



CITY OF NORMAN, OK CITY COUNCIL SPECIAL MEETING

Municipal Building, Council Chambers, 201 West Gray, Norman, OK 73069
Tuesday, May 20, 2025 at 2:00 PM

AMENDED AGENDA

It is the policy of the City of Norman that no person or groups of persons shall on the grounds of race, color, religion, ancestry, national origin, age, place of birth, sex, sexual orientation, gender identity or expression, familial status, marital status, including marriage to a person of the same sex, disability, relation, or genetic information, be excluded from participation in, be denied the benefits of, or otherwise subjected to discrimination in employment activities or in all programs, services, or activities administered by the City, its recipients, sub-recipients, and contractors. In the event of any comments, complaints, modifications, accommodations, alternative formats, and auxiliary aids and services regarding accessibility or inclusion, please call 405-366-5424, Relay Service: 711. To better serve you, five (5) business days' advance notice is preferred.

CITY COUNCIL, NORMAN UTILITIES AUTHORITY, NORMAN MUNICIPAL AUTHORITY, AND NORMAN TAX INCREMENT FINANCE AUTHORITY

You are required to sign up in advance of the meeting on the City's webpage, by calling the City Clerk's Office (405-366-5406), or at the Council Chambers prior to the start of the meeting with your name, ward, and item you wish to speak to including whether you are a proponent or opponent. When the time comes for public comments, the Clerk will call your name and you can make your way to the podium. Comments may be limited on items of higher interest, if so, the Mayor will announce that at the beginning of the meeting. Participants may speak one time only up to 3 minutes per person per item. There will be no yielding of time to another person. Sign up does not guarantee you will get to speak if the allotted time for that item has already been exhausted. If there is time remaining after those registered to speak have spoken, persons not previously signed up may have the opportunity to speak. Comments received must be limited to the motion on the floor only.

CALL TO ORDER

AGENDA ITEMS

The Mayor may allow for Public Comment on Item One

1. CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF THE PHASING PLAN REQUIRED BY ROCK CREEK ENTERTAINMENT DISTRICT ECONOMIC DEVELOPMENT AGREEMENT
2. DISCUSSION REGARDING THE PROPOSED FYE 2026 CITY OF NORMAN BUDGET – ENTERPRISE FUNDS.

ADJOURNMENT



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 5/20/2025

REQUESTER: Rickey J. Knighton II

PRESENTER: Rickey J. Knighton II, City Attorney

ITEM TITLE: CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF THE PHASING PLAN REQUIRED BY ROCK CREEK ENTERTAINMENT DISTRICT ECONOMIC DEVELOPMENT AGREEMENT

BACKGROUND:

Section 1.03(c) of the Rock Creek Entertainment District Economic Development Agreement (EDA) permits the Project to be completed in multiple phases to be determined and provided by the Developer Parties in a Phasing Plan. Section 3.02 of the EDA requires that a phasing plan be submitted no later than March 15, 2025, and Section 2.02 of the EDA requires that the NTIFA approve or disapprove the phasing plan within 30 days after receipt.

On March 14, 2025, the Developer Parties, UNP North, LLC, and the Cleveland County Recreational and Entertainment Facilities Authority, forwarded a Phasing Plan to NTIFA General Manager Darrel Pyle.¹

DISCUSSION:

Section 1.03 of the EDA provides that the Developer Parties will cause the incurrence and expenditure of total costs of at least \$650,000,000 toward the "Project." The Project will contain at least the following:

1. A multipurpose performance venue and sports arena anchor containing approximately 8,000 seats in various configurations and 1,200 space parking garage;

¹ The Ordinance creating Increment District Nos. 4 and 5, Ordinance No. O-2425-2, is at issue in *Allison et al. v. McCoy-Post et al.*, Case No. DF-122,946. By order dated March 27, 2025, the Oklahoma Supreme Court retained jurisdiction and placed the case on fast-track docket. Thus, it is anticipated that the case will be decided before July 1, 2026. If the Court reverses the district court's ruling and an election cannot be held before July 1, 2026, the Phasing Plan will have to be amended if the electorate approves Ordinance No. O-2425-2 after July 1, 2026.

2. An outdoor community plaza;
3. 140,000 square feet of retail and restaurant space;
4. Up to 180,000 square feet of Class A office space built in phases based on market demand;
5. A 150-room, select service hotel;
6. Approximately 500 multifamily housing units built in phases based on market demand;
7. Additional multifamily housing units and/or up to 177 medium density housing units built in phases, based on market demand; and
8. All necessary infrastructure to service the Anchor Project and portions of the Mixed Use Project.

EDA at § 1.03. The Phasing Plan submitted by the Developer Parties includes each of the items listed above, proposed construction time frames, and anticipated investments which total \$622,561,720. While this total is \$27,438,280 less than the \$650,000,000 of total costs set forth in § 1.02 of the EDA, § 1.03 allow total Project costs to vary by up to 15%.

RECOMMENDATION:

Staff forwards the Phasing Plan submitted by the Developer Parties for consideration.

PHASING PLAN

This Phasing Plan dated March 14, 2025 is submitted to the Norman Tax Increment Finance Authority, a public trust having the City of Norman as its beneficiary (“NTIFA”) by UNP North, LLC, an Oklahoma limited liability company (“Landowner”) and the Cleveland County Recreational and Entertainment Facilities Authority, a public trust having Cleveland County as its beneficiary (“CC Trust”) in accordance with Section 3.02 and Section 4.02 of the Economic Development Agreement: Rock Creek Entertainment District dated September 17, 2024 by and among the City of Norman, a municipal corporation, NTIFA, Landowner and CC Trust.

