



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 05/26/2026

REQUESTER: City Council Oversight Committee

PRESENTER: Kathryn Walker, Assistant City Attorney

ITEM TITLE: CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF ORDINANCE O-2526-66 UPON SECOND AND FINAL READING: 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.

BACKGROUND:

The City Council Oversight Committee has spent the last several months discussing the creation of a policy and process by which future proposals for tax increment financing (“TIF”) could be evaluated. Criticisms from past proposals for TIF projects have been related to the lack of a requirement for citizen input earlier in the process, and the lack of a procedure or requirements beyond the Local Development Act that could be used to evaluate projects for Norman. After reviewing requirements in cities like Ft. Worth, Texas and Olathe, Kansas, Staff was asked to draft an ordinance that would set forth similar requirements. These requirements do not replace what is already required by the Local Development Act.

Council discussed the proposed ordinance at its Study Session on May 5, 2026. Additional discussion is planned for May 12, 2026 at the Council Conference.

DISCUSSION:

The proposed ordinance would be added to Chapter 12 of the City’s code titled Finance. The policy section (Section 12-702) sets out several policies guiding the development of the ordinance and evaluation of future TIF proposals. Section 12-703 sets forth criteria that must be established prior to establishing a new TIF district. City staff will be required to analyze each proposed TIF district to ensure it meets certain criteria that go beyond those required by the Local Development Act. Section 12-703 also requires Staff to undertake an economic and risk analysis of proposed TIF Districts.

After the economic and risk analysis of a proposed TIF district is complete, the City Manager will be required to share such analysis with Council prior to placing an item on the agenda to

appoint an Ad Hoc Stakeholder Committee. This Committee is designed to provide an opportunity for residents who are potentially impacted by the District to review the proposal, identify possible additional projects, and to determine to what extent the projects meet the criteria contained in the ordinance.

After consideration by the Stakeholder Committee, the Economic Development Advisory Board (EDAB) will meet to review the economic and risk analysis and make a recommendation and 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.

Following review by the Stakeholder Committee and EDAB, the process to appoint the Statutory Review Committee required by the Local Development Act will begin. All of the minutes, recommendations and/or findings from the Stakeholder Committee and EDAB will be provided to the Statutory Review Committee along with the Economic and Risk Analysis and the draft Project Plan. Following receipt of findings and recommendations of the Statutory Review Committee, the process will continue as set out in the Local Development Act with Planning Commission review, two public hearings, and then a final determination by City Council.

Section 12-705 outlines a process for TIF District applications. The application requires a number of documents to be provided by the applicant which are intended to assist with the review process. An application fee equal to 1% of the proposed TIF Project Costs, not to exceed \$10,000, must be submitted with the application. This can be refunded to the applicant if the Project Plan is adopted and it allows the City to be reimbursed its costs from TIF revenues.

Section 12-706 sets out project criteria for proposed uses of TIF funds after a District is created. This will guide the analysis of future development agreements. The criteria are meant to ensure adequate information is given to justify the request, and to ensure projects desiring TIF assistance meet City goals as they relate to employment and business relocations and residential development.

Lastly, Section 12-707 establishes that the ordinance is applicable only to TIF District's established on or after the effective date of this ordinance. This avoids potential interference with processes and contracts already adopted for existing TIF's.

RECOMMENDATION:

Staff forwards Ordinance O-2526-66 to Council for its consideration on Second and Final Reading.