

## ECONOMIC DEVELOPMENT ADVISORY BOARD

November 3, 2022

The Economic Development Advisory Board of the City of Norman, Cleveland County, Oklahoma, met in a regular meeting in the Municipal Building Executive Conference room at 201 West Gray on the 3rd day of November, 2022, at 8:30 a.m. Notice and agenda of the meeting were posted at the Municipal Building 48 hours prior to the beginning of the meeting.

### MEMBERS PRESENT:

Ms. Shelley Cox  
Mr. Hossein Farzaneh  
Mr. Josh Hinkle  
Ms. Hailey Hopper  
Ms. Mayumi Windler  
Mr. Chuck Thompson, Chairman

### MEMBERS ABSENT:

Ms. Chris Purcell

### OTHERS PRESENT:

Mr. Lawrence McKinney, Chief  
Operating Officer, Norman  
Economic Development Coalition  
Ms. Sara Kaplan, Retail Marketing  
Coordinator  
Ms. Crystal Romanyszyn, Norman  
Economic Development Coalition  
Ms. Kathryn Walker, City Attorney

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### **Item 1. Welcome and introductions.**

Chairman Thompson welcomed everyone to the meeting. He provided an overview of the Economic Development Advisory Board's (EDAB) general meeting schedule and recent activities related to EDAB's recommendation to Council to contribute \$1 million to an Incubator Program and Small Business Relief Program to be operated by Norman Economic Development Coalition (NEDC) who provides annual reports to Council. He said EDAB has some new members and asked members of the Board to introduce themselves.

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### **Item 2. Approval of the May 26, 2022, meeting minutes.**

Member Hinkle moved that the minutes be approved and the filing thereof be directed, which motion was duly seconded by Member Farzaneh;

Items submitted for the record

1. Norman Economic Development Board minutes of May 26, 2022

Item 2, continued:

and the question being upon approval of the minutes and upon the subsequent directive, a vote was taken with the following result:

YEAS: Members Cox, Farzaneh, Hinkle,  
Hopper, Windler, and Chairman  
Thompson

NAYES: None

Chairman Thompson declared the motion carried and the minutes approved and the filing thereof was directed.

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**Item 3. Orientation for new members.**

Chairman Thompson said Council created and adopted a Municipal Economic Development Authority (NEDA) that requires an oversight board so EDAB was created as an oversight for that Authority. He said some projects, such as a multi-jurisdictional Parking and Transportation Authority, did not come to fruition, but there are some interesting things on the horizon that EDAB will be discussing.

Mr. Lawrence McKinney, Chief Operating Officer, Norman Economic Development Coalition, suggested the City Council Trustee model for its Authorities does not provide Council protection from scrutiny and he would like to see that changed. He suggested Council appoint a committee of five people to do the hard work and make recommendations because appointing Councilmembers as Trustees does not create a lot of action. Chairman Thompson said Dr. Alexander Holmes, a previous EDAB member, had stated that Trustees should be accountable to voters so there are good arguments on both sides.

Ms. Walker said all Boards and Commissions are subject to the Open Meetings Act and Open Records Act and provided best practices. She said emails related to work of the Boards and Commissions have to be maintained through agendas, minutes, etc., so Staff always cautions Boards and Commissions about “reply all” emails, which can cause problems with the Open Records Act. She said Staff always advises Boards and Commissions to not “reply all” and not to engage in conversations with a quorum of members about items on EDAB’s agenda.

Ms. Walker said EDAB is an important advisor to NEDA on economic development issues.

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**Item 4. Nominations and election of a Vice-Chairperson.**

Member Hinkle moved to nominate Member Farzaneh as Vice-Chairperson, which motion was duly seconded by Member Windler; and the question being upon nominating Member Farzaneh as Vice-Chairperson, a vote was taken with the following result:

YEAS: Members Cox, Farzaneh, Hinkle, Hopper, Windler, and Chairman Thompson

NAYES: None

Chairman Thompson declared the motion carried and Member Farzaneh was nominated Vice-Chairperson.

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**Item 5. Discussion and possible recommendation regarding local development and redevelopment tools.**

Ms. Kathryn Walker, City Attorney, said during the Council Retreat in July 2022, Council identified a number of priorities related to development and redevelopment tools cities can use to spur different types of development in areas of town where growth may be stagnant or where higher quality development or improvements are desired. She said State law provides a number of tools local governments can use to spur development and redevelopment that include Tax Increment Financing (TIF) Districts, Business Improvement Districts, and Urban Renewal.

