

RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN REQUESTING A RECOMMENDATION FROM THE STATUTORY REVIEW COMMITTEE OF HOW TO END THE UNIVERSITY NORTH PARK TAX INCREMENT FINANCING (UNP TIF) PROJECT COST FUNDING MECHANISM UTILIZING SALES TAX INCREMENT AS SOON AS POSSIBLE WITHOUT DAMAGING WHAT BENEFIT THE NORMAN PUBLIC SCHOOLS MIGHT BE RECEIVING IN STATE SCHOOL FUNDING BY VIRTUE OF THE UNP TIF DISTRICT.

- § 1. WHEREAS, the City Council of the City of Norman ("Council") adopted Resolution R-0405-95, September 13, 2005, authorizing the Mayor to appoint a Norman University North Park Project Plan Statutory TIF Review Committee ("Statutory Review Committee"), as allowed under the Local Development Act, 62 Okla. Stat. §851, to consider, among other things, the impact on the taxing jurisdictions of possible creation of a tax increment financing district to facilitate economic development of property located north of Robinson Street, east of Interstate 35, and south of Tecumseh Road in the City of Norman; and
- § 2. WHEREAS, the taxing jurisdictions appointed their respective representatives and the Mayor, as Chair of the Statutory Review Committee submitted a list of seven persons from whom the Statutory Review Committee later elected three members at large on March 28, 2006, in accordance with the Local Development Act; and
- § 3. WHEREAS, the Statutory Review Committee unanimously approved the Project Plan on April 27, 2006, which recommended financing authorization of up to \$54.725 million in Project Costs consisting of the following Estimated Project Costs: 1.a Traffic and Roadway Improvements, \$10.5 million; b. Legacy Park, \$7.5 million; c. Engineering, Legal and other Professional fees, \$1.75 million; d. Contingency, \$1.975 million; 2.a. Conference Center and Cultural Facilities Costs, \$15 million; b. Contingency, \$1.5 million; 3.a. Lifestyle Center Costs, \$7.5 million; b. Contingency, \$750,000; 4.a. Economic Development Costs, \$7.5 million; b. Contingency, \$750,000; and
- § 4. WHEREAS, the Planning Commission for the City of Norman on May 4, 2006, unanimously recommended and approved the Project Plan as presented by the Statutory Review Committee and determined the Project Plan was in conformance with the Comprehensive Plan of the City of Norman; and
- § 5. WHEREAS, the Council adopted the Project Plan as presented by the Statutory Review Committee on May 23, 2006; and



- § 6. WHEREAS, on April 23, 2007 the Oklahoma Department of Transportation (ODOT) offered the City of Norman up to \$4 million in matching funding for the construction of an overpass of Interstate 35 at Rock Creek Road provided the City secured funding sources for the remainder of the overpass construction costs; and
- § 7. WHEREAS, on February 25, 2008, the Hotelier who was constructing the Hotel/Conference Center under Development Agreement No. 2 offered to the City of Norman to complete said construction and to waive the requirement that the City consider purchasing the Conference Center for \$15 million in consideration of a portion of the authorized Project Costs under the Project Plan originally designated for the Conference Center purchase being reallocated to partially fund an overpass of Interstate 35 at Rock Creek Road in order to provide another roadway connection across I-35 into the UNP TIF Project enhancing traffic flows at almost all the intersections associated with the UNP TIF Project; and
- § 8. WHEREAS, with the Hotelier's commitment to finish construction of the Hotel/Conference Center without the use of TIF funding, an Objective of the Project Plan was satisfied; and
- § 9. WHEREAS, Section IX (A)(2) of the Project Plan relating to Conference Center and Cultural Facilities Costs provides "To the extent such fund has not been so utilized by January 1, 2021, or to the extent such a Conference Center, museums or other similar cultural projects are funded through other sources, the funding authorization may be reallocated to other Project Costs", allowing such fund authorization not used for the Conference Center to be reallocated to Cultural Facilities or other Project Costs; and
- §10. WHEREAS, the Council believed such a reallocation of the \$7.75 million authorization of Project Costs from the Conference Center and Cultural Facilities component of the Project Plan to the Traffic and Roadway Improvement component of the Project Plan for the partial funding of the overpass of I-35 at Rock Creek Road to be consistent with the original Project Plan, and in furtherance of the Objectives of the Project Plan, and forwarded the recommendation to the Statutory Review Committee and Planning Commission for consideration; and
- §11. WHEREAS, in addition to reallocation of the \$7.75 million authorization of Project Costs from the Conference Center and Cultural Facilities component of the Project Plan to the Traffic and Roadway Improvement component of the Project Plan for the partial funding of the overpass of I-35 at Rock Creek Road, the Council also asked the Statutory Review Committee to consider that the remaining \$8.75 million of funding authorization in the Conference Center and Cultural Facility component of the UNP TIF be reduced by 50% (\$4.375 million), effectuating an overall reduction of the total UNP TIF funding authorization of almost 8%, and that \$4.375 million of funding authorization originally allocated to the Conference Center and Cultural Facilities component of the UNP TIF be

allowed to remain in the Project Plan for allocation to Cultural Facilities or other Project Costs; and

