

## CITY COUNCIL CONFERENCE MINUTES

January 13, 2015

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 13th day of January, 2015, 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, Heiple, Holman, Lang, Miller, Quinn, Williams, and Mayor Rosenthal
TARDY:	Councilmember Jungman
ABSENT:	None

Item 1, being:

### DISCUSSION AND UPDATE REGARDING ACTIVITIES OF THE ECONOMIC DEVELOPMENT ADVISORY BOARD.

Mr. Chuck Thompson, Chair of the Economic Development Advisory Board (EDAB), thanked Council for their choice of Board members for EDAB. He said the Board is very diverse with the expertise needed for economic development issues. He said Ms. Kathryn Walker, Assistant City Attorney, will update Council on EDAB activities to date.

Ms. Walker said Council created EDAB in April 2013, to review and make recommendations to the Norman Economic Development Authority (NEDA) regarding requests for economic development incentives. Council also approved the Economic Development Incentives Policy to guide both NEDA and EDAB in their evaluation of economic development projects. EDAB is charged with making recommendations to City Council regarding proposed economic development policies and programs; making recommendations regarding requests for City-funded incentives for private businesses as proposed by the Norman Economic Development Coalition (NEDC); aiding City Council in developing strategies and plans for promoting economic development in the City of Norman; investigating and reporting on economic development issues as assigned by Council; serving as a forum for economic development policy discussion and education; and assisting in identifying assets, resources, and incentives appropriate for furthering economic development within the City of Norman.

Ms. Walker highlighted tasks assigned to EDAB as follows:

- Examine tools available for analyzing incentive based economic development projects
  - No current funding is available from which to offer incentives
- Revitalization of the West Main/Ed Noble Parkway area
  - I-35 Main Street Single Point Urban Interchange (SPUI) opened April 2014
  - I-35 Lindsey Street SPUI to be completed in 2017
- Norman Convention and Visitors Bureau (NCVB) and room tax allocation
- Analysis of economic feasibility of cultural facilities as part of the University North Park Tax Increment Finance (UNPTIF) District
  - NCVB currently waiting on completion of study regarding an Exposition Center
- Evaluation of the Water/Wastewater Reclamation Financing Study
  - Request for Proposal (RFP) process is underway
- Parking solutions for the Campus Corner/Downtown Norman area
  - Center City Visioning Process is underway
  - EDAB has focused on their efforts on this topic

Mayor Rosenthal said the examination of tools in regards to economic development projects was not a task given to EDAB to be discussed only when incentives are given, but was tasked to EDAB to look at whether the City of Norman needed software to do economic fiscal impact analysis. Mr. Thompson said software for economic impact analysis is still very much a part of EDAB's discussions although they have not delved into that subject too deeply yet.

Ms. Walker said EDAB's main focus has been on parking solutions for Campus Corner and Downtown Norman and the creation of a parking authority trust. She said EDAB focused on three points, 1) establishing the need, 2) potential capital intensive investment, and 3) partnership opportunities. She said EDAB reviewed the 2003 Norman Parking Study prepared by Carter-Burgess and is recommending Council update the study. She said parking garages are more expensive than surface lots so EDAB is looking at long term financing and feasibility, which leads discussions to a parking authority public trust structure to enable the City to enter into long term debt with parking revenue streams dedicated for that purpose. She said Cleveland County Commissioner Darry Stacey has been attending the EDAB meetings and the County has shown interest in a multi-jurisdictional public trust to help with parking issues at the County Courthouse Complex.

Ms. Walker said the Carter-Burgess Study included Downtown Norman's Central Business District (CBD) and the Campus Corner area adjacent to the University of Oklahoma (OU). In the study current parking conditions were inventoried, utilization of parking was analyzed, parking demands were assessed, and parking alternatives were recommended. The study's financial considerations included General Obligation Bonds, Special Assessment Bonds, Tax Increment Finance Bonds, Revenue Bonds, and operation and maintenance of parking garages (suggested for Gray Street and Campus Corner).

