

1 to determine if it is reasonable and feasible to enter into the additional phases as set forth in
2 appropriate resolutions adopted at that time.

3 **Section 2. *Severability.*** The various parts, sections and clauses of this ordinance are hereby
4 declared to be severable. If any part, sentence, paragraph, section or clause is adjudged
5 unconstitutional or invalid by court of competent jurisdiction, the remainder of this ordinance shall
6 not be affected thereby.

7 **Section 3. *Repealer.*** All laws, ordinances, resolutions, or parts thereof in conflict with the
8 provision of this ordinance are hereby repealed to the extent of such conflict.

9 **ADOPTED: January 13, 2026**

10 **ATTEST:**

APPROVED:

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12 _____
13 **Allison Segars, City Clerk**

_____ **Frank Scott, Jr., Mayor**

14 **APPROVED AS TO LEGAL FORM:**

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18 **Thomas M. Carpenter, City Attorney**

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1 **EXHIBIT A**

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3 **MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LITTLE ROCK,**
4 **ARKANSAS, AND N+F TO DEVELOP, CONSTRUCT, AND OPERATE**
5 **THE RIVER MARKET HALL.**
6

7 This Memorandum of Understanding this (“**MOU**”) is being entered into by Pursang
8 Management and Development, LLC, doing business as New + Found (“**N+F**”), and the City of
9 Little Rock, Arkansas (“**Little Rock**”), pursuant to and consistent with Section 5.3 (Project Scope)
10 of that certain Request for Supplier Qualifications for River Market Hall Redevelopment (the
11 “**RFSQ**”), and is intended to set forth the general terms of and conditions for a Comprehensive
12 Development Agreement, as defined in and consistent with the RFSQ.

13 Pursuant to the terms of the RFSQ, Little Rock has selected N+F to serve as the Master
14 Developer of the proposed redevelopment of River Market Hall (the “**Project**”) which will serve
15 as the anchor of the River Market District. The goal of this MOU is to set forth the anticipated
16 structure of a Comprehensive Development Agreement that will detail the remaining pre-
17 construction development work to be completed in support of the Project, establish the parties’
18 expectations with respect to the financing, construction and operation of the Project, and release
19 the parties to negotiate a Comprehensive Development Agreement for formal approval and
20 execution by Little Rock and N+F.

21 This MOU is solely for the purpose of guiding negotiations on the Comprehensive
22 Development Agreement and is not an offer, commitment or agreement of any kind by N+F or
23 Little Rock with respect to the completion or operation of the Project. Any obligation of either
24 party with respect to such aspects will arise only upon execution by N+F and Little Rock, or their
25 respective affiliates or agencies, of a mutually acceptable Comprehensive Development
26 Agreement. N+F acknowledges that Little Rock will be assisted during the negotiation and
27 performance of the Comprehensive Development Agreement by the Little Rock Advertising &
28 Promotion Commission (the “**Commission**”). The specific responsibilities and obligations of
29 Little Rock and the Commission, whether individually or jointly, will be further specified in the
30 Comprehensive Development Agreement, provided that N+F (and its affiliated Master Tenant and
31 Developer, as hereinafter defined) shall be permitted at all times to direct all communications

1 pertaining to the negotiation and execution of the Comprehensive Development Agreement to
2 Little Rock's City Manager (the "**City Manager**").

3 **Structure of Comprehensive Development Agreement**

4 The structure of the Comprehensive Development Agreement is an all-inclusive agreement
5 that will provide for three "Phases" for the development, construction and operation of the Project:

6 **Phase 1: Preparation and Approval of a Redevelopment Plan.** Little Rock shall authorize N+F,
7 as Master Developer, to prepare a detailed development program for redevelopment of the Project,
8 including engagement of professional services (i.e., architecture and engineering, construction
9 management and procurement), due diligence and other actions necessary to prepare the following
10 "**Development Documents**" for the Project:

