

CITY COUNCIL  
BUSINESS AND COMMUNITY AFFAIRS COMMITTEE MINUTES

February 7, 2014

The City Council Business and Community Affairs Committee of the City of Norman, Cleveland County, State of Oklahoma, met at 8:32 a.m. in the Municipal Building Multi-Purpose Room located at 201 West Gray on the 7th day of February, 2014, and notice and agenda of the meeting were posted in 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, Heiple, and Chairman Griffith
ABSENT:	Councilmember Williams
OTHERS PRESENT:	Councilmember Greg Jungman, Ward Four Mr. Roger Gallagher, 1522 East Boyd Mr. Bill Hickman, 517 Macy Street Ms. Cindy Rogers, 633 Reed Avenue Mr. Don Wood, Executive Director, Norman Economic Development Coalition Mr. John Woods, Executive Director, Norman Chamber of Commerce
STAFF PRESENT:	Mr. Jeff Bryant, City Attorney Ms. Susan Connors, Director of Planning and Community Development Mr. Ken Danner, Subdivision Development Manager Mr. Terry Floyd, Development Coordinator Mr. Ken Komiske, Director of Utilities Mr. Scott Sturtz, City Engineer Mr. Shawn O'Leary, Director of Public Works Mr. Scott Sturtz, City Engineer Ms. Syndi Runyon, Administrative Technician IV

Item 1, being:

UPDATE ON THE RETAIL MARKETING ALAYSIS.

Mr. Terry Floyd, Development Coordinator, said on September 6, 2013, the Business and Community Affairs (BACA) Committee discussed a retail gap analysis and the possibility of conducting a Retail Market Analysis for Norman. The Committee requested Staff move forward with a Request for Proposal (RFP) for a Retail Market Analysis to analyze the current retail environment and identify retail gaps. Staff is in the process of finalizing the selection process and the analysis will take and estimated 90 days to complete, which would be late May or early June 2014.

Mr. Floyd said the following items will be included as part of the final analysis and report:

1. Analysis of existing conditions in Norman, in including identification of consumer expenditure patterns and areas of leakage
2. Determination of the retail trade area of the Norman market
3. Retail gap analysis for the Norman market
4. Trade area demographics
5. A psychographic profile of trade area consumers

Item 1, continued:

6. Identification and selection of high priority business categories to target recruitment efforts and/or local expansion
7. Future retail space requirements in relation to the retail market analysis, the market's growth potential and trends in the retail industry
8. Identification of specific candidate retailers to be targeted for recruitment

Mr. Floyd said the selected consultant will utilize on-site research, demographic and psychographic data, meetings with Staff and stakeholders along with providing contacts for potential retailers that may be a match for Norman to accomplish the eight items outlined above in the Scope of Work for the RFP.

Councilmember Heiple asked what a psychographic profile is and Mr. Floyd said a psychographic profile looks at customer attitudes, values, and purchasing behaviors. Mr. Floyd said the consultant will also look at nationwide trends and consumer patterns.

Councilmember Castleberry asked if the analysis will include a citizen survey and Mr. Floyd said no, but Staff has discussed the possibility of doing an online citizen survey asking citizens what businesses they would like to see in Norman.

Councilmember Jungman asked if the consultant would look at what entices people to travel to Norman to shop. He said if only Norman residents shop in Norman, no one could open a store and increase sales, but if people could be enticed to drive to Norman and shop then that would be a value added. Mr. Floyd said Staff can talk to the consultant about the "pull factor." Councilmember Castleberry asked if leakage information will tell when people go outside of Norman to shop and what they are shopping for and Mr. Floyd said yes, it will also provide information on what products are not being provided in Norman that entices people to go somewhere else. Councilmember Jungman asked if this will be the first update on these topics since the Cannibalization Study in 2008, and Mr. Floyd yes, this will be, by far, the most comprehensive update on retail marketing.

