



APERS
ARKANSAS PUBLIC
EMPLOYEES' RETIREMENT SYSTEM



A New Home in the State Capitol Complex

PROPOSAL

New location for the offices of the

Arkansas Public Employees Retirement System

1700 W. THIRD STREET
LITTLE ROCK, ARK. 72201

*The site is in the immediate area of the State Capitol complex,
featuring a newly constructed custom-designed building*

TJM THIRD AND BISHOP PROPERTIES LLC

BAILEY CONSTRUCTION

WER ARCHITECTS

QUATTLEBAUM, GROOMS & TULL

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Section 1 LOCATION AND SITE

1.1 LOCATION OF NEW BUILDING. The proposed site is 1700 W. Third Street, across the street on the north side of the State Capitol complex. The location provides multiple benefits for the Arkansas Public Employees Retirement System (APERS), including a new building in a highly visible, convenient, and accessible area near other branches of state government. It also allows APERS the opportunity to own the building, eliminating increasing leasing costs.

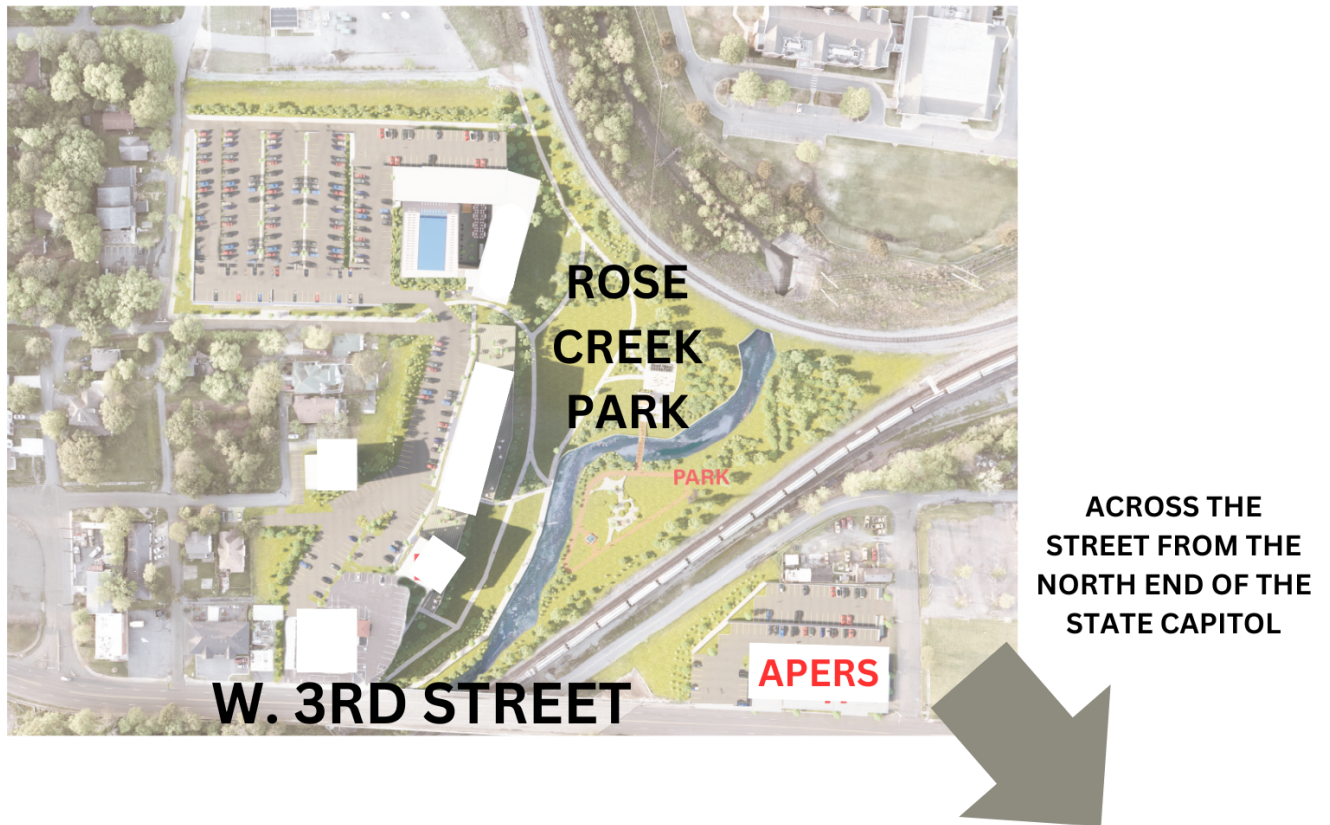
1.2 GEOGRAPHIC LOCATION AND SITE DESCRIPTION. The site sits within the *Downtown Little Rock Master Plan* at the north end of the Arkansas State Capitol. The Capitol is the downtown region's anchor, and the surrounding areas are ripe for development. It is located next to a three-acre park, which is available for use by APERS employees. There is also an adjacent 10-acre property with plans for future development, including restaurants, retail, and residential condominiums. The site overlooks the park to the west and the Episcopal Collegiate School to the northwest. The building's two-story height will allow views of the Arkansas River, the State Capitol, and the downtown skyline. Please see a depiction of the site below.

