

CITY COUNCIL SPECIAL SESSION MINUTES

December 10, 2019

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in special session at 6:27 p.m. in the Municipal Building Conference Room on the 5th day of November, 2019, and notice and agenda of the meeting were posted in the Municipal Building at 201 West Gray 48 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Bierman, Hall, Petrone, Wilson, Mayor Clark Mayor Pro Tem Holman

ABSENT: Mayor Clark

TARDY: Councilmembers Carter* and Scott*

* Councilmember Carter arrived at 5:34 p.m.

* Councilmember Scott arrived at 5:40 p.m.

Item 1, being:

CHANGE ORDER NO. ONE TO CONTRACT K-1819-44: BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND LAYNE CHRISTENSEN COMPANY INCREASING THE CONTRACT AMOUNT BY \$1,607,970.36 FOR A REVISED CONTRACT AMOUNT OF \$6,322,392.08 AND INCREASING THE CONTRACT TIME BY 160 CALENDAR DAYS FOR THE 2018 GROUNDWATER WELLFIELD DEVELOPMENT PROJECT.

Mr. Chris Mattingly, Capital Projects Engineer, said the 2018 Groundwater Wellfield Development Project a tool authorized by the Local Development Act (LDA) to be used in areas where investment, development, and economic growth are difficult but possible with TIF assistance. The TIF can be used to generate new employment opportunities through the creation of new enterprises, new economic activity, and new investment; attract investment to areas of need throughout the City (reinvestment areas, historic preservation areas, enterprise areas); and can generate new residential and commercial investment that enhances quality of life, education, and economic stability. She said Oklahoma communities can capture ad valorem or sales tax increment or both. A TIF captures the growth in the district so growth over and above the base assessed value is what funds the projects within that Project Area. At the end of the TIF, which is statutorily 25 years, all of the new revenues flow directly to the City, if sales tax, or the taxing jurisdiction if ad valorem.

Ms. Walker said in order to designate a TIF District, a city or town must adopt a Project Plan that includes the boundaries of the district, describes proposed improvements, anticipated private investments, estimated public revenues, and a list of estimated project costs. She said the TIF has a review committee process that consists of representatives of local taxing jurisdictions as well as two public meetings. She said once the Project Plan is adopted it can be amended, but any major amendments has to go through the review committee with two public meetings.

Ms. Walker highlighted three TIF's in Norman that includes the Campus Corner TIF consisting of public improvements, e.g., construction and repair of utilities, lighting, security systems, landscaping, signage, traffic controls, streets, and sidewalks, for a cost of \$1.25 million paid by increases in ad valorem and sales tax. The Center City TIF used ad valorem growth to fund public infrastructure improvements that make redevelopment more costly and more difficult. The University North Park TIF is the third and current TIF.

University North Park (UNP) TIF

Ms. Walker said the UNPTIF was created by ordinance on May 23, 2006, and the Project Plan authorized project costs of \$54.725 million to be funded via tax increment financing. The Project Plan components included traffic and roadway improvements; Hotel Conference Center; Cultural

Item 1, continued:

University North Park (UNP) TIF, continued:

Facilities; Legacy Park; Lifestyle Center; and economic development. She said over time, a Master Operating Agreement was implemented as well as six Development Agreements, a Master Financing Agreement, and an Economic Development Agreement. The UNPTIF revenues from October 2006 through April 2019 included \$89,367,007 in sales tax generated; \$11,412,154 dedicated to Public Safety Sales Tax (PSST); \$4,429,022 dedicated to NORMAN FORWARD; and \$11,253,497 transfer adjustment to the General Fund (GF) for a total net generated incremental sales tax of \$62,272,334. She said ad valorem taxes are split 50/50 with the taxing jurisdictions, such as Norman Public Schools (NPS), Cleveland County Health Department, Pioneer Library System, etc.

Traffic and Roadway Improvements

The Project Plan objective for traffic and roadway improvements was to stimulate private commitments to invest in the Project Area and \$11,550,000 was allocated for that purpose. Development Agreement No. One identified and set preliminary budget for planned traffic improvements with the developer being responsible for improvements exceeding total allocation. Development Agreement No. Five provided sequencing of remaining improvements with updated budgets.

