

The City Council of the City of Sherwood met for a special called meeting on September 13, 2023, at 6:00 pm in the Council Chambers. Those present were Mayor Mary Jo Heye-Townsell, City Attorney Steve Cobb, City Clerk Charlotte Watson, Council Members Brooks, Harmon, Lilly, Sanders, Williams, Broderick and Wade. Council Member Thomas was absent.

Sherwood Police Chief, Jeff Hagar led the prayer and the pledge of allegiance was given to the American flag.

City Attorney, Steve Cobb reviewed the city council public meeting rules and procedures. Council Member Harmon stated that he appreciated the level of decorum that was exhibited at the Monday evening Parks and Recreation committee meeting. He asked for the same level of decorum to be exhibited at tonight's meeting. Mr. Harmon asked the public to stop any personal attacks on city employees and any Sherwood businesses.

Council Member Williams asked that the entire resolution, not just the title, be read. Mayor Heye-Townsell reviewed the order of events for the meeting.

Resolution No. 46-2023 entitled, "A resolution regarding recommendations from the Sherwood Parks and Recreation committee with respect to the request for proposals for leasing and the operation of the restaurant space at the Greens at North Hills" was read.

Mr. Ernesto Elefante addressed the council. Mr. Elefante stated that he and his business partner had been approached about opening a restaurant/bar in Sherwood. He and his partners decided they were interested in possibly opening a restaurant in Sherwood. He was shown the proposed location and after deliberations with his partners decided to submit a proposal. He and his partners submitted their bid before the deadline and were excited to have the bid opened. He and his business partners were disappointed that their bid was not opened and rejected. He stated that he and his business partners felt it was unfair for the bids to be rejected unopened after all the time and work had been put into the proposal. He asked for fairness, transparency, and equality.

Colt Harmon of 1535 Signature Dr. in Cabot Arkansas addressed the city council. He stated that he works for a restaurant operations group out of Conway. He stated they have been working with the Sherwood economic developer to find a place for a restaurant. They were notified of a possible opportunity to lease the space at The Greens at North Hills. They submitted a proposal for a bourbon bar concept with a barbeque restaurant at close to \$20 per square foot with additional leasehold improvements. He stated they just wanted a fair shake in the bid process and their bid to be opened.

Shannon Harney addressed the council and stated that she was concerned that the request for proposal put out by the city was confusing. She also stated that the request for proposal allowed bids to be emailed to the city in a pdf format. She was concerned that there would be no way to verify when a pdf proposal that had been emailed was opened. She was also concerned that she had emailed Mr. Alexander on August 31 and did not receive a response until September 7, which was one hour before the deadline to submit a bid.

Baxter Drennon, attorney representing Ms. Hicks and Joey's Bar and Grill addressed the council. He stated that Ms. Hicks was engaged in the process to renew the lease before the bidding process began. Due to a legal misunderstanding, there was a thought that this lease had to be bid out. This has now been shown to be not true. Ms. Hicks is asking the city council to put her back in the place where she was before the legal misunderstanding. Basically, where she is negotiating with the city either through Mr. Cobb or the Parks and Recreation Department to reach a lease that is good for the

business and the community. He stated that she has been in this location for six years and prior to her taking over this space, no other restaurant has lasted for more than two years.

Council Member Brooks had concerns about unsealed bids and allowing pdf files to be submitted through email. Ms. Brooks felt that this was a flaw in the process. Council Member Harmon agreed that there is no way to secure a bid through email. Mr. Harmon expressed his concern that we should remember that we are not just talking about a business but a person. That person has invested time, money, and effort into the restaurant. Ms. Hicks is not a multiple restaurant owner. The city must be good stewards of the taxpayer's money, but we don't have to do it to the point of being callous. He believes she should be given the opportunity to negotiate. If she is unable to agree to certain terms that the city has; then the lease would not be renewed, and the lease could go out for bid at that time. Council Member Williams stated that once it was discovered that the bid process was not required, then the city should have stopped at that point and regrouped. She also expressed to the two business owners who addressed the council that the city would love to have your business in Sherwood. Council Member Lilly stated that as the negotiations are potentially restarted, he would like to see the tenant be able to benefit anyone who rents the upstairs space. Council Member Broderick stated that there was a productive meeting with the Arkansas Municipal League. The league confirmed that Mayor Heye-Townsell did not do anything wrong by putting the lease out for bid. Council Member Broderick stated that the city council and the city discussed working together to resolve any issues.

Council Member Harmon, seconded by Council Member Williams made a motion to adopt the resolution. The resolution was adopted with a roll call vote of 7 ayes, Council Member Thomas absent.

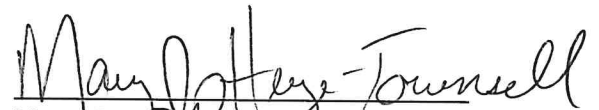
Mayor Heye-Townsell asked the council if they would like to have a discussion of the roles and responsibilities of elected officials regarding real property. Council Member Broderick stated that the council needed to decide if they wanted to put parameters on financial decisions with real property. Council Member Lilly expressed the need for continued communication between the city council and the mayor. Council Member Harmon expressed the need for the city council to be involved at an earlier stage on any issue involving real property. Mayor Heye-Townsell expressed that her goal is to make sure the law is followed when conducting city business. She asked that harassment of local businesses stop. The city will go back into negotiations with the current tenant. Mayor Heye-Townsell explained that the Parks and Recreation Director requested that he not be the one to be involved in the negotiations. Mayor Heye-Townsell requested that City Attorney, Steve Cobb, help with the lease negotiations. She asked for the city council to submit any things that are important to them regarding the lease to Mr. Cobb. The mayor has asked Josh Alexander, Economic Developer, to put together information related to cost for the leased space. City Attorney, Steve Cobb, stated that he is happy to negotiate on behalf of the city, but he has no binding authority. Whatever agreement is drafted for the lease will come back to the council for their approval. Council Member Wade recommended the city have a professional company evaluate the lease space. He also recommended having a tiered lease rate and making sure the city's responsibilities are clearly defined. Council Member Williams asked the status of the unopened bids. Mayor Heye-Townsell responded that the bids were currently locked in a safe in the finance office. Council Member Williams asked City Attorney, Steve Cobb, for a recommendation. Mr. Cobb stated he would consult with the municipal league and get an opinion. Council Member Williams' opinion was that the unopened bids should be shredded. Council Member Broderick clarified that this lease situation did not qualify currently for any subsidy. Mr. Cobb stated that as it stands right now there is no subsidy. Council Member Lilly, seconded by Council Member Williams, made a motion that if there was no legal requirement for what to do with the bids that

the unopened bids be shredded. The motion passed with a roll call vote of 7 ayes, Council Member Thomas absent.

Council Member Williams, seconded by Council Member Harmon, made a motion to adjourn at 6:38 p.m.

ATTEST:


Charlotte Watson, City Clerk


Mary Jo Heye-Townsell, Mayor