

AN ORDINANCE OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA ADDING ARTICLE 12-VII TO THE CITY CODE CREATING PROCEDURES FOR THE CREATION AND IMPLEMENTATION OF TAX INCREMENT FINANCE DISTRICTS; AND PROVIDING FOR THE SEVERABILITY THEREOF.

- §1. THAT, Article 12-VII shall be added to Chapter 12 of the Code of the City of Norman as follows:

Article 12-VII TAX INCREMENT FINANCE DISTRICTS

- § 2. THAT, Section 12-701 shall be added to Chapter 12 of the Code of the City of Norman as follows:

Section 12-701 Purpose

The purpose of this Article is to provide direction for the establishment and approval of tax increment finance (TIF) districts and set forth an application process for projects within the City of Norman.

- § 3. THAT, Section 12-702 shall be added to Chapter 12 of the Code of the City of Norman as follows:

Section 12-702 Statement of Policy

- (a) The City views the establishment of TIF districts as a tool for economic development through the strategic investment of future tax revenues in projects that directly support the revitalization and growth of historic preservation, reinvestment or enterprise areas as defined by the Local Development Act, 62 O.S. §851, in accordance with the City's Comprehensive Plan.
- (b) The City's use of TIF revenue should support efforts to concentrate public resources for substantial and significant public benefit, including, but not limited to, projects that will strengthen the employment and economic base of the City, increase property values and tax revenues, facilitate economic self-sufficiency, promote projects that are of community wide importance; entice catalyst projects to an area; and to accelerate the improvement of market conditions to support desired development that would not otherwise occur in the area or within a desired timespan.
- (c) There is a general preference for TIF districts that only request the capture of incremental ad valorem revenue.
- (d) Care shall be exercised in the use of TIF to thoroughly evaluate each project to ensure that the benefits that will accrue from the approval of TIF are appropriate for the costs that will result, and that they are equitable to the City as a whole.

§ 4. THAT, Section 12-703 shall be added to Chapter 12 of the Code of the City of Norman as follows:

Section 12-703 TIF District Establishment

(a) Criteria to Establish a TIF District

(1) Statutory Requirements. In creating a TIF District, City staff must ensure that each proposed TIF District meets all the criteria set forth in the Local Development Act, 62 O.S. §850 et. seq.

(2) City Requirements. In addition to the statutory criteria, City staff must also ensure that each proposed TIF District meets the following criteria:

- a. That tax increment financing be used in those cases where investment, development and economic growth in line with the goals of the City is difficult, but possible with TIF assistance.
- b. Use of a TIF District is an appropriate incentive tool for the proposed project(s):
- c. The area proposed for designation as a TIF District is projected to increase in real property taxable value within the first five (5) years following establishment of the District;
- d. Proposed TIF Districts in urban areas are expected to support development or revitalization within the TIF Project Area boundaries across multiple properties of separate ownership; and
- e. The TIF District is expected to support and encourage development that will have a positive net fiscal impact on the City, as a whole.
- f. If a TIF district is proposed to capture incremental sales tax revenue, it shall be limited to non-dedicated sales tax revenue only.

(b) Economic and Risk Analysis of a Proposed TIF District. City Staff will undertake an economic analysis and risk assessment of each proposed TIF District before arriving at a recommendation to the City Council as to whether the creation of a TIF District should be pursued. The analysis, assessment, and recommendation of all requested TIF Districts will be based on the ability to address the following questions, including, but not limited to:

(1) What is the public purpose for the proposed TIF District? Preferred purposes are as follows:

- a. Removing barriers to development, such as the need for creation, reconstruction, or re-sizing of street, water, sewer, drainage or utility infrastructure; or cleanup of environmental issues;

- b. Providing for a catalytic center point for the revitalization of a multi-block or commercial corridor, such as enhanced civic spaces capable of anchoring activity in the district, prompting adjacent development, etc.;
 - c. Supporting infill development;
 - d. Protecting existing community assets, such as historic buildings, while supporting compatible new development; or
 - e. Providing a future funding stream that will support the issuance of bonds by a partner entity or provide for a loan.
- (2) What is the potential financial success of the TIF District in generating tax dollars above that which would be generated without it?
 - (3) What are the needed public improvements within the proposed TIF District? Will creation of the TIF District cause development to occur earlier than it would otherwise?
 - (4) How will the TIF District contribute to revitalization of the area?
 - (5) How will the City's general fund be impacted as a result of TIF District designation? How does the proposal address sales tax revenues from businesses, retail or otherwise, that may relocate to the proposed TIF Increment District?
 - (6) What is the appropriate level of participation by the City and other taxing entities?
 - (7) What are the risks or opportunity costs associated with creation of the TIF District?
 - (8) Will use of the TIF District recruit a catalyst private project to the area?
 - (9) When will the area likely develop or redevelop without being designated as a TIF District?
 - (10) Will TIF funding likely recruit private investment to the area? What is the anticipated level of private investment?

