

A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA AND THE TRUSTEES OF THE NORMAN TAX INCREMENT FINANCE AUTHORITY DIRECTING STAFF TO PREPARE PROJECT PLAN AMENDMENTS AND FINAL DEVELOPMENT AGREEMENTS CONSISTENT WITH ATTACHED TERM SHEET AND CONVENING THE STATUTORY TIF REVIEW COMMITTEE FOR THE PURPOSE OF REVIEWING SAID PROJECT PLAN AMENDMENTS.

- § 1. WHEREAS, Ordinance No. O-0506-66 approving the University North Park Project Plan (the "Project Plan") and creating the University North Park Tax Increment Financing District (the "UNP TIF") was approved by City Council on May 23, 2006 for the stated purpose of using local taxes generated from within the UNP TIF in an amount up to \$54.725 million as a revenue source for specific public investments, assistance in development financing and as a revenue source for other public entities in the area;
- § 2. WHEREAS, over \$82 million in sales tax (of which over \$14 million is dedicated to public safety and Norman Forward needs, over \$33 million has been allocated to UNP TIF project costs, and over \$35 million to the City's general fund) and over \$10 million in ad valorem tax revenue (50% of which is allocated to TIF project costs and 50% to the ad valorem taxing jurisdictions) has been generated within the UNP TIF District since 2006;
- § 3. WHEREAS, over \$29 million in TIF funds have been spent thus far on traffic and roadway projects, construction of Legacy Park, and economic development in conjunction with the Norman Economic Development Coalition ("NEDC") within UNP; however over \$25 million in authorized UNP TIF project costs remain outstanding;
- § 4. WHEREAS, the City's anticipated portion of the gross sales tax generated within the TIF District, not including funds already apportioned to public safety and Norman Forward projects is projected to exceed \$4.8 million annually.
- § 5. WHEREAS, City Council has expressed its intention to cease the allocation of the sales tax and ad valorem tax increment generated within the Increment District to Project Costs, enabling 100 % of the City sales tax generated within the district to be deposited into the City's general fund and capital fund consistent with the Code of the City of Norman.



- § 6. WHEREAS, the City, the Norman Tax Increment Finance Authority, and other parties have not yet completed all of the authorized projects under the Project Plan and the previously approved agreements related to the UNP TIF;
- § 7. WHEREAS, insufficient funds will be available to fund the remaining authorized UNP TIF project costs if the UNP TIF increment allocation is ended earlier than contemplated by the Project Plan;
- § 8. WHEREAS, if the UNP TIF allocation is ended early, changes may also need to be considered to other ancillary documents and agreements that may be affected;
- § 9. WHEREAS, City Council adopted a Memorandum of Understanding (K-1819-116) formalizing a framework within which Staff would work to end the UNP TIF allocation in collaboration with the parties to the previously approved agreements related to the District, as well as with other impacted community partners;
- § 10. WHEREAS, the Memorandum of Understanding stated that the parties would work together in good faith to negotiate mutually acceptable proposed Project Plan amendments by May 15, 2019 and amendments to the UNP agreements by May 31, 2019;
- § 11. WHEREAS, although mutually acceptable Project Plan amendments and amendments to the UNP agreements were not completed by May 15, 2019 and May 31, 2019 respectively, the parties have continued to work together in good faith to negotiate said agreements and have developed a term sheet as a result of these negotiations;
- § 12. WHEREAS, City Council has reviewed key terms in a Term Sheet (attached hereto as Exhibit A) to be included in contemplated Project Plan amendments and a final development agreement and desires to move forward with development of such amendments and agreements.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NORMAN:

- § 13. That, Staff is directed to prepare Project Plan amendments and a final development agreement consistent with Exhibit A – Term Sheet in furtherance of the Memorandum of Understanding.

- § 14. That, Staff is directed to convene the Statutory TIF Review Committee for the purpose of reviewing and making a recommendation related to said Project Plan amendments.
- § 15. That, the City intends that any additional projects not included in the amended Project Plan, and any future tax increment financing proposal for the University North Park development, be provided for pursuant to a newly adopted tax increment finance district under the Local Development Act and directs staff to include such language in the final development agreement.
- § 16. That, staff is directed to include in the final development agreement to be approved by council a provision providing for the full and complete release of liability of the City, its employees, agents and city council members, by any signatory party to the Memorandum of Understanding, adopted by Council on March 26, 2019, for any claim, demand, damages or cause of action that in any way is related to or arises from the UNP TIF, any project plan(s) and / or any related agreement(s) concerning the UNP TIF reasonably known or that could have been known by any of said signatories to the Memorandum of Understanding as of the approval date of the amended project plan.