Ms. Walker highlighted the 2003 Norman Parking Study findings and recommendations as follows:

**Areawide**

- Shortage of parking in Norman's CBD and Campus Corner during peak period on typical weekdays
- Shortage of convenient parking
- Turnover of metered parking areas is good

**Central Business District**

- Peak parking utilization extends over the midday period between 10:00 a.m. and 4:00 p.m. on typical weekdays, with overall occupancy rates exceeding 45% of total available space
- Excess parking not used because it is in the periphery of the CBD
- Eight blocks of the CBD observed to have parking deficiencies

**Campus Corner**

- Parking occupancy peaks between 12:00 noon and 1:00 p.m. on typical weekdays when 58% of available spaces were occupied
- Excess parking not used because it is in the periphery of the Campus Corner area
- Parking deficit is in the core area along University Boulevard and Asp Avenue between Boyd Street and White Street where peak utilization exceeds the available number of spaces
- An additional 294 spaces needed to address practical capacity
- Campus Corner experiences added parking demand due to spillover of parking demands generated within the adjacent OU Campus

### **2003 Parking Study Recommendations**

- Undertake a phased program of parking improvements in the CBD first to develop a surface lot followed by later development of a multi-level parking garage
- Additional meter parking in the CBD (e.g. along Main Street and Gray Street)
- Potential development of a multi-level parking garage for the Campus Corner area
- Parking meter rate increase
- Parking Validation Program for shoppers and business patrons
- Remote parking/additional transit service (for shuttle to and from remote parking areas)

Ms. Walker said since the 2003 Parking Study was completed, a downtown parking lot on Gray Street was constructed with 144 spaces, parking meters have been updated, and parking meter rates were increased on Campus Corner. She said a new study could help determine if pay-to-park, multi-level, or surface public parking facilities are still feasible. She said it would cost an estimated \$120,000 to update the study, which would take nine to twelve months to complete. She said the recommendation is being reviewed by the Finance Committee as a possible budget adjustment. She said with the Center City Visioning process underway and discussions regarding the possible change of Main Street and Gray Street from one-way to two-way, this may be the right time to update the study.

Ms. Walker said when talking about parking and long term needs, the City is really talking about funding. She said EDAB has discussed possible ways of funding. She said cities cannot plan beyond the current fiscal year when issuing debt without a vote of the people so many times, municipalities will create public trusts with the municipality being the beneficiary of the public trust such as the Norman Utilities Authority and the Norman Municipal Authority. A public trust exists as a legal entity separate from and distinct from municipal beneficiaries, exist for the public benefit and act on behalf and in furtherance of a public function, may issue debt, commit to long term financial obligations, and may sell real or personal property.

Ms. Walker said in order to fund a public trust, the City must have sufficient revenues to support issuing debt and highlighted potential revenue sources for a proposed Parking Authority/Trust as follows:

- Meters (divert from General Fund)
- Garage and public lot parking fees from facilities deeded/leased to Parking Authority
- Leases of long term parking spaces
- Retail leases for bottom level of garage (strongly recommended through the Center City Visioning process)
- Parking tickets related to meters, lots, and garages (retained by City to pay for Parking Service Officers)

Ms. Walker said the consensus of EDAB was not to use parking tickets as a revenue stream because the City hires Parking Service Officers (PSOs) and ticket revenues are used for policing purposes.

She said current City parking revenues for FYE 2014 were \$271,653 and \$296,058 is budgeted for FYE 2015 (\$200,000 from Campus Corner meters and \$96,058 from other meters). Annual operation and maintenance costs are \$125,000 to \$150,000, which does not include multi-level parking structures since there are currently none in the City of Norman at this time.

Ms. Walker provided an example of potential multi-level parking structure rates. She said assuming 1,261 parking spaces with no retail space, construction costs would be an estimated \$26,500,000, annual debt service (revenue bond) would be \$2,135,000, and include a 20 year payout, 5% bond reserve, and 4.5% interest. She said parking fees necessary to cover construction costs only, assuming full occupancy, would be \$1,693 per year per space, \$142 per month per space, or \$4.75 per day per space. Assuming 75% occupancy would be \$188 per month per space or \$6.50 per day per space.

Ms. Walker said, as stated earlier, Cleveland County Commissioner Darry Stacey has been attending EDAB meetings and Cleveland County is interested in discussing a joint endeavor to fulfill their parking needs relative to the Courthouse; however, nothing formal has been done to date. She said EDAB also looked at OU being a partner as well, but under State law educational institutions cannot be beneficiaries of a public trust; however, Member Purcell serves on the OU Board of Regents and has told EDAB that OU wishes to be apprised of discussions.

