



**H.09(b)**

Department of Transformation and Shared Services

Governor Sarah Huckabee Sanders

Secretary Leslie Fiskien

January 29, 2024

Marty Garrity  
Executive Director  
Bureau of Legislative Research  
One Capitol Mall  
Little Rock, Arkansas 72201

Re: Arkansas Department of the Military – Sale of Property  
3214 Dayton Avenue, Jonesboro, Craighead County  
Request to Sell Below Appraised Value

Dear Mrs. Garrity:

In accordance with Ark. Code Ann. § 22-6-601(h)(2), the Arkansas Legislative Council's approval is being sought in the above-referenced matter. The Arkansas Department of the Military (DOTM) requests approval to accept a "below appraised value" offer to sell a vacant lot at 3214 Dayton Avenue and East Highland Drive in Jonesboro, Arkansas. Due to a tornado in 2020 that heavily damaged the property, the building structure has already been cleared, leaving only a concrete slab and fencing.

On April 4, 2023, Major General Jonathan M. Stubbs requested permission to sell the property after declaring it surplus and unusable by the DOTM. The department received no interest from other cabinet-level departments to assume property ownership. The Governor's office granted permission to sell the property on May 4, 2023, and the Division of Building Authority (DBA) proceeded with the public bid process, setting a bid date of July 19, 2023.

Unfortunately, after several inquiries of interest, no bids were received on bid day. DBA continued to pursue interested bidders in the interim, including an incentive offered to local real estate brokers in Jonesboro. The second bid opportunity was advertised for October 25, 2023, and a single bid of \$420,000 was received. However, an appraisal dated March 2023 valued the property at \$2.02 million.

Following the second bid, DOTM attempted negotiations with the single bidder for a higher price based on the appraised value. During those negotiations, it was learned that the appraisal did not consider several property defects that compromised its fair market value. For example, excess property inventory is available across the street due to damage sustained by the same tornado. There is also the costly removal of the remaining concrete slab that covers 100% of the subject site, which is not typical of a vacant lot.

As a result, the DOTM determined that it was in their best interest to accept the single bid received based on the site defects and market conditions not previously considered. Furthermore, the proceeds from the sale will fund essential maintenance and improvements needed on their twelve leased armories across the State. Major General Stubbs recently received the Governor's

approval to proceed with the sale (attached) and is now seeking the approval of the Arkansas Legislative Council to accept the "below appraised value" bid for the property in the amount of \$420,000.

It is the opinion and recommendation of the Department of Transformation and Shared Services that the bid of \$420,000 be accepted. DBA concurs that further solicitation of this property is not expected to result in a higher bid, with the knowledge of more inventory across the street becoming available on the market in a matter of months.

The review by the Arkansas Legislative Council is hereby respectfully requested to allow the DOTM to move forward with the property transaction.

Should you have any further questions, please do not hesitate to contact my office at 501-682-5568.

Sincerely

A handwritten signature in blue ink, appearing to read "Anne W. Laidlaw". The signature is fluid and cursive, with a large initial "A".

Anne W. Laidlaw  
Director, Building Authority






Department of Transformation and Shared Services

Governor Sarah Huckabee Sanders

Secretary Leslie Fiskien

December 22, 2023

The Honorable Sarah Huckabee Sanders  
Governor of the State of Arkansas  
Office of the Governor  
500 Woodlane Street  
Little Rock, Arkansas 72201

  
Signature/Date

Re: Request to Sell Below Appraised Value  
Arkansas Department of the Military, 3214 Dayton Avenue, Jonesboro, Craighead County

Dear Governor Sanders:

In accordance with Ark. Code Ann. § 22-6-601(h)(2), the Governor's approval is being sought in the above-referenced matter. The Arkansas Department of the Military (DOTM) is requesting approval to accept a "below appraised value" offer to sell a vacant lot located at 3214 Dayton Avenue and East Highland Drive in Jonesboro, Arkansas. Due to a tornado in 2020 that heavily damaged the property, the building structure has already been cleared leaving only a concrete slab and fencing.

On April 4, 2023, Major General Jonathan M. Stubbs, requested permission to sell the property after declaring it surplus and unusable by the DOTM. The department received no interest from other cabinet-level departments to assume ownership of the property. Such permission was granted by your office (see attached) and the Division of Building Authority (DBA) proceeded with the public bid process, setting a bid date of July 19, 2023.

