CITY COUNCIL CONFERENCE MINUTES

May 27, 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 27th day of May, 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, Miller, Williams, and Mayor Rosenthal
ABSENT:	None

Item 1, being:

DISCUSSION REGARDING UNIVERSITY NORTH PARK BUSINESS IMPROVEMENT DISTRICT AND ARCHITECTURAL REVIEW BOARD EXPANSION.

UNIVERSITY NORTH PARK BUSINESS IMPROVEMENT DISTRICT (BID)

Mr. Jeff Bryant, City Attorney, said Legacy Park in the University North Park Tax Increment Finance District (UNPTIF) is scheduled to be completed in September 2014. He said Development Agreement No. 5 provides for the maintenance of Legacy Park, Legacy Trail, and other enhancements to be provided through the implementation of a Business Improvement District (BID). He said Legacy Park was designed by Howard Fairbairn Site Design in 2009 and the American Society of Landscape Architecture awarded the design its Central States Design Honor Award.

Mr. Bryant said a BID will ensure that Legacy Park/Legacy Trail is operated and maintained to a high standard. He said in order to create a BID, a petition is filed with the City Clerk that sets forth the type of improvements the BID will be designed to address, the estimated cost of such improvements, and the proposed method of assessment. City Council will act on the petition by resolution and provide for a hearing on the district. He said assessments to all benefited property within the BID will be $200,000 per year for the ten year BID period. Net assessments to developed properties will be billed after the total assessment is reduced by a pro-rata share of TIF Development Assistance Amounts (TIF DAA) and gross assessments against individual properties will be increased during the BID period. Assessment rolls reflecting a $200,000 assessment, application of a pro rata share of TIF DAA to developed properties, and a net assessment to developed properties will be prepared annually. The Norman Tax Increment Finance Authority (NTIFA) contributed $900,000 from the TIF Development Assistance Fund (TIF DAF) to be phased in over an eight year period as BID matching funds.

Mr. Bryant said the structure of the BID equitably distributes the required BID Assessments based on the assessed value for each property by the Cleveland County Assessor's Office. These values will be updated annually and the City will send out invoices annually to each property owner for each respective assessment. The City will collect the net bid assessments. He said assessments based on taxable value of developed properties within UNPTIF will be zero the first year, $25,000 the second year, $50,000 the third year, etc., up to $200,000 per year over a ten year period or a total of $1.1 million. Assessment funds will be used for Legacy Park maintenance and enhancements that includes trail maintenance, mowing, maintaining landscaping and entrances, daily trash services, cleaning restrooms, etc. He said the contributions will be non-fiscal, which means that once the $200,000 is deposited into the fund, it will be there until it is spent. After the BID ten year period has ended, the BID can be renewed or assumed by a UNP Master Association, which is assumed to be developed by that time.

Councilmember Jungman asked about replacement costs as that does not seem to be included in the BID budget and Mr. Bryant said replacement costs are covered as far as trees, flowers, etc., with the only exclusion being the pumps on the fountain. Councilmember Jungman asked about replacement of concrete for Legacy Trail, sidewalks, etc., and Mr. Bryant said that would be considered a maintenance cost. Councilmember Jungman said he would like a line item for replacement costs included in the BID annual budget.

University North Park Business Improvement District (BID), continued:

Mr. Bryant said a BID Advisory Board will be created to provide advice and recommendations to Council regarding Legacy Park/Legacy Trail operations and maintenance throughout the BID period. The Board will consist of two representatives from the hospitality industry within the UNPTIF appointed by Embassy Suites; two representatives from the retail industry within the UNPTIF appointed by University Town Center (UTC) or the largest retail owner; one representative appointed by UNP; one representative appointed by Norman Parks and Recreation; one representative appointed by Norman Parks Board; one representative appointed by Norman Arts Council; and one representative appointed by the Norman Convention and Visitors Bureau (NCVB).

