



**CITY OF NORMAN, OK  
UNIVERSITY NORTH PARK  
ENTERTAINMENT DISTRICT PROJECT  
STATUTORY REVIEW COMMITTEE**

**Municipal Building, Executive Conference Room  
201 West Gray, Norman, OK 73069  
Monday, May 13, 2024 at 3:00 PM**

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## **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 contact the ADA Technician at 405-366-5424, Relay Service: 711. To better serve you, five (5) business days' advance notice is preferred.*

**Committee Members: Mayor Larry Heikkila (Chair), Cameron Brewer, Doug Warr, Dr. Nick Migliorino, Jackie Kanak, Lisa Wells, Andy Sherrer; At-Large: Chuck Thompson, Shelley Cox, Dr. Vytautas Ringus**

### **ROLL CALL**

### **MINUTES**

1. RATIFICATION OF THE MINUTES OF THE APRIL 5, 2024, SPECIAL MEETING
2. APPROVAL OF THE MINUTES OF THE APRIL 25, 2024, SPECIAL MEETING

### **ACTION ITEMS**

3. PRESENTATION AND DISCUSSION OF THE HUNDEN PARTNERS REPORT TITLED MARKET DEMAND, FINANCIAL FEASIBILITY AND IMPACT STUDY FOR A CLEVELAND COUNTY MULTI-PURPOSE EVENT VENUE
4. PRESENTATION AND DISCUSSION OF THE OKLAHOMA DEPARTMENT OF COMMERCE REPORT TITLED ECONOMIC IMPACT OF NORMAN TIF DISTRICT
5. PRESENTATION AND DISCUSSION OF THE COALIGN GROUP REPORT TITLED SUMMARY OF TIF REVENUES, DATED MAY 6, 2024
6. INTRODUCTION AND DISCUSSION OF THE PROPOSED ROCK CREEK ENTERTAINMENT DISTRICT PROJECT PLAN

### **MISCELLANEOUS COMMENTS**

### **ADJOURNMENT**

**UNIVERSITY NORTH PARK ENTERTAINMENT DISTRICT PROJECT  
STATUTORY REVIEW COMMITTEE MINUTES  
CITY OF NORMAN**

April 5, 2024, 10:30 a.m.

The University North Park Entertainment District Project, Statutory Review Committee, met in the Municipal Complex located at 201 West Gray Street on April 5, 2024, at 10:30 a.m., and notice and agenda of the meeting were duly posted at least 48 hours prior to the beginning of the meeting.

**PRESENT:** Mayor Larry Heikkila, Doug Warr, Justin Milner, Jackie Kanak, Caroline Dulworth, Andy Sherrer, Cameron Brewer

**STAFF PRESENT:** City Attorney Kathryn Walker, Assistant City Attorney AshLynn Wilkerson, Legal Admin Tech Sarah Encinias

**Item 1, being:  
Call to Order**

Chair, Mayor Larry Heikkila, called the meeting to order at 10:35 a.m.

**Item 2, being:  
Introduction of Members and Roll Call**

<b>Member</b>	<b>Occupation</b>
Larry Heikkila	Chairperson; Mayor of Norman
Cameron Brewer	City Planning Commission Member
Doug Warr	Cleveland County Representative
Justin Milner	NPS Associate Superintendent, for Dr. Nick Migliorino, Superintendent
Jackie Kanak	Cleveland County Health Department Regional Director
Caroline Dulworth	Director of Branch Services, for Lisa Wells, Pioneer Library System Executive Director
Andy Sherrer	Moore Norman Technology Center Board Member

**Item 3, being:  
Discussion regarding Council Resolution No. R-2324-89**

Mayor Heikkila referred members to their copy of the Staff Report dated November 14, 2023, and the Resolution R-2324-89 (see attached) for a proposed Project Plan and creation of a new Tax Increment Financing (TIF) district in the University North Park (UNP) area. Ms. Walker said the proposed Entertainment District would feature a multi-purpose performance venue surrounded by various office and residential properties in furtherance of development in the area. Resolution R-2324-89 directs the appointment of a Statutory Review Committee to review and make recommendations regarding the proposed project as required by the Local Development Act prior to forwarding to the City Council for consideration.

**Item 4, being:  
Submission of Chairperson’s list of seven names for At-Large Members**

Chair, Mayor Heikkila, submitted the following seven (7) names for consideration as At-Large members:

<b>Name</b>	<b>Occupation</b>
Chuck Thompson	Former banker, financial adviser
Shelley Cox	Owner, Cayman's Clothiers
Cindy Zumwalt	Senior Vice President, First United Bank
Mistie Voto	Board of Directors, Norman Public School Foundation
Samantha Carmen	Vice-President, Bobby Carmen DDS, PLLC
Dr. Vytautus Ringus	Orthopedic surgeon, Norman Regional Health System
Tyler McManaman	Associate Design Build Professional, SiteAware

**Item 5, being:**

**Consideration and appropriate action to select three At-Large Members to the UNP Entertainment District Statutory 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**

After group discussion, the Chair asked for nominations from the floor of the seven (7) names submitted for the At-Large members. Those nominees receiving at least four (4) affirmative votes were selected for the Committee. Andy Sherrer nominated Shelley Cox; Caroline Dulworth seconded the nomination. Mayor Heikkila called for a vote and six committee members voted in favor of her nomination: Mayor Heikkila, Caroline Dulworth, Andy Sherrer, Cameron Brewer, Doug Warr, and Jackie Kanak. Cameron Brewer nominated Tyler McManaman; Mayor Heikkila seconded the nomination. Mayor Heikkila called for a vote and three members voted in favor of his nomination: Mayor Heikkila, Cameron Brewer, and Caroline Dulworth. Doug Warr nominated Chuck Thompson; Andy Sherrer seconded the nomination. Mayor Heikkila called for a vote and five members voted in favor of the nomination: Mayor Heikkila, Caroline Dulworth, Andy Sherrer, Doug Warr, Jackie Kanak, and Justin Milner. Cameron Brewer nominated Dr. Vytautus Ringus; Jackie Kanak seconded the nomination. Mayor Heikkila called for a vote and four members voted in favor of the nomination: Justin Milner, Jackie Kanak, Andy Sherrer and Cameron Brewer. There being no further nominations, Mayor Heikkila declared Shelley Cox, Chuck Thompson and Dr. Vytautus Ringus to be appointed as at-large members of the Committee.

**Item 6, being:**

**Future Meetings Schedule**

Ms. Walker said she would send an email to members to gather available dates. She also stressed the importance of attending all meetings.

**Item 7, being:**

**Other Business**

None.

**Item 8, being:  
Adjournment**

The meeting adjourned at 10:55 a.m.



**CITY OF NORMAN, OK  
UNIVERSITY NORTH PARK  
ENTERTAINMENT DISTRICT PROJECT  
STATUTORY REVIEW COMMITTEE**  
Municipal Building, Executive Conference Room  
201 West Gray, Norman, OK 73069  
Thursday, April 25, 2024 at 9:00 AM

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## **MINUTES**

The University North Park Entertainment District Project, Statutory Review Committee, met in the Municipal Complex located at 201 West Gray Street on April 25, 2024, at 9:00 a.m. and notice and agenda of the meeting were duly posted at least 48 hours prior to the beginning of the meeting.

### **ROLL CALL**

#### PRESENT

Mayor Larry Heikkila (Chair)  
Cameron Brewer, Planning Commission  
Doug Warr, Cleveland County  
Dr. Nick Migliorino, Norman Public Schools  
Jackie Kanak, Cleveland County Health Department  
Andy Sherrer, Moore-Norman Technology Center  
Lisa Wells, Pioneer Library System  
Shelley Cox, At-Large  
Chuck Thompson, At-Large  
Dr. Vytautas Ringus, At-Large

#### ABSENT

(none)

#### STAFF PRESENT

Darrel Pyle, City Manager  
Kathryn Walker, City Attorney  
AshLynn Wilkerson, Assistant City Attorney

#### OTHERS PRESENT

Emily Pomeroy, Center for Economic Development Law  
Danny Lovell, Rainier Companies  
Keith Peters, OU Foundation

### **MINUTES**

Upon calling the meeting to order and announcing a quorum, the Chair presented the Minutes of the April 5, 2024, special meeting for approval. Motion was made by Mr. Warr to approve the Minutes and the motion was duly seconded by Mr. Thompson. A vote was taken with the

following results: all approved and none opposed. The Minutes were approved by unanimous vote.

## **ACTION ITEMS**

### **1. PRESENTATION AND DISCUSSION REGARDING THE LOCAL DEVELOPMENT ACT AND TAX INCREMENT FINANCING**

Ms. Walker presented a slideshow that provided a summary regarding the rules of the Local Development Act and how it applies to the creation of Tax Increment Financing (TIF). In summary, representatives of the taxing jurisdiction meet and subsequently appoint three At-Large representatives chosen from a list of candidates provided by the Mayor. Members are provided materials regarding the proposed TIF to enable them to determine the financial impact to the district, to project revenues, and to determine the affect it will have on entities within the taxing jurisdiction.

Ms. Walker continued and said after the information is presented and reviewed by the Review Committee, members will make a recommendation to the City Council. Following this, two public hearings will be scheduled, with the first being a first reading to make a presentation to the public regarding the proposal. The next public hearing is the second reading when the proposal is voted on by City Council. A majority vote by City Council is required in order to pass the creation of the TIF. Alternatively, a two-thirds majority vote is required if Councilmembers make amendment(s).

### **2. PRESENTATION AND DISCUSSION OF PROPOSED DEVELOPMENT OF ENTERTAINMENT, RESIDENTIAL AND OFFICE USES NORTH OF ROCK CREEK ROAD**

Mr. Lovell, of Rainier Companies, presented a slideshow that displayed the proposed arrangement of the area to be developed. The plan seeks to create a space that provides entertainment, walkability and easy access all in one site. The goal is to provide visitors with an all inclusive area that they don't need to leave for the duration of their stay. Mr. Lovell says the idea is similar to The Star in Frisco that was developed by members of the development team and it has worked out well there. He believes a similar area in Norman would also be successful. Mr. Lovell then fielded various questions from members regarding logistics, placement of amenities, etc.

### **3. FUTURE MEETINGS SCHEDULE**

Ms. Walker requested members discuss which 3 days are best to have the next meetings. After group discussion, Ms. Walker set meetings for the followings days and asked members to set aside 2 hours for each. She will also send email calendar invitations to reserve these days.

May 13, 2024, at 3:00 p.m.

May 16, 2024 at 8:30 a.m.

May 23, 2024, at 8:30 a.m. (Mr. Thompson is unable to attend this day.)

Members asked if alternate members can attend meetings if the primary member is unable to attend. Ms. Walker said she preferred if only primary members attended, especially when issues require votes from the Committee. Ms. Pomeroy said she didn't

think that the Local Development Act spoke to that issue specifically but that she would research it to be certain.

Item 2.

### **MISCELLANEOUS COMMENTS**

None.

### **ADJOURNMENT**

The meeting adjourned at 9:46 a.m.



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 05/13/2024

**ITEM TITLE:** PRESENTATION AND DISCUSSION OF THE HUNDEN PARTNERS REPORT TITLED MARKET DEMAND, FINANCIAL FEASIBILITY AND IMPACT STUDY FOR A CLEVELAND COUNTY MULTI-PURPOSE EVENT VENUE

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University North Park Entertainment District Project Statutory Review Committee

Item 3 of the Agenda



# Cleveland County Multi-Purpose Event Venue

Market Demand, Financial  
Feasibility & Impact Study



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# Introduction

The Cleveland County Industrial Development Authority engaged Hunden Partners to provide a financial feasibility and economic and fiscal impact study related to a proposed event venue and mixed-use entertainment district (Project) in Cleveland County, Oklahoma. This report includes a cost-benefit analysis of the Project, followed by recommendations for the mixed-use entertainment district immediately adjacent to the performance venue based on market conditions and best practices. The following highlights the key goals of the study:

- **Analyze** the destination and real estate metrics, including marketing and visitor metrics, current market performance statistics, and product offerings.
- **Review** existing research, development plans and other planning documents.
- **Identify** relevant local and national trends and comparable developments focusing on the best practices for arena anchored mixed-use districts.
- **Prepare Projections** for the economic, fiscal and employment impacts of the Project.

## Executive Summary

# Key Questions

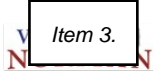
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- **Will the Project generate a net increase in out-of-town visitors to Cleveland County?**
- **Will net new, or recaptured, spending be generated in Cleveland County from the Project?**
- **What impact, if any, will financing the event venue have on the local taxpayer?**
- **Will there be cannibalization of spending in the surrounding retail stores, restaurants, hotels and entertainment venues?**
- **Are there concerts, family shows, and other events that could be held at the event venue that are currently not being accommodated in the market and if so, how many?**
- **Are there other comparable projects across the country that are successful and if so, what makes them successful?**



# Project Overview

## Executive Summary



The Project is located adjacent to I-35 and it includes the entirety of the approximately 269-acre proposed Rock Creek Entertainment District TIF #4, which includes about 121 acres of OU Foundation land, approximately 60 acres of land controlled by NEDC, and about 88 acres owned by others.

**Hunden’s analysis assesses the OU Foundation Development Program provided by Team Norman and the potential development that would likely occur on the additional land within the Rock Creek Entertainment District TIF #4.**



# Executive Summary

## Project Assumptions

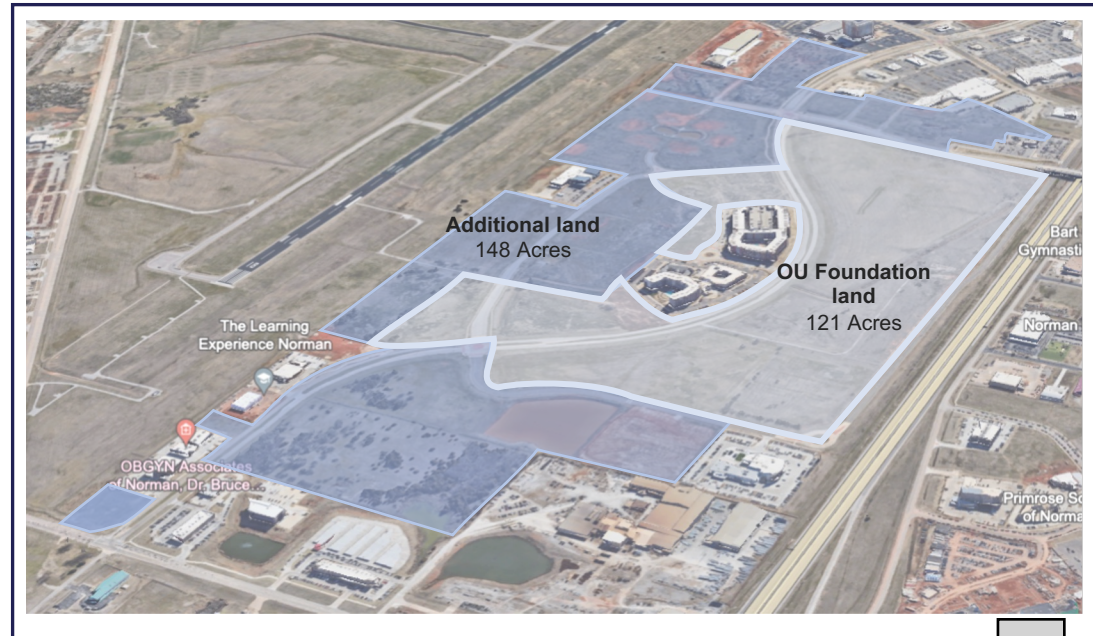
This report assesses the financial feasibility and economic impact of a performance arena and event venue anchoring a compelling mixed-use entertainment district. Hunden was provided the OU Foundation Development Program from Team Norman, which is designated as the “Original Development.”

In addition, Hunden made market-based projections of development that would occur on the additional land surrounding the development program proposed for the OU Foundation land. This additional development would increase the property and sales tax revenue for the Rock Creek Entertainment District TIF #4.

The table to the top right shows the OU Foundation Development Program and the program recommended by Hunden for the additional land, together forming Rock Creek Entertainment District TIF #4.

Cleveland County Development Program Summary (All Phases, 10-Year Build Out)				
Rock Creek TIF #4 Entertainment District				
Use	Original Development* 121 Acres	Additional Development within TIF#4 148 Acres	Rock Creek TIF#4 District Full Buildout 269 Acres	Unit
Performance Arena	10,500	-	10,500	Capacity
Retail & Restaurant	275,500	55,000	330,500	Square Feet
Hotel	150	120	270	Rooms
Multifamily	1,424	220	1,644	Units
Single Family For Rent	177	-	177	Units
Office	564,322	-	564,322	Square Feet
FBO	48,000	-	-	-
Hangar Space	60,000	-	60,000	Square Feet
National Weather Experience	-	100,000	100,000	Square Feet
Central Community Plaza	38,000	-	38,000	Square Feet
Parking (Structured & Surface)	4,665	Parking Analysis Req.	-	Spaces

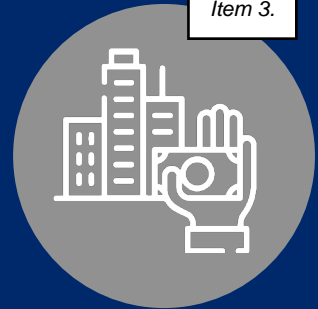
\*Development program provided by OU Foundation & Team Norman  
Source: Hunden Partners, OU Foundation, Team Norman



## Executive Summary

# Economic Impact Summary

Hunden's analysis assessed economic impact in two ways. First, Hunden assessed the conceptual net new economic impact the Project would generate for Cleveland County. Second, Hunden assessed the on-site fiscal impact which would contribute directly to the revenue streams of the Rock Creek Entertainment District TIF #4.



## Conceptual Net New Impact to Cleveland County

- The conceptual net new impact from the Project shows the net new direct, indirect and induced spending, earnings and FTE jobs generated by the Project over a 25-year timeframe.
- The conceptual net new impact projections take into account cannibalized and recaptured spending that would likely occur.
- Hunden utilized the IMPLAN input-output multiplier model, which determines the level of additional activity in the Cleveland County economy due to the Project.

## On-Site Fiscal Impact

- The on-site fiscal impact includes the tax generation that would occur from the development within the Rock Creek Entertainment District TIF#4. Hunden assumed that these include the ad valorem generated from commercial development within the district as well as the sales tax generated from on-site spending.



# Conceptual Net New Impact to Cleveland County



# 25-Year Impact Summary

Over a 25-year period, the mixed-use entertainment district is expected to generate the impacts summarized in the table to the right for Cleveland County. These impacts are net new to the County and account for cannibalization and recaptured spending.

Hunden estimates that the OU Foundation Development Program will generate \$3.7 billion in net new spending, \$1.6 million in net new earnings, 1,513 FTE jobs and \$553 million in local taxes in the economy over a 25-year timespan.

Based on Hunden's market assessment for the additional development for the Project located in the Rock Creek Entertainment District TIF #4, the Project has the potential to generate an estimated \$4.5 billion in net new spending, \$1.8 billion in new earnings, 1,804 FTE jobs and \$617 million in local taxes.

Construction impacts of the original development program would be robust. The Project is estimated to support 1,988 construction jobs within the county.



Construction Impacts - Original Development		
<b>Development Cost - Estimated</b>	(millio	Item 3.
Labor (60%)	\$720	
Materials (40%)	\$482	
<b>Total</b>	<b>\$1,205</b>	
% Labor in Cleveland County	22%	
% Materials In Cleveland County	11%	
<b>Construction Jobs in Years In-County</b>	<b>1,988</b>	
<b>Taxes Generated</b>	(millions)	
State Sales Tax (4.5%)	\$19.5	
State Income Tax (wtd. 4.7%)	\$33.3	
Local Sales Tax (4.25%)	\$2.3	
<b>Total</b>	<b>\$55.1</b>	

\*Total development cost was provided by OU Foundation and is based on Fair Market Value upon full-build out of the development  
Source: Hunden Partners

25-Year Impact Summary   Cleveland County			
	Original (millions)	Additional Development (millions)	Full Buildout TIF#4 (millions)
<b>Net New Spending</b>			
Direct	\$2,328	\$516	\$2,844
Indirect	\$835	\$164	\$998
Induced	\$534	\$142	\$677
<b>Total</b>	<b>\$3,697</b>	<b>\$822</b>	<b>\$4,520</b>
<b>Net New Earnings</b>	(millions)	(millions)	(millions)
From Direct	\$996	\$136	\$1,133
From Indirect	\$328	\$60	\$389
From Induced	\$253	\$55	\$307
<b>Total</b>	<b>\$1,577</b>	<b>\$252</b>	<b>\$1,829</b>
<b>Net New FTE Jobs</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>
From Direct	922	166	1,088
From Indirect	363	68	431
From Induced	227	58	285
<b>Total</b>	<b>1,513</b>	<b>291</b>	<b>1,804</b>
<b>Net New Local Taxes</b>	(millions)	(millions)	(millions)
Local Sales Tax (4.25%)	\$99	\$22	\$121
Local Hotel Tax (8%)	\$8	\$6	\$14
Property Tax	\$446	\$36	\$482
<b>Total</b>	<b>\$553</b>	<b>\$64</b>	<b>\$617</b>

Source: Hunden Partners

# On-Site Tax Impacts

# 25-Year On-Site Tax Impacts

**The Rock Creek Entertainment District TIF #4 would utilize the on-site incremental property tax and sales tax impact generated by the uses within the district.**

The OU Foundation Development Program is estimated to generate \$446 million in on-site property taxes and \$116 million in sales tax revenue over a 25-year timeframe.

Additional development within the TIF is expected to occur on non-OU Foundation land. When accounting for this, the total on-site property taxes generated increase to an estimated \$482 million and sales tax revenues increase to an estimated \$138 million.

Hunden also showed the estimated on-site hotel occupancy tax revenue for the entire Project over a 25-year timeframe which totals \$31 million for the City of Norman.

Hunden acknowledges that there would be a loss to the City of Norman general fund from the sales tax that will no longer be generated at Lloyd Noble. The sales tax generated at the new performance venue/arena will contribute to the Rock Creek TIF #4. However, Hunden expects this will be negated by positive benefits shown in the 25-Year Conceptual Impacts, which shows the estimated level of net new spending within the greater Cleveland County economy.

