



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 10/10/2023

REQUESTER: Jason Olsen, Director of Parks & Recreation

PRESENTER: Elisabeth Muckala, Assistant City Attorney

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF EASEMENT E-2324-26: A PERMANENT DRAINAGE AND UTILITY EASEMENT FROM NORMAN REGIONAL HOSPITAL AUTHORITY TO THE CITY OF NORMAN.

BACKGROUND:

In October 2015, Norman citizens passed the NORMAN FORWARD initiative, funding various quality-of-life projects through a one-half percent (½%) sales tax increase over 15 years. The NORMAN FORWARD Initiative included authorization for a project to construct a new Senior Citizen's Recreation Center. After ongoing community input, the project's scope was expanded into a Senior Wellness Center, later named the Adult Wellness and Education Center (AWE).

The AWE will be located on City-owned land on the southeast corner of Norman Regional Health System's (NRHS) Porter Wellness Village, off North Findlay Avenue. The new AWE will include an indoor, heated saltwater pool with lap swimming, water walking, and hydrotherapy seating; an indoor walking track and training space; a fitness classroom area; lounge and game rooms; both wet and dry craft areas; a small prep and demonstration kitchen; and multipurpose rooms that can be used for eating, events, classes, theatrical plays, games, and much more.

The AWE was authorized in the NORMAN FORWARD initiative in 2015 but was unfunded at that time. The AWE was later funded through two Council actions: re-allocation of Norman Forward funds through securing the Griffin Parkland with a long-term land lease instead of a land purchase (\$7.4 million); an allocation of \$4.8 million from federal Coronavirus Aid, Relief & Economic Security (CARES) Act reimbursements (Resolution R-2021-63); and a land exchange with the Norman Regional Hospital System where the City received \$426,000 in cash and what was then appraised for \$1.2 million in property (718 N. Porter) for a total of a \$14 million budget for construction and design. On December 13, 2022, the Council appropriated \$1.2 million in General Fund balance to up-front the anticipated revenue from the sale of the 718 N. Porter property. The sale proceeds have not been reimbursed to the General Fund; effectively, the General Fund has contributed \$1.2 million to the AWE project.

Oklahoma City architectural and engineering (A/E) firm Frankfurt, Short, Bruza (FSB) was selected as the A/E consultant for this project in March 2018. FSB has completed the project's schematic design and construction documents and is assisting with construction administration

through the project's completion. The AWE project is scheduled to open in late Fall of this year; final furniture, fixture, and equipment purchases are being made.

The property on which the AWE project is located is directly adjacent, to the east, of property owned by the Norman Regional Hospital Authority d/b/a Norman Regional Health System ("NRHS"), and subject to a long-term lease by NRHS to NEP Norman, LP ("NEP Parcel"). As a long-term ground lessee, NEP has constructed the structure on the NEP Parcel and coordinated with the City of Norman regarding the construction of a fire circulation drive for the joint use and benefit of the City Parcel and NEP Parcel. NEP wishes to connect drainage infrastructure constructed on the NEP Parcel to existing drainage infrastructure underlying property owned by NRHS, which in turn connects to existing public drainage infrastructure underlying Findlay Avenue. The City requires that NRHS convey an easement for existing drainage or future utility infrastructure underlying its property so that NEP may properly utilize it, as proposed, for drainage from the NEP Parcel.

DISCUSSION:

While the REA is an agreement between NEP, NRHS, and the City, this Permanent Drainage and Utility Easement is being conveyed directly from NRHS to the City of Norman. The conveyance of this easement is not only necessary for the NEP's drainage parcel but is necessarily conveyed concurrently with the City Council's consideration of the REA. As the easement is integral to the REA, and good and valuable consideration is acknowledged by NRHS in the City's consideration and approval of the REA, no additional compensation is required by the City to accept Easement E-2324-26.

The City has evaluated the proposed easement and finds that acceptance under these conditions is fair and equitable, and acceptance will ultimately be beneficial to the City and its ability to maintain public infrastructure.

The approval of Easement E-2324-26 is thus contingent upon the concurrent approval of the REA, K-2324-84. In turn, approval of the REA requires the City's simultaneous approval of Contract K-2324-68, a Compensation Agreement between NEP and the City relating to the construction, access, and ongoing use of a Fire Circulation Drive. The Compensation Agreement, the REA, and the NRHS Easement are thus presented as companion items for the City Council's consideration.

RECOMMENDATION:

City Staff recommends approval of E-2324-26, and its companion items K-2324-68 and K-2324-84, as well as direction that E-2324-26 be filed of record.