Councilmember Kovach asked why a representative from NCVB was chosen instead of a representative from the Norman Economic Development Coalition (NEDC) and Mr. Bryant said Legacy Park will be as an attraction that could be a regional draw bringing people to Norman and NCVB would be a nice fit as far as what types of events or activities would accomplish that purpose. Councilmember Kovach said NEDC owns a large portion of land in the UNPTIF and they have an interest in attracting employers to the area and ensuring there is a certain level of equality that is maintained not just for the UNPTIF, but for the entire community. He felt since NEDC is a stakeholder, they would be more appropriate for the Board than NCVB. Mr. Bryant said based on the level of assessments, the industrial land owned by NEDC is assessed by land value only plus the location and proximity to the park is not critical to them as far as being able to draw customers, employees, etc. He said the office park and multi-family residential areas are basically the same as industrial as they would more than likely have their own park or park like amenities. Councilmember Kovach said even though industrial, office, and multi-family residential may have their own high end amenities, having an $8 million park nearby is an attraction so they might have more interest in maintaining a certain quality for that park. Mayor Rosenthal said having a representative from NEDC would cause negative feedback from retailers because the property assessment for office, industrial, and residential would not be as high as the retailer's assessments.

Councilmember Castleberry asked about the role of the Board and Mr. Bryant said the Board will be actively involved in how the park is operated. He said there have been discussions with Sooner Theatre representatives as far as the types of events that might take place in the park. Mr. Bryant said the Board will not be involved in scheduling events.

Councilmember Castleberry said it seems to him that Norman Parks and Recreation Department and Norman Parks Board would have the same interests and asked the difference between the two and Mr. Bryant said that could be considered a duplication and if Council wants to substitute another entity, that would be fine and suggested replacing one of them with NEDC. Mr. Bryant said the City is trying to form a Board that has enough information and experience about the industry to make sure it is operated in a way that is beneficial to everyone that wants to have some say in it.

Ms. Joy Hampton, The Norman Transcript, said Legacy Park is proposed to be an event park so is that why a representative from NCVB will be on the Board and Mr. Bryant said yes, the park will be considered a regional draw to bring visitors into the City.

Councilmember Kovach asked how the operation of the park will occur and Mr. Bryant said the idea is to develop a Request for Proposal (RFP) for a private company to operate the park. Councilmember Kovach felt the Parks and Recreation Department should be allowed to bid because there is more control when operations are in-house and he prefers that. Mayor Rosenthal said there are unique aspects to the park operations that should be considered when creating the RFP such as the frequency of sidewalk sweeping, emptying trash containers, cleaning the restrooms, picking up trash from the grounds, clean up after an event, etc. She said the BID she is most familiar with is the Bricktown BID in Oklahoma City (OKC). Mr. Bryant said OKC contracts with the Downtowners Association to operate the Bricktown BID and the Downtowners Association contracts with other entities for the operation of Bricktown. He said it is possible that may eventually happen with Legacy Park because the people who have the most interest in making sure the park is kept in the manner that will be attractive to their businesses and hotels are the groups that will be on the Board.

University North Park Business Improvement District (BID), continued:

Councilmember Kovach said he understands Embassy Suites role on the Board, but there will be a couple of other hotels in the area and there is no way to know what hotels may come to the area in the future so there should be something in the language that might allow for an entity other than Embassy Suites to be involved in the appointment of a representative. Mayor Rosenthal said there can be different options to appoint representatives.

Councilmember Castleberry asked if the Board would be a decision making body and Mr. Bryant said an advisory board is generally not a decision making body, but the City can certainly create the Board that way if Council wishes. He said the initial thought is to obtain the Boards opinions and recommendations on the operation of the park that would enhance the businesses and make the park a regional draw. It is proposed the Board will work collaboratively with the City and ultimate decisions will be made by the City Manager and Parks Director. Councilmember Castleberry said he would like the Board to be able to make decisions in the future especially when they begin paying assessments towards the operation of the park.

Mayor Rosenthal said the language in the petition is specific in saying that the proposed BID would be administered by the NTIFA who would assist and administer all aspects of the BID except certain duties the City is required to perform. She said some things do not come under the purview of the Board and if Council wants them to be a decision making Board, the relationship needs to be as clear as possible with no other intermediaries.

