

## CITY COUNCIL CONFERENCE MINUTES

March 28, 2017

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a conference at 5:05 p.m. in the Municipal Building Conference Room on the 28th day of March, 2017, and notice and agenda of the meeting were posted at the Municipal Building at 201 West Gray, and the Norman Public Library at 225 North Webster 48 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Allison, Castleberry, Chappel, Clark, Heiple, Hickman, Holman, Karjala, Mayor Miller

ABSENT: None

Item 1, being:

CHANGE ORDER NO. FOUR TO CONTRACT K-1516-80 WITH CENTRAL CONTRACTING SERVICES, INC., INCREASING THE CONTRACT AMOUNT BY \$66,495 FOR A REVISED CONTRACT AMOUNT OF \$2,584,185 IN ORDER TO INSTALL NINE (9) ADDITIONAL WATER LINES FOR FUTURE FIRE PROTECTION ON MAIN STREET AND ADDING SIX (6) CALENDAR DAYS TO THE BERRY ROAD WATER LINE REPLACEMENT PROJECT, PHASE 3.

Mr. Scott Sturtz, City Engineer, said on February 23, 2016, the Norman Utilities Authority (NUA) approved Contract K-1516-80 with Central Contracting Services, Inc., in the amount of \$1,470,680 for construction of the Berry Road Water Line Replacement Project, Phase 3. He said Phase 3 construction included about 5,300 linear feet of 16-inch water line from Main Street to Robinson Street and replaces the westernmost lane of Berry Road.

On May 10, 2016, the NUA approved Change Order No. One to Contract K-1516-80 to replace approximately 1,800 feet of deteriorated 12-inch Ductile Iron Pipe (DIP) water line with a 16-inch Poly Vinyl Chloride (PVC) water line along the south side of Main Street between Berry Road and Flood Avenue.

On October 25, 2016, Change Order No. Two was approved to add the replacement of an additional 1,200 feet of deteriorated 12-inch DIP water line with 16-inch PVC water line along the south side of Main Street between Flood Avenue and Park Drive. Additionally, approximately 500 feet of 8-inch water line was replaced on the east side of Flood Avenue between Main Street and Gray Street.

On February 28, 2017, Change Order No. Three in the amount of \$524,300 was approved to add the replacement of approximately 1,900 additional feet of deteriorated 12-inch water line with 16-inch PVC water line. New service lines will be installed to existing meters of all businesses within the project limits.

Change Order No. Four in the amount of \$66,495 will add nine (9) additional 6-inch PVC water line connections from the new 16-inch main to the sidewalk area for businesses to use for future fire connections.

On January 19, 2017, the bid opening for the Main Street Streetscape Project was held by the Oklahoma Department of Oklahoma Transportation (ODOT); however, ODOT rejected the bids due to extremely high bids with the lowest bid being 44% (\$1,248,138.82) over the engineer's estimate. The project is scheduled to be re-bid on May 18, 2017.

Item 1, continued:

Councilmember Clark asked when the Main Street Streetscape Project will be completed and Mr. Sturtz said March 2018.

Councilmember Allison said the Main Street Streetscape Project is an important project because infrastructure has to meet public needs in order for businesses to locate downtown. He said adequate access to fire protection is a big selling point as well.

Items submitted for the record

1. File K-1516-80, Change Order No. 4
2. Location map
3. Change Order No. 4 to Contract K-1516-80
4. PowerPoint slides entitled, "Council Agenda Item #17"

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Item 2, being:

CONTINUED DISCUSSION REGARDING CENTER CITY FORM BASED CODE PUBLIC INFRASTRUCTURE NEEDS AND ECONOMIC DEVELOPMENT INVESTMENTS.

Mr. Jeff Bryant, City Attorney, introduced Ms. Emily Pomeroy and Mr. Cameron Brewer with the Center for Economic Development Law (CEDL). He said Ms. Pomeroy worked with the City on the creation of the Campus Corner and University North Park (UNP) Tax Increment Finance Districts (TIFs). On March 21, 2017, she explained how and why TIFs are created and how the financing works. Tonight she will be discussing opportunities from development potential that could exist should the City decide to move forward with the adoption of the Center City Form-Based Code (CCFBC). Ms. Pomeroy said CEDL contracted with Johnson and Associates to prepare an infrastructure analysis of upgrades needed in the CCFBC.

Ms. Pomeroy said key findings of the Johnson and Associates draft report assumes complete reconstruction of all streets within the CCFBC with the exception of Main and Boyd Streets. As development occurs, there will be a need for stormwater improvements; water line improvements; sewer line improvements; signalization and intersection improvements; sidewalk and landscaping improvements; and alleyway right-of-way improvements. She said Johnson and Associates divided the CCFBC into three infrastructure sectors that include low intensity, medium intensity, and high intensity.

Mr. Brewer highlighted the three infrastructure sectors as follows:

Low Intensity – example boundaries consist of Eufaula Street on the north, Symmes Street on the south, University Boulevard on the east, and Park drive on the west. The low intensity sector consists primarily of traditional single-family homes with a maximum of two stories and residential use only. Infrastructure improvement assumptions are an estimated \$54,625 that includes complete rebuild of streets with a projected ad valorem increment of \$142,871 based on 1% annual ad valorem increases over 25 years with no development activity.

