

COUNCIL CONFERENCE MINUTES

August 24, 2010

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 24th day of August, 2010, 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 Atkins, Butler, Cubberley, Dillingham, Ezzell, Griffith, Kovach, Quinn, Mayor Rosenthal

ABSENT: None

DISCUSSION REGARDING CHANGE ORDER NO. ONE TO CONTRACT NO. K-1011-9 WITH CENTRAL CONTRACTING SERVICES, INC., INCREASING THE CONTRACT AMOUNT BY \$35,152 FOR THE FYE 2011 CONCRETE PROJECTS TO UTILIZE THE FULL BUDGET AMOUNT.

The six types of projects included in the FYE 11 Concrete Projects are as follows:

- ❖ Citywide Sidewalk Reconstruction Project – assists property owners in repairing sidewalks and constructing new sidewalks along an entire City block
- ❖ Sidewalk Accessibility Project – provides wheelchair ramps where none exist and rebuilds existing ramps that do not comply with the American with Disabilities Act (ADA) standards
- ❖ Sidewalk Program for Schools and Arterials Project – constructs new sidewalks adjacent to elementary schools that have no sidewalks and along walking routes to the school
- ❖ Downtown Area Sidewalks and Curbs – repairs hazardous or deteriorated sidewalks, ramps, and curbs in the downtown area
- ❖ Concrete Valley Gutter Project – constructs new concrete valley gutters in asphalt streets that are deteriorated or do not drain properly
- ❖ Miscellaneous Annual Drainage Project – allows Staff to address small, unplanned drainage projects reported by citizens during the year

Mr. Shawn O'Leary, Director of Public Works, said Central Contracting Services, Inc., was the low bidder in the amount of \$229,443.50 and the engineers estimate was \$280,000. He said the bid was less than the budgeted amount and Change Order No. One will bring the bid closer to the budgeted amount to allow for more work to be done.

Items submitted for the record

1. Text File No. K-1011-9 dated August 10, 2010
2. Change Order No. One to Contract No. K-1011-9 with detail of projects

DISCUSSION REGARDING CHANGE ORDER NO. FOUR TO CONTRACT NO. K-0607-38 WITH WALTERS-MORGAN CONSTRUCTION, INC., DECREASING THE CONTRACT AMOUNT BY \$5,568.44 FOR THE WASTEWATER TREATMENT PLANT SLUDGE HANDLING PROJECT AND FINAL ACCEPTANCE OF THE PROJECT.

Mr. Mark Daniels, Utilities Engineer, said on July 8, 2003, City Council approved Contract No. K-0304-28 authorizing Camp, Dresser and McKee, Inc., to prepare a preliminary design report for the Wastewater Treatment Plant (WWTP) Sludge Handling Improvements. On April 12, 2005, City Council approved Contract No. K-0405-136 with Amendment Nos. One and Two with HDR Engineering, Inc., to provide final design and bidding of the improvements to include a non-potable water system, digester cover improvements, digester mixing improvements, effluent flow measurement, and sludge handling improvements. On March 27, 2007, City

Council awarded Contract No. K-0607-38 to Walters-Morgan Construction, Inc., in the amount of \$6,115,000 for the WWTP Sludge Handling Improvements construction. Change Order No. One increasing the contract amount by \$174,041.51 was approved on September 11, 2007; Change Order No. Two increasing the contract amount by \$129,629.67 was approved on February 26, 2008; and Change Order No. Three increasing the contract amount by \$60,951.04 was approved on March 10, 2009. Mr. Daniels said the project is now complete and Change Order No. Four will decrease the contract amount by \$5,568.44 for a revised contract amount of \$6,474,053.79 with a revised completion date of April 20, 2009.

Mr. Daniels provided a summary of wastewater projects since 2001 as follows:

- ❖ WWTP Phase I Expansion - \$15.4 million with \$2 million remaining
- ❖ WWTP Phase II Expansion - \$8 million and \$12 million budgeted in FYE 12
- ❖ South Interceptors - \$23 million with \$3 million remaining
- ❖ North Interceptors and Lift Station - \$9.5 million with \$8.5 remaining

Mr. Daniels said \$7 million of the total spent was grant money. He said \$18 million has been spent on sewer maintenance since 2001.

Items submitted for the record

1. Text File No. K-0607-38 dated August 12, 2010
2. Change Order No. Four to Contract No. K-0607-38

PRESENTATION FROM DON WOOD, EXECUTIVE DIRECTOR OF THE NORMAN ECONOMIC DEVELOPMENT COALITION, REGARDING AN INDUSTRIAL LAND SURVEY.

