

POLICY GUIDE

FOR THE
NORMAN CENTER CITY PROJECT PLAN
INCREMENT DISTRICT NO. 3, CITY OF NORMAN



CENTER CITY FORM-BASED CODE
NORMAN, OKLAHOMA



This Policy Guide outlines the goals and objectives of the City of Norman (“City”) with respect to the use of incremental tax revenues, authorized by the Norman Center City Project Plan and its Tax Increment District No. 3, adopted by the City on December 19, 2017. The primary goal of the Norman Center City Project Plan is to encourage development through public infrastructure and public improvements made possible through City projects to be paid with incremental tax revenues generated within Increment District No. 3, along with other direct City funding contributions. Incremental tax revenues will also be allocated for private, tax-generating real estate development projects through assistance in development financing, authorized by the Norman Center City Project Plan.

I. Introduction

A. Summary of Tax Increment Financing

Tax Increment Financing (TIF) allows the City to invest in public and private projects using incremental growth in property and/or sales taxes generated by new investment. In a TIF district, the taxes from growth in assessed value created from new investment after establishment of the TIF district – the “increment” – are allocated to a special fund to be used for specified purposes. The increment from Increment District No. 3 is intended to support projects and public improvements and infrastructure in the Project Area.

B. Boundaries of Increment District No. 3

Increment District No. 3 is the geographical area where increment from new development is collected. The Project Area is the geographical area where increment can be spent. The Project Area and Increment District No. 3 are the same geographical area and are located generally between downtown Norman and the University of Oklahoma. The boundaries of the Project Area and Increment District No. 3 are depicted in Figure 1.

C. Objectives of the Norman Center City Project Plan

The purpose of the Norman Center City Project Plan is to assist in the implementation of the Center City Form-Based Code (CCFBC) and realization of the Center City Vision. The principal objectives of the Norman Center City Project Plan and Increment District No. 3 are:

1. To achieve development goals and objectives for Center City as outlined in the CCFBC.
2. 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 ad valorem revenues.

3. To support and incentivize the creation of attractive, high-quality, and viable mixed-use developments to draw residents and visitors.
4. To encourage existing property and business owners in Center City to invest and to attract new investment and business to the Project Area.
5. To stimulate Center City as a livable, walkable, vibrant destination.
6. To increase the quality of life for the citizens of Norman.
7. To provide a public benefit through the construction of public infrastructure and improvements to allow for the development of the area.

