



Legislation Text

File #: K-1617-123, **Version:** 1

CONTRACT K-1617-123: A CONTRACT BY AND BETWEEN THE NORMAN TAX INCREMENT FINANCE AUTHORITY AND GOPPOLD ARCHITECTURE IN THE AMOUNT OF \$47,900 TO PROVIDE ARCHITECTURAL, CONSTRUCTION, AND DESIGN SERVICES FOR THE DECORATIVE ENTRANCE SIGNS INTO THE UNIVERSITY NORTH PARK DISTRICT LOCATED AT THE INTERSECTION OF WEST ROBINSON STREET AND 24TH AVENUE N.W.

BACKGROUND: City Council adopted Ordinance O-0506-66 on May 23, 2006, that established the University North Park Tax Increment Finance District (UNP TIF) with its associated Project Plan. The Project Plan called for the development of a Conference Center, certain Traffic and Roadway Improvements, Economic Development Incentive provisions to attract quality jobs, the development of a Lifestyle Center/regional draw retail shopping center, and the construction of Legacy Park. These Project Plan components were to be accomplished with financial assistance from incremental taxes generated from retail sales in the UNP District and increases in property tax assessments generated by private investment into the area. The Project Plan was later amended on August 26, 2008, with the passage of Ordinance O-0809-8, after going through a Statutory Amendment process that allowed the Conference Center allocation to be utilized for the Rock Creek Overpass project, and for a Cultural Facility to be located within the UNP District. The total incremental revenue authorized to be spent on Project Costs is \$54.75 million, plus any associated interest and financing costs, over a period not-to-exceed twenty-five years.

Council received an update on progress toward implementation of the Project Plan Components on March 21, 2017, that included: completion of the Embassy Suites Hotel/Conference Center and Rock Creek overpass; completion of the majority of the planned Traffic and Roadway improvements; progress toward Quality Job attraction including acquisition and platting by NEDC of a 30 acre business park, acquisition and platting by NEDC of a 30 acre industrial park, with IMMY being constructed and opened, and completion of infrastructure to service the NEDC economic development tracts; completion of Legacy Park; and on-going efforts to identify an appropriate Lifestyle Center or regional draw component, as well as an appropriate Cultural Facility, all authorized under the Project Plan. Incremental revenues expended on Project Plan Components are approximately \$24 million, excluding financing and administrative costs. The taxable value of private investments in the UNP District through the end of 2016 is estimated to be a little over \$164.3 million.

Implementation of the components of the Project Plan has been accomplished through a series of Development Agreements that outline the responsibilities of the parties. To date the Development Agreements approved by City Council/Norman Tax Increment Finance Authority (NTIFA) include the following:

- Master Operating Agreement - (8/22/06)
- Development Agreement No. 1 - Traffic and Roadway Improvements (8/22/06)
- Development Agreement No. 2 - Hotel/Conference Center (2/13/07); Amendment #1 (6/12/07)
- Development Agreement No. 3 - Legacy Park Development (10/23/07)
- Development Agreement No. 4 - Rock Creek Overpass/Cultural Facility (9/09/08)
- Economic Development Agreement - NEDC/UNP/UTC/NTIFA/City of Norman (9/21/10)
- Development Agreement No. 5 - Legacy Park Construction/Cultural Facility Land/Regional Draw/Legacy Park Maintenance (UNP BID)/Traffic & Roadway Improvement Sequencing (5/8/12)
- Development Agreement No. 6 - Quality Jobs - NEDC/IMMY/NTIFA (1/27/14)
- Amendment to Development Agreement No. 5 - Clarification of retail incentive criteria; Extension of clawback deadlines to explore regional draw retail components (RTKL); Entrance Sign Development & cost sharing; substitute cultural facility land donation; Regional Draw Entertainment Venue; Coordinated Master Planning (4/28/16)

One item recently discussed with Council was the effort to solidify the design and construction of decorative entrances into the UNP District when entering northbound from Robinson Street onto 24th Ave NW. Amendment to Development Agreement No. 5 sets out a funding and cost sharing mechanism for these decorative entrances into the UNP District.

