

**THE CITY OF NORMAN  
TIF #2 OVERSIGHT COMMITTEE  
(UNIVERSITY NORTH PARK TIF)  
ANNUAL REPORT  
FOR THE PERIOD JULY 1, 2012-SEPTEMBER 30, 2013**

The City of Norman Tax Increment Finance District (TIF) Number Two Oversight Committee (University North Park TIF) ("Oversight Committee") was established by the City Council on April 10, 2007 to "oversee the implementation of the Project Plan on behalf of the City Council...shall make recommendations on (1) the use of revenues and expenditures other than traffic, roadway, and utility improvements; (2) material modifications of the master plan; and (3) material changes in the design guidelines." There are nine committee members, with terms expiring as follows:

Hal Ezell, April 10, 2014  
Fred Walden, April 10, 2014  
Michael Givel, April 10, 2014  
Clint Williams, April 10, 2015  
Dr. Joe Siano, April 10, 2015  
Janese Shepard, April 10, 2015  
Ted Smith, April 10, 2016  
Harold Haralson, April 10, 2016  
Heath Hans, April 10, 2016

The Oversight Committee will continue in existence until the Project Plan has been determined to be completed.

The Project Plan (adopted May 23, 2006; Ordinance O-0506-66), as amended (August 26, 2008; Ordinance O-0809-8), establishes these project categories and estimated costs:

1.	a. Traffic and Roadway Improvements	10,500,000
	b. Legacy Park	7,500,000
	c. Engineering, Legal & Other Professional Fees	1,750,000
	d. Contingency	1,975,000
2.	a. Conference Center & Cultural Facilities	7,500,000
	b. Contingency	750,000
3.	a. Rock Creek Overpass of I-35	7,500,000
	b. Contingency	750,000
4.	a. Lifestyle Center	7,500,000
	b. Contingency	750,000
5.	a. Economic Development	7,500,000
	b. Contingency	750,000
	<b>Total Project Costs</b>	<b>54,725,000</b>

The Oversight Committee has been reviewing documents and meeting since May 2007. Significant items discussed and reviewed over the reporting period include the following:

### **UNP Debt Refinancing**

The Norman Tax Increment Finance Authority (NTIFA) approved a Resolution (R-1213-26) and related documents to refinance the outstanding indebtedness (2009 NTIFA Notes) placed with UNP Realty Investors, with a privately-placed Tax Apportionment Note purchased by Branch Banking and Trust Company (BB&T). The 2009 Notes and the 2013 Refunding Notes primarily pay for the costs of constructing the Rock Creek Overpass, I-35 Frontage Road extension, and Legacy Park. The TIF Oversight Committee was briefed throughout the NTIFA's consideration of the refunding proposal and recommended its approval. The 2013 NTIFA Notes, in the total amount of \$14,215,000, have a fixed interest rate of 3.81% over a ten-year maximum maturity, with the flexibility to pre-pay the outstanding principal after five years. The refunding will also give the City Council and NTIFA Trustees the ability to use TIF revenues above the amount required to meet annual debt service payments for approved Project Plan purposes (the Lender on the 2009 Notes required the NTIFA/Council to gain Lender approval for the use of any TIF revenues).

### **UNP Building Construction and Business Openings**

The UNP TIF Oversight Committee was briefed at several meetings on the progress of commercial developments that have occurred within University North Park during the reporting period. The pace of commercial development in the UNP District has accelerated as the national retail economy has improved over the last year. New businesses such as Home Goods, Designer Shoe Warehouse, Zoe's Café and Michael's (relocated from another location in Norman) have opened in recent months, and a new Holiday Inn Hotel, Crest Market and Ashley Furniture Outlet are expected to open in the near future. These businesses will contribute to the sales and property tax apportionment revenues available to pay for future Project Plan expenses, and/or to pay down the outstanding debt early.

### **Lifestyle/Village Center Design Update**

The Committee was updated by the UNP developer on plans for the "Lifestyle Center" or "Village Center" area, to be constructed east of 24<sup>th</sup> Avenue on an extension of Legacy Park Drive. A presentation of the planned "iconic entry" and signage were well-received by the Committee.