## The Rock Creek Entertainment District TIF #4

25-Year On-Site Tax Impacts			
	Original Development	Additional Development	Full Buildout TIF#4
	(millions)	(millions)	(millions)
<b>TIF Capturable Taxes</b>			
Property Tax	\$446	\$37	\$482
Sales Tax	\$116	\$22	\$138
<b>Total Onsite Tax Impact</b>	<b>\$561</b>	<b>\$58</b>	<b>\$620</b>
	(millions)	(millions)	(millions)
<b>City On-Site HOT Tax</b>	\$20	\$11	\$31

Source: Hunden Partners

*The 25-year on-site tax impacts have not discounted back to present value and therefore do not represent the actual value of capital available for the construction of components of the Project. The local sales tax rate capturable within the TIF is 3% (Norman General Fund & City Capital Projects)*

# Headlines

- 1 Market supported residential and commercial uses.** Market demand supports residential and commercial development within the Project.
- 2 Market Need for a mid-sized event venue in the OKC metropolitan area.** Nationally, medium-sized venues with a capacity of between 2,500 to 10,000 seats are in demand. Promoters said that acts that want to play the OKC market but can't sell out the Paycom Center are forced to either perform in a venue that is too small to profitably meet demand for the entertainment act or alternatively avoid the market completely. Further, modern event venues which feature the closure of upper concourse levels to create a more intimate concert atmosphere have found success in routing many more shows through their doors.
- 3 Impact of Concerts.** Privately managed collegiate venues that fill the calendar with entertainment acts have been shown to induce substantially more visitors to each market assessed, generating spending that 'but for' these performances, would not have occurred.
- 4 Destination Hub.** Norman is lacking a central 'hub' of activity, or a destination for visitors and residents. There is a genuine opportunity for this Project to be that central hub.
- 5 Catalyst for additional development.** The Project has the potential to be a catalyst for additional development within Norman and Cleveland County.

## Executive Summary

# Answers to the Key Questions

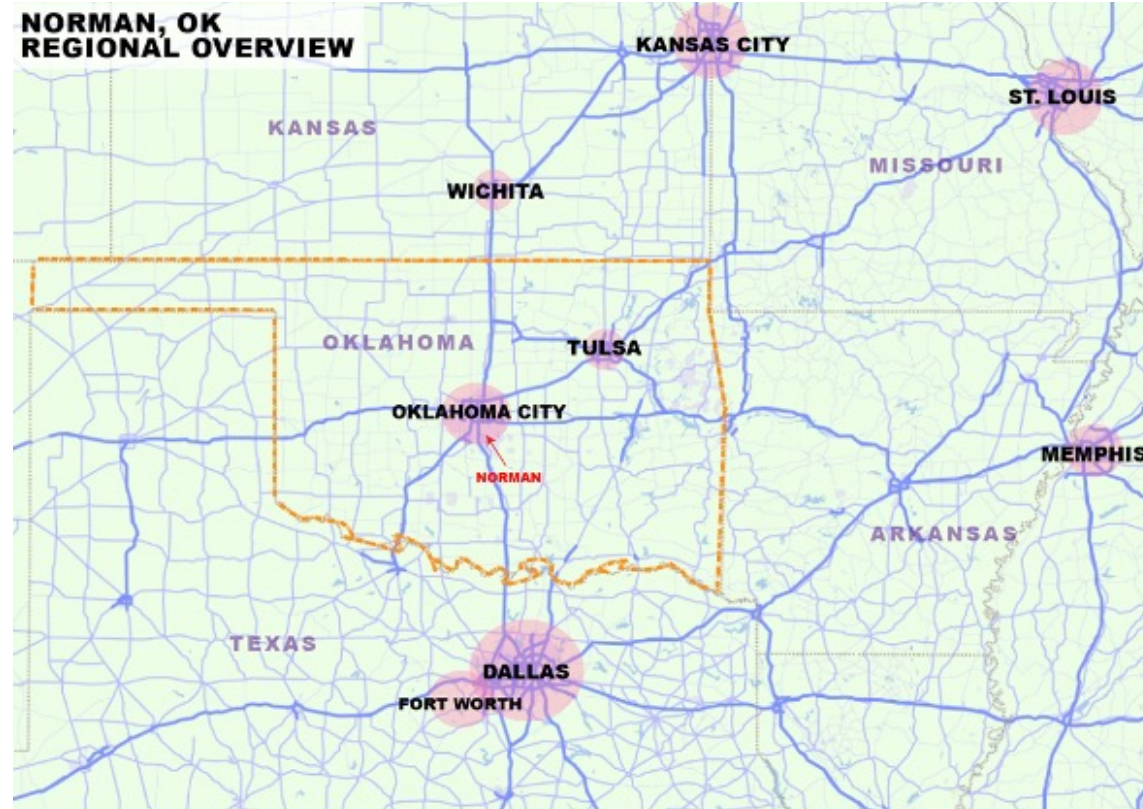
- Will the Project generate a net increase in out-of-town visitors to Cleveland County? **Yes, largely driven by the increase in promoted concerts, family shows, and other events and overall destination draw.**
- Will net new, or recaptured, spending be generated in Cleveland County from the Project? **Yes.**
- What impact, if any, will financing the Event Venue have on the local taxpayer? **Based on the development program provided by the OU Foundation, Hunden expects that there is a strong opportunity for the Project to have no impact to the local taxpayer.**
- Will there be cannibalization of spending in the surrounding retail stores, restaurants, hotels and entertainment venues? **Yes, Hunden accounted for the cannibalization of spending but believes the Project will recapture a comparable amount of spending that currently leaves Norman and goes to OKC.**
- Are there concerts, family shows, and other events that could be held at the Event Venue that are currently not being accommodated in the market and if so, how many? **Based on Hunden's market assessment the venue is projected to host 25 concerts, family shows and comedy acts upon stabilization.**
- Are there other comparable projects across the country that are successful and if so, what makes them successful? **Yes, typically the success is driven by strong management and a flexible design that accommodates a variety of event types.**

# Economic, Demographic & Tourism

## FOCUS

Evaluate the Project site area and Norman's position as a center of economic activity, related to resident population and business location growth, accessibility, and as a destination for visitors.

- Located in central Oklahoma, approximately 20 miles south of Oklahoma City, Norman has emerged as Oklahoma's third largest city.
- The project site is located in a prime location, offering easy access to major transportation routes such as Interstate 35, U.S. Highway 77 and State Highway 9.
- The population reaches nearly 1.5 million within a one-hour drive time of Norman and nearly 11 million with a three-hour drive time. The three-hour drive time captures markets such as Tulsa, Dallas, Texas, and Wichita, Kansas.
- Traffic counts are robust along the I-35 corridor with an average of 69,000 cars per day traveling both north and southbound.



## Population & Growth

Population growth across the Oklahoma City MSA significantly outperformed the US and state of Oklahoma average from 2010 to 2023.

## University of Oklahoma

The University of Oklahoma brings in significant activity to Cleveland County and the city of Norman, offering the area the potential to grow its tourism assets. The area has a variety of offerings that cater to a variety of markets, including young families and adults.

## Leakage

Norman residents and visitors will travel to Oklahoma City for additional entertainment and dining options due to the lack of supply within the City of Norman.

The average distance of an entertainment venue from the project site is approximately 18 miles away.

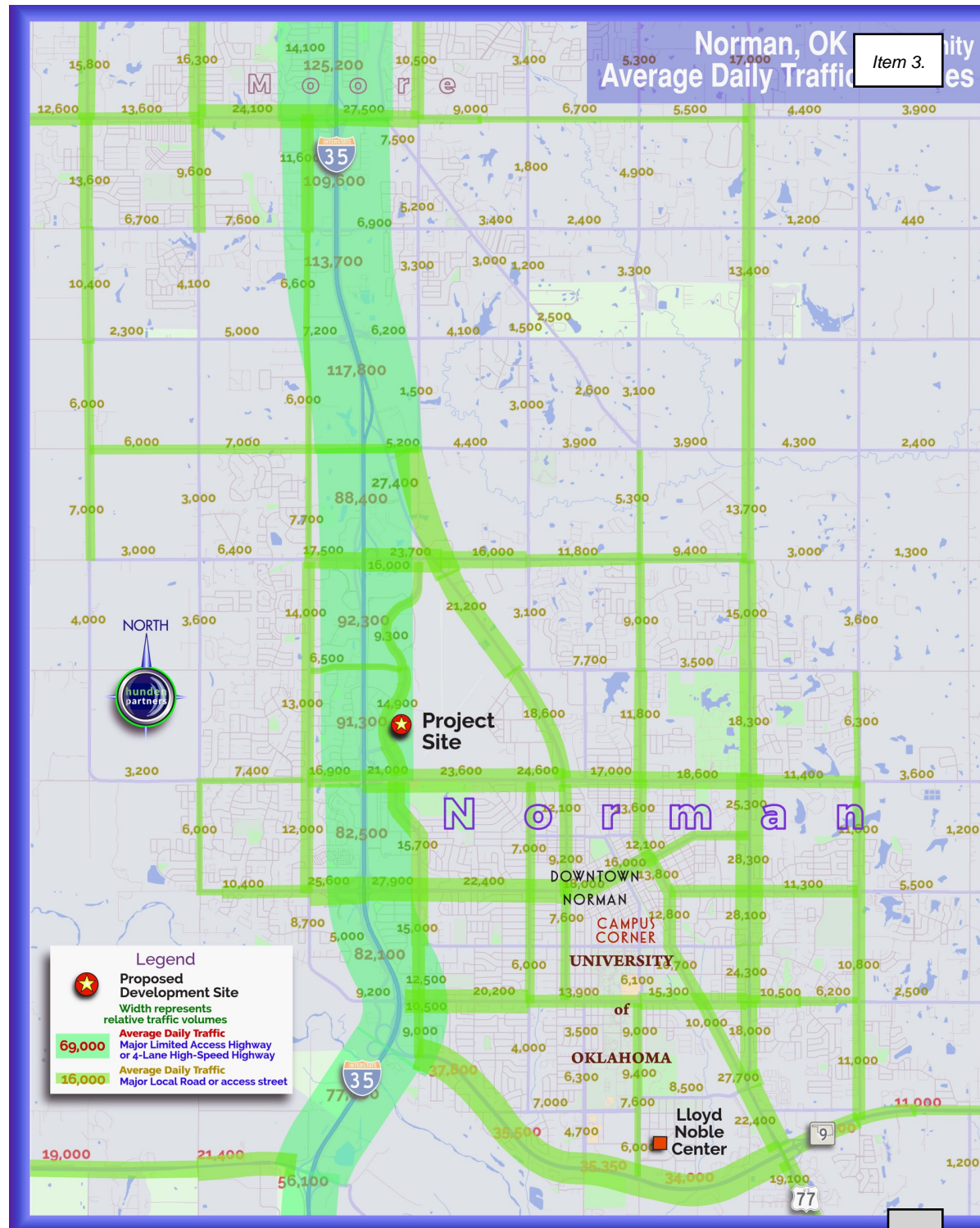
## Education & Skills

The educational attainment level for bachelor's and master's degrees in Norman are higher than the US, state and county averages. Areas with higher educational attainment levels often comprise of higher-paying careers and stronger public schools, which help to attract more affluent families and individuals.

# Local Traffic Counts

I-35 will remain one of the busiest thoroughfares in the entire southern side of the metro area and south of downtown OKC. The development and event venue will be seen easily by the area's travelers and commuters.

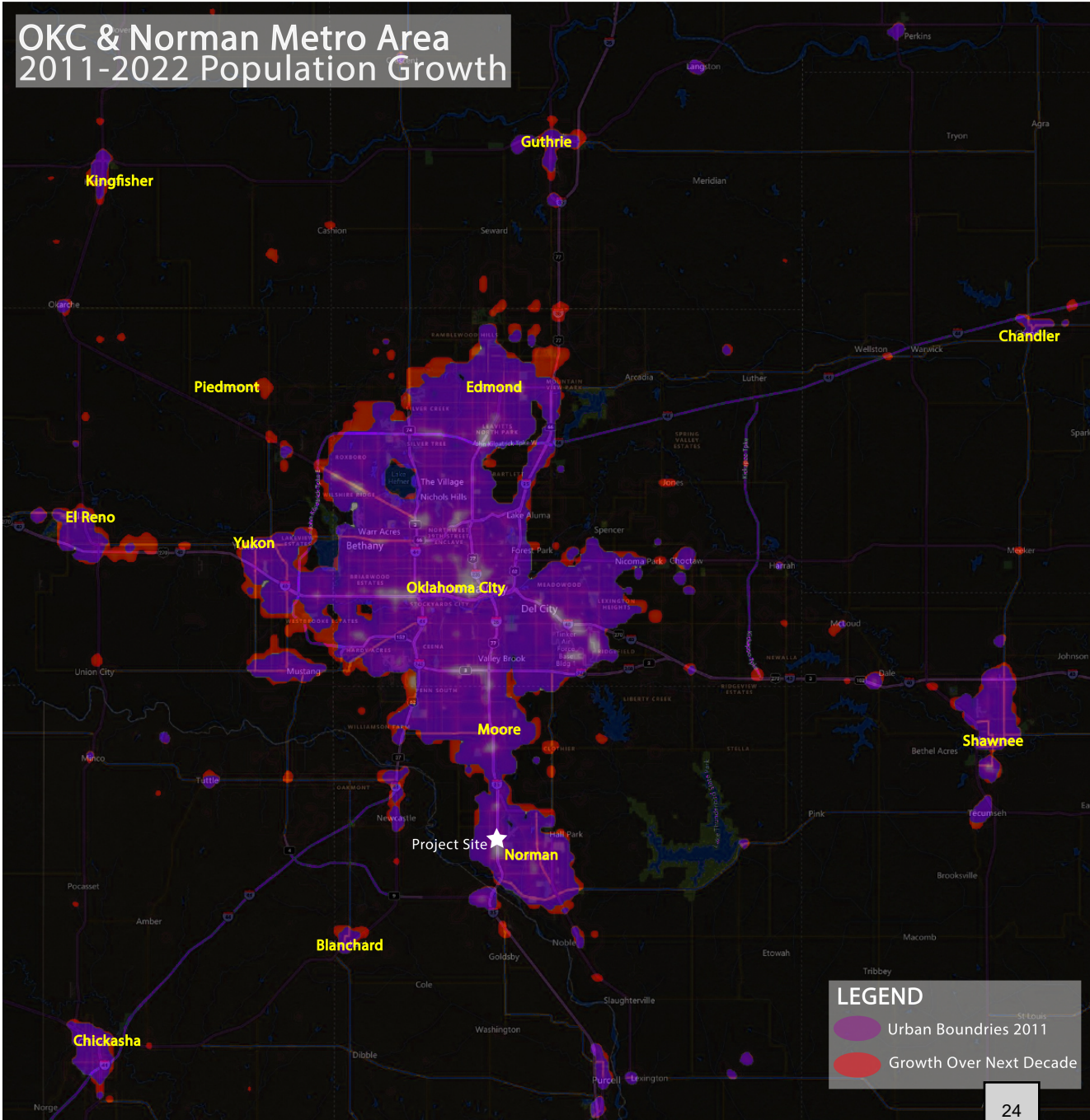
- Traffic counts bolster the strength of the site as a location for a large event venue.
- Even with the new toll turnpikes being built near and around Norman's east side, those new highways will never have nearly the traffic volumes and visibility that I-35 has currently. The south end of the metro-area highway loop should help traffic from the west and east sides get to an event venue in Norman, once built.
- The site is better than the current Lloyd Noble Center for travelers going to games, although college kids will no longer have an on-campus event venue to go to, and it may lack some of the college campus vibe.
- Norman's event venue will be able to get mid-sized shows that the entire central Oklahoma market can easily get to.



# Regional Area Growth

Over the past 11 years the OKC & Norman metro area has grown significantly, which is a good sign for an arena development’s future stability.

- Residential growth is occurring at the greatest rate on the north and west sides of Oklahoma City (in and around Edmond).
- The south side is also experiencing expansion, notably in the spaces between Norman and Moore, and on Norman’s east periphery.
- Overall, an event venue’s marketplace is the entire media broadcast marketplace, not a specific submarket or side of town, and the events will attract its audience from anyplace within that market, as long as it is familiar and easily accessible from a major highway.
- This location’s high visibility potential enhances the venue’s prospects of attracting touring shows because of the logistical needs of funneling a large number of vehicles to and from the Site, as well as for loading trucks required to transport touring acts.

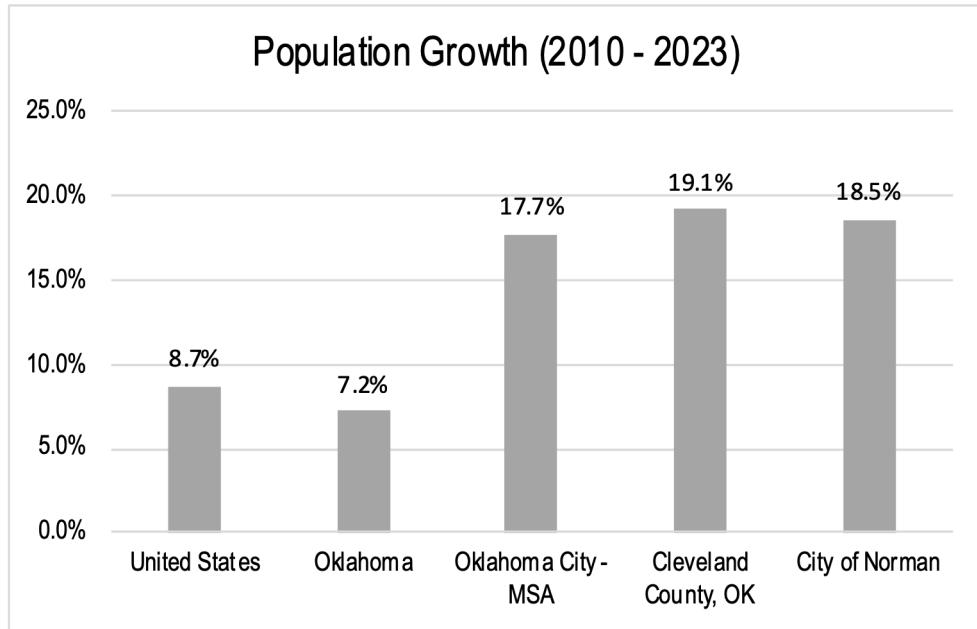




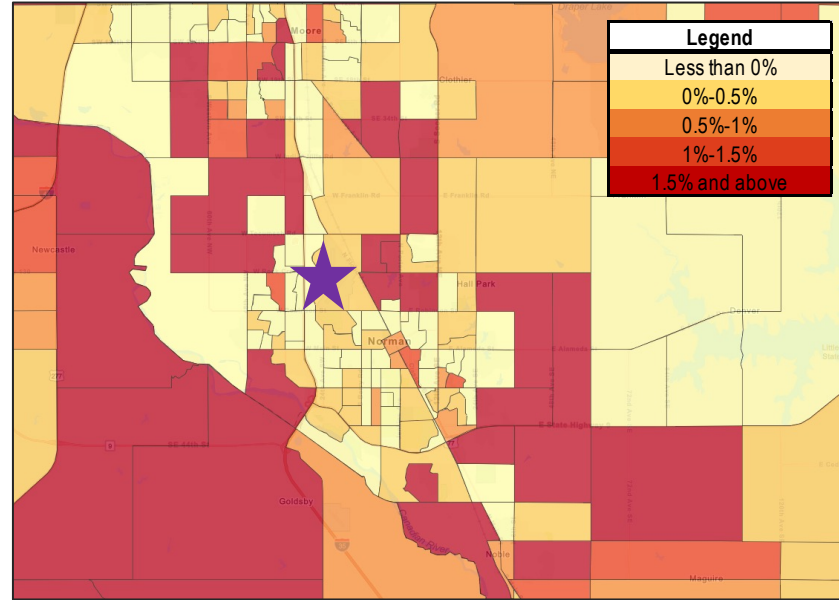
# Economic, Demographic & Tourism

## Population & Growth

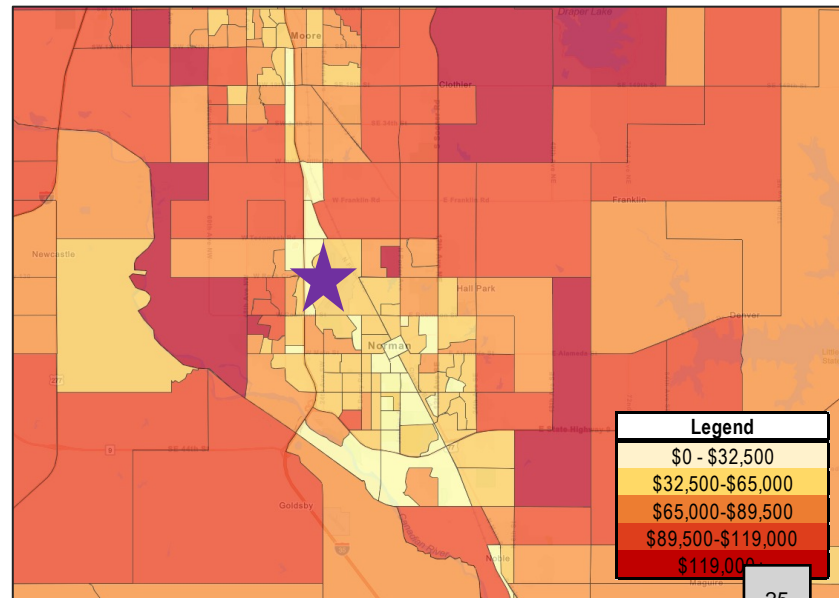
- Although downtown Norman sees minimal population growth and a lower median household income than surrounding areas, cities such as Goldsby, Hall Park and Newcastle are seeing significant population growth and median household incomes above \$89,000. Several of these areas can help generate consistent activity for the project.
- In comparison to the state of Oklahoma, Norman has higher median household incomes. Paired with its educational attainment levels, this data indicates that Norman and Cleveland County are home to several affluent neighborhoods. With higher levels of disposable income, households are more likely to spend money on entertainment and events related to the Project.