1.3

AERIAL VIEWS

1.3 (a)

Aerial view of the building site (lower right-hand corner) and Rose Creek Park for use by APERS employees.



This aerial view provides a mapped depiction of the building site in the lower right-hand corner of the map, at the corner of Third and Bishop Streets. Parking will be situated immediately behind and to the west (left side) of building. The site is in easy walking distance of the State Capitol across the street with plans to pursue a flashing crosswalk with the city.

See location of three-acre park to the west of the APERS building, in the center of this aerial view. Buildings on the other side of the park depict a future ten-acre development of restaurants, retail, and residential properties.

AERIAL VIEWS

1.3 (b)

Northern view of surrounding areas from the building site



From the building site, the northern views feature the Arkansas River with the Episcopal School in the foreground.

1.3 (c)

Rendering of eastern and southern views from the building site



From the building's conference rooms, the southern and eastern views feature views of the State Capitol and the city's downtown skyline.

SECTION 2. BUILDING DESIGN

2.1 PROPOSED BUILDING DESIGN. A modern design featuring limestone and glass will complement the look of the Arkansas Capitol and other state buildings while ensuring a beneficial investment that will only grow in value. It will honor the dedication and hard work of the many active and retiree APERS members who have served the state with professionalism and integrity.

2.2 BUILDING SIZE. The proposed building is 40,000 square feet to accommodate APERS members and staff with an executive board room; director's office and conference area; small, medium, and large employee offices; a catering kitchen; small, medium, and large meeting spaces; break areas; restrooms; and a large training or meeting room for up to 100 people. The basement has additional square footage, which houses mechanical equipment and server rooms, a lower lobby, and an elevator area. The lower lobby provides elevator access to the upper floors for employees utilizing the lower-level parking and a secure back entry.

Please see renderings of the proposed building on pages 8 and 9



View of the proposed building from the corner of 3rd and Bishop Streets



View of the proposed building from 3rd Street

2.3

2.3 (a)

OVERVIEW - FLOOR PLANS

OFFICES. The plan for private office spaces provides the required privacy for frequent conversations involving member and retiree confidential information. There is an appropriate mix of small, medium, and large offices. The design includes six executive-large offices and one director's office on the second floor with a view of the State Capitol.

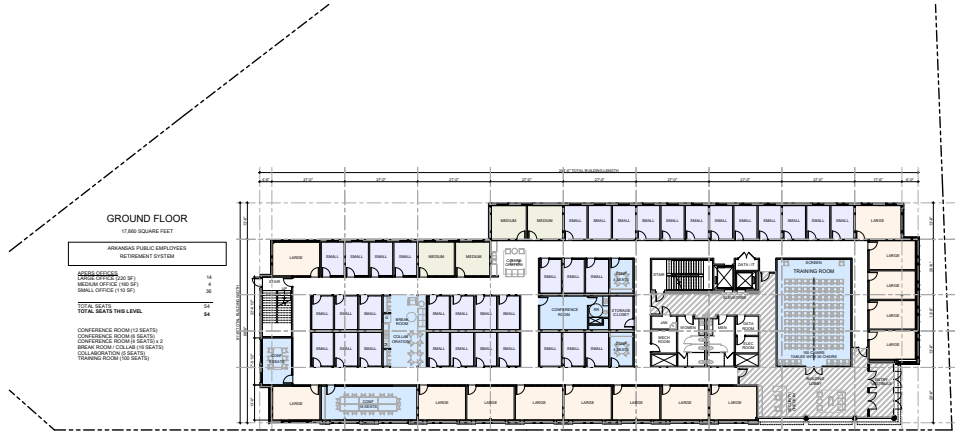
2.3 (b)

CONFERENCE, MEETING, AND COLLABORATION AREAS.

