

**THE CITY OF NORMAN  
TIF #2 OVERSIGHT COMMITTEE  
(UNIVERSITY NORTH PARK TIF)  
ANNUAL REPORT  
FOR THE PERIOD JULY 1, 2017-JUNE 30, 2018**

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:

Chris Dragg, April 10, 2021  
Janese Shepard, April 10, 2021  
Dr. Nick Migliorino, April 10, 2021  
Paula Price, April 10, 2019  
Ted Smith, April 10, 2019  
William Wilson, April 10, 2019  
Anthony McBride, April 10, 2020  
Fred Walden, April 10, 2020  
Greg Burge, April 10, 2020

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	11,550,000
	b. Legacy Park	8,250,000
	c. Engineering, Legal & Other Professional Fees	1,750,000
	d. Contingency	175,000
2.	a. Conference Center & Cultural Facilities	7,250,000
	b. Contingency	1,500,000
3.	a. Rock Creek Overpass of I-35	6,390,000
	b. Contingency	1,360,000
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>

As illustrated on the attached “UNP TIF Authorizations versus Expenditures” table, approximately \$24,950,099 of the original \$54,725,000 in authorized project costs remains to be spent. Based on current sales tax and property tax apportionment rates and with available cash on hand, it is estimated that the full \$54.7 million will be generated by the end of calendar year 2020.

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

### **New Members**

The Oversight Committee added three new members this fiscal year. City staff provided an overview/history of the TIF to bring the new members up-to-speed. Two members elected to discontinue service during the year.

### **Early Payoff of the Norman TIF Authority Note Series 2013**

The Committee unanimously agreed to recommend to the City Council to pay off the principal of the Norman TIF Authority Note Series 2013 early, at the July 18, 2017 meeting. This recommendation was deferred by the Committee at the September 19, 2017 meeting, to be revisited at a later time.

### **Entertainment District Proposal**

At the September 19, 2017 meeting, the Oversight Committee approved the recommendation to adopt the master plan proposal for the north side of University North Park, as presented by Jeff Gunning with Callison/RTKL. Proposed in this plan was a mixed use development with restaurants and entertainment, including an arena, an expo center, a senior living area, single and multi-family residential areas, and park space.

### **Sales Tax Over-Appportionment**

At the November 21, 2017 meeting, Anthony Francisco gave a presentation to the Committee outlining an over-apportionment of sales taxes to the UNP TIF District based on the inclusion of dedicated sales taxes in the UNP TIF apportionment. This resulted in an over-apportionment of \$5.2 million to the UNP TIF fund, of which \$4 million belongs to the General Fund and \$1.2 million belongs to the Capital Projects Fund. An outside third party is auditing their findings to confirm their calculations. Anthony Francisco informed the Committee at the February 20, 2018 meeting that the Council approved the transfer of the over-apportionment back to the General Fund and the Capital Projects Fund in the amounts of \$4.2 million and \$1.1 million respectively.

### **Senior Citizens Center**

At the March 27, 2018 meeting, Mayor Lynne Miller stated that the City Council had just approved a resolution to consider using \$8.75 million of UNP TIF funding for the

construction of a Senior Citizens Center/Cultural Center. Anthony Francisco stated that the 2008 GO Bond that was passed for \$1.1 million was only for the renovation of the existing east side library and the bond sale could probably be reduced by this amount to compensate. He also stated the TIF funds could not be used for a Senior Center unless the Cultural Center was built also. Committee Member Dragg stated he would like to add a separate project for the Senior Center. Council Member Castleberry stated this addition is an option but would extend the life of the TIF apportionment. The Committee approved a recommendation to Council to add a separate \$12.5 million project to the UNP TIF project plan for a Senior Citizens Center.

### **UNP Entrances**

At the February 20, 2018 meeting, Kathryn Walker, Assistant City Attorney, stated that the 2 entryway signs on the south side cost \$336,000, split between the developer and the Business Improvement District.

