



**CITY OF NORMAN, OK
CITY COUNCIL BUSINESS & COMMUNITY AFFAIRS
COMMITTEE MEETING**

**Municipal Building, Executive Conference Room, 201 West Gray, Norman,
OK 73069**

Thursday, February 01, 2024 at 4:00 PM

MINUTES

The City Council Business & Community Affairs Committee of the City of Norman, Cleveland County, State of Oklahoma, met in Regular Session in the Executive Conference Room on the 1st day of February, 2024, at 4:00 p.m. and notice of the agenda of the meeting were posted at the Municipal Building at 201 West Gray and on the City website at least 24 hours prior to the beginning of the meeting.

CALL TO ORDER

Chairman Peacock called meeting to order at 4:00 P.M.

PRESENT:

Councilmember Ward 4 Helen Grant
Councilmember Ward 5 Michael Nash
Councilmember Ward 8 Matthew Peacock (Chair)

OTHERS PRESENT:

Councilmember Ward 2 Lauren Schueler
Councilmember Ward 7 Stephen Holman
Mr. Anthony Francisco, Finance Director
Mr. Chris Mattingly, Utilities Director
Ms. Kathryn Walker, City Attorney
Mr. Scott Sturtz, Interim Public Works Director
Ms. AshLynn Wilkerson, Assistant City Attorney I
Ms. Sandra Simeroth, Administrative Tech. III

1. **DISCUSSION REGARDING THE DEVELOPMENT OF A TAX INCREMENT FINANCE DISTRICT MASTER PLAN.**

Ms. Kathryn Walker, City Attorney, said the legal basis for Tax Increment Finance (TIF) and the Local Development Act was adopted in 1992 to implement Article X, Section 6C. which authorized legislature to adopt laws that allow Cities to provide for incentives, exemptions and other relief for certain areas that need help with public improvements. TIF's are used to generate new employment opportunities through the creation of new enterprises; new economic activity; new investments, and attract investment to areas of need. TIF's generate new residential and commercial investment that enhances quality of life, education and economic stability. TIF's can be used in Enterprise areas, Historic Preservation areas and Reinvestment areas as to preserve or enhance the tax base in which 50% or more of the structures are 35 years old or older. If structures in zones are 35 years old or economic stagnation it could possibly get qualified through as a Reinvestment Area, it's just not automatically qualified.

Enterprise Zones are through the Department of Commerce and the Federal Government. The agencies then establish opportunity zones and produce new maps grandfathering in the previous year's zoning while adding new areas to the Enterprise Zones annually.

Identifying sites for the TIF Master Plan Staff will determine the following:

- Does it qualify in one of the areas can Staff produce the gathered information.
- What is the level of public improvements are needed to improve the area.
- An example TIF was Campus Corners one million dollars, it provided sidewalks and street lights and the City was able to pay that back quickly.
- If Council creates a TIF is there vacant lots or areas prime for redevelopment that would generate additional property and sales tax to help fund all the public improvements.
- There are others that are not in the Enterprises Zones, but may qualify in the Reinvestment Area.
- Some easy ones to consider are the Griffin property, the property at 12th and Lindsey, and any others that Council want to add to list.

Councilmembers would like to see areas improved at Robinson Street and Porter Avenue; revisit Campus Corner; Ed Noble Parkway; N. Flood Avenue between Acres Street and Robinson Street; and Perfect Swing to stimulate property to re-develop; Sooner Mall; east of the Railroad tracks to Ponca Avenue; Alameda Street and East 12th Avenue SE; N. Flood between Acres Street and Robinson Street; and Perfect Swing to stimulate property to re-develop; The West Lindsey strip mall does not look very nice, but there is not an empty storefront right now, but needs incentives to make it look nicer.

Chairman Peacock said there could be a Façade Grant that would work out well for that strip mall.

Ms. Walker said Council could also consider a sales tax rebate to get a grocery store in that area

Item 1, continued

Chairman Peacock said Oklahoma City passed a TIF for an apartment complex in downtown and 50% of the units were to remain affordable housing. The TIF only went towards the below market rate units with the stipulation the developer had to pass those savings on to the consumers for the next 25 years. He said his motivation to get this topic out here and the idea of a Master Plan is to determine the needs, when the appropriate time would be to trigger it to be able to play off other TIF districts. He said Council can plan and time out all the improvements much like Oklahoma City (OKC) has done where the increment districts are specific, but the project area is the entire city.

