



CITY OF NORMAN, OK
DEVELOPMENT OVERSIGHT COMMITTEE FOR TIF
DISTRICT NO. 2 MEETING

Development Center, Conference Room A, 225 N. Webster, Norman, OK
73069

Tuesday, July 16, 2024 at 1:30 PM

MINUTES

The Development Oversight Committee for TIF District No. 2 of the City of Norman, Cleveland County, State of Oklahoma, met in Regular Session in Conference Room A at the Development Center, on the 16th day of July, 2024, at 1:30 p.m., and notice of the agenda of the meeting was posted at the Norman Municipal Building at 201 West Gray, Development Center at 225 N. Webster, and on the City website at least 24 hours prior to the beginning of the meeting.

ROLL CALL

PRESENT

Chair Greg Burge
Committee Member Kaimee Kellis
Committee Member Kurt Lee
Committee Member William Wilson
Committee Member Rob Norman
Committee Member Paul Wilson
Committee Member Steven McDaniel
Alternate Member Tyler Jones

ABSENT

Committee Member Nick Migliorino

OTHERS

Council Member Bree Montoya
Anthony Francisco, Director of Finance
Clint Mercer, Chief Accountant
Dannielle Risenhoover, Admin. Tech IV
Scott Sturtz, Interim Director of Public Works
Sara Kaplan, Business & Community Relations
Russell Rice, Citizen
Sean Rieger, Rieger Law Firm
Marguerite Larson, Citizen
Paul Arcaroli, Citizen
David Weinand, Citizen
Taylor Jones, OU Daily
Stephen Koranda, Norman Public Schools
Ashlynn Wilkerson, Assistant City Attorney
Scott Cristian, Citizen

MINUTES

1. CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF MINUTES FROM JUNE 18, 2024

Member Norman made a motion to approve the June 18, 2024 Development Oversight Committee for TIF District 2 minutes which were duly seconded by Member Kellis. The motion passed unanimously.

Items submitted for the record:

Development Oversight Committee for TIF District 2 Minutes from June 18, 2024

REPORTS

2. CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF MONTHLY FINANCIAL REPORT

Anthony Francisco gave the report. Francisco highlighted the University North Park (UNP) Tax Increment Finance (TIF) Fund escrow balances that are available. The Traffic and Roadway cost center has \$3,812,860.80 in funds available; The Town Center cost center has \$5,443,014.97 in funds available; and the Economic Development cost center has \$1,114,930.12 in funds available. Member Norman stated that he gets questioned frequently about the bond-loan proceeds that are reported. Francisco clarified that the bonds have been paid off, but that the Financial Report includes "bond-loan proceeds" to disclose that bonds were issued.

Member Kellis made a motion to approve the Financial Report which was duly seconded by Member Norman. The motion passed unanimously.

Items submitted for the record:

Financial Report

DISCUSSION & ACTION ITEMS

3. CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT, POSTPONEMENT AND/OR DISCUSSION OF RECOMMENDATION RELATED TO THE PROPOSED UNP TIF DEVELOPMENT "ROCK CREEK ENTERTAINMENT TIF DISTRICT"

A) SLIP RAMPS AT I-35 & ROCK CREEK ROAD INTERSECTIONS

Scott Sturtz, Interim Director of Public Works, gave the report. Sturtz provided the Committee with preliminary report information from a corridor study that was conducted by the Department of Transportation in conjunction with the Association of Oklahoma Governments. This study looked at intersections within Cleveland County, Moore, and Norman. Once plans for the new turnpike were drafted, the corridor study was halted. The preliminary corridor study approved a future interchange, but did not include funding for a proposed interchange at I-35 and Rock Creed Road in Norman. A one-way frontage road system, on both sides of I-35, was proposed and included slip ramps, turn-a-rounds and "diverging diamonds". The one-way frontage road

on the east side of I-35 went north from Rock Creek Road to Tecumseh Road and the one-way frontage road on the west side of I-35 went from Rock Creek Road south to Robinson.

“There is a big circle on the map that basically says that ‘this (Rock Creek and I-35 intersection) needs further study.’ They did not get far enough along to make recommendations,” Sturtz said. “Again, this is all preliminary. They are pretty good concepts, they’re laid out pretty well, but I wouldn’t say there’s anything that’s definite at this point.”

Anthony Francisco added, “As we have been talking through negotiations for the Rock Creek Entertainment District, just know that all parties involved know that it would be better if there was a Rock Creek interchange, or some sort of slip ramps; so, everybody will be pushing for that, but - that’s not a TIF project.”

B) ECONOMIC DEVELOPMENT AGREEMENT AND PROJECT PLAN

Anthony Francisco gave the update. The Project Plan, which was recommended for approval by the Statutory Review Committee, has been forwarded for review with a recommendation from the Development Oversight Committee for TIF District 2.

“Before the recommendation will go before Council formally, we want to have an Economic Development Agreement that basically puts meat on the bones if you will, that makes all the contractual parties bound for what is in that Project Plan,” Francisco said. The Economic Development Agreement has been in negotiations for several months. There have been what Francisco describes as the following “sticking points” which have been communicated by City Council and the City Attorney’s Office to the developers and the developer’s counsel:

1. There needs to be an obligation to do a specific and defined project;
2. The project needs to name a specific party that is the main developer;
3. The developer’s counsel proposed changes to the draft Economic Development Agreement that makes the TIF revenue payments to the developer dependent only on construction of the Arena and not the entire District, leading to default concerns.

Francisco stated that the City hopes to hear back from the Developer’s counsel soon and is hopeful that a formal Economic Development Agreement will move forward with the Project Plan to Council.

Member Norman asked what the remedies for default were. Francisco responded, “From the City’s point of view, if there is a default, we withhold the tax revenue. If the buildings don’t get built, there isn’t enough money to offset the debt that would have been entered into, and that is a remedy for default. At least from my own perspective, I think the objective should be to avoid default.”

Currently, there is not an anti-cannibalization clause proposed or included in the Economic Development Agreement. HVS has been hired by the City to complete an analysis on market impacts of the proposed Rock Creek Entertainment District on the City as a whole. Francisco suspects that HVS’s report will be ready in one to two weeks.

“This is the time to go back to the drawing board and start looking at what other towns and other universities have done with arena financing,” Member Norman said. “Go look at things like the Baylor plan, what other cities have done, maybe look and refresh whether doing this completely through TIF financing is the answer. All those things that are outlined in the Hunden study that

report about different ways that cities have done this, need to be looked at by the City's people who are doing this negotiation."

MISCELLANEOUS COMMENTS

Member Norman asked how the south part of the TIF development was going. Francisco stated that there has been a building permit issued for P.F. Chang's and a permit is under consideration for the Main Event. "The developer asked for about \$3 million of the incentive money when the development was just Mo'Bettahs and P.F. Chang's. I expect that they would renew that request now that some others and the Main Event are on the hook, but they have not so far," Francisco said.

City Council previously voted to bring the approval of the Rock Creek Entertainment District to the vote of the people. Two former Mayors filed a lawsuit to stop this election. The District Court Judge who heard the case filed a restraining order against the ballot going out. "At this point, there won't be an election related to the proposed TIF," Francisco said.

ADJOURNMENT

Member Kellis moved to adjourn the meeting which was duly seconded by Member Lee. The motion passed unanimously and the meeting adjourned at 2:20 PM.

Greg Burge, Chair
Development Oversight Committee for TIF District 2