

CITY COUNCIL CONFERENCE MINUTES

June 26, 2018

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 26th 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 48 hours prior to the beginning of the meeting.

PRESENT:

Councilmembers Allison, Bierman, Castleberry, Clark, Hickman, Holman, Karjala, Wilson, Mayor Miller

ABSENT:

None

Item 1, being:

CHANGE ORDER NO. ONE TO CONTRACT K-1617-121 WITH FOLEY COMPANY INCREASING THE CONTRACT AMOUNT BY \$207,727.96 FOR A REVISED CONTRACT AMOUNT OF \$31,197,892.96 FOR THE WATER TREATMENT PLANT PHASE II IMPROVEMENTS.

Mr. Ken Komiske, Director of Utilities, said the City hired Carollo Engineers in 2007 to conduct a thorough background investigation of the Water Treatment Plant (WTP) that included condition evaluation, regulatory evaluation, hydraulic evaluation, and process evaluation. Phase I of the WTP Improvements Project began in 2009, and the main project drivers included peak treatment capacity, rehabilitation and repair, residuals handling, regulatory changes, hazardous chemical replacement, and water quality improvement.

Mr. Komiske said in Phase I, peak treatment capacity was increased from 14 million gallons per day (mgd) to 17 mgd; the lime and carbon dioxide systems were rehabilitated; electrical and efficiency improvements were made; and some of the major process equipment such as filters and pumps were replaced. Phase I was completed in October 2010.

Mr. Komiske said voters approved a water rate increase on January 13, 2015, for WTP improvements and on February 2, 2015, Norman Utilities Authority (NUA) contracted with Carollo Engineers to complete the design and provide construction administration services and full-time on-site construction observation for Phase II. The design process was completed and plans and specifications were approved by the Oklahoma Department of Environmental Quality on January 18, 2017. The proposed improvements in Phase II include low lift pumping - \$2.6 million; ozone contactor with diffuser - \$2.1 million; biofiltration upgrade - \$2.7 million; UltraViolet (UV) System - \$3.5 million; chemical feed improvements - \$3.5 million; pump station rehabilitation - \$1.8 million; maintenance/storage building - \$0.5 million; and existing building/lighting rehabilitation - \$.08 million.

In January 2017, the Oklahoma Water Resources Board approved a \$31 million State Revolving Fund loan at 2.81% interest for 15 years. He said bids were opened on March 23, 2017, with the lowest bid from Foley Company in the amount of \$29,990,165 to begin construction on May 29, 2017, with an estimated completion date of May 22, 2019.

Mr. Komiske said the more costly increases to Change Order No. One in the amount of \$207,727.96 consist of replacing deteriorated, buried pipes that feed the two oldest clarifiers No. 1 and No. 2, which were installed in the 1960's and deteriorated beyond repair; construction of a large retaining wall between

Item 1, continued:

Clarifier No. 4 and the new chemical building; and a new layout of additional sidewalk to more readily access lime equipment to be stored in the old chemical building as well as access the tops of aging tanks that require daily maintenance. He said Change Order No. One also included a new maintenance building injector pump system; an isolation valve on the raw water supply; fire dampers in the chemical/ozone building; changes to the UV transformer; new or modified valves on potable water piping near ozone building; elimination of temporary liquid ammonium sulfate system; modified beams in chemical and ozone building; modified filter effluent piping; changes to chillers and heaters for onsite sodium hypochlorite generation system; modifications to chemical building coatings and handrails; modifications to high pressure zone valve vault sump pumps; temporary wiring to lagoon pump station conduit; modifications to antiretroviral treatment system in UV building; modifications to the utility water piping in lime building; modifications to effluent pipes; changing ozone and chemical sample pumps; and lagoon pump station rewiring. The contact final completion date will also be extended 85 calendar days to August 24, 2019.

