

## CITY COUNCIL STUDY SESSION MINUTES

June 5, 2018

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a Study Session at 5:30 p.m. in the Municipal Building Conference Room on the 5th day of June, 2018, 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 24 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Allison, Castleberry, Clark, Holman, Karjala, Wilson, Mayor Miller

ABSENT: Councilmembers Bierman and Hickman

Item 1, being:

### DISCUSSION REGARDING THE PROPOSED FYE 2019 CITY OF NORMAN OPERATING AND CAPITAL BUDGETS AND POSSIBLE AMENDMENTS.

Mr. Anthony Francisco, Director of Finance, said budget amendments being discussed tonight include an increase to the Seizures and Restitution Fund in the amount of \$30,000 for the purchase of vehicle barriers. He said the City Manager's budget only included partial funding and the vehicle barriers cost \$60,000 and cannot be purchased separately. The second proposed amendment will increase projected allocations for the Community Development Block Grant (CDBG) and HOME program by \$190,644 to off-set projected reimbursement revenues from the United States (U.S.) Department of Housing and Urban Development. These expenses and related revenues were omitted from the preliminary budget because the final CDBG Budget was not approved until after the City Budget was presented to Council. The third proposed amendment will correct grammatical and typographical errors that have no financial impact on the budget.

Councilmember Holman asked what the vehicle barriers will be used for and Major Kevin Foster said they are steel barriers to be used during street closure events to help prevent vehicles from entering the closed area. Councilmember Allison asked if event holders will be charged a fee for the use of the barriers and Ms. Brenda Hall, City Clerk, said the City is trying to make sure crowds are safe during events and there has been no discussion on whether or not event holders will be charged a fee for use of the barriers; however, that is possibility and fees could be tiered based on the event size, type, time of day, etc.

Mr. Francisco said at Council's request, Staff drafted background information related to various employment positions the City of Norman does not currently have and Staff based the job descriptions on research of cities that have the positions. He said the positions include a Sustainability Officer - \$47,500 to \$76,000 annually; Americans with Disabilities Act (ADA) Technician - \$49,500 to \$71,000 annually; Internal Auditor - \$71,500 to \$101,000 annually; Internal Audit Technician - \$35,500 to \$50,200 annually; and Municipal Accountant I - \$43,000 to \$61,000 annually.

Councilmember Wilson said the Municipal Accountant I position could pay for itself in cost savings to the City and Mr. Francisco said projects could pay for the position, e.g., in areas where the Norman Municipal Authority (NMA) is acting on behalf of NORMAN FORWARD projects or Public Safety Sales Tax (PSST) projects, NORMAN FORWARD or PSST Funds could be used to pay part of the position costs so savings would basically be coming out of one fund and going into another.

Item 1, continued:

Councilmember Castleberry asked if the positions would be in the NMA Budget or General Fund (GF) Budget and Mr. Francisco said the GF because NMA Staff is paid out of the GF.

Councilmember Allison said the Municipal Accountant I position would not necessarily be moving money from one fund into another because that position would make sure sales tax is being properly collected on project materials, which is a savings in itself. Councilmember Castleberry said it is projected the position could have saved the City \$280,000 on the NORMAN FORWARD Westwood Aquatic Center Project alone.

Councilmember Karjala asked if the City currently has the Staff to oversee tax collection and distribution of these projects and Mr. Francisco said no. He said the Parks Department has been assigned with many of the NORMAN FORWARD projects and they do not have the Staff to take that on.

Mr. Francisco said the Internal Auditor should be considered a function, not a position, and should really be two positions. He said an Internal Auditor would function the same way as a qualified Certified Public Accountant (CPA), requiring additional Staff whether that is analytical or clerical Staff. He is proposing an Internal Auditor position that would report directly to Council as well as an Internal Audit Technician to assist by performing data entry, analysis of proposals, identifying potential problems for Staff evaluation and follow-up, etc.

Councilmember Wilson asked what services or personnel the City would need to cut in order to fulfill the proposed positions and Mr. Francisco, said that is a great question because the reason the Internal Auditor position was not included in the City Manager's proposed budget is because it was deemed the City could not afford to add positions at this time. Councilmember Wilson asked if an Internal Auditor could generate funds back to the City or save enough money to sustain them. Mr. Francisco said the Internal Auditor could be designed to save money or generate new revenue and that structure design would be Council's decision. He said, as an example, Council discussed hiring a consultant to review the University North Park (UNP) Entertainment District proposal so instead of paying a consultant a few thousand dollars, that job could be assigned to an Internal Auditor.