Item 2, continued:

Medium Intensity – example boundaries consist of Symmes Street on the north, Apache Street on the south, Santa Fe Avenue on the east, and Webster Avenue on the west. The medium intensity sector consists of townhouses, small apartments, and accessory dwelling units with a maximum of three stories. Infrastructure improvement assumptions are an estimated \$544,375 that includes complete rebuild of the streets with a projected ad valorem increment of \$1,090,200 based on 1% annual ad valorem increases over 25 years with ramp-up to development on 50% of existing property.

High Intensity - example boundaries consist of Comanche Street on the north, Eufaula Street on the south, James Garner Boulevard on the east, and Santa Fe Avenue on the west. The high intensity sector consists of urban general zoning for multiple uses with a maximum of five to six stories that includes storefronts and townhouses. Infrastructure improvement assumptions are an estimated \$567,450 that includes complete rebuild of the streets with a projected ad valorem increment of \$2,548,259 based on 1% annual ad valorem increases over 25 years with ramp-up to development on 80% of existing property.

Mr. Brewer said the total increment over a 25 year period is estimated to be \$3,781,330 with projected infrastructure costs of \$2,121,880.

Councilmember Clark asked how the CCFBC would impact the County and whether the County would align with high intensity development or be exempt? Mr. Brewer said it is his understanding the County would be exempt so it would not be an increment generating property.

Councilmember Hickman said if the City were to invest money to improve the street in front of property owned by the County that might encourage the County to participate as a taxing authority to give up some of the ad valorem revenues to be used to improve the area including property they would directly benefit from.

Councilmember Allison asked if the County had to follow CCFBC regulations and Ms. Connors said Staff believes the County should follow the City's zoning rules; however, State and Federal properties are exempt from municipal regulations. Mr. Bryant said the County will argue they are a superior jurisdiction and are not required to follow City zoning regulations, but hopefully the County will want to work cooperatively with the City to improve Center City in order to achieve and meet mutual goals. He said the City cannot make the County follow the zoning regulations.

Mr. Brewer said the high intensity sites will pay for much of the infrastructure improvements across the area. He said high intensity represents 48% of the CCFBC and could generate 78% of the increment and with the inclusion of medium intensity there is potential for the TIF to pay for quite a bit of the infrastructure.

Councilmember Hickman said these projections assume all of the taxing jurisdictions will be willing to give up 100% of their ad valorem revenues in the CCFBC for 25 years. Mr. Bryant said this is just the beginning of a long process and Staff is looking for direction on whether Council wants to continue to explore a TIF. He said the City is still trying to determine infrastructure improvement costs and once that is determined, there are other elements that need to be determined before a Project Plan is created that will be agreeable with Council as well as the other taxing jurisdictions.

Councilmember Castleberry said he did not see any reason why the County, Norman Public Schools, or the Pioneer Library System would give up 25 years of property tax growth. Does Staff believe they would be willing to give up 25% or 50% in return for public improvements? Ms. Pomeroy said CEDL focuses on championing good projects and a project is not good unless all the active players are pleased so CEDL is not going to recommend a project that is detrimental to Norman Public Schools. She said that would not be smart for the community. She said the goal is to make sure the TIF benefits all the affected taxing jurisdictions and many will benefit from the ripple effects outside of this particular TIF.

Item 2, continued:

Mr. Brewer said the medium and high intensity sites will pay for the infrastructure so thinking about how that infrastructure improvement will occur over time is important to the development strategy of the TIF. He said James Garner Boulevard has great development potential. There are a lot of privately owned surface parking lots within the CCFBC and large surface parking lots are not compatible with walkability, which is the goal of Center City. There are also a lot of vacant lots within the CCFBC boundaries with high potential for development.

Ms. Pomeroy said all the information presented by CEDL to Council is based on the adoption of the CCFBC so that will be the first big step. She said the sector analysis Johnson and Associates has provided is going to be a huge benefit in deciding where to invest public money. If and when Council is ready, CEDL will continue with the infrastructure and projection analysis.

Mayor Miller felt it would be wise for Council to continue to seek information regarding infrastructure and possible financing. She said the City has an Administrative Delay in place while they discuss the CCFBC and there is an deadline to the Administrative Delay so Council needs to continue to move forward.

Councilmember Allison would like to know the estimated cost of getting to a Project Plan before moving forward. Mr. Steve Lewis, City Manager, said it would probably be helpful to complete the infrastructure analysis before the City authorized the preparation of the Project Plan. Ms. Pomeroy said Johnson and Associates is waiting for direction from Council to move forward.

Councilmember Hickman said the goal is to approve a Project Plan for a TIF by the end of 2017 and Council needs to take action on the Administrative Delay by July 2017, so Council needs to know how a TIF will impact their consideration of CCFBC. He feels that if Council is going to consider a TIF then perhaps the boundary needs to be larger in order to have the proper increment funding to pay for everything that may be needed.

Items submitted for the record

1. PowerPoint Presentation entitled "Center City Form-Based Code Infrastructure and Development Analysis," prepared by Center for Economic Development Law

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The meeting adjourned at 6:30 p.m.

ATTEST:

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City Clerk

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Mayor