Items submitted for the record

1. Text File K-1617-121, Change Order No. One, dated May 31, 2018, by Chris Mattingly, Capital Projects Engineer
2. Letter of recommendation dated May 29, 2018, from Amber Wooten, P.E., Project Manager, Carollo Engineers, Inc., to Chris Mattingly, P.E.
3. Change Order No. One to Contract K-1617-121
4. PowerPoint presentation entitled, "Norman WTP Phase II Improvements, Review Change Order for City Council Consideration July 10, 2018," prepared by Norman Utilities Authority, Carollo Engineering, and Foley Construction

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Item 2, being:

CHANGE ORDER NO. ONE TO CONTRACT K-1718-68 WITH CENTRAL CONTRACTING SERVICES, INC., INCREASING THE CONTRACT AMOUNT FOR THE ROCK CREEK ROAD WATER LINE RELOCATION PROJECT BY \$119,870 FOR A REVISED CONTRACT AMOUNT OF \$718,114 AND INCREASING THE CONTRACT TIME BY EIGHTY CALENDAR DAYS TO INSTALL APPROXIMATELY 900 FEET OF 12-INCH WATER LINE ASSOCIATED WITH THE FLOOD AVENUE WATER LINE REPLACEMENT FROM ROCK CREEK ROAD TO VENTURE DRIVE AND BUDGET TRANSFER BETWEEN PROJECT ACCOUNTS.

Mr. Komiske said increasing traffic volume at the intersection of Rock Creek Road and 12th Avenue N.W. has resulted in an increased number of accidents and revealed the need for new traffic signals and roadway modifications. He said installation of east and westbound left turn lanes on Rock Creek Road will require widening of the existing four-lane section of the intersection as well as the existing two-lane section on 12th Avenue N.W. to five lanes with bicycle lanes.

On February 13, 2007, Council adopted a resolution which was submitted to the Association of Central Oklahoma Governments and the Oklahoma Department of Transportation requesting federal funding to pay for 80% of the construction costs.

Item 2, continued:

On August 25, 2017, White Hawk Engineering and Design was selected to provide design services for this project; however, the contract amount of \$184,379.70 did not include the relocation of conflicting water lines along Rock Creek Road. On September 13, 2017, Council approved an amendment to the contract in the amount of \$34,288.45 to cover the expenses associated with the design of the water line relocation as part of the project. On October 19, 2017, Central Contracting Services, Inc., was selected as the lowest bidder for the construction of the Rock Creek Road Water Line Relocation Project in the amount of \$598,244. The NUA agreed to fund \$338,122 of the project costs in order to upsize the existing 12-inch water line to a 16-inch water line and fund the cost of a new 16-inch water line under the Burlington Northern Santa Fe railroad right-of-way on the west side of the project. The project began on December 15, 2017, and was scheduled to be completed by May 14, 2018, which is approximately 90% complete.

Mr. Komiske said the NUA desires to utilize Central Contracting Services, Inc., for an urgent project located on Flood Avenue and Rock Creek Road that will allow current bid unit prices to be utilized for a new retail establishment recently platted as Biocide East Park Addition, Section 1, which includes extensive parking lot and landscaping improvements within the 25-foot utility easement. Change Order No. One in the amount of \$119,870 will add the installation of 900 feet of new Polyvinyl Chloride (PVC) 12-inch waterline and appurtenances in association with the Flood Avenue Water Line Replacement from Rock Creek Road to Venture Drive in advance of parking lot/landscaping improvements being made. He said the property owner is willing to delay the parking lot construction to allow time for the waterline replacement and Change Order No. One will add 80 calendar days for completion of the new waterline.

Mr. Komiske said the NUA will fund the work proposed under the change order and the Utilities Department Staff will manage and inspect the work; however, the contractor will be paid for the new work under his existing contract through the Public Works Department.

Items submitted for the record

1. Text File K-1718-68, Change Order No. One, dated June 12, 2018, by Mark Daniels, Utilities Engineer
2. City of Norman Annual Budget information on Water Line Relocation - Flood Avenue: Rock Creek Road to Venture Drive
3. Location map
4. Change Order No. One to Contract K-1718-26 with location map and survey
5. PowerPoint presentation entitled, "CO #1 to Contract K-1718-68, Rock Creek Road Waterline Relocation Project"

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Item 3, being:

PRESENTATION BY HVS CONVENTION SPORTS AND ENTERTAINMENT FACILITIES CONSULTING OF THEIR INDEPENDENT REVIEW OF FINANCIAL ANALYSES OF THE UNIVERSITY NORTH PARK (UNP) ENTERTAINMENT DISTRICT.

Ms. Emily Pomeroy with Center for Economic Development Law (CEDL), introduced Mr. Tom Hazinski, Managing Director of HVS Convention, Sports, and Entertainment Facilities Consulting (HVS), who specializes in the impact analysis of convention, sports, and entertainment markets as well as

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associated real estate redevelopments. She said Mr. Hazinski will be presenting his review of the reports provided to him associated with the UNP Project.

