

CITY COUNCIL CONFERENCE MINUTES

November 28, 2017

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a conference at 5:00 p.m. in the Municipal Building Conference Room on the 28th day of November, 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, Bierman, Clark, Hickman, Holman, Karjala, Wilson, Mayor Pro-Tem Castleberry

ABSENT: Mayor Miller

Item 1, being:

CHANGE ORDER NO. FIVE TO CONTRACT K-1314-136: WITH ARCHER WESTERN CONSTRUCTION, L.L.C., INCREASING THE CONTRACT AMOUNT BY \$324,283.30 FOR A REVISED CONTRACT AMOUNT OF \$52,226,706 AND GRANTING AN EXTENSION OF 124 CALENDAR DAYS TO THE CONTRACT FOR THE WATER RECLAMATION FACILITY PHASE 2 IMPROVEMENTS.

Mr. Ken Komiske, Director of Utilities, said the Norman Utilities Authority (NUA) approved Contract K-1314-136 on April 22, 2014, with Archer Western Construction, L.L.C., in the amount of \$48,822,550 for the Water Reclamation Facility Phase 2 Improvements to add disinfection services, expand the average daily design flow from 12 million gallons per day (mgd) to 17 mgd, and rehabilitate many existing processes.

Change Order No. One added several Contract Modification Requests (CMRs) and a time extension of 47 calendar days for final completion.

Change Order No. Two added owner directed CMRs to remedy maintenance situations or improvements not originally included in the project scope, contractor related CMRs to remedy unforeseen conditions that were not included in the original scope, and contract time extensions for unforeseen weather conditions encountered during the project.

Change Order No. Three added owner directed and contractor requested CMRs that were not included in the original scope of work and a contract time extension.

Change Order No. Four added four owner directed items of new work to remedy maintenance situations or operational improvements not included in the original project scope. Archer Western provided project management and construction administrative functions associated with the work including office space, utilities, sanitation, vehicles, tools, supplies, and other expenses for the proposed nine month additional contract duration. New owner directed items consisted of removing and replacing two sludge boilers, sludge heaters, and recirculation pumps in the South Digester Complex with associated piping, electrical and instrumentation with a cost of \$1,044,392; removing and replacing two primary sludge thickener mechanisms at both the North and South Digester Complex with associated piping, electrical and instrumentation with a cost of \$706,903; removing and replacing one grit washer/clarifier unit at the headworks and install one new grit washer/clarifier unit with associated piping, electrical, and instrumentation piping, electrical, and instrumentation at a

Item 1, continued:

cost of \$766,396; and supplying and installing aluminum access platforms and supports for four new emergency generators installed at the Westside Lift Station, the aeration basins, the RAS/WAS Pump Station, and an area near the Environmental Services Building - \$310,826. All of the existing equipment was installed in 1965, 1988, or 2004, and outlived their useful lives.

Change Order No. Five will add CMRs that include installing additional concrete yard lighting bases and 15 slab mounted bases for site lighting at a cost of \$65,308.72; accepting a credit to eliminate protective coating on interior concrete walls for secondary clarifier for a savings of -\$43,322.47; installing a two-inch water supply line to two new sludge thickening centrifuges in the Main Control Building at a cost of \$3,545.90; removing 819 cubic yards of sludge from three existing aeration basins prior to placement of new aeration equipment at a cost of \$15,562.52; increasing extent of new and rehabilitated concrete ribbon curb along perimeter of most new and/or rehabilitated asphalt paving at a cost of \$46,648.79; modifying speed controls by adding level probes and solenoid valves for progressive cavity sludge pumps downstream of thickening centrifuges at a cost of \$11,380.55; accepting a credit to modify installation of aluminum odor control covers at each of four primary sludge gravity thickeners for a savings of \$9,000; furnishing and installing water supply lines and a four-inch drain line for odor control systems at a cost of \$4,214.28; removing and replacing approximately 1,615 feet of dilapidated chain link fencing and four gates along northern and eastern boundaries of Water Reclamation Facility at a cost of \$34,095.77; furnishing and installing two cantilever gates, motor operators, and controls at main entrance and replacing 95 feet of existing chain link fencing to southeast of southern gate at a cost of \$35,449.76; accepting a credit to leave sludge removed from aeration basins in the sludge drying beds for a savings of \$7,410.63; supplying and installing new electrical conduit and four-wire circuit between new 600 amp circuit breaker and 300 kVA transformer at Main Control Building at a cost of \$74,292.31; supplying and installing new electrical conduit and wiring to all new exterior Light Emitting Diode (LED) lights and central control panel at a cost of \$203,742.69; modifying two motor control center electrical panels for additional pump protection at sludge blend pump station at a cost of \$7,061.47; accepting a credit for unused allowances (site lighting, trash removal, and trailer supplies) for a savings of -\$175,085; approving additional labor and material costs to modify alignment/elevation of underground piping and avoid existing unforeseen underground obstructions for the odor control system at a cost of \$29,523.85; installing seal offs in existing electrical conduits at three existing aeration basins to comply with classified area revision to the National Electric Code at a cost of \$21,526.59; supplying and installing two new pressure transmitters for the six-inch thickened sludge lines on the discharge side of the centrifuges for control of progressive cavity pumps at a cost of \$6,748.20; and extending the contract timeline by 124 calendar days.