The design places the executive board room on the second floor in the northeast corner of the building across a reception area from the director's office overlooking the Arkansas River to the north and the downtown skyline to the east. There is ample seating for the APERS board, staff, and guests. The board room adjoins an outdoor balcony on the east side and a catering kitchen on the west. Two private offices located conveniently outside the board room are available when board members need a private place to conduct other business, take a personal phone call, or have a workplace before or after meetings. Other meeting areas on the second floor include the director's conference room, conference rooms of various sizes, and a collaboration room that can also be used as a break room for eighteen. Meeting areas on the first floor include conference rooms of various sizes; a collaboration room for five; and a collaboration or break room that comfortably seats sixteen. In addition to the small and medium-sized meeting rooms, the design includes a large meeting or training room on the first floor that can seat up to 100 people.

2.3 (c)

BREAK AREAS. Each floor has break areas with room for sixteen to eighteen people. On the second floor, there is a catering kitchen. Rose Creek Park, next door, is available for employees to use during lunch breaks.

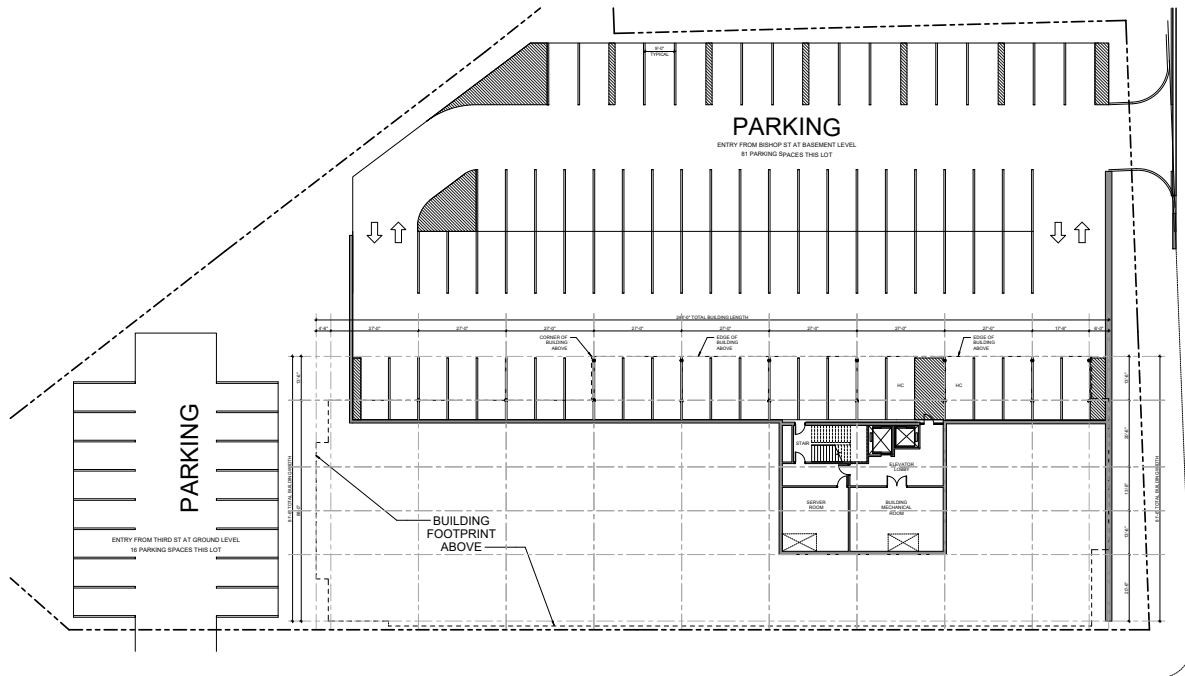


- 2.3 (d) LARGE TRAINING OR MEETING ROOM.** The design includes a large room conveniently located on the first floor near the building's main entrance to host up to 100 people for meetings, training, or other events. The room could be utilized for new state employee orientation and learning seminars for employees approaching retirement. The room may also be made available for use by state agencies and other groups that are visiting the State Capitol.
- 2.3 (e) RESTROOMS.** The proposed building includes large bathrooms for men and women on each floor appropriate for APERS staff size.
- 2.3 (f) TECHNOLOGY AND OTHER EQUIPMENT AREAS.** With more than 4,000 square feet, the basement will provide adequate space for mechanical equipment, servers, and backup power areas, as desired. The building will be wired with fiber optic cable to create the most reliable, high-bandwidth, fast-speed network available.
- 2.3 (g) SECURE BUILDING.** The building will be secure and accessible to employees and board members with APERS-issued key cards. The building will be accessible to guests only at the entrances APERS designates as public entrances. The proposal includes security cameras for public areas and parking lots.
- 2.3 (h) AR BUILDING, FIRE, AND ENERGY CODES AND AMERICANS WITH DISABILITIES (ADA) COMPLIANCE.** The new building will meet building and energy codes and have sprinklers throughout to comply with fire codes. It will be ADA-compliant as required for new construction.

2.3 (i) **QUALITY OF SPACE.** This proposal includes a newly constructed, modern, secure, energy-efficient building with ample natural light and views of the State Capitol, downtown skyline, and the Arkansas River that will engage and reinvigorate employees. Multiple conference rooms in appropriate and varying sizes are available throughout the building. A large employee breakroom on each floor, an optional exercise room within the building, and Rose Creek Park, a three-acre outdoor space described more fully below, will energize the APERS workforce. Security features in the building and adjacent parking areas will provide peace of mind. The park will offer easy access to walking and bike trails at lunch and before and after work.