- (11) Will creation of the TIF District supplant existing economic development tools that are more appropriate to the development conditions within the proposed zone?
- (12) What alternative economic development tools are available in lieu of the TIF District? Is the expected growth likely to be enough to accomplish the goals of the TIF District?
- (13) How will the creation of the TIF District impact efforts to improve unproductive, undeveloped, underdeveloped or blighted areas?

§ 5. THAT, Section 12-704 shall be added to Chapter 12 of the Code of the City of Norman as follows:

Section 12-704 TIF District Administration

- (a) The City Manager or his or her designee is responsible for the administration of each TIF District unless otherwise approved by the Norman City Council in the Project Plan. The City Manager or his or her designee is authorized to empower one or more designees to exercise responsibilities in connection with Project implementation.
- (b) After the Economic and Risk Analysis of a proposed TIF District is complete, the City Manager shall share such analysis with the City Council prior to placing an item on the next available Council agenda to appoint an Ad Hoc Stakeholder Committee. The City Manager will work with the Mayor to develop a list of nominees for this Committee who shall be appointed in the same fashion as other City committees. The Stakeholder Committee shall be comprised of seven (7) members representing businesses, residents and non-profits located within the proposed Project Area or a 350-foot radius thereof. The 350-foot radius may be extended by increments of 100 feet until a sufficient number of members representing businesses, residents and non-profits can be identified.
- (c) Following the appointment of the Ad Hoc Stakeholder Committee, the City Manager or his or her designee shall convene a meeting of said Committee. All meetings of the Stakeholder Committee must comply with the Open Meetings Act. The Committee shall consider proposed projects, identify possible additional projects, and to what extent the projects will meet the Statement of Policy set forth herein in making a written recommendation. The recommendation of the Stakeholder Committee shall be provided to the Economic Development Advisory Board, Statutory Review Committee, Planning Commission and City Council as the Project moves through the review and approval process.

- (d) Following review by the Ad Hoc Stakeholder Committee, the City Manager or his or her designee shall convene a meeting of the Economic Development Advisory Board, whose primary role shall be to review the Economic and Risk Analysis and make a recommendation thereon. The Committee shall also consider and determine whether the proposed plan and project will have a financial impact on any taxing jurisdiction and business activities within the proposed district. Any formal recommendations and findings from this committee shall be provided to the Statutory Review Committee, Planning Commission and City Council as the Project moves through the review and approval process.
- (e) Following reviews and recommendations from the Ad Hoc Stakeholder Committee and the Economic Development Advisory Board, the City Manager or his or her designee shall cause an item to be placed on the next available Planning Commission and City Council agenda for each entity to appoint its representative to the Statutory Review Committee. The City Manager or his or her designee shall also work with other entities required to have a representative on the Statutory Review Committee to ensure each entity nominates a representative. Once all Committee representatives are identified, other than the three to be appointed by the Committee, the City Manager or his or her designee shall schedule the initial meeting of the Statutory Review Committee, which shall be chaired by the City Council representative appointed to the Committee. The following items shall be provided to the Statutory Review Committee to assist in its review:
- (1) Meeting minutes and recommendations and/or findings from the Ad Hoc Stakeholder Committee and the Economic Development Advisory Board.
 - (2) Economic and Risk Analysis
 - (3) Draft Project Plan along with any referenced attachments
- (f) Following the findings and recommendation(s) of the Statutory Review Committee, the Project Plan, along with recommendations from the Ad Hoc Stakeholder Committee, the Economic Development Advisory Board, and the Statutory Review Committee will be forwarded to Planning Commission and City Council for their consideration in accordance with the Local Development Act. Any necessary land use plan and/or zoning amendments to effectuate the plan are the responsibility of the applicant and shall be submitted for Planning Commission and City Council consideration prior to or at the same time as each body's consideration of the Project Plan.

§ 6. THAT, Section 12-705 shall be added to Chapter 12 of the Code of the City of Norman as follows:

Section 12-705 TIF District Application Process

- (a) The City Manager shall receive all TIF District requests and applications. The City will not be obligated in any respect to the establishment of a TIF District upon the receipt of an application and such establishment may be refused for any purpose arising out of the evaluation process and criteria set within this Policy. In the event that the proposed TIF District originates from the recommendation of City Staff or City Council, the City Manager or his or her designee will be responsible for the evaluation and processing of the proposed TIF District establishment and will be exempt from all other requirements presented in this Section V of the Policy.
- (b) The estimated timeline to complete the application process for TIF District designation is at least six (6) months.
- (c) All applications for creation of a proposed TIF District and applicable fees shall be delivered to:
- City of Norman
Attn: City Manager
201 W. Gray Street
Norman, Oklahoma 73069
- (d) Applicants desiring to designate a TIF District must fully complete an “Application for Designation of a Tax Increment Financing District”, provide all information as outlined below in one original paper copy and one complete electronic copy and submit the application fee.
- (e) Before reviewing an application for the creation of a TIF District, the City will require that the applicants provide the following as part of their application:
- (1) A summary that includes a general description of the proposed TIF District, including proposed boundaries, an overview of the proposed projects, and proposed increment. This summary should not be more than one page in length;
 - (2) A legal description (metes and bounds) and a map of the real property proposed for TIF District designation;
 - (3) An economic feasibility study;
 - (4) A minimum of four (4) years of assessed value information from the Cleveland County Assessor’s office for all properties in the proposed TIF District;
 - (5) A proposed Project and Financing Plan, with detailed descriptions of the projects and their costs, including detailed pro formas, if available;
 - (6) Complete tax increment projections for the entire term of the TIF; and
 - (7) Submittal of a complete Pre-Development application packet.
- (f) Pre-Application Review Process. An applicant may request a meeting with appropriate City staff prior to submitting an application in order to address TIF requirements and