Conference Center/Cultural Facility

The Project Plan objective for the Conference Center/Cultural Facility (Embassy Suites) was to construct a conference center and accompanying museums and other cultural facilities in order to secure a first-class hotel and \$16,500,000 was allocated for that purpose. Under Development Agreement No. Two, John Q. Hammons (JQH) constructed a hotel/conference center with a proposal to sell the center to the City for \$15 million; however, JQH later waived that obligation. In Development Agreement No. Four, UTC, L.L.C., (UTC) donated 11.25 acres for the conference center (\$4 million value) and the Oklahoma Department of Transportation (ODOT) expressed a willingness to construct the Rock Creek Overpass, which they had not been willing to do previously so \$7.75 million was allocated to the Rock Creek Overpass Project.. In Development Agreement No. Five, UTC donated two acres for a cultural facility south of Embassy Suites with an option to sell additional land at \$5 per square foot (expired June 30, 2015). On April 28, 2106, an amendment to Development Agreement No. One allowed UTC to substitute the two acres north of Embassy Suites for a cultural facility with an option to sell an additional 1.5 acres for \$5 per square foot and additional land for \$5.50 per square foot (expires June 30, 2026).

Legacy Park

The Project Plan objective for Legacy Park was to create Legacy Park, with appropriate memorials, a substantial lake/water feature, and destination restaurants and boutique shops, together with the extension of the Legacy Trail system, quality public art, trees, and extensive landscaping throughout the UNP and \$8.25 million was allocated for that purpose. In Development Agreement No. Three, UTC donated parkland (\$3 million value) and a preliminary budget was set for Legacy Park, public art, enhanced landscaping, and development assistance for park maintenance. Ms. Walker said UNP, L.L.C. (UNP) agreed to serve as lender for park construction. In Development Agreement No. Five, funds left over from the allocation for the Rock Creek Overpass in the amount of \$1.49 million was transferred to Legacy Park construction. She said UNP and UTC committed to the City's request to create a Business Improvement District (BID) for park maintenance in lieu of "development assistance" outlined in Development Agreement No. Three. The BID was created in 2014, setting forth yearly assessments to UNP property owners to fund park maintenance and other park enhancements. She said remaining TIF funds that need to be contributed is \$75,000.

Lifestyle Center

The Project Plan objective for the Lifestyle Center was to create the Lifestyle Center to foster the quality of development at UNP and to facilitate the creation of a retail environment that will be a regional draw of retail customers to Norman and \$8.25 million was allocated for that purpose. In

Item 1, continued:

Lifestyle Center, continued:

Development Agreement No. One, the developer was required to build 250,000 square foot of Lifestyle Center space by January 1, 2016, the developer must reimburse the City for frontage road costs (\$2.4 million); In Development Agreement No. Three, the developer was required to build a 250,000 square foot Lifestyle Center or reimburse the City for construction of Legacy Park (\$5.9 million); in Development Agreement No. Five, a square footage credit was given for Crest Food Store with the remaining square footage to be constructed by January 1, 2018, or developers had to reimburse the City frontage road and Legacy Park construction costs. In the amendment to Development Agreement No. 1 the City affirmed the commitment to explore urban design, walkability, and mixed use, extended the agreement for square footage to June 30, 2023, and developed a higher retail square footage minimum for incentive consideration. Ms. Walker said UTC also agreed to sell land to the City for a regional draw entertainment venue south of Rock Creek Road.

Economic Development

The Project Plan objective for Economic Development was to attract quality jobs through economic development activities in order to recruit businesses not currently located in Norman and to provide quality employment opportunities in Norman and to reverse long-standing condition of arrested economic development to serve as a catalyst for expanding employment and to attract major investment in the area. Ms. Walker said and \$8.25 million was allocated for that purpose with \$4,075,934 remaining. In the Master Operating Agreement, the Economic Development (ED) Fund was to be used to provide and foster new quality employment opportunities meeting State Quality Jobs criteria and set forth terms for the transfer of ED property (up to 100 acres) to the City or its designee. The Economic Development Agreement designated the Norman Economic Development Coalition (NEDC) as the designated entity to administer ED components. The City authorized the issuance of notes up to \$16.5 million to finance ED Project costs supported by TIF ED revenues. In Development Agreement No. Six, ED revenues, up to \$770,000, was committed for new quality jobs created by IMMY over ten years. In 2011 to 2013, the City approved a pledge of \$1.3 million in ED revenues as security for land purchase and infrastructure loans funded by Republic Bank, and later, a consortium of 11 banks. In 2017, the Council appropriated \$3 million in TIF ED revenues to pay off the infrastructure loan.

