

NORMAN CENTER CITY PROJECT REVIEW COMMITTEE MINUTES

September 14, 2017, 3:00 p.m.

The Norman Center City Project Review Committee met in the Municipal Complex located at 201 West Gray Street on September 14, 2017, at 3:00 p.m., and notice and agenda of the meeting were duly posted at least 48 hours prior to the beginning of the meeting.

PRESENT: Mayor Lynne Miller, Erin Williford, Jason Brown, Andy Sherrer, County Commissioner Harold Haralson, Lisa Wells

ABSENT: Dr. Nick Migliorino, Jane Bowen, Erin Williford, Keith Reed

STAFF PRESENT: City Attorney Jeff Bryant, Sarah Encinias
Dan Batchelor, Emily Pomeroy

Item 1, being: Call to Order

Chair, Mayor Lynne Miller, called the meeting to order at 3:15 p.m.

Item 2, being: Introduction of Members and Roll Call

Committee members and presenting guests gave a short introduction of their roles within the City:

- * Dan Batchelor and Emily Pomeroy are with the Center for Economic Development Law and serve as development council to the City of Norman by helping the City to examine an array of projects including the Center City Project, the University North Park Project, and the Campus Corner TIF
- * Jeff Bryant is the City of Norman City Attorney
- * Lisa Wells is the Executive Director of the Pioneer Library System (PLS)
- * Lynn Miller is the Mayor of the City of Norman and serves as Chairperson of the Review Committee
- * Andy Sherrer, Moore Norman Technology Center (MNTC) Board member, appears on behalf of Jane Bowen who is Superintendent and CEO of MNTC
- * Harold Haralson is Cleveland County Commissioner of District 3
- * Jason Brown serves as Deputy Superintendent of Norman Public Schools (NPS), who sits in for Dr. Nick Migliorino, Superintendent of NPS

**Item 3, being:
Discussion Relating to Tax Increment Financing Districts**

Mr. Dan Batchelor began by giving a brief introduction of the role of the Review Committee in the process of considering a proposed Norman Center City Project Plan. When the at-large members are selected and members reconvene with a full Review Committee, they will be asked to examine and make a recommendation on a proposed Project Plan. It is a plan and strategy for breathing new life into the core of the community of Norman. The investment would concentrate on the older core of the City which includes its most significant assets – the original commercial buildings, the original library and the collection of older downtown structures. The Project Plan proposes the use of Tax Increment Financing (TIF). The idea is that if interest is stimulated in new investment in this area, the new generation of interest helps pay for infrastructure and related costs to bring life back into the core of the community to make it a vibrant place for people to want to be.

Ms. Emily Pomeroy presented to the Review Committee about what TIF is, how it works in Oklahoma and ways that Norman has used it successfully. The Local Development Act is what authorizes TIF in Oklahoma and that is the statute under which this Review Committee was created. TIFs are used as a tool in locations where economic growth is difficult and could use a boost - like the old part of Norman. See the attached powerpoint presentation.

Several inquiries were made during the presentation, including:

1. Mayor Miller inquired about how the base assessed value is determined. Ms. Pomeroy responded that the County Assessor sets the base assessed value upon request of the City after adoption of a project plan that creates an increment district.
2. County Commissioner, Harold Haralson, inquired about the increase of the ad valorem tax base at an average of 3-5% per year due to the value increases determined by the County Assessor's office. Mr. Batchelor responded by stating that if the rate of inflation holds its current average, there would be incremental growth just by reason of inflation, but that the Center City area is a low reinvestment area. The higher amounts tend to be further and further out in the suburbs.
3. Mayor Miller inquired about if more area can be added to the TIF district after it's been established. Ms. Pomeroy confirmed this information, adding that the area cannot be increased by more than 5%. The same goes for the budget - it can be amended as long as it doesn't increase by more than 5%. This is according to the provision in the statute which defines it as a minor amendment under the statute. Ms. Pomeroy stated that if the increment district is being increased in size by more than 5% then it's a major amendment and it has to go back to the Review Committee for consideration. If it's increased by 5% or less, then it's considered a minor amendment and can be approved by City Council.

