

UNIVERSITY NORTH PARK PROPOSED PROJECT

CITY OF NORMAN
STUDY SESSION

June 19, 2018



CENTER FOR ECONOMIC
DEVELOPMENT LAW

Proposed UNP Project

- \$500+ private investment, bringing new residents and visitors to Norman;
- New-to-market living options, helping to attract and retain young professionals;
- Non-retail investment and job growth, helping to attract and retain young professionals;
- Immediate relief to the City's general fund with capacity to far exceed the short-term impact of ending the existing Increment District;
- Significant returns to affected taxing jurisdictions;
- Direct incremental revenues to Norman Public Schools, significantly enhancing the overall financial picture of the schools and providing very strong support for public education;
- Completion of original project goals and objectives;
- Increased revenues and securing of land for key Norman Forward projects, including the senior center; and
- No new taxes are being imposed; rather, the increase in revenues generated by the new investment is specified to pay authorized project costs.

Proposed UNP Project

Restructured Objectives in an Amended Project Plan

- Reduce overall Project Costs as much as possible
- Complete original Project goals
- Maximize returns to City and affected ad valorem Taxing Jurisdictions
- Continue to provide the Norman Public Schools with the benefit of direct incremental revenues
- Provide a structure that gives a chance for the Arena, Entertainment District, and Parking Garage to succeed

TIF Revenue – Impact on City

- Allocation of 70% of incremental sales tax revenues to City from 2019 to 2023
- Allocation of 50% of incremental sales tax revenues to City from 2023 to 2043, when TIF 4 ends, and 2044, when TIF 5 ends
- Allocation of 20% of incremental construction sales and use tax revenues to City over life of Project
- Transfer Adjustment:
 - Fixed \$800,000 through June 30, 2031, when TIF 2 ends
 - Continued adjustment moving forward for those retail establishments that locate in UNP from elsewhere in Norman
- Average Annualized Growth Rate Adjustment to further protect City's general fund until City-wide growth picks up
- Allocations discussed above do not include the following:
 - Norman Forward Sales Tax: \$22.4 million from 2019 to 2031 (when it expires)
 - Norman Public Safety Sales Tax: \$49.6 million from 2019 to 2043
 - Sales taxes generated outside of Increment Districts based on new employment and spending

TIF Revenue – Impact on Taxing Jurisdictions

- Allocation of incremental revenue directly to affected ad valorem Taxing Jurisdictions
 - Norman Public Schools: \$41,557,918 (average of \$1.66 million per year)
 - Moore Norman Technology Center: \$14,168,938 (average of \$567,000 per year)
 - Cleveland County: \$ 9,470,525 (average of \$379,000 per year)
 - Pioneer Library System: \$ 5,628,882 (average of \$225,000 per year)
 - Cleveland County Health Department: \$ 2,367,631 (average of \$95,000 per year)
- Amounts above do not include revenues to affected Taxing Jurisdictions upon termination of TIF #2 of the estimated amounts below between 2032 to 2043:
 - Norman Public Schools: \$3,107,125 (includes deduction due to state aid formula)
 - Moore Norman Technology Center: \$7,060,540
 - Cleveland County: \$4,719,527
 - Pioneer Library System: \$2,804,924
 - Cleveland County Health Department: \$1,179,808

Project Costs

Entertainment District Project Includes:

- \$227+ million in estimated total investment
- Mixed-use Entertainment District
- Events plaza and festival street
- 10,000-seat Arena
- 2,600-spot Parking Garage
- Cultural Facility Component

Entertainment District Project Costs

Entertainment District, Arena, Parking Garage	\$ 90,000,000
Frontage Road ext. and Tecumseh & 24 th / Flood	\$ 8,750,000
Contingency, Administrative Costs, and Implementation Costs	<u>\$ 4,000,000</u>
<u>Cleveland County Fairground Project Cost</u>	<u>\$ 5,000,000</u>
TOTAL in added Project Costs:	\$107,750,000

Project Costs

Remaining from Original Project Costs

Public Art, Trails, BID, Landscaping (south of Rock Creek) (contractual)	\$ 3,000,000
Traffic and Roads (contractual)	\$ 850,000
Lifestyle Center (contractual)	\$ 8,250,000
Economic Development (contractual)	<u>\$ 4,350,000</u>
TOTAL of Remaining Original Project Costs	\$ 16,450,000