### **ODOT Audit of Rock Creek Overpass**

The Oklahoma Department of Transportation (ODOT) performs audits periodically on all completed projects that have shared funding. Through their audit of the Rock Creek Overpass, ODOT found that the City paid about \$518,000 too much to the Department of Transportation for this project.

### **Legacy Park**

At the May 15, 2018 meeting, Kathryn Walker stated that Development Agreement #3 set aside \$750,000 for enhanced landscaping and \$1.5 million for Public Art for Legacy Park, but the Public Art Committee for Legacy Park has not been set up yet. Development Agreement # 5 set aside \$175,000 for parking over the detention pond. The Committee approved a recommendation to Council to add parking within the Park that maximized handicapped parking at a cost of \$95,000. The Committee also approved the recommendation to Council to move forward in forming a Public Art Committee for Legacy Park and University North Park.

### **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.

Multiple discussions occurred during this year regarding the possibility of paying-off the remaining principal on the TIF loan (2013 Norman Tax Increment Finance Authority Tax Increment Revenue Notes). More than adequate funds are currently available to do this. Discussion centered on the cost of funds for future TIF debt issuances and potential future projects. Members decided to reconsider this proposal to pay off the outstanding debt at a future meeting.

Other factors affecting the TIF District financials this fiscal year include the over-apportionment of sales taxes to the UNP TIF District and the resulting transfer of \$5.3 million to the General Fund and the Capital Projects Fund. This correction in the UNP TIF apportionment calculation also resulted in slightly lower sales tax revenues for the TIF district.

**Summary**

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

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

	Sales tax generated in the TIF	Gross Sales Tax from TIF	Variance of 2006 projections to Gross Actual	Transfer Adjustment	Total Incremental Sales Tax
	Projected in 2006	Actual		Actual	Actual
2006	\$830,207	\$635,198	(\$195,009)	347,035	288,163
2007	\$3,135,252	\$2,163,673	(\$971,579)	859,054	1,304,619
2008	\$3,229,310	\$3,496,022	\$266,712	921,480	2,574,542
2009	\$3,326,189	\$4,509,771	\$1,183,582	1,041,248	3,468,523
2010	\$5,917,544	\$5,571,570	(\$345,974)	1,264,471	4,307,099
2011	\$6,095,070	\$5,829,468	(\$265,602)	1,222,260	4,607,208
2012	\$6,277,923	\$6,311,986	\$34,063	1,104,767	5,207,219
2013	\$9,188,865	\$7,114,148	(\$2,074,717)	1,136,943	5,977,205
2014	\$9,464,531	\$8,973,191	(\$491,340)	946,703	8,026,488
2015	\$9,748,467	\$9,329,808	(\$418,659)	909,297	8,420,511
2016	\$13,015,985	\$10,279,622	(\$2,736,363)	1,085,206	9,194,416
2017	<u>\$13,406,465</u>	<u>\$10,673,201</u>	<u>(\$2,733,264)</u>	<u>990,870</u>	<u>9,682,331</u>
<b>Total thru 2017</b>	<b>\$83,635,808</b>	<b>\$74,887,658</b>	<b>(\$8,748,150)</b>	<b>\$11,829,334</b>	<b>\$63,058,324</b>
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	<u>\$19,687,845</u>				
<b>Total of all years projected</b>	<b>\$299,296,541</b>				

