



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: R-1314-144

File ID: R-1314-144

Type: Resolution

Status: Non-Consent Items

Version: 1

Reference: Item No. 24

In Control: City Council

Department: Legal Department

Cost:

File Created: 06/18/2014

File Name: UNP BID

Final Action:

Title: RESOLUTION R-1314-144: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, ACKNOWLEDGING THE RECEIPT OF THE ASSESSMENT ROLL AND ASSESSMENT PLAT FOR THE PROPOSED UNIVERSITY NORTH PARK BUSINESS IMPROVEMENT DISTRICT, DETERMINING THAT THE CREATION OF AN IMPROVEMENT DISTRICT TITLED "UNIVERSITY NORTH PARK BUSINESS IMPROVEMENT DISTRICT" IS NECESSARY; INSTRUCTING THE CITY CLERK TO GIVE NOTICE OF A HEARING ON THE PROPOSED DISTRICT; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

Notes: ACTION NEEDED: Motion to adopt or reject Resolution No. R-1314-144.

ACTION TAKEN: _____

Agenda Date: 06/24/2014

Agenda Number: 24

Attachments: R-1314-144 BID Resolution - Receipt of Petition 6-17-14, Petition and Exhibits, UNP Assessment Plat (Map), Assessment Roll, UNP BID Plan Summary

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Entered by: kathryn.walker@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File R-1314-144

Body

BACKGROUND:

The Project Plan for the UNP TIF District provides for the development of Legacy Park. Development Agreement No. 3 (2007) escalated the Park construction schedule ahead of the Lifestyle Center construction schedule. Development Agreement No. 3 also provided that the Developer donate the Park property to the City, the City then construct the Park, and the Developer would then maintain the Park (excluding capital maintenance items). Development Agreement No. 3 also provided \$900,000 in TIF revenues to serve as Development Assistance for the purpose of helping to establish a viable maintenance matching fund for the

Park.

The optimism of accelerating Legacy Park construction was dampened by the nationwide economic downturn of 2008. However, work on Legacy Park continued with completion of the Legacy Park design in the fall of 2009. The Park design, by Howard-Fairbairn Associates and accepted by the Norman Tax Increment Finance Authority (NTIFA)/Council, was recognized by the American Society of Landscape Architecture as the recipient of the Central States Design Honor Award.

Other work on Project Plan components continued, such as solidifying funding for the Rock Creek Overpass construction, intersections at Rock Creek Road and 24th Avenue and Legacy Park Drive and 24th Avenue, the Norman Economic Development Authority's purchase of thirty acres of land in University North Park for economic development purposes, and continued retail development. After the completion of Rock Creek Overpass, additional work was done to solidify funding for Legacy Park construction. Development Agreement No. 5 was approved by the NTIFA/Council in 2012.

Development Agreement No. 5, among other things, solidified funding for Legacy Park construction and solidified the Legacy Park and Legacy Trail maintenance structure. University Town Center LLC (the "Developer") and University North Park, LLC (a wholly owned subsidiary of the OU Foundation and owner of most of the northern portion of the TIF increment district) agreed to request that the City create a Business Improvement District (BID) to provide funding for maintenance for both Legacy Park and Legacy Trail. The item before Council is the first formal step in the process to create the BID to provide funding for the long term maintenance of Legacy Park and the portions of Legacy Trail within the University North Park development.

The Park is currently scheduled to be completed in September, 2014.

Consistent with the provisions in Development Agreement No. 5, work to establish the BID has been more intensely focused over the last several months. The City is in receipt of a Petition in Favor of a University North Park Business Improvement District as contemplated by Development Agreement No. 5. Resolution No. R-1314-144 represents the first step in creating the BID by acknowledging receipt of the Petitions and authorizing the formal notification of a public hearing to consider formal creation of the BID at the July 8, 2014 Council meeting.