Mr. Hazinski said CEDL engaged HVS to conduct an independent review of prior reports regarding the proposed UNP mixed-use development. He said HVS evaluated the methodology and results of the following reports:

- University North Park Master Plan Update by CallisonRTKL
- UNP Multi-Purpose Arena Feasibility Study by Convention, Sports, & Leisure (CS&L)
- The Impact of Proposed New UNP Development on Property and Sales Tax Revenues for the City of Norman and Cleveland County by Robert Dauffenbach
- Budget Supplement: The Impact of Proposed New University North Park Development on Property and Sales Tax Revenues for the City of Norman and Cleveland County by Cynthia L. Rogers
- Critique of "Budget Supplement:" Cynthia L. Rogers Report by Robert C. Dauffenbach
- Economic and Fiscal Impacts to the City of Norman and Cleveland County from the development of University North Park in Norman by the Oklahoma Department of Commerce, Research and Economic Analysis Services

Mr. Hazinski said three key issues relevant to assessing the potential impact of public investment in the UNP Development include **UNPTIF District Incremental Revenues** – How much revenue will the UNPTIF generate assuming the projected land uses are developed over the next ten years? The feasibility of the UNPTIF depends on the amount of revenue that will be allocated to pay project costs; **Economic Impact** – How much net economic impact will the UNP development generate? Economic impact can be measured as the amount of new income imported into the Norman economy net of any negative impacts it may have on other parts of local economy; and **Fiscal Impact** – How will the TIF affect City finances? Like economic impact, fiscal or budgetary impact estimates should be net of negative impact and new to the City. Fiscal impacts can be thought of as the amount of taxes generated by the net new economic impact.

Mr. Hazinski said the CallisonRTKL Master Plan update provides a plan of development and basis for estimates of land uses including entertainment, retail, restaurant, office, and light manufacturing. The CS&L report provides some basis for cash flow from the arena as well as estimates of UNP direct economic impact, but relies in part on Dr. Dauffenbach's report and does not specify the parameters used to make the estimates and therefore cannot be evaluated. Dr. Dauffenbach's report estimates the City and County gross (not net new) fiscal impacts, not economic impacts. Ms. Rogers' study raises important issues that an economic impact should address, but criticized Dr. Dauffenbach as an economic and fiscal impact report, which it is not. The Department of Commerce report relies on Dr. Dauffenbach's report for job numbers and uses an inverted impact methodology, but does not provide net new budgetary impact numbers. He said while the reports offer something valuable, they do not conclusively answer the three key questions.

Mr. Hazinski said historical performance of the UNPTIF depicts \$8,095,021 in sales tax generated by a 3% tax rate in incremental sales that includes tax on construction and \$3,289,828 in ad valorem increment based on assessed value which is 12% of market value with a current millage rate of \$118.48 per thousand of assessed value. He said this historical performance provides a solid base for looking at future performance that depends on use of square footage figures provided by RTKL and CEDL that include

Item 3, continued:

350,550 of office space; 150,000 square feet of entertainment and dining space, 183,618 square feet of hotel space; 41,250 square feet for an Expo Center; 1,145,626 square feet of residential space; 220,500 square feet of senior living space; 566,001 square feet of new urban mixed use space for a total square footage of 2,657,454 in the north portion of the UNP and 259,700 square feet in the south portion of the UNP.

The arena and parking garage sales tax increment is projected to be \$90,035 by 2028 with operating revenues of \$2,462,003 assuming a 2% inflation rate and TIF area tax rate of 3% operating revenues. The operating revenues are based on the projected sum of concessions; catering; parking; merchandise; and box office fees in each year of operation based on CS&L's proforma of the proposed arena. Mr. Hazinski said CS&L's detailed analysis of the arena makes their financial projections the most up-to date source. The 3% non-dedicated sales tax collections serve as the base for any allocations to the TIF. The arena construction will cost \$191 million and the parking garage will cost \$52 million and anticipates a payment in lieu of taxes (PILOT) calculated at 6% of construction costs using assessed value and millage rates.

Entertainment and dining sales tax increment of \$2,582,000 by 2028, assumes a 2% inflation rate and \$471 sales per square foot with a TIF area tax rate of 3% of sales and estimated property value per square foot of \$31.52 based on 2018 reported taxable value of existing dining properties in the south portion of the UNP.