PART 1 – ANCHOR PROJECT

| | |
|----------------------------------|--|
| Component | All necessary infrastructure to service the Anchor Project and portions of the Mixed Use Project |
| Phase | Phases 1, 2 & 3 |
| Proposed Construction Time Frame | 01/01/2026 – 12/31/2032 |
| Anticipated Investment | \$39,242,288 |

| | |
|----------------------------------|--|
| Component | Multipurpose performance venue and sports arena anchor containing approximately 8,000 seats in various configurations and 1,200 space parking garage |
| Phase | Phase 1 |
| Proposed Construction Time Frame | 11/01/2026 – 12/31/2029 |
| Anticipated Investment | \$325,000,000 |

PART 2 – MIXED USE PROJECT

| | |
|----------------------------------|---|
| Component | All necessary public and private utility and stormwater infrastructure to service all components of the Mixed Use Project |
| Phase | Phases 1, 2 & 3 |
| Proposed Construction Time Frame | 01/01/2026 – 12/31/2032 |
| Anticipated Investment | Included in infrastructure component described in Part 1 - Anchor Project (\$39,242,288) |

| | |
|----------------------------------|-------------------------|
| Component | Outdoor community plaza |
| Phase | Phase 1 |
| Proposed Construction Time Frame | 07/01/2027 – 06/30/2029 |
| Anticipated Investment | \$3,171,250 |

| | |
|----------------------------------|--|
| Component | 140,000 square feet of retail and restaurant space |
| Phase | Phase 1 |
| Proposed Construction Time Frame | 07/01/2027 – 06/30/2029 |
| Anticipated Investment | \$78,875,000 |

| | |
|----------------------------------|--------------------------------|
| Component | 150-room, select service hotel |
| Phase | Phase 2 |
| Proposed Construction Time Frame | 01/01/2031 – 12/31/2032 |
| Anticipated Investment | \$25,000,000 |

| | |
|----------------------------------|--|
| Component | Up to 180,000 square feet of Class A office space built in phases based on market demand |
| Phase | Phase 2, subject to market demand |
| Proposed Construction Time Frame | 01/01/2031 – 12/31/2032, subject to market demand |
| Anticipated Investment | \$30,953,568, subject to market demand |

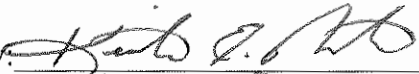
| | |
|----------------------------------|--|
| Component | Approximately 500 multifamily housing units built in phases based on market demand |
| Phase | Phases 1 & 3, subject to market demand |
| Proposed Construction Time Frame | 07/01/2027 – 12/31/2032, subject to market demand |
| Anticipated Investment | \$101,819,614, subject to market demand |

| | |
|----------------------------------|--|
| Component | Additional multifamily housing units and/or up to 177 medium density housing units built in phases, based on market demand |
| Phase | Phase 3, subject to market demand |
| Proposed Construction Time Frame | 01/01/2031 – 12/31/2032, subject to market demand |
| Anticipated Investment | \$18,500,000, subject to market demand |

<Signature pages follow.>

LANDOWNER:

UNP NORTH, LLC, an Oklahoma limited liability company

By: 
Name: Keith E. Peters
Title: Manager

CC TRUST:

CLEVELAND COUNTY RECREATIONAL AND
ENTERTAINMENT FACILITIES AUTHORITY,
a public trust having Cleveland County as its
beneficiary

By: Jacob McHughes

Name: JACOB McHughes

Title: County Commissioner

Approved by:

NTIFA:

NORMAN TAX INCREMENT FINANCE
AUTHORITY, a public trust having the City of
Norman as its beneficiary

By: _____

Name: _____

Title: _____



BUDGET

2025-2026

FISCAL YEAR ENDING
JUNE 30, 2026
FINANCIAL PLAN-FISCAL
YEAR-END 2027-2030

Fiscal Year 2025-2026 Budget

Enterprise Funds

Anthony Francisco, Finance Director
Kim Coffman, Budget Manager
Jacob Huckabaa, Budget Analyst

Fiscal Year 2025-2026 Summarized Budget Calendar

- ▶ Council Finance Committee Budget Discussions (9/19/2024)
- ▶ Council Capital Budget Study Session (11/19/2024)
- ▶ Finance Committee Mid-Year Budget Review (1/16/2025)
- ▶ Council Capital Budget Study Session (3/4/2025)
- ▶ Council Budget Study Session – General & Special Revenue Funds (4/15/2025)
- ▶ Public Budget Hearing (4/22/2025)
- ▶ Council Budget Study Session – Capital Funds (5/6/2025)
- ▶ Council Budget Study Session – Enterprise Funds (5/20/2025)
- ▶ Public Budget Hearing (5/27/2025)
- ▶ Council Budget Study Session – Optional Follow-up (6/3/2025)
- ▶ Council Considers Budget for Adoption (6/10/2025)
- ▶ Beginning of Fiscal Year 2025-2026 (7/1/2025)

Enterprise Funds

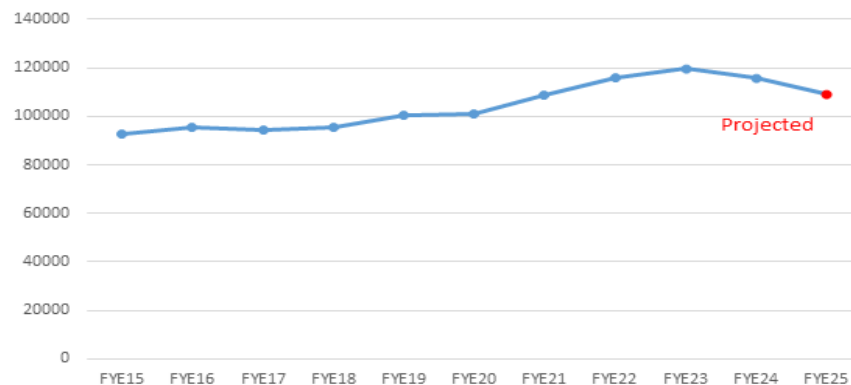
Operated in a manner similar to private business enterprises, where the intent of the City is that the costs of providing goods or services to the general public is financed or recovered primarily through user charges.

