



CITY OF NORMAN, OK CITY COUNCIL STUDY SESSION

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

Tuesday, March 17, 2026 at 5:00 PM

AGENDA

It is the policy of the City of Norman that no person or groups of persons shall on the grounds of race, color, religion, ancestry, national origin, age, place of birth, sex, sexual orientation, gender identity or expression, familial status, marital status, including marriage to a person of the same sex, disability, relation, or genetic information, be excluded from participation in, be denied the benefits of, or otherwise subjected to discrimination in employment activities or in all programs, services, or activities administered by the City, its recipients, sub-recipients, and contractors. In the event of any comments, complaints, modifications, accommodations, alternative formats, and auxiliary aids and services regarding accessibility or inclusion, please call 405-366-5424, Relay Service: 711. To better serve you, five (5) business days' advance notice is preferred.

CALL TO ORDER

AGENDA ITEMS

1. DISCUSSION OF PROPOSAL FROM SOONER MALL FOR A SALES TAX REBATE AGREEMENT.

ADJOURNMENT



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 03/16/2026

REQUESTER: Sooner Mall

PRESENTER: Kathryn Walker, Assistant City Attorney

ITEM TITLE: DISCUSSION OF PROPOSAL FROM SOONER MALL FOR A SALES TAX REBATE AGREEMENT

BACKGROUND:

In recent months, Sooner Fashion Mall, LLC (“Mall”) approached the City about a possible sales tax rebate agreement. After discussion with Mall representatives, it was requested that the attached term sheet be brought forward to Council for discussion and consideration. The Mall is approaching its 50th anniversary operating in Norman and has contributed significantly to the City economy over the last 50 years.

DISCUSSION:

The request from the Mall is to receive a rebate of 100% of the non-dedicated portion of the City sales tax (2.3%) that is generated at the Mall in excess of the average annual non-dedicated portion of the City sales tax collected over 2022, 2023, and 2024 up to a maximum of \$300,000 per year. In order to receive a rebate, the Mall must submit documented Property Costs for which it is seeking rebate. “Property Costs” are defined as any and all capital investment costs for the improvement of the Property or to draw new tenants to the Property, excluding routine maintenance. It can include tenant allowance, landlord work, interior lighting upgrades, exterior lighting upgrades, restroom remodels, common area amenities, play area upgrades, common area door replacement, construction of a community gathering place, exterior building refresh, signage, new landscaping, paving mill and overlay, and other such costs for the betterment/improvement of the Property.

Sales taxes collected at the Property from businesses that relocate to the Property from elsewhere in Norman will not be included in the calculation of the Sales Tax Rebate. Additionally, if available, and if desired by the City, the Mall is willing to provide police department substation space free of any rent or leasing fees.

The first rebate the Mall would be entitled to receiving under this agreement would be based on 2025 sales tax collection. Preliminary 2025 sales tax collection data indicates that the maximum rebate the Mall would be entitled to under this proposal during FYE27 as reimbursement for Property Costs would be approximately \$60,735. If a new anchor tenant were to locate in the vacant Sears space or if additional retail space were added, this number could increase

substantially depending on the sales of the new retailers. Under the proposal, the rebate could not exceed \$300,000 per year. The initial term of the agreement is 5 years. The agreement may be renewed for a maximum of two 3-year renewal periods based on progress and approval by the City Council.

The Economic Development Advisory Board discussed a prior proposal for the rebate in November. A special meeting is scheduled for Wednesday, March 18 for the Board to consider the Mall's current proposal. The Board's feedback will be shared with Council prior to formal consideration of the term sheet.

If Council desires to move forward with the arrangement as proposed, the term sheet will be placed on the next Council agenda for approval. Upon approval of the term sheet, Staff will begin working with the Mall's legal counsel to finalize an agreement for Council consideration.

Staff will be available on Tuesday to discuss further with Council and answer any questions.