PASSED AND ADOPTED this 25<sup>th</sup> day of June, 2019.



ATTEST:

Brenda Hall  
City Clerk/Secretary to the Board

L. Miller  
Lynne Miller  
Mayor, City of Norman  
Chairperson, Norman Tax Increment Finance  
Authority

## Term Sheet

- 1. Traffic and Roadway Improvements:** Funds up to \$5,024,394 shall be made available for the design and construction of the traffic and roadway improvements listed below. The City shall make every effort to secure federal or state funding for these projects. Any additional funds needed to complete these projects shall be provided by the City, or state or federal funding sources. The Developer (UTC LLC) and UNP LLC are released from any obligation to fund any portion of these traffic and roadway improvements. The projects will be sequenced as follows:

a. Robinson at West I-35 Drive/Crossroads Blvd.	\$1,678,671
b. Tecumseh Road and Flood & 24 <sup>th</sup> Ave NW	\$1,152,237
c. Tecumseh Road and Interstate Drive East	\$1,086,723
d. Tecumseh Road and Interstate Drive West	\$ 650,000
e. Contingency	<u>\$ 465,736</u> (10%)
	\$5,024,394

The City will make every effort to complete all of these projects by June 30, 2024; however, the Parties recognize that the complete funding for these projects may require significant federal funding, and that projects (c) and (d) in particular are contingent on the I-35 Corridor Study that has been undertaken in partnership with the Oklahoma Department of Transportation and the City of Moore.

Section 6.07 of the Supplemental Indenture and Section 3.2 of Development Agreement No. 5 will survive any amendments to the development agreements and will be incorporated into any master settlement agreement. If the existing PUD is amended to permit development north of Rock Creek Road that would result in higher traffic counts than projected in the 2009 TIA and, as a result, such development would result in a failure to maintain Service Level D at University North Park, any necessary traffic improvements, to the extent necessary to achieve the same Service Level D as set forth in the 2009 TIA, will be determined in accordance with Section 4006.1 of the City's Engineering Design Criteria.

The Parties recognize that under the normal City development process, the developer of any lot is required to construct any required infrastructure improvements, such as easements, rights of way, traffic, streets, roadway, stormwater, sanitary sewers, water mains, sidewalks, and fire protection, prior to each lot or section being final platted, unless concurrent construction is granted. As such, on lots or sections already final platted, additional infrastructure improvements will not be required.

- 2. Legacy Park:** Funds up to \$75,000 shall be made available to fulfill the remaining unfunded balance of NTIFA's matching contribution of \$900,000 as provided by R-1415-11 creating the University North Park Business Improvement District. Funds up to \$175,000 shall be made available to fulfill the City's obligation under



Section 2.2 of Development Agreement No. 5 to construct a surface parking lot providing at least 20 additional parking spaces for those attending events at Legacy Park. The City shall make every effort to construct and open the surface parking lot by no later than June 30, 2020.

3. **Economic Development:** Funds up to \$1,425,000 may be made available for Economic Development Costs, including a maximum of \$699,565 that may be earned under Development Agreement No. 6 (\$70,434 of which already has been earned and distributed). UNP LLC will enter into a separate agreement with NEDC to accelerate its option to purchase University North Park Corporate Center 1, subject to IMMY's right of first refusal with respect to Lot 2 and Lot 7 in Block 1, at a mutually agreed price (i) not less than the remaining unpaid balance of NEDC's loan from Republic Bank and Trust ("RBT") and (ii) not to exceed NEDC's verified cost as provided in the existing agreements between UNP LLC and NEDC, with closing to occur by a mutually acceptable date. If such closing does not occur prior to October 1, 2019, a portion of the funds available for Economic Development Costs may be used to pay the interest payment(s) due on NEDC's loan from RBT on the date(s) such payments are due. If IMMY exercises its right of first refusal under Section III(c) of Development Agreement No. 6 to purchase Lot 2 and/or Lot 7 in Block 1, the purchase price paid by UNP LLC for the remaining lots in Corporate Center 1 will be reduced by an amount equal to the price IMMY pays NEDC for Lot 2 and/or Lot 7. If IMMY exercises its right of first refusal under Section III(c) of Development Agreement No. 6 to purchase Lot 2, Block 1 in University North Park Corporate Addition Section 2, or if any other lot of the University North Park Corporate Center 2 tracts are sold by June 30, 2026, then NEDC's repayment obligation in Section 3(f)(3) of Development Agreement No. 6 shall be enforced and Economic Development funds may be made available for other project costs contemplated by the 2006 Project Plan at the sole discretion of NTIFA.
4. **Recreation Facility (formerly Cultural Facility):** Funds up to \$5,154,762 may be made available for the construction of a recreation facility or facilities in University North Park, including an indoor competitive pool and multi-sport courts (the "Recreation Facility projects"), which will be available for use by local residents and sports organizations, but also marketed for larger tournaments, swim meets and other events to encourage a regional draw of retail customers, and hotel patrons from outside of Norman. These funds shall be utilized as follows:
  - a. **Property Acquisition.** The Recreation Facility projects will be located in the UNP TIF Increment District on the property owned by Developer north of Embassy Suites and bordering the Max Westheimer airport with the final site to be mutually determined by the City and UTC. Recreation Facility funds may be used to acquire this site for the Recreation Facility projects. Developer will donate 2 acres for said facility and sell an additional 10 acres to the City/NTIFA for a net price of \$2,069,971 (for a blended rate of \$3.96