§12. WHEREAS, the Statutory Review Committee and the Planning Commission reviewed the requested amendment to the Project Plan and recommended that the a \$7.75 million portion of the authorization of Project Costs from the Conference Center and Cultural Facilities component of the Project Plan be reallocated to the Traffic & Roadway Improvement component of the Project Plan for partial funding of the overpass at I-35 and Rock Creek Road, and that \$8.75 million remain in the Cultural Facilities component of the Project Plan; and

§13. WHEREAS, the Statutory Review Committee also recommended that a proposed use of the \$8.75 million authorization for Cultural Facilities be brought back to the Statutory Review Committee for review and recommendation as indicated by the following language:

"In addition, the remaining original allocation for Conference Center and Cultural Facilities Costs of \$8,750,000 may be used to fund cultural facilities or other Project Costs in furtherance of the objectives of the Project Plan as set out in Section IV but only upon review and approval by the Statutory TIF Review Committee"

With the principal objectives in Section IV of the Project Plan and Increment District No. 2 being:

- A. To create the Lifestyle Center, designed to foster the quality of development at University North Park and to facilitate the creation of a retail environment that will be a regional draw of retail customers to Norman.
- B. 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 University North Park.
- C. To construct a conference center, and accompanying museums and other cultural facilities, in order to secure a first-class hotel.
- D. 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.
- E. To stimulate private commitments to invest in the Project Area.

- F. To reverse a long-standing condition of arrested economic development, to serve as a catalyst for expanding employment, and to attract major investment in the area.
- G. To preserve and enhance the tax base and make possible investment, development, and economic growth that would otherwise be difficult without the Project and the apportionment of incremental tax revenues.

- §14. WHEREAS, City Council accepted the recommendation of the Statutory Review Committee and the Planning Commission when it adopted Ordinance O-0809-8 on August 26, 2008, amending the Project Plan, thereby providing for the following financing authorization of up to \$54.725 million in Project Costs consisting of the following Estimated Project Costs: 1.a(1) Traffic and Roadway Improvements (Development Agreement No. 1) \$11.55 million, (2) Rock Creek Overpass \$7.75 million; b. Legacy Park, \$8.25 million; c. Engineering, Legal and other Professional fees, \$1.75 million; d. Unallocated Contingency, \$175,000; 2. Conference Center and Cultural Facilities Costs, \$8.75 million; 3. Lifestyle Center Costs, \$8.25 million; 4. Economic Development Costs, \$8.25 million; and
- § 15. WHEREAS, since its approval in 2006 through the end of calendar year 2017 the UNP TIF District has generated over \$200 million in private investment into the district which has resulted in the generation of over \$72.66 million in collected sales taxes providing \$9.32 million in dedicated Public Safety Sales Taxes, \$2.34 million in dedicated Norman Forward Sales Taxes, \$31.12 million in sales taxes to the General Fund and Capital Fund, \$24.91 million in sales taxes to UNP TIF Project Costs, \$4.98 million in sales taxes to UN P TIF Economic Development projects, and \$16.94 million in ad valorem taxes of which 50%, or \$8.47 million was disbursed to the taxing jurisdictions and an equal amount was available for Project Costs for total incremental revenue for Project Costs being \$38.36 million in the first ten years of the life of the UNP TIF District; and
- § 16. WHEREAS, authorized, but not committed components of the Project Plan include the construction of Cultural Facilities using \$8.75 million in financing authorization; and
- §17. WHEREAS, on December 19, 2017, the City Council approved an Exchange Agreement with the University of Oklahoma that provides, among other things, a long-term lease of land owned by the University of Oklahoma which is located generally east of the YMCA on which the City intends to utilize to construct some or all of Norman Forward projects designated as the Multi-sport facility, the Aquatics facility, and the Senior Citizens Center; and