## Population Growth Projection 2023 - 2028



## Median Household Income 2023



# University of Oklahoma



- Year Founded:** 1890
- Current Enrollment:** 32,676
- Highest Degree:** Doctorate
- Core Campus Acreage:** 3,326 acres

University of Oklahoma (OU) is a public research university, located on three campuses in Norman, Oklahoma. It has the largest enrollment within the state of Oklahoma.

- **In State Tuition:** \$36,412
- **Out of State Tuition:** \$53,482
- **Athletic Conference:** Big 12 Conference, SEC (2024)

OU has seen an increase in total enrollment since 2020, with more than a three percent increase from 2022 to 2023 in the fall semester. Total enrollment for fall 2023 was approximately 32,676 students and approximately 29,920 students in the spring. The City of Norman, like many college towns, face challenges with seasonality of student populations.

As of 2024, OU has joined the Southeastern Conference (SEC) which is expected to significantly impact the athletics environment.



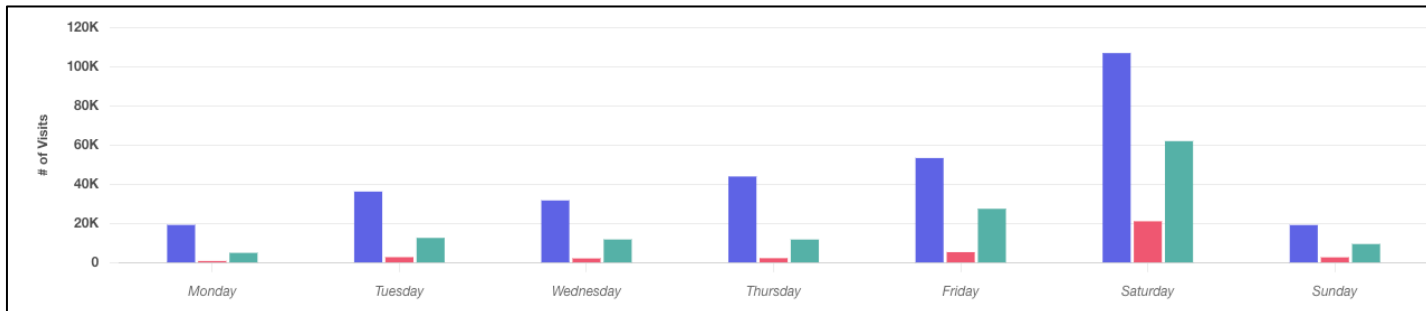
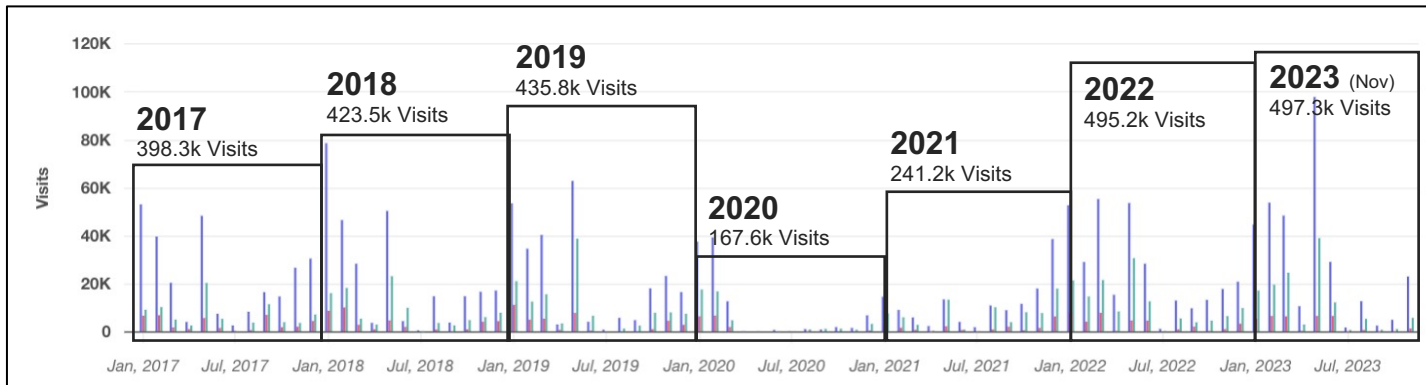
# Lloyd Noble Center Visitation Analysis

Hunden utilizes Placer.ai which is a geofencing platform that monitors selected points of interest (POIs). The following points highlight key headlines from the geofencing analysis of the Lloyd Noble Center in 2022:

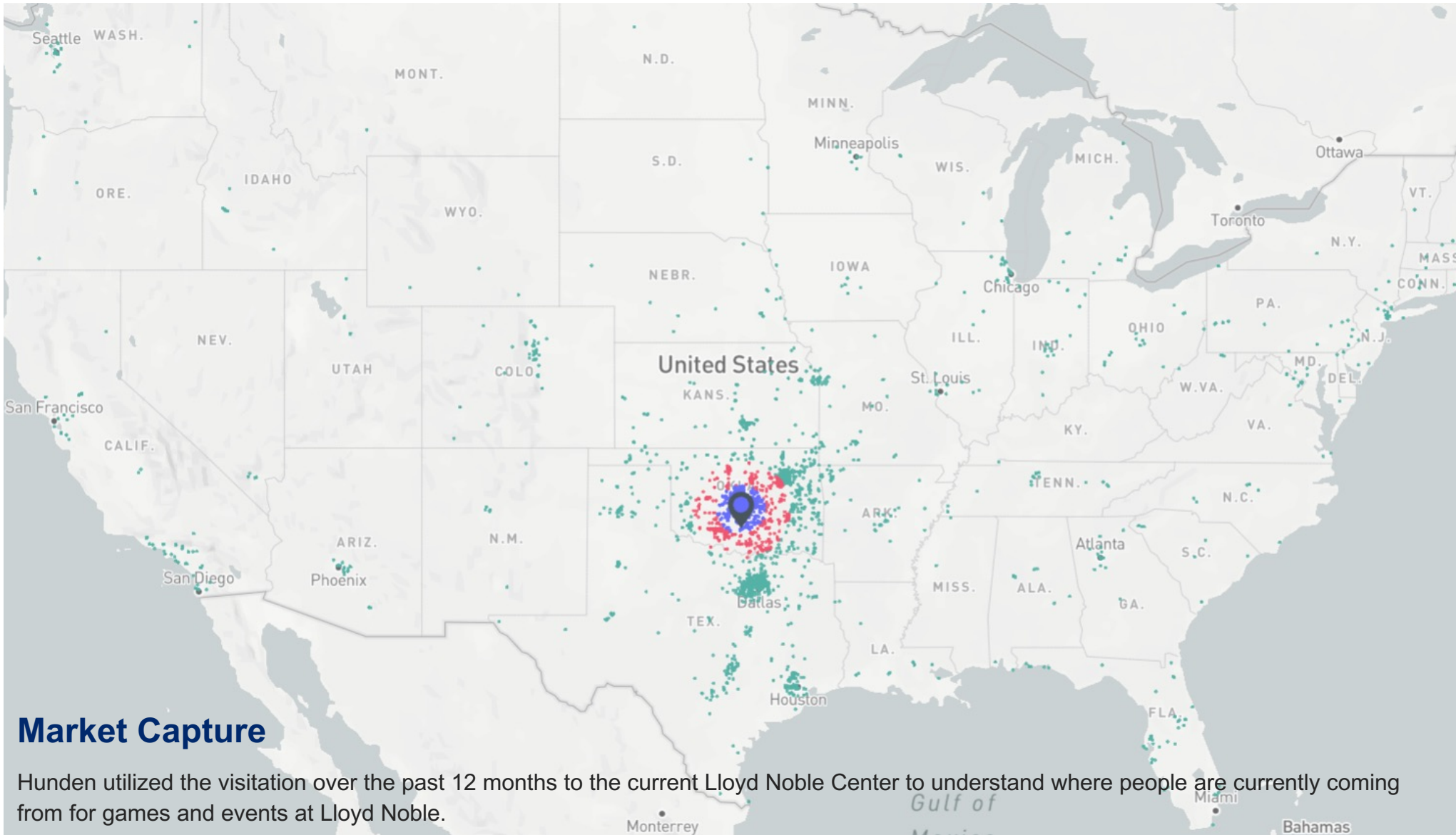
**Nearly 64 percent, or 311,258, of total visits to the Lloyd Noble Center came from within 50 miles. Long distance visitation from over 100 miles encompassed nearly 29 percent of total visits, with 141,047 total visits.**

Visitor Origins by Distance from Site (Colors correspond to charts & maps)	Total Visits		Total Unique Customers		Avg. Visits per Customer
	Est. Number of Visits	Percent of Total Visits	Est. Number of Customers	Percent of Total Customers	
Locals - Within 50 miles	311,258	63.5%	162,061	57.8%	1.92
Regional Distance - Over 50 miles & Less Than 100 miles	38,241	7.8%	26,995	9.6%	1.42
Long Distance only - Over 100+ miles	141,047	28.8%	91,529	32.6%	1.54
<b>Total Visits</b>	<b>490,546</b>	<b>100.0%</b>	<b>280,585</b>	<b>100.0%</b>	<b>1.75</b>

Source: Placer.ai



# Performance Venue, Entertainment & Events Market



## Market Capture

Hunden utilized the visitation over the past 12 months to the current Lloyd Noble Center to understand where people are currently coming from for games and events at Lloyd Noble.

Placer registers a new "home" for a cell phone owner after 30 days of being at a new city every night. Thus, for each arena there is a slight overestimation of out-of-county and out-of-state visits during the initial events of the school year.

# Key Highlights

## Economic, Demographic & Tourism

## Norman Snapshot

Local market area characteristics such as population, demographics, a diversified economy, access and attractions influence the potential demand for tourism developments as well as the overall attractiveness of an area to any potential visitor or group.

The project site is located in a prime location, with easy access through major interstates. The three-hour drive time captures markets such as Tulsa, Dallas, Texas, and Wichita, Kansas, which indicates the Project can drive tourism from major markets both in and out of state.

The University of Oklahoma brings in significant activity to Cleveland County and the city of Norman, offering the area the potential to grow its tourism assets. The student population is continuously growing, with a current enrollment of over 32,000 students.

Norman and Cleveland County are home to several affluent neighborhoods. With higher levels of disposable income, households are more likely to spend money on entertainment and events related to the Project.

Currently, there is significant leakage of spending from Norman and the surrounding area to OKC for entertainment and dining.



Easy Access



Population Growth



High Educational Attainment



High Median Household Income

# Performance Venue, Entertainment & Events Market

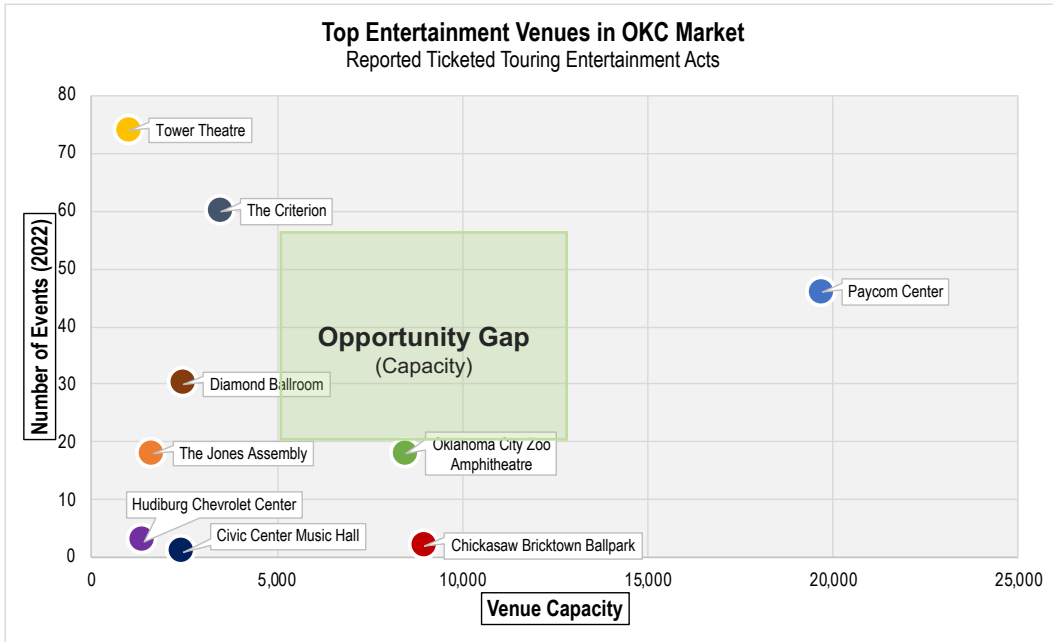
## Key Market Indicators

Pollstar compiled data between November 2021 and November 2022 to publish their Concert Market Rankings report. The following bullets summarize Oklahoma City's performance throughout the period.

- OKC ranked 42<sup>nd</sup> overall in reported gross dollars of ticket sales. Over the period, there was a reported \$28.26 million in ticket sales (383,781 reported tickets sold).
- Across 85 shows reported, the average ticket price was \$73.63.

## 2023 POLLSTAR CONCERT MARKET RANKINGS

RANK	RANK CHANGE	MARKET	2022 REPORTED GROSS	2022 REPORTED TICKETS SOLD	2022 AVG. TICKET PRICE	2022 AVG. TICKET PRICE CHANGE	2022 REPORTED SHOWS	2023 DMA RANK	DMA CHANGE
37	-11	Jacksonville	\$ 42,568,649	634,134	\$ 67.13	6%	302	47	-4
38	3	Salt Lake City	\$ 38,454,385	619,892	\$ 62.03	19%	283	34	-4
39	3	Greenville-Spartanburg	\$ 36,390,876	509,173	\$ 71.47	37%	312	37	-2
40	49	Greensboro-Winston Salem	\$ 32,015,006	378,757	\$ 84.53	76%	190	46	1
41	56	Knoxville	\$ 29,518,974	389,997	\$ 75.69	46%	149	62	-
42	17	Oklahoma City	\$ 28,256,082	383,781	\$ 73.63	53%	85	41	3
43	38	Little Rock	\$ 27,748,330	330,390	\$ 83.99	81%	67	57	2
44	-4	Columbus	\$ 27,644,508	371,655	\$ 74.38	6%	252	32	1
45	35	Boise	\$ 26,877,242	409,406	\$ 65.65	26%	287	106	-5
46	-3	Louisville	\$ 26,113,121	361,788	\$ 72.18	22%	81	49	-
47	-9	Cincinnati	\$ 24,865,505	410,073	\$ 60.64	9%	183	36	-



Venue	Location	Venue Type	Capacity	Miles from Project Site	2022 Shows (Played and Scheduled)
Paycom Center	Oklahoma City, OK	Arena	19,711	16.6	46
Bennett Event Center	Oklahoma City, OK	Auditorium/Theatre	18,600	20.7	-
Remington Park	Oklahoma City, OK	Outdoor Venues	15,000	21.8	-
Jim Norick Arena	Oklahoma City, OK	Arena	12,500	20.4	-
Lloyd Noble Center	Norman, OK	University Arena	12,000	7.0	-
Chickasaw Bricktown Ballpark	Oklahoma City, OK	Stadium	9,000	16.9	2
Oklahoma City Zoo Amphitheatre	Oklahoma City, OK	Amphitheatre	8,500	20.9	18
Oklahoma Expo Hall	Oklahoma City, OK	Auditorium/Theatre	4,000	21.5	-
The Criterion	Oklahoma City, OK	Auditorium/Theatre	3,500	17.0	60
Diamond Ballroom	Oklahoma City, OK	Club	2,500	11.9	30
Civic Center Music Hall	Oklahoma City, OK	Auditorium/Theatre	2,477	17.5	1
The Jones Assembly	Oklahoma City, OK	Club	1,672	18	18
Hudiburg Chevrolet Center	Midwest City, OK	Auditorium/Theatre	1,401	20	3
Cowboys OKC	Oklahoma City, OK	Club	1,400	19	-
OSCC Visual and Performing Arts Center	Oklahoma City, OK	Auditorium/Theatre	1,067	15	-
Tower Theatre	Oklahoma City, OK	Auditorium/Theatre	1,042	18	74
Beer City Music Hall	Oklahoma City, OK	Club	500	18	-
<b>Average</b>			<b>500</b>	<b>18</b>	<b>-</b>

Source: Pollstar

# Performance Venue, Entertainment & Events Market

## Venue Supply

One large prominent indoor venue, Paycom Center Arena, which attracts top national arena touring acts. For a market the size of Oklahoma City, the supply of large venues is adequate; however, in the medium-size capacity range there is not much. There are many strong performers and acts that cannot necessarily sell out Paycom Center and seek spaces within the 2,500 – 10,000 capacity range. This is especially evident in secondary cities and markets.

**There is a gap in the market for a medium-sized indoor entertainment venue. Neither of the proposed Projects will truly be directly competitive to the Project.**

## New Developments



The 7,000-seat arena is currently under construction with plans for completion by 2025. The new facility will replace the aging Jim Norick Arena and be focused on accommodating large ag and equine shows. On average, the Fairgrounds host more than 2.5 million people every year with nearly 200 events which generates robust economic impact for the city. The project is paid for through MAPS 3 and 4 funds and hotel tax revenues.



City leadership announced in July 2022 preliminary plans for the development of a new arena for the OKC Thunder. Paycom Center is approaching 22 years old, with its only major renovating occurring in 2008. Plans for financing have not been determined but preliminary costs of \$900 million have been floated, with a contribution of an estimated \$50 million from Thunder ownership. A proposed opening of 2029-30 season has been targeted.

# Key Highlights

## Entertainment Market

The proposed entertainment venue and surrounding mixed-use district would generate many new events to the Norman market that are currently not being accommodated in Lloyd Noble Center. In conversations with promoters that cover the Oklahoma City market it was indicated that there is no strong indoor venue that is scalable within the medium size range.

OKC is in a strong position geographically for the routing of acts. Performers playing markets in Texas that are moving to the north or vice versa can add a stopover in OKC for a show. Tulsa is a competitive market given that the BOK Center does not have an NBA/NHA anchor tenant.

A venue similar to Moody Center or Dickies Arena in terms of scalability and size would perform well in the OKC market. **A venue of this size would not be directly competitive with a potential new arena for the Thunder** that would replace Paycom Center.

**The proposed venue would be able to conservatively host approximately 25 – 30 ticketed non-university events.** Many of these would not be at the full capacity of the venue, half house or closed upper bowl would be an attractive configuration for touring acts.

Item 3.



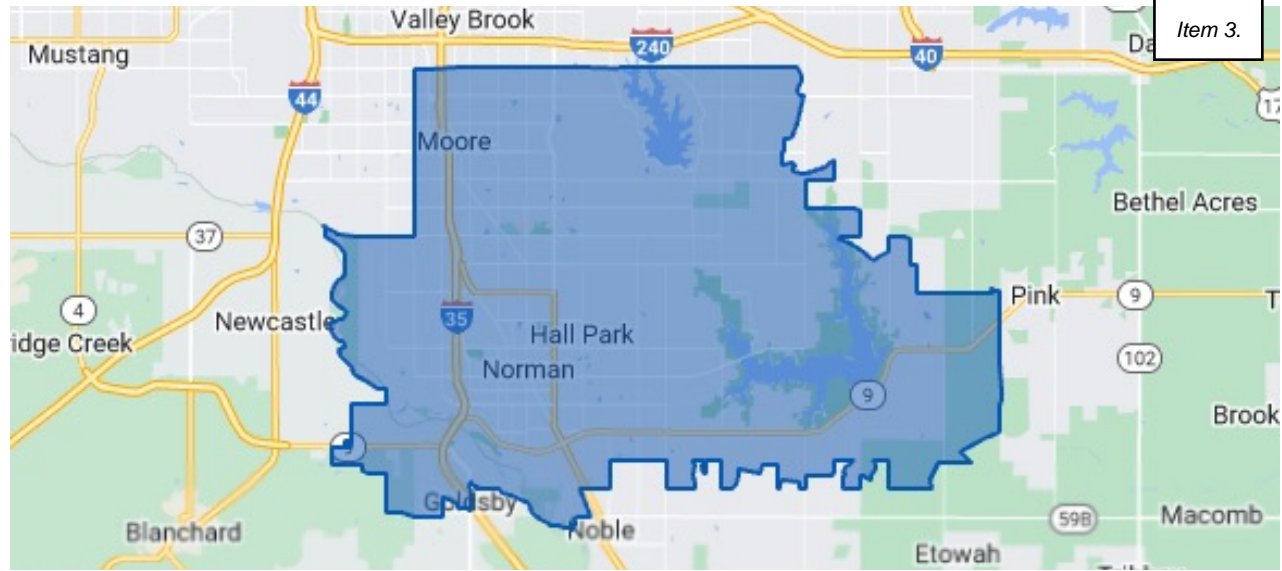


# Hotel Submarket

Hunden utilizes CoStar, which owns Smith Travel Research (STR) to assess the hotel performance in the market. The Norman/Moore submarket consists of close to 4,000 rooms spread across 37 properties. Just south of the project site, is a 124-room Residence Inn that is under construction, and a 102-room Home2Suites is proposed.

62 percent of the supply are Upscale and Upper Midscale properties, with limited Luxury and Upper Upscale supply. Twelve-month occupancy within the submarket is approximately 3.3 percent lower than the broader market, and twelve-month RevPAR (a product of occupancy and rate) has decreased, while the broader market's RevPAR continues to increase.

While ADR within the submarket is projected to continue to increase, occupancies are projected to decrease further in 2024.