DISCUSSION:

BID's are allowed under the Oklahoma Local Development Act for a variety of purposes, including funding the acquisition, construction, installation or maintenance of capital improvements including parks, fountains and planting areas and associated improvements. Oklahoma law states that improvement districts may be created after a petition for such improvements containing signatures from a majority of the owners of record of the area liable to be assessed under the proposal is filed with the City Clerk. Both the Developer and UNP LLC agreed in Development Agreement No. 5 to support the creation of the BID District. Both have agreed to provide to the City Clerk for filing signed BID Petitions requesting the BID be created. In addition, the City has received BID Petitions from the owners of Embassy Suites Hotel and Conference Center, Valliance Bank, and Norman Economic Development Coalition, the owner of sixty acres of property subject to the BID. With these statements of support the City is in receipt of support from 81.93% of the property owners of record liable to be assessed under the proposal, well in excess of that required by Oklahoma Statutes. Contact has been made with all property owners within the District. To date there have been no negative responses received. Some property owners have yet to respond at the time the Agenda was being prepared.

The BID Concept was presented to the NTIFA/Council at its conference of May 27, 2014. NTIFA/Council comments included increasing the assessment formula for the residential property component, and providing Council with more flexibility in appointing four members of the UNP BID Advisory Board. Those comments were shared with the majority of the property owners, who would be subject to the bid assessments, and they are in agreement with the modifications and the concepts outlined below.

As provided in Development Agreement No. 5, the BID would provide \$200,000 annually for maintenance of Legacy Park and Legacy Trail throughout the TIF district. To assist the BID in its development, \$900,000 of TIF funds will be utilized to offset a portion of the BID Assessments against individual property owners over the first 8 years of the BID, while allowing further development to occur in University North Park. With additional

development will come a broader base of developed property across which the assessment can be applied, thus creating a more equitable and level assessment to property owners over the term of the BID.

In the first year of the BID, only accumulated TIF revenues of \$200,000 will be used for Legacy Park and Legacy Trail maintenance costs. In the second year of the BID, \$175,000 of accumulated TIF Revenues plus a \$25,000 assessment spread among all owners of developed property within the BID would be available for maintenance. In the third year, \$150,000 of accumulated TIF revenues plus a \$50,000 assessment spread among all owners of developed property within the BID would be available for maintenance. In the fourth year, \$125,000 of accumulated TIF revenues plus a \$75,000 assessment spread among all owners of developed property within the BID would be available for maintenance. This pattern will continue until the full \$200,000 assessment is spread among all property owners of developed property within the BID, beginning in the ninth year. This approach leverages the \$900,000 of TIF Development Assistance funds with matching assessment to owners of developed property for a total of \$1,800,000 for maintenance and BID development over the first nine years of the BID's existence. In addition, since BID Districts may run for a ten year period, an additional full \$200,000 BID Assessment against developed properties was included in the BID Petition in the tenth year. To fund ongoing maintenance costs, the continuation of the BID or a successor property owner's association will be considered for establishment after the initial ten-year BID period terminates.

The assessment formula for the residential property was previously based on the taxable value of the land plus fifty percent (50%) of the value of the structure. Since the Council/NTIFA discussion on May 27, this has been increased to the value of the land plus seventy percent (70%) of the value of the structure. Additionally, the makeup of the proposed advisory board previously included four (4) specific appointments from certain entities in Norman. The language has been revised since receiving Council's feedback to provide more flexibility and now mirrors the language in Chapter 4 of the Code of Norman for other appointments nominated by the Mayor and confirmed by a majority of Council.

There are several steps involved in establishing a business improvement district. First, the City must adopt a resolution (R-1314-144) acknowledging receipt of the Assessment Plat, determining that 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 at the Cleveland County Treasurer's Office. The relevant public hearing for the University North Park Business Improvement District is planned for July 8, 2014 at 6:30 p.m. Upon conclusion of the public hearing, the City Council will be asked to adopt a resolution formally creating the district. Property owners will have thirty (30) days to object to the formation of the district and/or the assessment applied to their particular property.

The City, Developer, and UNP have worked to reach out to all other property owners that might be affected though the proposed BID Assessments. Informal contact has been made with all owners of both developed and undeveloped property. Resolution R-1314-144 authorizes formal notification of those same property owners as required by Statute. Efforts will continue to be made to answer questions or concerns of other property owners who have not yet signed a BID Petition. Although not required by Statute, it is the goal to have as close to 100% of the property owners agreeing to the creation of the BID Improvement District as practical before Council's July 8, 2014 meeting when the actual creation of the BID will be before the Council for decision.

Recommendation:

Staff recommends adoption of Resolution No. R-1314-144.