Unfortunately, after several inquiries of interest, no bids were received on bid day. DBA continued to pursue interested bidders in the interim, including an incentive offered to local real estate brokers in Jonesboro. A second bid opportunity was advertised for October 25<sup>th</sup>, at which time a single bid in the amount of \$420,000 was received. However, an appraisal dated March 2023 valued the property at \$2.02 million.

Following the second bid, DOTM attempted negotiations with the single bidder for a higher price based on the appraised value. During those negotiations, it was learned that the appraisal did not take into consideration a number of property defects that compromised its fair market value. For example, there is excess property inventory available just across the street as a result of damage sustained by the same tornado. There is also the costly removal of the remaining concrete slab that covers 100% of the subject site, not typical of a vacant lot.

As a result, the DOTM determined that based on the site defects and market conditions not previously taken into consideration, it was in their best interest to accept the single bid received. Furthermore, the proceeds from the sale will fund essential maintenance and improvements needed on their twelve leased armories across the State. Major General Stubbs would like to proceed with your approval to accept the "below appraised value" bid for the property in the amount of \$420,000.

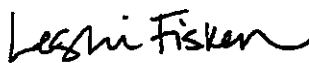
Office of the Secretary

501 Woodlane Street, Suite 201 \* Little Rock, AR 72201 \* 501.319.6551

It is the opinion and recommendation of this office that the bid of \$420,000 be accepted. DBA concurs that further solicitation of this property is not expected to result in a higher bid with the knowledge of more inventory just across the street becoming available on the market in a matter of months. Should you concur with this recommendation, your signature on the front page and return to our office is sufficient to communicate the approval to allow the DOTM to move forward with the property transaction.

Should you have any further questions, please do not hesitate to contact my office at 501-319-6565.

Sincerely,

A handwritten signature in cursive script that reads "Leslie Fisker". The signature is written in black ink and is positioned above the printed name.

Leslie Fisker





SARAH HUCKABEE SANDERS  
GOVERNOR

**ARKANSAS DEPARTMENT OF THE MILITARY**  
**OFFICE OF THE ADJUTANT GENERAL**  
**CAMP JOSEPH T. ROBINSON**  
**NORTH LITTLE ROCK, ARKANSAS 72199-9600**



JONATHAN M. STUBBS  
MAJOR GENERAL  
THE ADJUTANT GENERAL

November 28, 2023

Ms. Anne Laidlaw  
Director, Division of Building Authority  
Department of Transformation of Shared Services  
Little Rock, AR

Dear Ms. Laidlaw:

Recently, the Arkansas Department of the Military (DOTM) listed property located on East Highland Drive and 3214 Daytona Drive in Jonesboro, Arkansas for sale through the public bidding process. An appraisal placed the fair market value of the property at \$2 million. The property received one bid from Corolla Capital for \$420,000. After the close of bidding, DOTM attempted to negotiate with Corolla Capital for a higher purchase price based on the appraised value, but Corolla Capital rejected DOTM's counteroffer and provided a detailed analysis of its rejection, including the impending excess of land in the Jonesboro area due to the demolition of parts of the former Mall at Turtle Creek, the \$747,480 estimated cost of required asphalt demolition, landscape costs, and comparative property values. After carefully reviewing Corolla Capital's response and considering its own internal goals, DOTM wishes to accept Corolla Capital's bid even though it is below appraisal value for the reasons set forth below. Please accept this letter as DOTM's intent to accept Corolla Capital's bid of \$420,000.

First, the current state of the property renders it unusable by DOTM. The 2020 tornado left the property beyond repair. DOTM removed all buildings, and all that remains are concrete slabs and fencing.

Second, there are certain characteristics of the property that the appraisal did not address when considering market price. For example, 100% of the property is covered in concrete. Typically, commercial property has no more than 60% of the property covered in concrete, so any buyer would have to pay for removal of approximately 74,000 square feet of concrete. Additionally, the concrete used on this military property runs several feet deeper than standard construction, and thus will require more labor and cost to remove. A conservative estimate for any buyer to remove the 74,000 square feet of this type of concrete is \$10 per square foot or \$740,000. Additionally, similar land without this complication will soon be available once the demolition of a portion the Mall at Turtle Creek is completed, and any interested buyer could simply wait until that property becomes available.

