

CITY COUNCIL SPECIAL SESSION MINUTES

February 13, 2018

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in Special Session at 5:00 p.m. in the Municipal Building Conference Room on the 13th day of February, 2018, and notice and agenda of the meeting were posted in the Municipal Building at 201 West Gray and the Norman Public Library at 225 North Webster 48 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Allison, Bierman, Castleberry, Hickman, Holman, Karjala, Wilson, Mayor Miller

ABSENT: Councilmember Clark

Item 1, being:

CONSIDERATION OF ADJOURNING INTO AN EXECUTIVE SESSION AS AUTHORIZED BY OKLAHOMA STATUTES TITLE 25 §307(B)(3) IN ORDER TO DISCUSS THE POTENTIAL ACQUISITION OF REAL PROPERTY LOCATED AT 710 ASP AVENUE.

Councilmember Hickman moved that the Special Session be adjourned out of and an Executive Session be convened to discuss the potential acquisition of real property located at 710 Asp Avenue, which motion was duly seconded by Councilmember Holman; and the question being upon adjourning out of the Special Session and the subsequent convening, a vote was taken with the following result:

YEAS: Councilmembers Allison, Bierman, Castleberry, Hickman, Holman, Karjala, Wilson, Mayor Miller

NAYES: None

The Mayor declared the motion carried and the Special Session adjourned out of; and an Executive Session was convened in order to discuss the potential acquisition of real property located at 710 Asp Avenue.

The City Council adjourned into Executive Session at 5:03 p.m. Mr. Steve Lewis, City Manager; Mr. Jeff Bryant, City Attorney; Mr. Anthony Francisco, Director of Finance; Mr. Shawn O'Leary, Director of Public Works; and Ms. Kathryn Walker, Assistant City Attorney, were in attendance at the Executive Session.

Mayor Miller acknowledged return to Open Session.

Thereupon, Councilmember Bierman moved that the Special Session be reconvened, which motion was duly seconded by Councilmember Hickman; and the question being upon reconvening the Special Session, a vote was taken with the following result:

YEAS: Councilmembers Allison, Bierman, Castleberry, Hickman, Holman, Karjala, Wilson, Mayor Miller

NAYES: None

The Mayor declared the motion carried and the Special Session was reconvened at 5:28 p.m.

The Mayor said the potential acquisition of real property located at 710 Asp Avenue was discussed in Executive Session. No action was taken and no votes were cast.

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Item 2, being:

DISCUSSION REGARDING THE CENTER CITY TAX INCREMENT FINANCE POLICY GUIDE FOR IMPLEMENTATION.

Mr. Jeff Bryant, City Attorney, said the Center City Tax Increment Finance (CCTIF) District was adopted by Council on December 19, 2017, and the Community and Transportation Planning Committee (CPTC) discussed a policy guide and implementation on December 20, 2017, and January 25, 2018. He said Ms. Emily Pomeroy, Center for Economic Development Law (CEDL), presented policy guidelines and after reviewing the draft policy, CPTC recommended review by the entire Council.

Ms. Pomeroy said the majority of infrastructure improvements under the Center City Project Plan (CC Project Plan) will be made in large scale public projects to be funded up front and repaid with tax increment financing. She said the primary goal of the CCTIF is to encourage development through public infrastructure and public improvements through the allocation of incremental tax revenues along with City funding contributions for private, tax-generating real estate development projects authorized by the CC Project Plan. The CC Project Plan provides for assistance in development financing to be provided for public improvements for developments that will come online one at a time incrementally.

Ms. Pomeroy said the application for tax increment allocations must include an overview of the project, its location, and all relevant details; a narrative of how the project meets City goals and objectives for the CCFBC and its relationship to and impact on the public realm; an overview of how the projects fit within the marketplace; construction cost breakdown of individual components; detailed description and cost breakdown of all public improvements necessary for the project; legal description and site depiction; site plan drawn to scale; exterior elevation and schematics; floor plans; and relationship to adjacent structures and public streets.

Once the application is submitted to the Planning Department, the application is reviewed by the Review Team and recommendations are made regarding the amount and conditions of the tax increment allocation and a development agreement is entered into with the developer detailing the terms and conditions of the allocation. The determination of allocating increment tax dollars will be based on consistency with the Center City vision for public infrastructure improvements undertaken by or necessary for the project; public improvements, including but not limited, to improvements to sidewalks, streetscapes, landscaping, open spaces, etc., undertaken by or necessary for the project; long-term impact; and enhancements that the presence and design of the projects make to the public realm.

