve the resolution. By unanimous voice vote of the Board Members present, **the resolution was approved.**

City Attorney Carpenter asked that by motion, the Board consider asking the A&P Commission to seek the change to the insurance requirement for other insurance. Director Adcock made the motion, seconded by Director Richardson, to ask the A&P Commission to seek the additional language regarding the insurance. By unanimous voice vote of the Board Members present, **the motion was approved.**

Mayor Stodola thanked out-going Ward 3 Director Stacy Hurst for her service and wished her the best in her new position as the Director of the Department of Arkansas Heritage.

Director Cazort made the motion, seconded by Director Hines, to adjourn the reconvened meeting. By unanimous voice vote of the Board Members present, **the reconvened meeting was adjourned.**

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ATTEST:

APPROVED:

Toya Robinson, Assistant City Clerk

Mark Stodola, Mayor