City of Fort Smith
City Administrator

MEMORANDUM

TO: Honorable Mayor and Members of the Board of Directors

FROM: Jeff Dingman, Acting City Administrator

DATE: July 29, 2026

SUBJECT: Authority to initiate the sale of the city-owned parking garage at 715 Rogers Avenue

SUMMARY

It was pointed out in discussion of the 2025 ACFR at the Audit Advisory Committee meeting on July 9, 2026 that the city maintains a Parking Fund, a remnant of requirements that facilitated the revenue bonds that secured property and built the city-owned parking garage at 715 Rogers Avenue. It was further pointed out that the Parking Fund no longer required as the bonds have been paid. Further, the Parking Fund no longer has sufficient revenues to sustain the maintenance, operation, insurance and periodic structural inspection & repairs associated with the facility, so the balance of that obligation falls to the city's General Fund. This is unsustainable and needs to be corrected.

The discussion included the possibility of selling the parking garage property. At the July 21 regular meeting of the Board of Directors, the Directors asked that an action item initiating the sale of the parking garage facility be placed on a future meeting agenda. To that end, a resolution authorizing and directing the City Administrator to initiate the process for sale of city-owned real property at 715 Rogers Avenue known as the city-owned parking garage is included on the Board's agenda for the August 4 regular meeting. Any contract for sale will require the Board's approval at a later date.

Selling the parking garage would have some impact on operations. There are 328 parking spaces in the facility, including 8 handicapped spaces. We currently have 218 of them utilized Monday through Friday, 8am to 5pm, and the facility remains accessible to the public for evenings and weekends with no charge. Of the 218 spaces used, 66 are leased to individuals & downtown businesses (at $40/month plus sales tax), 51 are used by employees at the State Office Building (by agreement so the city can use the state's surface lot at 800 Rogers for public parking), 50 are used by city employees (there are not enough spaces behind city hall for everyone in the building) and 51 are used by city vehicles (inspectors and others park them here overnight and use them during the workday). In FY2026, the city budgeted $125,000 in operating expenses for the facility including property insurance, minor maintenance, utilities, janitorial services, security patrol, etc., and as has been discussed previously, the facility's elevator is currently not functional and needs a significant repair.

Please contact me if you have questions regarding this agenda item.