

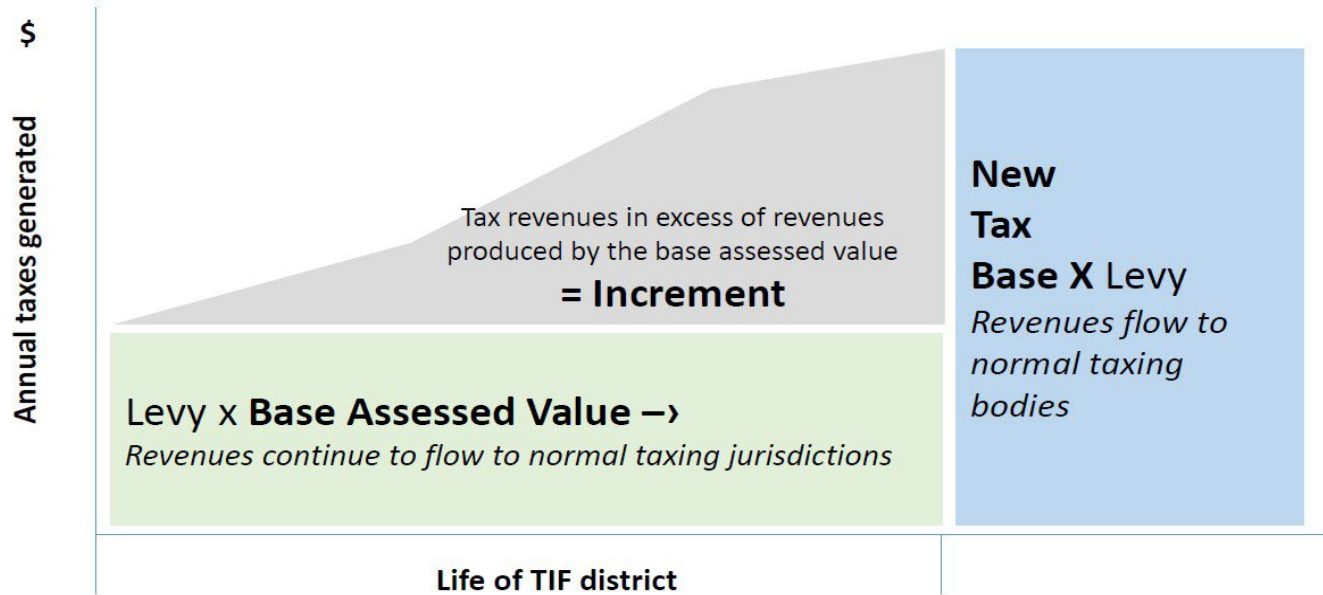
# Tax Increment Finance Districts

Statutory Review Committee  
April 25, 2024

# What is a TIF?

- A TIF allows a city to direct the apportionment of an increment of certain local taxes and fees to finance public project costs in order to stimulate development in the area
- The **increment** is:
  - the portion of the ad valorem taxes produced by the increased value of the property in the TIF district, as measured from the date the TIF district is created; *and/or*
  - the portion of sales taxes collected each year that are generated by the project
- TIFs do not impose new taxes

# How the District Works



# Designating a TIF District

- Project Plan
- Review Committee
- Planning Commission
- Two Public Hearings
- Council Vote

# Project Plan - Requirements

- Boundaries of increment district and project area, including illustrative sketch
- General description of public improvements, private investment, and estimated public revenues to accrue
- List of project costs
- General description of method of financing, sources, and timeframe
- Maps showing existing uses & conditions, and proposed improvements
- Proposed changes in zoning, if required
- Proposed changes in master plan and city ordinances, if required
- Name of person in charge of implementation
- Authorization of any public entity to carry out any part of the project plan

# Review Committee

- Appointed prior to public hearings and adoption and approval of a project plan
- Membership is set by statute
  - Representative of governing body (Chairperson)
  - Representative designated by Planning Commission (Item No. 4 on your agenda)
  - Representative designated by impacted taxing jurisdictions
    - Cleveland County
    - Cleveland County Health Department
    - Pioneer Library System
    - Norman Public Schools
    - Moore-Norman Technology Center
  - 3 at large members selected by the Committee from a list of 7 provided by the Chairperson
- Review Committee created by Council in late November

# Role of Review Committee

- Make findings and recommendations to Council on:
  - Conditions establishing the eligibility of the proposed district
  - Whether the proposed plan and project will have a financial impact on any taxing jurisdiction and business activities within the proposed district
  - Must include analysis used to project revenues over the life of the project plan, the effect on the taxing entities and the appropriateness of the approval of the proposed plan and project
- Review Committee may recommend the project plan be approved, denied or approved subject to conditions set forth by the committee
- If Council changes the area to be included in the proposed district or any substantial changes in the proposed plan and project, the review committee must review it again and may modify its findings and recommendations

# Planning Commission Review

- Review the proposed project plan and make a recommendation on the plan to the governing body
- Project plan will include any proposed changes to the master plan and to zoning



# Public Hearings

- First Public Hearing
  - Purpose – to provide information and to answer questions
  - Must include an analysis of potential positive or negative impacts which may result from the adoption of a project plan
- Second Public Hearing
  - To give any interested persons the opportunity to express their views on the proposed plan
- Very specific notice requirements

# Consideration by Council

- After all of the steps are followed, Council will have an ordinance adopting the Project Plan on its agenda for a first and second reading.
- Council will be provided with all minutes and reports of the Planning Commission and Review Committee as well as economic analysis used to evaluate the proposal.
- If Council approves the Project Plan as recommended by the Review Committee, a majority vote of Council is required (5 votes)
- If Council approves the Project Plan, but it is not in accord with the recommendations and/or conditions set forth by the Review Committee, a 2/3 majority vote (6 votes) of Council is required.

# Questions?