

File Attachments for Item:

44. 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.



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.

Resolution

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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

WHEREAS, the City of Norman ("City") has endeavored for many years to facilitate the development of the property east of Interstate 35 between Tecumseh Road and Robinson Street, and while a portion of the area has experienced significant investment, the remainder continues to suffer from relative economic stagnation and requires public improvements and investment to reverse that stagnation, to attract major investment in the area, to serve as a catalyst for expanding employment and private investment in the area, to enhance the tax base, and make possible investment, development and economic growth which would otherwise be difficult or impossible ("Project"); and

WHEREAS, the Local Development Act, 62 O.S. § 850, *et seq.* ("Act"), was passed by the Oklahoma Legislature to implement Section 6C of Article X of the Oklahoma Constitution, which empowers the governing bodies of cities, towns, and counties to apportion tax increments to help finance the public costs of economic development; and

WHEREAS, the development of the area depends upon the utilization of tax increment financing to help finance the public costs of the Project; and

WHEREAS, the Norman City Council, as the governing body of the City, is empowered to approve the creation of a tax increment district to further the public purpose of economic development in Norman; and

WHEREAS, the Act provides for the appointment of a Review Committee to review and make a recommendation concerning the proposed district, plan, or project, to consider and make findings and recommendations with respect to the conditions establishing the eligibility of the proposed district, and to consider and determine whether the proposed plan and project will have a financial impact on any taxing jurisdiction within the proposed district and to report its findings and make its recommendations to the governing body; and



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WHEREAS, the Act provides that the membership of the Review Committee shall consist of the following: a representative of the governing body who shall serve as chairperson; a representative of the planning commission having jurisdiction over the proposed district; a representative designated by each taxing jurisdiction within the proposed district whose ad valorem taxes might be impacted by the plan; and three members representing the public at large and selected by the other committee members from a list of seven names submitted by the chairperson of the Review Committee; and

WHEREAS, one of the at large Review Committee representatives is required to be a representative of the City's business community, and, where a proposed project may include retail development, that representative must be either a retailer or a representative of a retail organization; and

WHEREAS, the taxing jurisdictions within the proposed district whose ad valorem taxes might be impacted by establishment of a tax increment district in the relevant area of Norman are Cleveland County, Norman Public Schools, Cleveland County Health Department, Moore Norman Technology Center, and Pioneer Multi-County Library System.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORMAN, OKLAHOMA:

Section 1. The Norman City Council intends to consider approval of a project plan and creation of a tax increment district to facilitate the financing of eligible project costs for economic development and hereby directs the preparation of a project plan for the Project to be submitted for consideration in accordance with the Act.

Section 2. A Review Committee is hereby appointed whose membership shall consist of the following: one representative of the Norman City Council, who shall serve chairperson of the Review Committee; one representative of the Norman Planning Commission to be designated by that body; one representative designated by Cleveland County; one representative designated by Norman Public Schools; one representative designated by the Cleveland County Health Department; one representative designated by Moore Norman Technology Center; one representative designated by the Pioneer Multi-County Library System; and three representatives of the public at large, including at least one representative of the City's business community, who will be selected by the other committee members from a list of seven names submitted by the chairperson of the Review Committee. Because the Project may involve potential retail development, the business community representative shall be a retailer or representative of a retail organization.

Section 3. Mayor Larry Heikkila shall serve as the Norman City Council's representative and chairperson of the Review Committee.

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Section 4. The chairperson of the Review Committee shall request that each of the following entities designate a representative to serve on the Review Committee: (a) Cleveland County, (b) Norman Public Schools, (c) Cleveland County Health Department, (d) Moore Norman Technology Center, and (e) Pioneer Multi-County Library System.

Section 5. The chairperson of the Review Committee shall submit a list of seven names of possible persons to represent the public at large on the Review Committee, and the other committee members shall select three persons from this list, who shall represent the public at large on the Review Committee; at least one of the three people selected to represent the public at large shall be a representative of the business community in the City and a retailer or a representative of a retail organization.

Section 6. The Review Committee shall consider and make its findings and recommendations to the Norman City Council with respect to the conditions establishing the eligibility of the proposed district and the appropriateness of approval of the proposed project plan and Project.

Section 7. The Review Committee shall consider and determine whether the proposed project plan and Project will have a financial impact on any taxing jurisdiction and business activities within the proposed increment district and shall report its findings to the Norman City Council.

Section 8. The Norman Planning Commission shall review the proposed project plan and make a recommendation regarding the project plan to the Norman City Council.

PASSED AND APPROVED THIS _____ DAY OF _____, 2023.

THE CITY OF NORMAN, OKLAHOMA

(SEAL)

Mayor

ATTEST:

City Clerk