Item 4, being:

Submission of Chairperson's list of seven names for At-Large Members

Mayor Miller presented her list of seven names to the Review Committee and a copy of her list is given to each member for review. See the attached list.

Item 5, being:

Consideration and appropriate action to select three At-Large Members to the Norman Center City Project Review Committee (at least one of whom is a representative of the business community in the City and a retailer or a representative of a retail organization) selected by the other Review Committee members from the list of seven names submitted by the Chairperson.

Mayor Miller submitted her list of names for potential at-large committee membership and gives a brief summary of each person's background:

- Erinn Gavaghan is the Executive Director of the Norman Arts Council, and is very involved in activities on Main Street and in the campus. She also works with a lot of the merchants due to all of the activities by Arts Council. Our Arts Board and Arts Council get funding from the hotel/motel tax and their public board is involved with Norman Forward.
- Charles Hollingsworth has been a banker for many years with a number of different banks and has very often held a community liaison role with the banks in which he has served. He knows a lot about Norman and a lot about the changes that are going on. He is also a longtime resident.
- Kyle Langford is an attorney and he serves on our CDBG Board, which also receives funding and works on housing in lower income areas. He lives in Ward 4, which is in the impacted area, and works at the University of Oklahoma. At OU, he works with the state department by helping them implement new programs with school districts.
- Becky Patten is a lifelong resident of Norman. She was on the Center City Citizens Committee for all 3 years, she lives in Ward 4, and she has a law office upstairs from the Sooner Theater. She's very much a part of this area.
- Michael Ridgeway currently serves on the Comprehensive Plan Steering Committee and he is also on the Stormwater Citizens Committee. He is a retired lawyer and was the chief counsel for the Insurance Commission.
- Bob Thompson is a former mayor of Norman and has a lot of experience with finance. He is a former builder and has also done wholesale business with office supplies.
- Chuck Thompson is a banker and very active in the Chamber of Commerce. He works with many retail businesses and represents them as well. He served on the original UNP TIF Review Committee.

Mr. Andy Sherrer made a motion to nominate Becky Patten and Bob Thompson, and the motion was seconded by Ms. Lisa Wells. Mayor Miller called the vote: all in favor and none opposed.

Mayor Miller also requested a name for the business representative. Mr. Haralson made a motion to nominate Chuck Thompson, and the motion was seconded by Ms. Wells. Mayor Miller called the vote: all in favor and none opposed. Mr. Jeff Bryant requested clarification of nominee Chuck Thompson, regarding whether he is considered the person that will be a representative of the business community in the City and a representative of a retail organization. Mayor Miller confirmed this information and Mr. Haralson agreed.

**Item 6, being:
Future Meetings Schedule**

Ms. Pomeroy requested a date and time for the next Review Committee meeting along with general member availability. The Committee agreed to hold the next meeting on Wednesday, September 27, 2017, at 8:00 a.m.

**Item 7, being:
Other Business**

There was general discussion among the Review Committee about what information will be made available to the Review Committee. Ms. Pomeroy reported that significant work was done at the City Council's request regarding improvements called for under the Center City Form-Based Code and what kind of development and therefore increment could be generated in the area. And that information will be included in a Financial Impacts Report. The Review Committee will also receive an Eligibility Report and the Project Plan itself for review and consideration.

**Item 8, being:
Adjournment**

The meeting adjourned at 4:20 p.m.

Tax Increment Financing:

A Valuable Tool for Economic Development

Norman Center City Project

Review Committee

September 14, 2017



CENTER FOR ECONOMIC
DEVELOPMENT LAW

Tax Increment Financing (“TIF”) Legal Basis: Oklahoma Constitution and the Local Development Act

The Local Development Act, 62 O.S. §850, et seq., implements Art. X, Section 6C of the Oklahoma Constitution and allows a city, town, or county to implement a TIF in an area that is unproductive, undeveloped, underdeveloped, or blighted

Development Using TIFs

TIF is a financing tool to be used in areas where investment, development, and economic growth are difficult but possible if the Act is used

