

CITY COUNCIL CONFERENCE MINUTES

April 22, 2014

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a conference at 5:30 p.m. in the Municipal Building Conference Room on the 22nd day of April, 2014, 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 Castleberry, Griffith, Heiple, Holman, Jungman, Kovach, Williams, and Mayor Rosenthal

ABSENT: Councilmember Miller

Item 1, being:

CHANGE ORDER NO. ONE TO CONTRACT NO. K-1314-89: BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND CENTRAL CONTRACTING SERVICES, INC. INCREASING THE CONTRACT AMOUNT BY \$37,650 FOR A REVISED CONTRACT AMOUNT OF \$363,548 FOR THE CEDAR LANE ROAD WATER LINE RELOCATION PROJECT AND FINAL ACCEPTANCE OF THE PROJECT.

On December 10, 2013, Council approved Contract No. K-1314-89 with Central Contracting Services, Inc., in the amount of \$325,898 for the Cedar Lane Road Water Line Relocation Project. Mr. Josh Malwick, Capital Projects Engineer, said tapping sleeves were installed by the contractor to maintain water service at the residences at all times and additional pipe and fittings were used during relocation of the water line due to unforeseen obstacles. He said the contractor performed additional backfill and trenching at two of the boring locations due to an existing fiber optic line which also added to the amount of concrete needed. He said the project is well within the budget regardless of the change order.

Mayor Rosenthal said this item was on the agenda this evening and to be considered by City Council.

Items submitted for the record

1. Text File No. K-1314-89 dated April 8, 2014, by Josh Malwick, Capital Projects Engineer
2. Location map
3. Change Order No. One to Contract No. K-1314-89

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Item 2, being:

UPDATE ON UNIVERSITY NORTH PARK AND INTERSTATE DRIVE FRONTAGE ROAD PROJECT.

Mr. Jeff Bryant, City Attorney, said there are a number of items on tonight's agenda that relate to the University North Park (UNP) and Interstate Drive Frontage Road Project that were time sensitive. He said Development Agreement No. One dealt with the traffic and roadway improvements with the Frontage Road extension specifically identified as a required improvement. He said six miles of the project were done during 2007-2008 with completion of the extension, a priority of Development Agreement No. Five. He said the final design was done in December, 2013, by SMC Consulting, P.C. He said while Norman Economic Development Coalition (NEDC) was working simultaneously with the University of Oklahoma (OU) Foundation to finalize the purchase of the second 30 acres of the 60 acre economic development tract, there was discussion about properly locating the intersection within the NEDC tract in order to make the correct tie-ins.

Mr. Bryant said bids were received February 27, 2014. He said the engineer's estimate was \$4,580,914.60 and the low bid came in at \$4,091,000 with the second lowest bid at \$5,196,741.18. He said the scope of the project was the Frontage Road Extension from Conference Drive to 24th Avenue N.W. which is approximately 1.7 miles. He

Item 2, continued:

said during coordination of this project into the NEDC infrastructure improvements, it became apparent that the road alignment should be adjusted by changing the gentle sloping intersection into more of a right angle and a modern roundabout was designed for this intersection to handle the 40 mile per hour traffic flow. He said the roundabout would also accommodate the possibility of extending this road to Tecumseh Road. He said the new alignment would also allow the developer more land for development. He said the changes in the roadway will allow additional turn lanes which will be required with the NEDC development. He said there was also discussion when this design was being completed about utilizing the regional detention facility in the northwestern part of the UNP. To maximize use of the facility, the storm drain will need to be upsized to lessen onsite detention. He said the design includes both sidewalks because of the favorable bidding environment with these types of projects and installation of a water line beginning at 24th Avenue N.W. and spanning the entire frontage road.