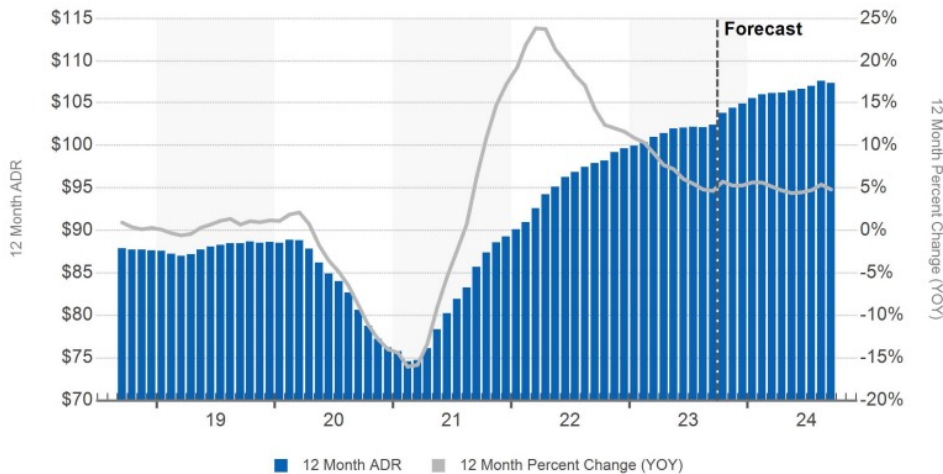


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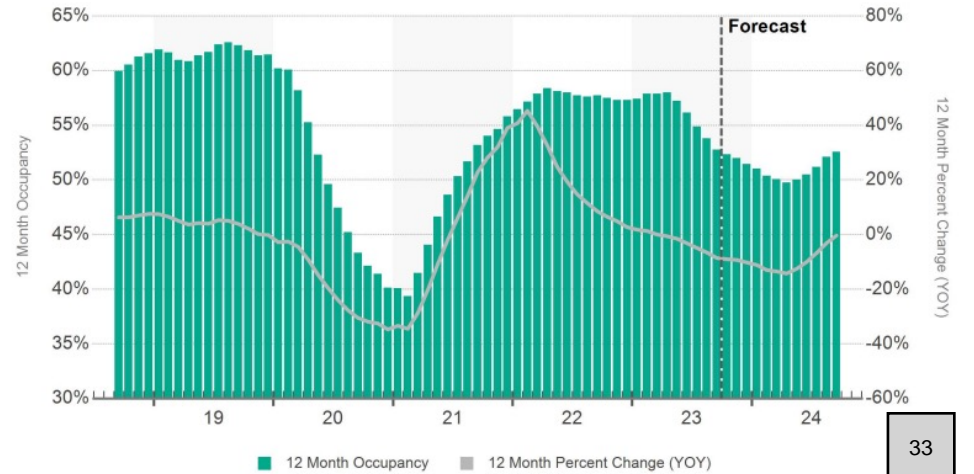
12 Mo Occupancy	12 Mo ADR	12 Mo RevPAR	12 Mo Supply	12 Mo Demand
<b>52.7%</b>	<b>\$102.38</b>	<b>\$53.99</b>	<b>1.4M</b>	<b>733.2K</b>

Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	390				0	0
Upscale & Upper Midscale	2,470	50.9%	\$108.10	\$54.98	0	124
Midscale & Economy	1,098	50.2%	\$66.97	\$33.64	0	0
<b>Total</b>	<b>3,958</b>	<b>52.7%</b>	<b>\$102.38</b>	<b>\$53.99</b>	<b>0</b>	<b>124</b>

ADR



OCCUPANCY



33

# Hotel Market Analysis

- Hunden identified a hotel competitive set within Norman, selected based on quality and vicinity to the Project site.
- Hotel occupancy within the competitive set has yet to recover to pre-pandemic levels; however, average daily rate (ADR) has hit new peaks, leading to an overall increase of RevPAR compared to pre-pandemic levels.
- Stabilization of recent growth in ADR is expected and is exhibited in year-to-date ADR growth of 3.3 percent.

## Norman, OK Competitive Hotel Supply

Property Name	Miles from		Year Opened	Chain Scale
	Site	Rooms		
Embassy Suites by Hilton Norman Hotel & Conference Center	0.1	283	2008	Upper Upscale
Holiday Inn Express & Suites Norman	0.1	116	2015	Upper Midscale
Hampton by Hilton Inn & Suites Norman Conference Center Area	0.1	104	2020	Upper Midscale
StoneHill Norman, Trademark Collection by Wyndham	1.0	116	2016	Upper Midscale
Comfort Inn & Suites Norman Near University	1.1	73	2008	Upper Midscale
Courtyard Norman	1.2	113	2009	Upscale
Hilton Garden Inn Norman	1.3	121	2008	Upscale
Fairfield Inn & Suites Norman	2.0	74	1995	Upper Midscale
La Quinta Inns & Suites Oklahoma City Norman	2.5	117	1997	Upper Midscale
Country Inn & Suites by Radisson, Norman, OK	2.6	77	2007	Upper Midscale
<b>Total / Average</b>		<b>1,194</b>	<b>2008</b>	

Source: CoStar, Smith Travel Research

## Historical Supply, Demand, Occupancy, ADR, and RevPar for Competitive Hotels | Norman, OK

Year	Annual Avg. Available Rooms	Available Room Nights	% Change	Room Nights Sold	% Change	% Occupancy	% Change	ADR	% Change	RevPar	% Change
2015	955	348,666	-	236,301	-	67.8	-	\$103.96	-	\$70.46	-
2016	1,023	373,258	7.1%	231,384	-2.1%	62.0	-8.5%	\$104.68	0.7%	\$64.89	-7.9%
2017	1,090	397,850	6.6%	252,027	8.9%	63.3	2.2%	\$102.28	-2.3%	\$64.79	-0.1%
2018	1,090	397,850	0.0%	279,784	11.0%	70.3	11.0%	\$99.20	-3.0%	\$69.76	7.7%
2019	1,090	397,850	0.0%	274,806	-1.8%	69.1	-1.8%	\$101.75	2.6%	\$70.28	0.8%
2020	1,133	413,506	3.9%	164,670	-40.1%	39.8	-42.3%	\$91.35	-10.2%	\$36.38	-48.2%
2021	1,194	435,810	5.4%	234,976	42.7%	53.9	35.4%	\$106.65	16.7%	\$57.50	58.1%
2022	1,194	435,810	0.0%	253,562	7.9%	58.2	7.9%	\$118.33	11.0%	\$68.84	19.7%
<b>2023 YTD (Sept.)</b>	<b>1,194</b>	<b>325,962</b>	<b>0.0%</b>	<b>202,247</b>	<b>4.5%</b>	<b>62.0</b>	<b>4.5%</b>	<b>\$121.87</b>	<b>3.3%</b>	<b>\$75.62</b>	<b>8.0%</b>
<b>CAGR (2015-22)</b>	<b>3.57%</b>	<b>3.57%</b>		<b>1.04%</b>		<b>-2.02%</b>		<b>1.97%</b>		<b>-0.33%</b>	

Source: Smith Travel Research, Hunden Partners

### Occupancy

62%  
YOY  
▲ 4.5%

### ADR

\$121.87  
YOY  
▲ 3.3%

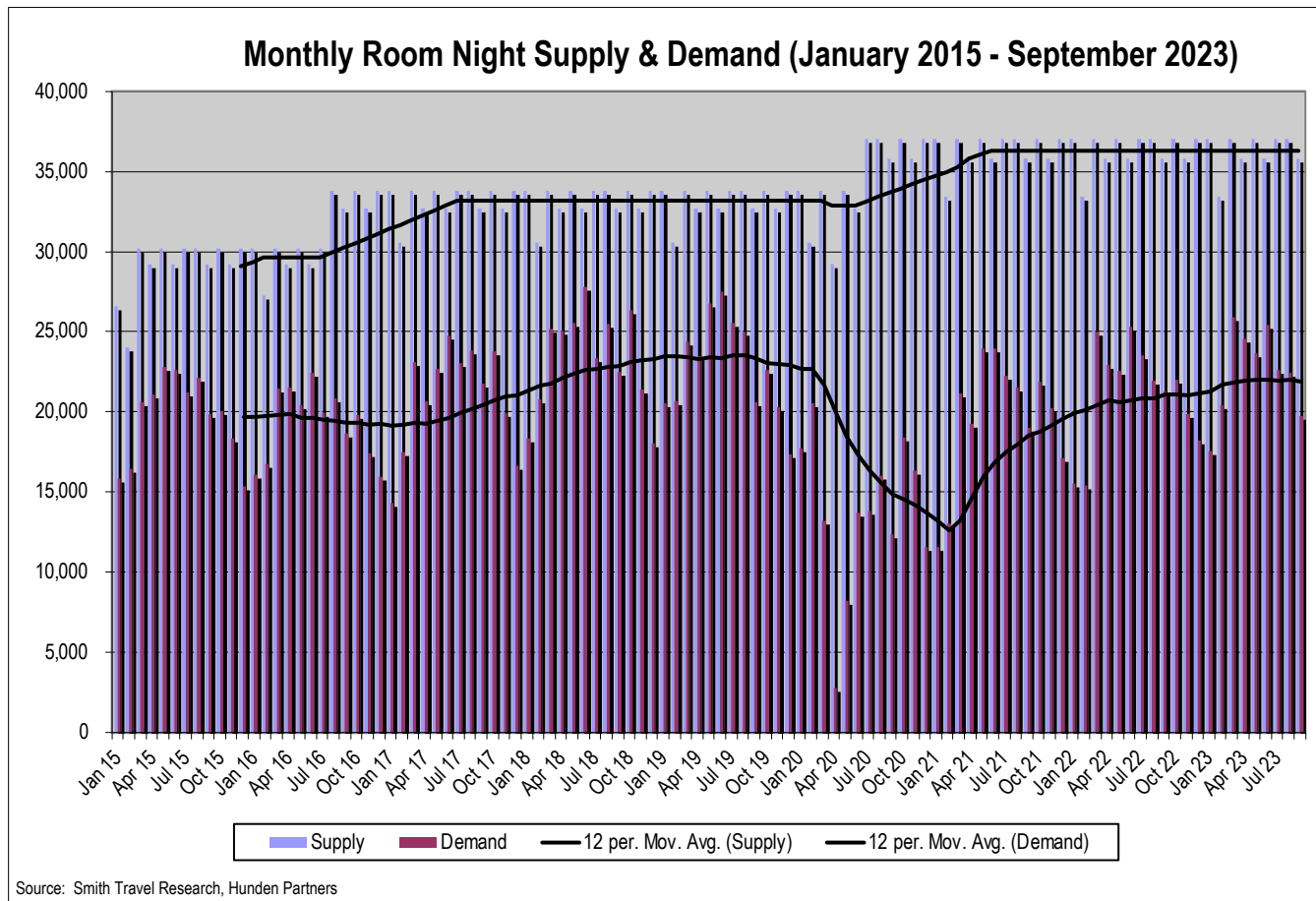
### RevPAR

\$75.62  
YOY  
▲ 8.0%

# Supply & Demand

The supply of room nights in the local competitive set was relatively constant leading up to the COVID-19 pandemic. Once the pandemic occurred in 2020, there was significant depleted demand. Since the pandemic, additional supply was introduced to the market, though absorption has been slow, with demand yet to recover to pre-pandemic levels.

Hotel room demand shows consistent seasonal trends with winter months seeing significantly lower demand.



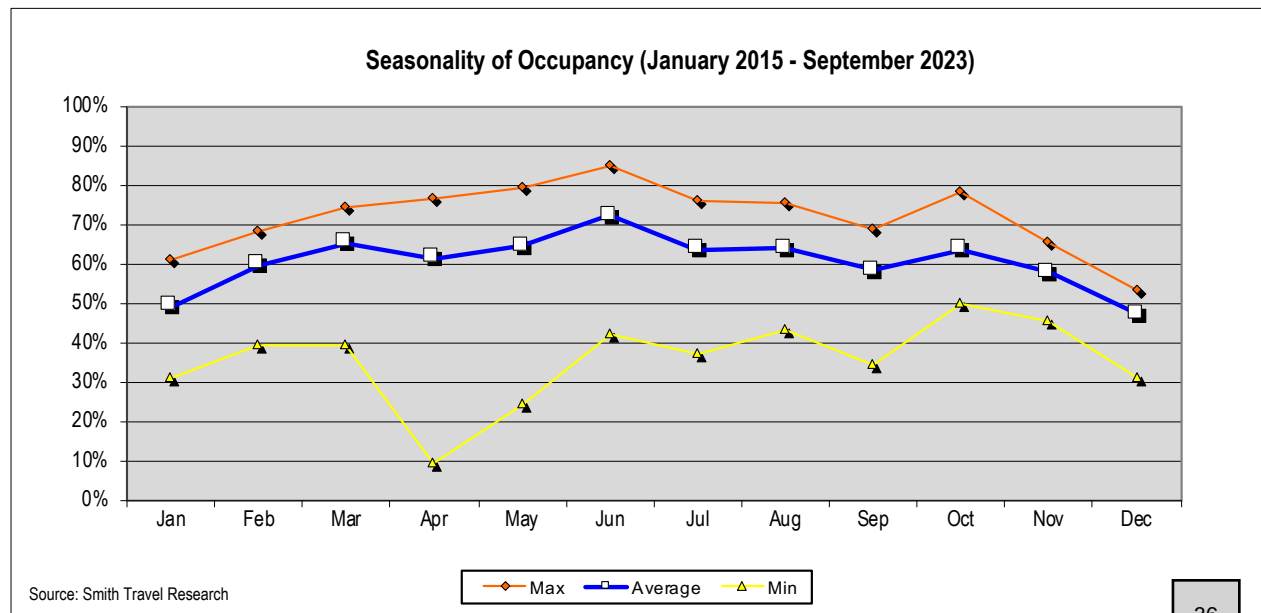
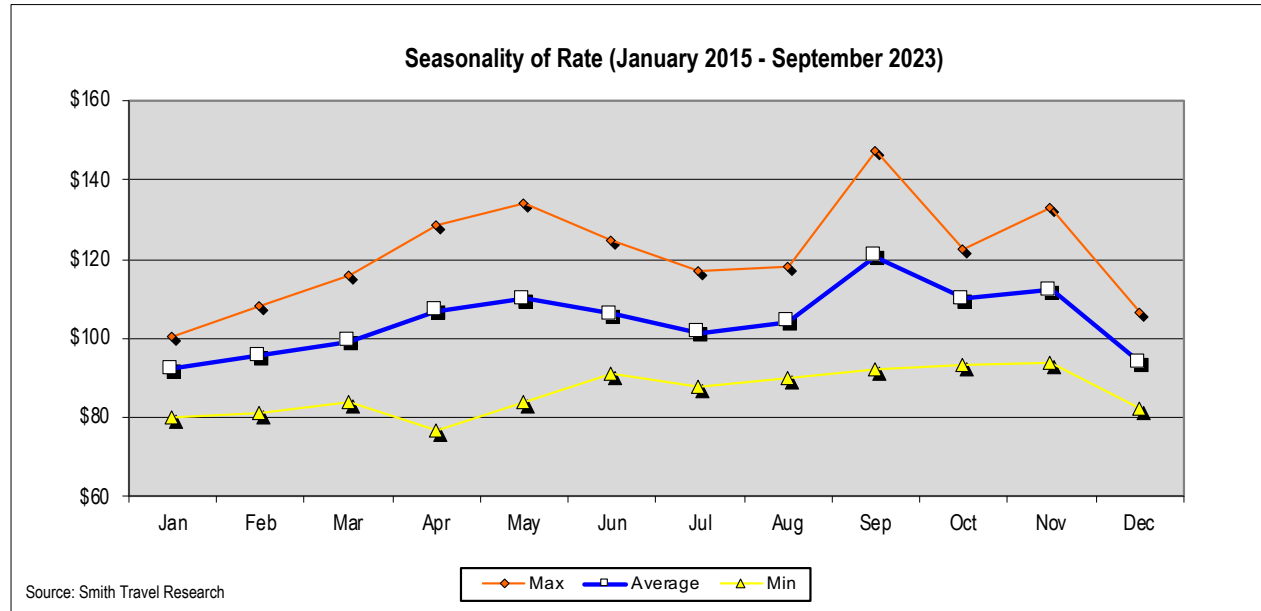
# Seasonality

## ADR & Occupancy

The adjacent tables detail the seasonal performance of the competitive set since January 2015.

As shown, the competitive set experiences its highest rates during the the months of May, September and November. This is likely due to travel induced from OU sporting and academic events such as home football games and graduation. The winter months are historically more affordable.

Though rates peaked in May, September and November, occupancy did not, showing high rates may be associated with major events rather than extended periods of increased demand. Highest occupancies occurred in June and were lowest in the winter months.

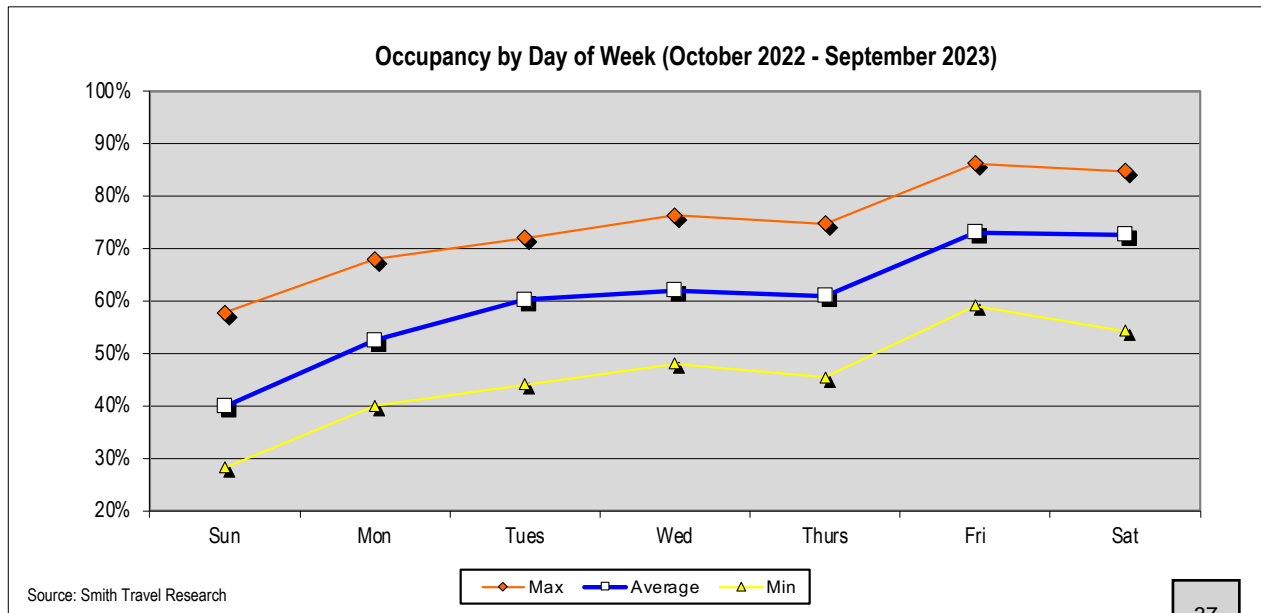
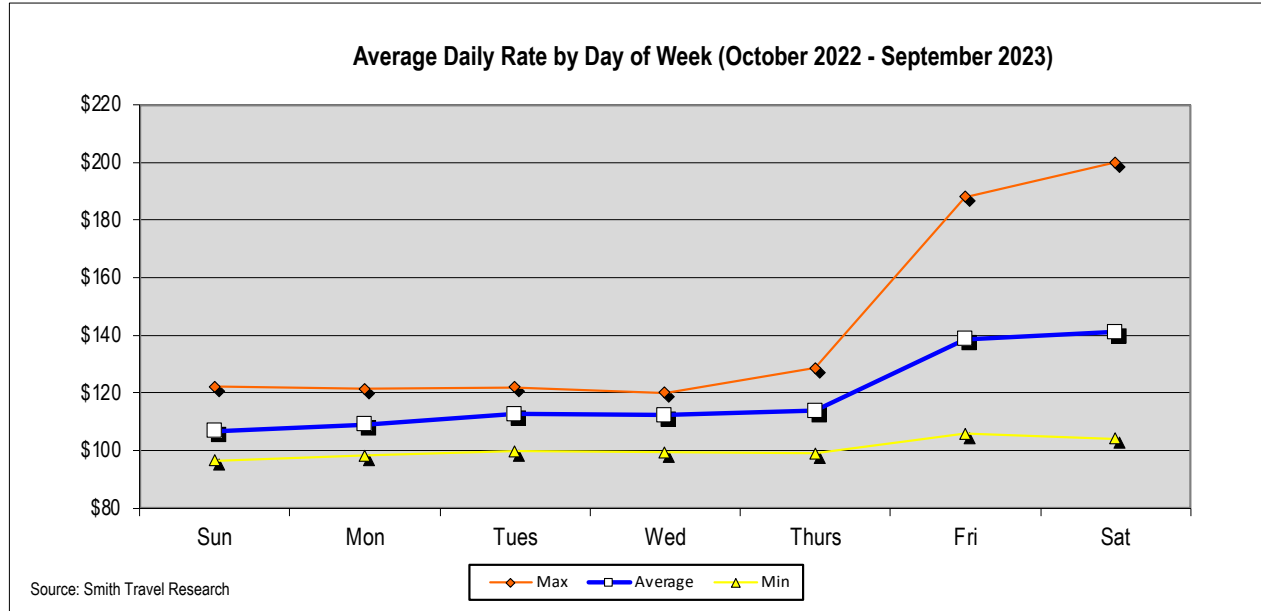


# Day of Week ADR & Occupancy

The adjacent tables detail the weekly performance of the local competitive set from October 2022 through September 2023.

Typically, group and corporate travel occurs from Sunday through Thursday, while leisure travel occurs on Fridays and Saturdays. The highest rates in the competitive set are on the weekends, which suggests strong leisure demand.

In addition, occupancy is highest on weekends, suggesting the need for more weekday demand generators to diversify the mix of hotel business.



# Heat Chart

## ADR & Occupancy

The adjacent tables detail the weekly performance of the local competitive set by month from October 2022 through September 2023.

As shown, both rate and occupancy were highest on weekends, which suggest strong leisure demand. Highest rates occurred in May, September, and November, while highest occupancies occurred from March through June.

Low weekday occupancy and rate suggest lower corporate and group demand. Throughout the year, Sundays and Mondays recorded the weakest occupancies and rates.