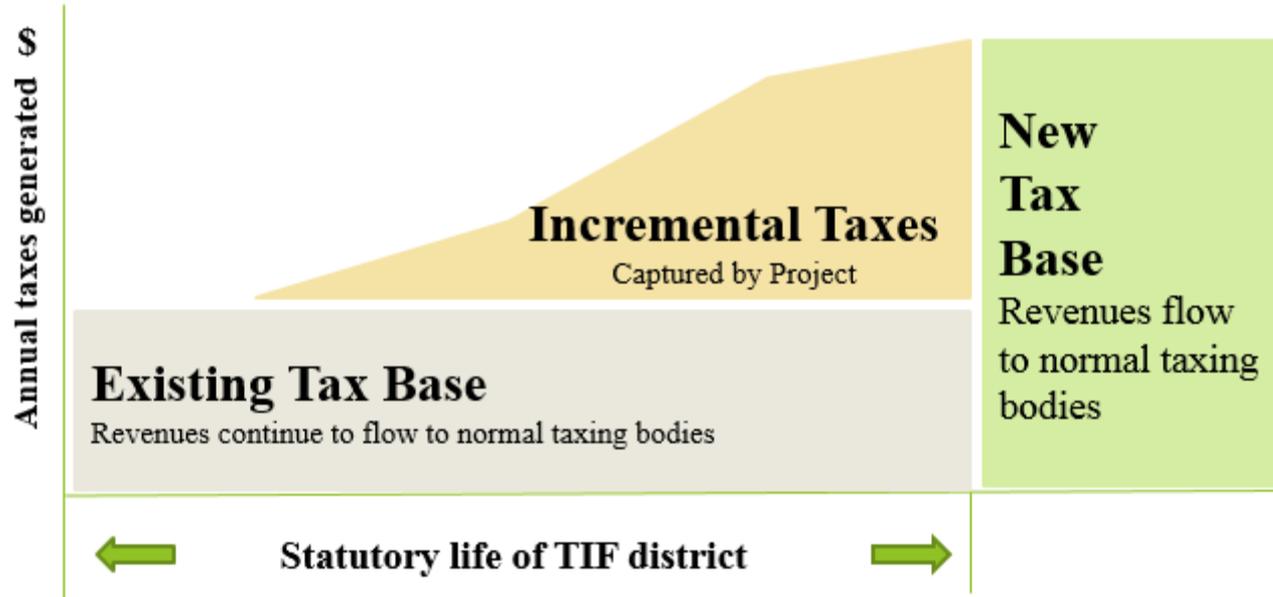
TIFs do not impose new taxes

What is a TIF?

A TIF allows a city to direct the apportionment of an increment of certain local taxes and fees to finance public project costs in order to stimulate development in an area

- The increment is:
 - the portion of the ad valorem taxes produced by the increased value of the property in the increment district as measured from the date the TIF is passed, and/or
 - the portion of sales taxes collected each year that are generated by the project

