R-25-

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO AN AGREEMENT TO REHABILITATE PROPERTY FOR CERTAIN REAL PROPERTY LOCATED AT 1420 FRANKLIN STREET IN THE CITY OF NORTH LITTLE ROCK; AND FOR OTHER PURPOSES.

WHEREAS, pursuant to Resolution No. 11144 (adopted by the City Council on September 22, 2025), certain residential property located at 1420 Franklin Street (also known as 1416.5 Franklin Street) and owned by NLR Properties LLC ("Owner") was condemned; and

WHEREAS, the Owner has agreed to enter into a rehabilitation agreement (see Agreement to Rehabilitate Property attached hereto as Exhibit A); and

WHEREAS, it has been the policy of the City of North Little Rock (the "City") to require an escrow payment equal to the costs of demolition from the property owner to cover demolition and other costs incurred by the City in the event the requirements of the rehabilitation agreement are not met; and

WHEREAS, it is the belief of the Owner that the property, through rehabilitation, can become a viable contributor to the City's economy and will improve the overall aesthetic appearance of the area.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That the Mayor and City Clerk are hereby authorized to enter into an Agreement to Rehabilitate Property (substantially similar to Exhibit A) with NLR Properties LLC to rehabilitate certain property located at 1420 Franklin Street, more particularly described as follows:

> LOT 28, BLOCK 4 OF THE BARING CROSS ADDITION TO THE CITY OF NORTH LITTLE ROCK, PULASKI COUNTY, ARKANSAS (PARCEL NO. 33N2700008400).

SECTION 2: That an escrow in the amount of $4,223.61, or an equivalent bond issued by a local financial institution, shall be tendered to the City of North Little Rock by NLR Properties LLC, representing the estimated costs to raze the nuisance structures on the property in the event of default on the Agreement herein.

SECTION 3: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED:

____

SPONSOR:

____

Mayor Terry C. Hartwick

APPROVED AS TO FORM:

____

Amy Beckman Fields, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/kt

APPROVED:

____

Mayor Terry C. Hartwick

ATTEST:

____

Diane Whitbey, City Clerk

FILED _________ A.M. ____________ P.M.

By____________________________________

DATE _________________________________

Diane Whitbey, City Clerk and Collector

North Little Rock, Arkansas

RECEIVED BY __________________________

EXHIBIT A

AGREEMENT TO REHABILITATE PROPERTY

As of the Effective Date as defined in this Agreement, the City of North Little Rock (the "City") and NLR Properties LLC ("Owner") enter into this Agreement to Rehabilitate Property ("Agreement") regarding real property located at **1420 Franklin Street, North Little Rock, Arkansas** (the "Property") subject to the terms and conditions stated herein.

RECITALS

WHEREAS, on September 22, 2025, the North Little Rock City Council ("City Council") declared certain buildings, houses and other structures located at the Property to constitute a public nuisance and condemned said structures (Resolution No. 11144); and

WHEREAS, the Owner has appeared before the City claiming to hold legal ownership of the Property as well as all rights in the property necessary to construct, repair, or raze any and all structures on the property without further approval of any third party; and

WHEREAS, the Owner desires to repair and rehabilitate the nuisance structures on the Property, in lieu of razing or removing such structures, so that the structures will cease to be a nuisance and come into compliance with all requirements of the current North Little Rock Building Code and the North Little Rock Property Maintenance Code ("Applicable Codes"); and

WHEREAS, the Owner has presented a feasible financial/construction plan (attached hereto as Exhibit A), has provided proof that a contractor licensed in the State of Arkansas has been retained to repair the nuisance structures on the Property, and has expressed willingness to immediately cooperate in the removal or razing of such structures should timely repair prove to be impossible, impractical or otherwise fail to occur.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Agreement Contingent on City Council Approval**. This Agreement is contingent upon the approval of the North Little Rock City Council (hereinafter the "City Council"). It shall not be presented to City Council for approval until signed by the Owner. All dates in this Agreement shall run from the date that the City Council approves this Agreement which shall be referred to herein as the "Effective Date."