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Avg
Oct - 22	\$105	\$105	\$108	\$110	\$110	\$141	\$134	\$117
Nov - 22	\$101	\$107	\$111	\$105	\$113	\$165	\$189	\$133
Dec - 22	\$98	\$98	\$102	\$103	\$100	\$113	\$119	\$107
Jan - 23	\$97	\$98	\$100	\$99	\$99	\$106	\$104	\$101
Feb - 23	\$100	\$101	\$109	\$104	\$102	\$118	\$115	\$108
Mar - 23	\$106	\$109	\$111	\$113	\$115	\$125	\$124	\$116
Apr - 23	\$109	\$111	\$118	\$117	\$119	\$157	\$149	\$129
May - 23	\$122	\$121	\$122	\$120	\$129	\$156	\$158	\$134
Jun - 23	\$122	\$118	\$119	\$120	\$119	\$136	\$136	\$125
Jul - 23	\$104	\$108	\$113	\$115	\$118	\$129	\$124	\$117
Aug - 23	\$101	\$111	\$121	\$118	\$116	\$117	\$117	\$116
Sep - 23	\$105	\$113	\$110	\$114	\$116	\$188	\$200	\$147
<b>Average</b>	<b>\$107</b>	<b>\$109</b>	<b>\$113</b>	<b>\$112</b>	<b>\$114</b>	<b>\$139</b>	<b>\$141</b>	

Sources: Smith Travel Research

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Avg
Oct - 22	41.8%	53.7%	63.4%	63.4%	61.3%	68.6%	67.3%	59.4%
Nov - 22	28.2%	46.1%	54.4%	55.9%	52.3%	74.0%	77.9%	55.5%
Dec - 22	35.1%	41.3%	46.4%	48.8%	45.4%	59.1%	63.0%	49.2%
Jan - 23	34.9%	41.7%	44.1%	48.1%	49.6%	64.5%	54.3%	47.4%
Feb - 23	37.4%	60.1%	72.0%	61.2%	54.8%	74.3%	67.6%	61.1%
Mar - 23	47.5%	62.5%	69.1%	66.9%	74.3%	86.3%	79.6%	70.1%
Apr - 23	41.1%	56.2%	70.5%	76.4%	72.7%	84.0%	82.6%	68.6%
May - 23	45.5%	55.2%	59.3%	60.0%	65.6%	81.0%	84.8%	63.9%
Jun - 23	57.8%	67.9%	69.8%	72.5%	71.3%	78.5%	76.4%	70.9%
Jul - 23	40.9%	47.4%	58.8%	64.3%	74.8%	71.9%	74.7%	61.1%
Aug - 23	37.7%	58.8%	62.1%	65.0%	60.8%	64.3%	73.5%	60.5%
Sep - 23	30.9%	40.0%	53.4%	62.6%	48.7%	70.6%	71.3%	55.1%
<b>Average</b>	<b>39.9%</b>	<b>52.4%</b>	<b>59.9%</b>	<b>62.1%</b>	<b>61.1%</b>	<b>73.1%</b>	<b>72.7%</b>	

Sources: Smith Travel Research

# Key Highlights

## Hotel Market

Item 3.

The proposed entertainment venue and surrounding mixed-use district would generate new hotel demand to Norman. With mostly limited-service properties near the Project site, there is an opportunity to develop additional boutique or full-service hotels as part of the overall development plan. As Norman hotels exhibit weak weekday demand, proposed office development at the Project site, if successful, could aid in increasing weekday corporate hotel demand. Year-round programming of the entertainment venue and the district itself can also help generate incremental weekday overnight stays. Below highlights Hunden's additional findings on the local hotel market.

There are only 374 upper upscale rooms in the broader Norman / Moore submarket, and no luxury products. Overall, the submarket's 12-month RevPAR has decreased by approximately four percent, though the competitive set has a 2023 YTD RevPAR that increased eight percent, which is higher when compared to the broader OKC market.

There have been minimal new hotel deliveries in Norman over the last few years with the exception of the 91-room NOUN Hotel and 104-room Hampton Inn. A 124-room Residence Inn is nearing completion in Norman directly south of the Project site.

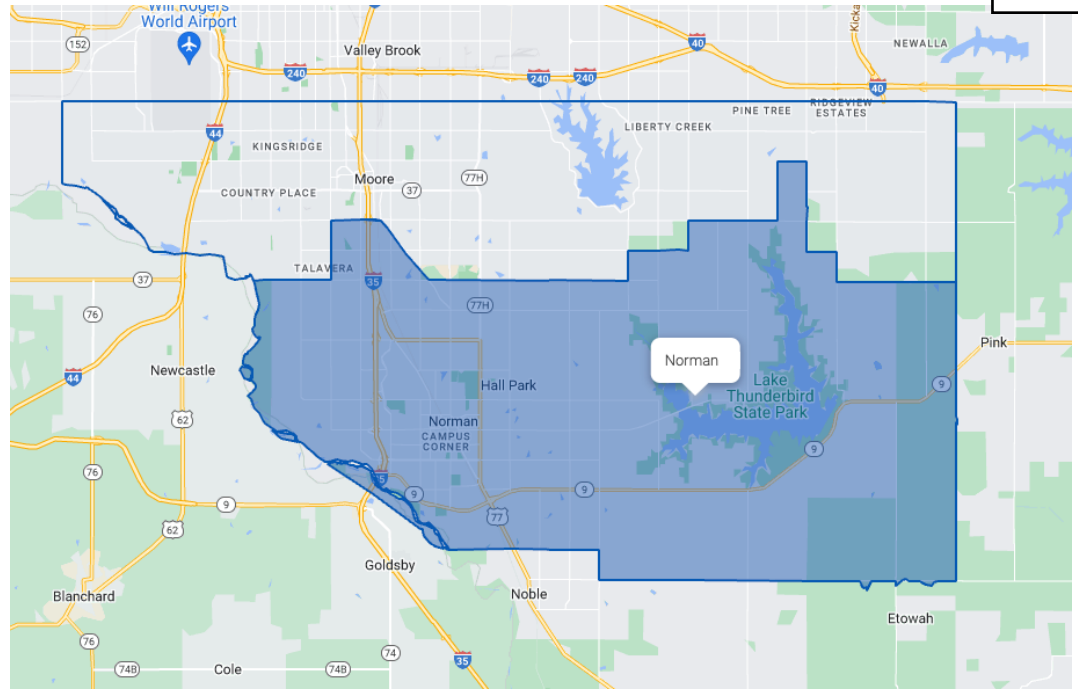
While the 283-room Embassy Suites has a significant amount of meeting spaces, including a 28,800 SF ballroom, 7,200 SF junior ballroom, and over 6,000 SF of meeting rooms, it is in need of major improvements. A new high-quality hotel that offers additional on-site amenities would complement the proposed entertainment venue. Management has indicated that the property is scheduled for renovation in 2025.



# Multifamily Submarket

## Submarket Analysis

- Norman is seeing high population growth in the past decade, with the submarket's vacancy being at 7.1 percent, which is below the market average of 10.4 percent.
- University of Oklahoma (OU) heavily influences the Norman multifamily submarket. Norman overall offers great retail offerings, easy access and convenient commutes along I-35, and established neighborhoods.
- Student housing is a competitor to market-rate communities. Most market-rate developments have been focused along the interstate, which has direct access to downtown Oklahoma City.
- 4 & 5-Star properties possess the highest share in the submarket, with over 5,000 units currently available. 1 & 2-Star rated properties have the highest vacancy rate, which suggests that the submarket consists of a more affluent population that places an emphasis on quality.
- The selected multifamily competitive set was decided based on their location, quality, and year built. This may help to offer an idea of how a new multifamily project would perform in Norman, OK. The newest property has noticeably higher vacancy rates, suggesting a long lease-up period before stabilization.



12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
<b>0</b>	<b>(14)</b>	<b>7.1%</b>	<b>4.3%</b>

KEY INDICATORS							
Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	3,451	4.9%	\$1,234	\$1,228	0	0	0
3 Star	5,504	7.1%	\$923	\$917	0	0	0
1 & 2 Star	3,870	9.0%	\$816	\$811	4	0	0
<b>Submarket</b>	<b>12,825</b>	<b>7.1%</b>	<b>\$983</b>	<b>\$978</b>	<b>4</b>	<b>0</b>	<b>0</b>
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.1%	7.3%	6.9%	12.7%	2015 Q2	4.2%	2021 Q3
Absorption Units	(14)	130	27	614	2010 Q4	(449)	2022 Q4
Delivered Units	0	160	0	654	2016 Q1	0	2023 Q3
Demolished Units	0	13	10	260	2016 Q2	0	2023 Q3
Asking Rent Growth (YOY)	4.3%	2.7%	4.1%	9.7%	2021 Q4	-6.5%	2010 Q1
Effective Rent Growth (YOY)	4.5%	2.7%	4.1%	10.6%	2021 Q4	-6.4%	2010 Q1
Sales Volume	\$47M	\$29.3M	N/A	\$146.1M	2023 Q1	\$0	2007 Q4



# Multifamily Submarket

## Comparable Market Developments



### Sooner Station and University North Park

**Built:** 2021

**Vacancy:** 18.7%

**Unit Mix:** 88 Studio, 71 1-Bed, 30 2-Bed

**Avg Asking Rent:** \$3,556, \$4.16 PSF



### Artisan Crossing

**Built:** 2021

**Vacancy:** 3.8%

**Unit Mix:** 129 1-Bed, 117 2-Bed

**Avg Asking Rent:** \$1,354, \$1.38 PSF



### Carlstone

**Built:** 2020

**Vacancy:** 2.3%

**Unit Mix:** 74 1-Bed, 14 2-Bed

**Avg Asking Rent:** \$2,503, \$3.26 PSF



### TERRA at University North Park

**Built:** 2018

**Vacancy:** 5.8%

**Unit Mix:** 40 Studio, 105 1-Bed, 138 2-Bed, 20 3-Bed

**Avg Asking Rent:** \$1,404, \$1.64 PSF



### Legacy Trail Apartments

**Built:** 2017

**Vacancy:** 4.5%

**Unit Mix:** 29 1-Bed, 59 2-Bed, 120 3-Bed

**Avg Asking Rent:** \$1,288, \$1.12 PSF



### Anatole at Norman

**Built:** 2016

**Vacancy:** 7.2%

**Unit Mix:** 157 1-Bed, 73 2-Bed

**Avg Asking Rent:** \$1,252, \$1.45 PSF

# Multifamily Submarket

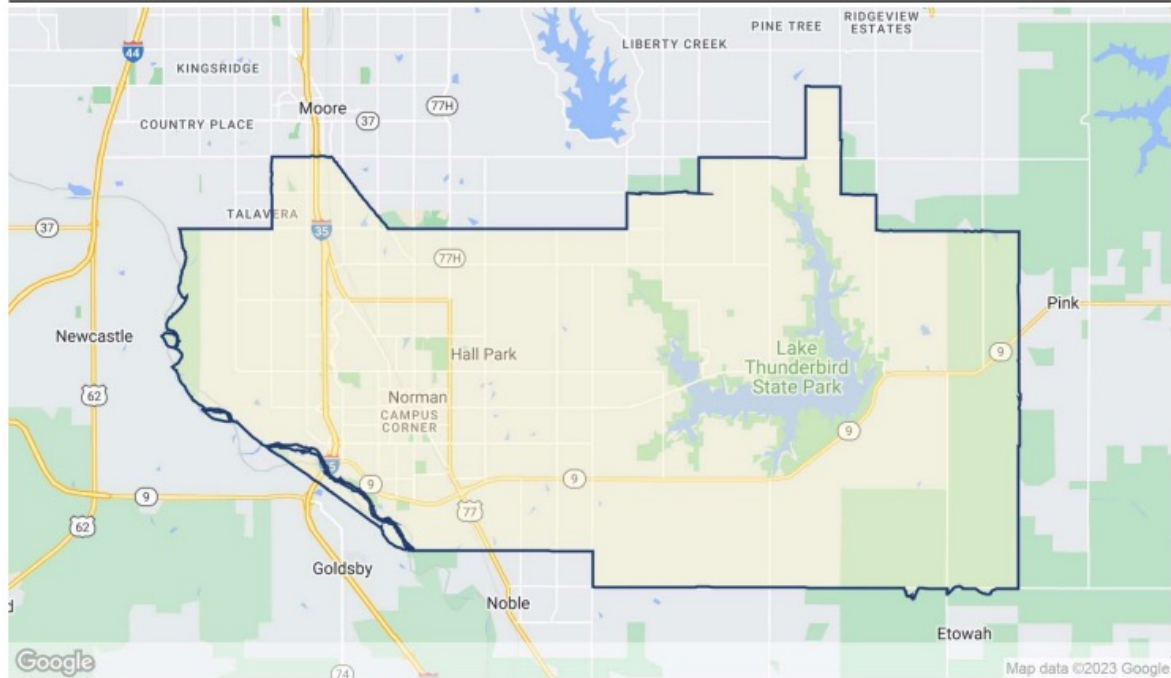
## Supply, Demand & Development Pipeline

- The Norman submarket has on average 156 units delivered to the market on an annual basis. There have been zero units delivered to the submarket since 2021. This alludes to a slow multifamily delivery to the market based on historic averages.
- One of the properties delivered to the market within the past two years is a 189-unit complex located in University North Park. Currently there is an 18.7 percent vacancy rate, so properties in the submarket have a prolonged lease-up period.
- The other property recently delivered to the market is a 246-unit facility that has a 3.8 percent vacancy rate.
- According to the Overall Supply & Demand table to the right, with the delivery of zero units in 2023, there will be no increase in the submarket inventory.
- In the future, it is projected that there will be mostly positive absorption with future deliveries until 2027.

All-Time Annual Avg. Units	Delivered Units Past 8 Qtrs	Delivered Units Next 8 Qtrs	Proposed Units Next 8 Qtrs
156	0	0	0

Item 3.

PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



OVERALL SUPPLY & DEMAND

Year	Inventory			Absorption		
	Units	Growth	% Growth	Units	% of Inv	Construction Ratio
2027	12,779	(12)	-0.1%	8	0.1%	-
2026	12,791	(12)	-0.1%	41	0.3%	-
2025	12,803	(11)	-0.1%	(7)	-0.1%	1.6
2024	12,814	(11)	-0.1%	21	0.2%	-
2023	12,825	0	0%	131	1.0%	0
YTD	12,825	0	0%	139	1.1%	0
2022	12,825	0	0%	(476)	-3.7%	0
2021	12,825	246	2.0%	376	2.9%	0.7
2020	12,579	0	0%	201	1.6%	0
2019	12,579	(45)	-0.4%	127	1.0%	-
2018	12,624	347	2.8%	537	4.3%	0.6
2017	12,277	208	1.7%	74	0.6%	2.8
2016	12,069	256	2.2%	(2)	0%	-
2015	11,813	368	3.2%	257	2.2%	1.4
2014	11,445	256	2.3%	143	1.2%	1.8
2013	11,189	170	1.5%	141	1.3%	1.2
2012	11,019	396	3.7%	390	3.5%	-
2011	10,623	0	0%	1	0%	-

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# Key Highlights

## Multifamily Submarket

The proposed entertainment venue and surrounding mixed-use district would generate a higher quality of life for the citizens of Norman, especially for prospective students at the university. With a limited number of multifamily properties near to the Project site, there is an opportunity to develop additional Class A and B housing units as part of the overall development plan. As the Norman submarket has low vacancies and stable rent growth, there is potential to accompany a growing community and student population in newer multifamily facilities.

4 & 5-Star properties possess the highest share in the submarket, with over 5,000 units currently available. 1 & 2-Star rated properties have the highest vacancy rate, which suggests that the submarket consists of a more affluent population that places an emphasis on quality.

OU heavily influences the Norman multifamily submarket. Overall, Norman offers great retail offerings, easy access to and a convenient commute along I-35, and established neighborhoods.

Student housing is a competitor to market-rate communities. Most market-rate developments have been focused along the interstate, which has direct access to downtown Oklahoma City.

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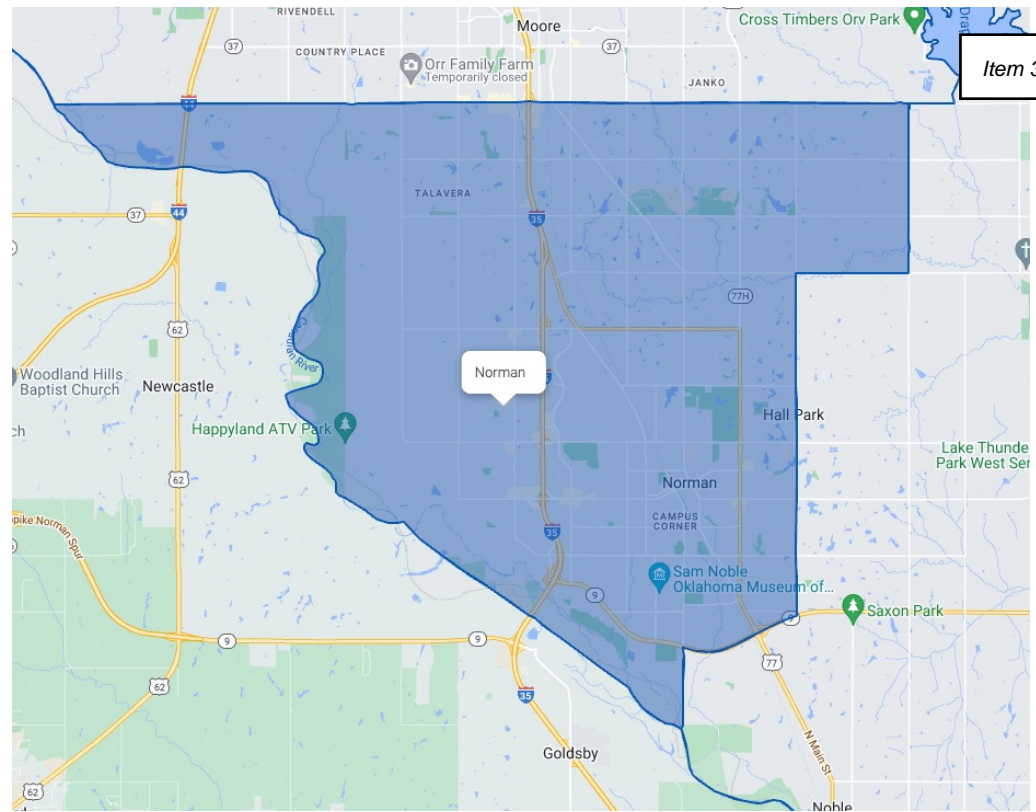


# Office Submarket

Item 3.

## Submarket Analysis

- The Norman office submarket has a vacancy rate of 6.9 percent and has increased 1.4 percent in the past year, which is higher than that of the Oklahoma City market of 0.6 percent.
- 1 and 2-star spaces are the most abundant subtype with nearly 2.1 million SF in the category. The submarket is in line with Oklahoma City when it comes to rents, with the average being \$19.50/SF.
- Within the past 3 years 84 sales have taken place, with 19 of those being within this past year. Sales have averaged approximately \$147/SF.
- The majority of construction completed within the past 8 quarters are along I-35 near the Project site, as well as construction that is currently underway and proposed.
- Franklin Business Park has seen the most recent deliveries along Adams Road, with the most recent being October 2023.
- Annual sales volume is at an average of \$30 million within the past five years, with the highest deal reaching nearly \$50.8 million within a 12-month period.



### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	271,656	7.9%	\$25.75	4.2%	(4,651)	0	0
3 Star	1,836,077	8.8%	\$20.76	11.9%	(22)	11,002	8,900
1 & 2 Star	2,174,230	6.6%	\$17.59	7.1%	(12,896)	0	0
<b>Submarket</b>	<b>4,281,963</b>	<b>7.6%</b>	<b>\$19.47</b>	<b>9.0%</b>	<b>(17,569)</b>	<b>11,002</b>	<b>8,900</b>
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.9%	6.0%	7.8%	8.8%	2019 Q1	3.2%	2015 Q1
Net Absorption SF	(18.1K)	77,730	12,859	211,744	2015 Q3	(59,023)	2017 Q4
Deliveries SF	69.1K	83,090	36,691	247,587	2019 Q1	4,358	2013 Q4
Rent Growth	2.5%	2.0%	0.9%	9.2%	2008 Q1	-7.3%	2017 Q3
Sales Volume	\$9.7M	\$14.2M	N/A	\$50.8M	2019 Q3	\$669.5K	2008 Q2

# Office Submarket

## Comparable Market Developments



**Cornerstone Home Lending, Inc**  
**Built:** 2020  
**Vacancy:** 0.0%  
**RBA:** 6,653 SF  
**CoStar Est. Rent:** \$21.17-25.88 PSF



**Mustang Extreme Environmental Services**  
**Built:** 2018  
**Vacancy:** 0.0%  
**RBA:** 5,422 SF  
**Est. Rent:** \$17.16-20.97 PSF



**Landmark Fine Home**  
**Built:** 2018  
**Vacancy:** 0.0%  
**RBA:** 7,009 SF  
**Asking Office Rent:** \$18.55-22.68 PSF



**Walker H D & J K Trust**  
**Built:** 2018  
**Vacancy:** 0.0%  
**Size:** 111,693 SF  
**Asking Rent:** \$18.46-22.56 PSF



**GulfTex Energy IV, LP**  
**Built:** 2017  
**Vacancy:** 50.0%  
**Size:** 3,450 SF  
**Asking Rent:** \$20.00 PSF



**Valliance Bank**  
**Built:** 2012  
**Vacancy:** 0.0%  
**Size:** 15,279 SF  
**Asking Rent:** \$17.32-21.17 PSF

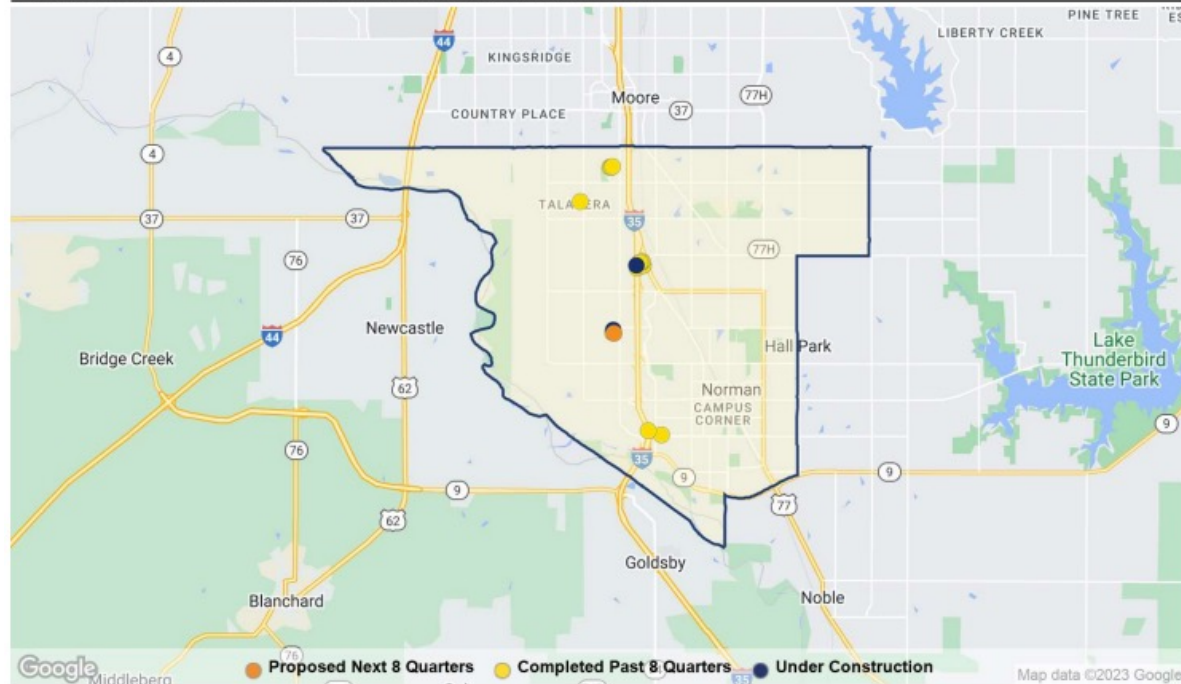
# Office Submarket

## Supply, Demand & Development Pipeline

- The Norman submarket has on average 82,148 square feet delivered to the market on an annual basis. There have been a total of 110,187 square feet delivered to the submarket over the past two years. This is a bit slower in office delivery to the market based on historic averages.
- According to the Overall Supply & Demand table to the right, there is an expected delivery of 5,000 square feet to the submarket over the next two years.
- The supply projection for the next year is negative as it is predicted that there will be no deliveries when in fact there will be a decrease in the supply of office in the submarket. After 2024, the following three years are positive, indicating an increase of deliveries and supply in the market.
- Alongside the decrease in supply, it is projected that there will be negative absorption for the next coming year, then numbers should rise and see a positive absorption in the three years to follow.