2.4 **ON-SITE PARKING.** The design includes two surface parking areas with 97 parking spaces to accommodate APERS staff, board members, and guests. Both parking areas are on-site and immediately adjacent to the building. Both parking areas will be fenced and gated and accessed with key cards issued by APERS. The Capitol complex, including this property is patrolled day and night by the Capitol Police.

2.4 (a) **LARGE PARKING AREA NORTH SIDE OF BUILDING.** The larger parking area includes 81 spaces, 16 of which are covered parking spaces. It is accessible from Bishop Street, only one-half block off 3rd Street and immediately behind the building on its north side. The secure basement entry provides easy access to the building with elevators to the upper floors for employees who use the lower lot.



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RETIREMENT SYSTEM

BASEMENT FLOOR PLAN

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ARCHITECTS

2.4 (b) PARKING AREA – WEST SIDE OF BUILDING. The smaller parking area, with 16 spaces, is situated on the west side of the building and is directly accessible from 3rd Street. A convenient and secure entrance on the west side of the building allows staff and board members who park in this area easy entry to the building.

2.4 (c) PARKING - EASY ENTRANCE AND EXIT. Bishop Street, the two-way street between Second and Third Streets, may be entered from the north or south end to access the larger APERS parking area. Travelers may turn directly off Third Street, then go north one-half block on Bishop to enter the lower-level parking area. Those traveling via Second Street from the east or west may turn south on Bishop, which is also only one-half block, to access the lower-level parking area. The upper-level parking area may be accessed from Third Street.

Departure from the parking area to Hillcrest, the Heights, and Cammack Village areas via Third Street provides convenience for employees who live in nearby neighborhoods. The building site is only a half-mile from the entrance of I-630, with east and west ramps available for those traveling further to and from work or meetings.

2.5

2.5 (a)

SITE BENEFITS

PROXIMITY TO STATE CAPITOL COMPLEX. The proposed location at the north end of the Capitol will effectively be an expansion of the State Capitol complex. It is within easy walking distance of the State Capitol across the street. Developers will pursue a flashing crosswalk with the City of Little Rock. The State Capitol is the hub of state government, and as available property around the Capitol continues to shrink, the opportunities to build near it are few. The Capitol and surrounding buildings include offices of six of the state's constitutional officers, 135 Arkansas General Assembly members, Supreme Court Justices, Court of Appeals Judges, Cabinet Secretaries, Division Directors, more than 400 legislative staff members, State Capitol Police, and a multitude of other state employees. As the retirement system for state employees, it is fitting for the APERS building to be located at the Capitol and alongside other government facilities. The site will bring a high degree of visibility for the APERS with the potential benefit of bringing a greater appreciation for the services APERS provides.