TAX INCREMENT FINANCE (TIF) DISTRICTS

Ms. Walker said TIF Districts are a financing tool to encourage private investment, development, and economic growth in areas that qualify. She said TIF Districts are used to attract investment to areas of need (reinvestment areas, historic preservation areas, enterprise areas); generate new residential and commercial investment that enhances quality of life, education, and economic stability; and generates new employment opportunities through the creation of new enterprises, new economic activity, and new investment. She said TIF Projects specify public infrastructure or other project plan components funded through taxes generated by private investment encouraged or made possible through public investment into project activities. The taxes generated are referred to as the “increment”, which can be an ad valorem increment, sales tax increment, or both. The availability of the financing tool is dependent on the likelihood that making the public investment in project plan components “up front” will encourage sufficient private investment to generate the project incremental increases in taxes to service debt incurred to construct project plan components.

Item 5, continued:

Tax Increment Finance (TIF) Districts, continued:

Ms. Walker said TIF Districts take tax revenues in excess of revenues produced by the base assessed value, which equals the “increment” plus the levy times the Base Assessed Value (revenues continue to flow to normal taxing jurisdictions) equal to the new tax base times the levy (revenues flow to normal taxing bodies) for the life of the TIF District.

TIF Districts are created through a Project Plan that designates boundaries; describes proposed public improvements, anticipated private investments, and estimated public revenues; lists estimated project costs; and may extend up to 25 years. A Statutory Review Committee is recommended to be comprised of representatives of local taxing jurisdictions; the Project Plan must be reviewed by the Planning Commission for a recommendation to Council; and Council must approve a TIF District ordinance adopting the Project Plan.

Norman TIF District No. One in Campus Corner for public improvements included utilities, lighting, security systems, landscaping, signage, traffic controls, streets, and sidewalks. The District was created in December 2001 with estimated project costs of \$1.25 million using ad valorem and sales tax. Revenue bonds or notes were used for financing and sufficient increments were generated to complete planned improvements by 2008.

Norman TIF District No. Two in University North Park (UNPTIF) included a project plan to build a Conference Center/Cultural Facility (some of those funds were transferred to the Rock Creek Road Overpass), quality jobs, retail development, and Legacy Park. The UNPTIF was created in 2006 with project costs of \$54.725 million using ad valorem and sales tax increments to fund projects. The project plan was accomplished using both PayGo (pay as you go) and debt financing implemented through six development agreements. The expiration date was originally May 2031; however, Council opted to end collection of the increment in 2019, through extended negotiations with the other parties to the development agreements.

Norman TIF District No. Three in Center City is the only current increment collecting TIF District with a project plan to install new water lines, sewer lines, streetscapes, alleys, and parking within the Center City Form Based Code (CCFBC) area to support higher densities. The Center City TIF District was created in December 2017, with project costs of \$47.4 million using only growth in ad valorem increment (90%) designated to fund projects. Ms. Walker said there are no eligible projects at this time and approximately \$1.1 million in increments have been collected.

BUSINESS IMPROVEMENT DISTRICTS

Business Improvement Districts (BID) are a financial tool whereby property owners are assessed a fee to make or cause to be made any improvements or combination of improvements that confer special benefit upon property within the district. Eligible improvements include, but are not limited to, public works and utility projects; park projects; off-street parking facilities; pedestrian malls; maintenance, cleaning, security, shuttle service, upkeep, marketing and management services; and marketing services for public and private events that will increase occupancy and room rates for hotels.

Item 5, continued:

Business Improvement Districts, continued:

BID Districts are created by filing a petition with the City Clerk with information on the general nature of the improvements; estimated or probable costs; area to be assessed; proposed method of assessment; and proposed apportionment of cost, if any, between the BID and the City. The petition must be signed by a majority of resident owners of record of the property liable for the assessment under the proposal OR the resident owners of record of more than one-half of the area liable for assessment under the proposal OR the owners of record of more than one-half of the area to be assessed under the proposal. BID assessments are prepared annually when the district funds ongoing services and a resolution is prepared annually containing the assessment roll and setting a public hearing. The assessment roll is adopted by ordinance after the public hearing and authorizes liens when property owners fail to pay.