Addressing General Fund (GF) Shortages

Ms. Walker said Council has been exploring a number of options for GF shortages that included allowing the TIF to expire naturally; changing the increment allocation; repealing the TIF ordinance without development cooperation or agreement; and working cooperatively with TIF developers to end the TIF effective June 30, 2019.

Option One allows the TIF to expire naturally in May 2031; however, Council can end increment earlier if the City collects sufficient revenues to fund all project costs. It is anticipated sufficient funds could be collected by December 2020.

Option Two changes the increment allocations by reducing sales tax apportionment from 60% to 5% or reducing sales tax apportionment from 60% to 10%; however, there was no consensus to move forward with changing the increment allocation.

Option Three is to repeal the TIF Ordinance with no agreement with the developer; however, there is a benefit to the bargain in anticipation and reliance on all projects costs being expended for the purposes set forth in the Project Plan. Ms. Walker said repeal of the TIF Ordinance does not require the developer, but it also does not render the Development Agreement obligations mute. She said the City needs to address outstanding projects costs and agreements and avoid the exposure of liability.

Councilmember Bierman asked what the City is contractually obligated to spend versus what the City is authorized to spend and Ms. Walker said there are a number of agreements about using the tax increment to fund project costs. She said the City is required to consider requests for incentives

Item 1, continued:

Addressing GF Storages, continued:

for the Lifestyle Center, fund certain traffic improvements, and is obligated to provide and make available \$8.5 million in ED incentives.

Option Four is to repeal the TIF Ordinance with agreement with the developer that includes addressing outstanding project costs and agreements to avoid possible exposure to liability. This option achieves the goal of ending the increment by June 30th. Ms. Walker said a Memorandum of Understanding (MOU) with the University of Oklahoma (OU) provided framework for settlement discussions.

Update on MOU

Ms. Walker said in order to limit the City's exposure to potential liability related to UNPTIF contracts, Staff was directed to work with the primary developers, UNP and UTC, to determine how to address the City's desire to end the TIF early through appropriate contract amendments as well as any needed Project Plan amendments. She said \$15 to \$17 million is estimated to be available by June 30th for project costs while approximately \$25 million remains in authorized projects costs. The MOU provides a framework and timeline to achieve the City's goals.

Councilmember Carter asked Ms. Walker to expand on the motivation for Council entering into the MOU and Ms. Walker said the City received a letter from UNP and UTC as they heard rumblings about Council wanting to end the TIF early without working out an agreement with the developer. She said in the letter they mentioned the possibility of litigation and the desire to work with Council on various ideas to avoid that. They also mentioned coming to an agreement on the Cultural Facility land that would benefit the City and developers. She said it was the threat of litigation and concerns about the liability that led to the MOU because the threat of litigation is serious and can be expensive.

Ms. Walker said Staff has been trying to assess what is important to the City since the Lifestyle Center has been controversial since its inception. She said what is important to the City is public infrastructure, ED, and NORMAN FORWARD projects so that has been Staff's focus during negotiations. She said the City has been trying to secure sufficient funding for the remaining traffic and roadway improvements that includes Robinsons Street at West I-35 and Crossroads Boulevard - \$1,678,671; Tecumseh Road and Interstate Drive East - \$1,086,723; Tecumseh Road/Flood Avenue/24th Avenue N.W. - \$1,152,237; Tecumseh Road and Interstate Drive West - \$650,000; and a 10% contingency - \$456,763.