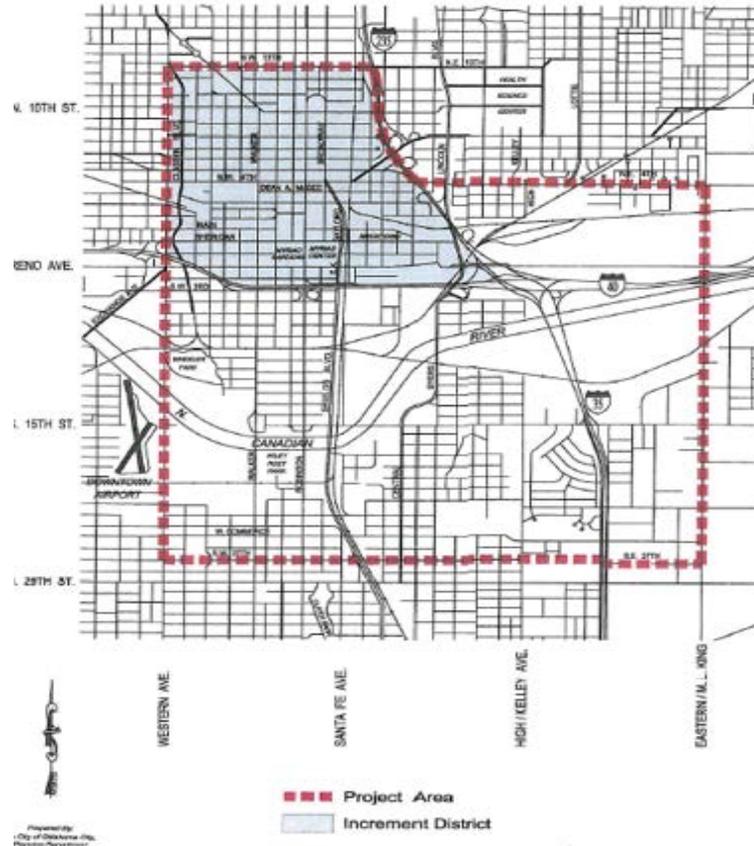
Value Generation and Capture



Where can TIF be used?

- “Enterprise area” – any area within a designated state or federal enterprise zone
- “Historic preservation area” – an area listed in the National Register and subject to historic preservation zoning
- “Reinvestment area” – an area requiring public improvements
 - to reverse economic stagnation or decline
 - to serve as a catalyst for retaining or expanding employment
 - to attract major investment to the area
 - to preserve or enhance the tax base or
 - in which 50% or more of the structures are more than 35 years old
 - Such an area is detrimental to the public health or safety
 - Such an area includes a blighted area under the Urban Renewal Act

EXHIBIT A
DOWNTOWN/MAPS ECONOMIC DEVELOPMENT
PROJECT PLAN AREA AND INCREMENT DISTRICT BOUNDARIES



Increment District = area in which increment is generated

Project Area = area in which increment can be spent on project costs

Required Elements of Project Plan

- Boundaries of increment district and project area and sketch
- General description of public improvements, private investment, and estimated public revenues to accrue
- List of project costs
- General description of method of financing, sources, and timeframe
- Maps showing existing uses and conditions and proposed improvements
- Proposed changes in zoning
- Proposed changes in master plan and city ordinances if required
- Name of person in charge of implementation
- Authorization of any public entity to carry out any part of the project plan

