

City of Fort Smith
Port Authority Special Meeting
11:00 a.m. Thursday, May 30, 2019
Bank of the Ozarks building
5401 Rogers Avenue
Fort Smith, Arkansas

MINUTES

The Fort Smith Port Authority called a special meeting at 11:00 a.m. on Thursday, May 30, 2019 at the Bank of the Ozarks building, 5401 Rogers Avenue, Fort Smith, Arkansas.

Larry Combs, Chair, called the meeting to order at 11:08 a.m. In attendance were Philip Doss and Eddie Norman. Dustin Collyge and Chad Lane were absent. Also present were Marty Shell of Five Rivers Distribution and Jeff Dingman of the City of Fort Smith.

The purpose of the special meeting was to consider a resolution authorizing the initiation of the Force Majeure provisions of the Lease Agreement with Five Rivers Distribution, LLC to abate rental payments due to flood conditions at the Port of Fort Smith through July 31, 2019.

Mr. Shell reported that all three buildings were flooded with the record flood levels. The two older warehouses were expected to flood, so inventory from those buildings was moved to the new bulk storage building. The new building was built to sustain flood elevations up to 38 feet, but the flood surpassed that level and got into the new building anyway. By the time Five Rivers got notice that flood levels were to exceed that level, it was too late to move product out.

The Port Authority carries property insurance on the buildings and docks at the port through the City's insurance with the Arkansas Municipal League. The extent of the damage repair or restoration costs will not be known until floodwaters recede and the property can be assessed. It is unknown how long that will take. Mr. Shell indicated that Five Rivers carried insurance on its inventory and equipment, but since his casualty insurance doesn't include continuity of operations coverage to continue paying staff he'll be wanting to move quickly to get the property back in operation as soon as possible.

Mr. Dingman noted that Mr. Shell asked for the Force Majeure provision allowing rent abatement due to flood be authorized. The proposed Resolution authorizes such abatement until July 31, 2019. Before such time, at the July 25 quarterly meeting, the status of the property should be better defined and an extension of the abatement can be considered at that time.

Mr. Norman moved approval of the resolution, abating rent payments for the months of May, June, and July 2019 due to flooded conditions. Mr. Doss seconded, and the motion carried by unanimous vote

There being no further business, Mr. Combs declared the meeting adjourned at 11:28 a.m.

Respectfully submitted,



Jeff Dingman
Deputy City Administrator