



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: R-1718-86

File ID: R-1718-86

Type: Resolution

Status: Consent Item

Version: 4

Reference: Item 24

In Control: City Council

Department: Legal Department

Cost:

File Created: 01/16/2018

File Name: Center City TIF Fund - Appropriation Request - legal & admin fee claims

Final Action:

Title: RESOLUTION R-1718-86: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, AND THE NORMAN TAX INCREMENT FINANCE AUTHORITY APPROPRIATING \$200,000 FROM THE GENERAL FUND BALANCE TO ESTABLISH THE CENTER CITY TAX INCREMENT FINANCE DISTRICT FUND AND TO AUTHORIZE PAYMENT OF OUTSIDE LEGAL FEES AND CLAIMS ASSOCIATED WITH ESTABLISHING AND ADMINISTERING THE CENTER CITY TAX INCREMENT FINANCE DISTRICT.

Notes: ACTION NEEDED: Acting as the City Council and Norman Tax Increment Finance Authority, motion to adopt or reject Resolution R-1718-86; and, if adopted, approve payment to the Center for Economic Development Law in the amount of \$87,940.40.

ACTION TAKEN: _____

Agenda Date: 02/13/2018

Agenda Number: 24

Attachments: R-1718-86

Project Manager: Jeff Bryant, City Attorney

Entered by: deedra.vice@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File R-1718-86

Body

BACKGROUND: This fiscal year, Council approved the Center City Tax Increment Financing District ("Center City TIF"). The exploration of a Center City TIF began last fiscal year. The City was assisted in this effort by the Center for Economic Development Law (CEDL), a law firm in Oklahoma City that specializes in these types of projects. Legal work was performed primarily by Dan Batchelor and Emily Pomeroy, and supported by Cameron Brewer. The Council unanimously approved the Center City TIF at its December 19, 2017 meeting. Since then, the CEDL has worked with the Council to develop an Implementation Policy for development projects that might be considered for TIF Assistance.

The Center City TIF Project Plan specifies as an eligible Project Cost up to \$400,000 in implementation and administration costs. With the Project Plan being adopted in December of 2017, the first collection of ad valorem incremental revenue will not occur until 2019. This is due to the regular ad valorem tax assessment, billing, and

collection cycles. However, the Center City TIF Project Plan also provides that the City will contribute up to \$3 million toward payment of authorized Project Costs. This item asks Council to consider appropriating \$200,000 from the General Fund balance to a Center City TIF Capital Project Fund to fund one-half of the implementation and administration component of the Project Plan and then allocate what is needed to an administration cost expenditure account to pay for the Center City outside legal expenses and other associated TIF creation costs that were incurred this fiscal year.

DISCUSSION: As noted above, this fiscal year, Council approved the Center City Tax Increment Financing District ("Center City TIF"). The exploration of a Center City TIF began last fiscal year. Administrative costs incurred last fiscal year totaled \$85,888.04 which included work preparing for and presenting information on Tax Increment Financing and exploring whether this economic development tool could be utilized to implement the Center City Form Based Code. That fee also included \$34,100 in costs for Johnson and Associates to do an infrastructure analysis for the Center City area. Initial drafting, meetings with ad valorem jurisdiction representatives in preparation for the Center City Project Plan process were also performed last fiscal year.

The outside legal fees incurred to date in this fiscal year are \$87,940.40. These fees were incurred for drafting and finalizing the Center City Project Plan, presenting the same to City Council, additional meetings with various representatives of the ad valorem taxing jurisdictions, including the County Assessor, and assisting the Statutory TIF Review Committee in its review and recommendation concerning the Project Plan. CEDL also presented the Project Plan to the Planning Commission, and then to City Council at Study Session, first public hearing and 1st Reading of the Ordinance, and then at 2nd reading on December 19th. Prior to Council's consideration of the Center City TIF Project Plan in December, the City Clerk also incurred certain publication costs required by statute in the amount of \$810. Since Council approval of the Center City Project Plan on December 19, 2017, the CEDL has worked with the Council Community Planning and Transportation Committee to develop a policy guide concerning projects that might come before the Council seeking Center City TIF assistance.

As noted above, the Center City TIF Project Plan specifies for up to \$400,000 in implementation and administration costs. It is recommended that one-half of this amount, \$200,000 be appropriated from the General Fund balance to the Center City TIF Capital Project Fund and allocated to an administration cost expenditure account. The legal expenses incurred to create and administer the Center City TIF District are eligible expenses for this category, so the pending invoices to the CEDL for this work could be paid from that account.

The Center City TIF Project Plan (paragraph IX.A) also calls for a City contribution of \$3 million to be provided toward payment of Project Costs, regardless of municipal funding source. The allocation to the implementation and administrative costs category can be counted toward fulfillment of that commitment.

RECOMMENDATION: Based on the above discussion, it is recommended that the following appropriations be made:

- Appropriate \$200,000 from the General Fund balance (010-0000-253.20-00), to Transfers Out (010-3094-491.80-58) and to the Transfers In (058-0000-391.19-10) representing a Center City TIF contribution. This action will also establish a new Center City Tax Increment Finance District Fund (Fund 58).
- Appropriate \$200,000 from Transfers In (058-0000-391.19-10) with \$199,190 to Legal Fees (058-3099-415.40-11) and \$810 to Advertising Legal Fees (058-3099-415.41-41) representing Center City TIF administrative costs.

Also, staff recommends that Council approve payment to the Center for Economic Development Law in the amount of \$87,940.40 for Center City legal services incurred to date in this fiscal year.