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RESOLUTION R-1718-97: A JOINT RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN AND THE NORMAN TAX INCREMENT FINANCE AUTHORITY ADOPTING A POLICY GUIDE FOR THE IMPLEMENTATION OF THE NORMAN CENTER CITY PROJECT PLAN

BACKGROUND: The Center City Form Based Code (“CCFBC”) was adopted by the City Council at its meeting on May 23, 2017 to codify the goals and objectives of the Center City Vision. The City Council adopted the Norman Center City Project Plan (“Project Plan”) and Tax Increment Finance District No. 3 (“Center City TIF”) on December 19, 2017, to provide a financing tool to help with the implementation of the CCFBC. On December 20, 2017, the Community Planning and Transportation Committee (CP&T) met to discuss implementation strategies. The CP&T Committee met again on January 25, 2018, to review a draft Policy Guide presented by Attorney Emily K. Pomeroy of the Center for Economic Development Law (CEDL). After reviewing the draft and recommending revisions, CP&T Committee recommended the Policy Guide be moved forward for full Council review. At its February 13, 2018 City Council Special Session, the Council reviewed the revised Policy Guide. The Council made additional suggested revisions. Attached is the proposed revised Policy Guide for implementation of the Norman City Center Project Plan and Tax Increment Finance District No. 3.

DISCUSSION: The CCFBC recognizes that the area identified as Center City is a unique area of Norman. It promotes mixed uses and increased density in certain locations, a broader range of housing options, and an improved connection between Downtown Norman and the University of Oklahoma. This improved connection will increase walkability, promote biking, and result in a “park once” environment. The Project Plan authorizes \$44,000,000 in Project Costs, primarily utilizing the Johnson & Associates Infrastructure Analysis as recommended public infrastructure costs to accommodate the implementation of the CCFBC, and anticipated to result in increased population densities in the Center City area. The Center City TIF Project Plan also authorizes an additional \$3,400,000 in Project Costs for contingencies, and implementation/administration costs. The Project Plan authorizes 90 percent of the incremental tax revenue generated from increases in property taxes resulting from new private investment in the Increment District to be used to pay authorized Project Costs.

With the adoption of the Project Plan, incremental ad valorem revenues will begin to be collected in fiscal year 2018-2019 and will be disbursed to the Center City Tax Increment Finance Fund for use in accordance with the Project Plan in FYE 2020. Annual incremental tax revenue generated is estimated to be \$120,000 in the near term and \$3.7 million in the long term. This identified revenue stream may be used to pay for authorized Project Costs.

The Project Plan contemplates that the majority of public infrastructure and improvements will be undertaken through medium and large-scale public projects to be financed or funded up-front, with such costs repaid once incremental tax

revenue is generated. The Project Plan also authorizes Assistance in Development Financing to be provided to developers of those projects making public improvements and impacting the public realm consistent with the CCFBC and the goals of the Center City Vision.

The attached Policy Guide seeks to lay out the policies, guidelines, application processes, and implementation of the granting of such Assistance in Development Financing. Incremental tax revenues may be paid to eligible private, tax-generating real estate development projects. In order to receive such assistance, applications must be submitted consistent with the requirements in Section II of the Policy Guide and reviewed by the Center City TIF Application Review Team. In order to receive assistance, projects must meet the policy guidelines provided in Section III of the Policy Guide. Any assistance provided will be subject to a development agreement between the private developer, the City, and the Norman Tax Increment Finance Authority.

The Project Plan is an effort to put in place an economic and financing strategy to entice private development in the Center City area, which is difficult and expensive, but will add greater long-term value and quality to the area. The goal of the Project Plan is to provide a financing mechanism that can assist in the public infrastructure envisioned by the CCFBC by stimulating private development. The Policy Guide is an effort to provide guidelines and policies for the use of Assistance in Development Financing consistent with the authorizations of the Project Plan.

RECOMMENDATION: Approval of the Policy Guide for the Norman Center City Project Plan, Increment District No. 3, City of Norman, is recommended to provide guidance on how Assistance in Development Financing should be pursued for qualified projects, how they will be evaluated, and the method in which Assistance in Development Financing may be provided.