She highlighted potential multi-level parking structure partnering opportunities as follows:

- Multi-Jurisdictional Parking Authority
  - City/County Parking Authority
  - Appointment of trustees
  - Dedication of assets/revenue streams
- Downtown
  - Cleveland County – Court House Complex
  - Merchants
- Campus Corner
  - Merchants
  - Churches

Chairman Thompson said Cleveland County is looking at redeveloping the County Courthouse Campus and County Commissioners are very interested in creating a cohesive plan for the aesthetic aspects as well as operational aspects of parking needs. He said that also opens the door to what can happen at Campus Corner. He said in 2003, the Gray Street parking lot was originally designed as a multi-deck lot with retail on the ground floor and possible housing on the top floor. At that time it was a farfetched idea that anyone would want to live on the top floor of a building downtown, but that view has changed since then. He said having an update to the study will be very beneficial in many ways. He said there is a possibility the County and the Campus Corner Merchants Association may be able to provide some funding towards study.

Ms. Walker said EDAB is recommending the 2003 Norman Parking Study be updated to consider actions already taken such as the Gray Street parking lot and upgraded meter systems as well as determining the size of a parking structure needed, number of spaces needed, potential for retail in parking structure, Center City Visioning concepts, and estimated costs and revenues. EDAB is also recommending the City pursue a multi-jurisdictional trust authority with Cleveland County to include an operational agreement to define participation, dedication of revenues, and property to be used for parking.

Councilmember Miller asked how much of the property on James Garner Avenue is owned by the County and Chairman Thompson said First Baptist Church owns a portion of the far western property on Eufaula Street and James Garner and the County owns the eastern property that fronts James Garner.

Councilmember Lang asked if the scope of the recommended study update takes into account all the interested parties and Mr. Thompson said the cost would include the County Complex. Councilmember Lang asked if the study takes into account the different needs for parking such as everyday business activities, retail shopping in Downtown/Campus Corner, employees of businesses, etc., and Chairman Thompson said it does and those different needs are an example of why a multi-jurisdictional authority would be a good idea. He said the study will give the City an idea of what those needs are and a multi-jurisdictional authority could address those needs.

Councilmember Castleberry said parking revenues on meters are currently \$150,000 and those revenues go into the General Fund. He said if revenues are moved to a public trust instead of the General Fund, how would that benefit the City and Mr. Anthony Francisco, Director of Finance, said the City would benefit from the service of additional parking. Chairman Thompson said as Downtown Norman and Campus Corner continues to become more

economically viable there will come a point in time where parking will almost be required and as a community it will have to be addressed. He said an authority that can dedicate its revenues to long term debt that is off the City's primary liability. He said banks look at the revenues from those facilities, which allows more flexibility on debt issuance.

Mayor Rosenthal felt the City should explore a multi-jurisdictional authority because citizens expect government entities to work together and not have dueling parking garages. She said a missing piece coming out of the Center City Visioning process is the possibility of increased densities in the core area in terms of housing and expectations of additional cars and traffic. She said the City should look at the possibility of permit parking for residents in the core area. If the City is updating the parking study in the entire area, the residential component should be factored in and perhaps the residential component can be served by these parking structures as well. She said permit parking is another potential revenue source as well. She said many citizens in these residential areas feel like they are competing with commercial, retail, or business parking. Councilmember Holman agreed and said the biggest problem around Campus Corner neighborhoods is people parking on neighborhood streets because they cannot find parking anywhere else. Chairman Thompson felt that component could be easily included in the study.

Councilmember Jungman said when meter rates were increased on Campus Corner, the City hoped to add enforcement staff or enforcement hours so if the revenues are moved to a trust authority will staff be moved to the trust authority? How will the City keep the revenues needed for enforcement? Chairman Thompson said EDAB discussed enforcement and decided ticket revenues should stay in the General Fund and parking revenues could go into the trust authority coffers. Chairman Thompson said the new parking meter devices substantially reduce the parking enforcement officers' time spent on parking violations and the new devices allow shoppers to add time to the meters from their cell phones. Councilmember Jungman asked if the City is enforcing parking on Campus Corner after hours and Mr. Shawn O'Leary, Director of Public Works, said no, but that is something being discussed.