Ms. Walker said there is approximately \$4 million remaining in ED, which is the most complex piece of the puzzle because part of that bargain included UNP's repurchase and cure rights if property is not developed or if NEDC defaults. She said part of the challenge is how to address cure rights that is fair to UNP, the City, and NEDC. She said the new proposed allocation is \$1,425,000 and UNP will purchase 30 acres of Corporate Center from NEDC and, at a minimum, that will pay off remaining NEDC debt for the full 60 acres purchased (\$3.4 million). She said this is subject to NEDC approval, which the NEDC Board will discuss this week.

Ms. Walker said in January 2019, Council expressed interest in locating a "Multi-Generational Recreation Complex" on North Base property and utilizing "cultural facility funds" from the TIF Project Plan. She said UNP and UTC expressed interest in locating such a complex in the UNP instead of North Base. She said choosing a location and agreeing on the use of cultural facility funds is one item identified in the MOU for negotiations. She said ADG, Inc., was engaged to develop an apples to apples comparison of the North Base site and three UNP and UTC sites. Applying a comparative site analysis matrix examining each site based on four categories that consisted of 1) site consideration (capacity, infrastructure, etc.), 2) urban impact (neighboring land uses, compatible development), 3) access considerations (drivers, pedestrians, service vehicles, public transit), and 4) financial considerations (land assembly costs, site preparation, construction costs). She said the UTC site ranked first in the ADG analysis.

Update on MOU

Ms. Walker said the City currently has an MOU to acquire property at North Base for the Indoor Aquatic Facility, Senior Citizen Center, and Multi-Sports Facility; however, since that MOU was approved it has been decided to locate the Senior Citizen Center in Reaves Park. She said the purchase price for 14 acres at the North Base property is \$2,435,000 and would require demolition of the World War II Hangar, the extension of Berry Road, an upgrade to Halley Drive, and a traffic signal at Lexington and Flood Avenues for total costs of \$4,385,000 to \$4,585,000. Other anticipated infrastructure costs include stormwater system improvements for a cost of \$450,000 and extending public water and sewer line for an unknown cost at this time.

The cost for acquisition of the UTC site is subject to negotiations; however, in Development Agreement No. Five the developer donated two acres and agreed to sell 1.5 acres for \$5 per square foot and additional acreage for \$5.50 per square foot (\$2,363,130). Ms. Walker said water, sewer, and stormwater infrastructure is in place and the site is adjacent to hotels and restaurants, which is advantageous for swim meets or sports tournaments. There is also possible opportunity for shared parking.

Councilmember Scott asked if the ADG's analysis of the UTC site assumed the City would purchasing land or did it assume the land would be donated and Ms. Walker said at that time the City was asking for a donation, but did not know which site would be chosen so land acquisition costs were not considered in the analysis.

The proposed cost for the UTC site is \$2,363,130 with a contribution of \$350,000 to Norman Public Schools (NPS) because Council expressed a desire to help NPS when the TIF ended, which would change in State formula funding for NPS. She said the City will construct the NORMAN FORWARD Projects with NORMAN FORWARD Funds (\$22.5 million) and at least \$2.44 million is available in additional funding for construction and equipping of the facilities.

Ms. Walker said the Lifestyle Center's original allocation was \$8,250,000 with a proposed allocation of \$5 million. She said UTC wants some assurances that they will be able to access these funds in exchange for less available funding and highlighted criteria that would allow assured access to funds as follows:

- Must be in area designated as "Lifestyle Center;
- Must support a user not already in Norman;
- Retail must be \$300 per square foot for stores larger than 10,000 square feet and \$400 per square foot for stores small than 10,000 square feet – demonstrated based on past performance in communities with similar demographics;
- Entertainment – no sales for square foot requirement – must present an entertainment option unique to Norman; and
- User must either purchase land or sign a lease of at least three years.

If the proposal does not meet these criteria, then a development agreement would be required and authorization to use these funds would expire June 30, 2026. Penalties associated with the Lifestyle Center would be waived under the proposal.

Councilmember Scott said Council has adopted a budget that assumes sales tax increment flowing into the GF and Capital Fund (CP) so what impact would Option Three have on the budget and Ms. Walker said that would depend on the litigation and what the Court orders the City to do.

