

University North Park Business Improvement District (“BID”) Plan Summary

Background

The area known as University North Park was predominantly an undeveloped area of approximately 585 acres with I-35 frontage until the Norman University North Park Project Plan was adopted in 2006. The Project Plan set forth an economic development plan for the 585 acres designed to support a cohesive development that will attract visitors from across the state and the region to a unique retail, restaurant, and destination spot on the southern portion of the undeveloped area; and a significant economic development component in the northern portion of the undeveloped area. To date, close to half of the property has been, or is being, developed.

One of the major components of the Project Plan was construction of Legacy Park and other improvements in the southern portion of the area. Legacy Park is envisioned to be an active park with a lake, public art and open spaces designed to help solidify the area as a unique destination spot. In addition to the Legacy Park, the Project Plan envisioned the extension of Legacy Trail through the project area as well as enhanced landscaping, all designed to attract visitors to the area. The Park was designed by Howard Fairbairn Site Design in 2009. The American Society of Landscape Architecture awarded the design its Central States Design Honor Award. Under the Project Plan and subsequent Development Agreements, Legacy Park is to be maintained at a high standard to promote regional interest in the District as a way to promote economic activity for the benefit of the City and all of the property owners in University North Park.

The Project Plan has been implemented through several Development Agreements. Development Agreement No. 5 recognized the need for Legacy Park and Legacy Trail to be operated and maintained in a first class condition and provided a mechanism to ensure it is maintained to a high standard. The Norman Tax Increment Finance Authority (NTIFA), the public trust having the City of Norman as its beneficiary and charged with implementing the Project Plan, agreed to contribute \$900,000 in TIF Development Assistance to foster the development of a Business Improvement District (“BID”) and to establish a funding structure for maintenance and operation of Legacy Park and Legacy Trail within the UNP TIF District. The City will take an active role in maintenance and operation of UNP TIF park and trail facilities utilizing funds set aside by the NTIFA and funds collected from the property owners within the BID District. On or before the end of the BID period, the cost of maintenance and operation of the park and trail facilities within the BID District shall be fully funded through renewal of the BID or through UNP Master Association assessments. Assessments may be set for such purposes as provided by the First Amended and Restated Declaration of Covenants and Restrictions for University North Park. An Advisory Board has been included to provide advice to and recommendations to the City regarding Legacy Park and Legacy Trail operation and maintenance throughout the BID period. A total of two hundred thousand dollars (\$200,000) each year of the ten year BID Period shall be assessed to benefited property

owners for maintenance, operation, enhancement, and development within the BID District as outlined herein. Assessments to each individual developed property shall be reduced by a pro rata share of TIF Development Assistance Amounts (“TIF DAA”) leaving a net assessment balance that will be billed to owners of developed property within the BID District. TIF DAA contributions applied to the two hundred thousand dollar (\$200,000) annual assessments will result in net assessment balances to property owners in accordance with the following schedule:

| | Annual TIF Development Assistance Amount (“TIF DAA”) | Annual Business Improvement District assessments (“BIDA”) | Total BID Funds |
|-------|---|--|--------------------|
| FY 1 | \$200,000 | \$ -0- | \$200,000 |
| FY 2 | \$175,000 | \$ 25,000 | \$200,000 |
| FY 3 | \$150,000 | \$ 50,000 | \$200,000 |
| FY 4 | \$125,000 | \$ 75,000 | \$200,000 |
| FY 5 | \$100,000 | \$100,000 | \$200,000 |
| FY 6 | \$ 75,000 | \$125,000 | \$200,000 |
| FY 7 | \$ 50,000 | \$150,000 | \$200,000 |
| FY 8 | \$ 25,000 | \$175,000 | \$200,000 |
| FY 9 | \$ - 0 - | \$200,000 | \$200,000 |
| FY 10 | \$ - 0 - | \$200,000 | \$200,000 |

The City shall be responsible for the maintenance and operation of Legacy Park and Legacy Trail and may opt to utilize private contractors for this purpose. In conferring special benefits to property owners within the BID District and to optimize the maintenance and operation of Legacy Park and Legacy Trail within the BID District, the City will seek the assistance and advice of a BID Advisory Board composed primarily of property owners within the BID District. The City will also be responsible for operation and reservation of the Legacy Park facilities and will establish reservation procedures for such purposes. The City will work with the Advisory Board when finalizing Legacy Park reservation policies and procedures.

BID Formation Plan

Under Oklahoma statutes, cities may create improvement districts and levy assessments for the purpose of providing any maintenance, cleaning, security, shuttle service, upkeep,

marketing, management or other services which confer special benefits upon property within the district by preserving, enhancing or extending the value or usefulness for a number of improvements, including parks, fountains, planting areas, sidewalks and plazas. (11 O.S. 39-103.1). In order to create a BID, a petition is filed with the City Clerk that sets forth the kind of improvements the District is designed to address, the estimated cost of such improvements, and the proposed method of assessment (11 O.S. 39-106). City Council will act on the petition by resolution and provide for a hearing on the proposed improvement district. (11 O.S. 39-106, 107). Assessments to all benefited property within the BID District shall be two hundred thousand dollars per year for the ten year BID Period (\$200,000). Net assessments to developed properties will be billed after the total assessment is reduced by a pro-rata share of TIF DAA. Gross Assessments against individual properties shall not be increased during the BID Period. Assessment rolls reflecting a two hundred thousand dollar (\$200,000) assessment, application of a pro-rata share of TIF DAA to developed properties, and a net assessment to developed properties will be prepared annually.

The structure of the BID equitably distributes the required BID Assessments set forth above among the properties based on the assessed value set for each property by the Cleveland County Assessor's Office. These values will be updated annually and the City will send out invoices annually to each property owner for each respective assessment. The City will collect the net bid assessments. The City, upon advice from the Advisory Board may contract with a private entity or entities to accomplish the purposes of the BID, including but not limited to, maintenance of Legacy Park and Legacy Trail. The City shall receive an administrative fee of five percent (5%) of the total net assessment of BID Contribution annually for its role in the BID. Other common areas will continue to be maintained by the Developer (UNP Master Association).

Under Oklahoma statutes, BID's must be renewed after the tenth (10th) year. At least one (1) year prior to the end of the tenth (10th) year, the Developer or the UNP Master Association shall notify the City of its intention to seek renewal of the BID, or if the BID is not to be renewed, then shall inform the City of its plan to provide the full cost of maintenance and operation of Legacy Park and Legacy Trail as provided in Development Agreement No. 3 and Development Agreement No. 5.