Mr. Bryant highlighted the BID timeline and said the City hoped to have the petition signed by June 5th so Council could consider the Resolution by June 10th and have formal written notice property owners by June 12th. June 24th would be the public hearing on creating the BID. However, UTC asked the timeline be moved to July to ensure all details are worked out and everyone is on the same page.

ARCHITECTURAL REVIEW BOARD (ARB)

Mr. Bryant said the Architectural Review Board (ARB) was established in 2006 with the covenants for UNP. He said the four representatives are Mr. Bob Goins, Planner, and Mr. Rick McKinney, Architect, appointed by UNP, Mr. Mike Moorman, Architect, appointed by OU, and Mr. Brad Goodwin appointed by UTC. Mr. Bryant said there has been a proposal for a City representative to be appointed to the ARB so, if Council desires, the City Planning Director (or designee) will serve on the ARB beginning July 1, 2014.

Mr. Bryant said the duties of the ARB are to establish minimum standards for submission of plans for approval (Design Guidelines). The Planned Unit Development (PUD) requires the ARB to review and approve building design and materials prior to any site preparation, construction, erection, or installation of improvements. The ARB reviews all proposed buildings, public improvements, signs, landscaping, etc.

Mr. Bryant said Mr. Goins, Mr. McKinney, and Mr. Moorman are and will continue to be compensated members of the ARB. He said they are paid by UNP or UTC and the average fees for services have ranged from $18,000 to $24,000 per year. He said based on the average fees, an annual funding pool is proposed to be established at a maximum of $19,500 consisting of equal contributions by UNP, UTC, and the City. The fund would be administered by the City and payments would be processed upon review of proper invoices. He said if invoices exceed $19,500 it will require additional equal contributions from UNP, UTC, and the City. When the UNPTIF District expires, all ARB fees will the responsibility of the UNP Master Association.

Councilmember Castleberry asked why the City appointee would not be compensated and Mr. Bryant said the City representative is already be receiving a salary from the City to look out for the City's best interests. Councilmember Castleberry said UNP pays for the City's legal services so paying the City's representative would be a way to compensate the Planning Department for the additional work. Mayor Rosenthal felt it would be helpful to have a City representative on the ARB that is familiar with City regulations. Councilmember Kovach said he understands wanting Staff on the ARB so there are no conflicts with City ordinances, but why should

Architectural Review Board (ARB), continued:

the City throw in equal contributions in order to make it easier on the ARB? He said one vote is not going to make a big difference and the City would basically be paying for the privilege of staffing that committee, which offends him. He said it is one thing to pay that Staff member and another thing to pay for that Staff member to be on the committee. He asked how the equal share idea came to fruition and Mr. Bryant said it was proposed by UTC. Mr. Bryant said UTC originally did not propose having a City member on the committee and City Staff told them if they wanted the City to be more involved financially, then the City wanted to be involved in the other way as well. He said one idea made by UTC was to have an "a la carte system" that would charge different fees for different services e.g., sign reviews would cost a set amount, building reviews would cost a set amount, etc., to be paid by each retailer wanting the service. He said one downside to that could be discouraging retailers with added on fees. Councilmember Castleberry asked how much the fees would be because the City is talking about projects that cost millions of dollars and Mr. Bryant said the fees would be structured to cover the cost of the services.

Councilmember Kovach said he sees the value of having a Staff member on the committee, but does not see the value of paying for it. He said since the majority of the UNPTIF is built, the City would not gain enough to pay for the privilege of staffing the committee. Councilmember Castleberry agreed and said the architectural standards are already in place and retailers must comply with those standards. Mayor Rosenthal said as each new retailer comes in there are other ongoing issues and the problem has been that many of the new retailers and owners who come in now were not part of the plan in the beginning so the ARB is not being paid for those reviews. She said someone needs to be responsible for those fees and services and although there are architectural standards a lot of work goes into getting those standards applied. She said this may not be the right proposal, but if the City wants standards to be upheld, the City needs to pay their fair share.