**PROPOSED TERM SHEET:
SALES TAX REBATE FOR SOONER MALL**

Parties:	Sooner Fashion Mall, LLC (“Owner”) and the City of Norman (the “City”).																																								
Property:	The Sooner Mall located at 3301 W. Main Street, Norman, OK 73072, including all businesses located on the property set forth on Exhibit A attached hereto (collectively, the “Property”).																																								
Sales Tax Rebate:	Owner will receive a rebate of 100% of the non-dedicated portion of the City sales tax (2.3%) collected at the Property in excess of the average annual non-dedicated portion of the City sales tax collected at the Property over the last three (3) years of 2022, 2023 and 2024 (the “Fixed Baseline”), up to a maximum amount of \$300,000 per calendar year (the “Sales Tax Rebate Funds”), upon submission of sufficiently documented Property Costs, as defined herein, to the City and subject to an adequate appropriation by City Council for such purpose. The Fixed Baseline shall remain fixed during the entire term (the initial term and any applicable renewal period).																																								
Term:	Initial term of 5 years. The agreement may be renewed for a maximum of two 3-year renewal periods based on progress and approval by the City Council. All multi-year agreements are subject to an annual appropriation by the City for this purpose.																																								
Sales Tax Collection Period; Reimbursement and Payment Period; Property Costs Incurred Period	<p>The amount of annual Sales Tax Rebate Funds which Owner will be entitled to receive will be based on sales tax collected at the Property during the period beginning on January 1st and ending on December 31st of a given calendar year (in each instance, the “Sales Tax Collection Period”), beginning on January 1, 2025 thru December 31, 2025, as set forth below in the column entitled “Sales Tax Collection Period.” Owner will be entitled to receive the annual Sales Tax Rebate Funds as a reimbursement for Owner’s Property Costs (as defined and described below) during the period beginning on July 1st immediately following each Sales Tax Collection Period and ending on the subsequent June 30th, beginning on July 1, 2026 thru June 30, 2027 (in each instance, the “Reimbursement/Payment Period”), as set forth below in the column entitled “Reimbursement/Payment Period.” Further, the payment of the Sales Tax Rebate Funds to Owner is meant to be a reimbursement to Owner for funds Owner has expended on Property Costs (as defined below). In order for Owner to be entitled to receive a payment of the Sales Tax Rebate Funds during the Reimbursement/Payment Period, Owner must deliver to the City sufficient documentation to evidence that Owner has expended funds on Property Costs (as defined below) in an amount equal to or exceeding the amount of the Sales Tax Rebate Funds then being requested by Owner during the period beginning on January 1st immediately following each Sales Tax Collection Period and ending on June 30th of the following year (the “Property Costs Incurred Period”), as set forth below in the column entitled “Property Costs Incurred Period.”</p> <p><u>Initial Term:</u></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Sales Tax Collection Period</th> <th>Reimbursement/Payment Period</th> <th>Property Costs Incurred Period</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>January 1, 2025 – December 31, 2025</td> <td>July 1, 2026 – June 30, 2027</td> <td>January 1, 2026 – June 30, 2027</td> </tr> <tr> <td>2</td> <td>January 1, 2026 – December 31, 2026</td> <td>July 1, 2027 – June 30, 2028</td> <td>January 1, 2027 – June 30, 2028</td> </tr> <tr> <td>3</td> <td>January 1, 2027 – December 31, 2027</td> <td>July 1, 2028 – June 30, 2029</td> <td>January 1, 2028 – June 30, 2029</td> </tr> <tr> <td>4</td> <td>January 1, 2028 – December 31, 2028</td> <td>July 1, 2029 – June 30, 2030</td> <td>January 1, 2029 – June 30, 2030</td> </tr> <tr> <td>5</td> <td>January 1, 2029 – December 31, 2029</td> <td>July 1, 2030 – June 30, 2031</td> <td>January 1, 2030 – June 30, 2031</td> </tr> </tbody> </table> <p><u>First Renewal Term:</u></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Sales Tax Collection Period</th> <th>Reimbursement/Payment Period</th> <th>Property Costs