



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 09/05/2022

**REQUESTER:** Kathryn L. Walker

**PRESENTER:** Kathryn L. Walker, City Attorney

**ITEM TITLE:** CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT OR POSTPONEMENT OF RESOLUTION R-2223-35: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, ACKNOWLEDGING THE RECEIPT OF THE 2023 ASSESSMENT ROLL AND ASSESSMENT PLAT FOR THE UNIVERSITY NORTH PARK BUSINESS IMPROVEMENT DISTRICT, INSTRUCTING THE CITY CLERK TO GIVE NOTICE OF A HEARING ON THE PROPOSED ASSESSMENT ROLL; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

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### **BACKGROUND:**

Resolution R-2223-35 and Ordinance O-2223-12 relate to the implementation of the final year of a ten-year Business Improvement District (BID) Plan that was first requested by the property owners within the University North Park (UNP) development in 2012. The UNP BID Plan provides \$2 million over a ten-year period (\$200,000 per year) to maintain and enhance the use of Legacy Park and Legacy Trail, provide for entrances into the UNP District, and further stimulate economic development in the District. The Resolution gives formal notice to the current Property Owners within the BID District of the proposed assessments for this 10<sup>th</sup> year of the BID Plan.

The Project Plan for the University North Park (UNP) Tax Increment Finance (TIF) District (Ordinance 0506-66; adopted May, 2006) provided for the development of Legacy Park. Development Agreement Number 3 ("DA3"; Contract K-0708-76; approved October 16, 2007) provided an outline for Legacy Park Development, construction, and future maintenance. Under that agreement, the Developer was required to donate the Park property to the City, the City would then construct the Park using UNP TIF Revenues, and the Developer would then maintain the Park (excluding capital maintenance items). DA3 also provided for \$900,000 in TIF revenues to serve as Development Assistance for the purpose of helping to establish a viable maintenance matching fund for the Park.

The Legacy Park design was completed in the fall of 2009. The Park design, by Howard-Fairbairn Associates and accepted by the Norman Tax Increment Finance Authority (NTIFA)/Council, was recognized by the American Society of Landscape Architecture as the recipient of the Central States Design Honor Award.

Development Agreement Number 5, ("DA5"; Contract K-1112-125; approved May 7, 2012)

solidified funding for Legacy Park construction and solidified the Legacy Park and Legacy Trail maintenance structure, utilizing the \$900,000 in Development Assistance referenced in DA3 in a BID format to leverage those funds with \$1.1 million in matching funding, ultimately to be provided from BID District property owner assessments. University Town Center LLC (the "Developer") and University North Park, LLC (a wholly owned subsidiary of the OU Foundation and owner of most of the portion of the University North Park development north of Rock Creek Road) agreed to request that the City create a Business Improvement District (BID) to provide matching funding for maintenance for both Legacy Park and the portions of Legacy Trail within University North Park. The \$900,000 in Development Assistance referenced in DA3 was structured to provide BID funding of \$200,000 per year through allocation of a combination of TIF funds and BID assessments, over the ten year life of the BID.

The first year started with a \$200,000 TIF Fund allocation. The second year was composed of a total \$25,000 BID assessment and a \$175,000 TIF Fund allocation. The third and subsequent years increased the BID assessment by \$25,000 per year and reduced the TIF Fund allocation by \$25,000 each year until a total of \$2,000,000 is provided for BID maintenance and improvements over the ten-year period.

In June of 2014, the City received a petition from more than 80% of the property owners in University North Park requesting the BID be created. Council adopted Resolution R-1415-11 creating the University North Park Business Improvement District, in July 2014. Ordinance O-1415-4 was later approved, adopting the assessment roll as proposed. Once the BID was created, this same process of notice of assessments to later be followed by an assessment Ordinance was followed in July and August of 2015 to levy a \$50,000 assessment to the BID property owners. This year, in Resolution R-2223-35 the notice process is beginning which will ultimately culminate in an assessment Ordinance for Council to consider on September 27, 2022 to levy a \$200,000 assessment to the BID property owners.

These assessments and processes are all in accordance with the Original UNP BID Plan referenced in DA5 and the original BID Petition presented to City Council in 2014, as well as the Amended and Restated Master Operating and Development Agreement and the 2019 UNP TIF Project Plan Amendments. Because the assessments vary from year to year based upon the TIF revenue's declining annual contribution and the corresponding increase in the property owner's contribution to the BID, the City must hold a hearing on the proposed assessments each year. Adjustment in the assessments to individual properties within the BID on an annual basis is also necessary because as additional development in the district occurs, the pro-rata share of the property owner's cost will change with changes those annual changes in the number and value of properties within the BID area.

#### **DISCUSSION:**

Resolution R-2223-35 acknowledges receipt by the City Clerk of the 2023 University North Park Business Improvement District Assessment Roll and corresponding Assessment Plat. The Resolution also authorizes the Clerk to provide notice to the property owners in the District of a hearing on the assessments on September 27, 2022 at 6:30 p.m. This process also requires an Ordinance (proposed as Ordinance O-2223-12) officially levying the assessments and granting the City authority to place a lien on property if assessments are not paid. The \$200,000 assessed and collected last fiscal year was included in the budget for Legacy Park maintenance in fiscal year 2022-2023 (FYE 23). Similarly, the \$200,000 in assessments that will be levied and collected this fiscal year will be included in the budget for FYE 24. On September 27, 2022,

the ordinance allowing the levy and collection of the \$200,000 will be placed on the Agenda for 2nd Reading following the public hearing on the assessments.

With this 10<sup>th</sup> year of the BID Plan, a total of \$2,000,000 will have been set aside for BID activities. The proceeds from the BID have been utilized for Legacy Park maintenance by a third-party landscaping company, including restroom maintenance; holiday decorations; and Legacy Park fountain maintenance. Additionally, the UNP BID Board of Directors recommended, and Council approved the use of BID funds up to \$196,000, leveraged with UNP developer funds, for the design and construction of entrances into the UNP BID District at Robinson Street. The UNP BID Board has also worked on Legacy Park Use Policies as well as exploration of Public / Private partnerships to enhance park utilization. The BID Board meets quarterly to consider these and related matters, and may consider renewal of the UNP BID in the future.

**RECOMMENDATION:**

Staff recommends approval of Resolution R-2223-35.