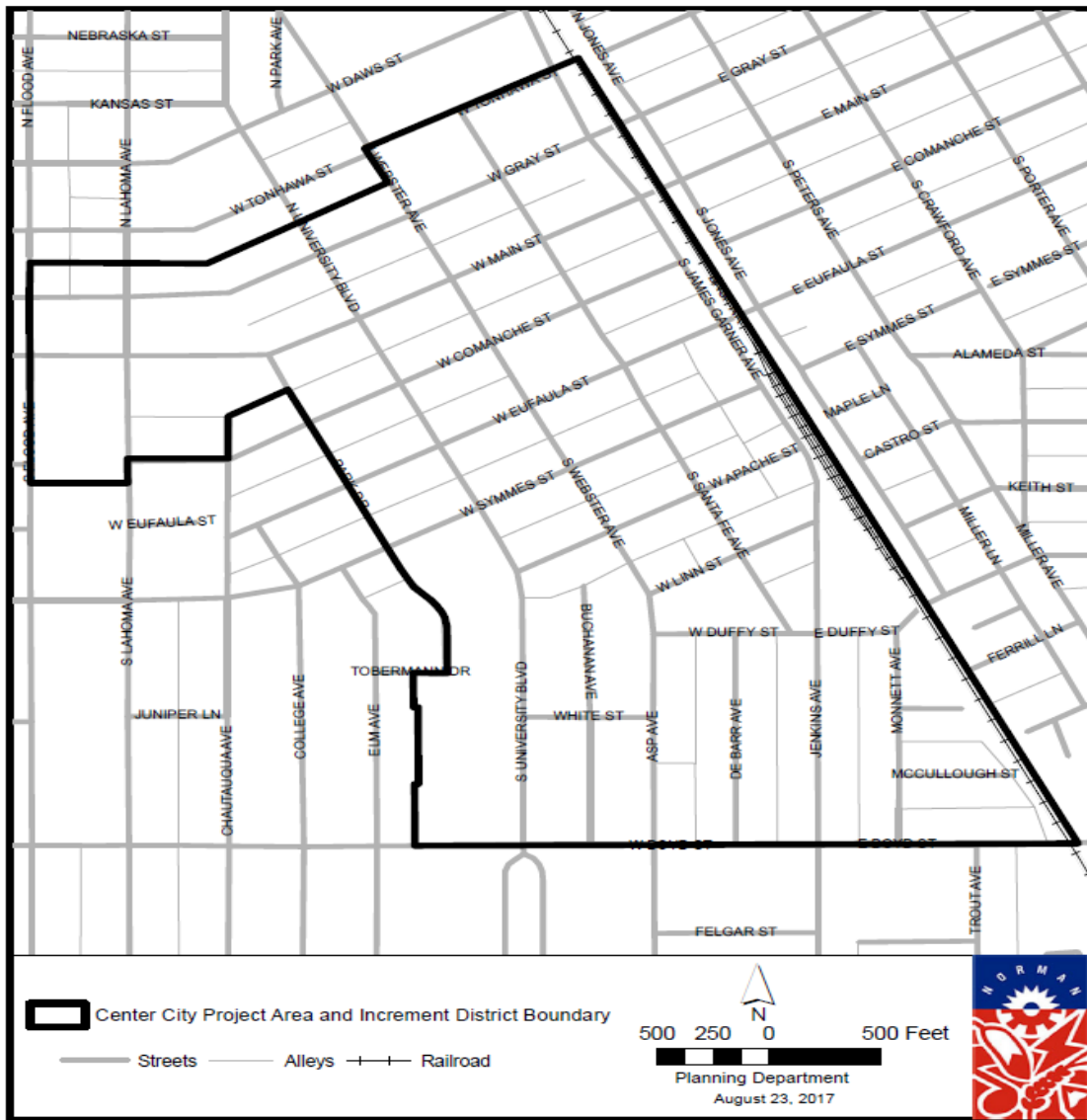


Figure 1

D. TIF Funds for Public Infrastructure and Improvements Projects

The Norman Center City Project Plan authorizes the allocation of TIF funds for public improvements projects undertaken by the City. TIF funds will be used to pay the authorized project costs of public infrastructure, facilities, and improvements. Such public projects will be undertaken as determined to be appropriate and desirable by the City. Such costs may be financed and paid for by the City and reimbursed with incremental revenues generated within Increment District No. 3. TIF allocations for such public improvement projects will be made as determined necessary and appropriate by the City. In addition, the City has committed in the Norman Center City Project Plan to separately fund up to \$3,000,000 in authorized project costs.

II. Project Applications for TIF Allocations through Assistance in Development Financing Associated with Specific Private Development Projects

A. TIF Application Materials

The TIF Application must contain three distinct components:

1. Project Summary and Narrative that includes the following information:
 - a. An overview of the project, its location, and all relevant details;
 - b. A narrative of how the project meets City goals and objectives for the Center City, including the specific requirements of the CCFBC, and its relationship to and impact on the public realm; and
 - c. An overview of how the project fits within the marketplace.
2. Project Financial Summary that includes:
 - a. Construction cost breakdown of individual components; and
 - b. A detailed description and cost breakdown of all public improvements necessary for the project.
3. Construction drawings that include:
 - a. Legal description and site depiction;
 - b. Site plan drawn to scale;
 - c. Exterior elevations and schematics;
 - d. Floor plans;
 - e. Relationship to adjacent structures and public streets; and
 - f. Landscaping and streetscape plans.

B. TIF Application Submittal

TIF Application packets must be submitted to the City through the Community Development and Planning Department for review by the Center City TIF

Application Review Team. Members of the Center City TIF Application Review Team include the Planning Director, Public Works Director, Utilities Director, Finance Director, City Attorney, and other individuals as deemed appropriate by the City Manager. Each TIF Application packet shall be reviewed by no less than three of the members of the Center City TIF Application Review Team determined by the City Manager to be necessary and appropriate based on characteristics of the project described in the TIF Application.

C. TIF Application Review and Approval Process:

1. Submit TIF Application to the Community Development and Planning Department.
2. Review of TIF Application by the Center City TIF Application Review Team.
3. Developer presentation to the Center City TIF Application Review Team, as needed.
4. Recommendation of amount and conditions of TIF allocation by the Center City TIF Application Review Team to the Norman Tax Increment Finance Authority.
5. Development agreement, including provisions of TIF allocation, entered into by both the Norman Tax Increment Finance Authority and the City, detailing the terms and conditions of TIF allocation.