Councilmember Karjala asked how these positions would supplement what the Finance Department Staff already provides and Mr. Francisco said the internal audit has to be independent of the City because internal audits review how each department operates including the Finance Department so they could not report to the Finance Director when there may be suspicion the Finance Director is committing fraud.

Councilmember Holman asked if the Internal Auditor would be its own department of two personnel and Mr. Francisco said yes, it would be a division under the City Council. Councilmember Holman asked who would hire or fire the positions and Mr. Francisco said Council.

Councilmember Clark said argument could be made that a Sustainability Officer could pay for itself through savings in utility bills, energy retro-fits, renewal energy sources, conservation impacts, obtaining grants, educating the public, etc. Councilmember Clark asked where the City would find the money for any of the proposed positions and Mr. Francisco said Council could direct Staff to prepare language amendments to add allocations for these different areas and upon Council approval the funds would be allocated in the budget. Councilmember Clark said she supports adding the Internal Auditor, Municipal Accountant, and Sustainability Officer positions because she believes they will pay for themselves. Mr. Francisco said Council will also need to identify the revenues that will pay for these positions.

Item 1, continued:

Councilmember Clark said if the positions move forward, she would like to review the positions effectiveness at the end of the year to see how much money the City has saved. She said while an ADA Technician may not fund itself, the ADA upgrades are a huge endeavor for current Public Works Staff to take on, but the upgrades are a large part of being an inclusive community so she would support that position as well.

Councilmember Wilson agreed with Councilmember Clark and supports all the proposed positions, but would like information on whether or not the City has money budgeted for consultants with expertise in the areas these positions would address to better understand where Council would obtain the money to pay for the positions.

Councilmember Karjala said in concurrence with Councilmember Clark, she sees the need for all of these positions, particularly the Sustainability Officer. She said with ongoing discussions to adopt a Tree Ordinance, there will be no one to enforce such an ordinance without this type of position and Council has tasked the Tree Board with completing the ordinance to be reviewed by the Community Planning and Transportation Committee (CPTC) this fall. She said a Tree Ordinance is important to citizens, especially those who live in Central Norman, who want to protect existing tree canopies. She said the position needs to be a type of ombudsman for environmental issues between citizens as well as the City and the job description is lacking in that manner. Since the City cannot hire a Forester, she would like to add background in urban forestry as an additional required skill of the Sustainability Officer.

Councilmember Holman supports all the proposed positions, but is concerned about what cuts will need to be made to fund the positions. Councilmember Karjala agreed and said she is concerned about budget cuts as well because the City already has a lean Staff, but the City is understaffed in particular areas and none of these proposed positions are extravagances, they are functions the City should already provide.

Mayor Miller said she agrees with much of what has been said by Councilmembers and feels there is a need for these positions, but shares concerns expressed about budget cuts that will be required in order to fill these positions. She said the City has been waiting for sales tax to rebound, but so far there is no pattern for a rebound so she would like to see where the money is coming from to pay for these positions in order for Council to evaluate the pros and cons. She suggested funding a couple of positions now and others at the mid-year budget evaluation or perhaps contracting the positions as a test period, if possible.

Councilmember Holman said the Internal Auditor and Internal Audit Technician make up the largest chunk of funding needed and having the position report directly to Council would require a change in Charter language so maybe those positions can be postponed until that has been discussed. Councilmember Karjala asked Mr. Bryant's opinion and Mr. Bryant, City Attorney, said the Charter currently allows Council to hire one employee, the City Manager, so Council would need to discuss what type of Charter language change they would want to propose to the voters to allow Council to hire other employees. He said another approach would be for the City Manager to hire these positions and direct the employees to report directly to Council.

Councilmember Allison said the cost estimates provided by Staff are based on market salary comparisons, but there are also internal costs such as salary benefits, equipment needs, vehicles, etc., so that is additional funding the City does not have. He said the City cannot hire people without giving them the tools to execute their job so this makes him more nervous about placing these positions in the budget. Mr. Francisco said an additional \$20,000 could basically be added to any positions for equipment, supplies, etc.

Item 1, continued:

Councilmember Wilson asked if an ADA Technician could be contracted as a type of consultant which could be more cost effective and Mr. Lewis said that could be reviewed.