Ms. Walker said BID assessments are prepared annually with the district funds ongoing services and a resolution is prepared containing the assessment roll and setting a public hearing. The assessment roll is adopted by ordinance after the public hearing and authorizes liens when property owners fail to pay.

The life of the BID continues until any bonds issued are paid off and if no bonds are issued, the maximum life of the BID is 30 years; however, the length of the BID is typically specified in the petition.

The UNP BID District was created in September 2014 and expires in September 2025. The City contributed UNPTIF increment funds of \$900,000 over the first eight years to front load the BID and allow additional development to occur and contribute to the BID with property owners to contribute \$1.1 million over ten years. BID assessment funds are used to maintain Legacy Park and Legacy Trail in the District as well as maintenance on the constructed entrances at Robinson Street and Tecumseh Road. An Advisory Board was created consisting of City appointees and representatives of property owners in the District. Ms. Walker said, as an example of the assessment cost to businesses, the annual assessment for Target is \$200,000, which is determined by using the developed property's taxable value in proportion to the taxable value of all developed property in the District.

Member Hopper asked why the Downtown BID District proposal failed and Chairman Thompson said there was a lack of consensus among property owners for the BID and landlords did not have lease provisions that would enable them to pass assessment costs onto the tenant. He said due to misinformation among property owners and the public, many of the owners who signed the petition began rescinding their approval. He felt there is a real desire among property owners to have streetscape enhancements so there could be a future voluntary effort for the services offered through the BID proposal.

Item 5, continued:

### URBAN RENEWAL

Ms. Walker said blighted areas in municipalities may constitute a serious and growing menace, injurious and inimical to the public health, safety, morals and welfare of the residents. Such areas contribute an economic and social liability imposing onerous burdens, which decrease the tax base, reduce tax revenue, substantially impairs or arrests sound urban growth, hinders sound economic development, aggravates traffic problems, and substantially impairs or arrests the elimination of traffic hazards and improvement of traffic facilities. Cities should not have to be endangered by areas which are a focal center of disease, promotes juvenile delinquency, and consumes an excessive proportion of its revenue because of extra services required for police, fire, accident, hospitalization and other forms of protection, services, and facilities. Prevention and elimination of blight is a matter of state policy and state concern.

A blighted area includes properties, buildings, or improvements, whether occupied or vacant or residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces. Blighted areas can include improper subdivision or obsolete platting of land; deterioration or demolition of structures without repair, replacement or reinvestment; improper street layout in terms of existing or projected traffic needs or traffic congestion; lack of parking or terminal facilities needed for existing or proposed land uses in the area; predominance of defective or inadequate street layouts; faulty lot layout in relation to size, adequacy, accessibility or usefulness; unsanitary or unsafe conditions; deterioration of site or other improvements; diversity of ownership, tax, or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title including, but not limited to, highly fragmented interests; and any one or combination of such conditions which the municipal governing body determines substantially impairs or arrests the sound growth of the municipality and constitutes a substantial liability or which endangers life or property by fire or other causes or is conducive to ill health, transmission of disease, mortality, juvenile delinquency, or crime and by reason thereof, is detrimental to the public health, safety, morals, or welfare.

The role of the City in Urban Renewal is to formulate appropriate private and public resources to eliminate and prevent the development of blight, encourage needed rehabilitation, provide for redevelopment of blighted areas, or to undertake activities to achieve the objectives of the workable program. The City will receive renewal plans, hold public meetings, and approve or reject plans. The City will afford maximum authority, consistent with the needs of the municipality as a whole, to rehabilitate or redevelop urban renewal areas by private enterprise, appropriate funds for urban renewal purposes, issue and sell General Obligation (GO) Bonds, or designate a tax increment allocation district to capture the ad valorem tax increment above the base assessed value.

An Urban Renewal Authority is created by operation of law, not a public trust, and serves as a freestanding public body corporate similar to the Norman Housing Authority. The Authority consists of five Commissioners appointed by the Mayor with approval of Council (must have lived in Norman at least five years). To be activated City Council must adopt a resolution declaring that such action is in the public interest, find that one or more blighted area exists in Norman, and allow empowerment to the Urban Renewal Authority to exercise its powers under State law. The rehabilitation, conservation, redevelopment, or a combination thereof of the area or areas must be necessary in the interest of public health, safety, morals, and welfare of the residents of the area.