- ▶ **SANITATION**
- ▶ **WATER**
- ▶ **WATER RECLAMATION**
 - ▶ **SEWER MAINTENANCE**
 - ▶ **NEW DEVELOPMENT EXCISE TAX**

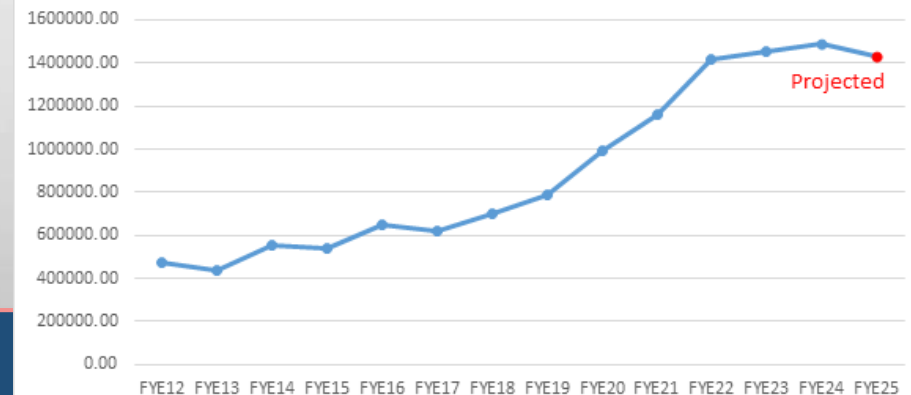
Sanitation Fund

- ▶ Residential and Commercial collection; > 110,000 tons each year
- ▶ Yard Waste and Compost facility; >40,000 tons each year
- ▶ Curbside recycling started in 2008 and transitioned from outside contractor to in-house in FYE 2025; >85% participation rate; >4,000 tons each year

Landfill Annual (Tons)

