



## Legislation Text

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**File #:** O-1920-31, **Version:** 1

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CONSIDERATION OF ORDINANCE O-1920-31 UPON SECOND AND FINAL READING: AN ORDINANCE OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA ADOPTING AND RATIFYING THE ASSESSMENT ROLL FOR THE UNIVERSITY NORTH PARK BUSINESS IMPROVEMENT DISTRICT; ESTABLISHING THE TIME AND TERMS OF PAYMENT OF THE ASSESSMENTS AND OTHER EXPENSES; FIXING PENALTIES TO BE CHARGED FOR DELINQUENT PAYMENT OF THE ASSESSMENT OR AN INSTALLMENT THEREOF; SETTING FORTH THE TRACTS OR PARCELS OF LAND AGAINST WHICH THE ASSESSMENTS ARE BEING ADOPTED, RATIFIED AND LEVIED; DIRECTING THE CITY CLERK TO PREPARE, SIGN, ATTEST AND RECORD WITH THE COUNTY CLERK OF CLEVELAND COUNTY, FOLLOWING PASSAGE OF THE PAYMENT DEADLINE, A CLAIM OF LIEN FOR ANY UNPAID AMOUNT DUE AND ASSESSED AGAINST A TRACT OR PARCEL OF LAND; PROVIDING FOR THE SEVERABILITY THEREOF.

**BACKGROUND:** Ordinance O-1920-31 relates to the implementation of the 7<sup>th</sup> year of a ten-year Business Improvement District (BID) plan that was first requested by the property owners in 2012. The BID plan provides \$2 million over a ten-year period (\$200,000 per year) to maintain and enhance the use of Legacy Park and Legacy Trail, provide for entrances into the UNP District, and further stimulate economic development in the District. The Resolution gives formal notice to the current Property Owners within the BID District of the proposed assessments for this 7<sup>th</sup> year of the BID Plan.

The Project Plan for the University North Park (UNP) Tax Increment Finance (TIF) District (Ordinance 0506-66; adopted May, 2006) provides for the development of Legacy Park. Development Agreement No. 3 ("DA No. 3" approved in 2007) provided an outline for Legacy Park Development, construction, and future maintenance. Under that agreement, the Developer was required to donate the Park property to the City, the City would then construct the Park using UNP TIF Revenues, and the Developer would then maintain the Park (excluding capital maintenance items). Development Agreement No. 3 also provided for \$900,000 in TIF revenues to serve as Development Assistance for the purpose of helping to establish a viable maintenance matching fund for the Park.

The Legacy Park design was completed in the fall of 2009. The Park design, by Howard-Fairbairn Associates and accepted by the Norman Tax Increment Finance Authority (NTIFA)/Council, was recognized by the American Society of Landscape Architecture as the recipient of the Central States Design Honor Award.

Development Agreement No. 5, ("DA No. 5" approved in 2012) solidified funding for Legacy Park construction and solidified the Legacy Park and Legacy Trail maintenance structure, utilizing the \$900,000 in Development Assistance referenced in DA No. 3 in a BID format to leverage those funds with \$1.1 million in matching funding from BID District Property owners. University Town Center LLC (the "Developer") and University North Park, LLC (a wholly owned subsidiary of the OU Foundation and owner of most of the northern portion of the University North Park development) agreed to request that the City create a Business Improvement District (BID) to provide matching funding for

maintenance for both Legacy Park and the portions of Legacy Trail within University North Park. The \$900,000 in Development Assistance referenced in DA No. 3 was structured to provide BID funding of \$200,000 per year through allocation of a combination of TIF funds and BID assessments over the ten years of the life of the BID. The first year started with a \$200,000 TIF Fund allocation. The second year was composed of a \$25,000 BID assessment and a \$175,000 TIF Fund allocation. The third and subsequent years increase the BID assessment by \$25,000 and reduce the TIF Fund allocation by \$25,000 each year until a total of \$2,000,000 is provided for BID maintenance and improvements over the ten-year period.

In June of 2014, when it was time to make the first assessment for the BID Property Owner contribution of \$25,000, the City received a petition from more than 80% of the property owners in University North Park requesting the BID be created. Council adopted Resolution R-1415-11 creating the University North Park Business Improvement District, in July 2014. Ordinance O-1415-4 was later approved adopting the assessment roll as proposed. Once the BID was created, this same process of notice of assessments to later be followed by an assessment Ordinance was followed in July and August of 2015 to levy a \$50,000 assessment to the BID property owners. This year, Council will consider Resolution R-1920-76, setting forth the notice process for the 2020 Assessments, on December 10, 2019.

These assessments and processes are all in accordance with the Original UNP BID Plan referenced in DA No. 5 and the original BID Petition presented to City Council in 2014. Because the assessments vary from year to year based upon the declining annual TIF revenue contribution and the corresponding increase in the property owner's contribution to the BID, the City must hold a hearing on the proposed assessments each year. Adjustments in the assessments to individual properties within the BID on an annual basis is also necessary because as additional development in the District occurs, the pro-rata share of the property owner's cost will change with changes those annual changes in the number and value of properties within the BID area.

**DISCUSSION:** Ordinance O-1920-31 officially levies the 2020 assessments and grants the City authority to place a lien on property if assessments are not paid. The \$125,000 assessed and collected last fiscal year was included in the budget for Legacy Park maintenance in fiscal year 2019-2020 (FYE20). Similarly, the \$150,000 in assessments that will be levied and collected this fiscal year will be included in the budget for FYE 21.

With this 7<sup>th</sup> year of the BID Plan, a total of \$1,325,000 will have been set aside for BID activities. The proceeds from the BID have been utilized for Legacy Park Maintenance, including restroom maintenance, as well as holiday decorations, and fountain maintenance. Additionally, the BID Board recommended, and Council approved the use of BID funds up to \$196,000, leveraged with UNP Developer Funds, for the design and construction of entrances into the BID District at Robinson Street. The UNP BID Board has also worked on Legacy Park Use Policies as well as exploration of Public / Private partnerships to enhance park utilization.

**RECOMMENDATION:** Staff recommends adoption of Ordinance O-1920-31 upon Second and Final Reading.