Item 5, continued:

Urban Renewal, continued:

The Urban Renewal Authority may employ an executive director, technical experts, or other employees; develop urban renewal plans for designated blighted areas; submit plans to the Planning Commission and City Council; carry out urban renewal plans; and be afforded maximum authority consistent with the needs of the municipality as a whole, to rehabilitate or redevelop urban renewal areas by private enterprise.

Ms. Walker said Oklahoma City (OKC) has a Renewal Authority created in 1962 under the Oklahoma Urban Redevelopment Law managed by the Alliance for Economic Development, which was formed in 2011, to coordinate land, incentives, and economic tools. She said considerable land has been acquired over the years on which to complete projects that include the Central Business District Urban Renewal Area; Core-to-Shore Urban Renewal Area; Harrison-Walnut Urban Renewal Area; JFK Urban Renewal Area; Northeast Renaissance Urban Renewal Area; Sports-Entertainment-Parking Urban Renewal Area; and UMC Urban Renewal Area.

In OKC, the Civic Redevelopment Project consists of the construction of 34 apartment units for sale in downtown OKC near the Civic Center for a project budget of \$7.3 million. Ms. Walker said \$350,000 in TIF funding was used toward the project.

A Senior Housing Project in OKC with a budget of \$10.9 million used \$200,000 in TIF Funds, \$1.1 million in General Obligation Limited Tax Bond Funds, HOME Funds, and low-income housing tax credits to provide redevelopment of a 100-year old school building site offering 40 units of affordable senior housing.

The Farzaneh Downtown Development Project in OKC is a three-phase development agreement for retail, residential, and place of worship uses with no public funding being used.

Ms. Walker said the City of Norman has a variety of tools to facilitate and encourage economic development and it is important to identify areas where tools are needed and where they will be most effective. She said clear expectations and well-defined goals are important for implementation of a plan, which is just as important as development of the plan.

Items submitted for the record

1. Staff report dated October 28, 2022, from Kathryn Walker, City Attorney, to Honorable Mayor and Councilmembers
2. PowerPoint presentation entitled, "Local Development and Redevelopment Tools," dated November 1, 2022

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**Item 6. Discussion and possible recommendation regarding the Norman Economic Development Authority.**

Ms. Walker said the Norman Economic Development Authority is a public trust that creates a fiduciary relationship in which Trustees hold the title to property (the trust estate or trust property) and act as authorized in relation to the property or the benefit of another (the beneficiary); provides an avenue by which we can engage in the day to day activities associated with promoting economic development in Norman without putting the City of Norman at risk for debt, loss, or liability; and provides tools to review/vet requests for economic development funds.

Norman's use of public trusts include Norman Municipal Authority (NMA) – Golf Course/Transfer Station; Norman Utilities Authority (NUA) – Water and Sewer Projects; Norman Regional Health System Authority – Hospital; Norman Tax Increment Finance Authority (NTIFA) – Infrastructure, Park, Economic Development Projects; and Norman Economic Development Authority (NEDA)– Economic Development Activities.

Ms. Walker said the Oklahoma Public Trust Law exists for public benefit and enumerated powers in trust indenture have all been recognized as a valid exercise of powers for the furtherance and accomplishment of a proper public function or purpose. The Oklahoma Public Trust Law also exists as legal entities separate and become distinct from municipal beneficiaries; acts on behalf and in furtherance of a public function; is created for the purpose of enabling long term financial obligations and simplifying the sale of real or personal property; and are entitled to utilize eminent domain.

NEDA has nine voting Trustees (Councilmembers) that manage and control the affairs of the trust including financing, investing, and contracting. Ms. Walker said NMA, NUA, and NTIFA also operate with Councilmembers as Trustees.

Statutory requirements include two-thirds approval of participating governing bodies before issuing debt or entering into financial obligations for real or personal property; an annual financial report filed with the City of Norman; an annual audit conducted and results filed with State Auditor and City of Norman; competitive bidding for construction, labor, equipment, material, or repairs if more than \$50,000; and compliance with Open Records Act and Open Meetings Act (public trusts are public bodies).

Items submitted for the record

1. PowerPoint presentation entitled, "Norman Economic Development Authority," dated November 3, 2022

**Item 7. Miscellaneous Comments.**

None.

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**Item 8. Adjourn.**

The meeting adjourned at 9:30 a.m.