



City of Norman, OK

Municipal Building Council
Chambers
201 West Gray Street
Norman, OK 73069

Master

File Number: R-1213-64

File ID: R-1213-64

Type: Resolution

Status: Non-Consent Items

Version: 1

Reference: Item No. 67

In Control: City Council

Department: Legal Department

Cost:

File Created: 10/18/2012

File Name: NEDC Financing

Final Action:

Title: RESOLUTION NO. R-1213-64: A RESOLUTION OF THE NORMAN TAX INCREMENT FINANCE AUTHORITY APPROVING CONCURRENCE IN AGREEMENT OF THE NORMAN ECONOMIC DEVELOPMENT COALITION TO FINANCE THE ACQUISITION OF PROPERTY FOR ECONOMIC DEVELOPMENT PURPOSES, WITHIN THE UNIVERSITY NORTH PARK ECONOMIC DEVELOPMENT PROJECT.

ACTION NEEDED: Acting as the Norman Tax Increment Finance Authority, motion to adopt or reject Resolution No. R-1213-64.

ACTION TAKEN: _____

Notes:

Agenda Date: 10/23/2012

Agenda Number: 67

Attachments: Resolution No. R-1213-64

Project Manager: Kathryn Walker, Assistant City Attorney

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:
1	City Council	10/23/2012					

Text of Legislative File R-1213-64

Body

BACKGROUND: Council approved the University North Park (UNP) Tax Increment Finance District (TIF) Project Plan (Ordinance O-0506-66) on May 23, 2006. The Project Plan authorized public improvements within the TIF, including Traffic and Roadway Improvements, a Hotel Conference Center, a retail-based Lifestyle Center, Legacy Park, and an Economic Development component that would foster special employment opportunities in Norman.

The Economic Development component of the UNP TIF outlined in the Project Plan provides for up

to \$8.25 million in funding to foster special employment opportunities. The Master Development Agreement (Contract K-0607-44) further refined this focus by identifying sixty (60) acres of land that could be purchased by the Norman Economic Development Coalition (NEDC) at discounted prices in an effort to provide incentive tools for attracting future employers to Norman that meet the criteria of the Oklahoma Quality Jobs Act. Under the Master Development Agreement, another forty (40) acres at market prices is also available to be purchased for the same purpose.

A final plat was approved by City Council in April of 2008 for the development of the University North Park Corporate Center, consisting of twenty-eight (28) acres of land that contained six lots for development of high-quality office space to be utilized by future employers. A revised final plat for the University North Park Corporate Center was approved by City Council in June 2010 that increased the size of the development to thirty (30) acres. Under current City development regulations, because the infrastructure was not installed within two years of approval of the final plat for University North Park Corporate Center Section 1, it expired in June 2012. The final plat for University North Park Corporate Center Section 1, has been resubmitted in identical form as was previously approved, has been reapproved by Planning Commission, and is on Council's agenda for October 23, 2012 along with the final plat for University North Park Corporate Center Section 2. The Section 2 final plat includes the second thirty acres available for purchase by NEDC at a reduced price under prior UNP TIF Development Agreements and is currently being planned for a potential employer to Norman that will operate an advanced manufacturing center.

In 2010, Council approved Resolution R-1011-39 concurring in NEDC's purchase of the thirty (30) acres contained in the plat for University North Park Corporate Center Section 1 and providing UNP TIF Economic Development revenues as credit enhancement for a loan from Republic Bank (the "Lender") to NEDC to purchase the land. The TIF Economic Development revenues were provided because NEDC did not have sufficient available revenues to pay interest on the loan. The TIF revenue approved in 2010 was for the lesser of \$800,000 or the amount of UNP TIF Economic Development Revenues that accumulated between the first financing in June of 2009 and the fiscal year ending June 30, 2011. TIF revenues have been used since that time to make semi-annual interest payments on the NEDC loan, and can be credited toward principal repayment on the loan should NEDC not be able to achieve the anticipated lot sales or develop the property over the next three years (NEDC is obligated to repay the principal in three years). If NEDC makes sales of its UNP Corporate Center land before the loan principal becomes due and payable, proceeds of those land sales will repay the UNP TIF's security funding.

DISCUSSION: Resolution R-1213-64 is similar in structure to the 2010 Resolution as it provides necessary credit enhancement for the purchase of the land contained in the UNP Corporate Center Section 2 final plat planned for an advanced manufacturing center. This land is available from University North Park, LLC (a subsidiary of the University of Oklahoma Foundation) to NEDC at a discounted rate of \$1.25 per square foot. The Lender and NEDC have agreed to combine the existing loan for the first 30 acres with the loan for the purchase of the second 30 acres, and to extend the principal repayment period for an additional three (3) years. The additional UNP TIF Economic Development Revenues that are proposed to be made available to provide repayment security for the second NEDC land purchase within University North Park is in an amount not to exceed the total of the remaining Economic Development Revenues made available for the purchase of the first 30 acres (as set forth in Resolution No. R-1011-39), plus the Economic Development Revenues collected

between July 1, 2011 and December 31, 2012 (approximately \$475,000 + \$695,000). As has been the case with the 2010 NEDC loan, TIF Economic Development revenues will be held by a Trustee and used to make semi-annual interest payments or credited toward loan principal repayment. If NEDC achieves the anticipated lot sales and repays the loan principal to the Lender from the lot sale proceeds, any remaining TIF Economic Development revenue will be repaid from the Trustee to the City's UNP TIF Fund and made available for other approved TIF projects.

STAFF RECOMMENDATION: Staff recommends approval of Resolution No. R-1213-64.