Councilmember Kovach said the City ultimately issues the building permit and if the retailer does not meet standards the City will not issue the building permit so the City does have control. Councilmember Castleberry agreed and said if the ARB does not approve a design then the retailer cannot get a building permit. Mr. Terry Floyd, Development Coordinator, said the building permit covers basic building standards, building specifications, health and safety issues, etc., but the ARB standards deal with aesthetics and a whole other level of requirements not covered by a building permit.

Councilmember Kovach said the City is being asked to fund something that the UNP originally said they wanted to fund. Mr. Bryant said a good portion of the proposal came from the ARB who felt this might be a better way to handle payment for their services and they would not have to dissect every application that comes through to see which part of it should be billed to UNP, which part should be billed to UTC, or which retailer it should be billed to.

Councilmember Kovach said if the City really wants to affect the standards in the UNPTIF, then the City should pay the total funding out of the UNPTIF fund, pay for an ARB, and enforce the restrictive covenants that have been ignored throughout the years. He said to have one person on a five member board and to pay for that privilege is not affecting the standards and will not change the dynamics. He said it does not matter whether it is $20,000 or $6,500 it is the principal of the matter because it is not the City's money, it is the people's money and Council is charged with safeguarding that money. Councilmember Holman agreed and said the standards in the UNPTIF are pretty poor in his opinion. He said during a recent Center City Vision Charrette held in Norman, people were asked to rank pictures of buildings based on architectural design and a picture of one of the retail strips in the UNPTIF was ranked last. Mayor Rosenthal said the designs ranked during the Charrette were focused on urban development versus suburban strip development so that is a little out of context. She said if Council expects City Staff to enforce regulations, it will cost a lot more than $6,500 per year.

Councilmember Jungman said the value of one member on a Board would be that that member could be vocal and call attention to things that are incorrect and it is not fair to ask the Planning Director to do that. He said the Planning Director is a City Staff person not a policy maker and paying money for design reviews makes no sense when the City is currently getting it done for free. Councilmember Kovach said he agreed that the Planning Director should not be the Staff person appointed although a City representative is a good idea.

Architectural Review Board (ARB), continued:

Mr. Bryant said one thing the ARB liked about the proposed structure is that it would give them a little more autonomy and the cost of their work would be paid to the City and administered by the City as opposed to the person developing the property. Mayor Rosenthal said in the beginning of the UNPTIF there was one developer, but dynamics have changed and there are now multiple property owners, which has created difficulties both in enforcing standards and obtaining payments.

Councilmember Kovach said he would be willing for the City to pay the entire amount so the City could control the standards with which the ARB works and have true autonomy to enforce what is supposed to be done and Councilmember Jungman agreed. Councilmember Williams felt the City paying the full amount would not affect how the ARB enforces standards. Councilmember Castleberry suggested the ARB should ask for payment up front to avoid slow paying from developers.

Mayor Rosenthal suggested the UNPTIF Oversight Committee look at the ARB structure proposal and work with the ARB to make refinements prior to further Council discussion.

Items submitted for the record

1. Memorandum dated May 22, 2014, from Kathryn L. Walker, Assistant City Attorney, through Jeff H. Bryant, City Attorney, to Honorable Mayor and City Councilmembers
2. University North Park Business Improvement District ("BID") Plan Summary
3. UNP TIF District – Norman, Okla. Business Improvement District – BID Data Assumptions
4. Petition in Favor of a Business Improvement District
5. University North Park Business Improvement District location map
6. University North Park parcel and property owner list
7. University North Park Business Improvement District Assessment Plat Map
8. UNP TIF Valuation Data
9. PowerPoint presentation entitled, "University North Park," City Council Conference, May 27, 2014

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The meeting adjourned at 6:28 p.m.

ATTEST:

Brenda Hall

City Clerk

Cindy Rosenthal

Mayor

CITY OF NORMAN CORPORATE SEAL OKLAHOMA