



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-2021-65

File ID: K-2021-65 **Type:** Contract **Status:** Consent Item

Version: 1 **Reference:** Item 23 **In Control:** City Council

Department: Legal Department **Cost:** \$2,069,971.00 **File Created:** 10/23/2020

File Name: P & S agreement - UTC **Final Action:**

Title: CONTRACT K-2021-65: A PURCHASE AND SALE AGREEMENT BY AND BETWEEN THE NORMAN TAX INCREMENT FINANCE AUTHORITY, THE CITY OF NORMAN, OKLAHOMA, AND UNIVERSITY TOWN CENTER, L.L.C., FOR THE PURCHASE OF TWELVE (12) ACRES OF REAL PROPERTY LOCATED IN THE VICINITY OF 24TH AVENUE N.W. AND WEST ROCK CREEK ROAD FOR A PURCHASE PRICE OF \$2,069,971 AND BUDGET APPROPRIATION FROM THE UNIVERSITY NORTH PARK TAX INCREMENT FINANCE (UNPTIF) FUND BALANCE.

Notes: ACTION NEEDED: Acting as the Norman Tax Increment Finance Authority and the City Council, motion to approve Contract K-2021-65 with University Town Center, L.L.C.; and, if approved, authorize the City Manager to sign and execute all related closing documents on behalf of the City of Norman and the Norman Tax Increment Finance Authority and appropriate \$2,700,000 from UNP TIF Fund Balance (57-29000) designating \$1,350,000 to Project NFB002, Indoor Aquatic Facility Project Land (51795546-46001) and \$1,350,000 to Project NFB003, Indoor Sports Facility Project Land (51796601-46001).

ACTION TAKEN: Motion to approve is on the floor from the November 10, 2020, meeting - motion to approve by Councilmember Carter and seconded by Councilmember Holman

Agenda Date: 11/24/2020

Agenda Number: 23

Attachments: City Council Staff Report, K-2021-65

Project Manager: Kathryn Walker, City Attorney

Entered by: kathryn.walker@normanok.gov

Effective Date:

History of Legislative File

| Ver- sion: | Acting Body: | Date: | Action: | Sent To: | Due Date: | Return Date: | Result: |
|---------------|--------------|------------|---------|----------|-----------|-----------------|---------|
| 1 | City Council | 10/29/2020 | | | | | |

Text of Legislative File K-2021-65

Body

BACKGROUND: The original Norman Forward sales tax package approved by the voters in 2015 included a number of quality of life projects, including a multi-sport facility, envisioned to accommodate indoor sports including, but not limited to, basketball and volleyball, and an indoor aquatics facility. A total of \$22.5 million in Norman Forward sales tax was allocated to these projects. After exploring a number of locations for these facilities, City Council approved an agreement in November 2019 to locate these facilities in University North Park.

An ad hoc committee was appointed in June 2019 by Council for the Indoor Aquatic/Multi-Sport projects which worked closely with the project architect to develop plans for the facility. Like several other Norman Forward projects, the funding provided by the dedicated sales tax was insufficient to complete the facilities as envisioned by the Ad Hoc Committee.

Contract K-1920-82 and the 2019 Amended University North Park Project Plan (adopted by Ordinance O-1920-24) called for the Indoor Aquatic/Multi-Sport projects (the "Recreation Facility") to be located in University North Park and set forth the purchase price for up to 12 acres of land for the projects. It also allocated TIF funds for the purchase of the property and \$2.7 million for construction enhancement. Contract K-1920-82 set out timelines for site identification, purchase and construction based on the best information available at the time. A referendum petition on Ordinance O-1920-24 was circulated which delayed the implementation of the Project Plan and Contract K-1920-82. Ultimately the referendum petition was challenged and after an Oklahoma Supreme Court ruling on June 15 2020, Ordinance O-1920-24 was implemented as adopted, which allowed K-1920-82 to be implemented as well.

In the fall of 2019, Staff was approached by Ray Young, the father of National Basketball Association Atlanta Hawks player and Norman native Trae Young. Mr. Young expressed interest in partnering with the City to ensure the planned Multi-Sport facility would achieve the original vision of being an appropriate venue for both local league play, competitive league play, and as a tournament host. Trae Young grew up in Norman, playing in City leagues, and later, more competitive leagues in the metro area. He and his family are committed to giving back to the community and to furthering youth sports in Norman. Council approved Contract K-1920-139, a Memorandum of Understanding that established a long-term relationship with the Trae Young Foundation ("Young") related to the Multi-Sport facility. Specifically, the MOU gives Young an opportunity to provide input during all phases of project development, including operator selection. The MOU also sets forth certain financial contributions over multiple years totaling \$4 million. According to the terms of the MOU, the contribution was contingent on a general obligation successful election and location of the facility in University North Park.

At Council's direction in June 2020, a general obligation bond proposition was put before the voters in August 2020 that would have, among other things, provided an additional \$36 million for the Indoor Aquatic/Multi-Sport project. The proposition was not approved by the voters. Since that time, the Ad Hoc Committee has been working with the architect for the project to develop plans for a facility that would fit within the budget, including the \$2.7 million in TIF funds

for construction enhancement and a generous donation from The Young Family Foundation, which has remained committed to the project despite the failure of the general obligation bond election.

DISCUSSION: Contract K-2021-65 is the Purchase and Sale Agreement for the future site of the Indoor Aquatic/Multi-Sport project. Approval of this agreement enables the City to move forward with purchase of the property, platting, final design and ultimately bidding and construction of the project. The substantive terms of the acquisition are consistent with Contract K-1920-82. Ten acres will be sold to the City at a cost of \$2,069,971 and two acres will be donated to the City. The general location of the site (see Exhibit A to the Purchase and Sale Agreement) is just north of Embassy Suites, bounded on the east by Max Westheimer Airport, on the west by 24th Avenue NW and on the north by Rock Creek Road. UTC and the City will work cooperatively as the final plat for the site is developed, and UTC has agreed to donate any needed easements to provide for access and utilities to the site.

Notably, K-2021-65 also updates the deadlines that were contained in K-1920-82 to reflect the current projected timetables. The City warrants that it will make every effort to construct the project by May 1, 2023. If construction is not commenced by August 1, 2021, then the Seller has a right to repurchase the property.

RECOMMENDATION: Staff recommends that Council authorize the City Manager to execute Contract K-2021-65; authorize the appropriation and expenditure of UNP TIF funds for the property acquisition as authorized and contemplated by the 2019 UNP Project Plan and Contract K-1920-82; sign all related closing documents on behalf of the City and UNP TIF Authority, and take all steps necessary to execute said Contract.