2.5 (b)

CUSTOM-DESIGN. The value of a new custom-designed building in downtown Little Rock at the Capitol is an outstanding opportunity for APERS. The custom design allows APERS staff to have an environment that encourages collaboration and productivity that meet its unique needs.

2.5 (c) **ONSITE SURFACE PARKING.** APERS employees, and board members will enjoy the new APERS site that will allow for convenient onsite gated parking areas with key card access for security. Active and retiree APERS members will be able to easily find the highly visible site and find a convenient parking space making their visit to APERS a more enjoyable experience.


2.5 (d) **ROSE CREEK PARK.** The three-acre Rose Creek Park is being developed next door with bike and walking trails, picnic tables, a reflection creek, and green spaces for employee use. The park area will be gated and semi-private for APERS use. It is positioned at the connection node where the Southwest Trail meets the Arkansas River Trail, the Central Arkansas region's premiere outdoor recreational trail and one of our city's most significant bicycle-friendly outcomes.



Rose Creek Park, adjacent to the proposed site will offer APERS employees a green space, walking and bike trails, picnic tables and more for lunch break

SECTION 3.

CONSTRUCTION TIMELINE. The project timeline, including design and construction, is estimated to be 20 months. If the project is approved before May 30, 2024, the building is scheduled for completion, with lease commencement February 1, 2026.

 1700 W 3rd Street Little Rock, AR Construction Schedule				
ID	Task Name	Duration	Start	Finish
1	40,000 sq ft Office Building	440 days	Mon 5/27/24	Fri 1/30/26
2	Pre-Construction	410 days	Mon 5/27/24	Fri 12/19/25
3	Drawings / Permitting	150 days	Mon 5/27/24	Fri 12/20/24
4	Construction Drawings	150 days	Mon 5/27/24	Fri 12/20/24
5	Topographic Survey Completed	0 days	Mon 5/27/24	Mon 5/27/24
6	Schematic Design	4 wks	Mon 6/3/24	Fri 6/28/24
7	Design Development	7 wks	Mon 7/1/24	Fri 8/16/24
8	Submit DD to Capital Zoning	0 days	Mon 8/19/24	Mon 8/19/24
9	Pricing Package	3 wks	Mon 9/2/24	Fri 9/20/24
10	CD Drawings	8.8 wks	Mon 9/23/24	Thu 11/21/24
11	Pricing	21 days	Fri 11/22/24	Fri 12/20/24
12	Contractor to Receive Plans	0 days	Fri 11/22/24	Fri 11/22/24
13	Subcontractor Pricing	3 wks	Fri 11/22/24	Thu 12/12/24
14	Contractor to Submit Proposal	0 days	Fri 12/13/24	Fri 12/13/24
15	Pricing Review	1 wk	Mon 12/16/24	Fri 12/20/24
16	Release Contractor	0 days	Fri 12/20/24	Fri 12/20/24
17	Procurement	260 days	Mon 12/23/24	Fri 12/19/25
18	Roofing	12 wks	Mon 12/23/24	Fri 3/14/25
19	Steel	20 wks	Mon 12/23/24	Fri 5/9/25
20	RTUs	36 wks	Mon 12/23/24	Fri 8/29/25
21	Eletrical Gear	52 wks	Mon 12/23/24	Fri 12/19/25
22	Construction	240 days	Mon 3/3/25	Fri 1/30/26
23	Construction Start	0 days	Mon 3/3/25	Mon 3/3/25
24	Mobilize & BMPs	5 days	Mon 3/3/25	Fri 3/7/25
25	Site	230 days	Mon 3/10/25	Fri 1/23/26
26	Relocate Utilities	5 days	Mon 3/10/25	Fri 3/14/25
27	Demo Existing Building	10 days	Mon 3/10/25	Fri 3/21/25
28	Clear & Grub	10 days	Mon 3/24/25	Fri 4/4/25
29	Grading	25 days	Mon 4/7/25	Fri 5/9/25
30	Retaining Wall	15 days	Mon 4/14/25	Fri 5/2/25
31	Utilities	40 days	Mon 5/12/25	Fri 7/4/25
32	Fine Grading	15 days	Mon 11/3/25	Fri 11/21/25
33	Site Concrete	20 days	Mon 11/17/25	Fri 12/12/25
34	Asphalt	15 days	Mon 12/8/25	Fri 12/26/25
35	Striping & Signage	5 days	Mon 12/29/25	Fri 1/2/26
36	Landscaping	20 days	Mon 12/22/25	Fri 1/16/26

SECTION 4.

