



Legislation Text

File #: K-1819-104, **Version:** 1

CONTRACT K-1819-104: A MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND THE UNIVERSITY OF OKLAHOMA (OU) FOR THE PURCHASE OF LAND SOUTH OF LEXINGTON AVENUE FOR NORMAN FORWARD PROJECTS.

BACKGROUND: NORMAN FORWARD is a citizen-initiated proposal to renovate, expand, construct and fund projects, such as recreational facilities, libraries, parks, athletic venues, public art, trails, swim complexes and other quality of life projects throughout Norman. The initiative came to the City Council from community groups, stakeholders and Norman residents, who prepared an initial package using analysis and information from recreational planning professionals and research firms.

Beginning in spring 2015, the City Council began a series of Council conferences and public meetings to refine the project scope, financing and funding opportunities for the initiative, which included a number of high priority projects outlined in the 2014 Library Master Plan Update, the 2009 Norman Parks and Recreation Master Plan, and additional projects designed to provide recreational opportunities for residents.

NORMAN FORWARD includes the following projects:

- Library System Improvements-Central Branch and East Branch
- James Garner Avenue Extension
- Indoor Aquatic Facility
- Westwood Pool & Westwood Tennis Center Improvements
- Reaves Park Baseball Complex Improvements
- New Softball and Football Complex
- Griffin Park Soccer Complex Improvements
- Multi-Sport Facility (replace Optimist Gymnasium east of the Cleveland County YMCA)
- Park Land Acquisition-Griffin, Sutton Wilderness and Cate Parks
- Community Park projects at Ruby Grant, Andrews and Saxon Parks
- Existing and New Neighborhood Park Renovations and Development
- New Trail Development and Canadian River Park
- Senior Center
- Public Art at selected locations

On August 11, 2015, the City Council voted unanimously to approve the NORMAN FORWARD Ordinance O-1516-5 and Resolution R-1516-14 that called for an election to take place on the NORMAN FORWARD project package. On October 13, 2015, Norman citizens passed the Norman Forward Initiative funding a variety projects through a ½% sales tax increase over 15 years (72% approval). On January 1, 2016 the voter-authorized sales tax went into effect and in March of 2016 the City of Norman began to receive the proceeds from the NORMAN FORWARD sales tax collections.

On December 17, 2015, the Norman Municipal Authority (NMA) issued its \$43,160,000 Sales Tax Revenue Notes, Series 2015B, to provide up-front financing of the major NORMAN FORWARD projects. On June 27, 2017, the NMA issued its \$30,950,000 Sales Tax Revenue Notes, Series 2017, to provide further funding for NORMAN FORWARD projects.

In the three years since the citizens approved the NORMAN FORWARD sales tax, many implementation steps have been taken including: constituting the Citizen Financial Oversight Board (CFOB); adoption of an Implementation Plan on June 28, 2016; employing Architectural Design Group (ADG) to assist in program management services; accomplishing the two debt financings providing a total of \$74 million for program costs at interest rates of 3% and 2.4% (a third debt issuance is contemplated in the future); completion of the Westwood Family Aquatic Center and the East Branch Library;

construction of the Central Branch Library, with anticipated completion in the summer of 2019; construction of the Westwood Tennis Facility improvements; adopting Master Plans for the Griffin Soccer Complex and for the Reaves Park Sports Complex; construction completed for the intersection at Acres Street and James Garner; as well as moving forward with Neighborhood Park Renovation Projects.

As noted above, included in the Norman Forward Initiative were a Multi-Sport facility and an Indoor Aquatics facility. These facilities were envisioned to be located on property on or near land currently leased by the Cleveland County Family YMCA and the Norman Optimist Club ("Optimist") from the University of Oklahoma ("OU"). Specifically, it was considered that perhaps the Indoor Aquatics facility could be located on property leased by the YMCA and constructed in such a way as to connect the current YMCA pool facility with the Indoor Aquatics Facility. In addition, it was contemplated that the Indoor Multi-Sport facility could be located on the site or adjacent to a facility currently utilized by the Optimist Club for basketball leagues, just immediately east of the YMCA facility.

Discussions with stakeholder groups regarding the Indoor Aquatics Facility and the Multi-Sport Facility began as early as May of 2016. Discussions with OU representatives regarding possible terms for acquisition of land upon where the Optimist facility is located as well as possible terms of utilizing land adjacent to the YMCA as a possible Indoor Aquatics facility site also began in the spring of 2016. Later, discussions included expanding the amount of property being considered to include the location of a Senior Citizen's Center.

After OU declined to consider a lease agreement for the needed property, Council began exploring other options, including the purchase of 14.34 acres adjacent to the YMCA from OU at appraised market rates. City Council specifically discussed the purchase of land from OU for a Multi-Generational Recreation Complex that will include an indoor aquatics facility, an indoor multi-sport facility, and a senior citizens center in executive session on December 18, 2018 and January 15, 2019. Following those discussions, a Memorandum of Understanding (MOU) has been finalized and is being brought to City Council for formal consideration at this time.

DISCUSSION: The Memorandum of Understanding with OU (K-1819-104) authorizes the sale by OU of 14.13 acres adjacent to the Cleveland County YMCA to the City, or a public trust having the City as its sole beneficiary, for a purchase price of \$2.435 million. The basis for the purchase price is found in an appraisal of the subject property commissioned by OU and completed in October 2018.

If the City no longer uses the property for a public purpose, then the property will revert back to OU subject to appropriate compensation to the City for any improvements made to the property. The City will assume OU's lease with the Optimist Club upon purchase of the property and will demolish the existing structure. In addition, the City will install road improvements needed to serve the property, namely, the extension of Berry Road to Lexington Street, and Halley Road upgrades. The University will maintain the roads to City standards.

The MOU has been approved for inclusion on the January 29-30 University of Oklahoma Board of Regents meeting agenda. This item is now being brought forward for formal Council consideration. Once the MOU is approved by both parties, the parties will sign a Right of Entry agreement that gives the City and its contractor's immediate access to the subject property to begin appropriate due diligence activities. In addition, the parties will finalize a Real Estate Purchase Agreement consistent with the MOU to accomplish the closing of the sale within three to six months. Funding is available in Norman Forward to complete the purchase of the property.

On this agenda, Council is also asking the University North Park Tax Increment Finance District Statutory Review Committee to consider a proposal to declare the proposed Multi-Generational Recreation Complex a "cultural facility" and allow the use of authorized University North Park Tax Increment Finance District project costs for Cultural Facilities to be used for this project. Staff anticipates that the Norman Forward fund would be paid back upon such declaration and authorization.

RECOMMENDATION. Based on the above information and input from Council members received in prior Executive Sessions, it is recommended that Contract K-1819-104 be approved, and required transfers of funds between NORMAN FORWARD projects be authorized to facilitate the up-front payment of the purchase costs, pending the approval and availability of University North Park Tax Increment Finance District funds to reimburse the land purchase costs to the NORMAN FORWARD Fund. It is further recommended that the City Manager, following City Attorney review, be empowered to execute all purchase documents consistent with the terms of the Memorandum of Understanding.