Mr. Francisco said Staff is proposing the Municipal Accountant I position be paid out of NMA projects in FYE 2019, to the extent that savings and sales tax from the projects are used to offset funding for the position and asked if that is what Council wants and Councilmembers said yes. Mayor Miller said she would like to see the additional costs for vehicles, supplies, etc., for each position as well as whether or not contracting the ADA Technician would be feasible.

Mr. Francisco highlighted the City’s reserve policies codified in Section 8-103 of the Code of Ordinances as follows:

	FYE 2018 REQUIREMENT	FYE 2019 REQUIREMENT	FYE 2018 ESTIMATED BALANCE	FYE 2018 RESERVE/SURPLUS (DEFICIT)	FYE 2019 PROJECTED	FYE 2019 RESERVE/SURPLUS (DEFICIT)
2% Emergency Reserve	\$1,420,848	\$1,473,422	\$1,420,848	\$ 0.00	\$1,473,422	\$ 0.00
3% Operational Reserve	\$2,179,692	\$2,185,101	\$5,174,958	\$2,995,266	\$3,162,320	\$ 977,219
3% Rainy Day Fund Balance	\$2,179,692	\$2,185,101	\$3,344,618	\$1,164,618	\$3,359,618	\$1,174,517
4.5% Targeted Rainy Day Fund Balance	\$3,269,538	\$3,277,651	\$3,344,618	\$ 75,080	\$3,359,618	\$ 81,967

FYE 2019 General Fund expenditures by department include Legal – 2%; Public Works – 22%; Planning Department – 5%; Police Department – 27%; Information Technology – 3%; Human Resources – 1%; Parks – 6%; Municipal Court – 1%; Finance – 4%; Fire – 20%; Administration/Legislature – 7%; and Other – 1%.

Councilmember Castleberry asked if the operational reserves are basically the City’s Fund Balance and Mr. Francisco said the operational reserves are a required portion of the City’s Fund Balance. Councilmember Castleberry asked what the total Fund Balance is and Mr. Francisco said \$5,174,958.

Councilmember Castleberry asked Mr. Francisco to explain the \$800,000 line item for employee turnover savings and Mr. Francisco said the employee turnover savings assumption is based on the net impact of entire employee turnovers that naturally occur over the course of the fiscal year.

Items submitted for the record

1. Memorandum dated June 1, 2018, from Anthony Francisco, Finance Director, to Mayor and City Councilmembers; FY 2019 Budget Amendments
2. Internal Auditor – Position Details
3. Internal Audit Technician – Position Details
4. Municipal Accountant I – Position Detail
5. ADA Technician – Position Details
6. Sustainability Officer – Position Details
7. City of Norman Reserve Policies FYE 2019 Budget Document; FYE 2019 General Fund Expenditures by Department; Per Capita Employee Benchmark Comparison; and Chart of City Department purviews

Item 2, being:

**PRESENTATION REGARDING THE UNIVERSITY NORTH PARK MASTER PLAN AND UPDATE ON PROJECT PLAN ELEMENTS.**

Mayor Miller said Council last discussed the University North Park (UNP) Master Plan amendments on May 22, 2018, and requested more information that included the need for an independent analysis of the proposed project plan. She said Mr. Sean Rieger, representing the University of Oklahoma (OU) Foundation, and Mr. Jeff Gunning with Callison/RTKL (RTKL) (via conference call) will be updating the Council tonight on the project plan elements as well as answer any questions Council may have.

Mr. Rieger presented an overview of the RTKL Master Plan that contemplates a mixed use district through a Planned Use Development (PUD) that includes an arena and parking garage for the use in the entertainment district that also proposes an events plaza, festival street, and hotel.

Mr. Gunning said RTKL is currently waiting for a full traffic impact report to get a better idea of access capacity for the proposed entertainment district and does not have any new information for Council at this time.

Mr. Rieger said the proposed PUD incorporates low impact development strategies as well as public wi-fi locations and additional Cleveland Area Rapid Transit (CART) service. He said the Planning Commission will be reviewing the proposed PUD tomorrow evening and public input is encouraged.

Mayor Miller said in addition to additional CART bus stops, the Community Planning and Transportation Committee discussed a possible Bike Share Program in the UNP. She has also been asked about charging stations for electric vehicles as well as the possibility of dedicating some of the UNP land for a school due to the construction of residential housing in the area.