Councilmember Clark asked when the project would be completed and Mr. Mark Daniels, Utilities Engineer, said Change Order No. Five will finalize the first phase of the project. Mr. Komiske said there will be one more change order to finalize the remaining parts of the project and quantify all the costs.

Councilmember Holman said odor control is a big deal for residents in Ward Seven and Ward Two so he is excited to see this project getting close to completion.

Item 1, continued:

Mayor Pro-Tem Castleberry asked how the project was set up the City for wastewater reuse and Mr. Komiske said this project allows the City to take the next step towards reuse because it provides better treatment.

Councilmember Hickman said based on population growth, how long will 17 mgd accommodate the community and Mr. Komiske said it depends on how fast that growth takes place; however, it should accommodate the City for at least 20 years.

Items submitted for the record

1. Text File K-1314-136, Change Order No. Five, dated October 31, 2017, by Mark Daniels, Utilities Engineer
2. Change Order No. Five to K-1314-136

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Item 2, being:

CHANGE ORDER NO. ONE TO CONTRACT K-1617-85: WITH NASH CONSTRUCTION COMPANY INCREASING THE CONTRACT AMOUNT BY \$60,979.78 FOR A REVISED CONTRACT AMOUNT OF \$1,810,929.78 FOR THE URBAN CONCRETE PAVEMENT REPAIR 2016 BOND PROGRAM AND FYE 2017 LOCATIONS.

Mr. Rocky Henkel, Street Superintendent, said on February 28, 2017, Council approved the FYE 2017 Urban Concrete Street Maintenance Project in the amount of \$1,749,950 for removal and replacement of selected concrete panels within 27 residential streets in nine subdivisions located throughout the City. Since the scope of the project was first established prior to the bond election in 2016, additional areas of concrete pavement have deteriorated significantly. Once repairs began in the Woodslawn Addition, it was evident that additional work would be necessary to improve the concrete streets within the neighborhood causing cost overruns to the contract. All of the streets designated for concrete maintenance within the contract have been completed except for two locations, Lenox Drive from McGee Drive to Rosedale Drive and Page Street from Jenkins Avenue to Trout Avenue. Page Street repairs will be made during the winter break in an effort to minimize impacts to the University of Oklahoma (OU) and Lenox Drive will need to be postponed until after the completion of the Lindsey Street Widening Project. A portion of Lenox Drive received stormwater improvements as part of that project so associated pavement repairs will also be constructed and paid for by the Lindsey Street Project. If additional concrete repairs are needed after the completion of Lindsey Street, a subsequent bond project will make those repairs.

Councilmember Holman agreed that Page Street is desperately in need of repair, but OU has recently purchased a lot of property in that area so will OU help with the repair costs? Mr. Henkel said because OU does own a lot of that property, the City is scaling back on some of the repairs on Page Street to see what OU plans to do in the future.