Incurred Period</th> </tr> </thead> <tbody> <tr> <td>6</td> <td>January 1, 2030 – December 31, 2030</td> <td>July 1, 2031 – June 30, 2032</td> <td>January 1, 2031 – June 30, 2032</td> </tr> <tr> <td>7</td> <td>January 1, 2031 – December 31, 2031</td> <td>July 1, 2032 – June 30, 2033</td> <td>January 1, 2032 – June 30, 2033</td> </tr> <tr> <td>8</td> <td>January 1, 2032 – December 31, 2032</td> <td>July 1, 2033 – June 30, 2034</td> <td>January 1, 2033 – June 30, 2034</td> </tr> </tbody> </table>	Year	Sales Tax Collection Period	Reimbursement/Payment Period	Property Costs Incurred Period	1	January 1, 2025 – December 31, 2025	July 1, 2026 – June 30, 2027	January 1, 2026 – June 30, 2027	2	January 1, 2026 – December 31, 2026	July 1, 2027 – June 30, 2028	January 1, 2027 – June 30, 2028	3	January 1, 2027 – December 31, 2027	July 1, 2028 – June 30, 2029	January 1, 2028 – June 30, 2029	4	January 1, 2028 – December 31, 2028	July 1, 2029 – June 30, 2030	January 1, 2029 – June 30, 2030	5	January 1, 2029 – December 31, 2029	July 1, 2030 – June 30, 2031	January 1, 2030 – June 30, 2031	Year	Sales Tax Collection Period	Reimbursement/Payment Period	Property Costs Incurred Period	6	January 1, 2030 – December 31, 2030	July 1, 2031 – June 30, 2032	January 1, 2031 – June 30, 2032	7	January 1, 2031 – December 31, 2031	July 1, 2032 – June 30, 2033	January 1, 2032 – June 30, 2033	8	January 1, 2032 – December 31, 2032	July 1, 2033 – June 30, 2034	January 1, 2033 – June 30, 2034
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	<u>Second Renewal Term:</u>			
	<u>Year</u>	<u>Sales Tax Collection Period</u>	<u>Reimbursement/Payment Period</u>	<u>Property Costs Incurred Period</u>
	9	January 1, 2033 – December 31, 2033	July 1, 2034 – June 30, 2035	January 1, 2034 – June 30, 2035
	10	January 1, 2034 – December 31, 2034	July 1, 2035 – June 30, 2036	January 1, 2035 – June 30, 2036
	11	January 1, 2035 – December 31, 2035	July 1, 2036 – June 30, 2037	January 1, 2036 – June 30, 2037
Property Costs:	<p>“Property Costs” means any and all capital investment costs for the improvement of the Property or to draw new tenants to the Property, excluding routine maintenance. Examples of Property Costs include, but are not limited to, the following: tenant allowance; landlord work; interior lighting upgrades; exterior lighting upgrades; restroom remodels; common area amenities (flooring, furniture, wall coverings, interior, exterior); play area upgrades; common area door replacement; construction of a community gathering place; exterior building refresh; exterior/interior common area signage; new landscaping installation; paving mill and overlay; and other costs for the betterment/improvement of the Property.</p>			
Tenant Allowance:	<p>In the event Owner is seeking Sales Tax Rebate Funds for Property Costs that are for a tenant allowance, that tenant shall not receive any additional incentive from the City without the prior written consent of the City.</p>			
Anti-Cannibalization	<p>Sales taxes collected at the Property from businesses that relocate to the Property from other areas of the City will not be included in the calculation of the Sales Tax Rebate Funds payment.</p>			
Police Department Substation Space:	<p>If available, Owner will provide a space at the Property to the City free of any rent or leasing fees for the addition and construction of a Police Department Substation, which will only be used for office space. The costs of construction of space build out and utilities shall be the sole responsibility of the City. Owner and the City will negotiate and enter into a lease agreement for the space</p>			
Legal Effect; Non-Binding	<p>This Term Sheet is not intended to be, and does not constitute, a legally binding obligation of the parties. No legally binding obligations on the parties will be created, implied, or inferred until appropriate documents in final form are executed regarding the subject matter of this Term Sheet and containing all other essential terms and delivered by the parties. The final definitive agreement for the sales tax rebate incentive will provide that the final definitive agreement, and the entitlement to the sales tax incentives therein and the obligations therein, will inure to the benefit of, and be binding upon, any successor owner(s) of the Property.</p>			