Ms. Pomeroy said appeals to recommendations by the CCTIF application review can be made to the City Manager; however, the City recognizes that exception in policies for eligibility and funding allocations may be required for certain projects to move forward. The City may waive certain policy guidelines if a sufficient case is made to the Review Team.

Mayor Miller said there is a finite amount of money Council expects to be generated as well as estimated infrastructure costs by the CCTIF and she is curious about pacing the projects. Ms. Pomeroy said funding estimates will be based on taxes generated by the project and projects receiving TIF financing will be required to enter into a minimum ad valorem covenant agreement that states that even if the assessor evaluates the project at a lower amount, the developer would be obligated to pay a guaranteed amount of ad valorem taxes. This will ensure the developer is paying a *fair assessment* on what completed construction costs would be as well as help protect the CCTIF.

Councilmember Allison was concerned about developers that would ride the coattails of a project that made infrastructure improvements. How would the City protect the developer who put in the infrastructure improvements? Ms. Pomeroy said in that instance, the developer coming in after the infrastructure improvements were made would not receive financial assistance because that new developer is already receiving the benefits of the new infrastructure.

Councilmember Castleberry said if the City put in the infrastructure would the City get that money back? Ms. Pomeroy said yes, infrastructure improvements that are project costs in the CC Project Plan, even if constructed by the City, can be reimbursed through increment. She said the CC Project Plan obligates the City to \$3 million in upfront costs that cannot be repaid by increment, but anything over that \$3 million can be repaid. There could be a situation where the developer makes true public improvements beyond what is necessary for their project so the City could enter into a development

Item 2, continued:

agreement that allows for the developer to be reimbursed for all the public improvements; however, she did not believe this would be a common occurrence because she does not see developer's putting in more public infrastructure than is needed.

Councilmember Hickman wants the City to receive the public improvements needed, but does not want to make it burdensome on developers requesting assistance. Ms. Pomeroy agreed and said there will be projects that do not want or need assistance, but the ones that do want or need assistance should not be overburdened by what is required for that assistance. She said requirements should be based on what would be appropriate to review the project for receipt of TIF assistance.

Councilmember Hickman said he appreciates that the CC Project Plan includes the requirement for achieving and maintaining the vision and character of Center City Form Based Code (CCFBC) demands of mixed-uses, mixed-incomes, and sustainability. The CC Project Plan requires projects seeking assistance to incorporate one or more components that include affordable housing, accessible housing, environmental enhancements, green building initiatives, and preservation of existing historic structures where appropriate. He said projects that incorporate these components would be considered top of list of projects for TIF assistance.

Councilmember Holman said the \$3 million the City is putting in upfront could be used for James Garner Avenue improvements and Ms. Pomeroy agreed. She said if improvements are made to a street before development begins it will only enhance the development and give developers what they may believe is lacking. She said in this scenario, development could happen more quickly with projects envisioned by the CCFBC.

Councilmember Holman asked if portions of the proposed Main and Gray Street two-way conversion qualify for TIF funding because some of the project is located within the CCFBC and Ms. Pomeroy said yes, increment could be used to fund portions of that project and would need to be properly documented.

Councilmember Allison said his concern is that the Review Team's makeup is City Staff only and in reading the policy language, it seems that "Review Team" could be a team of one person so he would like to see that language tightened to make it clear there will be a full team of people reviewing the application. Mr. Bryant said each project will be different and Staff did not want to tie up every team member on reviewing a small project, but large projects will require all hands on deck. Mr. Bryant said language could state "a minimum of three team members" and Councilmember Allison said that would work. Mayor Miller suggested language be added to state the number of people reviewing the project will be based on the size or characteristic of the project.

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ADJOURNMENT

There being no further business, Councilmember Castleberry moved that the meeting be adjourned, which motion was duly seconded by Councilmember Hickman; and the question being upon adjournment of the meeting, a vote was taken with the following result:

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| YEAS: | Councilmembers Allison, Bierman, Castleberry, Hickman, Holman, Karjala, Wilson, Mayor Miller |
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| NAYES: | None |
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The Mayor declared the motion carried and the meeting was adjourned at 6:04 p.m.

ATTEST:

City Clerk

Mayor