Mayor Miller asked Mr. Gunning what the considerations were for the location of the arena and Mr. Gunning said after consulting with a group of architects experienced with stadiums and arenas, it was decided to rearrange the arena placement so the service area for the arena would be screened between the arena and parking structure. Councilmember Holman said he understands screening the service area, but asked if having a bridge connection from the parking structure directly to the arena will deter people from going to the entertainment district if they can go directly to their vehicle or directly to their seat in the arena. Mr. Gunning said the architects felt the bridge connection would be an efficient way to get a large flow of people in and out of the arena, but more than half of the people would be coming from at-grade so there will be plenty of people entering from the street.

Councilmember Holman asked what the facades of the structures will look like, specifically the parking garage, and how visible the facades will be from Interstate 35 (I-35) as well as 24th Avenue. Mr. Gunning said that will be developed once a master developer comes on board, but typical design guidelines for a project of this type use a material palette where everything does not look the same, but the materials are aesthetically pleasing. He said the I-35 frontage should be attractive so the guidelines would mandate the parking structure facade that faces I-35 be screened and landscaped to make it an attractive "front door" to the project. That being said, all four sides of the parking structure should be attractive so there will need to be material and landscaping standards. Councilmember Holman said trees and landscaping look good on paper, but landscaping can take years to fully mature and obscure some the less attractive aspects of the area such as parking lots.

Item 2, continued:

Mr. Rieger said another design guideline of the project will be signage for the arena, plaza, and festival streets and some signage information is provided in the PUD application.

Councilmember Wilson asked how this venue would compete with other venues, such as Chesapeake Energy Center, Riverwind Casino, Oklahoma City Zoo Amphitheater, etc. How dependent is the traffic flow going to be on Tecumseh Road through the Southwest Wire area and Mr. Rieger said the arena is proposed to be a 10,000 seat arena, which will be a target niche that is currently not addressed in today's market. He said the Chesapeake is larger and Riverwind Casino is smaller, but there is nothing out there in the 10,000 seat range. There has also been significant discussion as to what happens to the Cox Center, which may be put out of service once Oklahoma City finishes construction of its new convention center so there is an opportunity to have events flow to Norman that would otherwise have been held at that facility. Mr. Gunning said the size of the proposed arena is smaller than what most universities have built in the past, but would be the right size for basketball games, concert venues, etc. He said Convention Sports and Leisure (CSL) looked at the proposed arena in comparison to other venues in other states as well as the chances of success, which are very positive.

Mr. Reiger said in regards to traffic flow on Tecumseh Road, there are ongoing discussions through the I-35 Corridor Study and how the UNP would be incorporated into that. He said there are many different options on how to access the UNP from 24th Avenue, Rock Creek Road, Tecumseh Road, etc, and that will take significant engineering, but there is not enough time to detail those options prior to the PUD approval. Councilmember Wilson said before Council approves a project of this size, they would want to know the impacts of traffic and areas of access and Mr. Rieger said there needs to be a project first and the PUD would not move forward until a traffic impact analysis (TIA) has been completed and that is clearly identified in the PUD application. Councilmember Wilson said she is concerned about creating a traffic situation in an area that already has traffic problems.

Councilmember Holman asked what other options have been reviewed for this land use and Mr. Gunning said RTKL reviewed various combinations of residential, office, restaurants, etc., but RTKL really looked at what could be a catalyst for this project and the idea of an arena could really be the lynchpin that creates a level of success and regional attraction that could make the rest of the land uses work. He said there will be a synergy between the arena and the other land uses that support each other to make this a successful project. Councilmember Holman asked if RTKL looked at the Lloyd Noble Center in any depth and what this arena would do that the Lloyd Noble could not do or could be doing if renovated and Mr. Gunning said the Lloyd Noble does not have two miles of frontage to one of the largest interstates in the country nor is the Lloyd Noble as well located to attract the restaurant, residential, or office uses being proposed in the UNP.