Ms. Walker said OKC has one TIF district for the downtown area, but they have multiple increment districts under that and that's what triggers the 25-year timeline so if something gets ready to start OKC can trigger that under that existing project plan and just do an amendment to create a new increment district. Typically, a project area would be defined with a TIF Plan to start with and draw the project area larger and set it up for future increment districts to be created under that guide line. Oklahoma City still goes through a Statutory Review Committee process because even though you are not creating a brand new plan it is definitely a substantial change so you have to go through the same process by Statute.

Mr. Anthony Francisco, Director of Finance, said cost benefit analysis will show how much benefit the General Fund would get from this development that Council may want to subsidize through a TIF district. If Council decided it is worth it, then yes there would be some cost to the General Fund in the portion of taxes. He said when he says General Fund he may not be talking about the City's General Fund, but rather the County or the School District. Those are the considerations that each jurisdiction has to make. If Council has approved a TIF district it can be assumed the benefit outweighs the cost.

Ms. Walker said with each TIF created Council must make sure to look at the project cost.

Items submitted for the record:

Development of a TIF Master Plan and Public/Private Financing of the Sam Noble Museum.

2. DISCUSSION REGARDING A PUBLIC/PRIVATE FINANCING COLLABORATION AS USED FOR THE CONSTRUCTION OF THE SAM NOBLE MUSEUM OF HISTORY.

Mr. Francisco said this discussion came about as Council was discussing the University North Park Entertainment District proposal. He said he is going to be calling this project the Weather Museum and the interest from City Council is that it might be politically very popular. He said the Sam Noble Museum was financed as the result of an initiative petition that came forward after the Museum became the State Museum of Natural History. There were a group of citizens who presented a petition to the Council with 2771 signatures and the Council put it on the ballot in November of 1991 and it passed by two thirds vote. The bonds were issued in 1994 for about \$5 million in seed money for the construction of Sam Noble Museum. It is important to understand the obligation bonds were Economic or Industrial Development bonds.

Item 2, continued

There is a specific section of the Oklahoma Constitution that enables municipalities to issue Industrial or Economic Development Bonds with a simple majority vote. It is called a Limited Tax General Obligation Bond because this section of the Constitution limits the millage rate to 5 mills and that it is accumulative. The City can only have 5 mills of outstanding Industrial Development bonds. In Norman's case that is about \$55 million cumulatively that could be issue under this section of the Constitution. There are only two sections of the Constitution that enables simple Majority General Obligation bonds to be voted on and approved by the voters one is for public utilities. This would qualify as an Economic development bond and what Mr. Forsyth and participants at the existing weather museum have talked about is \$10 to \$15 million worth of seed money toward their proposed \$110 million Weather Museum project. Very similar to the Sam Noble Museum and the Stovall Museum having already had the artifacts on hand the Weather Museum is just needing a building. He said he does not know for a fact that Team Norman, the OU foundation, or the Weather Museum officials want to propose this to a vote for the public, but it is an alternative way of getting the seed money in place if voters would approve it. The proposal identifying unlike a TIF it would have a new source of revenue to pay for it.

Chairman Peacock asked if it had to be location specific and whether a site has been picked out.

Mr. Francisco said that would be put into the Ordinance, but yes the proposal area they want, would be placed in the University North Park area right up against the runway of the airport because a lot of what they want to do relates to weather and aviation.

Chairman Peacock asked if the City of Norman has any outstanding millage bonds.

Mr. Francisco said the City has no outstanding mills right now. He said Industrial Development bonds are very broad in terms of use, but limited to 5 mills.

Councilmember Grant supports the project and ask about interest rates.

Mr. Francisco said Staff will always try to get the lowest rates possible, but the market drives and determines the interest rate.

Councilmember Schueler said the feasibility study showed that there could be a corporate push and fund raising. In having talks with the state and with the tourism department as a whole, I believe everyone recognizes that Norman is the place for this to be built and by us acting quickly it will show them that we do want it here.

Chairman Peacock said yes very exciting and an incredible opportunity what do you need from us for this direction?

Mr. Francisco said Staff can bring this to the City Manager regarding timing and get this Ordinance before Council.

Chairman Peacock said Staff should get with the Weather Museum and see where they want to be in the timeline and go from there.

ADJOURNMENT

The meeting was adjourned at 4:52 P.M.

ATTEST:

City Clerk

Mayor