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

*Year construction was completed	Calendar Year payments received	Ad valorem generated in the TIF		
		Projected in 2006	Actual	Variance
2006	2008	\$288,842	\$174,584	(\$114,258)
2007	2009	\$818,899	\$590,230	(\$228,669)
2008	2010	\$843,466	\$1,356,392	\$512,926
2009	2011	\$868,770	\$1,567,358	\$698,588
2010	2012	\$1,621,408	\$1,540,824	(\$80,584)
2011	2013	\$1,670,050	\$1,910,428	\$240,378
2012	2014	\$2,094,419	\$2,063,744	(\$30,675)
2013	2015	\$2,951,200	\$2,372,138	(\$579,062)
2014	2016	\$3,509,324	\$2,281,824	(\$1,227,500)
2015	2017	\$3,614,604	\$2,869,382	(\$745,222)
2016	2018**	<u>\$5,077,370</u>	<u>\$3,134,837</u>	<u>(\$1,942,533)</u>
<b>Total thru 2016</b>		<b>\$23,358,352</b>	<b>\$19,861,741</b>	<b>(\$3,496,611)</b>
2017		\$5,308,944		
2018		\$5,468,212		
2019		\$5,632,259		
2020		\$5,952,613		
2021		\$6,131,191		
2022		\$6,315,127		
2023		\$6,670,005		
2024		\$6,870,105		
2025		\$7,176,603		
2026		\$7,740,323		
2027		\$7,972,532		
2028		\$8,211,708		
2029		\$8,458,059		
2030		<u>\$8,711,801</u>		
<b>Total of all years projected</b>		<b>\$119,977,834</b>		

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

\*\* As of June 30, 2018

UNIVERSITY NORTH PARK  
TAX INCREMENT FINANCE DISTRICT  
EXPENDITURE SUMMARY VS. PROJECT PLAN BUDGET  
As Of June 30, 2018

Expenditure Category	BUDGET	FYE 2007	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018	TOTAL	BALANCE
Traffic/Road Improvements	\$ 11,550,000	343,807	769,645	780,485	-	1,059,734	2,126,493	684,466	431,144	2,704,296	112,173	855,837	3,142	9,871,222	\$ 1,678,778
Legacy Park	\$ 10,798,000	-	24,250	189,117	50,771	-	-	918,045	3,024,398	2,933,508	408,621	125,000	100,000	7,771,710	\$ 3,016,290
Engr/Legal/Prof	\$ 1,750,000	144,266	-	154,833	77,106	69,227	48,233	127,081	384,053	332,722	317,808	425,704	652,859	2,733,892	\$ (983,892)
Contingency	\$ 175,000	-	-	-	-	-	-	20,872	17,128	-	-	5,054	5,000	48,054	\$ 126,946
Conference/Cultural Facilities	\$ 7,250,000	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 7,250,000
Contingency	\$ 1,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 1,500,000
Rock Creek Overpass	\$ 5,212,000	-	-	4,282,377	1,361,241	12,417	4,800	-	-	-	-	-	(518,512)	5,142,323	\$ 69,677
Contingency	\$ -	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Lifestyle Center Incentiva	\$ 7,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 7,500,000
Contingency	\$ 750,000	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 750,000
Economic Development	\$ 7,500,000	-	-	-	-	102,266	116,016	118,583	140,956	237,116	283,606	2,684,643	324,514	4,207,700	\$ 3,292,300
Contingency	\$ 750,000	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 750,000
TOTAL	\$ 54,725,000	\$ 488,073	\$ 793,895	\$ 5,406,812	\$ 1,489,118	\$ 1,243,644	\$ 2,295,542	\$ 1,869,047	\$ 3,997,679	\$ 6,207,642	\$ 1,120,208	\$ 4,296,238	\$ 567,003	\$ 29,774,901	\$ 24,950,099
Loan Principal Repayments	\$ -	\$ -	\$ 1,070,914	\$ 114,188	\$ -	\$ -	\$ 400,000	\$ 425,000	\$ 113,735,000	\$ 750,000	\$ 800,000	\$ 850,000	\$ 1,000,000	\$ 19,145,102	
Loan Interest Repayments	\$ -	\$ -	\$ -	\$ -	\$ 112,487	\$ 194,058	\$ 208,591	\$ 227,364	\$ 434,021	\$ 528,808	\$ 499,277	\$ 467,844	\$ 432,602	\$ 3,105,052	
Loan Issue Costs	\$ -	\$ -	\$ -	\$ 411,850	\$ -	\$ 34,538	\$ -	\$ 250,000	\$ 260,725	\$ -	\$ -	\$ -	\$ -	\$ 957,113	