development processes. Each applicant must bring a draft of the completed application and supporting documentation to the meeting. The meeting can be scheduled through the City Manager's office.

- (g) Application Fee. An application fee equal to one percent (1%) of the proposed TIF Project Costs, not to exceed \$10,000, must be submitted with the application. If the Project Plan is adopted, this will be refunded to the applicant provided the Project Plan allows the City to be reimbursed from TIF revenues for its costs related to the processing and evaluation of the application, preparation of the Project Plan, and other expenses directly related to and culminating in the adoption of the Project Plan. If the application does not result in adoption of a Project Plan allowing for reimbursement of these costs, the City will retain the application fee.
- (h) Open Records Act and the Local Development Act. Upon submission of an application, project information may become "public record" and thus subject to release pursuant to the Open Records Act and the Local Development Act.

§ 7. THAT, Section 12-706 shall be added to Chapter 12 of the Code of the City of Norman as follows:

Section 12-706 Project Criteria after District is Created

- (a) Use of TIF Proceeds. TIF funds may be used to pay for public works and public improvements and for assistance in development financing as authorized by the Local Development Act and the applicable adopted Project Plan. There is a preference for using incremental TIF revenues for "pay as you go" expenditures that do not require the issuance of TIF backed debt.
- (b) Requests for Assistance in Development Financing. In order for City Staff to evaluate a request for funding of a particular project by the TIF District once the TIF District has been established, any party desiring assistance in development financing exceeding \$50,000 must provide the following:
 - (1) Information satisfactorily demonstrating the financial ability to meet project costs and complete the project (i.e. financial statement, budget, or Letter of Credit from an appropriate financial institution);
 - (2) A complete and detailed market feasibility study;
 - (3) A complete and detailed cost benefit analysis; the direct and indirect benefits of a development proposal shall be determined and quantified by City Staff;
 - (4) Demonstrated clear financial gap (e.g. the profitability and feasibility of the project both with and without public assistance, including a detailed delineation of the developer equity contribution into the project and the overall proposed financial structure of the project);
 - (5) Proposed security, collateralization, or credit enhancement; and

- (6) Demonstrated commitment to the quality of development, the project area, and project completion.

Requests for assistance in development financing that do not exceed \$50,000 must provide a sufficient basis for the provision of such assistance and provide such other information as Staff may reasonably request depending on the specific nature of the application.

(c) Employment and Business Relocations

- (1) If the applicant seeks TIF assistance based on quality job creation, the anticipated number of FTE jobs to be created, the average wage, and the timeline for anticipated job growth shall be submitted with the application along with a description of the type of jobs to be created in terms of job skill and industry. Any assistance provided for job creation may be reduced if satisfactory evidence shows that the indicated number and quality of jobs have not been generated.

- (2) Cannibalization. If a TIF application involves the relocation of a business from other areas of the City, sufficient justification will be included to indicate why assistance for this relocation should be considered.

(d) Residential Development: TIF applications seeking TIF assistance to support residential development should incorporate the following where appropriate:

- (1) Active transportation concepts providing connection points to existing and identified potential active transportation projects in the City's Comprehensive Transportation Plan;
(2) A mix of housing that meets the needs identified in the City's Housing Strategy Plan; and
(3) Housing units that are accessible or visitable as defined in the City's Housing Strategy Plan and applicable building codes.

§ 8. THAT, Section 12-707 shall be added to Chapter 12 of the Code of the City of Norman as follows:

Section 12-707 Applicability

The provisions of this Article shall apply only to TIF Districts established on or after the effective date of this ordinance. TIF Districts created prior to the effective date shall continue to be governed by the terms, procedures, and project plans in effect at the time of their creation, and nothing in this Article shall be construed to modify or impair any existing district.

§ 9. Severability. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision,

and such holding shall not affect the validity of the remaining portions of this ordinance, except that the effective date provision shall not be severable from the operative provisions of the ordinance.

ADOPTED this _____ day of
_____, 2026.

Mayor Stephen T. Holman

NOT ADOPTED this _____ day of
_____, 2026.

Mayor Stephen T. Holman

ATTEST:

City Clerk