Councilmember Karjala asked who will own and operate the arena and Mr. Rieger said it would most likely be owned and operated by a 501(c)(3) company to be governed by the City of Norman, OU, and the OU Foundation. Councilmember Clark asked how the level of input from all partners will be outlined because she would like to see a partnership where Norman Public Schools (NPS) and Moore-Norman Technology Center do not have to pay for graduations ceremonies, choir events, etc. What would the City's level of input or control be? Mr. Rieger said that has yet to be determined; however, it is the intention to allow schools to use the facility. He said there are also plans for construction of an elementary school in the area due to the significant population growth anticipated from the residential use within the project area. Councilmember Clark said the prospect of an elementary school is great and she likes the design of the proposed housing, but is concerned about the traffic and asked Mr. Shawn O'Leary, Director of Public Works, to speak about the traffic study that was done in the UNP area.

Item 2, continued:

Mr. O'Leary said in 2014, Garver Engineering, L.L.C., (Garver) performed a TIA for the UNP that recommended widening the roadway between Robinson Street and Rock Creek Road at 24th Avenue N.W. by constructing six lanes versus the current four lanes. Last year, Garver was contracted to move forward with improvements at Tecumseh Road, 24th Avenue, and Flood Avenue. He said Tecumseh Road and Flood Avenue north of Tecumseh Road are state highways so the City is working in partnership with ODOT on improvements and there is also possible funding opportunity from the Association of Central Oklahoma Governments (ACOG). He said the project could be eligible for up to \$5 million in federal transportation funds because traffic is such a problem already so imagine the additional traffic at full build-out of the UNP with or without an entertainment district. He said these improvements need to be made whether an arena is built or not; however, if an arena is part of the planning process the City needs to incorporate that project into the design concepts for the roadway improvements. He said currently there are two ways in and two ways out of the UNP, Robinson Street and Tecumseh Road, and improving those interchanges is the only real way to manage traffic in and out of that area. He said a joint project between Norman, ODOT, and City of Moore will be presented to Council within a few weeks. Councilmember Holman said he would be cautious about adding lanes because that makes it difficult for pedestrians to cross those streets and more often than not more traffic is induced by adding lanes.

Councilmember Holman said another concern is the cost of using the arena so if some groups are allowed to use the arena at no cost. He said what if OU says they want to use it for free as well because of budget issues or other things or they will have to play at the Lloyd Noble because they cannot afford the cost of the arena. What would the agreement look like for these entities and their use of the facility, what would it cost, how would these entities be held to timetables, etc.? Mr. Rieger said a lot of those details would probably be in a development agreement, between the managing partners and basketball program there would absolutely be an anchor tenant lease agreement that would firmly require OU to play basketball in the facility for an extended period of time, perhaps decades.

Mr. Bryant said Ms. Emily Pomeroy with Center for Economic Development Law (CEDL) is drafting the project plan which will be presented to Council in a week or so. He said the Project Plan will be the structure document that sets the structure so it will have the points regarding access for NPS events at no cost, but definite details will come forward in a development agreement later on.

Ms. Pomeroy said the important component to the specifics Council is addressing will be in the development agreement and reminded Council approval of the Project Plan does not obligate expenditure of funds. It sets in place the allocations that could be made if certain things are done by certain times. If the Project Plan is adopted, CEDL and Staff would begin negotiating a conditional development agreement, which would obligate a master developer to put into place what the Norman Tax Increment Finance Authority (NTIF) would obligate that developer to do. If that developer does all they are supposed to do the NTIF would authorize assistance in development financing. The issuance of that funding would not occur until the master developer has obtained all other financing that has to happen in order to make the project work.

Mayor Miller said no money will be given by the City until the development produces the money through increment revenues and the City is not spending \$90 million on this project. She said the only reason the City would consider this project would be the belief that the project can produce a definite amount of money from incremental revenues.

Item 2, continued:

Councilmember Castleberry said, as a scenario, the project is complete, the City has financed the project and is using the increment revenue to pay back the debt then the developer files bankruptcy and walks away from the deal and the City is in another recession, what is the City's liability on that debt? Ms. Pomeroy said the City's only obligation is to pay incremental revenue that is generated. Councilmember Castleberry said what if no incremental revenue is generated, is the City's GF obligated to pay back that money and Ms. Pomeroy said the City's GF is under no obligation to pay that debt. She said incremental revenues will presumably be generated on the south half of the UNP, which would be pledged to pay down that debt. Councilmember Castleberry said just to be clear, the bank that makes that loan is the entity taking the risk if the project fails, not the City and Ms. Pomeroy said that is correct, only incremental revenues will be pledged in this debt.

Councilmember Castleberry asked if land for the elementary school is going to be donated and Mr. Rieger said that will be the proposal.