2. **Escrow**. Within five (5) business days after the Effective Date, the Owner shall deliver to the North Little Rock City Clerk's Office a cashier's check, or the equivalent, in the amount of **$4,223.61** ("Escrow"), such amount being equivalent to a good faith estimate of the cost to raze the nuisance structures on the Property, to be held by the City to assure performance by the Owner. All provisions contained within this Agreement are contingent upon Owner's timely payment of the Escrow. In the event the Escrow is not paid as provided for in this Agreement, the City may immediately raze and remove the structures that are the subject of the condemnation resolution. Upon the Owner's completion of all obligations under this Agreement, the City shall return the

Escrow to the Owner. If the Owner fails to timely or properly complete any obligation under this Agreement, the City may liquidate the Escrow to offset any and all costs attributable to the razing and removal of nuisance structures ("Cost of Abatement"). If the Escrow exceeds the Cost of Abatement, all excess funds shall be returned to the Owner. If the Escrow is insufficient to pay for the Cost of Abatement, the Owner shall remain personally liable for the deficiency in addition to any other remedy for recovery which may be available to the City.

3. **Issuance of Building Permit**. After the Effective Date of this Agreement, and upon the Owner's application for a Building Permit, the City shall issue the Owner a Building Permit authorizing work on the Subject Property which shall be subject to the same costs, inspections, and approvals of all other Building Permits issued by the City.

4. **Mandatory Time Benchmarks**. Due to the determination that the Property constitutes a continuing nuisance, the Owner is required to proceed expeditiously and continuously with repairs and construction that will abate the nuisance and otherwise cause the Property to conform with the Applicable Codes. The mandatory time benchmarks that are described below indicate the *minimum* level of performance required by the Owner to abate the nuisance. Any failure to meet any benchmark will result in the immediate razing of the nuisance structure without further notice or hearing. The Owner agrees to complete repair and construction as stated below:

a. **Sealing the Structure.** Within **forty-five (45) days** of the Effective Date of this Agreement, the Owner shall have sufficiently proceeded with construction so that the structure is sealed from the elements and unauthorized traffic. For purposes of this Agreement, "sealed from the elements and unauthorized traffic" means that: (1) all exterior walls have been properly raised and covered with material that prevents outside access to the interior of the structure and complies with the Applicable Codes; (2) all windows are installed or window openings are covered; (3) all exterior doors are installed and comply with the Applicable Codes; and (4) the roof is completely installed with shingles or other material that complies with the Applicable Codes as a final roof covering. If the Owner fails to meet this deadline, the City is authorized to immediately liquidate the Escrow and raze the Subject Property.

b. **Rough-In.** Within **ninety (90) days** of the Effective Date of this Agreement, the Owner shall have sufficiently proceeded with construction to pass Rough-In inspection. For purposes of this Agreement, "Rough-In" means that all equipment, fixtures, or materials of any type which support any structural, mechanical, plumbing, gas or electrical system or service that is located, or to be located, within the walls, beneath the floor, or above the ceiling have been properly installed in accordance with the Applicable Codes. This deadline shall be extended one (1) day for each day after the Owner has submitted a written request for a Rough-In inspection and the date the inspection actually occurs. This deadline may also be extended by up to ten (10) days if the Building Inspector, in his sole discretion, determines that the Owner has made reasonable efforts to meet this deadline and failed inspection due to a minor discrepancy. If the Owner fails to meet this deadline after all permitted extensions have expired, the City is authorized to immediately liquidate the Escrow and raze the Property.

c. **Exterior Covering and Windows.** Within **one hundred thirty-five (135) days** of the Effective Date of this Agreement, the Owner shall have caused to be installed all exterior covering and windows in accordance with the Applicable Codes. If the Owner fails to meet this deadline, the City is authorized to immediately liquidate the Escrow and raze the Property.

d. **Certificate of Occupancy**. Within **one hundred eighty (180) days** of the Effective Date of this Agreement, the structure must qualify for a certificate of occupancy. This deadline shall be extended one (1) day for each day after the Owner has submitted a written request for a final inspection and the date the final inspection actually occurs. This deadline may also be extended by up to ten (10) days if the Building Inspector, in his sole discretion, determines that the Owner has made reasonable efforts to meet this deadline and failed inspection due to a minor discrepancy. If the Owner meets this deadline, the City shall return Escrow funds in accordance with Section 2 and, if necessary, City Council shall pass a resolution declaring that the Property is no longer a nuisance (thus "un-condemning" the Property). If the Owner fails to meet this deadline after all permitted extensions have expired, the City is authorized to immediately liquidate the Escrow and raze the Subject Property.

5. **Adverse Weather Delays**. The Owner may claim additional time to meet the deadlines described in paragraph 4 based upon any continuous period of delay due to adverse weather. Such claim shall be: (a) in written form; (b) submitted to the Building Inspector within five (5) days of the end of the period of adverse weather claimed; (c) supported by data substantiating that weather conditions were abnormal for the period of time; and (d) supported by evidence substantiating that the weather conditions had an adverse effect on the scheduled construction or repair of the nuisance structures on the Subject Property. For purposes of this Agreement, weather conditions may be considered abnormal for a period of time when the precipitation is twenty percent (20%) greater than a ten (10) year historic average for the same period of time during previous years or when a catastrophic weather or environmental event has occurred, such as a tornado, earthquake, or 100 year flood.