Item 2, continued:

Items submitted for the record

1. Text File K-1617-85, Change Order No. One, dated November 13, 2017, by Rocky Henkel, Street Superintendent
2. Change Order No. One to Contract K-1617-85

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Item 3, being:

DISCUSSION REGARDING THE RECOMMENDATION OF THE CENTER CITY STATUTORY REVIEW COMMITTEE TO ADOPT A TAX INCREMENT FINANCE DISTRICT FOR THE CENTER CITY FORM BASED CODE AREA.

Ms. Emily Pomeroy, Center for Economic Development Law (CEDL), said the Center City Form Based Code (CCFBC) was adopted by Council on May 23, 2017, and prior to that adoption, the CEDL presented Council information regarding a Tax Increment Financing (TIF) District for Center City as well as an analysis on infrastructure needs and development potential. On May 23, 2017, Council approved a resolution appointing a Review Committee to consider and make recommendations to Council regarding conditions of establishing eligibility of a TIF District in Center City and the financial impacts on affected taxing jurisdictions and business activities. On August 29, 2017, Council was presented a draft of the Norman Center City Project Plan including the creation of Increment District No. 3 along with information regarding financial impacts and projected increment generation for the payment of authorized project costs. At that meeting, Council directed Staff to move forward with review and consideration of the Norman Center City Project Plan and at the request of the Mayor, each ad valorem taxing jurisdiction potentially affected by the creation of a TIF District designated a representative to serve on the Review Committee. The Mayor served as Chair of the Review Committee and a representative from the Planning Commission was also designated.

In its first meeting on September 14, 2017, the Review Committee selected three individuals representing the public at-large and the full Review Committee met on October 9, 2017. The Project Plan, Eligibility Report, and Financial Impacts Report were presented to the Review Committee and multiple amendments to the Project Plan were discussed. On November 21, 2017, the Review Committee discussed additional proposed amendments to the Project Plan and a revised Financial Impacts Report, which were unanimously approved. The Review Committee's recommendations are being presented to Council tonight.

Ms. Pomeroy said continued considerations of the Project Plan include review by the Planning Commission on December 14, 2017, and two public hearings scheduled for December 5, 2017, and December 19, 2017. The first public hearing is for the purpose of providing information, including an analysis of potential positive or negative impacts, and answering questions regarding the proposed Project Plan and Increment District No. 3. The second public hearing is for the purpose of giving members of the public an opportunity to be heard prior to any Council vote on the proposed Project Plan and Increment District No. 3.

Item 3, continued:

Ms. Pomeroy said the CCFBC recognizes the area identified as Center City is a unique area of Norman and promotes mixed uses and increased density in certain locations, a broader range of housing options, and an improved connection between Downtown Norman and OU that will increase walkability, promote biking, and result in a “park once” environment. CCFBC discussions also acknowledged that some level of incentive or financial investment by the City may be required to spur interest in development of this area in such a way that implements the vision of the CCFBC.

Ms. Pomeroy highlighted the Review Committee recommendations as follows:

1. Apportioning 10% of the generated increment to the affected taxing jurisdictions to address the concern that a portion of the anticipated ad valorem growth that would occur even without the Project Plan be provided to the affected jurisdictions;
2. Adding a statutory reference that confirms that increment generated can only be spent on authorized project costs;
3. Committing the City to \$3 million towards authorized project costs, from a source of the City’s choosing, including a loan of incremental revenue from the University North Park (UNP) Project, should UNP Project Plan amendment be approved that is consistent with the proposed entertainment district concept on the undeveloped portion of that project;
4. Clarifying that the public improvements to be funded with increment generated by private investment are those made necessary through implementation of the CCFBC, such as those contained in the Johnson & Associates Infrastructure Analysis, and do not include the routine maintenance of sanitary sewer lines that are currently funded through the \$5 sewer maintenance fee; and also recognizing that improvements along James Garner Avenue are key to encouraging private investment in the project area and are prioritized in the Johnson & Associates Infrastructure Analysis; and
5. Adding the statutory reference that requires annual reporting to be provided to the affected taxing jurisdictions.