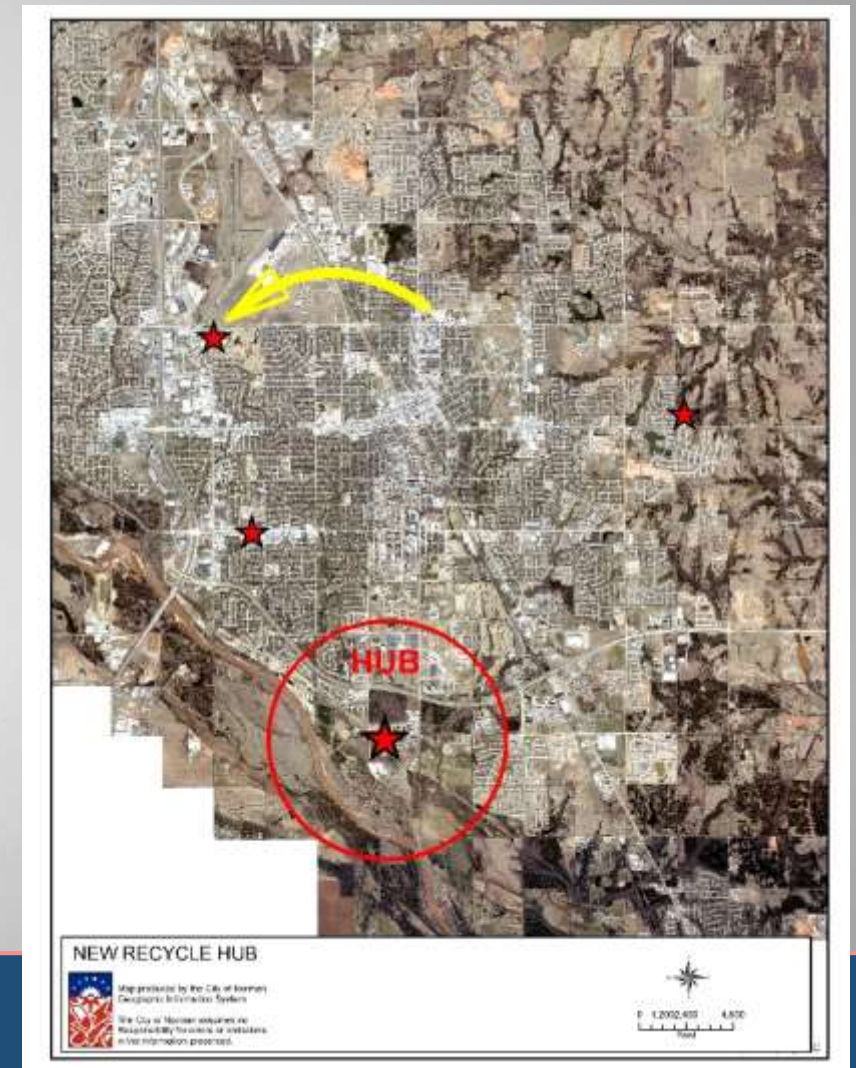


Transfer Station Revenues

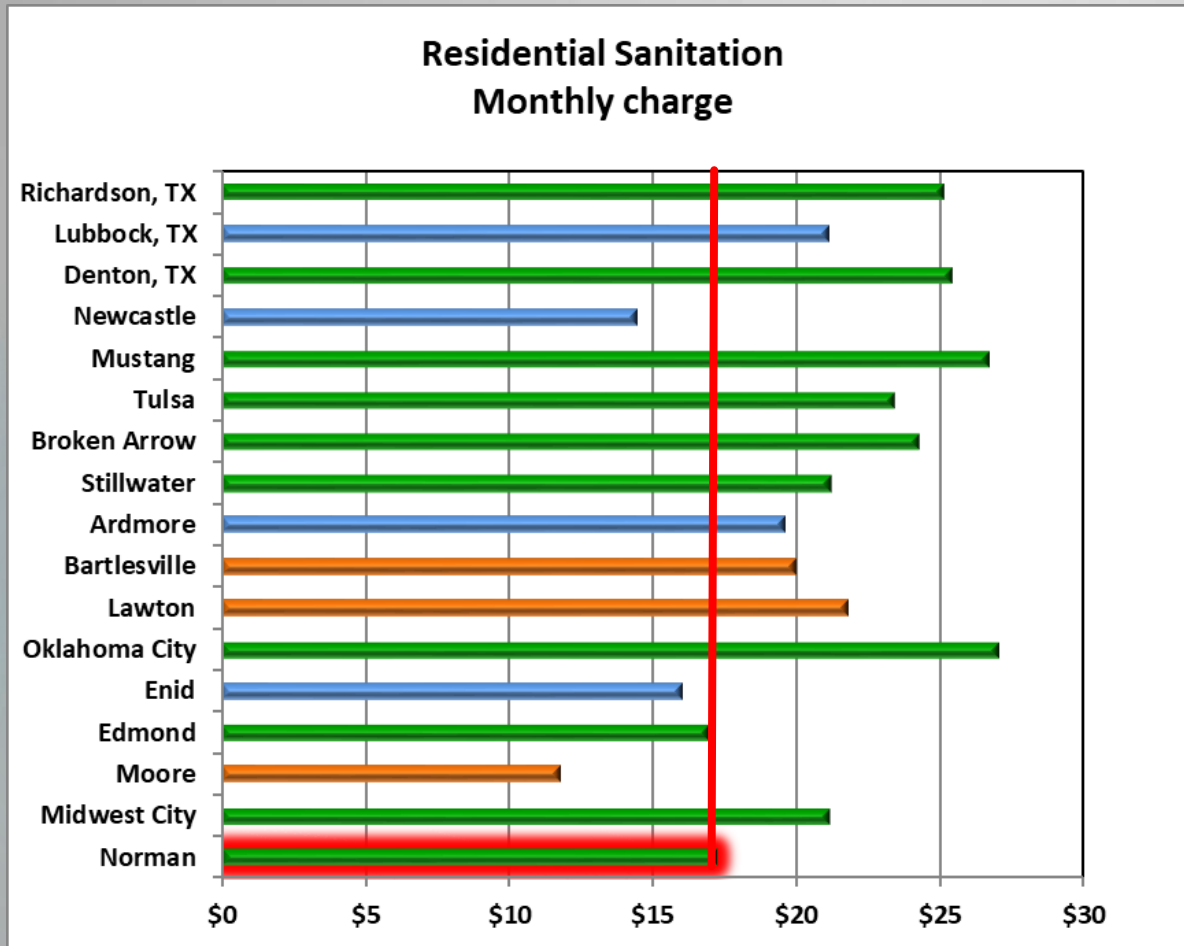


Sanitation Fund

- ▶ Four recycling drop off centers;
>1,800 tons each year
- ▶ HUB at the Transfer Station (scrap iron, wood, glass)
- ▶ Glass recycled over 200 tons each year



Sanitation Rates



Services included in the City of Norman Sanitation monthly charge:

- Spring/Fall Clean-up Days
- 1 x week collection
- 1 x week Yardwaste collection
- Free brush Drop-Off
- 4 Recycling Drop-Off Centers
- Free Compost (as available)
- Residential Curbside Recycling

Curbside recycling included

Curbside recycling not included

Recycling offered separately through 3rd party

Sanitation Fund Major Revenue Assumptions

- ▶ Sanitation rate set in April 2011 (14 years ago) at \$17.20 per month for 1 poly cart. Includes \$3 for curbside recycling and \$0.20 for the Oklahoma Solid Waste Management Charge.
- ▶ Additional poly cart is \$7 per month
- ▶ User Fee revenues have been estimated at an average annual growth rate of 1.015% per year

Sanitation Fund Major Expenditures

- ▶ **\$2,251,256 included in FYE 26 proposed budget for computer replacements, vehicle replacements, and route service software**
- ▶ **Landfill tipping not estimated to increase from FYE 2025: \$3.125 M**
- ▶ **FYE 2026 Ending Fund Balance is \$4,821,999**



Sanitation Fund

- ▶ Major projects from FYE 2025 to be completed in FYE 2026:
 - ▶ Compost Facility Scale House - \$1.2M
- ▶ No new capital projects requested for FYE 2026

- ▶ Potential Budget Impacts for Next Budget Process:
 - ▶ Raftelis currently performing a Cost of Service study to be completed in FYE 26.

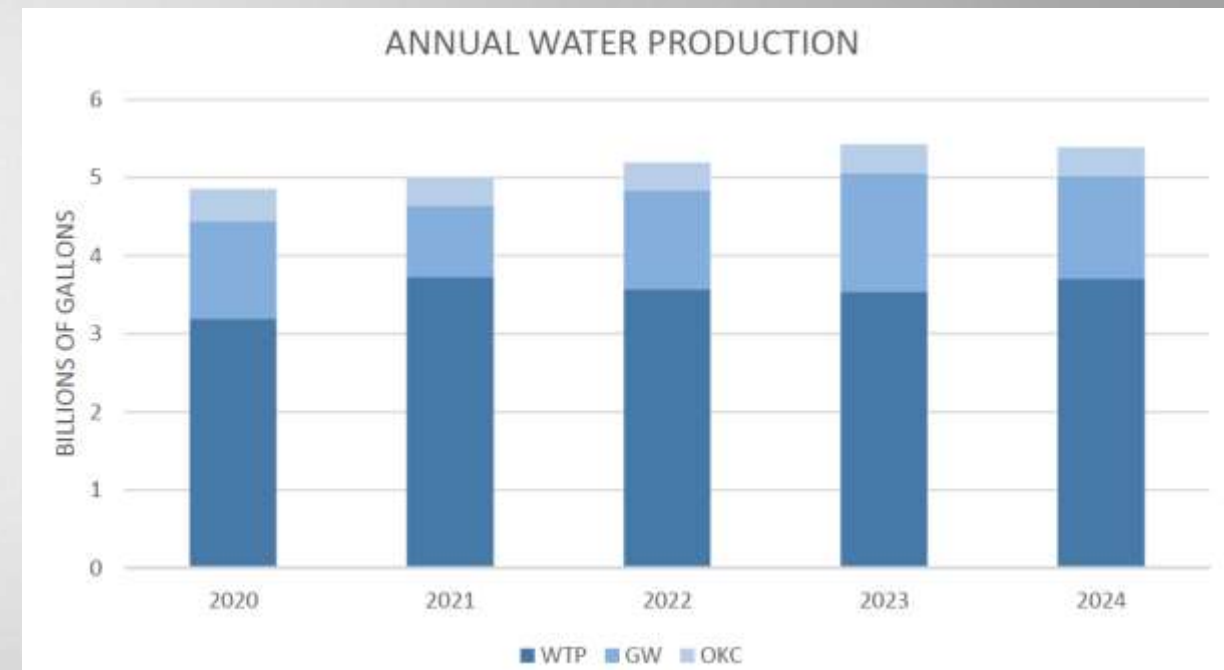


Water Fund

Produces over 5 billion gallons annually

Water production runs

- ▶ 24 hours per day
- ▶ 365 days per year



Water Line Maintenance

- ▶ Maintains 652 miles of water pipe with diameters of 2 to 48 inches, 7,074 Fire Hydrants, and 14,293 Valves
- ▶ Repairs an average of 175 water line breaks annually
- ▶ Repairs an average of 550 water leaks annually
- ▶ Responds to over 6,300 service calls annually
- ▶ Replaces about 3,000 feet of old, deteriorated or undersized water mains annually but staff have focused on lead service line inventory
- ▶ Repairs/maintains almost 1,100 fire hydrants annually
- ▶ Maintains over 42,000 water meters