- 11 ○ Schedule for redevelopment of the Project including commencement, substantial
12 completion and final completion dates (the "**Project Schedule**");
- 13 ○ Schedule of values for costs to be incurred for redevelopment of the Project (the "**Project**
14 **Budget**"), which Project Budget shall include all costs anticipated for both hard
15 construction, architectural, engineering, legal and other soft costs, tenant improvements
16 and initial start-up expenses, and further shall be vetted by the architect and general
17 contractor or construction manager selected by N+F such that the Project Budget, upon
18 issuance of the Notice to Proceed (discussed below), may be contracted for pursuant to a
19 stipulated sum or guaranteed maximum price contract (Phase 2);
- 20 ○ fully designed and engineered plans and specifications (the "**Project Plans**") prepared by
21 an architecture and engineering firm engaged by N+F with guidance to maximize the use
22 of the public spaces within the Project, provided such guidance shall not be interpreted to
23 prevent or inhibit in any way the incorporation of special event and subtenant or licensee
24 spaces within the Project;
- 25 ○ interior programming of public and common area strategy and planning, interior design
26 criteria and preliminary design drawings or concept plan (the "**Concept Plan**") prepared
27 by a design firm engaged by N+F.

28 During Phase 1, Little Rock shall furnish surveys, building studies and reports and other
29 due diligence information that it has available and shall grant to N+F, its agents, employees,
30 representatives and contractors, reasonable access to the River Market Hall for the purpose of
31 performing its inspections, reviews, design planning and other investigations.

1 Upon execution of the Comprehensive Development Agreement, N+F expects to be able
2 to complete the Development Documents within one hundred fifty (150) days. Once completed,
3 N+F shall submit the Development Documents to the City Manager for review and approval or
4 feedback, which may include guidance from the Commission and Little Rock's planning and
5 public works departments.

6 The Comprehensive Development Agreement will include a fee schedule detailing
7 amounts N+F expects to incur in connection with the preparation of the Development Documents,
8 which fee schedule shall include third party costs together with N+F's reasonable and ordinary
9 out-of-pocket costs and expenses and other expenditures acceptable to Little Rock (collectively,
10 the "**Pre-Development Expenses**"). Payroll costs, overhead, and other business fees or expenses
11 incurred by N+F and associated with the Development Documents shall not be included in the Pre-
12 Development Expenses, but rather paid to N+F only as part of the approved Project Budget unless
13 a Notice to Proceed is not ultimately issued, in which case N+F shall be reasonably compensated
14 for such costs. Little Rock shall promptly fund all Pre-Development Expenses upon submissions
15 of invoices from N+F during Phase 1.

16 Provided the Project Schedule, Concept Plan and Project Plans are acceptable to the City
17 Manager, the Project Budget remains equal to or less than \$25 million, and N+F has approved the
18 allocation of costs between Project Improvements and Master Tenant Improvement, the parties
19 shall execute a Notice to Proceed with Phase 2 of the Project; provided however, notwithstanding
20 the foregoing, if a Force Majeure Event (as hereinafter defined) has occurred following execution
21 of the Comprehensive Development Agreement and prior to the issuance of a Notice to Proceed
22 such that the City Manager reasonably believes that Little Rock will not have available public
23 funding sources for completion of the Project, the City Manager will provide notice in writing to
24 N+F of such Force Majeure Event and election to terminate the Comprehensive Development
25 Agreement (for clarity, a termination under this sentence shall not be permitted after the issuance
26 of a Notice to Proceed). If the Project Budget exceeds \$25 million but the Development
27 Documents are otherwise acceptable to the City Manager and N+F, the Project will be resubmitted
28 to Little Rock's Board of Directors for review and, if acceptable to both Little Rock and N+F,
29 approval of the increased Project Budget prior to execution of a Notice to Proceed. If the
30 Development Documents are acceptable to the City Manager and N+F and the Project Budget is
31 less than \$25 million, subject to the foregoing termination right following a Force Majeure Event,

1 the Notice to Proceed shall be executed and the amount of such savings will be reserved for
2 application to future capital expenses incurred at the Project during the term of the Master Lease
3 (as described below).