Councilmember Scott asked how Option Three would impact NORMAN FORWARD Projects and Ms. Walker said if the City repealed the ordinance without an agreement with the parties, the items negotiated as part of the MOU would be void. She said the City can still build on the North Base property, but using Cultural Facility funds for that property could be problematic. She said \$2.2 million is available in NORMAN FORWARD funds for those projects, but funding for any additional costs (a total cost of over \$5 million) would need to be identified. Councilmember Scott asked if Staff has an estimate on what the legal costs would be and Ms. Walker said no, but outside Counsel would be needed if a lawsuit is filed. She said the City has spent approximately \$60,000 on a couple of recent cases, but that is just initial costs not full cost.

Item 1, continued:

Update on MOU, continued:

Councilmember Scott asked about the time line on the NORMAN FORWARD Projects and Ms. Walker said design firms have been selected and once land is acquired the projects should move along fairly quickly.

Councilmember Clark asked Mr. Jud Foster, Director of Parks and Recreation, how long it will take for infrastructure to be constructed at North Base and Mr. Foster said Staff has not done due diligence on North Base in terms of site analysis so it is hard to say how long it will take. Councilmember Clark asked if a site analysis has been performed on the UNP site and Mr. Foster said no, but infrastructure is in place around the perimeter of the site. Councilmember Clark said, to clarify, there are less infrastructure costs, less impervious surface at UNP, and the North Base property could cost more which means potentially cutting into the goal of creating the best facilities possible that the public voted for and Mr. Foster said that is correct.

Public Comments

Ms. Alva Brockus, Sooner Swim Club, said the Indoor Aquatic Facility would be available to all ages from babies learning to swim to senior citizens as well as competitive swimmers. She said the community only wants a facility built and Sooner Swim Club has been told for years to be patient while the City negotiates for land to construct the Indoor Aquatic Facility and Indoor Multi-Sport Facility.

Ms. Brockus said in 2015, NORMAN FORWARD was tasked with an overwhelming directive from the public to construct an Indoor Aquatic Facility and Indoor Multi-Sport Facility and the community has been waiting and trusting that Council would resolve the issues and move forward with construction of these facilities. She said last month the community heard that the money saved in the deal with Griffin Park land would be used toward building a Senior Citizen Center in Reaves Park, which is okay with the community. She said now the community is concerned these facilities will not be the quality expected by the public if land has to be purchased. She said the community is tired of waiting and OU's pool is closed multiple times per year for various repairs and the community is aware OU is cutting anything that cannot be perceived as a benefit to the University so it is only a matter of time before they close the pool permanently. She said without the OU pool, the swim community has no place for competitors to swim, no water aerobics for citizens, and no recreational swimming for citizens. She said Norman voted for these facilities and the community commenced paying the taxes for these facilities and the community just wants them built.

Mr. Rob Norman, Norman Optimist Club, felt the City should choose the best, more affordable option for quality facilities, which he believes is the south UNP site. He said the World War II Hanger on North Base has asbestos and will be expensive to renovate or demolish and infrastructure costs will cost more than what is needed at the UNP site. He said it is very clear to him that the best land deal is the UNP south site and is also the largest amount of land, 17.9 acres versus 13.5 acres at North Base. He said the North Base property is not large enough to build the two facilities to scale while leaving the Hanger intact during the construction. He said the community wants the scale of facilities they were promised and will hold Council accountable for getting that. He said the Hanger at North Base is primarily used for basketball, which is the motherlode of participation sports in the United States as well as Norman. The Hanger is also used for volleyball and two of the major volleyball organizations in the country have approached the Optimist Club regarding using the Hanger to create a centralized volleyball program. He said the UNP site will allow the City to fulfill its promise to voters in 2015, and that more important than litigating hundreds of thousands of dollars and wasting more years waiting for these projects. Please take the UNP deal and move forward.

Mr. Kent Anderson, Sooner Swim Club, encouraged Council to move forward with the Aquatic Center at UNP south, which was supposed to be a priority project in 2015.

Mr. Jackson Clark, Sooner Swim Club, said the OU pool was built in the 1970's and does not accommodate current needs.

Item 1, continued:

Public Comments, continued:

Ms. Cynthia Rogers, NORMAN FORWARD Oversight Committee member, said she loves to swim and a pool in the UNP makes a lot of sense for many reasons. She understands the community's impatience; however, this is a very important financial decision and urged Council to be cautious about moving forward too quickly when disentangling the City from the TIF. She felt expectations for the TIF had been unrealistic when it was created and those expectations have not come to fruition. She said the City has met its obligations in the TIF, but developers and OU are fighting to postpone their obligations.