### **Economic Development Project Updates**

The committee was updated on plans for the University North Park Corporate Centre and University North Park Advanced Manufacturing Center by the developer, Norman Economic Development Coalition. The Committee remains ready to consider more developed plans in this area.

## **Legacy Park**

Throughout the last year, the Committee has reviewed and endorsed plans for the development of Legacy Park. The Committee has encouraged the completion of Legacy Park, and the portions of Legacy Trail that traverse the University North Park area (Legacy Trail proceeds north on the east side of 24<sup>th</sup> Avenue NW from Robinson to Rock Creek Road, and crosses the Rock Creek Overpass westbound). Extensive Committee discussion was held of the construction plans, bids and ultimately of the potential add-alternative contract items. The Committee recommended that all of the alternative bid items to enhance the “main” park area be adopted by the Council. The Committee passed a statement recommending that the City Council add dressing room facilities closer to the Legacy Park Amphitheater Stage than the restroom facility to be constructed in the Park. The City Council discussed this recommendation, but did not act on it, due to cost, space and infrastructural limitations.

The Committee received data on the construction bids for Legacy Park and recommended that the low bid be awarded with several alternative bid items added. These recommendations were ultimately adopted by the City Council in the award of the construction bid.

At various points in time, the Committee held discussion of the detention pond facility immediately north of Legacy Park. One of the add-alternate items for the Legacy Park construction contract was to make landscaping improvements to this detention facility. The Committee agreed that such improvements should either be delayed or paid for by the UNP developer. Committee Members also raised questions about the impact of drainage from the detention facility on downstream water quality in the Little River watershed, but were informed that the detention facility (and UNP as a whole) would drain to the South Canadian River watershed.

The Committee also discussed the plantings to be installed in Legacy Park and their ability to survive in the Oklahoma environment. A presentation was made to the Committee by a botany professor from the University of Oklahoma on this topic. The Committee ultimately endorsed the landscaping designs previously approved for Legacy Park.

Committee Members are excited about the progress on construction of Legacy Park, called “the jewel of the Norman park system” by Committee members. The consistent concern stated by the UNP TIF Oversight Committee related to Legacy Park is that it should be an actively-used and well-maintained community asset, adding to the UNP development, rather than a passive space.

## **Memorial to O. Gail Poole**

The Committee would like to note and memorialize the service of the late O. Gail Poole, a founding member of the UNP TIF Oversight Committee, who served faithfully as a

Committee Member until a few weeks before his untimely passing in 2013. Gail's influence on the UNP development will always be felt and his service will be missed by the TIF Oversight Committee and the community as a whole.

### **Financial Updates**

During each meeting, the Oversight Committee received updates on TIF District activities as they developed during the past reporting period. Attached to this report is financial information comparing the original projections of the Developer to the actual revenues.

### **Summary**

Summarized information on collections and expenditures from the UNP TIF are attached.

The Oversight Committee is excited to see Legacy Park becoming a reality and looks forward to its future use as an active, well-maintained, "jewel of the Norman park system". The continued commercial development of the University North Park area is also gratifying. The Committee will continue to look forward to working with the City Council and City staff on the implementation of the City of Norman TIF Number Two Project Plan.

UNIVERSITY NORTH PARK  
TAX INCREMENT FINANCE DISTRICT  
EXPENDITURE SUMMARY VS. PROJECT PLAN BUDGET  
As Of September 30, 2013

