



MEMO

To: Conway City Council

CC:

From: Mayor Tab Townsell

Date: March 24th, 2015

Subject: Purchase of Spirit Homes

All,

I have been in contact with the owners of the old Spirit Homes facility. The asking price for the facility has recently dropped to \$3.5 million dollars.

If you will remember, five years ago the city and the owners of Spirit Homes, Cavalier Homes, reached an agreement for the city to buy the Spirit Homes facility for \$3.75 million dollars. That deal fell through because the city could not by law finance the purchase as it thought it could. Had the facility been purchased it was the intent of the city council to turn the building into a major Community Center equipped with a wide variety of recreational opportunities.

Today the price is a quarter million dollars lower and the city does have the ability to finance the purchase.

To put this facility into perspective, this is a 221,000 square foot building with a high roof and many clear spans over 110 feet in width on 22 acres. The Conway Expo Center is a 115,000 square foot facility on 40 acres only about 60,000 square feet is enclosed with a lower roof. The price tag for Spirit Homes is \$3.5 million and the price tag for the Conway Expo Center and fairgrounds was \$6.8 million.

Like we discussed at length five years ago, the city could redevelop the facility into a wide variety of park and community uses because of the unique nature of its internal construction. Because of its high ceilings and wide column lines many uses can be included inside the building free of supporting columns and roof structures. These uses include swimming complexes and tennis facilities which rate among the greatest park needs in the city. Just the building itself would represent five acres under roof which only our imaginations and park revenue cash flow would limit. In addition to the building the site itself represents another seventeen acres which could provide space for many other outdoor activities and all associated parking.

Tomorrow night at the city council committee meeting, I will present the city council with a potential scenario to buy the Spirit Homes facility showing how it can be purchased, the process the city would take in developing a working plan for redeveloping the facility, the funding options for redeveloping the facility in phases or all-at-once, and the funding options for operating the facility. Also, the ability of the city to fund other park improvements concurrently will also be discussed.

If the city council is interested in pursuing this purchase it will be asked to approve a letter of intent to purchase the facility. This approval would initiate a 15 day period during which a Purchase & Sales Agreement would be negotiated. In the 15 day period, I would suggest the council open a public outreach and discussion time during

which the public can come to open meetings to hear more details and offer their opinion on the purpose & need for the facility. More than one public input meeting maybe appropriate. Before the expiration of the 15 Day period the City Council would be asked to approve the Purchase & Sale Agreement. I would assume this would be dependent on the public feedback from the open meetings and the council's final willingness to pursue the purchase.

Approval and execution of the Purchase & Sale Agreement would initiate a 40 day feasibility period and the city would pledge a refundable \$100,000 deposit. The city would undertake its due diligence during this period to determine the satisfactory nature of the facility for the city's purposes. At the end of the feasibility period, the city would agree to the purchase or opt out. If the city decides to purchase the facility the deposit would become non-refundable but apply to the purchase price of the facility. The deal would then close within 15 days.

The city would then have a massive indoor facility with plenty of outside space it could develop in part or in whole according to it wishes and revenue capabilities.

The short answers:

The city has the means to purchase the facility right now.

The city can purchase the facility and continue to develop other park facilities including finishing the Tucker Creek Trace (Trail).

The city has the financial means of developing certain aspects (first phase) of the new facility by late this year with a public vote. Waiting until after a facility master plan is developed including extensive public involvement would only increase possible first phase funding with a public vote.

Additional funding for a much more complete and extensive development is also possible with public support through a public vote.

The facility will need to be a user pay or daily use fee facility. The public will probably have to pay a daily fee to use the facility to fund operations. Daily fees can be partially to entirely offset if other funds could be diverted to help offset operations, or if the public approves another funding source through a public vote. Other funds or sources of revenue currently exist which can be tapped to offset operational costs.

Facilities that could be included:

Olympic scale 50 meter swimming pool with 25 yard cross lanes.

Indoor Water Park.

Therapeutic aquatic facility

Ice skating rink (full hockey court size)

Tennis Courts (6 to 8 courts)

Indoor playgrounds (different playgrounds for multiple ages)

Rock climbing walls

Skating rink or skating park

Turf practice & play fields

Walking Paths

Cafes & Coffee Shops

Meeting rooms

Exercise rooms & facilities

These are just a few of the ideas that could be included in this Community Center. It is worth a public discussion.

Tab Townsell

Mayor