Water Rate History

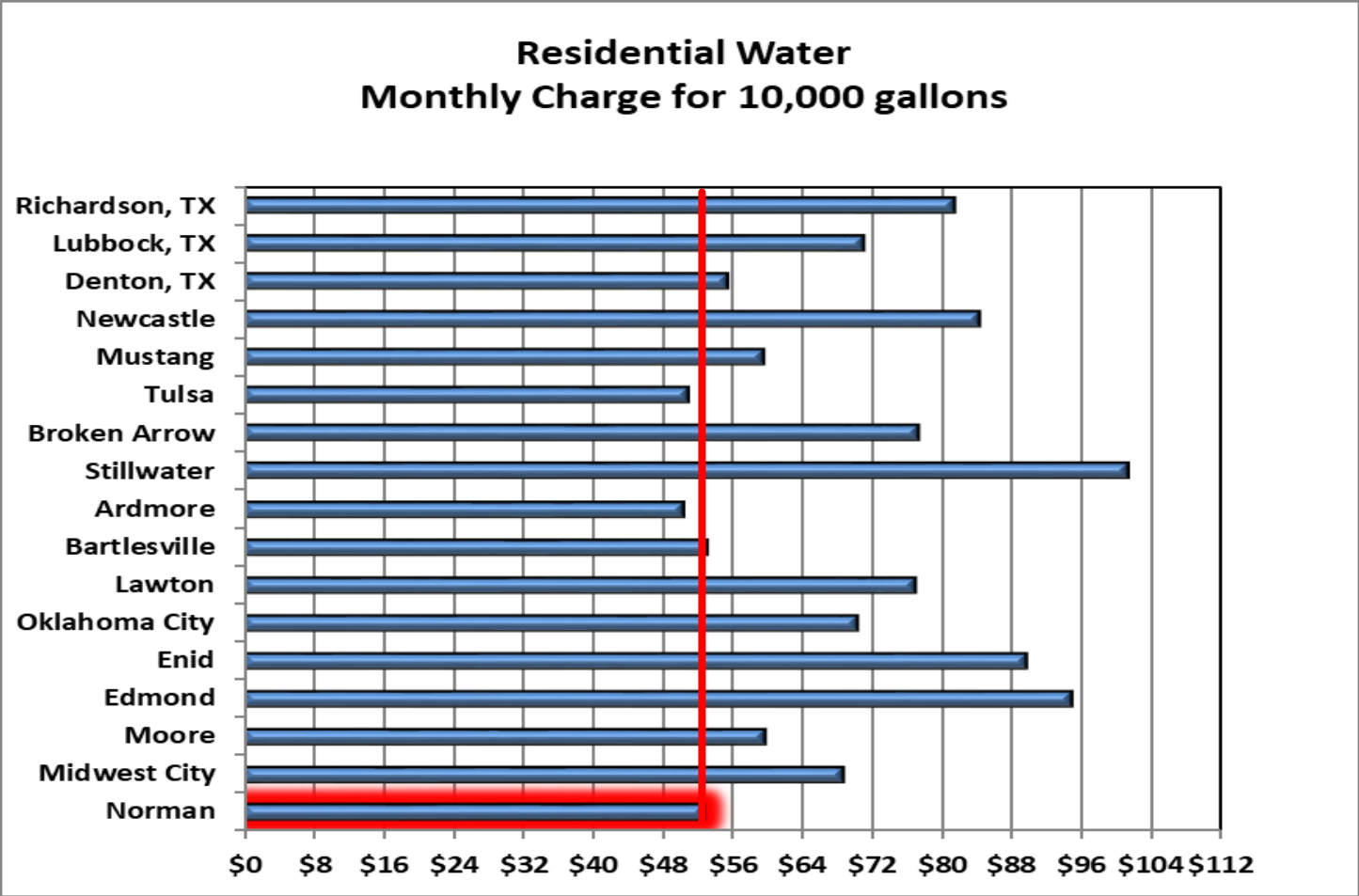
- ▶ 1999: Inverted block rate adopted to encourage conservation. Progressive rate structure charges higher rates to the highest water users. Higher tiers affect 25% of residential customers.
- ▶ March 2006: Water rate increase approved
- ▶ August 2010: Water rate increase vote failed
- ▶ January 2015: Water rate increase approved to fund WTP improvements and obtain 2 MGD of additional groundwater supply
- ▶ April 2022: Water rate increase vote failed
- ▶ June 2023: Water rate increase approved to fund Groundwater Disinfection, water line replacements, lead services, and operational cost increases

Current Residential Rate Structure

| Gallons | Rates (per 1 k gal.) |
|-----------------|----------------------|
| Base Fee | \$10.90 |
| 0 – 5,000 | \$3.46 |
| 5,001 – 15,000 | \$4.50 |
| 15,001 – 20,000 | \$6.75 |
| Over 20,000 | \$9.51 |

- Summer Surcharge during July and August → \$0.35/1,000 gallons for usage over 20,000 gallons/month
- Mandatory odd/even day watering rotation system

Water Fund



Water Fund Major Revenue Assumptions

- ▶ User fee revenues are estimated to grow at a rate of 1.015% per year for projected customer growth.
- ▶ Water connection charges were increased for all meter sizes 4/22/22 and 4/22/23 as follows:

| Meter Size | Effective 4/22/22 | Effective 4/22/23 |
|------------|-------------------|-------------------|
| 3/4" | \$1,250.00 | \$1,500.00 |
| 1" | \$2,083.75 | \$2,500.50 |
| 1.5" | \$4,166.25 | \$4,999.50 |
| 2" | \$8,333.75 | \$10,000.50 |

