

CITY COUNCIL
COMMUNITY PLANNING AND TRANSPORTATION
COMMITTEE MINUTES
November 17, 2011

The City Council Community Planning and Transportation Committee of the City of Norman, Cleveland County, State of Oklahoma, met at 5:34 p.m. in the Conference Room on the 17th day of November, 2011, 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 Gallagher, Kovach, Lockett, and Chairman Dillingham
ABSENT:	None
OTHER STAFF PRESENT:	Mayor Cindy Rosenthal Mr. Jeff Bryant, City Attorney Mr. Greg Hall, Streets Superintendent Mr. Bob Hanger, Storm Water Engineer Mr. Steve Lewis, City Manager Mr. Shawn O’Leary, Director of Public Works Ms. Karla Chapman, Administrative Technician
OTHER GUESTS PRESENT:	Mr. John Woods, Executive Director, Norman Chamber of Commerce

DISCUSSION REGARDING THE STORM WATER MASTER PLAN AND STORM WATER DRAINAGE AND TRANSPORTATION RELATED CAPITAL PROJECTS.

Chairman Dillingham said Council directed Staff to begin moving forward with implementing the Storm Water Master Plan (SWMP), at the September 17, 2011, Council Retreat. She said there are currently opportunities to leverage federal funding if some road projects were combined with SWMP projects, such as the corridors areas and heavier commercial areas. Chairman Dillingham said if there is an opportunity to carry out a one large combined road and storm water project and only disrupt the business community once, as opposed to disrupting businesses several times during several different projects, i.e., intersection work, utility relocations, storm water issues, etc. She requested Staff to provide options of how to “package” some of the storm water drainage projects and related transportation capital projects to maximize fiscal efficiency, as well as, take opportunities to be mindful of the business and property owners while making these improvements.

Mr. Shawn O’Leary, Director of Public Works, said Council accepted the Storm Water Master Plan (SWMP) on November 10, 2009, and on June 28, 2011, Council adopted the SWMP. He said Council identified a Storm Water Utility (SWU) fee and combination G.O. Bond issues as priorities at the September 17, 2011, Council Retreat.

Mr. O’Leary said Staff determined there are approximately 59 storm water projects throughout the City and a list of potential projects was presented to Council at the September 17, 2011, Council Retreat. He said the projects were ranked by ward, water shed, flood control, degree of reduction of property damage, public safety considerations, quality of life factors, etc. Council requested Staff select the top ranked projects utilizing a \$35 to \$40 G.O. Bond program.

The potential storm water projects and costs for each are as follows:

1. Imhoff Creek at Lindsey Street and McGee Drive	Ward 2	\$13,033,110
2. Brookhaven Creek – Main Street Bridge	Ward 3	\$ 1,718,502
3. Bishop Creek at Sinclair Drive and Beaumont Street	Ward 1	\$ 1,703,776
4. Imhoff Creek at Highway 9 and Imhoff Road	Wards 2/4	\$ 6,563,091
5. Bishop Creek at Main Street and Symmes Street buy outs	Ward 4	\$ 1,846,598
6. Bishop Creek at Lindsey Street to College Avenue-Duck Pond	Ward 7	\$ 3,628,513
7. Imhoff Creek - Andrews Detention including buy outs	Wards 2/8	\$ 3,517,101
8. Merkle Creek at East Main Street and Crestmont Street	Wards 2/8	\$ 6,066,932
9. Little River at Franklin Road	Ward 6	\$ 123,682
10. Dave Blue Creek at Highway 9	Ward 5	\$ 244,098
TOTAL COSTS		\$38,445,403

Mr. O’Leary said the goal has always been to leverage as much as possible in federal funding and in the past Norman has done very well in competing for federal funds through the Association of Central Oklahoma Governments (ACOG) Transportation Improvement Program (TIP). Mr. Angelo Lombardo, Traffic Engineer, prepares all the project applications which are due December 15, 2011, and final decisions will be determined and recommended to the ACOG Policy Board late January or early February, 2012. Mr. O’Leary said Staff has carefully selected projects based upon which projects will compete well and the City is preparing to submit the most ambitious ACOG TIP to date. He said ACOG ranks projects according to which project will perform the most good, i.e., which project(s) involve the most congestive corridors, etc. Mr. O’Leary provided a draft ACOG funding summary for past and projected TIP and said FYE 2013 through FYE 2016 is a little presumptuous and also assumes that the City will have a G.O. election to support the projects. He said however, if a G.O. Bond election is achieved the City will have the potential of receiving several million dollars in federal funds.