Third, this property has been vacant for a number of years and previous attempts to secure a buyer have been unsuccessful. DOTM listed this property for sale multiple times over the last few years, including one extended listing earlier this year. None of these postings resulted in any bids, and no other state agency is interested in acquiring the property.

Finally, the DOTM would benefit from selling the property as soon as practicable so that it could use the funds for essential armory maintenance and construction in other Arkansas locations. Specifically, DOTM owns or leases approximately 12 armories around the state that do not have female latrines due to when they were constructed, or the latrines otherwise need major remodeling. DOTM has been working to modernize and construct additional latrines in these locations, and \$420,000 would allow DOTM to complete four to six of these projects.

Given the above, I believe is unlikely that DOTM will ever receive a bid for the appraised value. I believe that is in the best interest of DOTM and the citizens of Arkansas to accept Corolla Capital's bid of \$420,000, sell the property, and allow DOTM to use those funds to further its mission.

If you have questions about this notification, please contact Brittany Edwards at (501) 435-2424.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Stubbs", is written over a large, stylized blue checkmark.

Jonathan M. Stubbs  
Major General  
The Adjutant General

## **CONDITIONAL SALE AGREEMENT**

This Conditional Sale Agreement ("Agreement") is made by and between the Arkansas Department of the Military ("DOTM"), by and through its lawful agent, The Adjutant General, Major General Jonathan Stubbs, and Corolla Capital Partners, LLC, ("Corolla Capital") by and through its lawful agent, Robert Wells, for the sale of land located in Jonesboro, Arkansas and as fully described herein.

In consideration of the mutual covenants and promises set forth below and intending to be legally bound, the parties hereby agree to the following, to wit:

### **Recitals**

**WHEREAS** DOTM currently owns land located at 3214 Dayton Avenue and East Highland Drive in Jonesboro Arkansas (hereinafter referred to as "Property");

**WHEREAS** DOTM placed the Property for sale in accordance with Ark. Code Ann. § 22-6-601, *et seq.*;

**WHEREAS** Corolla Capital submitted a bid for \$420,000 which is set to expire on January 23, 2024;

**WHEREAS** DOTM wishes to accept Corolla Capital's bid;

**WHEREAS** DOTM cannot accept Corolla Capital's bid without the approval of the Governor of the State of Arkansas and the Arkansas General Assembly;

**WHEREAS** DOTM, through the Division of Building Authority, has requested such approval, but approval may not be received or given before Corolla Capital's bid expires; and,

**WHEREAS** the parties wish to continue with the process after January 23, 2024.

NOW, THEREFORE, the parties hereto do hereby mutually covenant and agree as follows:

**First:** Corolla Capital agrees to be legally bound under the same terms and conditions of its original bid submission until March 25, 2024.

**Second:** DOTM agrees to honor Corolla Capital's original bid under the same terms and conditions of its original submission until March 25, 2024.

**Third:** DOTM will diligently work with the Division of Building Authority to obtain executive and legislative review and approval of Corolla Capital's bid before March 25, 2024, to the extent possible;

**Fourth:** DOTM will provide Corolla Capital with written status updates on the status of the Property approval process every 10 business days, beginning February 6, 2024.

**Fifth:** If Governor and General Assembly approval are obtained on or before March 25, 2024, Corolla Capital agrees to purchase the Property from DOTM for \$420,000, and under all other terms and conditions of its original bid.

**Sixth:** This Agreement may be extended by the parties for an additional 60 days in writing.

IN WITNESS THEREOF, the parties execute this Agreement this 9 day of January 2024.

STUBBS.JONATHAN.M  
ATTHEW.1106609299

Digitally signed by  
STUBBS.JONATHAN.MATTHEW.110  
6609299  
Date: 2024.01.10 10:56:02 -06'00'

Major General Jonathan M. Stubbs  
The Adjutant General  
Arkansas Department of the Military

DocuSigned by:  
*Robert Wells*  
D15D3C9851B0457...

Robert Wells  
Principal  
Corolla Capital Partners, LLC

Approved as to Form:

Brittany Edwards

Digitally signed by Brittany  
Edwards  
Date: 2024.01.09 13:52:46 -06'00'

Brittany Edwards  
Chief Legal Counsel  
Arkansas Department of the Military