Water Fund Expenditure Assumptions

- ▶ Interim water purchase contract with Oklahoma City = \$1,524,330 budgeted
 - ▶ 1 MGD (take or pay) at \$3.24/1,000 gal
- ▶ COMCD = \$854,234 budgeted
 - ▶ Amendment proposed to increase to \$1,166,234
 - ▶ Replacement of raw water line in Lake Thunderbird that supplies water for Norman, Midwest City, and Del City. Norman's share is 43%.
- ▶ \$96,435 in FYE 2026 proposed budget for fleet computer, and well equipment replacements.
- ▶ FYE 2026 Ending Fund Balance projected to be \$2,669,583

Water Capital Projects

- ▶ Major projects completed in FYE 2025:
 - ▶ Parsons Water Line Replacement - \$3.2M
 - ▶ Southlake Water Line Replacement - \$2.7M
 - ▶ Robinson Tower Resurfacing - \$500,000
 - ▶ Water Utility Master Plan - \$450,000



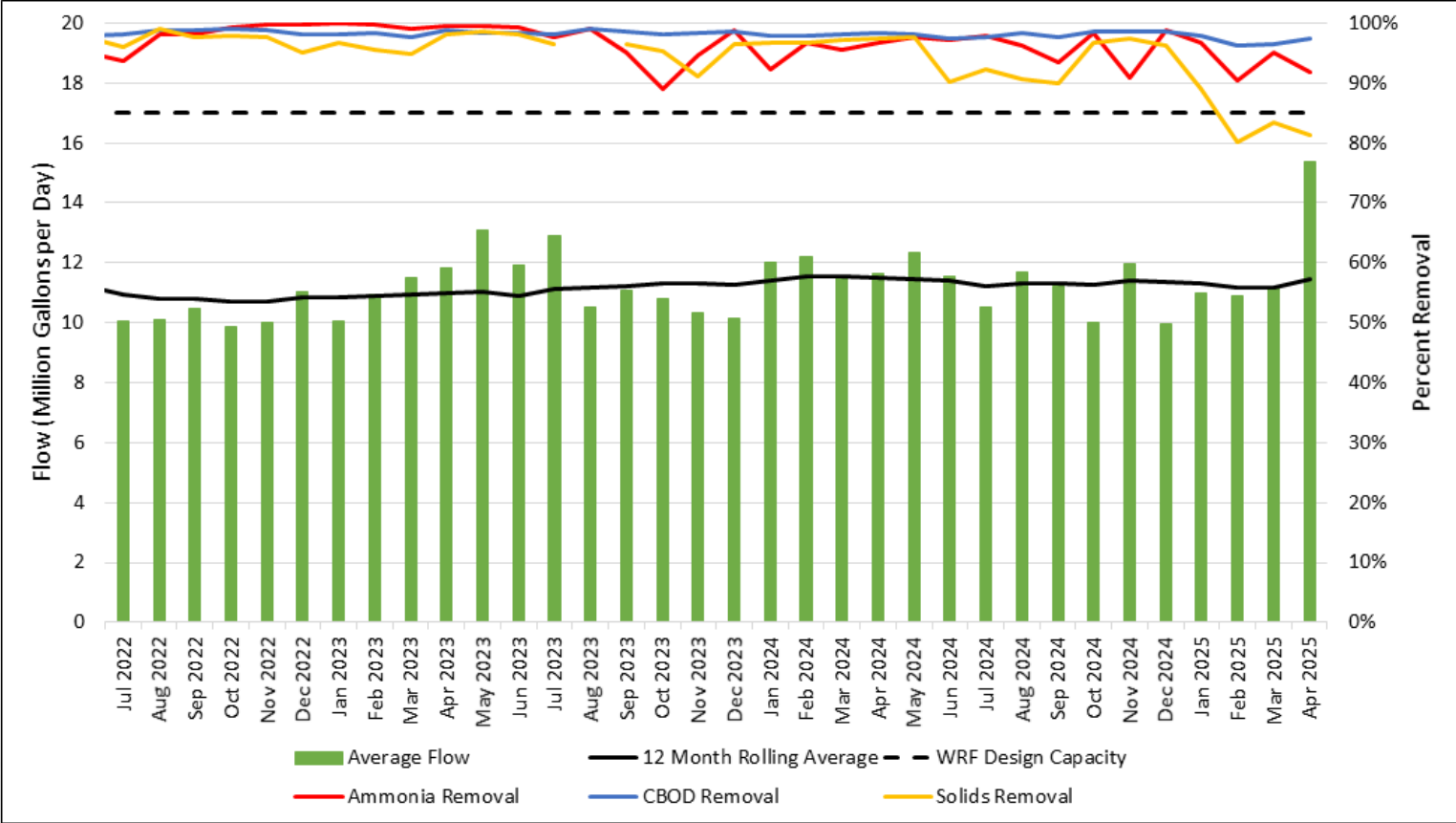
Water Capital Projects

- ▶ Major projects from FYE 2025 to be completed in FYE 2026:
 - ▶ Meter Infrastructure Program – \$16M
 - ▶ Jenkins Water Line Replacement (w/ PW) - \$2.5M
 - ▶ James Garner Water Line Replacement - \$2.0M
 - ▶ Danfield Water Line Replacement - \$1.6M
 - ▶ Tecumseh Road Water Line Replacement - \$4.3M (start of construction)
 - ▶ Groundwater Facility - \$7M (start of construction)
 - ▶ WTP Improvements – Phase 2B - \$3M (start of construction)
 - ▶ Robinson Water Line – 24th NE to 12th NE - \$4.5M (start of construction)

Water Capital Projects

- ▶ Major new water projects for FYE 2026:
 - ▶ Flood Water Line Replacement
 - ▶ Robinson to Boyd - \$2.5M
 - ▶ Franklin to North City Limit - \$3.0M
 - ▶ Westwood Estates Water Line Replacement - \$1.95M
 - ▶ Carter Water Line Replacement - \$1.5M
 - ▶ Royal Oaks Water Line Replacement - \$2.0M