All-Time Annual Avg. Square Feet	Delivered Square Feet Past 8 Qtrs	Delivered Square Feet Next 8 Qtrs	Proposed Square Feet Next 8 Qtrs
82,148	110,187	8,900	5,000 <span style="border: 1px solid black; padding: 2px;">Item 3.</span>

PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	4,375,625	45,437	1.0%	39,493	0.9%	1.2
2026	4,330,188	34,777	0.8%	34,604	0.8%	1.0
2025	4,295,411	10,973	0.3%	12,151	0.3%	0.9
2024	4,284,438	2,475	0.1%	(35,704)	-0.8%	-
2023	4,281,963	57,576	1.4%	(17,520)	-0.4%	-
YTD	4,281,963	57,576	1.4%	(42,573)	-1.0%	-
2022	4,224,387	45,611	1.1%	90,905	2.2%	0.5
2021	4,178,776	74,277	1.8%	67,988	1.6%	1.1
2020	4,104,499	144,416	3.6%	188,362	4.6%	0.8
2019	3,960,083	144,322	3.8%	146,613	3.7%	1.0
2018	3,815,761	151,548	4.1%	82,477	2.2%	1.8
2017	3,664,213	74,903	2.1%	(59,023)	-1.6%	-
2016	3,589,310	66,910	1.9%	111,125	3.1%	0.6
2015	3,522,400	129,068	3.8%	89,081	2.5%	1.4
2014	3,393,332	128,804	3.9%	158,925	4.7%	0.8
2013	3,264,528	4,358	0.1%	63,427	1.9%	0.1
2012	3,260,170	88,456	2.8%	60,776	1.9%	
2011	3,171,714	20,289	0.6%	30,031	0.9%	

# Key Highlights

## Office Market

The Norman office submarket has been stable in terms of growth and development of the total square footage offered in the submarket. The current vacancy rate is at 6.9 percent and has increased 1.4 percent in the past year. The average office property size in the submarket is 6,700 SF where the median office property size is around 5,000 SF. Norman is plentiful in terms of smaller office buildings with fewer larger office complexes.

1 and 2 Star are the most abundant subtype with nearly 2.1 million SF in the category. The submarket is in line with Oklahoma City when it comes to rents, with the average being \$19.50/SF.

The Norman office submarket has a vacancy rate of 6.9 percent and has increased 1.4 percent in the past year, which is higher than that of the Oklahoma City market of 0.6 percent.

The Comparable Market Developments Set shows properties that display opportunity with a large Master Plan like the recommendations. Franklin Business Park has seen the most recent deliveries along Adams Road.

Item 3.



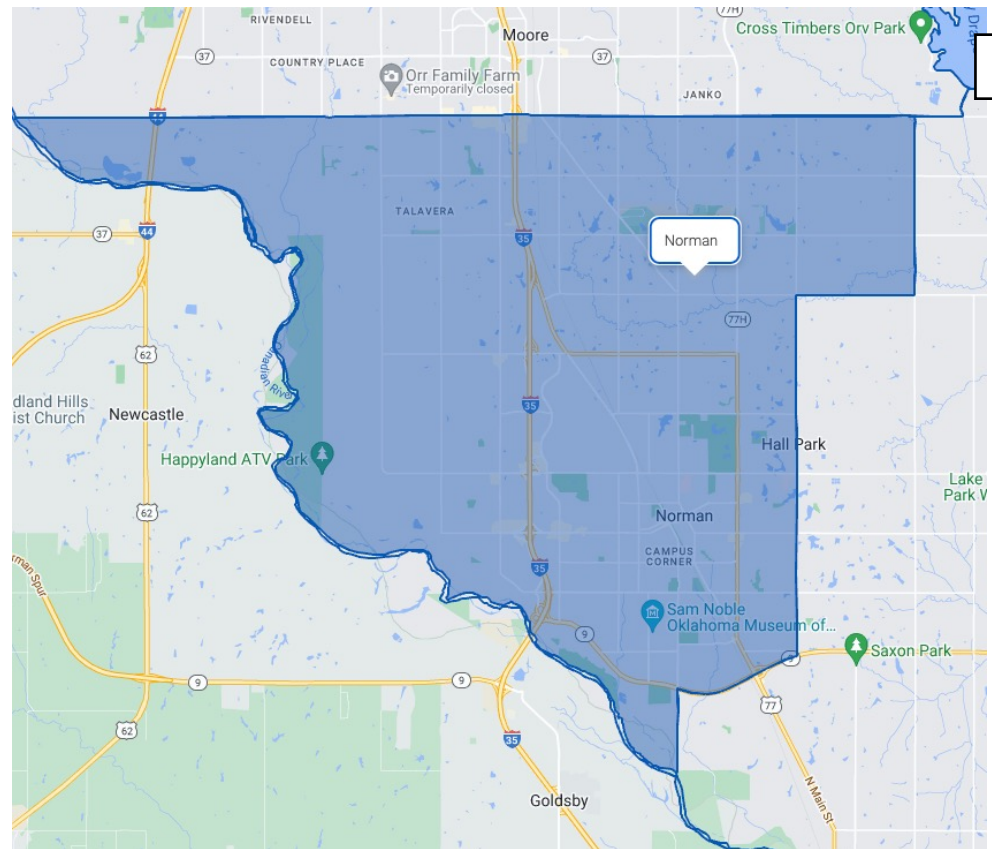
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# Retail Submarket

Item 3.

## Submarket Analysis

- The Norman retail submarket has seen negative net absorption over the past 12 months of nearly 68,000 SF. Vacancy rates are also at a rise of 0.9 percent over the same period and are currently at 6.6 percent.
- Within the submarket, general retail is the largest subtype with approximately 6.2 million SF under construction.
- There have been 83 sales within the past 3 years, and 17 of those sales have taken place within the past year and averaged about \$260/SF.
- Rents are at approximately \$18.80/SF and continue to increase.
- The market price is up since the fourth quarter of last year and the level average is above that of the Oklahoma City metro.



### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	693,640	15.0%	\$21.43	6.1%	0	0	0
Power Center	1,283,409	6.7%	\$21.61	9.1%	0	0	0
Neighborhood Center	1,876,531	7.7%	\$16.38	8.3%	(27)	0	0
Strip Center	367,695	11.0%	\$19.32	11.3%	8,476	0	0
General Retail	6,119,611	5.0%	\$18.47	6.1%	4,160	0	6,180
Other	159,943	0%	\$23.18	0%	0	0	0
<b>Submarket</b>	<b>10,500,829</b>	<b>6.5%</b>	<b>\$18.77</b>	<b>7.0%</b>	<b>12,609</b>	<b>0</b>	<b>6,180</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.9%	3.9%	6.9%	6.6%	2023 Q3	2.1%	2015 Q4
Net Absorption SF	(46.6K)	147,878	17,408	665,781	2007 Q1	(194,780)	2020 Q2
Deliveries SF	52.1K	182,162	55,751	678,007	2007 Q1	23,722	2021 Q2
Rent Growth	1.9%	2.3%	1.0%	4.6%	2022 Q3	-0.5%	2009 Q2
Sales Volume	\$12.9M	\$51.5M	N/A	\$231.2M	2015 Q2	\$4.8M	2009 Q3

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# Retail Submarket

## Comparable Market Developments



**Brookhaven Village Building E**  
**Built:** 1985  
**Vacancy:** 27.5%  
**Size:** 63,341 SF  
**CoStar Est. Rent:** \$22.00 PSF



**Parkway Plaza**  
**Built:** 1996  
**Vacancy:** 44.8%  
**Size:** 112,917 SF  
**Est. Rent:** \$24.00 PSF



**University Town Center**  
**Built:** 2013  
**Vacancy:** 0.0%  
**Size:** 64,360 SF  
**Asking Office Rent:** \$22.43 PSF



**Madison Square**  
**Built:** 2008  
**Vacancy:** 0.0%  
**Size:** 88,000 SF  
**Asking Rent:** \$18.00 PSF



**Shops at Tecumseh**  
**Built:** 2018  
**Vacancy:** 0.0%  
**Size:** 18,379 SF  
**Asking Rent:** \$25.00 PSF



**Alameda Square Shopping Center**  
**Built:** 1984  
**Vacancy:** 27.5%  
**Size:** 93,858 SF  
**Asking Rent:** \$12.98 PSF

# Retail Submarket

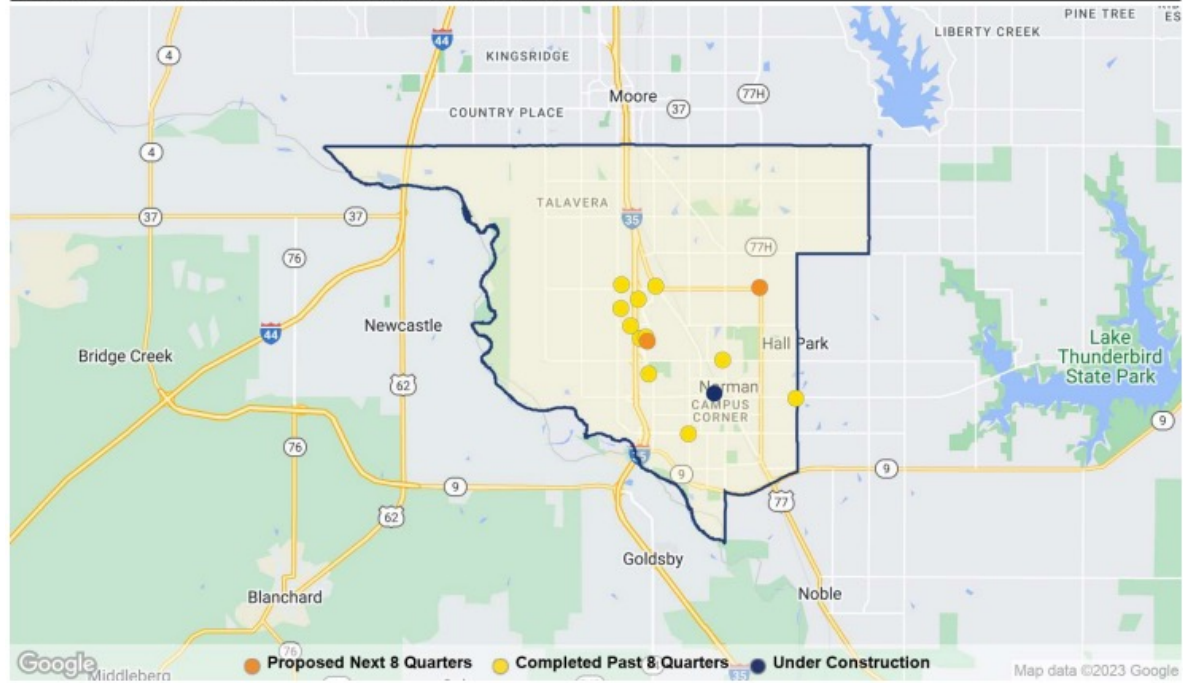
All-Time Annual Avg. Square Feet	Delivered Square Feet Past 8 Qtrs	Delivered Square Feet Next 8 Qtrs	Proposed Square Feet Next 8 Qtrs
176,540	194,998	6,180	116,400

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## Supply, Demand & Development Pipeline

- The Greater Norman submarket has on average 176,540 square feet delivered to the market on an annual basis. There has been 194,998 square feet delivered to the submarket over the past two years. This is above the retail delivery average in the market based on historic averages.
- When analyzing the next two years, there is 6,180 square feet that will be delivered to the market and 116,400 square feet that is proposed to be delivered in the next two years.
- The proposed 116,400 square feet is divided between two properties. The 66,400 square foot property will be an addition to University Town Center. The 50,000 square foot property will be located on East Tecumseh Road.
- According to the Overall Supply & Demand table shown to the right, there is negative absorption levels projected for the next year in the submarket, until numbers stabilize and become positive in the three years to follow. Based on positive absorption of new supply in the coming years, there is opportunity for additional retail development.

PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



OVERALL SUPPLY & DEMAND

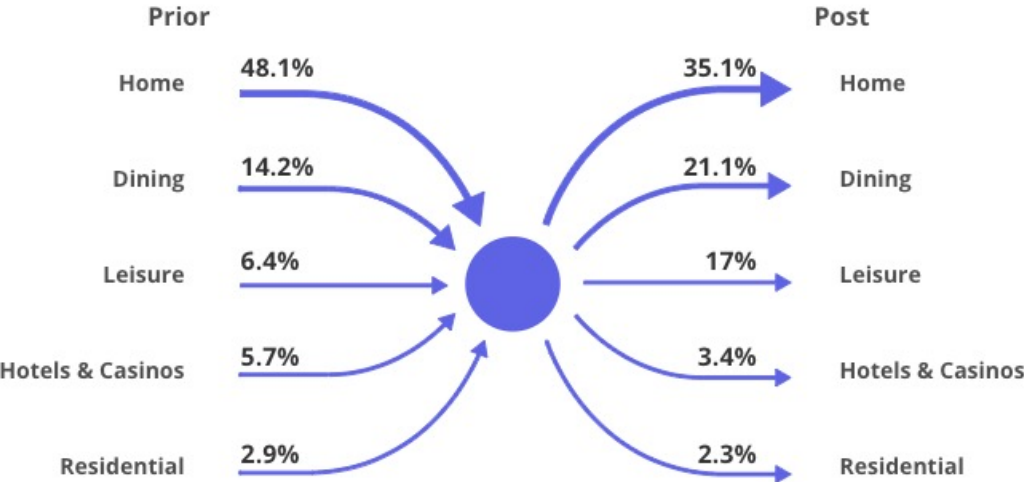
Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	10,665,412	71,807	0.7%	52,831	0.5%	1.4
2026	10,593,605	60,312	0.6%	46,746	0.4%	1.3
2025	10,533,293	35,527	0.3%	26,833	0.3%	1.3
2024	10,497,766	(3,063)	0%	(32,237)	-0.3%	-
2023	10,500,829	50,500	0.5%	(62,933)	-0.6%	-
YTD	10,500,829	50,500	0.5%	(61,884)	-0.6%	-
2022	10,450,329	101,780	1.0%	115,034	1.1%	0.9
2021	10,348,549	204,902	2.0%	76,174	0.7%	2.7
2020	10,143,647	42,115	0.4%	102,405	1.0%	0.4
2019	10,101,532	29,241	0.3%	(124,157)	-1.2%	-
2018	10,072,291	183,026	1.9%	57,201	0.6%	3.2
2017	9,889,265	28,656	0.3%	31,345	0.3%	0.9
2016	9,860,609	137,688	1.4%	99,047	1.0%	1.4
2015	9,722,921	77,085	0.8%	194,162	2.0%	0.4
2014	9,645,836	110,670	1.2%	95,498	1.0%	1.2
2013	9,535,166	341,445	3.7%	416,836	4.4%	0.8
2012	9,193,721	120,920	1.3%	93,224	1.0%	-
2011	9,072,801	218,913	2.5%	169,871	1.9%	-

# Retail Visitation

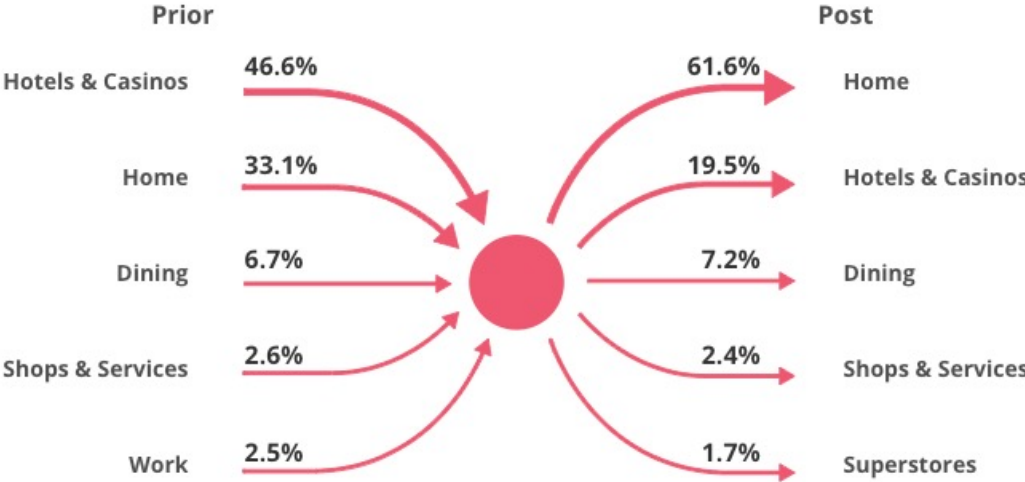
## Retail Visitation Analysis

With the incorporation of Placer.ai as a visitation tracking tool, Hunden has analyzed prior and post points of interests and the “Favorite Places” of the Lloyd Noble Center and Riverwind Casino. Favorite Places is defined as a list of other local places that visitors to a certain property have also visited during the selected time frame. The Top Five most popular points of interest for both subject properties are all in the retail industry, classified as malls or shopping centers. Additionally, Leisure and Dining are seen as most popular for visitors to frequent before and after visiting the Lloyd Noble Center and Riverwind Casino.

### Lloyd Noble Center



### Riverwind Casino



Rank	Point of Interest	Miles Away	# of Visitors
#1	University Town Center	4.2	154,000
#2	Penn Square Mall	24.1	118,500
#3	Will Rogers World Airport	16.7	93,400
#4	Gaylord Family Oklahoma Memorial Stadium	1.3	91,400
#5	Target	4.0	89,100

Source: Placer.ai

Rank	Point of Interest	Miles Away	# of Visitors
#1	University Town Center	4.2	114,700
#2	Penn Square Mall	24.0	104,00
#3	Westgate Marketplace	20.7	99,700
#4	Newcastle Casino	8.6	82,300
#5	Will Rogers World Airport	15.8	73,700

Source: Placer.ai

# Retail / Dining Nodes

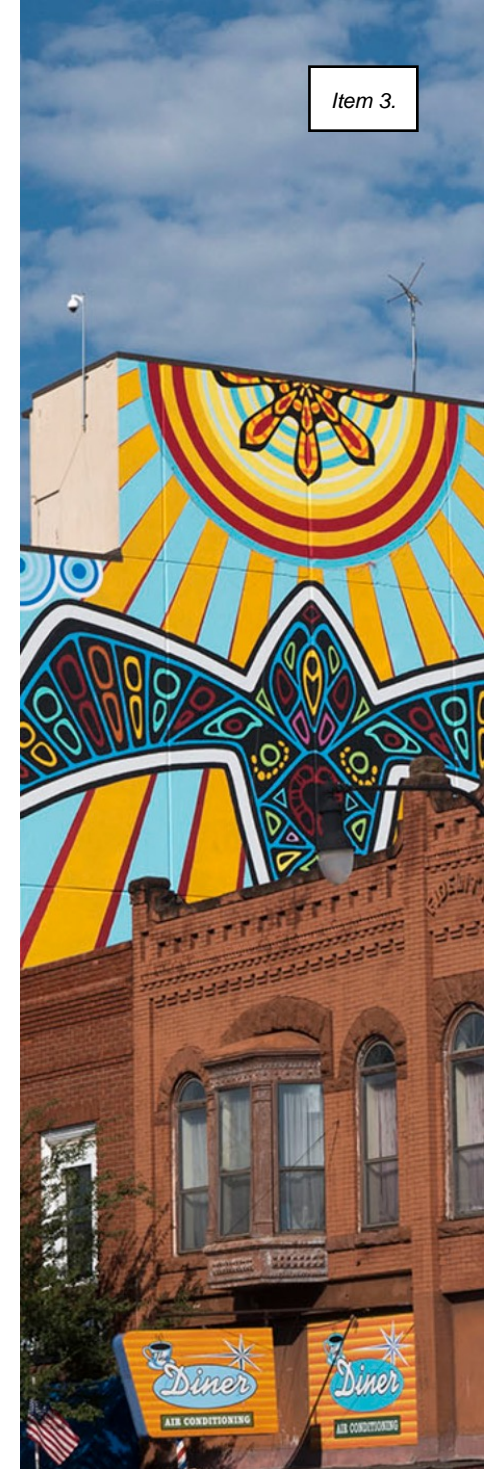
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**Norman, OK Major Retail & Dining Nodes - Ranked by Total 2022 Visits**

Area	2022 Visits	2022 Visitors	Visits Per Customer	Visits Over 100 Miles	% Visits over 100 Miles	Restaurants	Retailers	Adjacent Hotel Rooms
University Town Center	4,900,000	944,800	5.19	703,800	14.4%	22	41	503
Campus Corner	3,300,000	545,100	6.05	1,100,000	33.3%	23	22	91
Parkway Plaza	2,300,000	595,800	3.86	277,600	12.1%	2	13	194
Historic Downtown	1,900,000	504,100	3.77	483,300	25.4%	42	50	16
Redbud Plaza	1,800,000	427,800	4.21	148,400	8.2%	4	17	135
Sooner Mall	1,500,000	562,400	2.67	142,300	9.5%	7	52	283
Brookhaven Village	935,500	231,300	4.04	146,500	15.7%	6	22	0
Robinson Crossing	821,600	310,900	2.64	152,000	18.5%	4	28	0
<b>Total</b>	<b>17,457,100</b>	<b>4,122,200</b>	<b>4.23</b>	<b>3,153,900</b>	<b>18.1%</b>	<b>110</b>	<b>245</b>	<b>1,222</b>

Source: Placer.ai

- Norman has a number of major retail and dining nodes, with multiple nodes located adjacent to or near the Project site.
- University Town Center (UTC), located directly south of the Project site, generated an estimated 4.9 million visits in 2022 with 503 walkable hotel rooms over three properties. The UTC POI that resulted in these visitation statistics does not include roads or large surface parking areas.
- Campus Corner, located on OU’s campus, generated the highest number of estimated long-distance visits.
- Commercial tenants at these major nodes include mostly big box, chain, or fast casual concepts that do not drive long-distance visitation.
- Downtown Norman has the highest density of unique and locally driven restaurants and retailers, often sought after by visitors looking for a unique, historic or walkable setting.
- Downtown OKC offers additional high-end retail in its traditional mall settings, along with additional retail centers located outside the downtown core.
- The Project presents the opportunity to attract unique and experiential restaurant and retail concepts that drive long-distance visitor spending and impacts. “Eatertainment” concepts are attractive to both residents and families and those visiting Norman or the district for major events.
- Though most of these nodes have walkable hotels, these are mostly limited-service properties, and offerings within these nodes themselves are not cause enough to generate new overnight demand.