6. **Time is of the Essence**. All times, deadlines, benchmarks, and permitted extensions indicated herein form a material basis of this agreement and may only be waived in writing signed by both parties. Any failure to timely enforce a deadline or benchmark shall not be construed to waive that, or any other, deadline or benchmark.

7. **Term and Termination**. This Agreement shall be effective from and after the Effective Date and continue in force until one of the following events occurs:

a. The City has issued the Owner a Certificate of Occupancy for the Property and all Escrow funds to which the Owner is entitled have been returned to the Owner by the City; *or*

b. The Property has been razed and all debris has been removed, *and*

(1) Any excess Escrow funds to which the Owner is entitled have been returned to the Owner by the City; *or*

(2) If the Cost of Abatement incurred by the City exceeds the Escrow, the Owner has paid the City the difference between the Cost of Abatement and the Escrow.

8. **Hold Harmless**. The Owner affirmatively states that he or she is the owner of the Property and all structures on the Property where the work is to be performed. The Owner agrees to indemnify, defend, and hold harmless the City from all claims by any person or entity claiming to be the true owner of the property and asserting any claim based in any part upon the same subject as this Agreement.

9. **Merger**. This document represents the entire agreement between the parties and incorporates all prior discussions and agreements. This document is *not* an agreement with any other governmental entity or waiver of any applicable federal, state, or county regulation.

10. **Severability**. The sections, subsections, sentences and words within this Agreement are declared to be severable and if any sections, subsections, sentences or words found herein are declared to be invalid or unconstitutional, the remainder of the Agreement shall be unaffected.

11. **Worker Certification**. The Owner hereby warrants that all persons performing work on the Property shall be licensed and permitted as required by law.

12. **Transfer of Subject Property**. The Owner shall not cause or allow the Property to be transferred through act or omission without prior notice to the City.

13. **Binding Agreement**. This Agreement shall be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assignees.

14. **Enforcement of Debt**. The Owner shall be and remain liable for any amounts due the City under this Agreement as well as all legal and court fees related to the collection of the same.

15. **Authority**. The parties executing this Agreement below represent and warrant that they have the full and complete legal authority to act on behalf of the City and Owner and that the provisions herein constitute valid, enforceable obligations of each.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed on the date indicated.

CITY OF NORTH LITTLE ROCK

By: ______________________________
Terry Hartwick, Mayor

Date: ______________________________

ATTEST:

____
Diane Whitbey, City Clerk

OWNER:

Rolando Alvarez
____
Printed Name:

____
Signature

Date: 10-13-2025

EXHIBIT A

Scope of Work

Project: Full Interior Renovation
Location: 1420 FRANKLIN ST, NORTH LITTLE ROCK
Prepared for: NLR PROPERTIES LLC OR RICARDO ALVAREZ
Prepared by: COBURN CONSTRUCTION CO
Date: 10-13-2025

1. Demolition

Perform full demolition of the property interior, including removal and disposal of all damaged sheetrock, baseboards, interior doors, vanities, and toilets. $2500

2. Electrical

Remove all existing electrical wiring throughout the property. Install new wiring, outlets, switches, and necessary electrical components to bring the system up to current code requirements. $7900

3. HVAC

Remove and dispose of existing ductwork. Install new duct system and a new HVAC unit, ensuring full functionality and proper airflow throughout the property.$6900

4. Plumbing

Inspect all plumbing drains and water supply lines. Repair, replace, or adjust as needed to ensure proper operation and leak-free performance. $6500

5. Insulation & Drywall

Install insulation in all required wall and ceiling cavities. Hang, tape, mud, and texture new sheetrock throughout the interior of the property. $4000

6. Trim & Finish Carpentry

Install new interior doors, baseboards, and cabinetry as specified. Ensure proper alignment, finish, and operation. $5500

7. Painting

Perform a complete interior paint job including walls, ceilings, trims, and cabinets. Prepare all surfaces, apply primer as needed, and finish with two coats of premium paint. $4200

8. Flooring

Install new LVP (Luxury Vinyl Plank) flooring throughout the property, including all necessary floor preparation and transitions. $4200

Total estimate for job including labor and materials: $41,700