Water Reclamation Facility

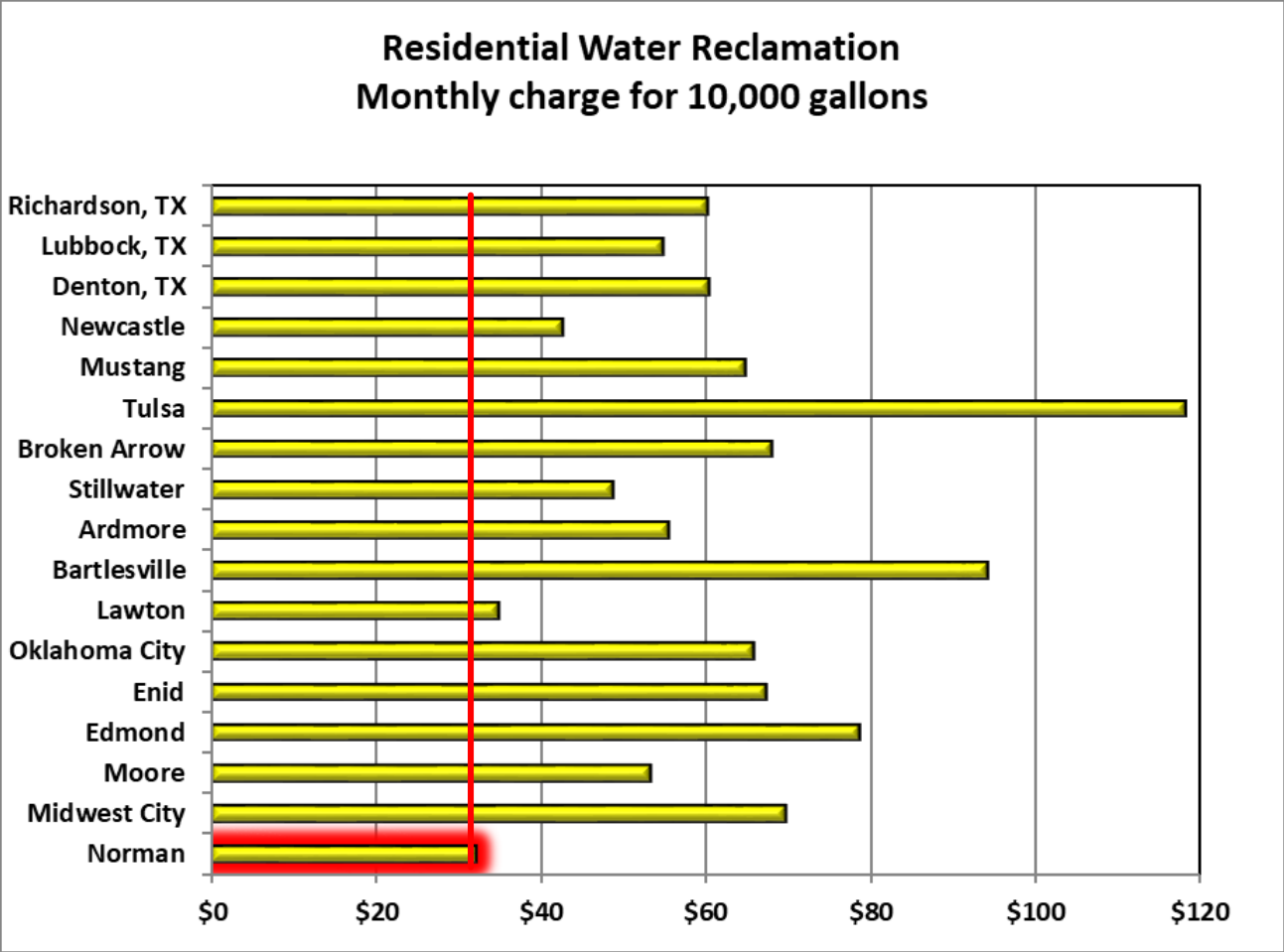


Sewer Line Maintenance

- ▶ Maintains over 530 miles of sewer lines
- ▶ Maintains over 12,500 manholes
- ▶ Cleans over 1.1 million feet of sewer lines annually
- ▶ Inspects and records over 450,000 feet of sewer lines
- ▶ Maintains 14 sewer lift stations



Water Reclamation Rates



Water Reclamation Fund Major Revenue Assumptions

- ▶ Residential wastewater service rates were last raised in November of 2013 (12 years ago).
 - ▶ Current rates are \$5 base + \$2.70 per \$1,000 of treated wastewater
- ▶ User fee revenues have been estimated at an average annual growth rate of 1.015%



Water Reclamation Fund Expenditure Assumptions

- ▶ **\$1.46 million decrease in cost allocations to the General Fund due to Cost Allocation Study in FYE 2025**
- ▶ **\$1,033,750 in FYE 2026 proposed budget for fleet equipment and computer replacements**
- ▶ **FYE 2026 Ending Fund Balance projected to be \$4,963,589**



Water Reclamation Capital Projects

- ▶ Major projects from FYE 2025 to be completed in FYE 2026:
 - ▶ Dewatering Centrifuges - \$3.3M
 - ▶ Aeration Basin Blower Replacements - \$2.8M
- ▶ New projects for FYE 2026 (by amendment):
 - ▶ Main Admin Building Upgrades and Storage Building - \$3.5M



