

CITY COUNCIL STUDY SESSION  
November 06, 2018

1. Statutory Steps to Terminate TIF No. 2
  - a. Local Development Act provides a Project Plan is a document of the City
  - b. Ordinance = legislative act; may be repealed, modified, or amended by subsequent action of the City
  - c. No ordinance may be repealed, modified, or amended during the time that any bonds payable from incremental revenues are outstanding without the consent of the bondholders, if such bonds are issued pursuant to the provisions of Article X, Section 35 (**UNP TIF Debt has now been paid off.**)
  - d. Method of County Assessor providing incremental revenues from property tax assessment terminates if City dissolves or terminates TIF
  
2. Statutory Review Committee
  - a. If Project Plan is to be amended in a major way, then should first seek recommendation from the Statutory Review Committee
    - i. Mayor as Committee Chair can call a meeting to seek a recommendation
    - ii. Major Amendments include changes in funding allocation, adding 5% to project costs, reducing Project Plan components
  - b. If Council agrees with the Statutory Review Committee recommendation, then Ordinance can be amended by majority vote.
  - c. If Council desires to modify the Statutory Review Committee recommendation, then the recommendation as amended can be adopted by Council with a 2/3rds majority vote (6 votes)
  
3. Citizen TIF Oversight Committee
  - a. Project Plan requires recommendation from Citizen TIF Oversight Committee
  - b. Most recent meeting the Citizen TIF Oversight Committee made a recommendation to reduce the sales tax allocation to 20%.
  - c. Recommendation is not binding on the Council.

4. Outstanding obligations of City and Authority

a. Status of incremental revenues

- i. Bonds Paid off in September, 2018
- ii. Sales tax based increment accrual rate: \$4 million per year
- iii. Property tax based increment accrual rate: \$2 million per year
- iv. Remaining Project Costs: \$25,081,627
- v. Cash on Hand: \$10,739,427
- vi. Balance to accrue: \$14,342,200
- vii. Term of TIF is 25 years (2031) or until Project costs are funded

b. Development Agreement No. 1 – roadway improvements

- i. City's share: 10,550,000
  - 1. TIF matching allocation with ACOG funding for Robinson west of I-35 improvements approached \$1million
  - 2. Remaining balance \$845,716, after subtracting Robinson west of I-35 project
- ii. Developer share: remaining costs for identified improvements
  - 1. Tecumseh & 24<sup>th</sup> Ave improvements;
  - 2. Tecumseh & Flood improvements
  - 3. Garver Study 2015 specifies proposed additional internal roadway improvements

c. Master Economic Development Agreement

- i. NEDC purchase of 60 acres
- ii. Pledge of accumulated ED TIF Revenues for debt service and carrying costs
- iii. TIF Notes available to NEDC up to \$16.5 million
- iv. Outstanding debt on economic development land of \$3,296,123 (excluding interest)

d. Development Agreement No. 3

- i. Public Art \$1,500,000
- ii. Enhanced Landscaping \$750,000
- iii. Maintenance (BID – Development Agreement #5) \$250,000

- e. Development Agreement No. 4
  - i. Deleted \$16.5 million for Conference Center
  - ii. Added \$8,750,000 for Cultural Facility
  - iii. Added \$7,750,000 for Rock Creek Overpass
  
- f. Development Agreement No. 5 (as amended) – Lifestyle Center
  - i. Regional Draw retail – up to \$8,250,000
    - 1. Set retail performance criteria
    - 2. Set deadline to 2023 or 2026 if design is walkable
    - 3. Established penalty amount at \$2.4 million for frontage road; and \$5.9 million for Legacy Park construction, less Cultural Facility land donation @ \$5/sq. ft. (\$435,600)
  - ii. Established location of donated land for Cultural Facility
    - 1. Set timelines for achievement
    - 2. Provided for reduced rate purchase of additional acreage, if needed
  - iii. Committed to jointly fund RTKL Master Plan to recommend optimum use of land north of Rock Creek Road and the Lifestyle Center location
  - iv. Established a funding mechanism between the Developers and the BID for entrances into the UNP District (Robinson & 24<sup>th</sup> Ave entrance has been constructed).
  
- g. Development Agreement No. 6 – IMMY Quality Jobs
  - i. Incentive payments through year 2023 up to \$770,000
  - ii. Amount already paid: \$70,434
  - iii. NEDC Payment of portion of IMMY BID Assessments
  
- h. Project Plan objectives left unfulfilled
  - i. Development of property north of Rock-Creek Road
  - ii. Additional high quality non-retail employment
  - iii. Cultural Facility
  - iv. Regional Draw component (Lifestyle Center)

- i. Based on historical performance, incremental revenues sufficient to pay authorized Project Costs to be generated in 2021
- 5. Impacts of Amending the Project Plan to decrease its use for Economic Development
  - a. Relief to general fund
    - i. Not immediate unless Project Costs in the Project Plan are cut, or unless increment allocation percentages are modified (Major Project Plan Amendments).
    - ii. 2017 sales taxes within TIF = \$10,581,727; \$4,082,362 apportioned to pay authorized Project Costs, public improvements
  - b. Ad valorem revenues
    - i. Upon end of TIF 2, ad valorem increment not available to pay authorized Project Costs; in 2017, that amount was \$1,612,661
  - c. Norman Public Schools
    - i. To-date, \$4.7 million from project to NPS
    - ii. In 2017, approximately \$900,000 to NPS
    - iii. Within state aid school formula, that drops to approximately \$200,000
    - iv. Loss of revenue through 2031 exceeds \$9 million
    - v. Options to make NPS whole
      - 1. Leave ad valorem increment apportionment unchanged
      - 2. Use General Fund or PSST revenues to supplement School Resource Officer costs (ballot language contemplates a cost sharing between the City and NPS)
      - 3. Use General Fund revenues to supplement NPS utility costs

University North Park Tax Increment Finance District  
SUMMARY OF RE-APPORTIONMENT OPTIONS

OPTION	Property Tax Apportionment Rate	Sales Tax Apportionment Rate	Total Annual Tax Apportioned (\$)	Outstanding Project Authorization (\$)	Estimated Cash on Hand	Estimated Years To Generate
1- Do Nothing	50%	60%	\$ 6,000,000	\$ 25,081,627	\$ 10,739,427	2.5
Oversight Committee	50%	30%	\$ 4,000,000	\$ 25,081,627	\$ 10,739,427	3.4
3 - Extend TIF For GF & NPS	50%	20%	\$ 3,333,333	\$ 25,081,627	\$ 10,739,427	5.3
2 - Extend TIF For GF & NPS	50%	10%	\$ 2,666,667	\$ 25,081,627	\$ 10,739,427	6.6
Extend TIF For GF & NPS	50%	5%	\$ 2,333,333	\$ 25,081,627	\$ 10,739,427	7.2
7 - "End The TIF"	0%	0%	\$ -	\$ 8,081,627	\$ 10,739,427	0

NOTES  
The Property Tax revenue is held constant, but could be assumed to grow.  
Estimates are just illustrative; reality will vary over time with chosen options.  
Options are based on 8/30/2018 memo, with additions based on subsequent discussions.