



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 2/11/2025

REQUESTER: Jason Olsen, Director of Parks and Recreation

PRESENTER: AshLynn Wilkerson, Assistant City Attorney

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2425-38: A LEASE AGREEMENT BY AND BETWEEN THE CITY OF NORMAN AND YFAC, LLC FOR THE TRAE YOUNG FAMILY FOUNDATION TO BE THE RETAIL PARTNER AND OPERATOR; AND ACCEPT THE IMPROVEMENTS, IN THE AMOUNT OF \$288,368.00, TO THE RETAIL SPACE INSIDE THE YOUNG FAMILY ATHLETIC CENTER, 2201 TRAE YOUNG DRIVE, NORMAN, OKLAHOMA.

BACKGROUND:

In October 2015, Norman voters approved the \$150 million, fifteen-year Norman Forward Sales Tax initiative. The Norman Forward Initiative outlined various citywide projects to improve the quality of life for the citizens of Norman. This initiative included projects to construct a new Multi-Sport Complex and Indoor Aquatic Facility.

The Multi-Sport Complex and Indoor Aquatic Facility were initially proposed as separate projects. After extensive public input and consideration by the City Council, acting as Trustees of the Norman Municipal Authority (NMA), these projects were combined in 2018 into one more extensive project, to be located at the southeast corner of 24th Avenue NW and Rock Creek Road in the University North Park development. This new sports and aquatic complex will include eight full-sized basketball or twelve volleyball courts; a 25-meter, eight-lane lap pool; a 25-yard, four-lane warm-up pool; concession stands; retail space; administration offices; and, through a partnership with Norman Regional Health System (NRHS), a health and wellness clinic to be placed between the multi-sports and aquatic complexes.

The building and the project were named the Young Family Athletic Center ("YFAC") in July of 2021 (K-2122-27) after the Trae Young Family Foundation (TYFF) agreed to donate \$4,000,000 to the construction of the building. NRHS has committed a minimum of \$6.7 million, through a contract approved by the City Council in June of 2023 (K-2122-99), towards constructing a human sports and performance clinic inside the YFAC called "N-Motion."

DISCUSSION:

During the design and construction of the YFAC, a retail space was initially planned, and a shell space was built. The full intention of the space was to work with local NBA superstar Trae Young and his family to have a retail space inside the YFAC that would open and operate during events. The retail space will include NIKE, Trae Young, and YFAC apparel and sporting goods. It will become a NIKE Team Store with the possibility of providing uniforms and apparel to groups like the Trae Young Academy, YFAC basketball and volleyball leagues, Norman Youth Soccer Association, Norman Public Schools, LYGENDS Nike EYBL teams, Sooner Swim Club, and so forth. This will be the only NIKE Team Store in Norman, and the Trae Young Family Foundation will operate it.

As stated above, the retail space was initially built as an empty shell and the Trae Young Family Foundation paid for design and construction to build out the empty shell retail space. The total cost of construction of the retail space was \$288,368.00. According to K-2425-38, all improvements made by the Lessee become the property of the City of Norman and any future enhancements.

The agenda item is the recommended approval of a lease agreement with YFAC, LLC, to operate and manage the retail space inside the YFAC. The contract is to begin on the Commencement Date (the date of execution) and will terminate upon the 20th anniversary of the Commencement Date (unless earlier terminated pursuant to contract provisions). Extension terms for successive five-year periods are also an option following the termination of the initial term. The Trae Young Family Foundation will operate the retail space and be the sole provider of the retail space inside the YFAC. The City is to receive \$38.88 per square foot as a lease payment, with the annual lease total to be \$25,000.00, and payments are to be remitted to the City on a monthly basis.

RECOMMENDATION 1:

Staff recommends the acceptance of the \$238,386.00 of improvements to the shell space of the retail store area inside the YFAC.

RECOMMENDATION 2:

Staff recommends the approval of Contract K-2425-38 between the City of Norman and YFAC, LLC, for the Trae Young Family Foundation to be the retail partner and operator of the retail space inside the YFAC.