Executed this _____ day of _____, 2026.

OWNER:

SOONER FASHION MALL, LLC

By: _____

Name: _____

Title: _____

CITY:

CITY OF NORMAN

By: _____

Name: _____

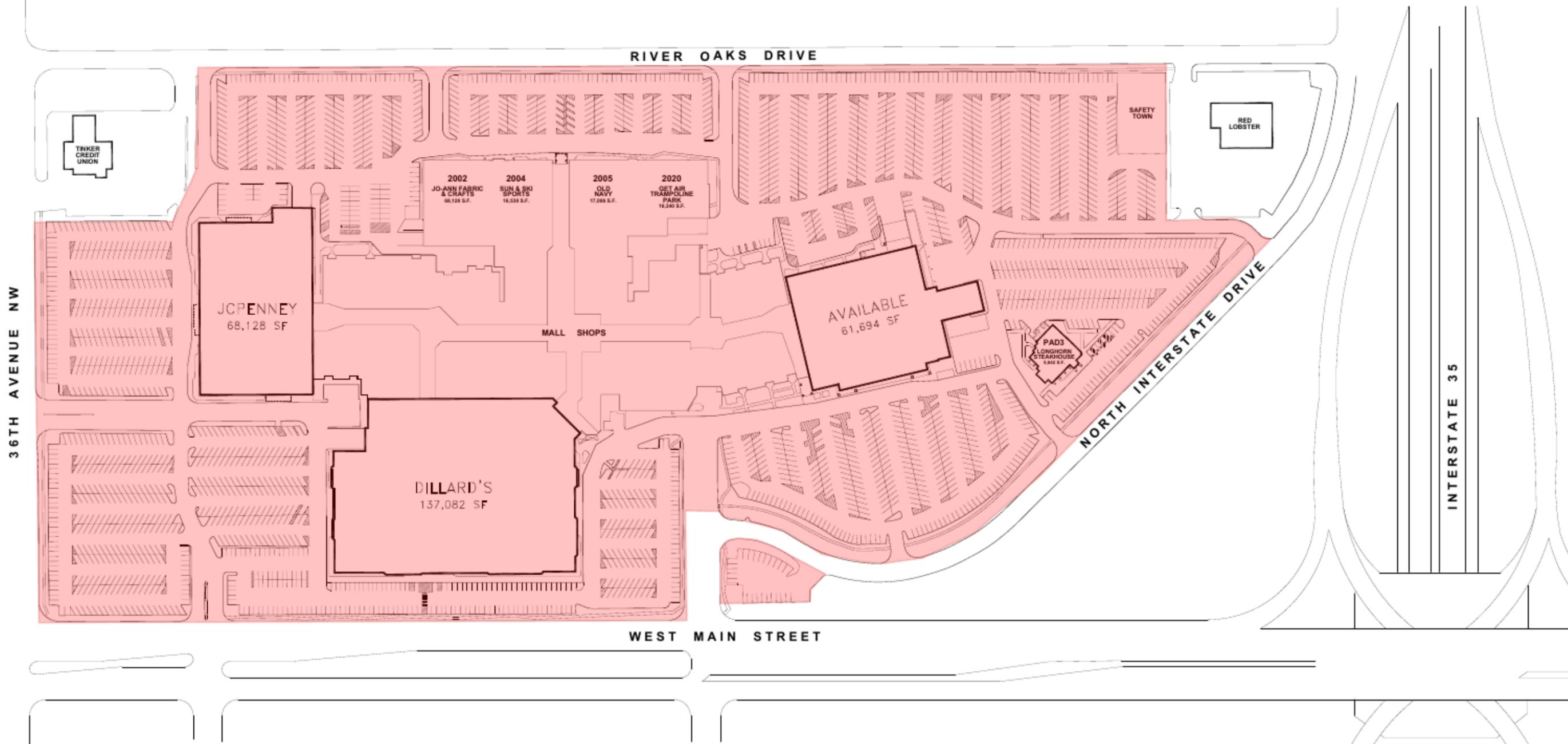
Title: _____

Exhibit A

Property

[See Attached.]

EXHIBIT A



PARCEL A	33.47 AC.
PARCEL B	0.3 AC.
PARCEL C	0.145 AC.
PARCEL D	0.01 AC.
TOTAL	33.925 AC.



SOONER MALL
3301 WEST MAIN STREET
NORMAN, OKLAHOMA 73070

THIS MAP SHOWS THE PROPERTY LINES WHICH ARE NOT TO BE CONSIDERED AS A GUARANTEE OF ACCURACY. THE PROPERTY LINES ARE SUBJECT TO CHANGE, MODIFICATION, AND ARE NOT A REPRESENTATION OF ANYTHING AS TO THE EXACT LOCATION OF THE PROPERTY LINES. THE PROPERTY LINES ARE SUBJECT TO CHANGE, MODIFICATION, AND ARE NOT A REPRESENTATION OF ANYTHING AS TO THE EXACT LOCATION OF THE PROPERTY LINES. THE PROPERTY LINES ARE SUBJECT TO CHANGE, MODIFICATION, AND ARE NOT A REPRESENTATION OF ANYTHING AS TO THE EXACT LOCATION OF THE PROPERTY LINES.

PROJECT NO: 2276
DRAWN BY: PLG
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