Councilmember Castleberry asked if the analysis of existing conditions in Norman would focus on specific areas of Norman or if it would be citywide and Mr. Floyd said it will do both. He said the analysis will provide an overall view of the City and Staff will ask the consultant to look at specific commercial areas. Mr. Floyd said the analysis will also include information on east side commercial growth because that area continues to grow residentially requiring more commercial activity.

Mr. Floyd said the analysis will include the identification of vacancies and potential opportunities, meetings with Staff and stakeholders, interviews with local retailers, onsite research, mapping of the retail areas in Norman, and a competition assessment. He said the analysis will analyze many demographic categories to create a custom community profile, utilize psychographic information to further assess the types of retailers that would be a fit for Norman, and provide lifestyle segment categories and rankings. The retail gap analysis will identify areas of surplus and leakage for different retail sectors as well as identify areas for retail success and retail potential.

Mr. Floyd said, using analytical data, potential regional and national retailers can be identified and analytical data from the study will be used to create projections for future retail demands along with future market potential. The information and analysis from the final report will be utilized to assist in the City and business community's efforts to redevelop and expand existing retail. Final analysis will also provide detailed information that will assist in recruiting new retail business to Norman.

Item 1, continued:

Chairman Griffith asked the status of the Retail Coordinator interviews and whether or not the Retail Coordinator position will be filled by the time the RFP is sent out. Mr. Floyd said interviews are currently taking place. He said the Retail Coordinator should be hired prior to the completion of the analysis to have a change to get acclimated. He said the final analysis report will greatly benefit that position. Councilmember Heiple asked if the Retail Coordinator and the Executive Directors of the Norman Chamber of Commerce (NCC), Norman Convention and Visitors Bureau (NCVB), and Norman Economic Development Coalition (NEDC) would be best friends or just coffee buddies. Mr. John Woods, Executive Director, NCC, said he hopes to build a good relationship with the Retail Coordinator. He said current retailers need the analysis marketing data as well as to know what products need to be offered to the Norman community to help increase sales and possibly open secondary locations. Councilmember Heiple said there needs to be a balanced approach of providing a boost to existing businesses as well as recruiting new businesses.

Councilmember Jungman asked if Council would get to ask questions of the consultants and Mr. Floyd said yes, either at a kick-off meeting with Council or a Study Session.

Ms. Cindy Rogers, 622 Reed Avenue, asked if a geographic information component will be included in the analysis and Mr. Floyd said yes, he believes the consultant will coordinate with the City's Geographical Information Systems (GIS) Department. Ms. Rogers said the Center for Special Data Analysis at OU has a lot of expertise in fine level social economic data and may have data the City can use.

Ms. Rogers said retail seems to be a declining sector right now due to internet sales and asked how that squared up with the City recruiting new retail and Mr. Floyd said a new business trend is "right sizing" to leave a smaller footprint. He said instead of building a 75,000 square foot, mega building with thousands of products, retailers are looking at what the consumer in the area is purchasing. He said consumers are making smarter purchases and researching products online prior to purchasing instead of impulse buying.

Ms. Rogers said she is concerned about cannibalization and felt chasing retail is just shuffling the shopping base and taking from Peter to give to Paul, which is not good for existing businesses. She said Corporate America has experts to determine the best locations and cities do not need to chase businesses. Councilmember Castleberry said, from a budget standpoint, the City gets its revenue from retail so because of that the City can either increase their revenue or cut expenses. He said this study will help existing businesses as well as help the City target the retail it needs. He said there is a difference between cannibalization and competition. He said competition can be healthy and make existing businesses readjust their point of sale and inventory to become better and attract more customers. He said the ideal retail would be someone that draws people in such as Academy Sports. He said these are the types to the things the City is trying to identify. Ms. Rogers said the City needs to think outside the box because sporting events bring people in so why not have something like an indoor soccer facility in the University North Park Tax Increment Finance (UNPTIF) District. She said that would draw people into Norman who would then shop Norman yet it would not be a typical "retail business."

Councilmember Jungman said the question is, "What is causative?" If new retail causes competition which is causative for increased sales tax collection then that is good. He said higher income is causative of increased sales. He said Norman needs to find out how to make this happen and to find that variable if possible and this study will help in determining that.

