



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

Municipal Building, Executive Conference Room, 201 West Gray, Norman,
OK 73069

Tuesday, May 07, 2024 at 1:30 PM

MINUTES

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ROLL CALL

PRESENT

Alternate Committee Member Brenda O'Brian
Committee Member Greg Burge
Committee Member William Wilson
Committee Member Rob Norman

ABSENT

Committee Member Kaimee Kellis
Committee Member Kurt Lee
Committee Member Nick Migliorino

OTHERS

Anthony Francisco, Director of Finance/NTIFA Treasurer
Clint Mercer, Chief Accountant
Dannielle Risenhoover, Admin. Tech IV
Sara Kaplan, Business & Community Relations
Kathryn Walker, City Attorney/NTIFA General Counsel
Cynthia Rogers, Citizen
Paul Wilson, Citizen
Andrea Hancock, Norman Transcript

The meeting started at approximately 1:40 PM. Chair Burge declared that there was not a quorum.

DISCUSSION ITEMS

1. DISCUSSION OF PROPOSED ROCK CREEK ENTERTAINMENT DISTRICT TIF

Anthony Francisco presented several documents to the Committee for review. These documents are input to a proposed Project Plan that is still being finalized; however, staff wanted the Committee to be aware of their content as soon as possible. Chair Burge opened the floor for discussion. "What are people's thoughts?" Burge asked. "With the goal being to increase our thoughts and deepen our understanding of where we are currently, trying to understand some of the most critical points of discussion at this point of the process, and weigh in with our own thoughts and ideas."

Member Norman asked, "How, why and when did the additional land (south of Rock Creek) become added to the (Rock Creek Entertainment District) proposal?"

Kathryn Walker replied, "I think the Increment District has always included the properties adjacent to Rock Creek in our internal discussions."

Norman stated that he believed the City's thought process after TIF (Tax Increment Financing) Two was the following: "This was a part of the Increment District that was going to be fully returned to the City in terms of sales tax, the County in terms of property tax, and now we're going back in and saying, 'Well, we want to include this in this new TIF.' To me it's a little bit, kind of, 'double TIF'n' that area. We've already had a TIF that's helped that area along and now we're wanting to do one again. We can say the same thing north, but I understand the rationale going north (of Rock Creek). We've got a different ball game going on north. That is a classic area to me that doesn't really qualify or meet TIF financing. That little area south of Rock Creek, to me, is an area that, classically, is something that - if it were standing alone, wouldn't qualify at least under the intent, purpose, and spirit of the Local Development Act for another TIF." Norman believes this is "a canary in the coal mine" because when he asks himself why the developers included the land south of Rock Creek, he believes that "they needed it, to make the deal work".

Norman continued, "You develop those properties south of Rock Creek, you get some good concepts, you're right by the YFAC (Young Family Athletic Center), you're gonna go great guns, and it's a great benefit to the City to be able to realize sales tax money and to the County and to the schools to be able realize ad valorem money. When you've got a 100% TIF that's now capturing that as well as what's north of Rock Creek, you're kind of taking a promise away that was made when we did this last Project Plan that we weren't going to take money away from the City, the County and the schools again where it wasn't needed. It raises concerns to me about whether the deal is feasible." Norman would like to have this concern addressed by those creating the Project Plan. He would also like to know what University North Park (UNP), LLC's intentions are for the land within UNP, south of Rock Creek Road.

The proposed weather museum is not part of the Rock Creek Entertainment project plan or an approved TIF project for TIF funding; however, tentative plans have it being built within the increment area.

Member Wilson showed serious concern for only 1200 parking spots being in the development plans. "They're giving 1200 parking spots, there's 4660 at Lloyd Noble; so, where are the 3500 other cars gonna park at?" Wilson said. "There is a lot of stated interest in having less surface

parking," Anthony Francisco said. "Just as we've had discussion about parking at the YFAC (Young Family Athletic Center), there's lots of available parking within University North Park and the idea would be to have some sort of circulating transit system." The transit system that has been in discussion, could shuttle people from overflow parking areas to the entertainment venue. Wilson still questioned where within the UNP TIF District would there be 3500 more parking spots, with or without a shuttle system. "I'd say it's a big issue on this whole arena thing," Wilson said.

Chair Burge showed concern for the economic studies that were presented to the Committee. "The only projections made here are under the 100% build out scenario where everything that's getting claimed, that could come to fruition over the cycle of this proposed TIF, will happen at their proposed timelines - and that is the only figure. It's literally like pricing to perfection which is not a standard approach for presenting the results of an economic impact analysis. It's generally scenario based and is generally more informative," Burge said. "I would like to see more serious discussions on cannibalization and impact on what economic activity would look like at Lloyd Noble, current facilities, current revenues, and impacts of any of those losses on the City's general operating budget." Burge also didn't feel that the net-new jobs, provided within the proposal, accounted for the jobs being lost at Lloyd Noble.

Burge continued, "Even if you take the 'Hunden' projections and the analysis, keeping in mind that they're analyzing the best case scenario, the rate of return on this investment under their projection comes out to less than 1% a year (for the 25 year commitment). We could get four or five times that by just investing in bonds."

Member Norman commented on the tax revenues initiated by the proposed TIF District. "We're not plowing any of it (tax dollars) back into the General Fund until that arena is paid off and the \$40 million in infrastructure project TIF are fully funded and done. That brings up the concern to me that we're moving around, we're diverting stuff from other places in Norman and other places in the County, ok; but, from the City's point of view, are we diverting to achieve something that's still going to go into our General Fund and Capital Fund? Then you've gotta ask, what impact is that going to have on the General Fund and the Capital Fund if 86% of the activity or 83% of the activity depending on if it's ad valorem or city sales tax is coming from somewhere else in the district? What impact does that have on the other taxing districts? It would seem like the City, if they're investing this much, should get the benefit of some of that return on that growth, whether it be diverted from another part of the district or whether it be net new," Norman said. "I'm not seeing that right now with a 100% incremented TIF."

Chair Burge believes that a reasonable discussion of alternative scenarios is needed and was interested in how shifting events from the Lloyd Noble facility to the Rock Creek Entertainment arena might impact the City's general revenue. Several Committee Members stated that they believe the land south of Lloyd Noble would make a good place for an event center and that the option should be considered. "There's a lot of students that walk to events down there (Lloyd Noble). If they build the arena up here (Rock Creek Entertainment District), they (students) gotta all come up here - the ones that do walk in," Member Wilson said.

If approved, this sales tax increment would not capture the Norman Forward Tax, Public Safety Sales Tax, or Transit Tax. It would capture the 3%, core, sales tax.

According to Kathryn Walker, City Council is expecting a Rock Creek Entertainment District TIF recommendation from the Development Oversight Committee for TIF District 2.

The Committee agreed that they would meet for their regularly scheduled meeting on May 21 if the Project Plan was available for their review, otherwise they'd postpone their meeting time for when the Project Plan was available.

Items submitted for the record:

Hunden Partners. (2024). *Market Demand, Financial Feasibility & Impact Study*

Sappleton, A. & Chiappe, J. (2024). *Economic Impact of Norman TIF District*. Oklahoma Department of Commerce

University North Park Entertainment District (2024, April 25).

Tax Increment Finance Districts (2024, April 25).

Rogers, C. (2024). *Analysis of Studies and Projections: UNP TIF 4*

ADJOURNMENT

The meeting ended at approximately 2:45 PM.