

RESOLUTION

A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN AUTHORIZING THE CALLING AND HOLDING OF A SPECIAL ELECTION IN SAID CITY OF NORMAN, STATE OF OKLAHOMA (THE CITY) ON THE 27TH DAY OF AUGUST 2024 FOR THE PURPOSE OF SUBMITTING TO THE REGISTERED, QUALIFIED ELECTORS OF SAID CITY THE QUESTION OF APPROVING OR REJECTING THE ESTABLISHMENT OF INCREMENT DISTRICT NO. 4, A SALES TAX INCREMENT DISTRICT (TIF 4), AND INCREMENT DISTRICT NO. 5, AN AD VALOREM DISTRICT (TIF 5), LOCATED IN THE ROCK CREEK ENTERTAINMENT DISTRICT (ENTERTAINMENT DISTRICT) LOCATED ON CERTAIN REAL PROPERTY IN THE CITY EAST OF INTERSTATE 35 BETWEEN TECUMSEH ROAD AND ROBINSON STREET.

WHEREAS, the Local Development Act, 62 O.S. § 850, *et seq.* (“Act”), was passed by the Oklahoma Legislature to implement Section 6C of Article X of the Oklahoma Constitution, which empowers the governing bodies of cities, towns, and counties to apportion tax increments to help finance the public costs of economic development; and

WHEREAS, the City Council of the City of Norman, Oklahoma (“City Council”) may consider the creation of a tax increment district and seek appropriate expertise, public input, and analysis to inform its decision-making; and

WHEREAS, as defined by 62 O.S. 690.2, Oklahoma’s Enterprise Zones (EZs) are economically distressed areas based on declining population, lower than average per capita income and higher than average poverty rates and also include areas grandfathered prior to 2000; and

WHEREAS, the TIF 4 and TIF 5 are requested for property in a grandfathered enterprise zone that has recently undergone significant development and investment such that the property can no longer be considered unproductive, undeveloped, underdeveloped or blighted; and

WHEREAS, the TIF 4 and TIF 5 are requested for property that has previously been included in an increment district and as such would involve the diversion of public funds for a second time and without consideration of the loss of sales tax producing commercial enterprises which relocate into the Entertainment District; and

WHEREAS, the TIF 4 and TIF 5 would divert of one hundred percent (100%) of sales and ad valorem taxes generated in the district for a period up to 25-years and total up to \$600 million in assistance in development financing which is in excess of any public bond issuance in the City, for Norman Public Schools or in the County of Cleveland; and

WHEREAS, the TIF 4 and TIF 5, totaling up to \$600 million, would be the largest TIF in the State of Oklahoma’s history; and

WHEREAS, the proposed Entertainment District would not produce tax increment revenues for the 25-year period to finance the normal public functions and services in the proposed project area and TIF districts including but not limited to public safety, street maintenance, stormwater management, traffic and transit improvements, and public schools; and

WHEREAS, by adoption of Resolution No. R-2324-89, the City Council also appointed a review committee, as defined in 62 O.S. § 855 (“Review Committee”), to review and make a recommendation concerning the proposed project plan and increment district(s), to consider and make findings and recommendations with respect to the conditions establishing the eligibility of the proposed increment district(s), and to consider and determine whether the project plan and Project will have a financial impact on any taxing jurisdiction within the increment district(s) and to report its findings and make its recommendations to the City Council; and

WHEREAS, the Review Committee found that the Entertainment District may result in significant increases in demands for public services by or costs to affected taxing jurisdictions, but asserted without evidence or economic analysis that such increases would be offset by additional tax revenues generated outside of the TIF 4 and TIF 5; and

WHEREAS, the Review Committee received analyses that projected only seventeen percent (17%) of projected tax revenues would be generated by net new enterprises at the Entertainment District, and found that the economic benefits of the project would only “partially offset the adverse financial impacts” to the affected taxing jurisdictions; and

WHEREAS, important aspects of the project plan, which will affect costs and functionality associated with the Entertainment District, have not been specified or finalized as commitments of the developer regarding necessary traffic improvements, transit services, a public school site, a business improvement district, a proposed weather museum, and stormwater improvements; and

WHEREAS, elections provide an opportunity for the public to signal their support for and acceptance of the risks and obligations imposed on the community by tax increment financing; and

WHEREAS, increases in sales tax levies and ad valorem bonds require approval of the voters of the taxing jurisdiction.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NORMAN:

Section 1. That the Mayor of the City of Norman, Oklahoma, or in his absence or incapacity, the duly qualified Mayor Pro Tempore, be and hereby is authorized and directed to call a special election to be held in the City of Norman, Oklahoma, on the 27th day of August 2024, for the purpose of submitting to the registered, qualified voters of said City of Norman, Oklahoma, for their approval or rejection the following proposition:

PROPOSITION

Shall the City Council approve the establishment of Increment District No. 4, a sales tax increment district (TIF 4), and Increment District No. 5, an ad valorem increment district

(TIF 5), diverting one hundred percent (100%) of future tax revenues for a period of up to twenty-five (25) years generating revenues for assistance in development financing up to \$600 million for purposes of developing an arena and associated infrastructure in the Rock Creek Entertainment District located on certain real property in the city east of Interstate 35 between Tecumseh Road and Robinson Street.

Section 2. That such call for said election shall be by Proclamation and Notice of Election, signed by the Mayor or Mayor Pro Tempore and attested by the City Clerk, setting forth the Proposition to be voted upon; that the ballots shall set forth the propositions to be voted upon substantially as set out in Section 1 hereof; and that the returns of said election shall be made to and canvassed by the Cleveland County Election Board.

Section 3. That the number and location of the polling places and the persons who shall conduct the election shall be the same as the regular polling places and persons prescribed and selected by the Cleveland County Election Board, for elections in The City of Norman, Oklahoma.

Section 4. That the Proclamation and Notice of Election of even date, a copy of which is on file with the City Clerk and which is incorporated herein by reference, calling said election is hereby approved in all respects, and the Mayor or Mayor Pro Tempore is hereby authorized to execute said Proclamation and Notice of Election on behalf of the City, and the City Clerk is hereby authorized to attest and affix the seal of the City to said Proclamation and Notice of Election, and to cause a copy of said Proclamation and Notice of Election to be published as required by law, and a copy thereof delivered to the Cleveland County Election Board.

Section 5. That the City Clerk shall serve or cause to be served, a copy of this Resolution and the Proclamation and Notice of Election upon the office of the Cleveland County Election Board, at least seventy-five (75) days prior to the date of the election.

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PASSED AND ADOPTED AND SIGNED BY THE MAYOR THIS ____ DAY OF JUNE,
2024.

Mayor, The City of Norman, Oklahoma

(SEAL)

ATTEST:

City Clerk