Mr. Bryant said \$1,923,500 was available in the FYE 2014 Budget and the contractor's bid is \$4,091,000. He said there was obviously quite a bit of work to be done from the time the bid was received until it could be brought forward to Council. He said staff tried to identify what additions should be included in the design that would benefit the property owners and whether they would pay their share, which they agreed that they were willing to do. Also, Staff discussed what portions could be deducted without impacting the project negatively. He said the sidewalks at a cost of \$167,583 were taken out to be completed when the property was developed. He said on the current frontage road there were no sidewalks south of Rock Creek Road and Councilmember Williams said there are sidewalks south of Rock Creek Road about halfway. Mr. Scott Sturtz, City Engineer, said there have only been sidewalks installed where the areas have been developed. Mr. Bryant said Staff was also able to deduct \$23,358 by eliminating some of the base paving. He said after deductions, the total project totaled \$3,561,352. He said with the budget shortage, Staff worked on what the bid amount was, what the shortage was, and how much could be attributed to additional work being done for the developer's benefit. He said on the intersection improvements, the additional lanes were being done because of traffic to NEDC's development and one of the agenda items being considered this evening is a cost participation agreement between NEDC and UNP, L.L.C., the developer of the land to the west and they have all agreed to pay their share. The cost participation agreement will require NEDC to pay \$385,680.

Councilmember Holman asked if the signalization would cost more than the roundabout. Mr. Shawn O'Leary, Director of Public Works, said the cost would be approximately the same.

Councilmember Castleberry asked if this was going to work like a recoupment project. Mr. Bryant said there is an additional item on tonight's agenda to establish a payback project for UNP, L.L.C., to pay for the water line installation. He said there was a Water Line Payback Project established in 2007-2008 for the NEDC property and when this property is development, NEDC will be paying their portion. He said the payback process allows 20 years to pay for the project, during the first 15 years, and then the last five years, the amount due is reduced by 20% and at the end of 20 years, the amount due is reduced to zero. The road improvements are similar but the key differences are instead of having the full 20 year time period, there is just a five year time period and the entire amount of \$385,680 and the storm sewer upsizing in the amount of \$369,516 will be due when a building permit is issued to the property benefited by the improvement or five years at the latest. There is a 4 percent interest rate agreed upon in the Participation Agreement with a 2 percent administrative fee. With supplemental appropriations that will clearly be the City's cost will come accumulated TIF revenues, not debt financing plus the payback portions which will allow for payment of the entire project. Councilmember Castleberry asked what the accumulation was and Mr. Bryant said it would be approximately \$1.6 million which will be paid upfront to be paid back.

Ms. Joy Hampton, *The Norman Transcript*, asked why the City only had \$1,923,500 in the budget for the project when the engineer's estimate was \$4,580,914.60. Mr. Bryant said several items were added to the design because of the favorable bidding environment and NEDC and UNP, L.L.C., were making their own properties almost entirely site ready. He said, for example, the intersection improvements included stamped concrete which created an increased cost. He said the storm sewer figure had been too low and had to be adjusted.

Item 2, continued:

Councilmember Kovach asked if all of property included in the project was in the original Planned Unit Development (PUD) and would the change to the frontage road include any change to the PUD ordinance. Mr. Bryant said no.

Councilmember Kovach asked if the northern part of the parcel was zoned Mixed Use and Mr. Bryant said the area north of Rock Creek Road is Mixed Use and if something different comes in, it will have to be rezoned.

Mr. Bryant provided a breakdown of funding sources and appropriations for the project.

Funding Sources

	Funding Sources	Additional Payback Cost	Appropriation
FYE 2014 Budget	\$1,923,500		
TIF Revenues Supplemental - NTIF	\$882,656		
TIF Revenues Supplemental - NEDC*	\$385,680		
TIF Revenues Supplemental –UNP **	\$369,516		
Total Suppl. Appropriation			\$1,637,852
Water Line Project Bid	\$338,707	\$17,293	
Water Line Design		\$17,000	
BID TOTAL	\$3,900,059		
Utility Fund Appropriation			\$373,000

- * NEDC - \$385,600 intersection portion funded by TIF revenues to be reimbursed per payback agreement
- ** UNP, L.L.C., \$369,516 funded by TIF revenues to be reimbursement per payback agreement
 UNP, L.L.C., \$373,000 funded by Water Fund revenues to be reimbursement by payback resolution

Mr. Bryant said the difference in the numbers is that the City is allowed under the ordinance to have a 5 percent contingency and the design contract could also be charged. He said on tonight’s agenda Council will consider a contract for the design of the water line in the amount of \$17,000. He said this just sets the maximum so after the project is completed, the final cost of the water line will be brought forward to Council so the payback amount can be set.