Hotel sales tax and ad valorem increment of \$81,935 by 2028, assumes a 2% inflation rate and 3% TIF area tax rate and assumes an average daily rate of \$120 and 13.3% for food and beverage revenues and a 67% stabilized occupancy rate with 95% of gross revenues being taxable. These assumptions reflect Norman's current hotel market and revenues of comparably sized hotels.

Residential ad valorem increment of \$3,152,447 by 2028, assumes a 2% inflation rate with anticipated build-out by 2019. Median residential unit value in Norman is \$180,451 and multi-family and senior housing is estimated at half the median value. Using the average home value in 2018 in Norman helps obtain a best estimate for the valuation of the proposed housing. Mr. Hazinski said knowing the millage rate (\$118.48 per \$1,000) as well as the assessment value helps calculate conservative ad valorem tax estimates.

Office ad valorem increment of \$257,617 by 2028, assumes a 2% inflation rate with estimated property value per square foot as \$42.40, which is derived from 2018 reported taxable value of exiting office properties in the south portion of the UNP.

The UNP south sales tax increment of \$2,279,000 and ad valorem increment of \$116,786 by 2028, assumes a 2% inflation rate and estimated property value estimated at \$25.95 per square foot. The estimated square footage is based on aggregate retail sales per square foot from existing retail and restaurant establishments. The existing businesses provide the most comparable and up-to-date estimates of value for UNP's south portion.

Total development costs of \$559,524,663 by 2028, assumes a 2% inflation rate and 55% of construction costs spent on materials. HVS used Rider Levitt Bucknall's 2018 Construction Cost Report to estimate construction costs. Given their estimated cost ranges per square foot, HVS applied the "low" end of their ranges to generate conservative cost estimates and tax increments. HVS used existing cost estimates for the arena and parking garage construction costs. Construction sales tax increment of \$9,232,157 by 2028,

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is based on 55% of construction costs spent on materials and HVS multiplies the estimated construction cost by the 55% spent on materials and the TIF area tax rate of 3% to find the total sales tax increment from construction.

Mr. Hazinski said ten year assumptions of the north and south portions of the UNP sales tax increment and allocation to project costs consist of 30% project cost allocation in 2019, increasing to 50% by 2028, (including \$800,000 fixed rate annual adjustment) with estimated adjusted revenues in the amount of \$14,351,000 and allocated project costs in the amount of \$7,176,000 by 2028. Ad valorem tax and allocation of project costs consist of project cost allocation of 50% in 2019, and increasing to 60% by 2028, (including PILOT payments and 50% to 60% allocation) with estimated ad valorem revenues in the amount of \$10,178,000 by 2028, and allocation of project costs in the amount of \$6,107,000. He said there is a lot of historical basis behind these assumptions and there is no reason for that to change with the additional development.

Economic Impact

Mr. Hazinski said the economic impact of the proposed Project Plan is more difficult to determine. He said the economic impact methodology being presented has been well tested. The basic approach is to determine the net new demand generators and compare that to a baseline so the City needs to look at how much spending would occur in the UNP, how much new income is imported into the City, and what would happen without it.

Mr. Hazinski highlighted the methodology in estimating net new income generation as follows:

- Arena – Create a baseline scenario that shows level of attendance without the development of the new arena
- Office Space – Estimate new employment in the city of Norman due to office space development
- Entertainment Dining – Estimate number of restaurant patrons that would come from outside Norman
- Hotel – Estimate induced lodging demand for new hotel
- Expo Center – Project induced overnight and daily visitation generated from outside Norman
- Residential – Estimate number of new residents moving to the city of Norman

New income/spending estimates can be determined as follows:

- Spending Parameters – research and document spending parameters for each of the above impact generators
- IMPLAN (an Input-Output Model that models how the economy works for each sector)
 - Net Direct Spending – the amount of direct spending that falls into the city of Norman, i.e., retail spending should only count the sellers retail margins
 - Indirect Spending – the amount of business spending necessary to support direct spending that occurs in Norman, i.e., restaurants need to purchase food and supplies to provide meal service
 - Induced Spending – the amount on new personal income that results from direct spending that is spent in Norman, i.e., a waitress may have more income that she spends in Norman
 - Job Creation – use IMPLAN to estimate the number of full-time equivalent jobs associated with the Net Direct, Indirect, and Induced Spending

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Fiscal Impact

Mr. Hazinski highlighted the methodology for fiscal and budgetary impacts as follows:

- Effective Tax Rates – identify the effective tax rates for all the taxes and fees that would be assessed by the City of Norman on the net direct, indirect and induced spending (sales taxes, use tax, ad valorem, lodging, income (if applicable), fees, etc.)
- Allocation of TIF Increment – consider transfer adjustments and the allocation of TIF increment to the City (50% to 70% of sales tax increment and 40% to 50% of ad valorem increment)
- Net Fiscal Impacts – estimate net new revenue to the City of Norman less any associated costs

Mr. Hazinski said one important feature of Norman is that it is currently an importer of retail spending in that all the retail spending in Norman is higher than what residents spend on retail making Norman a net importer. He said communities around Norman have a trade deficit while Norman has a trade surplus and the City needs to think about preserving that position. If the City does not move forward with this project, other retail development will likely occur, but it will not be at this level and it would not be an attractive destination appeal. He cautioned Council not to focus exclusively on the spending and net new numbers just because they are measurable. He said there are issues of creating quality of life for residents, employee attraction, and creating a sense of place and destination. He said creating a sense of place and destination is expensive, but it is also rewarding and creates overall values that are somewhat intangible so spending and net new numbers are not the only issues to consider when thinking about this project.

Questions/Comments

Councilmember Clark said Norman has a lot of experts and a lot of figures are flying around and asked Mr. Hazinski's thoughts regarding a statement that "the City of Norman can achieve 18% sales tax revenue growth on average over the next 25 years, but anything less than that means the project has to be scaled back or the General Fund (GF) makes up the difference." Mr. Hazinski said he does not know where that 18% figure is coming from and it sounds extraordinarily high. He said there could be a worst case scenario where this project generates no extraordinary new development that would not have occurred anyway so in that scenario the GF is giving up its share of sales tax, which is a net loss.

Councilmember Bierman asked how does the difference in the south retail portion from the north with housing, restaurants, and offices impact the confidence in the increment estimates. Mr. Hazinski said they have different types of character and development that removes the issue of whether or not over-building is taking place. He said the south portion does not have anything out of the ordinary, but that is not what is anticipated in the north portion. He said while the south portion has been wildly successful in generating sales tax revenue, it is not a lifestyle development that creates a sense of place and tying the proposed north portion mixed-use with an arena makes the area a destination like Bricktown. Councilmember Bierman said Council was sold on extraordinary for the south portion when it was first pitched in 2005, so the fact that the south portion is ordinary is a concern. She said all of the analyses, excluding RTKL, rely on Dr. Dauffenbach's information, but they do not address net new revenue. She asked if HVS changed any major assumptions from Dr. Dauffenbach's projections and Mr. Hazinski said the only significant difference was the hotel occupancy and room rate. Councilmember Bierman asked Mr. Hazinski if he thought the City has enough information at this point to make a decision on the

Item 3, continued:

proposed project and Mr. Hazinski said that depends on Council and their information needs, but he believes there could be more solid work performed on economic and fiscal impacts.

Councilmember Hickman asked if the 2019 increment estimates are feasible considering the remaining time to get the project approved and permitted. He said it seems highly unlikely this would be something built, occupied, and used in FYE 2019. Mr. Hazinski said that could be realistically pushed out one year and HVS only used numbers from the RTKL Master Plan.

Councilmember Hickman asked what data HVS would need to perform an economic impact study and Mr. Hazinski said any possible changes to the plan would be needed as well as help in contacting people that can answer the key questions. HVS would also need to familiarize themselves on the City's taxing structure.

Councilmember Hickman said one PowerPoint slide includes the Expo Center and he is not sure why because there is currently no funding identified for that and Mr. Hazinski said the Expo Center is in the RTKL Master Plan and that is why he put it into his presentation, but it is speculative as to whether or not that will happen. Councilmember Hickman said it is important for those numbers to be removed or HVS could prepare two scenarios, one with the Expo Center and one without. Mr. Hazinski said if the timeline on a project is completely unknowable or speculative then HVS would not want to include it; however, the Expo Center is not included in any of the ad valorem or sales tax estimates presented tonight.

Councilmember Hickman asked if HVS could make recommendations on provisions for clawbacks, financing structuring, etc., and Mr. Hazinski said HVS is familiar with those issues and could tell Council what has been done elsewhere, but he would hesitate saying HVS would recommend a certain approach because that has a lot to do with political choices that HVS is not in the position to make; however, HVS could be helpful in generating ideas.

Councilmember Hickman asked how long it would take HVS to prepare an economic and fiscal impact study and Mr. Hazinski said HVS has the data needed so the study would take about three weeks to complete, which is a short timeline since contacts have to be made for more information.