Expenditure Category	BUDGET	FYE 2007	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	TOTAL	BALANCE
Traffic/Road Improvements	\$ 10,500,000	343,807	816,159	780,485	77,106	1,118,991	2,165,823	801,031	67,072	6,170,475	\$ 4,329,525
Legacy Park	\$ 7,500,000		24,250	189,117	50,771	-	-	918,045	526,140	1,708,323	\$ 5,791,677
Engr/Legal/Prof	\$ 1,750,000	144,266		566,683	112,487	153,061	217,493	10,516	18,054	1,222,560	\$ 527,440
Contingency	\$ 1,975,000							20,872	15,278	36,150	\$ 1,938,850
Conference/Cultural Facilities	\$ 7,500,000									-	\$ 7,500,000
Contingency	\$ 750,000									-	\$ 750,000
Rock Creek Overpass	\$ 7,500,000			4,282,377	1,361,241	12,417	4,800			5,660,835	\$ 1,839,165
Contingency	\$ 750,000									-	\$ 750,000
Lifestyle Center Incentive	\$ 7,500,000									-	\$ 7,500,000
Contingency	\$ 750,000									-	\$ 750,000
Economic Development	\$ 7,500,000					187,771	116,016			303,787	\$ 7,196,213
Contingency	\$ 750,000									-	\$ 750,000
<b>TOTAL</b>	\$ 54,725,000	\$ 488,073	\$ 840,409	\$ 5,818,662	\$ 1,601,605	\$ 1,472,240	\$ 2,504,132	\$ 1,750,464	\$ 626,544	\$ 15,102,130	\$ 39,622,870
Loan Principal Repayments		\$ -	\$ 1,024,400	\$ -	\$ -	\$ -	\$ 400,000	\$ 1,020,948	\$ 13,735,000	\$ 16,180,348	

**Norman TIF District No. 2**  
**(University North Park Project)**  
**Comparison of Projected with Actual Ad Valorem Tax Receipts**

*Year construction was completed	Year payments were received	Ad valorem generated in the TIF				jurisdictions				Project Costs			
		Projected in 2006	Actual	Variance		Projected in 2006	Actual	Variance		Projected in 2006	Actual	Variance	
2006	2008	\$288,842	\$174,582	(\$114,260)		\$144,421	\$87,292	(\$57,129)		\$144,421	\$87,292	(\$57,129)	
2007	2009	\$818,899	\$600,733	(\$218,166)		\$409,450	\$295,116	(\$114,333)		\$409,450	\$295,116	(\$114,333)	
2008	2010	\$843,466	\$1,356,391	\$512,925		\$421,733	\$678,196	\$256,463		\$421,733	\$678,196	\$256,463	
2009	2011	\$868,770	\$1,568,597	\$699,827		\$434,385	\$783,679	\$349,294		\$434,385	\$783,679	\$349,294	
2010	2012	\$1,621,408	\$1,530,651	(\$90,757)		\$810,704	\$770,412	(\$40,292)		\$810,704	\$770,412	(\$40,292)	
2011	2013	\$1,670,050	\$1,916,683	\$246,633		\$835,025	\$955,214	\$120,189		\$835,025	\$955,214	\$120,189	
<b>Total thru 2011</b>		<b>\$6,111,435</b>	<b>\$7,147,637</b>	<b>\$1,036,202</b>		<b>\$3,055,718</b>	<b>\$3,569,909</b>	<b>\$514,191</b>		<b>\$3,055,718</b>	<b>\$3,569,909</b>	<b>\$514,191</b>	
2012		\$2,094,419				\$1,047,210				\$1,047,210			
2013		\$2,951,200				\$1,475,600				\$1,475,600			
2014		\$3,509,324				\$1,754,662				\$1,754,662			
2015		\$3,614,604				\$1,807,302				\$1,807,302			
2016		\$5,077,370				\$2,538,685				\$2,538,685			
2017		\$5,308,944				\$2,654,472				\$2,654,472			
2018		\$5,468,212				\$2,734,106				\$2,734,106			
2019		\$5,632,259				\$2,816,130				\$2,816,130			
2020		\$5,952,613				\$2,976,307				\$2,976,307			
2021		\$6,131,191				\$3,065,596				\$3,065,596			
2022		\$6,315,127				\$3,157,564				\$3,157,564			
2023		\$6,670,005				\$3,335,003				\$3,335,003			
2024		\$6,870,105				\$3,435,053				\$3,435,053			
2025		\$7,176,603				\$3,588,302				\$3,588,302			
2026		\$7,740,323				\$3,870,162				\$3,870,162			
2027		\$7,972,532				\$3,986,266				\$3,986,266			
2028		\$8,211,708				\$4,105,854				\$4,105,854			
2029		\$8,458,059				\$4,229,030				\$4,229,030			
2030		\$8,711,801				\$4,355,901				\$4,355,901			
<b>Total of all years projected</b>		<b>\$121,647,884</b>				<b>\$60,823,942</b>				<b>\$60,823,942</b>			