- §18. WHEREAS, it was anticipated that the Board of Regents of the University of Oklahoma would consider the Exchange Agreement at its regular meeting in March of 2018, which if approved, provided for a closing of the contemplate exchange of property and execution of the long-term lease no later than sixty (60) days following approval of the Exchange Agreement; and
- §19. WHEREAS, the citizens of Norman have voted twice in support of a senior citizens center but, the City has not identified site and funding for a stand-alone senior center; and
- §20. WHEREAS, the citizens of Norman voted for a 2008 GO Bond Funding authorization for a senior center but said bonds have not been issued, which, if issued for a senior center, would result in a property tax increase; and
- §21. WHEREAS, in 2015, the citizens of Norman voted for the NORMAN FORWARD Temporary Sales Tax (“NORMAN FORWARD”), which includes a senior center as a project; and
- §22. WHEREAS, NORMAN FORWARD did not include a budget for the costs to construct a senior center and no funds are available in NORMAN FORWARD for the construction of a senior center; and
- §23. WHEREAS, Council envisions a senior center that provides a multi-generational cultural experience for our community (the “Senior & Cultural Center”), which shall serve as a quality of life initiative for Norman that may serve as a catalyst for expanding employment, to attract major investment in the area, and to preserve and enhance the tax base and make possible investment, development, and economic growth that may otherwise be difficult; and
- §24. WHEREAS, the proposed site for the Senior & Cultural Facility is adjacent to two NORMAN FORWARD projects – the Indoor Aquatic Center and the Indoor Multi-Sports Facility, which provide opportunities for multi-generational programs as well as easy access to NORMAN FORWARD facilities for seniors; and
- §25. WHEREAS, with the adoption of Resolution R-1718-98 the Council proposed, and forwarded to the Statutory Review Committee for consideration, that the \$8.75 million of funding authorization for Project Costs allocated to the Cultural Facilities be utilized to fund a Senior Citizens Center to be located on land generally east of the YMCA currently proposed to be leased on a long term basis to the Norman Municipal Authority by the University of Oklahoma, said UNP TIF funding authorization to be in place of 2008 GO Bond funding authorization for a Senior Center through renovation of the current Central Library located on Webster Ave and in place of Senior Center funding authorization from the 2015 Norman Forward Temporary Sales Tax as set out in Ordinance O-1516-5; and

- §26. WHEREAS, the UNP TIF Citizen Development Oversight Committee on March 27, 2018 passed a motion that states: The Oversight Committee for the UNP TIF recommends to add up to \$12,500,000 to the amended Project Plan for an additional authorized project for construction of a Senior Citizen's Center and that it be expedited through the statutory approval process.; and
- §27. WHEREAS, the Statutory Review Committee on April 13, 2018 passed three motions that state: That the \$8.75 million Project Cost component for a Cultural Facility not be used outside of the Increment District; That it be strongly recommended to the City Council that an additional Project be added to the UNP Project Plan for a Senior & Cultural Center in an amount to be determined by City Council after appropriate study and that this group supports current funding mechanisms to fund a Senior & Cultural Center in the Project Area; That the Council consider additional Project Costs, including, but not limited to, a multi-purpose facility at the County Fairgrounds.
- §28. WHEREAS, OU has since installed a new President and has determined the land exchange as currently proposed is not in the University's best interest due to current land valuations, but is willing to discuss transfer and/or lease of the properties on a more commercially reasonable basis; and
- §29. WHEREAS, City Council held a Study Session on November 6, 2018, in which it received the following information: the outstanding UNP TIF Note has been fully paid off; a cash balance of incremental revenues for Project Costs of \$10,739,427 currently exists; Outstanding Project Cost Authorizations under the Amended 2008 Project Plan total \$25,081,627, which includes funding for Regional Draw Retail Incentives (\$8.25 million) and Cultural Facilities funding (\$8.75 million), with annual estimated incremental accrual for Project Costs to be approximately \$4 million in sales taxes and approximately \$2 million in ad valorem taxes; and
- §30. WHEREAS, a majority of City Council believes their constituencies would like the University North Park Tax Increment Financing (UNP TIF) Project Cost funding mechanism utilizing sales tax increment to end as soon as possible without damaging what benefit the Norman Public Schools might be receiving in state school funding by virtue of the UNP TIF increment accumulation; and
- §31. WHEREAS, City Council would like to receive a recommendation from the Statutory TIF Committee, as soon as possible, but not later than _____, regarding how the sales tax increment in the UNP Project Plan can be restructured, ended, or otherwise modified to accomplish the desires of a majority of City Council as set out in §30 above.

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

- §32. That the City Manager and the staff are hereby directed to forward to the Norman University North Park Project Plan Statutory TIF Review Committee for consideration this Resolution; and
- §33. That the Norman University North Park Project Plan Statutory TIF Review Committee is hereby requested to convene for the purpose of considering the Council's objectives as set out in §30 above; and
- §34. That the Mayor, as chair of the Norman University North Park Project Plan Statutory TIF Review Committee, is hereby authorized to contact the ad valorem taxing jurisdictions to convene the Committee as required by the Local Development Act.
- §35. That the Norman University North Park Project Plan Statutory TIF Review Committee shall make a recommendation to the City Council of the City of Norman as soon as possible, but no later than _____ unless otherwise requested by the Committee for good cause, in relation to the goals and objectives of the Norman University North Park Project Plan.

PASSED and ADOPTED this ___ day of _____, 2018.

Mayor

ATTEST:

City Clerk