III. Allocation of TIF Funds Associated with Specific Private Development Projects through Assistance in Development Financing

A. TIF funds will be available to support eligible private real estate development projects through assistance in development financing. Funds are allocated from increment generated within Increment District No. 3. In determining whether, to what extent, and in what amount projects are eligible for TIF allocation, the following will be examined and taken into account:

1. Consistency with the CCFBC, the Center City Vision, and the policy guidelines provided herein;
2. Public infrastructure improvements undertaken by or necessary for the project;
3. Public improvements, including but not limited to improvements to sidewalks, streetscapes, landscaping, open spaces, etc., undertaken by or necessary for the project; and
4. Enhancements that the presence and design of the project make to the public realm.

B. Private real estate development projects seeking assistance in development financing are subject to the following policy guidelines:

1. Achieve the Center City Vision – Adopted in May of 2017, the CCFBC codifies what began as the City pursuing a Center City Vision. The vision seeks to create a vibrant Center City through high quality development and an enhanced public realm. Projects must comply with the CCFBC, which seeks to implement the Center City Vision.
2. Focus on the Public Realm – Key to the Center City Vision is a public realm built to a human scale that enhances the quality of life for those interacting with and in the area.
3. Long-Term Impact – All development impacts the long-term achievement of the Center City Vision. Projects must have a positive, long-term impact on the area and further the goal of achieving the Center City Vision.
4. Collaborate in a Comprehensive Approach – All projects must take into account all relevant planning documents, including, but not limited to, the CCFBC, the Community Planning and Transportation Plan, the City’s Capital Improvements Plan, the City’s Comprehensive Plan, and any other plans from other related public entities.
5. Character of Center City – Achieving and maintaining the vision and character of Center City demands mixed-uses, mixed-incomes, and sustainability. Projects should seek to incorporate one or more of the following components: affordable housing, accessible housing, environmental enhancements (e.g., low impact development, green building initiatives, renewable energy features), and preservation of existing historic structures (where appropriate).
6. Amount of Assistance – Generally, a project is only eligible for TIF allocation in amounts supported by the increment generated by the project itself. In an effort to have a funding source for large public improvement projects undertaken by the City, normally, only a portion of the increment generated by the project itself will be allocated to that specific project.
7. Minimum Tax Payment – Projects that are allocated TIF funds will be required to make a minimum tax payment or payment in lieu of taxes for the life of Increment District No. 3.

C. Structure of TIF Allocation Associated with Specific Private Development Projects

TIF allocation can be provided to specific private development projects as assistance in development financing through one of two methods:

1. TIF allocation will be available once the project is completed and actual incremental revenues generated by the project are received. During the initial period of Increment District No. 3, this will be the preferred and primary method of funding allocation. Property taxes must be paid, and a portion thereof, corresponding to actual increment generated and the amount of the approved TIF allocation, consistent with the provisions of a development agreement, will be returned. Private real estate developers can use the TIF allocation in two ways: assistance in annual cash flow or an annual pledge to secure additional financing or equity investment using the promise of the installment payments.
2. TIF loans will be considered when projects require financial assistance to begin and show the ability to pay back the loan over a determined period of time.

D. Development Agreement

Assistance in development financing will be provided pursuant to a development agreement among the private developer, the Norman Tax Increment Finance Authority, and the City. The development agreement will include dates for commencement and completion of the project, a requirement to build in accordance with submitted plans, the minimum tax requirements, the incremental revenues available to pay the assistance in development financing, the timeline upon which the incremental revenues will be paid (subject to availability), and other basic legal requirements.

IV. Exceptions and Appeals

- A. Exceptions. The City recognizes that exceptions in policies for eligibility and funding allocations may be required for certain projects to move forward. The City may waive certain policy guidelines if a sufficient case is made to the Center City TIF Application Review Team. Applicants must submit a memorandum documenting the need for an exception from the policies, and the exception will be considered in the context of project impact and eligibility. Applicants may be asked to present justification for the request for exception to the Center City TIF Application Review Team, the Norman Tax Increment Finance Authority, and/or the City.

- B. Appeals. Appeals to recommendations by the Center City TIF Application Review Team can be made to the City Manager. If an applicant's appeal to the City Manager cannot be resolved through this appeal process, then the City Manager will provide to City Council a written report describing the location of the property, a description of the proposed project, the nature of the request for assistance in development financing, and the reason for denying the application.