Councilmember Castleberry asked how a 501(c)(3), a non-profit organization, can have private owners and Ms. Pomeroy said it would not be a problem from a taxation or operations standpoint for a private not-for-profit company to own and operate the arena and parking garage. Councilmember Castleberry said it is important for the public to know who owns the arena so how will that work. Mr. Rieger said that discussion will take place with the master developer, but the vision has been mutual governance so the City will have input on the operation of the arena. Councilmember Castleberry asked if the City can require the disclosure of the private owner even if it is a corporation or limited liability company. He said the public will want an individual's name and Mr. Rieger said provisions can be made for disclosure.

Councilmember Wilson is worried about the roadway improvements in regard to roadway conditions, timing, number of lanes, and how that will impact development of the entertainment district. Mr. Rieger said the arena would not be the issue, the peak times of traffic are the more important issue (evenings and weekends) and that is due to growth in the development area. He said an updated TIA will be done, but that takes significant resources and will not happen until there is a PUD and development agreement.

Councilmember Clark believes people are disappointed by what has been built in the south portion of the TIF, whether the City had control over that or not, and people are scared to commit to this big dream for the north half when they feel so disillusioned about the south half. She would love to have this venue in Norman so she could spend her tax dollars locally on a fancy date night of dining and entertainment. What is Council's assurance that what happened in the south half will not happen in the north half? Mr. Gunning said the arena is the catalyst for the success factors on the project and event nights will be bringing people to the development for different reasons, i.e. concerts, and that is what will generate a different level of interest in restaurants in the UNP and higher levels of restaurants will look at the UNP as a prime location. He said this project will cause Norman to grow so there is every reason to believe that all the districts in Norman currently functioning well will continue to function well in the future. Councilmember Clark said all districts in Norman are unique and all have their own special features, but her fear is hoping for a House of Blues and getting a TGF Fridays.

Councilmember Allison said there has to be people willing to invest in the area and right now Norman has to cultivate that entrepreneurship community to make people want to build in those areas. He said the project needs business owners and entrepreneurs who are ready to step in and say they want to be a part of this district.



Item 2, continued:

Councilmember Clark wondered why the UNP does not already have charging stations for electric vehicles since it is so near I-35 and Councilmember Allison said a business owner can call Tesla and they will install charging stations in the parking lot of at no cost because that is what he did for his business. He said there is availability for charging stations in the UNP, but business owners have to be willing to give up parking spaces to install those. Mr. Rieger said a Bike Share Program is written into the PUD and he will add charging stations as well.

Councilmember Castleberry said if this project happens even without a TIF, the City is not responsible for any additional costs for traffic improvements, correct? Any additional traffic improvements would be the responsibility of the developer right? Mr. Bryant said the UNP partners would work collaboratively with the developer to make sure they pay their portion of their commitment through Development Agreement No. 1, which stated the City would pay \$11.5 million on infrastructure improvements and any costs over that would be the responsibility of the developer. He said additional improvements beyond what was contemplated in Development Agreement No. 1 is something that will need to be negotiated and in anticipation of that, placeholders have been included in the draft project plan for additional traffic and roadway improvements. Mr. O'Leary said an interchange at Rock Creek Road and Tecumseh Road were never anticipated (\$20 to \$30 million projects) because they are state highways so he hopes this new discussion will look at the larger network of roadway improvements needed. Mr. Rieger assured Council that discussions are taking place regarding the bigger picture of the entire I-35 Corridor far beyond this UNP project. Councilmember Castleberry said if 24th Avenue is going to be widened, the City needs to make assumptions this will affect the sales tax and Ms. Pomeroy said if the City decides to move forward with the entertainment district and the arena, there needs to be a structure that will make it work so if changing the roadway will impact sales tax generation then that will need to be addressed in the projections.