Mr. Don Wood, Executive Director of the Norman Economic Development Coalition (NEDC), said the NEDC conducted an Industrial Land Survey to see how other communities purchase and develop business/industrial park property. He said years ago, developers in Norman developed small sites of approximate one to one and a half acres and their target market was a 10,000 square foot building. He said needs for large sites of five acres plus were not being met. He said businesses were not moving into Norman because the lots were not large enough to accommodate the 15,000 square foot plus buildings that included parking. He said NEDC approached the developers, but none were uninterested in developing large sites. He said 3M Company bought 116 acres in 1980 for future development of a plant and NEDC approached 3M Company regarding building a plant on the site, but 3M stated the site was not big enough. He said NEDC bought 150 acres from the Saxon Company and approached 3M again about building in Norman, but 3M said they did not like the typography of the site and finally admitted they were not interested in building a plant in Norman. Mr. Wood said NEDC bought the 3M land and sold portions of the land to a church, a developer to develop a neighborhood, and the rest has been sold to small businesses at the same cost NEDC paid for the land. He said an 18.5 acres site is left undeveloped, which is the best site in the industrial park and can accommodate a 200,000 foot building. He said there is also approximately 44 acres remaining to be developed from the land purchased from Saxon. He said the downsides of the two sites are they are on the southeast part of the City and will attract a large labor force from Oklahoma City, but the commuting time will be longer. He said if businesses recruit jobs too far north and the commuting time is too long, laborers will eventually quit and obtain jobs closer to home. Mr. Wood said a site is needed on the north side of Norman.

Mr. Wood said NEDC Staff surveyed eight to ten communities across Oklahoma and cities with a population of less than 100,000 generally develop their own land for a business park through a public entity such as a Trust Authority for Economic Development using public funds. He said the Tulsa and Oklahoma City markets are big and dynamic enough that the private sector meets the needs with plenty of land available for competitive pricing. He said many of those cities also have infrastructure in place to serve the sites. Mr. Wood said Norman is a mid-size market that does not have the demand to create the competitive environment. He said City Council could play a role in the purchase, development, and financing of one or more 160 acre sites in preparation for opportunities that come our way and support business recruitment efforts. He said projects will move onto other communities if Norman cannot provide site ready accommodations.

Mr. Wood said some communities have trust authorities with sales tax money dedicated to the authority, which funds economic development. He said Norman could consider supporting a small dedicated sales tax for economic development with some funds being used to purchase, develop, and finance an industrial park property.

Councilmember Kovach asked if Norman is drawing in workers from Oklahoma City, how does that help Norman and Mr. Wood said companies look at a region for the labor pool and the smaller the region, the smaller the industrial development so NEDC promotes the greater metro area, which includes Norman. He said Norman being the headquarters for a large business is important because of their participation in community support and activities such as the United Way and their tax dollars. Councilmember Dillingham said even though some workers commute from Oklahoma City, those people usually run errands on their lunch hours spending their money in Norman and eat lunch in Norman, etc.

Mayor Rosenthal asked what other mid-size cities, in the shadows of larger metropolitan areas, do that might be innovative and interesting. Mr. Wood said most cities fund development from sales tax. Mayor Rosenthal said Ardmore had 3,200 acres for development and asked if that was acquired over a long period of time and Mr. Wood said Ardmore is an anomaly. He said they have a capital campaign to raise money every three years plus private donations so they are able to purchase large blocks of land.

Councilmember Ezzell asked what makes a city the most competitive; is it land, money available, incentive programs, etc. Mr. Wood said the University North Park Tax Increment District (UNPTIF) is the best tool for selling Norman because of the tax incentive and aesthetics of the property.

Councilmember Atkins said he would be interested in information on Jenks and Owasso because both are near Tulsa and had a large number of developments in recent years. Mr. Wood said he would check, but did not believe these cities have an organized Economic Development Group.

Councilmember Ezzell asked how much money Norman would have to commit to be competitive and Mr. Wood said Norman would probably want to acquire 160 acres at approximately \$20,000 per acre. He said the City could borrow the money and debt service would be approximately in the amount of \$200,000 per year.

Mayor Rosenthal said some cities use capital campaigns to raise money and asked for more detail on how that works. Mr. Wood said most cities such as Tulsa, Ardmore, and Oklahoma City hired a fund raising firm that gets a percentage of the money. Councilmember Cubberley asked if it were true that monies raised in capital campaigns generally come from oil companies and energy related companies that are more flush with cash and want the public relation benefits and Mr. Wood said yes and Norman does not have those deep pocket companies making it more of a challenge.

Councilmember Kovach asked Mr. Wood what level of cooperation he sees between City and County government on economic development and Mr. Wood said in Lawton, they have an eight cent economic development sales tax through Comanche County that supports economic development, but that is the only city he knows where the County is involved.

Mayor Rosenthal said economic development will be discussed at the City Council Retreat and forming a committee to work on attracting and funding development will be a priority.

Mr. Wood introduced Mr. Derek Case, NEDC Intern, who will be doing research to identify companies that fit a certain profile for Norman and contacting these companies about locating in Norman.

Items submitted for the record

1. Memorandum dated August 19, 2010, from Don Wood, Executive Director of NEDC, to Norman City Council with attached survey results for Bartlesville Development Corporation; Broken Arrow Chamber of Commerce; Greater Oklahoma City Chamber of Commerce; Lawton/Fort Sill Chamber of Commerce; Muskogee Development Authority; Norman Economic Development Coalition; Ponca City Development Authority; Shawnee Economic Development Foundation; Tulsa Metropolitan Chamber of Commerce; and Ardmore Development Authority

The meeting adjourned at 6:17 p.m.

ATTEST:

City Clerk

Mayor