



(405) 590-7161
cathy@coaligngroup.com
P.O. Box 7031
Edmond, OK 73083-7031

May 6, 2024

Anthony Francisco, Finance Director and Kathryn Walker, City Attorney
City of Norman

Summary of TIF Revenues - Revised

This memo has been revised to reflect the structure of the proposed Project Plan which will create two increment areas. I have assumed that the sales tax increment area will begin first and the property tax increment area will begin one year later.

Thank you for retaining the Coalign Group to assist in the evaluation of revenue estimates associated with the creation of a tax increment finance district for the University North Park project. Based on the scope of work of our agreement, we have evaluated the revenues to be generated by the development of the various components of the project. The evaluation was limited to information provided by the OU Foundation and their consultants.

The components of the project included in the evaluation were residential development including multifamily units and single-family homes, a performance arena, retail, office, a museum, and parking. The investment associated with the various aspects of the development total more than \$1.1 billion. The following is a summary of the findings of the analysis of the data provided by the OU Foundation:

- The estimates of the construction costs of the various aspects of the project seem reasonable.
- The estimates of the value of the components of the project were discounted by 20% for the determination of taxable value for ad valorem taxes.
- The estimates of sales for each aspect of the project seem reasonable and conservative.
- 100% of ad valorem revenue has been included. City sales taxes of 3% were included.
- Construction sales taxes were included and used to calculate the revenues subject to the Leverage Act.
- The estimates of TIF revenue assume that the Leverage Act will be utilized to maximize revenues available to support project costs. Leverage Act revenues are calculated at 50% of the sales tax increment each year.
- An estimate of the net present value and debt coverage ratio that would be needed for the issuance of debt are also included.

Summary of Available Revenues: With the Leverage Act

Total TIF Revenues	\$614,457,021
Net Present Value at 7% Discount Rate	\$380,579,742
Funding NPV with DCR 1.25x	\$304,463,794
Funding NPV with DCR 1.50x	\$253,719,829