Mr. O’Leary said the Committee requested Staff provide a list of storm water projects and transportation projects that have general connections, i.e., streets, bridges, etc., and can be done collectively to save the City money. Staff provided a draft preliminary ACOG TIP submitted for FYE 2013-2016 reflecting combined transportation/storm water G.O. Bond projects and the possible federal funds that can be obtained for both.

<u>Potential Drainage and Street Widening Projects</u>	<u>Without ACOG Funding</u>	<u>With ACOG Funding</u>	<u>ACOG Share</u>
West Main Street bridge	\$ 4,141,010	\$ 1,718,502	\$ 2,422,508
Lindsey Street: 24 th SW to Berry	\$21,533,110	\$13,033,110	\$ 8,500,000
Franklin Road Bridge	\$ 4,274,220	\$ 1,575,630	\$ 2,698,590
SUB-TOTAL COSTS	\$29,948,340	\$16,327,242	\$13,621,098

Staff recommended four (4) street projects to include: Cedar Lane – 12th Avenue S.E. to one-half mile east of 24th Avenue S.E.; 12th Avenue S.E. – Cedar Lane Road to State Highway 9; 24th Avenue East – Lindsey Street to Robinson Street; and 36th Avenue N.W. – Tecumseh Road to Indian Hills Road. Mr. O’Leary said all the projects could compete very well with readiness points but they are not funded for full construction; therefore, a G.O. Bond issue and/or Utility fee would need to be approved in order to move the projects forward. He said they are technically transportation projects because they are bridges over major arterial streets but they also include major storm water improvements at the same time.

Mr. O’Leary said the leveraging of federal funds is limited for the Lindsey Street/24th Avenue S.W. to Berry Road Project due to high costs and the maximum ACOG funding the City can receive is \$8.5 million per year. He said the cost (with ACOG funding) for the same project includes \$2,484,452 for a storm water project

north of Lindsey Street along with McGee Avenue and Wylie Road because it is a non-participating costs and must be paid 100% by the City. Councilmember Kovach asked Staff where the water would flow to the South Canadian River for the Lindsey Street Storm Water Project and Mr. Bob Hanger, Storm Water Engineer, said it would flow down Briggs Street, along the east side of Interstate 35 (I-35) to the South Canadian River. Mr. O'Leary said the concept was for the water flow to bypass Merkle Creek. Mayor Rosenthal asked if the City would get a financial advantage since part of the Lindsey Street Project will be in the Oklahoma Department of Transportation (ODOT) I-35 Reconstruction Project and Staff said it was noted on the ACOG TIP application and it is possible. Councilmember Gallagher asked if the Lindsey Street project could include 24th Avenue S.E to Tecumseh Road, rather than ending at Robinson Street and Staff said the project could be extended to include Tecumseh Road if Council desired. Councilmember Gallagher asked Staff why it was not an 80/20 formula and Mr. O'Leary said the 80/20 formula only applies to construction, therefore the City will pay for all of the design and all of right-of way, (ROW). Mr. O'Leary said these projects typically end up being a 50/50 split primarily because utility relocation is very expensive.

Mr. O'Leary provided tables reflecting projected revenues and expenditures that the City might have with a Storm Water Utility (SWU) fee program; a table displaying an \$83 million Capital Improvement Program (CIP) Options 1, 2, and 3, with a blend of G.O. Bond and SWU fee; including possible rates and average bill. He said a key issue regarding the SWU fee concept is that it would not only fund Capital Improvements but other items as well, e.g., improving authorization of operation and maintenance, improving the Storm Water Phase II Program, providing enhanced maintenance in sub-divisions, trail construction, etc. He said the listed items are merely a baseline for Council consideration and Council may desire to delete and/or add to the list.

Mr. O'Leary said Staff provided three options to consider, stating all the options assumes a 20 year bond issue, four percent (4%) bond rate, and homestead exemption.