\*Taxes assessed the following year after completion (2006 in 2007) and received by City in subsequent year after assessment (2006 in 2008)

**Norman TIF District No. 2**  
**(University North Park Project)**  
**Comparison of Projected with Actual Sales Tax Receipts**

	<b>Sales tax generated in the TIF</b>		
	Projected in 2006	Actual	Variance
2006	\$830,207	\$635,198	(\$195,009)
2007	\$3,135,252	\$2,163,673	(\$971,579)
2008	\$3,229,310	\$3,496,022	\$266,712
2009	\$3,326,189	\$4,509,771	\$1,183,582
2010	\$5,917,544	\$5,571,570	(\$345,974)
2011	\$6,095,070	\$5,829,468	(\$265,602)
2012	\$6,277,923	\$6,311,986	\$34,063
<b>Total thru 2012</b>	<b>\$28,811,495</b>	<b>\$28,517,688</b>	<b>(\$293,807)</b>
2013	\$9,188,865		
2014	\$9,464,531		
2015	\$9,748,467		
2016	\$13,015,985		
2017	\$13,406,465		
2018	\$13,808,658		
2019	\$14,222,918		
2020	\$14,649,606		
2021	\$15,089,094		
2022	\$15,541,767		
2023	\$16,008,020		
2024	\$16,488,260		
2025	\$16,982,908		
2026	\$17,492,395		
2027	\$18,017,167		
2028	\$18,557,682		
2029	\$19,114,413		
2030	\$19,687,845		
<b>Total of all years projected</b>	<b>\$299,296,541</b>		

	<b>Sales tax generated in the TIF going to Gen. Fund</b>		
	Projected in 2006	Actual	Variance
		(w/transf adj)	
	\$531,332	\$115,265	(\$416,067)
	\$2,006,561	\$521,848	(\$1,484,713)
	\$2,044,185	\$1,029,817	(\$1,014,368)
	\$2,199,088	\$1,387,409	(\$811,679)
	\$3,787,228	\$1,886,833	(\$1,900,395)
	\$3,858,238	\$2,015,728	(\$1,842,510)
	\$4,004,630	\$2,125,034	(\$1,879,596)
	<b>\$18,431,262</b>	<b>\$9,081,935</b>	<b>(\$9,349,327)</b>
	\$5,880,874		
	\$5,991,140		
	\$6,104,714		
	\$8,330,230		
	\$8,486,423		
	\$8,647,299		
	\$8,813,003		
	\$8,983,679		
	\$9,159,474		
	\$9,340,543		
	\$9,527,045		
	\$9,719,140		
	\$9,916,999		
	\$10,120,794		
	\$10,330,703		
	\$10,546,909		
	\$10,769,602		
	\$10,998,974		
	<b>\$180,098,807</b>		

	<b>Sales Tax Increment Revenues to pay Project</b>		
	Projected in 2006	Actual	Variance
	<b>Costs (TIF portion)</b>		
	\$298,875	\$172,898	(\$125,977)
	\$1,128,691	\$782,771	(\$345,920)
	\$1,185,125	\$1,544,725	\$359,600
	\$1,127,101	\$2,081,114	\$954,013
	\$2,130,316	\$2,420,266	\$289,950
	\$2,236,832	\$2,591,480	\$354,648
	\$2,273,293	\$3,082,185	\$808,892
	<b>\$10,380,233</b>	<b>\$12,675,438</b>	<b>\$2,295,205</b>
	\$3,307,991		
	\$3,473,391		
	\$3,643,753		
	\$4,685,755		
	\$4,920,042		
	\$5,161,359		
	\$5,409,915		
	\$5,665,927		
	\$5,929,620		
	\$6,201,224		
	\$6,480,975		
	\$6,769,120		
	\$7,065,909		
	\$7,371,601		
	\$7,686,464		
	\$8,010,773		
	\$8,344,811		
	\$8,688,871		
	<b>\$119,197,734</b>		