



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 11/14/2023

REQUESTER: Team Norman

PRESENTER: Kathryn Walker, City Attorney

ITEM TITLE: CONSIDERATION OF ADOPTION, APPROVAL, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF RESOLUTION R-2324-89: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA DECLARING THE INTENT TO CONSIDER APPROVAL OF A PROJECT PLAN AND CREATION OF ONE OR MORE TAX INCREMENT DISTRICTS UNDER THE LOCAL DEVELOPMENT ACT; DIRECTING PREPARATION OF A PROJECT PLAN; APPOINTING A REVIEW COMMITTEE; DIRECTING THE REVIEW COMMITTEE TO MAKE FINDINGS AS TO ELIGIBILITY AND FINANCIAL IMPACT, IF ANY, ON TAXING JURISDICTIONS AND BUSINESS ACTIVITIES WITHIN THE DISTRICT; AND DIRECTING THE REVIEW COMMITTEE TO MAKE A RECOMMENDATION WITH RESPECT TO THE PROPOSED PROJECT.

BACKGROUND:

Team Norman was formed a year or so ago to ensure collaboration between a broad and diverse coalition of organizations, including the University of Oklahoma and the City of Norman. On September 6, 2023, Team Norman announced a proposal for the creation of an Entertainment District, anchored by a multi-purpose performance venue, as well as office and residential uses, between Rock Creek Road and Tecumseh Road in the area known as University North Park. Under the proposal, a combination of University and private resources would combine to fund approximately 40% of the total arena construction costs, while the University would only use approximately 25% of the event dates. Team Norman has asked the City to consider funding the remainder of the construction costs as well as some additional infrastructure utilizing tax increment financing.

DISCUSSION:

Tax increment financing (“TIF”) is a tool authorized under the Local Development Act that utilizes the growth in sales and/or ad valorem taxes generated within a specified district to fund public improvements in the designated project area. In order for a TIF District to be created, a Project Plan must first be created meeting all statutory requirements, including providing a list of all proposed improvements, estimated project costs, and proposed uses of the property within the District. The Project Plan is reviewed by a Review Committee (commonly referred to as the “Statutory TIF Committee”) to determine project eligibility, financial impact on taxing jurisdictions

and business activities with district, and ultimately, to make a recommendation to City Council regarding the project. The Project Plan is also reviewed by the Planning Commission for a recommendation to the City Council. Two public hearings are required, with special notice provisions, prior to Council's formal consideration of the Project Plan.

Due to the upcoming holidays and a desire to begin these discussions publically, Staff has been asked to prepare a resolution that would start the process for the consideration of the creation of a new TIF District. Resolution R-2324-89 creates the Statutory Review Committee. By statute, each taxing jurisdiction appoints its own representative, in addition to the Planning Commission and the City Council. At its first meeting, the Chairperson will submit 7 names to the Committee for consideration to fill three additional committee seats. The Committee will begin meeting over the next month or so to review a Project Plan once it is finalized, culminating in a recommendation to Council after the review process and the required public hearings. The City has engaged CoAlign Group to conduct the financial analysis required by the Local Development Act. In addition to the statutorily required review process, the University North Park TIF Oversight Committee has requested a review of the proposal. Once the Project Plan is finalized, Staff will schedule it for review by the TIF Oversight Committee.

RECOMMENDATION:

Staff forwards Resolution R-2324-89 appointing the Statutory Review Committee to review and make recommendations regarding the proposed project to Council for its consideration.