



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 08/10/2021

REQUESTER: Kathryn Walker, City Attorney

PRESENTER:

ITEM TITLE: CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF CONTRACT K-2122-35: A MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND NORMAN REGIONAL HOSPITAL AUTHORITY FOR THE DEVELOPMENT OF THE PORTER HEALTH VILLAGE AND CONVEYANCE OF PROPERTY.

BACKGROUND:

Norman voters approved the Norman Forward Quality of Life Projects Sales Tax of 2015, which provided a one-half (1/2) percent sales tax dedicated to fund a number of Quality of life projects, including a Senior Wellness Facility (the "Facility"). The City approved a contract with Frankfurt-Short-Bruza Associates ("FSB") in August of 2019 for the design of the Facility. Initially, FSB was developing designs for a facility within the \$7.6 million budget, with proposed additional phases should funding become available in the future. On October 29, 2020, Council allocated an additional \$4.8 million towards the Facility project with funds that were freed up after the City received federal reimbursements for other unrelated previously budgeted expenses.

After the increase in funding, the City approved an amendment to FSB's contract to accommodate the design and construction of the Facility in a single phase on an approximately 4.7-acre site in the southeast corner of the Norman Regional Hospital's Porter Avenue Wellness Village Campus (the "Porter Campus"). In November 2020, Staff released a Request for Proposals related to operation of the Facility. The City approved a memorandum of understanding ("MOU") with Healthy Living & Fitness, Inc. for the operation of the facility on April 13, 2021.

Approximately 12 acres of the Porter Campus is owned by the City, which leases the land to NRH at no cost for the operation of a hospital. At the same time discussions were occurring about locating the Facility on the southeast corner of the Porter Campus, discussions were also occurring between the City and NRH about property owned by NRH located at 718 N. Porter. As the Porter Campus redevelops, NRH will no longer have a need for 718 N. Porter and has expressed an interest in conveying it to the City. The City has expressed interest in receiving the property. A variety of uses have been proposed, including a permanent night shelter, a sobering center, and a resource center. It is thought that the Strategic Homeless Plan being developed by Homebase, Inc. (K-2021-79) will provide the City with more information about the best uses for this property.

These discussions have resulted in an MOU with NRH to set up a framework for future development of the Porter Campus and the transfer of land between the parties.

DISCUSSION:

The MOU contemplates a land swap, where the City would transfer its Porter Campus property to NRH in exchange for retaining the Senior Center tract and for the transfer of 718 N. Porter to the City. A map showing the current ownership of the parcels on the Porter Campus is attached to the MOU as Exhibit B. In the event the values do not offset equally, including the land needed for the City's Porter expansion project, payment will be made to offset the value of the conveyances. The City and NRH will be joint applicants for the preliminary plat and rezoning that is necessary to redevelop and redesign the Porter Campus in accordance with the site plan attached to the MOU as Exhibit A. Each party will be responsible for their own development costs related to their respective parcels, including the costs of final platting. Additionally, the parties will work together with Norman Arts Council for project development, selection, execution and installation of public art.

With approval of this agreement, it is anticipated that the preliminary plat and re-zoning application will come before Council in the next couple of months, in addition to a purchase agreement to effectuate the conveyance of desired parcels to one another.

RECOMMENDATION:

This agreement is a critical next step towards the construction of the Senior Wellness Center. Staff recommends approval of K-2122-35.