Mr. Bryant outlined the allocation of tax receipts generated in the TIF District explaining that 60 percent goes to the TIF and 40 percent goes to the General Fund. He said Ad Valorem Taxes was collected as of December, 2013, which is for properties that were built through December, 2012. He said there will be another check received for last year’s collections.

<u>Sales Taxes – October 2006 – January 2014</u>		<u>Total Ad Valorem</u>	
Sales tax generated in TIF	\$36,255,481	TIF Portion (50%)	\$7,139,565
Transfer Adjustment	<u>\$ 7,961,278</u>	Norman Public Schools (30.73%)	\$3,569,782
New TIF Generated Sales Tax	\$28,294,203	Other Taxing Jurisdictions (19.27%)	\$2,193,988
			\$1,375,794

He said other taxing jurisdictions are Norman Public Library, Cleveland County, Moore-Norman Technology Center, and Cleveland County Health Department. He said the General Fund received a total of \$11,748,995 during that time period and the transfer adjustment was \$7,961,278 which is a total of \$19,710,273. The amount that has been available for project costs is \$16,545,208 plus the Ad Valorem of \$3,569,783 for a total project cost of \$20,114,991.

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Item 2, continued:

Mr. Bryant listed project plan expenditures as follows:

Traffic and Roadway Improvements	\$ 5,289,310
• 24th Avenue Improvements	
• I-35/Robinson East Improvements (partial)	
• I-35 Frontage Road Improvements (partial)	
• Tecumseh Road Improvements (partial)	
• Three Intersections	
Rock Creek Road Overpass	\$ 5,764,478
Legacy Park (September 2014 Opening)	\$ 6,974,818
Economic Development	\$ 1,396,008
Initial Project Activities	<u>\$ 1,222,560</u>
Total Expenditures (excludes debt service)	\$20,647,174

He said the remaining project plan components include:

<u>Traffic and Roadway Improvements</u>	\$6.25 million
• Complete Frontage Road and One Intersection	(\$2.8 million)
• I-35/Robinson West Improvements	
• 1 Intersection	
• Tecumseh Road Improvements (partially completed)	
Legacy Park (remaining components)	\$3.1 million
• \$1.5 to be used for public art	
• \$750,000 to be used for enhanced landscaping	
• \$900,000 to be used for business improvement district	
Cultural Facility (2 acres set aside)	\$8.75 million
Lifestyle/Village Center	\$8.25 million
Economic Development	\$6.85 million
• 61.67 acres purchase by NEDC	
• Infrastructure being installed	
• One lot sale pending with quality job incentive	

Mr. Bryant said the next steps would be completion of Legacy Park and establishment of a Business Improvement District in September, 2014, the NEDC infrastructure to be completed September/October of 2014, and the Frontage Road Extension Project to be completed October/November, 2014. He said the largest issue for Council to decide is which direction to go on the I-35/Robinson West roadway improvements. He said partnership opportunities would need to be examined possibly with the Oklahoma Department of Transportation or the Association of Central Oklahoma Governments or possibly UNP.

Councilmember Williams asked why the timeframe for the I-35/Robinson was later rather than sooner. Mr. Bryant said one of the discussions was realizing that partners would be required to accomplish the project or at least find some supplemental funding source. He said ODOT had been reticent about starting this large of a project while the Main Street Project was underway with Lindsey Street following soon after.

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Item 2, continued:

Items submitted for the record

1. PowerPoint Presentation entitled, "University North Park TIF Update, Frontage Road Extension and Intersection Project for Council Conference, April 22, 2014

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The meeting adjourned at 6:11 p.m.

ATTEST:

City Clerk

Mayor