



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 07/13/2021

REQUESTER: Kathryn Walker, City Attorney

PRESENTER: Kathryn Walker, City Attorney

ITEM TITLE: CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF CONTRACT K-2122-27: A CONTRACT BETWEEN THE CITY OF NORMAN, OKLAHOMA, THE NORMAN MUNICIPAL AUTHORITY, AND THE TRAE YOUNG FAMILY FOUNDATION FOR THE DONATION OF FOUR MILLION DOLLARS (\$ 4,000,000) FOR THE CONSTRUCTION OF THE YOUNG FAMILY ATHLETIC CENTER.

BACKGROUND:

The original Norman Forward sales tax package adopted by the voters in 2015 included a number of projects, including a multi-sport facility that was envisioned to accommodate indoor sports including, but not limited to, basketball and volleyball, and replace the World War II hangar gym east of YMCA. At that time, the estimated cost of the multi-sport facility was \$8.5 million. The Norman Forward Sales Tax Ordinance (O-1516-5) mandated the creation of ad hoc committees for each project. As the project has evolved, it has been determined that the planned multi-sport facility and the planned indoor aquatic facility (estimated in 2015 to cost \$14 million) would be combined into one larger facility serving both purposes. The Norman Forward Indoor Aquatic and Multi-Sport Facility Ad Hoc Advisory Group met through the fall of 2019 and ultimately recommended that additional funding be allocated to these projects to ensure the facilities would meet the original intention.

On November 5, 2019 Council approved amendments to the University North Park Tax Increment Finance District Project Plan (UNP TIF; Ordinance O-1920-24) and an accompanying Amended and Restated Development Agreement (Contract K-1920-82). These agreements identify the location of the Norman Forward Indoor Aquatic and Multi-Sport Facility in University North Park and allocated additional UNP TIF funding for the acquisition of the property and as a construction supplement.

Council adopted Ordinance O-1920-63 on June 9, 2020 that calls an election on August 25, 2020 asking the voters to approve General Obligation bonds to address funding shortfalls in a number of Norman Forward projects, including the Indoor Aquatic and Multi-Sport Facility.

City staff was approached by Ray Young, the father of National Basketball Association Atlanta Hawks player and Norman native Trae Young last fall, expressing interest in partnering with the City to ensure the planned Multi-Sport facility would achieve the original vision of being an appropriate venue for both local league play, competitive league play, and as a tournament host.

Trae Young grew up in Norman, playing in City leagues, and later, more competitive leagues in the metro area. He is committed to the community and to furthering youth sports in Norman. Council approved a Memorandum of Understanding (Contract K-1920-139) in July 2020 that established a framework for a long term relationship with the Trae Young Family Foundation ("Foundation") related to the Multi-Sport facility. Specifically, the MOU enabled the Foundation to provide input during all phases of project development, including operator selection. The parties also agreed in the MOU to develop a multi-year agreement, subject to each party's final approval, setting forth certain financial contributions totaling \$4 million. This contribution was contingent on a successful election in August 2020 related to the Norman Forward general obligation bonds and location on the previously identified site in University North Park. Finally, pursuant to the Contribution Dedication Guidelines of the City's Citizens Recognition Policy, the MOU provided that the final agreement would establish the name of the project after the Foundation.

Although the bond election in August 2020 was unsuccessful, the Foundation has remained engaged and committed to a multi-year agreement. The groundbreaking for the Facility is scheduled for July 21, 2021.

DISCUSSION:

Contract K-2122-27 provides for \$4,000,000 to be donated by the Foundation over 10 years to supplement the construction budget of the Facility. Per the Young Family's request, 1% of the gift will be used to supplement the public art budget for the Facility. Payments may be made earlier than set forth in the schedule at the option of the Foundation.

As set forth in the MOU approved by Council last July, the name of the facility will be the Young Family Athletic Center. Provided there is no breach of the agreement and subject to Section 5 of the agreement, the naming will remain the Young Family Athletic Center for a period of at least 15 years. Participation by the Foundation in project development and construction, including signage decisions, will continue. Naming can only be terminated prior to the end of the 15 year term if timely payments are not made or in the unlikely even the naming would adversely impact the City. In that situation, the City and the Foundation would work to rectify any such circumstances of adverse impact prior to determining that the naming should cease.

The Foundation will work with the City to approve media materials to help market the Facility. Additionally, the Foundation agrees to work with the City to develop an ongoing fundraising strategy for the Facility to ensure there are not financial barriers for Norman residents for participation in the sports offered at the Facility.

RECOMMENDATION:

This is an important next step in the construction of the Facility to provide an important quality of life project to Norman's residents in furtherance of the Norman Forward initiative. Staff recommends approval of Contract K-2121-27.