per square foot) and other terms that are mutually acceptable to Developer and the City/NTIFA, with closing to occur no later than June 30, 2020.

- b. NPS Aquatic Contribution: Recreation facility funds in the amount of \$350,000 will be used to offset the anticipated annual contributions by NPS to the operation of the indoor aquatic facility.
- c. Construction Supplement: Any remaining Recreation facility funds may be made available for the construction and equipping of the Recreation Facility projects to ensure they will serve as a regional draw for larger tournaments, swim meets and other events.

City commits to obtain sufficient funding to construct the Recreation Facility projects, which are estimated to cost at least \$22,500,000, and open the Recreation Facility projects by no later than October 1, 2022.

**5. Town Center with Retail and Entertainment Uses:** Funds up to \$5,000,000 shall be made available to support development of a Town Center with Retail and Entertainment Uses. The Developer shall have access to these funds, upon verification by the General Manager of the NTIFA, of the following criteria being met:

- a. Costs are needed to support retail or entertainment development in Area 5, as identified on Exhibit E to Amendment 1 of Development Agreement No. 5; and
- b. Costs are needed to support a retail or entertainment user that is not already located in Norman; and
- c. If the costs are associated with a proposed retail user, then anticipated retail sales of at least \$300 per square foot for a store larger than 10,000 square feet and \$400 per square foot for a store smaller than 10,000 square feet must be demonstrated based on past performance in communities with similar demographics to Norman; and
- d. If the costs are associated with an entertainment user, then no minimum sales per square foot standard applies; however, the proposed user must present an entertainment option that is not already located in Norman, such as but not limited to a boutique first run theater, luxury first run theater, etc.; and
- e. Parcel development plan must incorporate urban design elements of walkability and connectivity, as determined by the Architectural Review Board for University North Park; and
- f. Retail or entertainment user must either purchase land or sign a lease of at least 3 years.

If the proposed retail or entertainment user does not meet all of these criteria but incentives are still requested, then such request will be approved only upon execution of a satisfactory development agreement by the NTIFA.

City commits to consider other incentives not utilizing TIF funds for qualifying retail projects, such as but not limited to sales tax rebates, permit and fee waivers, and expedited processing of City approvals, to supplement Town Center incentives.

The deadline to request Town Center incentive funds is June 30, 2026. Town Center incentive funds must be escrowed or secured in a manner acceptable to the parties through the incentive deadline. Any remaining funds after June 30, 2026 may be transferred to other project costs at the NTIFA's discretion or to the City's general fund if all other projects contemplated by the 2006 Project Plan have been completed. Any penalties for failure to construct a Town Center or Lifestyle Center by a specific deadline will be waived.

6. **Miscellaneous Costs.** The parties acknowledge that there are and will be certain costs associated with this Project Plan amendment and the related MOU that are not captured in another project category. Funds in an amount up to \$125,000 shall be made available for such miscellaneous costs, including but not limited to, costs of the special audit provided for in the MOU, cost allocations, etc.
7. **Approvals.** The proposed terms set forth in this Term Sheet are subject to (a) approval by the City Council, the trustees of the NTIFA, the board of directors of NEDC, the trustees of The University of Oklahoma Foundation, Inc. (as the member of University North Park, LLC), and the members of University Town Center, LLC, and (b) the parties' agreement on mutually acceptable terms in a definitive agreement.