Ms. Melody Ball, concerned citizen, said it seems the partners involved with the TIF have not negotiated in good faith or lived up to their obligations.

Mr. Steve Ellis, concerned citizen, said he agreed with Ms. Rogers' comments. He said it seems an additional \$10 to \$15 million will be expended if the final offer from the developers is accepted that includes \$5 million in incentives and avoid \$8.3 million in clawbacks. He said threatening litigation is simply a good bargaining tool for UNP and UTC.

Ms. Sarah Brockus, concerned citizen, said the OU pool is in poor condition and has closed multiple times for repairs. She said swimmers need a reliable aquatic facility.

Mr. Cooper McCormick, Sooner Swim Club, said one of their swim meets was cancelled at OU because the water was too cold to swim in due to an equipment malfunction.

A concerned citizen said there is a high school student that could go to the Olympics if he had a reliable pool in which to practice.

Mr. Charles Brockus, concerned citizen, said if the OU pool closes, the YMCA is an alternative although it should never be considered as an alternative because the water is kept too warm for competitive swim training.

Council Comments

Councilmember Bierman said if the City moves forward with a settlement agreement, at what point is the TIF officially closed where no projects can be added? She wants to end this TIF in a way that no one can come through that door again. Ms. Walker said under the LDA, the TIF could remain open until 2031 for any authorized project costs and the increment would end when the City has collected enough money for authorized projects. She said Staff has tried to reduce what is authorized to what would be on hand by June 30th. She does not know a way to close the TIF in a way that future Council could not amend the Project Plan; however, there would be a lot of public involvement in that process as well as being reviewed by a Statutory Review Committee. She said short of a Charter amendment, there is no other way to keep a future Council from amending the Project Plan.

Councilmember Bierman said her concern is that when the TIF was created in 2006, it set the sales tax base line at 2006 levels, which means that any sales tax above and beyond what was collected in 2006 would be split 60/40% into the GF and TIF Fund. She said leaving the TIF open makes it very attractive to future Council because the base line is low. She said ending the increment does not end the TIF and wants everyone to understand that.

Councilmember Holman said no one on Council has mentioned ending the TIF until last year when the community began requesting to end the TIF due arena discussions and Councilmembers supporting ending the TIF have been actively working on doing that. He is looking forward to ending the TIF without exposing the City to any other litigation and moving forward with the NORMAN FORWARD projects.

Item 1, continued:

Council Comments, continued:

Councilmember Wilson asked if Council can simply amend the Project Plan to permanently end the TIF and Ms. Walker said yes, that is Option Three, but it does not take into account any of the development agreements Council has entered into over the years. She said that puts the City at risk of litigation and potential claims. Councilmember Wilson said she shares Councilmember Bierman's concerns about future Council amending the Project Plan.

Councilmember Castleberry said a TIF is a financing mechanism and if there is no money going into the TIF then there is no financing. He said ending the increment is effectively ending the TIF, but no one can control what a future Council might do. He said the litigation risk is real and although the proposal is not perfect it is a good deal and as Trustees of the City, Council has to do what is best for the City and part of that is avoiding litigation.

Councilmember Carter said he supports ending the TIF, balancing the budget, and bringing NORMAN FORWARD projects to fruition. He is also a strong advocate of the MOU and Council is unilaterally breaking a contract that is not due to default of the developers, correct? Ms. Walker said the desire to end the TIF increment is solely at Council's request and not due to any default of the developer's obligations. She said the impact on other contracts and obligations is a concern.

Councilmember Carter said there seems to be an urban myth that the threat of litigation is a bluff and Council is playing poker. He asked if the firm representing UNP and UTC is a reputable law firm and Ms. Walker said yes, it is one of the top two firms in the State of Oklahoma. Councilmember Carter asked if this firm makes idle threats and Ms. Walker said not to her knowledge. He said the City has a serious, reputable law firm representing its client that could result in litigation and the goal of the City is to end the TIF and avoid litigation.