Items submitted for the record

1. Memorandum dated January 30, 2014, from Terry Floyd, Development Coordinator, through Steve Lewis, City Manager, to Council Business and Community Affairs Committee
2. PowerPoint entitled, "Update Regarding Retail Market Analysis," Council Business and Community Affairs Committee, February 7, 2014

Item 2, being:

UPDATE ON INFRASTRUCTURE AND DEVELOPMENT PROJECTS IN THE UNIVERSITY NORTH PARK TAX INCREMENT FINANCE DISTRICT.

Mr. Shawn O'Leary, Director of Public Works, said the first project in the UNPTIF involves over \$5,000,000 of infrastructure improvements to serve the 60 acre NEDC Corporate Center Addition located east of 24th Avenue N.W. and north of Rock Creek Road. The infrastructure project includes streets, storm water, water, and sanitary sewer. The project will be completed October 1, 2014, at which time all of the platted parcels will be available for private development of business and industrial facilities.

Mr. O'Leary said the Economic Development Administration (EDA) of the United States Department of Commerce is providing a grant to NEDC for up to \$2.5 million for this project.

Chairman Griffith asked if there has been any consideration for plane hangar space for the corporate aircraft and Mr. O'Leary said yes, at the eastern boundary of the business park. He said Westheimer Airport has concurred with the concept.

The second project in the amount of \$2,105,500 involves the construction of the remainder of the Interstate 35 Frontage Road from Conference Drive north to 24th Avenue N.W. as well as a public sector water main along the same alignment. The project is financed with UNPTIF funds and City Staff will administer the construction process. Construction will begin around March 24, 2014, with an anticipated completion date of March 11, 2014.

Mr. O'Leary said the roadway was planned through Tecumseh Road, but Southwest Wire Company would not sell property for the roadway so the City has to realign the roadway. He said the project will end at 24th Avenue N.W. instead of going on to Tecumseh Road, which left a 90 degree turn. Since this would create a sweeping turn requiring cutting into more real estate, the City opted to install a roundabout. He said there will also be a roundabout in the Corporate Center Addition and the two projects will tie together at the signalized intersection of 24th Avenue N.W.

Councilmember Jungman asked if there will be access to Rock Creek Road off the frontage road and Mr. O'Leary said there is not a direct access. The roadway will go under bridge then tie back to Corporation Drive. He said access may be accommodated in the future and the City is being mindful of transportation priorities moving forward.

Mr. Bill Hickman, 517 Macy Street, asked if the roundabouts would be constructed in a manner that would support public art in the future and Mr. O'Leary said yes there is room for art or elaborate landscaping, but currently there are no funds for public art. Mr. Wood said the roundabout in Corporate Center has a budget for a piece of public art and that is currently being commissioned. He said Corporate Center wanted a roundabout to force truck traffic to come in from the north and keep it away from the office area. He said there will also be bronze art around the detention pond.

Items submitted for the record

1. Memorandum dated February 7, 2014, from Shawn O'Leary, Director of Public Works, to Council Business and Community Affairs Committee
2. Aerial maps of project areas in the University North Park Tax Increment Finance District

Item 3, being:

MISCELLANEOUS DISCUSSION.

Ms. Susan Connors, Director of Planning and Community Development, gave a brief update on retail activity in the UNPTIF. She said Ashley Furniture Company is currently under construction and Chuck Cheese has obtained a building permit. Two lots north of Kohl's are under negotiation, but no one know what the businesses are at this time. She said one hotel in under construction and a Marriott Courtyard hotel is being reviewed by the Architect Review Board. She said other businesses coming into the UNPTIF include Longhorn Steakhouse, Beauty Brands (similar to Ulta), and two unidentified upscale restaurants. She said an unidentified big box store is also under negotiation. Ms. Connors said the construction of Legacy Park seems to be drawing more businesses to the UNPTIF.

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The meeting adjourned at 9:30 a.m.