Ms. Pomeroy highlighted the financial impact to affected taxing jurisdictions as follows:

Taxing Jurisdiction	Currently Collecting And Will Continue To Collect (annually)	Will Collect Upon Termination Of Increment District (annually)
Norman Public Schools	\$ 91,300	\$419,400
Cleveland County	\$141,000	\$648,000
County Health Department	\$ 35,000	\$162,000
Pioneer Library System	\$ 84,000	\$385,000
Moore Norman Tech Center	\$211,000	\$970,000

Additional benefits include infrastructure improvements that will benefit existing and planned facilities and enhanced accessibility, marketability, development potential, and impact of undeveloped county owned property in project area.

Item 3, continued:

Ms. Pomeroy said development creates growth in business activities and temporary construction jobs as well as minimal permanent jobs at commercial and mixed-use developments. An increase in residential units equals increased household incomes in the area and increased spending in the community. More people living and working in the area means more demand for a walkable welcoming public realm, more demand for development, more business opportunities, more customers, and a better overall mixed-use district.

The Project Plan is an effort to put in place an economic and financing strategy to entice private development in the CCFBC area, which is difficult and expensive, but will add greater long-term value and quality to the area. More development on the front end means greater likelihood of project costs being paid and increment district terminating quickly. The goal of the Project Plan is to provide a financing mechanism that can assist in the public infrastructure envisioned by the CCFBC by stimulating private development. Improvements are to be made in connection with developments that will generate increment to pay for such public improvements and high potential areas, i.e., James Garner Boulevard, should be prioritized.

Councilmember Holman asked what the increment and infrastructure impact would be if more rehabilitation took place than new development and Ms. Pomeroy said the area will need a couple of large scale developments to generate the kind of increment necessary to fund public costs in the Project Plan; however, based on parcel by parcel analysis, that development exists because of the number of vacant properties within the district. She said CEDL's projections are very conservative and based on what CEDL believes to be realistic calculations for development.

Mayor Pro-Tem Castleberry asked if CEDL is anticipating a vote by Council on December 19, 2017, so the ordinance will go into effect by December 31, 2017, and Ms. Pomeroy said the Project Plan would go into effect upon adoption of the ordinance, but increments will be based upon property values as of January 1, 2017. Councilmember Hickman said the benefit of adopting the Project Plan in 2017, will be the added valuation of property developed within the district in 2017, and Ms. Pomeroy said that is correct. Councilmember Hickman said that money could then be used in the CCFBC to make infrastructure improvements and Mr. Jeff Bryant, City Attorney, said this issue was discussed in length with the Review Committee and the result of those discussions was the 10% to taxing jurisdictions because the taxing jurisdictions and Review Committee realized the benefit of including 2017 development ad valorem.

Councilmember Holman asked if the \$3 million commitment by the City would include current infrastructure projects as well as infrastructure investments along James Garner Boulevard south of Main Street because that would cost more than \$3 million. Ms. Pomeroy said that is great example and worthy of discussion primarily because it could have such a large impact, but the point of the TIF is to repay the City the cost of infrastructure projects. She said the \$3 million investment being recommended for authorized project costs cannot be reimbursed to the City; however, that type of project could be credited towards the \$3 million investment.

Councilmember Wilson asked if there is a prioritization of projects and Ms. Pomeroy said the Infrastructure Analysis does not prioritize infrastructure improvements, but the Project Plan places an emphasis on James Garner Boulevard extension projects. She said this is an important project for connecting Downtown Norman to Campus Corner and OU.

Item 3, continued:

Councilmember Hickman said it is important to note that new development requires infrastructure improvements whereas redevelopment does not, so the mini-dorms or quasi-dorms being built in Center City are basically redevelopments that do not require infrastructure improvements. He said the \$3 million investment committed by the City would not be refundable anyway, but once that commitment is met, TIF funds can be used. Mr. Bryant said it will be a couple of years before the City receives incremental funds so the \$3 million investment could allow the Council a faster way to incentivize private investment.

Items submitted for the record

1. Memorandum dated November 22, 2017, from Jeff H. Bryant, City Attorney, to Mayor and City Councilmembers
2. Findings and Recommendations of the Norman Center City Project Review Committee
3. PowerPoint presentation entitled, "Norman Center City Project Plan," dated November 28, 2017, by Center for Economic Development Law
4. Draft Norman Center City Project Plan for Increment District No. 3 with Financial Impacts Report

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The meeting was adjourned at 5:50 p.m.

ATTEST:

City Clerk

Mayor