



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 10/11/2022

REQUESTER: Downtown Norman BID Association

PRESENTER: Kathryn Walker, City Attorney

ITEM TITLE: CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF CONTRACT K-2223-57: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND THE DOWNTOWN NORMAN BID ASSOCIATION IN THE AMOUNT OF \$57,000 FOR SPECIFIED BASE-LEVEL SERVICES WITHIN THE BOUNDARIES OF THE DOWNTOWN NORMAN BUSINESS IMPROVEMENT DISTRICT.

BACKGROUND:

The City is in receipt of a Petition in favor of the creation of Downtown Norman Business Improvement District ("BID"), as well as an Assessment Plat, Assessment Roll, and District Plan. BID's are allowed under the Improvement District Act (11 O.S. §39-101 et. seq.) as a means of providing funding for a variety of purposes, including landscaping, improvement of pedestrian malls, parking facilities, signs, benches, kiosks, pedestrian shelters, signs, trash receptacles, etc. Oklahoma law states that improvement districts may be created after a petition for such improvements containing signatures from the owners of record of more than one-half of the area liable to be assessed under the proposal is filed with the City Clerk. The City and the Norman Municipal Authority, as property owners liable for assessment in the proposed district, previously considered whether to sign the petition. This action was approved on August 23, 2022. The Petition now contains signatures from the owners of record of more than 50% of the area liable to be assessed under the proposal.

DISCUSSION:

There are several steps involved in establishing a business improvement district. First, the City must adopt a resolution acknowledging receipt of the Assessment Plat, determining the creation of the district is necessary, and instructing the City Clerk to give notice of a hearing on the district. Such notice must be given to each property owner at the address on file in the property records at Cleveland County. Council adopted Resolution R-2223-28 on September 13, 2022 setting a public hearing on the creation of the district and the initial assessment roll on September 27, 2022. The public hearing was postponed to October 11, 2022, and notice has been mailed and published in accordance with state law. Upon conclusion of the public hearing, the City Council will consider the adoption of Resolution R-2223-57, formally creating the Downtown BID. If Council adopts Resolution R-2223-57, Council will then consider adoption of an Ordinance containing the Assessment Roll (Ordinance O-2223-13) on Second and Final Reading.

Ordinance O-2223-13 empowers the City to assess the properties according to the formula set forth in the BID petition. Property owners will have thirty (30) days to object to the formulation of the district and/or the assessment to their particular property. If the district is created, public hearings related to each year's assessment roll will be held annually. The district may be terminated at any time after its creation, if no bonds or other financial obligations are outstanding, by a majority vote of City Council, or upon receipt of a petition to terminate the district signed by the owners of a majority in area of the tracts or parcels of the land within the district and a majority of the owners of record of property within the district.

In addition to contributing as an assessed property owner within the Downtown Norman BID, the Downtown Norman BID Association has asked that the City contract with it for the provision of certain base-level services currently provided by City staff and/or via maintenance contracts. The City has estimated a \$57,000 annual cost on base-level services provided within the District. The proposal is to pay the BID Association \$57,000 for the first year in order for the Association to provide those services, freeing up certain City employees and contractors to engage in other activities. The City's payment to the BID Association would vary annually in accordance with the Consumer Price Index for all Urban Consumers for the South Region, provided sufficient funds are appropriated by City Council each year. The City would continue to perform services requiring the utilization of capital equipment, including cleaning stormwater inlets, street sweeping activities, snow and ice control, and street and sidewalk repairs within the District in the same manner and frequency as those services are currently provided.

Funding for these services is proposed to be paid, within fiscal year 2022-2023 budget allocations, from the following accounts:

City Manager Budget, Other Business Services (Account 10110110-44199)	\$31,025
Park Maintenance Division, Miscellaneous Services (Account 10770410-44799)	\$25,975

Contract K-2223-57 sets forth these specific duties, which will become the responsibility of the Downtown Norman BID Association. Any complaints related to such services would be directed to the Association for resolution. Per the Contract, any enhanced services and infrastructure provided by the Association according to the BID plan shall not become the responsibility of the City. The agreement may be terminated with 60 days written notice prior to the commencement of each calendar year but will not continue beyond the 10-year term of the business improvement district.

RECOMMENDATION:

Staff forwards Contract K-2223-57 for Council consideration after its public hearing on the creation of the Downtown Norman Business Improvement District and its consideration of Ordinance O-2223-13.