This item, K-1617-123, brings forward to Council/NTIFA for consideration a contract between Goppold Architecture and the Norman Tax Increment Finance Authority on behalf of the UNP Business Improvement District Board to finalize the design of the entrances, prepare bid documents, and manage the construction project for these entrances.

DISCUSSION: As noted above, Amendment to Development Agreement No. 5 (“DA5a”) sets out a funding and cost sharing mechanism for the decorative entrances into the UNP District. DA5a provides that the costs will be shared equally by: the UNP BID District (with funding provided from TIF apportionment revenue and assessments to UNP property owners); the developer of the “south half” of the UNP District, UTC LLC; and the owner of the “north half” of the UNP District, UNP LLC. At the time of the adoption of DA5a, Council/NTIFA expressed a desire that the entrances be redesigned to incorporate elements of Legacy Park. As requested, the redesign was provided to City staff toward the end of January 2017. The design was shared with the UNP TIF Citizen’s Oversight Committee at its meeting on March 21, 2017, where the redesign was supported unanimously. The redesign was shared with City Council during the UNP TIF Update at its March 21, 2017 Study Session. The redesign and the proposed budget were presented to the UNP BID Board at its meeting on March 31, 2017, where both were supported unanimously.

As additional background information, the City Council approved a Petition from the UNP District property owners in the summer of 2014 that created the UNP Business Improvement District (UNP BID District). Through a combination of UNP TIF apportionment contributions (total of \$900,000 over a period of eight years) and property owner self-assessments (total of \$1.1 million over a period of nine years) the UNP BID District will generate \$2 million over a ten year period to be used for Legacy Park maintenance and UNP District enhancements to spur additional private investment. One such UNP District enhancement specified in the BID Petition submitted by the property owners is for the construction of decorative entrances into the UNP District.

DA5a specified a budget of \$300,000 for the entrance into the southern portion of the UNP District from Robinson Street. UTC and the UNP BID District were to fund the Robinson Street entrance project equally. The first budget proposed for the south entrance project exceeded \$450,000. The specifications for the project were revised (“value engineered”) to bring the estimated costs down to a level more in line with the budget that was anticipated with the adoption of the DA5a. The primary items revised were:

1. Removal of brick from rear of wall, replaced with split block to match other Legacy Park finishes;
2. Stone base removed from low area between pilasters;
3. Revision of the thickness and detailing of internal construction;
4. Reduction in the area of sod and irrigation;
5. Specification of more available landscape species;
6. Deletion of boring under 24th Avenue NW as unnecessary.

After these revisions, the proposed construction budget, including a 10% contingency, is \$300,885. Goppold Architecture has also proposed that the cost for design services, project management, engineering, landscaping & irrigation, and contingency should be \$47,900 with a contingency of \$4,300 making the total soft cost budget \$52,200. The total of the Project is estimated to be \$353,085. The proposed budget is \$53,085 more than the amount estimated when DA5a was approved last spring. However, Section 4.10.4.f of DA5a provides that should it be estimated that the cost of the Entrance Wall exceeds \$300,000, then the contributors shall confer to determine how to revise the project costs, or how to appropriately provide funding for the excess cost of the Entryway Signage, as the case may be, prior to awarding a bid for the particular component that would result in the excess cost. For the Robinson Street entrance, the design has been value engineered as noted above to bring the cost closer to the previous projection, and both UTC, LLC and the UNP BID Board, as contributors, have agreed to split the excess cost evenly.

The redesign of the Robinson Street entrance, incorporating elements of Legacy Park, is included in the attached materials. The proposed construction, design and project management budget is also included in the attachments. The Design and Project Management Agreement is presented at this time for Council/NTIFA consideration at a cost of \$47,900. There will be a separate item on Council’s Agenda requesting a total appropriation of \$353,085 from accumulated UNP TIF Fund balance for this project. The Developer’s portion of the estimated cost of the Entryway Signs will be deposited back into the UNP TIF Fund balance when it has been received. The construction contract will come before Council at a later date once competitive bids for the Project have been accepted.

RECOMMENDATION: Based on the information presented above, Staff recommends that NTIFA/Council approve the contract with Goppold Architecture for UNP Entryway Sign Design and Project Management Services, in the amount of

\$47,900. Staff will be available to answer questions or provide additional information if needed.