# Key Highlights

## Retail Market

The proposed entertainment venue and surrounding mixed-use district will generate a much larger customer segment to the area that in turn will further support retail centers and mall developments. As Norman expands on the multi purpose event center, there will be large demand for the visitors to this facilities to dine and shop locally after attending a show, conference or sporting event.

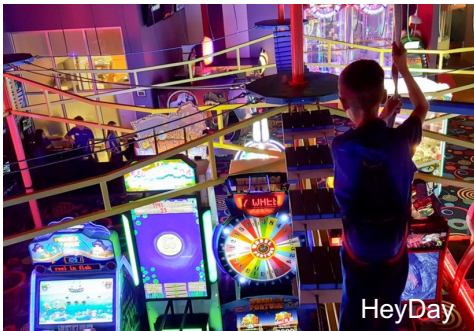
The Norman retail submarket has seen negative net absorption over the past 12 months of nearly 68,000 SF. Vacancy rates have also risen 0.9 percent over the same period and are currently at 6.6 percent.

Within the submarket, general retail is the largest subtype with approximately 6.2 million SF under construction.

The Comparable Market Developments Set displays properties that are extensive in size, have large visitation, and have low vacancies. One of the latest major deliveries to the market was the Shops at Tecumseh and has performed strongly with full-occupancy.



# Entertainment



The table to the right details popular arts, amateur sports, and entertainment assets with associated estimated 2022 visitation.

- There are a wide variety of entertainment driven assets in Norman, including casinos, family-entertainment retail, outdoor sports and recreation, and arts facilities.
- These types of assets not only service the local community, but aid in generating long-distance visitation and spending.
- The future planned National Weather Center Museum would also drive tourism and spending to the district.
- Though OKC has additional arts and entertainment offerings, the Project can infuse additional entertainment assets to help activate the district on a year-round basis and generate additional economic impacts and taxes.

Facility	2022 Visits	2022 Visitors	Visits Per Customer	Visits Over 100 Miles	% Visits over 100 Miles
Riverwind Casino	1,600,000	328,400	4.87	286,900	17.9%
OU Arts District	585,600	82,400	7.11	222,900	38.1%
Reaves Sports Complex	481,100	198,300	2.43	86,400	18.0%
HeyDay Norman	406,000	235,800	1.72	52,900	13.0%
Griffin Sports Complex	316,200	65,200	4.85	37,400	11.8%
Sooner Bowling Center	195,000	95,000	2.05	24,000	12.3%
Robinson Crossing AMC Theatre	192,000	92,600	2.07	22,100	11.5%
Thunderbird Casino	154,300	30,800	5.01	14,400	9.3%
National Weather Center	86,500	10,100	8.56	36,700	42.4%
Westwood Family Aquatic Center	76,100	29,500	2.58	6,000	7.9%
Stratus Climbing, Yoga & Fitness	62,200	11,300	5.50	11,200	18.0%
Goldby Gaming Center	54,500	13,600	4.01	2,400	4.4%
Oklahoma Motor Sports Complex	47,800	23,700	2.02	12,300	25.7%
Calypso Cove Marina	23,400	11,100	2.11	2,500	10.7%
The Depot	18,200	15,900	1.14	5,300	29.1%
Sooner Theatre	18,100	9,800	1.85	2,500	13.8%
<b>Total</b>	<b>4,317,000</b>	<b>1,253,500</b>	<b>3.44</b>	<b>825,900</b>	<b>19.1%</b>

Source: Placer.ai

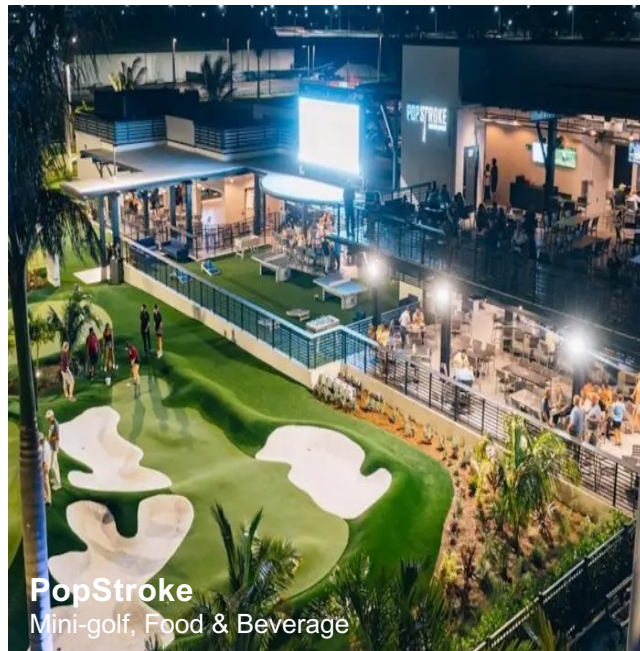
# Family Entertainment / “Eatertainment”

Even with the planned entertainment venue for the Project, there are other sources of entertainment that are widely popular around the country that wouldn't require as significant public investment or incentives as the proposed venue. These facilities are often developed as part of a broader mixed-use district to provide additional activities for visiting families and guests that can aid in extending stays and spending.

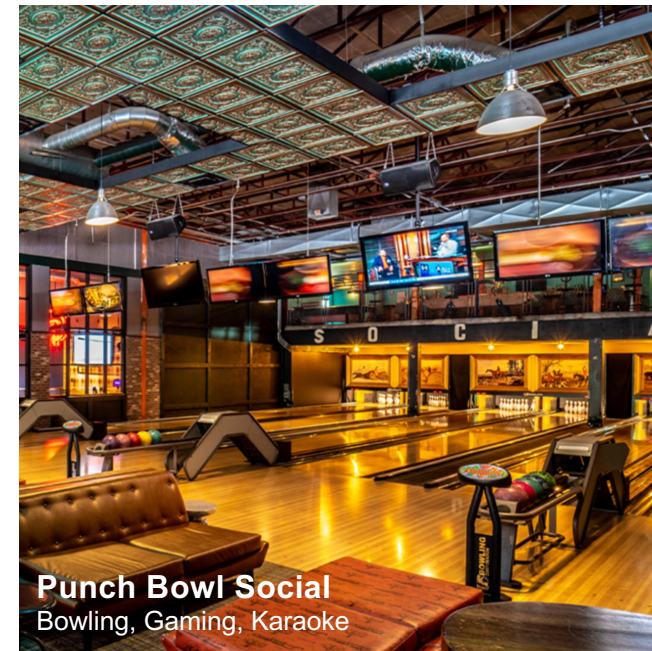
Eatertainment venues combine dining with entertainment options but are higher end experiences than traditional arcades or bowling alleys. Eatertainment venues are a one-stop experience for premium meals, fun activities and a destination for consumers to meet up with friends and family in a more active and engaging fashion than a standard restaurant. OKC offers such popular concepts as Topgolf and Chicken N Pickle.

These venues are often very successful in sports and entertainment districts because of their ability to accommodate large groups. Eatertainment venues are typically large in size, which is beneficial for meetings and events as they can host groups looking for entertainment and restaurant options. They can serve as an anchor for a sports or entertainment district.

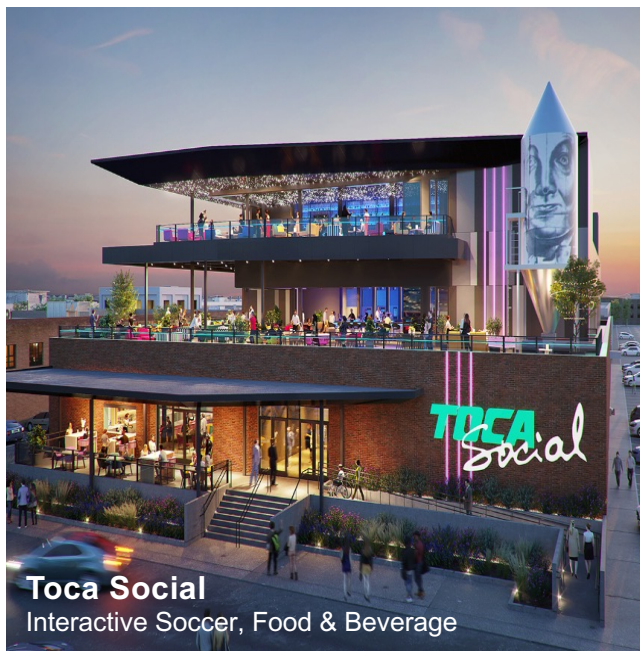
The images to the right show examples of these innovative concepts to show potential development opportunities in the area of experiential dining, sports, and family entertainment.



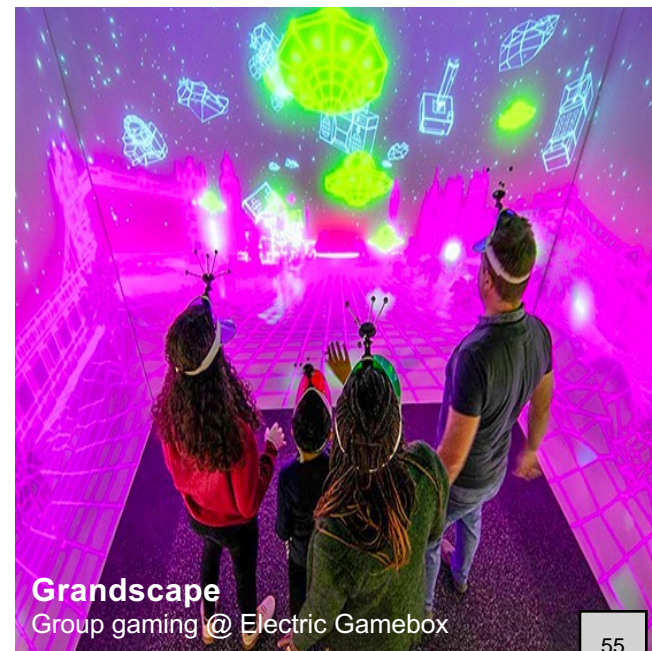
**PopStroke**  
Mini-golf, Food & Beverage



**Punch Bowl Social**  
Bowling, Gaming, Karaoke



**Toca Social**  
Interactive Soccer, Food & Beverage



**Grandscape**  
Group gaming @ Electric Gamebox

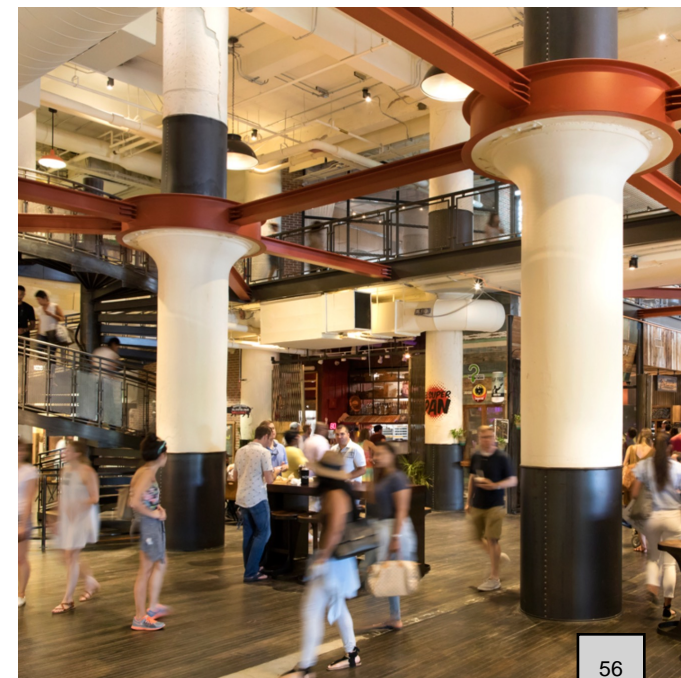
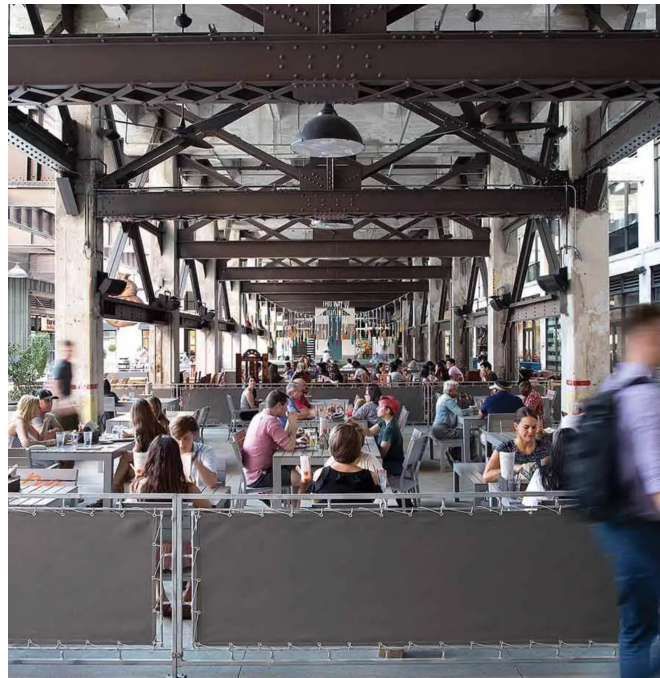
# Food Halls

Food halls are an increasingly popular dining option that offer consumers a high-end, unique experience. Food halls consist of an assortment of food and beverage options and often are combined with retail shops and entertainment nodes to make the space a destination.

Restaurants in food halls focus on locally-developed start-ups as opposed to food courts that offer large national chains. The assortment of options that are offered attract large groups of people, fulfilling the desires of all consumers in the group and allowing them to enjoy a meal together. Food halls also often incorporate outdoor dining and event space often activated with live entertainment and events.

- Norman has number of breweries located mostly downtown. Additions to these can be infused into food halls as well as part of a district's overall food and beverage plan.
- The Collective, OKC's first food hall, features 11 kitchens, a 32-tap bar, and rooftop patio.

The pictures on the right show the Ponce City Market food halls in Atlanta, GA.

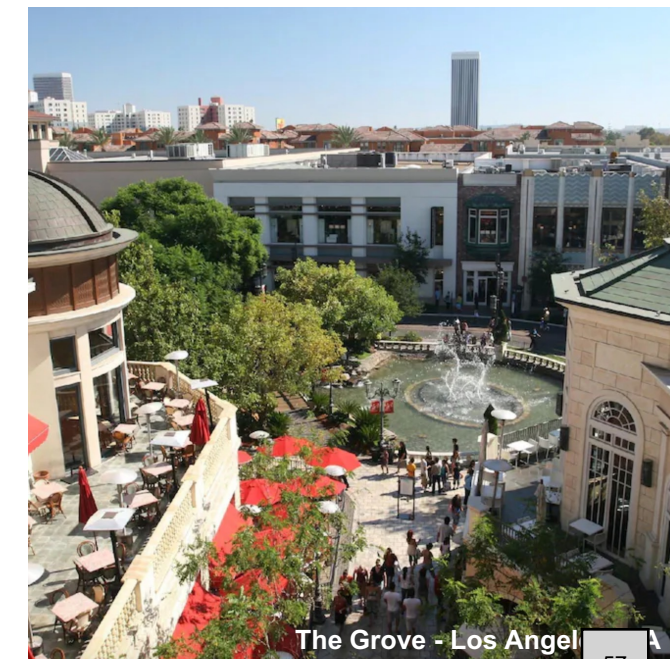




# Campus-Style Clustering

There are two main types of district design: linear street layout and campus-style clustering. The Project is best suited for campus-style clustering, features of which include:

- Large indoor spaces and rooftops create opportunities for scenic views and stand-out entertainment concepts
- Combine well with recreational trails and outdoor / activated plaza spaces
- Large building sizes offer multiple uses on different level, such as co-working offices, hotels, loft-style residences, meeting and event space, and small-shop marketplaces
- Often house city-markets with locally-made goods and fresh foods
- Are distinctly attractive for arts-based events, art installations, and become stops for tourists looking for something to augment their driving tours
- Groupings of buildings allows for clusters of theme-based retailers and uses, lifestyle retail, and hospitality/nightlife
- Creative lighting at night highlights the 18-hour day variety of uses and activities, looking vastly different than typical retail centers



# Key Highlights

## Retail, Dining, and Entertainment

Based on Hunden’s analysis of retail and dining nodes and existing entertainment assets, there are additional opportunities to enhance Norman’s overall appeal to increase incremental revenues at the Project site. A dense and vibrant mixed-use district surrounding the proposed entertainment venue would aid in providing a sense of place, providing unique offerings beyond the mostly traditional retail and restaurant development currently in Norman. Below outlines key elements to successful districts that can be applied to the Project.

Create a **density of retail, restaurant, entertainment, multifamily, office, and hotel offerings** adjacent to major demand inducing assets such as arenas, stadiums or convention centers in order to create a critical mass of people 24/7.

Feature vehicular through-streets that allow cars to drive through the development for better visibility and access, just as a village “main street.”

All-year programmed events that cater to all age groups will create a true community civic space, often in central park greens and inside food hall buildings during colder seasons.



Item 3.

# Case Studies

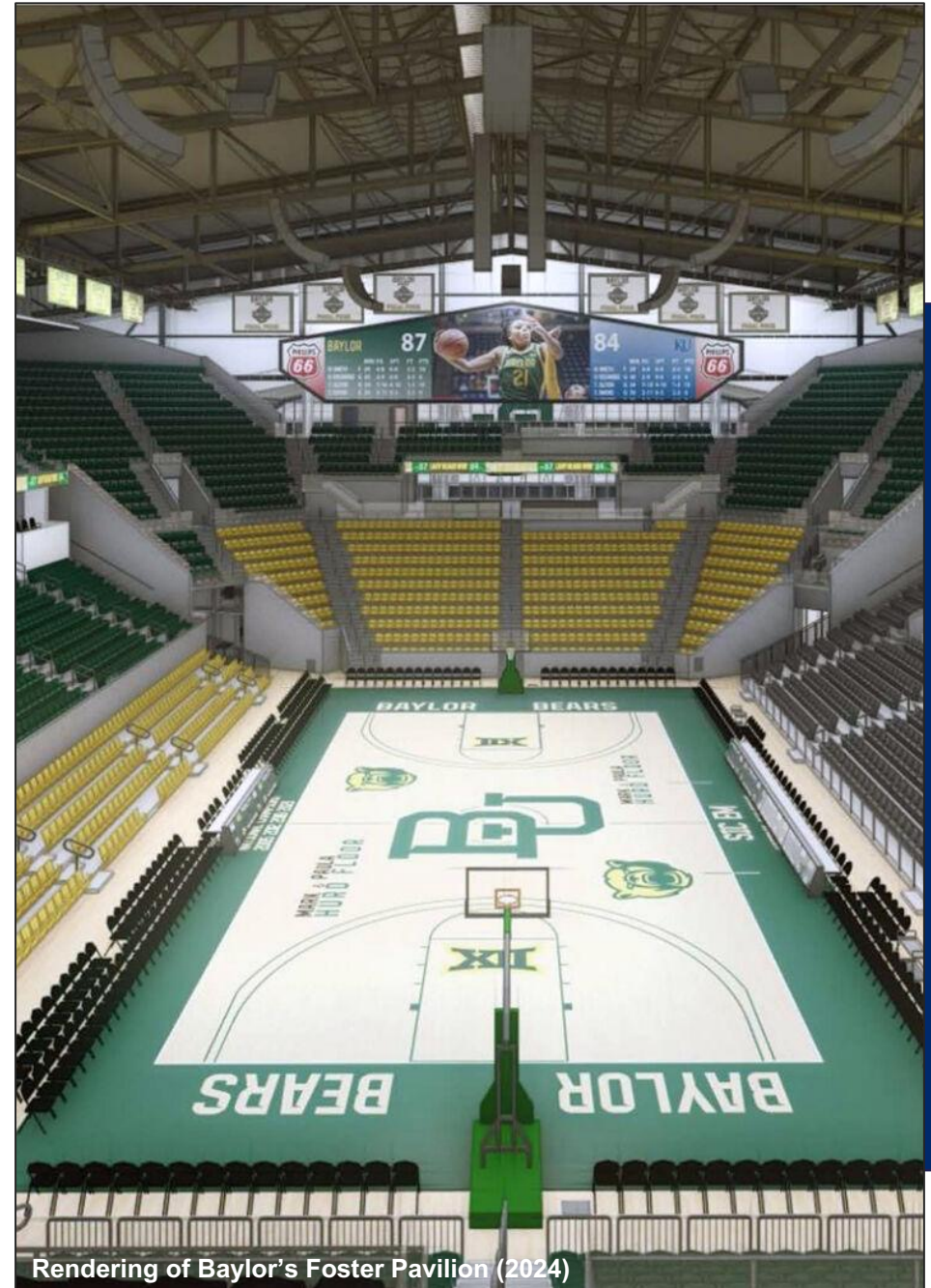
## Introduction

Hunden analyzed many University arenas across the country with the goal of answering many of the key questions outlined at the beginning of this report. Additionally, with OU joining the SEC in 2024, it is important to understand visitation trends of comparable universities within this conference.