Councilmember Castleberry said assuming there is no return on the investment, that would be 100% cannibalization and Mr. Hazinski said that is correct. Councilmember Castleberry asked if HVS has seen that in projects they have worked on and Mr. Hazinski said 100% cannibalization is not realistic especially given the mix of land uses proposed in the north portion of the UNP. He said an arena could conceivably cause cannibalization from Lloyd Noble, but not 100% because it would differ quite a bit from one land use to the next; however, it would not 0% either. Councilmember Castleberry asked if the City engaged HVS services, could HVS determine the cannibalization factor and Mr. Hazinski said the methodology used does not directly answer that question, but HVA would try to account for any net new by land use, i.e., how many new residents are moving into the residential area outside of Norman versus within Norman.

Councilmember Castleberry asked what typical net new is and Mr. Hazinski said HVS looks at induced demand generated by a project, which are events and people that would not otherwise come.

Item 3, continued:

Councilmember Castleberry said if HVS is looking at the economic impact to the City would they look at all taxes within the City, not just taxes going to the TIF and Mr. Hazinski said yes; HVS would look at hotel/motel taxes, permitting fees, and other sources of taxes that do not occur within the TIF, but are caused by TIF projects that go into the GF.

Councilmember Karjala wondered about the effect of the new Cleveland County Fairgrounds Expo Center and asked Mr. Hazinski how he thought that addition of \$5 million to the TIF would change the HVS' analysis. Mr. Hazinski said it would directly affect the idea of building an Expo Center in the UNP, but he does not think it would have an effect on an arena because there are no overlapping demands for that type of space.

Councilmember Bierman asked how much increased attendance HVS expects from the relocation of attendees from Lloyd Noble to a new arena and Mr. Hazinski said he would need more specific data on Lloyd Noble; however, according to the CSL Study, the Lloyd Noble attracts 300,000 attendees and is projecting to attract 480,000 this next season. He said part of the arena's attendance will be generated by increased attendance at basketball games, but attendance will also be increased due to concerts and other activities taking place in the arena.

Councilmember Hickman said Council should consider requesting HVS to prepare a separate economic and fiscal analysis on the impact of the Cleveland County Fairgrounds Expo Center. Mr. Hazinski said Cleveland County Fairgrounds will host events that attract a mainly local audience and most of its impact would be from day trip visitors who come from outside of Norman and spend money versus visitors coming in for multiple days for conventions or other events and staying in hotels.

Mayor Miller said she is not clear on estimating new employment due to office space development and Mr. Hazinski said if new office space supports new jobs that would not otherwise be coming into the community then there will be spending associated with those jobs.

Councilmember Clark wanted to clarify the difference between an Expo Center and Cleveland County Fairgrounds because a fairground is not a Convention Center, which has a very different purpose. She said it is exciting that east Norman is looking at new facilities since Norman has a huge rural population and is the County seat, which could help an Expo Center at the fairgrounds attract totally different venues. She said constituents have been concerned about how the southern portion of the UNP has developed and are disappointed in what has developed so far. She asked if the south portion has been economically successful and Mr. Hazinski said it has been very successful by drawing in people from other communities and not just residents of Norman.

Councilmember Castleberry said the Cleveland County Expo Center tax revenues would go into the City's GF and would also be part of the overall economic impact to the City, not just the UNP and Mr. Hazinski said that is correct.

Councilmember Allison said HVS seems to be an expert on hotel economics more than anything else and asked if they have the expertise to assess the economic impact of a multi-use development and Mr. Hazinski said the hotel industry is much larger than the convention, sports, and entertainment industry in terms of money spent; however, there is no other company more qualified to prepare economic development studies than HVS. He said HVS has over 20 years' experience and many high profile clients who have scrutinized their work and HVS passed the test.

Item 3, continued:

Councilmember Clark asked why HVS believes the southern half of the UNP has been so economically successful and Mr. Hazinski said it is because of the real estate and sales tax revenue it has produced, as well as cost per square foot. Councilmember Clark asked if the property would have developed without the TIF and Mr. Hazinski said yes, but at a slower pace and lower scale.

Items submitted for the record

1. Review of UNP Development Studies Report prepared by HVS Convention, Sports, and Entertainment Facilities Consulting dated June 27, 2018

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The meeting was adjourned at 6:25 p.m.

ATTEST:

City Clerk

Mayor