Option 1 - a full SWMP proposal and includes a G.O. Bond and SWU fee election. The G.O. Bond issue would consist of \$38.5 million and include a \$6.74/month SWU fee, which is the fee for an average home with 3,614 square feet of impervious area. He said with option one, a typical home valued at \$100,000 with 3,614 square feet of impervious area would be \$9.83 per month or \$117.94 per year. February 2013 could be a possible election date and the public education/outreach could be completed by Staff and a consultant.

Option 2 - a two-phased SWMP proposal – Phase one includes *only* a G.O. Bond election for \$38.5 million with an August 2012 election date. Mr. O'Leary said the cost would be approximately \$3.09 per month or \$37.11 annually for a typical home with 3,614 square feet of impervious area. Phase two of this option includes the SWU fee election that would be held one year later, approximately August 2013, and cost \$6.74 per month or \$80.83 annually for a typical home with 3,614 square feet of impervious area. Staff would provide the public education/outreach for Option two (2).

Option 3 - G.O. Bond election for the street/storm water projects with a possible election date of June 2012. Mr. O'Leary reminded the Committee the grand total, including ACOG funding, is approximately \$33.5 million for all potential drainage/street widening and street projects. He said the cost will be approximately \$2.37 per month, or \$28.43 annually to a typical home valued at \$100,000 having 3,614 square feet of impervious area. Staff would provide public education/outreach for option three.

Councilmember Gallagher asked Staff to investigate the percentage of Norman homes that have homestead exemption and if the number of exemptions would considerably change the SWU fee. Councilmember Gallagher asked what percentage of houses are less than the average 3,614 square feet of impervious area and Mr. Bob Hanger said approximately 65%.

Councilmember Kovach said as of recent City bids have come in significantly under estimate and he felt that will not last much longer. He said it is never easy to discuss the possibility of property tax increases, but felt overall the City is looking at saving a significant amount of money for the public by doing the street/storm water projects because bond prices are lower than they have been in a long time and he felt federal matching dollars will be less readily available in the future. Councilmember Kovach felt the street/storm water projects are not “wants” but are actually “needs” for a variety of reasons including public safety and costs will only get more expensive in the future. Mr. O’Leary said another factor is that cities may see excess federal funding because over the past two years cities have not been able to match the funding and obtain the ACOG readiness points and he feels very confident that Norman will compete for federal funds better than ever before over the next two or three years.

Mayor Rosenthal said she is drawn to Option No. 3, but felt it should also include the SWU fee and felt the SWU fee needed to be looked at further down the road because it is important. She agreed with Councilmember Gallagher and requested Staff get additional cost estimates to include extending the 24th Avenue S.E. Project to Tecumseh Road instead of Robinson Street. Mayor Rosenthal said she was also interested in whether or not there are some projects that would be focused on Ward 5, particularly in terms of safety improvements that would truly make it a package that covers all of the wards within the community. Chairman Dillingham agreed, stating there are improvements needed to be done in Ward 5 and including those in the G.O. Bond package may help Ward 5 citizens feel they will benefit as well. Mayor Rosenthal felt the 24th Avenue S.E. corridor would appeal to all east side Norman residents and residents commuting to Oklahoma City.

Councilmember Gallagher suggested Staff find ways to assist owners with appropriate access to their business when road construction is in close proximity. Mr. O’Leary said those scenarios are never easy and painless for businesses, but he felt there are a number of mechanisms that can be used such as contractor incentive and disincentive clauses within the contract(s), some costing money. He said a project can be moved fairly quickly if the City were to use creative contracting methods, but a contractor will bid higher for a project when there are incentive and disincentive clauses. Mr. O’Leary used the Campus Corner Project as an example, stating the contract contained provisions/incentives because the City knew it would be disruptive to the businesses in the area and the City hired a contractor who was able to complete the work and get out quickly. He said Lindsey Street would not be an “easy” project but if the City was willing to spend the additional money to get the right contract language/incentives along with Staff aggressively managing the project it could be done. Chairman Dillingham agreed and said public education will be crucial. Councilmember Kovach asked how much more money a project with incentive clauses might cost and Mr. O’Leary said it would be in the range of 5% to 10% more depending on how aggressive it is but felt it would be a good investment. Councilmember Kovach asked if today’s presentation included the number(s) that would be needed in order to bid a contract with incentive clause(s) and Mr. O’Leary answered in the affirmative, stating there is enough contingency that would cover a contract with incentive clause(s). The Committee discussed and agreed that would be a great mechanism/method to use for the future Lindsey Street project.