4 A “Force Majeure Event” shall mean the occurrence of (1) a significant fire or other
5 casualty event resulting in the demolition of the Project, (2) acts of terrorism or significant
6 escalation of hostilities involving armed forces, or (3) a pandemic or other health emergency in
7 each instance impacting national financial markets such that public financing for the Project will
8 not be available on commercially reasonable terms to Little Rock for the foreseeable future.

9 The final form of the Development Documents approved by N+F and Little Rock shall be
10 confirmed in the Notice to Proceed and are referred to herein as the “**Redevelopment Plan.**”

11 In the event a Notice to Proceed is not approved by Little Rock for any reason, Little Rock
12 shall retain the rights to all Development Documents prepared by N+F during this Phase 1 upon
13 the payment of all Pre-Development Expenses together with all payroll costs, overhead, and other
14 business fees or expenses incurred by N+F and associated with the Development Documents to
15 the extent not previously included in the Pre-Development Expenses; provided, however, Little
16 Rock shall not proceed with the Project except with Developer and Master Tenant pursuant to the
17 Master Lease (as such terms are defined below) for a period of not less than five (5) years from
18 the date hereof except upon the issuance of written consent by N+F, which may be withheld in
19 N+F’s sole discretion.

20 **Phase 2: Master Tenant Completion of Project.** Little Rock (as fee owner) and a specially
21 formed affiliate of N+F (“**Master Tenant**”) shall enter into a Master Lease substantially according
22 to the terms contemplated in Appendix A, attached to this MOU and incorporated herein by
23 reference (the “**Master Lease**”). Specific to Phase 2, the Master Lease will provide that, following
24 execution of the Notice to Proceed, the Master Tenant will engage a specially-formed affiliate of
25 N+F (the “**Developer**”) to oversee and manage the design, redevelopment and construction of the
26 Project which will be, in all instances, redeveloped according to the Redevelopment Plan. The
27 Developer will perform Developer Services in consideration for fees set forth in the Project Budget
28 approved during Phase 1. “Developer Services” shall include any and all oversight necessary to
29 coordinate the completion of the Project according to the Redevelopment Plan, including without
30 limitation to (A) engage the general contractor or construction manager to complete the Project
31 pursuant to the Project Schedule, Project Plans, Concept Plan and Project Budget, (B) secure and

1 obtain all permits, approvals and other authorizations specific to construction of the Project, (C)
2 coordinate and communicate with the City Manager and its public works and planning departments
3 to meet Little Rock's expectations for the Project as detailed in the approved Redevelopment Plan,
4 and (D) compile and provide detailed applications for payment which will be submitted on a
5 monthly basis.

6 To the extent necessary, Little Rock shall cooperate with Master Tenant and Developer in
7 obtaining all permits, approvals and authorizations related to or necessary for the development,
8 construction and use of the Project, including but not limited to building and occupancy permits,
9 zoning and land use approvals and other permit, approval or authorization of any type or
10 description necessary for use and occupancy of the Project.

11 Costs incurred on the Project pursuant to the Project Budget (as the same may be adjusted
12 with the approval of the City Manager and Master Tenant) shall be paid by Little Rock and Master
13 Tenant and funded upon submission by Developer of monthly applications for payment.
14 Developer will keep Master Tenant and the City Manager apprised of all potential and actual
15 impacts to the Project Schedule, Project Budget and Project Plans. Little Rock and Master Tenant
16 will work together collaboratively to apply Master Tenant's contribution to Project costs towards
17 tenant-specific improvements to the extent not eligible for payment by Little Rock and start-up
18 expenses; provided, in all instances, the Master Tenant's aggregate contribution to the Project's
19 costs and expenses shall not exceed \$5 million.