Councilmember Wilson asked if there is a minimum size of the retail lots on the south half of the UNP and if there are any micro-spaces of 500 to 1,500 square feet? Also, what are the rent prices? What types of efforts are being made for start-ups in north area? Mr. Gunning said the typical depth of all the buildings that line the streets that lead to the arena is about 60 feet, which is typical, but there will be varying sizes because experimentally there would be coffee bars and a blend of restaurants that already have name recognition in Norman as well as national names. He said there could be some 500 plus square feet businesses in the area as well as 5,000 square foot restaurants. While he does not believe there will be a 10,000 square foot Cheesecake Factory, there will be small and large scale lots. Councilmember Wilson said start-ups make a community unique and interesting. Ms. Pomeroy said the project plan is equipped for that and the Norman Economic Development Coalition (NEDC) land and office development in the UNP is all about helping small business get started. She said the project plan is focused on non-retail job growth for businesses that do not currently exist, businesses that exist in Norman and need to expand, businesses that need to receive lower rent to help get started, etc. She said the opportunity to have this density around that area in terms of people visiting as well as people living nearby only boosts the opportunity for visibility and job generation. Mr. Gunning said all of these uses work together to create a synergy and one use benefits another and that is why this type of development is so popular with developers/investors.

Item 2, continued:

Councilmember Holman said there is a lot of high density development along the east side of 24th Avenue with no commercial on the bottom so in his opinion it is not mixed-use and people living there may have to potentially cross six lanes of traffic to get to the entertainment district. If he lived along the east side he would not walk he would drive and the vision for the area is a walkable environment. In his view, mixed-use is a building with multiple uses of commercial or retail on the bottom floor, possibly offices on the second floor, and residential on the floors above that.

Mr. Gunning said there is so much retail in the south half of the UNP that to have more buildings with more retail on the bottom with office and residential above in the north portion would probably result in empty spaces so this proposal is a hybrid solution. He said the project plan proposes offices above the restaurants in the arena district because that could be successful and that is the type of mixed-use being proposed. He would also hope the City will minimize the widening of 24th Avenue because the ability for pedestrians to cross that roadway at multiple points is very critical for the walkability factor of the project. Councilmember Clark said a pedestrian bridge could help if the roadway does have multiple lanes.

Councilmember Clark asked if the 15 acres of parks included dog parks and Mr. Gunning said yes, dog parks are an important feature for multi-family projects.

Councilmember Clark said several constituents have expressed concerned about season ticket prices for basketball games going up and Councilmember Castleberry said the Athletic Department at OU surveyed fans any many are willing to pay higher prices for a better facility.

Councilmember Clark asked about the status of Senior Center using funding from the TIF and Mr. Bryant said Staff will have more information next week because the construction of a Senior Center is incumbent upon approval of the North Base lease. Mr. Bryant said the new OU President starts July 1st and wants to review the proposal of the land lease before it is finalized.

Ms. Pomeroy said there are many reasons to move forward with this project that includes over \$500 million in private growth; non-retail job generation; immediate relief to the GF; maximizing returns to affected taxing jurisdictions; providing incremental revenues directly to NPS; completing original project goals and objectives; and obtaining land for important NORMAN FORWARD projects, such as the Senior Center.

Councilmember Wilson would like to see a commitment from the area towards stormwater utility costs. Mayor Miller said it is up to Council to educate their constituents regarding the need for a stormwater utility. Councilmember Karjala asked how this project will help the City's stormwater problem. Is the developer going to use pervious pavement? Will there be solar panels used on the arena? She said these are important issues Council will be looking at so it is mandatory upon this project selling itself. Mr. Rieger said RTKL was challenged early on regarding these very issues and have included bio-detentions areas, vegetative strips, porous pavement, etc. He said best management practices for low impact design will be incorporated into areas within the entertainment district and the PUD.

Item 2, continued:

Ms. Pomeroy said HVS Convention Sports and Entertainment Facilities Consulting were engaged on May 29, 2018, to perform an independent review of the studies or reports conducted to date on this proposed project. She said HVS has performed analyses of the feasibility of convention centers, stadiums, arenas, civic center, sports facilities, tourist attractions, etc. The scope of the independent analysis includes an independent demand and financial model to test the reasonableness of the projections included in those reports. HVS will review gaps and opportunities that are not identified that either hinder or help the project, review if inputs in analysis are reasonable and sound for current market dynamics, review if assumptions in the revenues and expenses pro forma are reasonable and in line with industry standards; review if statements of net new impacts on the City and community are reasonable and sound; review if modeling techniques used are reasonable, sound, and in conformance with industry standards; and if statements of financing are reasonable and sound of market dynamics.

Ms. Pomeroy said HVS will comment on whether they agree or disagree with current data and what, if anything should be done differently and will verbally present their findings to Council at a future date.

The meeting adjourned at 8:23 p.m.

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City Clerk

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Mayor