Councilmember Lockett asked Staff if the Lindsey Street Project would work around the OU classes and/or athletic schedules and Mr. O’Leary said yes, the project typically would be discussed by both Council and OU and both will have input and define how/when the project will begin/end. Mr. O’Leary said the City will be working “second-chair” to ODOT during the Lindsey Street Project, i.e., the City will design and develop the project but at the point where federal funding occurs, the City will hand it over to ODOT who will then follow state regulatory policies and conditions.

Mayor Rosenthal said if Council decided as a whole to move forward with Option No. 3, she felt a clear and precise visual picture for the Lindsey Street Project would be needed in order to show the citizens as details

within this project will matter. Councilmember Kovach requested the Lindsey Street Project (drawings) reflect xeroscaping because it will be easier to maintain.

Mr. O'Leary said another important point on projects such as these is the partnerships, such as with OU and/or business owners, because it will ultimately determine how smoothly the project will run.

Chairman Dillingham asked the Committee for input if Council decided to move forward with Option No. 3, as well as the timeline for both a G.O. Bond/SWU election and a public outreach program. Councilmember Kovach said he did not want to hide the fact that the City will continue to work on the SWU fee but he does think it can be easily confused. He felt the City should be very upfront when talking about the SWU fee and suggested going forward with a G.O. Bond election, then coming back with a SWU fee the following year or next. Councilmember Kovach felt knocking out some of the major projects lessens the overall cost of the SWU and Chairman Dillingham agreed. She felt the longer the City waited to complete the large and expensive storm water projects, the property owners will continue to lose more land due to erosion.

Mayor Rosenthal felt the SWU fee still needed to be part of Option No. 3. She felt there are still issues to work out on the SWU fee and coming back with it a year or so after the G.O. Bond election might be the way to go. Councilmember Lockett felt the City needed to be very clear and simple to citizens in reference to the G.O. Bond election and SWU fee and stress the project(s) are needs to have a City that functions and are not merely wants. Chairman Dillingham felt the citizens have seen the need(s) and have seen what the City has accomplished in the past. She said the City will need to focus on the need(s), as well as the education regarding advantages of the G.O. Bond election and SWU fee.

Councilmember Gallagher asked if business and residential would have the same SWU rate and Mr. O'Leary said yes. He said in most instances, a business would have a larger fee because they have a larger impervious area. Councilmember Gallagher asked whether or not the City has the legal authority to impose a storm water utility fee on federal and state buildings and Mr. O'Leary said lawsuits throughout the country dealing with federal property recently ruled that federal building(s) were not exempt. He felt that ruling would filter down to the state and local level(s) and said the general idea of a SWU fee would apply to any buildings, parking lots, etc., whether state or federal, if they create storm water run-off. Chairman Dillingham said an important distinction is that the SWU fee is a utility fee not a utility *tax*. Mr. O'Leary said not-for-profit organizations, churches, and possibly the University of Oklahoma (OU) in some context may appeal the SWU fee.

Chairman Dillingham felt that the City needs to keep working on the SWU fee possibly with the assistance of a citizen committee, to determine how to handle issues pertaining to the not-for-profits, churches, low income, and OU, as well as determine whether the City will be giving credits for structural controls inside a development. She felt the work will take at least a year.

The Committee felt Option No. 3 with the SWU fee modification would be the best recommendation and Chairman Dillingham agreed stating that this would allow Staff to proceed so that the full Council will have the opportunity to discuss and consider it at next week's Capital Budget Retreat.

Items submitted for the record

1. PowerPoint Presentation entitled, "Storm Water Master Plan, Possible Storm Water Utility and General Obligation Bond Elections," dated November 18, 2011

MISCELLANEOUS DISCUSSION.

Councilmember Dillingham suggested canceling the regularly scheduled Community Planning and Development Committee (CPDC) meeting scheduled on November 23, 2011, since the Committee met this evening and the Committee agreed.

The meeting adjourned at 6:35 p.m.

City Clerk

Mayor