STRONG ARKANSAS BUSINESS PARTNERS



- 4.1 Bailey Construction.** Bailey Construction is a national contractor whose founders have more than a century of combined experience in the industry. Bailey believes in quality without compromise and is proud that the quality of its work has resulted in lasting relationships with clients. Its team is building beyond the expectations of its clients with quality, timely, and cost-effective builds.
- 4.2 WER Architects.** Founded in 1978, WER Architects is recognized for its tradition of architectural excellence. WER is constantly searching for ways to bring new ideas, solutions, and success to its clients. The firm delivers outstanding results through a team of smart and capable professionals. It has completed innumerable projects across the state, including the Richard Sheppard Arnold Federal Courthouse, Jack Stephens Event Center, and the Tyson Center for Agricultural Sciences at UA.
- 4.3 Quattlebaum, Grooms & Tull PLLC (QGT)** is a regional law firm with offices in Little Rock and Springdale. QGT provides various legal services to business organizations of all forms and sizes, including governmental bodies, banks, real estate developers, corporations, and regional businesses. Timothy Grooms has substantial experience in real estate and commercial transactions. He has negotiated hundreds of commercial lease spaces throughout Arkansas and the Mid-South.



Gus Vratsinas, P.E.
CHAIRMAN OF THE BOARD

- Bachelor of Science Civil Engineering, University of Arkansas
- Master of Science Civil Engineering, University of Arkansas
- Registered Professional Engineer
- 45+ years of experience



Bob Bailey, P.E.
CHIEF EXECUTIVE OFFICER

- Bachelor of Science Civil Engineering, University of Cincinnati
- Registered Professional Engineer
- 35+ years of experience



Brandon Baldwin
EXECUTIVE VICE PRESIDENT

- Bachelor of Construction Management, University of Arkansas Little Rock
- 20+ years of experience

WER

ARCHITECTS



Russell Fason

PRINCIPAL / CEO

- AIA, LEED AP
- Master's Architecture, Harvard School of Design
- 35+ years of experience



David Sargent

PRINCIPAL / PRESIDENT

- AIA, LEED AP
- Bachelor's Architecture, University of Arkansas
- 35+ years of experience



Sam McGuire IV

ASSOCIATE / PROJECT ARCHITECT

- AIA
- Award winning designs
- 20 years of experience



Timothy Grooms
QGT MANAGING MEMBER

- Founding member
- Substantial experience in real estate and commercial transactions
- Nationally recognized - Best Lawyers in America 1995 - Present; Chambers USA's Guide to America's Leading Lawyers for Business, 2003 - Present; Super Lawyers, 2006 - Present; Who's Who Legal, 2016 - Present
- Rated AV Preeminent ® by Martindale-Hubbell

PROPOSED TERMS

The proposed term is a property lease (building and grounds) for fifteen (15) years. A ground lease will run during the construction period with an option to purchase at completion. Upon completion of the building, the parties to the long-term lease will establish the date of commencement for the fifteen-year lease with the option to purchase immediately or within the first two years. The total amount of ground lease payments made during the construction period will be credited to the purchase price of the building.

The pre-construction phase is scheduled to begin immediately including completion of architectural plans and subcontractor bidding. The building is scheduled to be completed January 30, 2026.

Ground Lease

Beginning May 1, 2024
Square Feet 58,909 SF
Rate \$20.50
Annual \$1,207,634.50
Monthly \$100,636.20

Beginning Lease Commencement Date

Estimated February 1, 2026
Property Lease (Building and grounds)
Square Feet 40,000
Rate \$39.55
Annual \$1,582,000.00
Monthly \$131,833.33

Option to Purchase

Estimated beginning February 1, 2026
\$18,587,745 *(To calculate purchase price balance, deduct all funds paid on the ground lease from this total price)*

Building Value

APERS would enjoy the benefit of the increase in value during the construction. Using a 7.5% capitalization rate, the building will be valued at approximately \$21.9 million at completion of construction demonstrating the investment value for APERS.

The lease rate has a minimum 3% annual escalator which translates to \$29.4 million over fifteen years as opposed to a \$18.5 million purchase price.

