



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 03/16/2026

REQUESTER: Sooner Mall

PRESENTER: Kathryn Walker, Assistant City Attorney

ITEM TITLE: DISCUSSION OF PROPOSAL FROM SOONER MALL FOR A SALES TAX REBATE AGREEMENT

BACKGROUND:

In recent months, Sooner Fashion Mall, LLC (“Mall”) approached the City about a possible sales tax rebate agreement. After discussion with Mall representatives, it was requested that the attached term sheet be brought forward to Council for discussion and consideration. The Mall is approaching its 50th anniversary operating in Norman and has contributed significantly to the City economy over the last 50 years.

DISCUSSION:

The request from the Mall is to receive a rebate of 100% of the non-dedicated portion of the City sales tax (2.3%) that is generated at the Mall in excess of the average annual non-dedicated portion of the City sales tax collected over 2022, 2023, and 2024 up to a maximum of \$300,000 per year. In order to receive a rebate, the Mall must submit documented Property Costs for which it is seeking rebate. “Property Costs” are defined as any and all capital investment costs for the improvement of the Property or to draw new tenants to the Property, excluding routine maintenance. It can include tenant allowance, landlord work, interior lighting upgrades, exterior lighting upgrades, restroom remodels, common area amenities, play area upgrades, common area door replacement, construction of a community gathering place, exterior building refresh, signage, new landscaping, paving mill and overlay, and other such costs for the betterment/improvement of the Property.

Sales taxes collected at the Property from businesses that relocate to the Property from elsewhere in Norman will not be included in the calculation of the Sales Tax Rebate. Additionally, if available, and if desired by the City, the Mall is willing to provide police department substation space free of any rent or leasing fees.

The first rebate the Mall would be entitled to receiving under this agreement would be based on 2025 sales tax collection. Preliminary 2025 sales tax collection data indicates that the maximum rebate the Mall would be entitled to under this proposal during FYE27 as reimbursement for Property Costs would be approximately \$60,735. If a new anchor tenant were to locate in the vacant Sears space or if additional retail space were added, this number could increase

substantially depending on the sales of the new retailers. Under the proposal, the rebate could not exceed \$300,000 per year. The initial term of the agreement is 5 years. The agreement may be renewed for a maximum of two 3-year renewal periods based on progress and approval by the City Council.

The Economic Development Advisory Board discussed a prior proposal for the rebate in November. A special meeting is scheduled for Wednesday, March 18 for the Board to consider the Mall's current proposal. The Board's feedback will be shared with Council prior to formal consideration of the term sheet.

If Council desires to move forward with the arrangement as proposed, the term sheet will be placed on the next Council agenda for approval. Upon approval of the term sheet, Staff will begin working with the Mall's legal counsel to finalize an agreement for Council consideration.

Staff will be available on Tuesday to discuss further with Council and answer any questions.