Councilmember Castleberry said it is his understanding that OU is looking at adding a parking garage near their engineering building so would that be encompassed in this study? Chairman Thompson said Ms. Chris Purcell is the Vice-President of University Governance and a member of EDAB so that conversation has opened up. He said original conversations included OU as part of the trust authority, but unfortunately, EDAB has learned that is not legally possible; however, in preliminary conversations with members of OU Governance they have asked to be included in ongoing discussions. He said the intent of the County, City, and OU is to avoid dueling parking garages and to use the results of the study to find the best location, what the needs are, how many parking spaces are needed, what is the right rate, etc.

Ms. Joy Hampton, The Norman Transcript, asked about the Gray Street parking lot revenues and Ms. Walker said those revenues are not reflected in FYE 2014. She said currently the meters are not operating properly so those figures were not included in the figures given today. Ms. Hampton asked what is being done about the operation problems and Mr. O'Leary said the City is changing vendors because the original company was not able to deliver the whole packet of meters and sensors and are withdrawing from the entire operation. He said the City is preparing a new RFP, but in the interim parking is free. Ms. Hampton asked the occupancy of the lot and Mr. O'Leary said 45% to 50% on the high end. Ms. Hampton asked why the City thought the people who want things for free are going to pay to park in a parking garage as long as they can continue to park on the street for free. Mr. O'Leary said the reason for updating the study is to look at all the current cultures in Norman that behave differently. He said since 2003, the City knows how the different cultures behave because the City has changed things by raising rates from \$.25 to \$1.00 on Campus Corner, which solved the parking issues and there have been no issues with that rate. He said the City kept the rate of \$.25 in Downtown Norman and lost half of the occupancy, which is a very different reaction.

Ms. Hampton said The Norman Transcript has parking issues every day and the Gray Street parking lot is not that far from where she works, but she does not use it because she does not understand how to operate the meters. She asked if the City thought that was part of the problem with occupancy and Chairman Thompson felt the problem was due to the meters not operating properly. He said empty parking spaces are a good thing, not a bad thing, because when the parking lot was free and full, restaurants complained that business dropped off. When the City started charging for parking there were more spaces available and the restaurants' business picked back up.

Mayor Rosenthal said the premium parking spaces in Downtown Norman are in front of the businesses along Main Street and Gray Street, which are free although they are limited to one hour. She said the pricing for parking has to be right and the most desirable spot should cost more. Ms. Hampton asked if the City is considering installing parking meters in front of businesses and Chairman Thompson said that is not a consideration at this time.

Mr. O'Leary said the updated study would include five stakeholder meetings as part of the study so the City will be reaching out to all the groups for their input.

Mayor Rosenthal said the Finance Committee will be considering adjusting the budget to include the \$120,000 for an updated study in their meeting of January 15, 2015, and if Councilmembers cannot attend that meeting it would be helpful to have a sense of Council's value of this study tonight.

Councilmember Williams said the 2003 Norman Parking Study is not nearly detailed enough given all the changes that have taken place since that time so he would support an updated study.

Items submitted for the record

1. Memorandum dated January 9, 2015, from Kathryn L. Walker, Assistant City Attorney, through Jeff H. Bryant, City Attorney, to Honorable Mayor and Councilmembers
2. Letter dated January 8, 2015, from Chuck Thompson, Chair, Economic Development Advisory Board, to Mayor Cindy Rosenthal; Councilmember Greg Heiple; Councilmember Clint Williams; Councilmember Robert Castleberry; Councilmember Greg Jungman; Councilmember Lynne Miller; Councilmember Jerry Lang; Councilmember Stephen Holman; and Councilmember Dan Quinn
3. Economic Development Advisory Board Minutes of February 20, April 3, June 5, August 7, and October 2, 2014
4. PowerPoint presentation entitled, "Economic Development Advisory Board Activities," City Council Conference, January 13, 2015

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The meeting adjourned at 6:15 p.m.

ATTEST:

  
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City Clerk



  
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Mayor Pro Tem