

## Oklahoma City's Project 180 is being trimmed down a few degrees

Reconstruction of E.K. Gaylord Boulevard and other improvements planned as part of Project 180 are being dropped from the downtown makeover due to revenue shortfalls and cost overruns.

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E.K. Gaylord Boulevard, deemed one of downtown's worst pedestrian corridors by a national walkability consultant, is being dropped from Project 180 improvements because of a shortfall in revenues and cost-overruns at Myriad Gardens and other street projects.

The MAPS-style makeover of downtown streets, sidewalks and public spaces was launched by the city three years ago as part of a tax increment financing agreement with Devon Energy Corp.

“Widening sidewalks, adding street parking, landscaping, bike lanes — all the major themes are still being accomplished,” said Eric Wenger, director of public works.

“There is a general plan to complete Project 180, but with some changes made along the way for various reasons.”

Brent Bryant, the city's economic development programs manager, said the project budget is short by \$10 million because sales taxes anticipated from the purchase of materials for the \$750 million Devon Energy Center came in at \$5 million instead of \$10 million. That, in turn, dropped the amount of matching “leverage” money from \$10 million to \$5 million that the city could obtain from the state.

Cost overruns include \$3.9 million at Myriad Gardens because of higher than expected costs for structures added to the park and foundations for various rocks and boulders added to the landscape. The project itself saw the elimination of a rooftop garden on the park's restaurant and the conversion of a planned second cafe into a pavilion.

Wenger noted cost increases were encountered on several of the street projects: basements were discovered under streets and sidewalks along several buildings including The Montgomery, Main Street Arcade, Hightower Building and 420 W Main.

Four of the six Project 180 “packages” have been started, with the first two almost

completed. Wenger said contractors' bids came in “under budget” for a fifth package last week.

“What's encouraging is we have four packages behind us, and we have a new idea as what to we can expect and we believe it has been put into the plans,” Wenger said.

The scope of Project 180 improvements go through a three-step review and approval process, with the most detailed review done first by the Devon Implementation Committee. That panel consists of City Manager Jim Couch, Urban Renewal Director Cathy O'Connor, Devon Energy Executive Chairman Larry Nichols, BancFirst Vice Chairman William Bell, and Mark Beffort, co-owner of Leadership Square, CityPlace Tower, Oklahoma and Corporate Towers.

The projects and budgets then must be reviewed and approved by the Oklahoma City Economic Development Trust and the Oklahoma City Council. To date, the only approved elimination of streets in the original Project 180 boundaries was the 500 block of N Walker, an area rebuilt just a few years ago and is being developed by Park Plaza property owner Rick Dowell. That change saved an estimated \$10 million, Bryant said.

No approval has been given for eliminating the six-lane wide E.K. Gaylord though it has been presented as a done deal to the public and the city council since September.

“We had a set of priorities that were our first to accomplish, and that's what we've really been focused on,” O'Connor said. “Gaylord was not on that list.”

Other streets that once were listed for completion by 2014, including Park Avenue and NW 4, are now classified as “out year” projects — work that Wenger said is “scheduled” but he's not certain when they will be done.

In a presentation to the city council in September, city staff reported they hope to still rebuild E.K. Gaylord as part of a planned transit hub approved by voters as part of MAPS 3. But that street work will rely on the city winning a TIGER grant from the U.S. Department of Transportation. Consultants on the hub project reported they expect a TIGER grant, if awarded, would pay for Project 180-style improvements for E.K. Gaylord Boulevard.

Ward 4 Councilman Pete White was among those who say reconstruction and narrowing of E.K. Gaylord Boulevard isn't just needed for pedestrians, but is also critical for creation of a successful transit hub to serve a new downtown streetcar system and a potential rail system that will connect the city with surrounding suburbs.

“Project 180 narrowing Gaylord will be a visual step in doing that,” White said. “We need to find a way to keep that going. It's going to be the first indication we're serious about the hub.”

The ebb and flow of revenues and project costs are not new with capital improvement initiatives, and occurred with the original Metropolitan Area Projects and MAPS for

Kids.

As originally envisioned, the tax increment financing district budget for Project 180 was to consist of \$115 million for the downtown makeover, and another \$40 million to be used as an incentive for luring a new corporate headquarters. Yet another \$20 million of the increment district was to be directed to the area's other taxing authorities — Oklahoma County, the Metropolitan Library System, Oklahoma City Public Schools, Oklahoma City/County Health Department and CareerTech.

The remainder of the estimated \$224 million to be raised over the district's 25-year life span was not allocated in the agreement approved by the Oklahoma City Council on Dec. 16, 2008. Bryant said the remaining \$49 million would be needed to cover interest costs on the financing of the projects.

Bryant adds the \$224 million estimate is not a certainty until after the Devon headquarters is assessed. Another concern, he said, is that costs of ongoing projects could still go up, and the city will have to borrow more money, long-term, due to the shortfall in expected sales taxes from the construction.

O'Connor said the numbers are still being crunched on Project 180, and that a new estimate is being created to address the sales tax shortfall and the resulting need to borrow more money to complete the projects on the original timelines agreed to with Devon Energy.

Wenger said the Festival on the Green on Oct. 15, the widely-praised grand reopening of Myriad Gardens, is evidence of the city's commitment to properly finish Project 180.

“Even with the challenges we've faced, it's always been the promise that we want to deliver Project 180 to the public as expected,” Wenger said. “On Oct. 15, part of it was very well received with 20,000 showing up to a brand new park. And in the end we'll open these streets, turn on the lights with these new walks, crossings and I think they too will be very well received.”



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