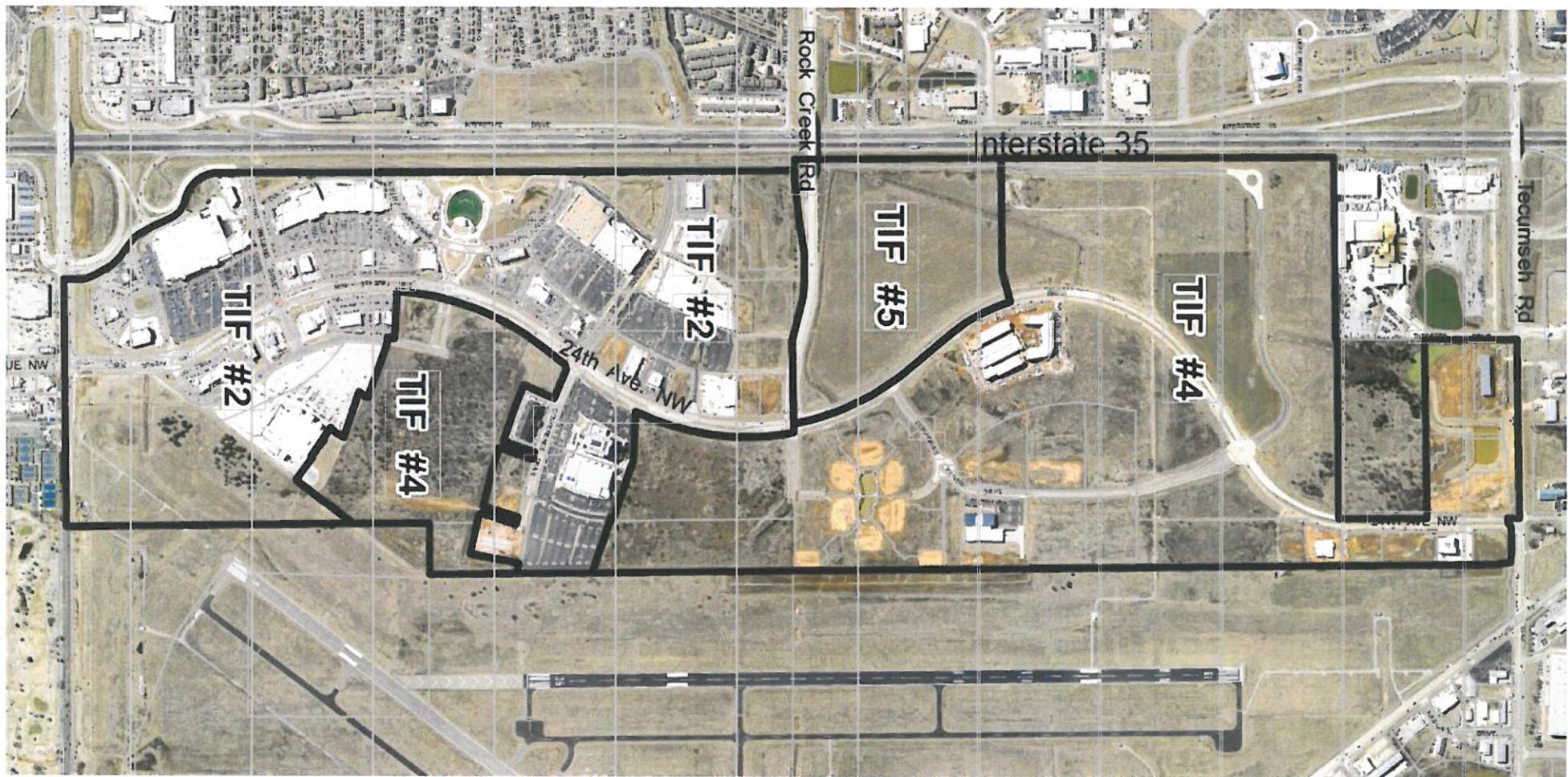
TOTAL Project Costs under Amended Project Plan

Added Project Costs	\$ 107,750,000
Remaining Original Project Costs	<u>\$ 16,450,000</u>
TOTAL	\$ 124,200,000

TIF Revenue – Sources

Increment Districts structure to provide incremental revenues to fund Project Costs

- TIF #2
 - Established in 2006
 - Includes property that is developed and being assessed as of approval of Amended Project Plan
 - Continues until 2031 (25 years from creation)
 - Funds Project Costs and provides immediate relief to City's General Fund
- TIF #4
 - Establish in 2018
 - Includes property north of Rock Creek Road (excluding TIF #5 property)
 - Includes undeveloped property south of Rock Creek Road
 - Funds Project Costs through adjusted allocation formulas
 - Continues until Project Costs are paid or 2043, whichever is earlier
- TIF #5
 - Authorize in 2018, but delay establishment until 2020
 - Includes Entertainment District, Arena, and Parking Garage
 - Funds Project Costs through adjusted allocation formulas
 - Continues until Project Costs are paid or 2044, whichever is earlier



TIF Revenue Allocations

sales tax increment		ad valorem increment			Rationale
Period	City	Project	Taxing Jur	Project	
2019-2021	70%+TA+ 20%const	30%+ 80%const	50%	50%	Provide taxing jurisdictions with full benefit of 2006 Project Plan Immediate Relief to General Fund
2022-2023	70%+TA+ 20%const	30%+ 80%const	40%	60%	Immediate Relief to General Fund Begin Proposed New Development
2024-2031	50%+TA+ 20%const	50%+ 80%const	40%	60%	TIF#2 ends 2031 All sales tax increment from TIF#2 flows to City All ad valorem tax increment from TIF#2 flows to taxing jurisdictions
2031 to end	50%+ 20%const	50%+ 80%const	40%	60%	Complete Amended Project Plan

Proposed UNP Project

- Structure allows the Entertainment District, including Arena and Parking Garage, to move forward
- Completes original Project goals including Cultural Facility within the Arena
- Maximizes returns to City and affected Taxing Jurisdictions, with immediate relief to the City's General Fund
- Continues to provide the Norman Public Schools with the benefit of direct incremental revenue allocation
- Implementing CallisonRTKL Master Plan enhances finalizing the north base lease for potentially three Norman Forward Projects, including the Senior Center
- Financing commitment to provide immediate financing of Senior Center project, should lease be approved

Consideration of Amended Project Plan

Review Committee

- Eligibility

- Financial Impacts on Taxing Jurisdictions and Businesses

- Recommendation of Project

Planning Commission

- Consideration of PUD Amendment

- Conformance of Amended Project Plan with the Master Plan

City Council Consideration

- Two Public Hearings

- Approval of Ordinance adopting Amended Project Plan