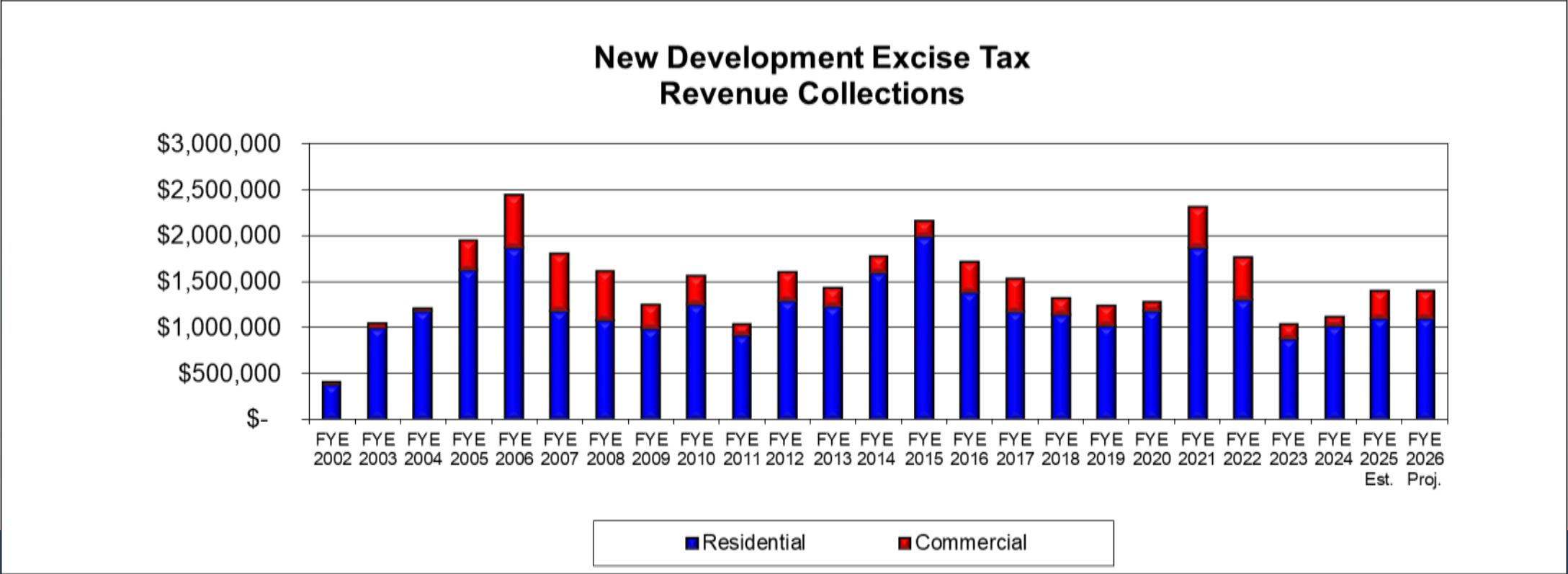
Sewer Maintenance Fund

- ▶ All revenue is from a \$5 per month sewer maintenance rate approved in 2001
- ▶ All Sewer Maintenance Rate projects must be on a pay-as-you-go basis
- ▶ Since 2001, over 488,000 feet of sewer line has been rehabilitated



New Development Excise Tax Fund

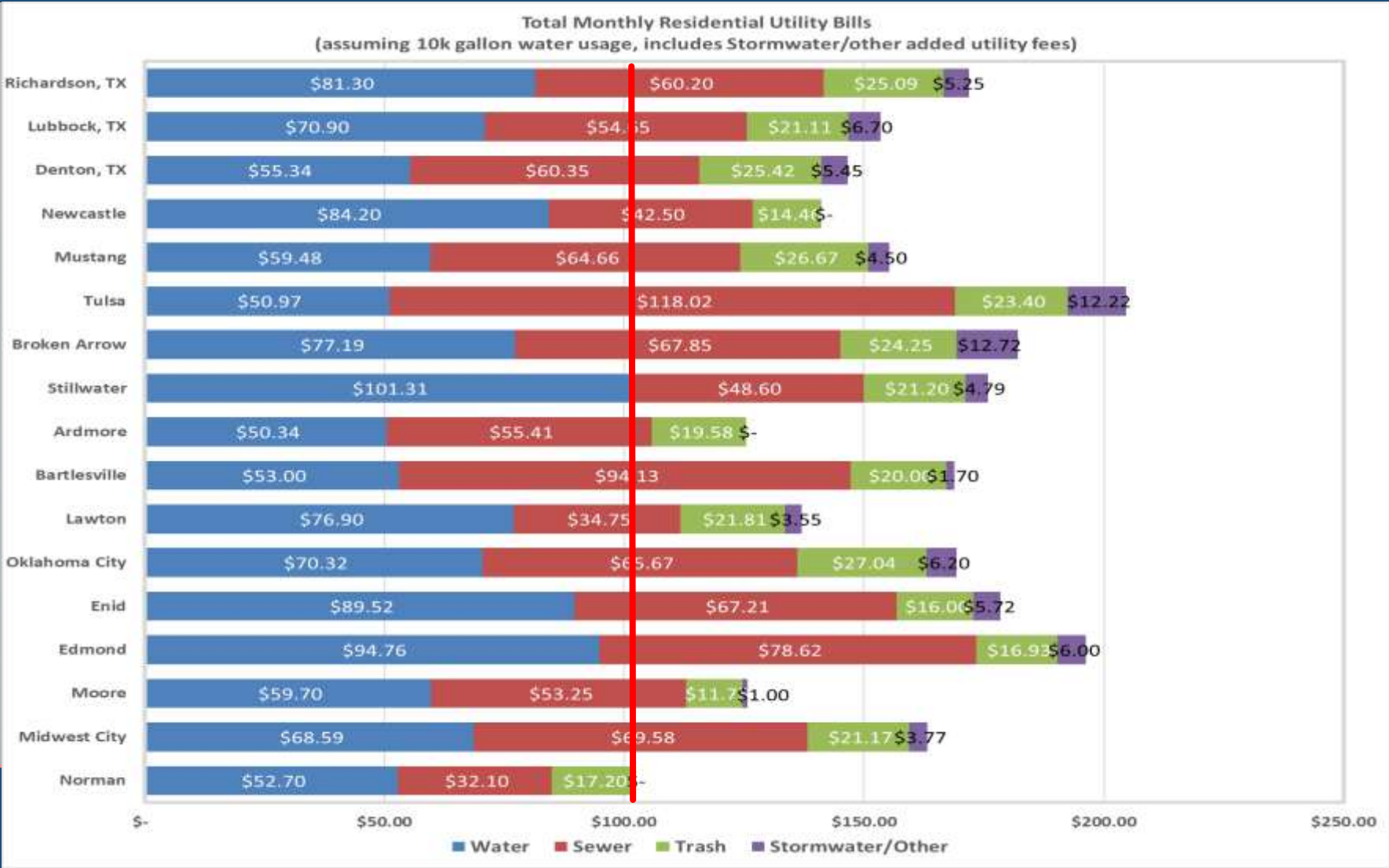
Revenue is from new construction building permits based on wastewater generated.



New Development Excise Tax Fund

- ▶ FYE 2026 projected revenues of \$1.4M (\$1.1m from residential projects and \$0.3M from commercial projects)
- ▶ Projects completed in FYE 2025
 - ▶ AIM Wastewater Utility Master Plan - \$900,000
- ▶ No new capital projects for FYE 2026

Total Utility Rates



Questions/Discussion

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Jacob.Huckabaa@Normanok.gov