20 Throughout the construction of the Project Improvements, the City Manager and members
21 of Little Rock's planning and public works departments shall have the unrestricted and
22 collaborative right to review the ongoing work at the Project. Further, all work will be on an *open*
23 *book and fully transparent* basis. Little Rock shall have the right to audit the cost of the work, and
24 the City Manager shall have the right to review and approve all applications for payment, such
25 approval not to be withheld provided costs in consistent with Project Budget. Upon final
26 completion of the Project, Little Rock shall take an assignment of all warranties or other guaranties
27 provided (for example, roof, HVAC, etc.) under the terms of the construction contracts, provided
28 that Master Tenant shall have the right to enforce or otherwise make claims against the same during
29 its operation of the Project pursuant to the Master Lease.

30 **Phase 3:** Upon substantial completion of the Project, occupancy shall be delivered to Master
31 Tenant and the maintenance, operations, and sub-leasing (or licensing) of subtenant spaces, public

1 use space, and other areas of the Project shall be conducted exclusively by Master Tenant pursuant
2 to the Master Lease. Master Tenant shall be authorized to enter into such subleases and licensing
3 agreements as it deems appropriate, subject to limitations contemplated in Addendum A, and shall
4 also be responsible for all ordinary operating costs and expenses incurred in connection therewith.
5 Little Rock shall remain responsible for capitalized expenses incurred. Further, consistent with
6 the discussion in Phase 1, if the Project is completed for an amount less than \$25 million, any
7 savings on cost or expenses that would have been otherwise payable by Little Rock for the Project
8 will be reserved for application to ongoing capital expense and improvements incurred during
9 operation of the Project and made available upon the reasonable request of Master Tenant.

10 If the foregoing accurately states your understanding, please sign where indicated below
11 and return a copy of this MOU to me. I look forward to the opportunity to play such a significant
12 role in Little Rock's continued growth and success.

13 Sincerely,

14 **New + Found**

15 Will Smith

16 AGREED TO AND ACCEPTED THIS

17 13TH DAY OF JANUARY, 2026:

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19 **CITY OF LITTLE ROCK, ARKANSAS**

20 By: _____

21 Name: Delphone Hubbard

22 Title: City Manager

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APPENDIX A: MASTER LEASE TERMS

PREMISES

- **Description:** The entirety of the Little Rock River Market Hall including all interior and exterior retail, common areas and event spaces.
- **Permitted Uses:** Food and beverage operations including bar, retail, entertainment, public and private events and other commercial uses.
 - **Additional Uses:** Additional Uses (other than Prohibited Uses described below or in the final Comprehensive Development Agreement) shall be permitted subject to the approval of the City Manager, which approval shall not be unreasonably withheld, conditioned or delayed.
- **Prohibited Uses:** Adult or pornographic business, massage businesses, marijuana and other controlled substances.

LEASE TERMS

- **Lease Commencement:** Upon completion of the Project
- **Initial Term:** Ten (10) years
- **Options to Extend:** Two (2) option periods of ten (10) years each
- **Lease Type:** Modified Gross with CAM
 - Master Tenant shall be responsible for operating expenses including common area maintenance and utilities
 - Little Rock (as Landlord) shall be responsible for capital expenses on the Project (i.e., not including capital expenses of subtenants or licensees), together with real estate taxes, if any, and property insurance
 - Master Tenant will not be responsible for structural or HVAC repairs unless arising due to the specific operational requirements of subtenants or licensees of the Project but will enforce all construction warranties.

RENT SCHEDULE

- **Rent:** 20% of net revenue received by Master Tenant from subtenants and licensees
- **Rent Abatement:** Initial \$3,000,000 of Rent to be abated

DELIVERY

- Master Tenant is responsible for causing the completion of the Project subject to funding thereof by Little Rock and a portion by Master Tenant (NTE \$5 million), provided such Project costs are incurred consistent with the Project Budget.
- Upon completion of the Project, Master Tenant shall be responsible for the continued lease, operation, sub-leasing, and occupancy of the Project with the Operator.
- To the extent any tenant improvements include fixtures, artwork, changes to public spaces, or otherwise impacts the aesthetic of the Project, Little Rock shall have collaborative rights of review and approval of the same.

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