Councilmember Carter said there had been a "Generation Square" concept for North Base, which would include an Indoor Aquatic Facility, Indoor Multi-Sports Facility, and a Senior Citizens Center; however, when Council made the decision to move the Senior Citizen Center to Reaves Park did it functionally end that concept and Mr. Foster said yes.

Councilmember Carter asked if the moving the Senior Citizen Center to Reaves Park places the City in a stronger negotiating position and Ms. Walker said not really because the facilities that would be a regional draw and provide mutual benefit to both parties are the Aquatic and Multi-Sport Facilities.

Councilmember Carter said the budget assumes sales tax from the TIF, correct? Mr. Anthony Francisco, Director of Finance, said yes, tax collected from the TIF will be apportioned as any other sales tax in Norman. Councilmember Carter said if the City is unable to use that sales tax due to litigation, would that adversely affect the budget and Mr. Francisco said yes. Councilmember Carter asked if it would affect the Police Department and Mr. Francisco said yes it would affect multiple departments so Council will have to make some very difficult decisions about budget cuts, where reserves might be drawn down, or where revenues might be generated to offset the loss of sales tax revenues.

Councilmember Carter asked if the bus system will be negatively affected and Mr. Francisco said \$635,000 was in the original budget and Council added an additional \$500,000 for FYE 20, but the bus system budget could be affected. Councilmember Carter said if Council cut \$500,000 from the transit system budget would it adversely affect services and Mr. Francisco said basically something will have to be given up whether that is services or employees.

Councilmember Carter commended Ms. Walker on the negotiation process because, in his opinion, she has been put in the most adverse of circumstances trying to negotiate an agreement that would effectively end the TIF, avoid litigation, and add \$4 million to the GF. He felt the City has secured a prime location for the NORMAN FORWARD projects and it is time to end the TIF, balance the budget, get the swimming and sport facilities constructed and move forward and Mayor Miller agreed.

Item 1, continued:

Items submitted for the record

1. PowerPoint presentation entitled, "University North Park," City Council Special Session dated June 18, 2019

* * * * *

Item 2, being:

CONSIDERATION OF ADJOURNING INTO AN EXECUTIVE SESSION AS AUTHORIZED BY OKLAHOMA STATUTES, TITLE 25 §307(B)(4) IN ORDER TO DISCUSS POSSIBLE LITIGATION WITH THE UNIVERSITY NORTH PARK TAX INCREMENT FINANCE DISTRICT.

Councilmember Clark moved that the Special Session be adjourned out of and an Executive Session be convened into in order to discuss possible litigation associated with the University North Park Tax Increment Finance District, which motion was duly seconded by Councilmember Wilson; and the question being upon adjourning out of the Special Session and convening into an Executive Session in order to discuss possible litigation associated with the University North Park Tax Increment Finance District, a vote was taken with the following result:

YEAS: Councilmembers Bierman, Carter, Castleberry, Clark, Holman, Scott, Wilson, Mayor Miller

NAYES: None

The Mayor declared the motion carried and the Special Session adjourned out of; and an Executive Session was convened into in order to discuss possible litigation associated with the University North Park Tax Increment Finance District.

The City Council convened into Executive Session at 8:59 p.m. Ms. Kathryn Walker, Interim City Attorney, Ms. Mary Rupp, Interim City Manager; Mr. Rick Knighton, Assistant City Attorney; and Mr. Anthony Francisco, Director of Finance, were in attendance at the Executive Session.

Thereupon, Councilmember Clark moved that the Special Session be reconvened, which motion was duly seconded by Councilmember Scott; and the question being upon reconvening the Special Session, a vote was taken with the following result:

YEAS: Councilmembers Bierman, Carter, Castleberry, Clark, Holman, Scott, Wilson, Mayor Miller

NAYES: None

The Mayor declared the motion carried and the Special Session was reconvened at 10:15 p.m.

The Mayor said possible litigation associated with the University North Park Tax Increment Finance District was discussed in Executive Session. No action was taken and no votes were cast.

* * * * *

ADJOURNMENT

The Mayor adjourned the meeting at 10:16 p.m.

* * * * *

ATTEST:

City Clerk

Mayor