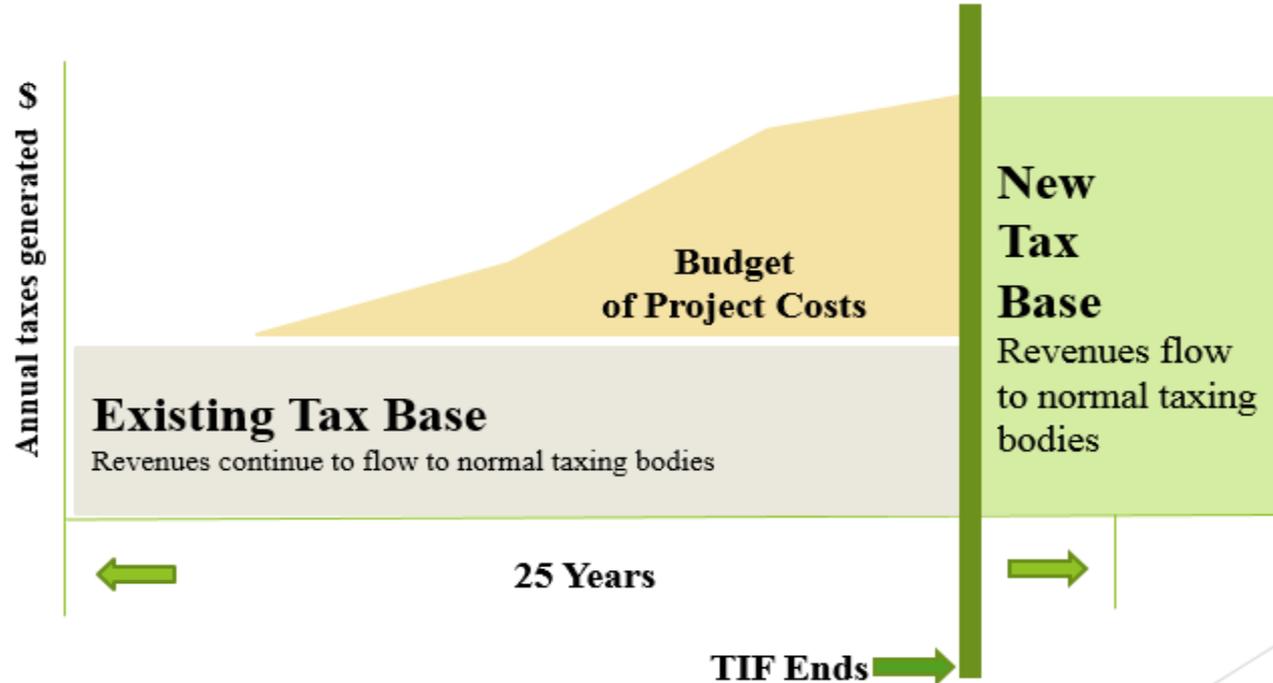
Statutory Guidelines/Good Policy

- Use TIF where investment, development, and economic growth are difficult but possible where the tools of the Act are used
- Don't use TIF to supplant normal functions and services
- Use TIF in conjunction with existing programs and locally implemented economic development efforts
- Develop and apply clear standards, criteria, and limits that are applicable to all similar property and areas

Amendment or Termination

- Minor amendments can be made by implementing entity
 - “Minor” = does not change the character or purpose of the plan; does not add more than 5% to the area or the public costs of the plan to be financed by tax increments
- Major amendments are adopted by the same process as a new project plan
- Increment district terminates at the end of the period provided for in the project plan or the period required for payment of project costs, whichever is less, but not to exceed 25 years

Termination of TIF



Consideration and Approval Steps

- City initiates process by establishing Review Committee by resolution
- Review Committee consists of:
 - Representative of City (chairperson)
 - Representative of Planning Commission
 - Representative designated by each taxing jurisdiction within the proposed increment district whose ad valorem taxes might be impacted
 - Three representatives of the public at-large selected by other Review Committee members, at least one of whom is a representative of the business community and a retailer or representative of retail organization

Consideration and Approval Steps

- Review Committee charged with making:
 - Finding as to eligibility of proposed project area and increment district
 - Finding as to financial impacts of proposed increment district on taxing jurisdictions and business activities
 - Recommendation to City regarding approval of proposed project plan

Consideration and Approval Steps

- Planning Commission
 - Conformance with Comprehensive Master Plan
 - Recommendation to City regarding approval of proposed project plan
- City provides notice and holds two public hearings before adoption
 - First public hearing – provide information and answer questions
 - Second public hearing – provide opportunity for those interested to express views prior to adoption
- City considers ordinance approving Project Plan and establishing the Increment District

Norman Increment District No. 1: Campus Corner

- Public improvements: utilities, lighting, security systems, landscaping, signage, traffic controls, streets, sidewalks
- Created in December 2001 with estimated Project Costs of \$1,250,000
- Ad valorem and sales tax increment district
- No revenue bonds, notes, or indebtedness
- Project Costs paid in full and Increment District terminated in 2008

Norman Increment District No. 2: University North Park

- Project Plan: Conference Center/Cultural Facilities; Traffic and Roadway Improvements; Economic Development (Quality Jobs); Lifestyle Center/Retail Development; Legacy Park; Rock Creek Overpass
- Created in May 2006 with estimated Project Costs of \$54,725,000
- Ad valorem and sales tax increment district
 - Retail Sales Tax Increment with formula subject to transfer adjustment
 - Economic Development Sales Tax Increment based on new quality jobs
- Debt financing and pay-as-you-go
- Being implemented through a series of development agreements
- Expiration date = 2031 or completion of payment of Project Costs

Tax Increment Financing

- Questions
- Comments
- Next Steps

NORMAN CENTER CITY PROJECT REVIEW COMMITTEE

LIST OF SEVEN NAMES SUBMITTED BY THE CHAIRPERSON

1. Erinn Gavaghan
2. Charles Hollingsworth
3. Kyle Langford
4. Becky Patten
5. Michael Ridgeway
6. Bob Thompson
7. Chuck Thompson