**New Developments:** What can be learned from newly developed collegiate areas, or those under development currently? How does the mixed-use nature of many of the new developments influence these projects?

**Public-Private Financing:** How have collegiate arenas been financed?

**Third-Party Operator:** What is the impact of concerts, family shows and other events on the visitation to University arenas? How can a new arena's calendar be optimized to generate economic impact, that 'but for' the arena project, would not have occurred in the local area?



Rendering of Baylor's Foster Pavilion (2024)

# Case Studies

**30.9**

Average Number of  
Ticketed Non-University  
Events in 2022

**55%**

Average Public-Sector  
Funding Contribution

Item 3.

## Foster Pavilion



Baylor University  
Open: 2024  
Seats: 7,000  
Cost: \$213 million  
Public Share: 30.6%  
Management: OVG360



## KFC Yum! Center

University of Louisville  
Open: 2010  
Seats: 22,000  
Cost: \$238 million  
Public Share: 54%  
Management: ASM  
Non-University Events (2022): 39

## Moody Center



University of Texas - Austin  
Open: 2022  
Seats: 15,000  
Cost: \$375 million  
Public Share: 0%  
Management: OVG360  
Non-University Events (2022): 72



## Tsongas Center

University of Massachusetts  
Open: 1998  
Seats: 7,000  
Cost: \$24 million  
Public Share: 90%  
Management: OVG360  
Non-University Events (2022): 11

## Chesapeake Employers Insurance Arena



University of Maryland, Baltimore County  
Open: 2018  
Seats: 4,654  
Cost: \$85 million  
Public Share: 0%  
Management: OVG360  
Non-University Events (2022): 27



## Chaifetz Arena

St. Louis University  
Open: 2008  
Seats: 10,600  
Cost: \$80.5 million  
Public Share: 10%  
Management: OVG360  
Non-University Events (2022): 21

## Pinnacle Bank Arena



University of Nebraska  
Open: 2013  
Seats: 15,500  
Cost: \$181 million  
Public Share: 100%  
Management: ASM  
Non-University Events (2022): 14



## Addition Financial Arena

University of Central Florida  
Open: 2007  
Seats: 10,000  
Cost: \$107 million  
Public Share: 0%  
Management: Spectra  
Non-University Events (2022): 32

# Visitation Analysis

## Collegiate Arenas

Hunden assessed comparable arenas over the Big 12 and the SEC and those that were identified as comparable public-private developments with private professional management. This analysis leverages Placer.Ai geofencing data which utilizes cell phone data to provide estimates of visitation to specific points of interest (POI).

Collegiate Arena Visitation 2022															
Venue	University	Conference	Capacity	No. of Ticketed			In-County		Out-of-County		In-State		Out-of-State		
				Non-University	Total Visits	Visits/Seat	Visits	%	Visits	%	Visits	%	Visits	%	
KYC Yum! Center	University of Louisville	ACC	22,000	39	1,400,000	64	560,280	40.0%	839,720	60%	938,775	67.1%	461,225	33%	
Moody Center	University of Texas - Austin	Big 12	15,000	72	1,100,000	73	460,793	41.9%	639,207	58%	983,750	89.4%	116,250	11%	
Pinnacle Bank Arena	University of Nebraska	Big 10	15,500	14	1,000,000	65	388,561	38.9%	611,439	61%	905,560	90.6%	94,440	9%	
Addition Financial Arena	University of Central Florida	Big 12	10,000	31	977,900	98	358,117	36.6%	619,783	63%	867,045	88.7%	110,855	11%	
United Supermarkets Arena	Texas Tech University	Big 12	15,000	4	865,800	58	446,500	51.6%	419,300	48%	789,739	91.2%	76,061	9%	
Chaifetz Arena	St. Louis University	A10	10,600	21	713,400	67	172,367	24.2%	541,033	76%	518,123	72.6%	195,277	27%	
Tsongas Center	University of Massachusetts	A10	6,500	11	509,700	78	264,591	51.9%	245,109	48%	421,928	82.8%	87,772	17%	
Chesapeake Employers Insurance Arena	University of Maryland, Baltimore County	America East	4,654	27	455,400	98	146,701	32.2%	308,699	68%	336,434	73.9%	118,966	26%	
<b>Other Relevant Venues</b>															
Thompson-Boling Arena	University of Tennessee	SEC	21,678	26	1,300,000	60	430,028	33.1%	869,972	67%	948,762	73.0%	351,238	27%	
Rupp Arena	University of Kentucky	SEC	20,545	37	1,400,000	68	355,813	25.4%	1,044,187	75%	1,151,947	82.3%	248,053	18%	
The Sandy and John Black Pavillion at Ole Miss	Ole Miss University	SEC	9,500	0	475,800	50	144,300	30.3%	331,500	70%	305,449	64.2%	170,351	36%	
<b>Average</b>			<b>12,930</b>	<b>26</b>	<b>927,091</b>	<b>71</b>	<b>338,914</b>	<b>36.9%</b>	<b>588,177</b>	<b>63%</b>	<b>742,501</b>	<b>79.6%</b>	<b>184,590</b>	<b>20%</b>	
<b>Lloyd Noble</b>	<b>University of Oklahoma</b>	<b>Big 12</b>	<b>11,528</b>	<b>0</b>	<b>489,000</b>	<b>42</b>	<b>166,241</b>	<b>34.0%</b>	<b>322,759</b>	<b>66%</b>	<b>385,666</b>	<b>78.9%</b>	<b>103,334</b>	<b>21%</b>	

Source: Polstar

In terms of the student population, Placer registers a new “home” for a cell phone owner after 30 days of being at a new city every night. Thus, for each arena there is a slight overestimation of out-of-county and out-of-state visits during the initial events of the school year.

# Visitation Analysis

## Collegiate Arenas

Hunden’s assessment of several privately managed arenas was aimed at understanding the potential visitation increase of the Project compared to what is currently experienced at Lloyd Noble. The analysis below shows that if the average efficiency (visits per seat) of the eight arenas analyzed is applied to the proposed Project of 10,500 capacity. The baseline visitation increase compared to the visitation at Llyod Noble in 2022 is an estimated to be 256,500 additional annual visits. This analysis shows the impact of concerts and other non-university events and supports the projections completed in the demand, financial and impact chapters of this report.

<b>920k</b>	<b>/</b>	<b>12,930</b>	<b>=</b>	<b>71</b>
Average Number of Annual Visits		Average Capacity of Venues Analyzed		Average Number of Visits Per Seat

<b>71</b>	<b>x</b>	<b>10,500</b>	<b>=</b>	<b>745,500</b>
Average Number of Visits Per Seat		Proposed Capacity of Project		Estimated Baseline Annual Visits of Project

<i>Current</i>	<i>Estimated</i>	<i>Increase</i>	
<b>489,000</b>	<b>745,500</b>	<b>256,500</b>	
2022 Estimated Visits to Lloyd Noble Center	Estimated Baseline Annual Visits of Project	Estimated Annual Visitation Increase	



# Case Study: Profiles

# Moody Center

## Austin, TX

**Tenant(s)** — UT Basketball, UT Volleyball, Austin Gamblers (PBR)

**Seating Capacity** — 15,000 seats (total), 10,763 (basketball)

**Year Built** — 2022

**Ownership** — University of Texas, Austin

**Operator** — OVG 360 & UT Austin

**Project Cost** — \$338 million

**Financing** — 100% University/Private Share

**Notes** — The Moody Center is the new home for the Longhorns. When the arena opened in 2022, it replaced the Frank Erwin Center. The arena predominantly services the University; however, it hosts many other events such as concerts, family shows and other entertainment acts. There are multiple groups that have contributed to the success of the venue including Oakview Group, Live Nation/C3 Presents and the University of Texas.

UT contributed the approximately 6.6 acres to OVG in a lease agreement. OVG developed the arena and provides UT with approximately 60 dates per year for athletics and other university events.

The Moody Foundation contributed a \$130 million grant for the arena, which gave them naming rights for the venue.





# Moody Center & Frank Erwin Center

Item 3.

## Moody Center - Austin, Texas

Year	Number of Events	% Events Represented	% of Available Tickets Sold	Average Attendance	Avg. Ticket Price	Estimated Gross Ticket Revenue (millions)
2023	75	89.3%	90%	9,025	\$105.83	\$71.64
2022	73	95.9%	90%	8,797	\$106.17	\$68.18
<b>Average</b>	<b>74</b>	<b>93%</b>	<b>90%</b>	<b>8,911</b>	<b>\$106.00</b>	<b>\$69.91</b>
<b>2019-15</b>	<b>73</b>	<b>96%</b>	<b>90%</b>	<b>8,797</b>	<b>\$106.17</b>	<b>\$68.18</b>

Source: Pollstar

## Frank Erwin Center - Austin, Texas

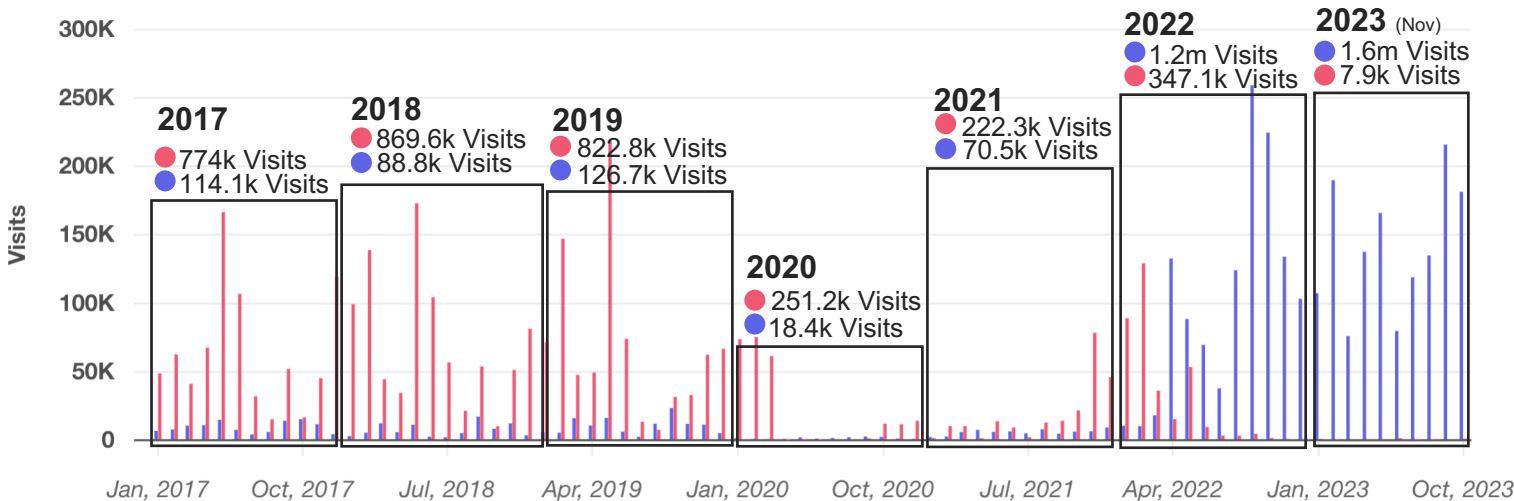
Year	Number of Events	% Events Represented	% of Available Tickets Sold	Average Attendance	Avg. Ticket Price	Estimated Gross Ticket Revenue (millions)
2021	8	62.5%	91%	8,920	\$83.90	\$5.99
2020	4	75.0%	99%	10,425	\$99.56	\$4.15
2019	16	87.5%	90%	8,243	\$90.25	\$11.90
2018	18	77.8%	73%	5,706	\$77.60	\$7.97
2017	19	78.9%	77%	6,493	\$80.27	\$9.90
2016	24	87.5%	77%	7,108	\$76.05	\$12.97
2015	22	72.7%	80%	6,998	\$73.59	\$11.33
2014	11	81.8%	78%	6,544	\$55.01	\$3.96
2013	23	82.6%	78%	7,498	\$67.55	\$11.65
2012	11	100.0%	87%	8,073	\$84.18	\$7.48
2011	24	70.8%	79%	7,060	\$57.26	\$9.70
2010	18	83.3%	80%	7,045	\$52.30	\$6.63
2009	26	92.3%	78%	5,926	\$51.26	\$7.90
<b>Average</b>	<b>17</b>	<b>80.99%</b>	<b>82.01%</b>	<b>7,388</b>	<b>\$72.98</b>	<b>\$8.58</b>
<b>2021-2017</b>	<b>13</b>	<b>76.35%</b>	<b>85.99%</b>	<b>7,957</b>	<b>\$86.31</b>	<b>\$7.98</b>

Source: Pollstar

● **Moody Center**  
 Robert Dedman Dr, Austin, TX

● **Frank Erwin Center**  
 Red River St, Austin, TX

Monthly | Visits | Jan 1st, 2017 - Oct 31st, 2023  
 Data provided by Placer Labs Inc. (www.placer.ai)



**Frank Erwin Center**  
 Average 2017 – 2019  
**822.1k Visits**

**Moody Center**  
 Average 2022 – 2023 (Est)  
**1.47m Visits**

**650.6k Visit**  
 Difference

# Moody Center

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# Chesapeake Employers Insurance Arena

## Baltimore, MD

**Tenant(s)** — UMBC Athletics

**Seating Capacity** — 4,654 (basketball) 5,500 (concerts)

**Year Built** — 2018

**Ownership** — UMBC

**Operator** — OVG 360

**Project Cost** — \$85 million

**Financing** — 100% University/Private Share

**Notes** — The Chesapeake Employers Insurance Arena was completed in 2018 for the University of Maryland, Baltimore County (UMBC). Prior to the completion of the new arena that UMBC athletics basketball and volleyball programs played in the Retriever Activities Center, which is the school's recreation center.

The naming rights deal with Chesapeake Employers Insurance was a 15-year \$5 million deal. The arena was largely funded by the University and private organizations.



# Chesapeake Employers Insurance Arena

Chesapeake Employers Insurance Arena - Baltimore, MD

Year	Number of Events	% Events Represented	% of Available Tickets Sold	Average Attendance	Avg. Ticket Price	Estimated Gross Ticket Revenue (millions)
2023	9	22.2%	70%	3,007	\$64.74	\$1.75
2022	27	33.3%	77%	3,578	\$70.13	\$6.78
2021	5	40.0%	64%	2,968	\$56.85	\$0.84
2020	1	0.0%	-	-	-	-
2019	19	31.6%	86%	3,833	\$66.59	\$4.85
2018	10	70.0%	55%	2,424	\$47.22	\$1.14
<b>Average (Ex 2020)</b>	<b>9</b>	<b>35.39%</b>	<b>68.25%</b>	<b>3,075</b>	<b>\$56.89</b>	<b>\$2.28</b>

Source: Pollstar

**Retriever Activities Center**  
2017 (Last Year as Home of the UMBC Basketball & Volleyball Programs)

**153.6k Visits**

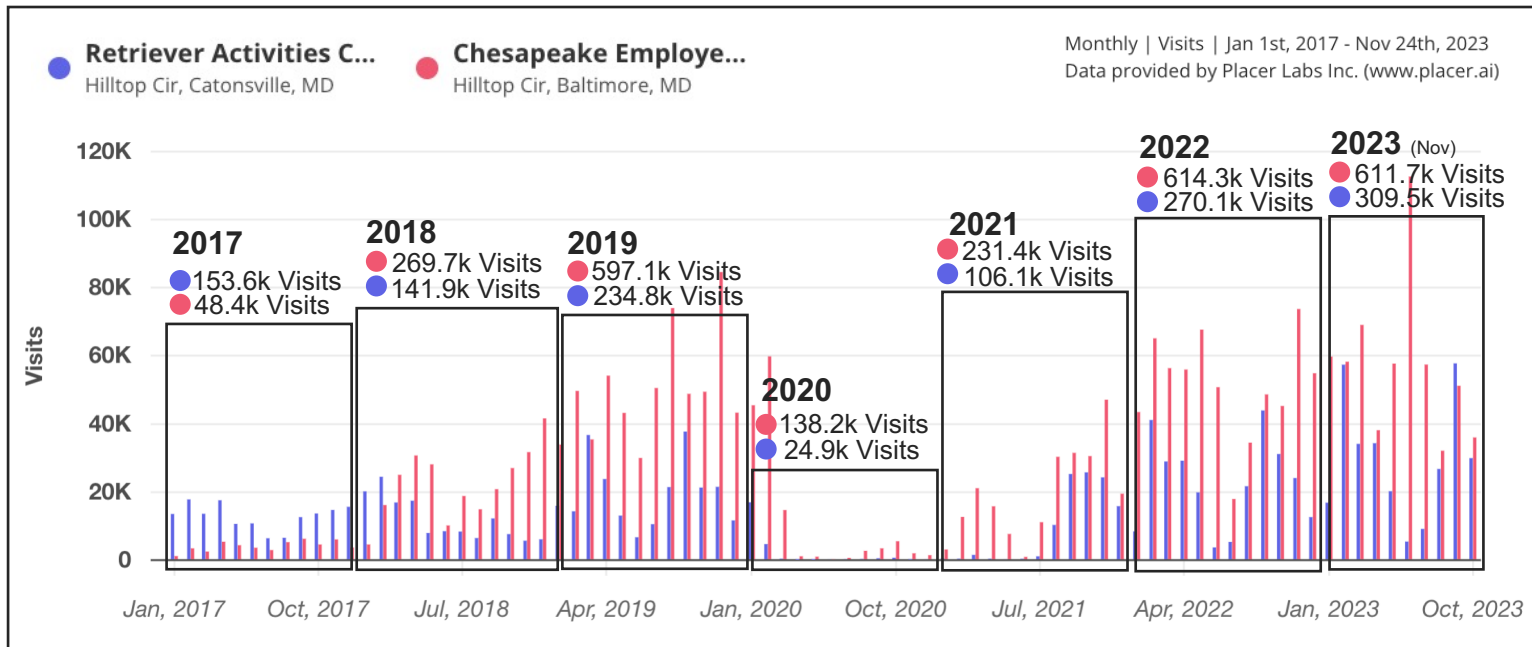
**Chesapeake Employers Insurance Arena**

Average (2019, 2022 & 2023)

**607.7k**

**454.1k Visit**

Difference



# Chesapeake Employers Insurance Arena



# Pinnacle Bank Arena

## Lincoln, NE

**Tenant(s)** — Nebraska Cornhuskers

**Seating Capacity** — 15,500 seats (basketball), 16,130 (center stage)

**Year Built** — 2013

**Ownership** — City of Lincoln

**Operator** — ASM Global

**Project Cost** — \$181 million, \$375 million West Haymarket District

**Financing** — 100% Public

**Notes** — The Pinnacle Bank Arena was completed in 2013 to replace the former Bob Devaney Sports Center. The arena was a part of a larger revitalization effort of the West Haymarket District in downtown Lincoln, NE. The surrounding West Haymarket District includes over 100,000 SF of retail space, 100,000 SF of office space, 200 hotel rooms, 4,000 parking spaces, and 373 residential units.

The construction of the arena was largely a city driven effort. Funding from the city, which is further detailed on following slides, largely came from a bond offering for the development of the arena and the surrounding Haymarket District. The city imposed several additional taxes that went to a vote, which would assist in paying off the cities bond payment obligations.



# Pinnacle Bank Arena Financing Detail

**Although the financing may be different than what takes shape in Cleveland County/Norman, the Pinnacle Bank Arena project is a strong case study to show that it takes creative financing to fund these large, significantly impactful projects. Additionally, the tax generation that has occurred to assist in funding the arena has far exceeded expectations showing the significant impact in terms of new spending these Project can generate.**

The funding of Pinnacle Bank Arena required a creative financing strategy that required voter approval of additional taxes to revitalize the West Haymarket District and construct the arena.

### Revenue Streams to Payback City Issued Debt

- 2% occupation tax on Lincoln’s restaurants and bars
- 4% hotel/motel
- 4% rental car tax
- State sales turnback tax
- Parking revenue
- Premium seating revenue
- Naming rights

A joint public agency (JPA) was created to oversee finances of Pinnacle Bank Arena and the surrounding West Haymarket District. The project involved the relocation and elimination of existing railroad tracks and completion of other site preparation activities, the construction of Pinnacle Bank Arena, a community ice center, private retail and office space, a new Amtrak Station, residential units, surface and decked parking, public gathering areas, street and utility

improvements, landscaping, trails and walkways, pedestrian bridges, and environmental enhancements

Currently, occupation tax revenue is able to cover the bond repayment, stated in September of 2023 by Lyn Heaton the cities Finance Director. The following breakdown is the financial position of the financing of the Project as of September of 2023:

### Bond Debt:

Total: \$595.5 million

Amount Paid: \$166 million

### Revenue:

Occupation Taxes: \$202.8 million

Premium Arena Seating: \$24.2 million

Turnback Taxes: \$15.4 million

Parking Revenue: \$22.2 million

\*Arena revenue used to covert operating expenses not included.

# Pinnacle Bank Arena Outperforming Expectations

## 2022 Revenue

Occupation Taxes: \$20,004,357

Intergovernmental: \$3,585,254

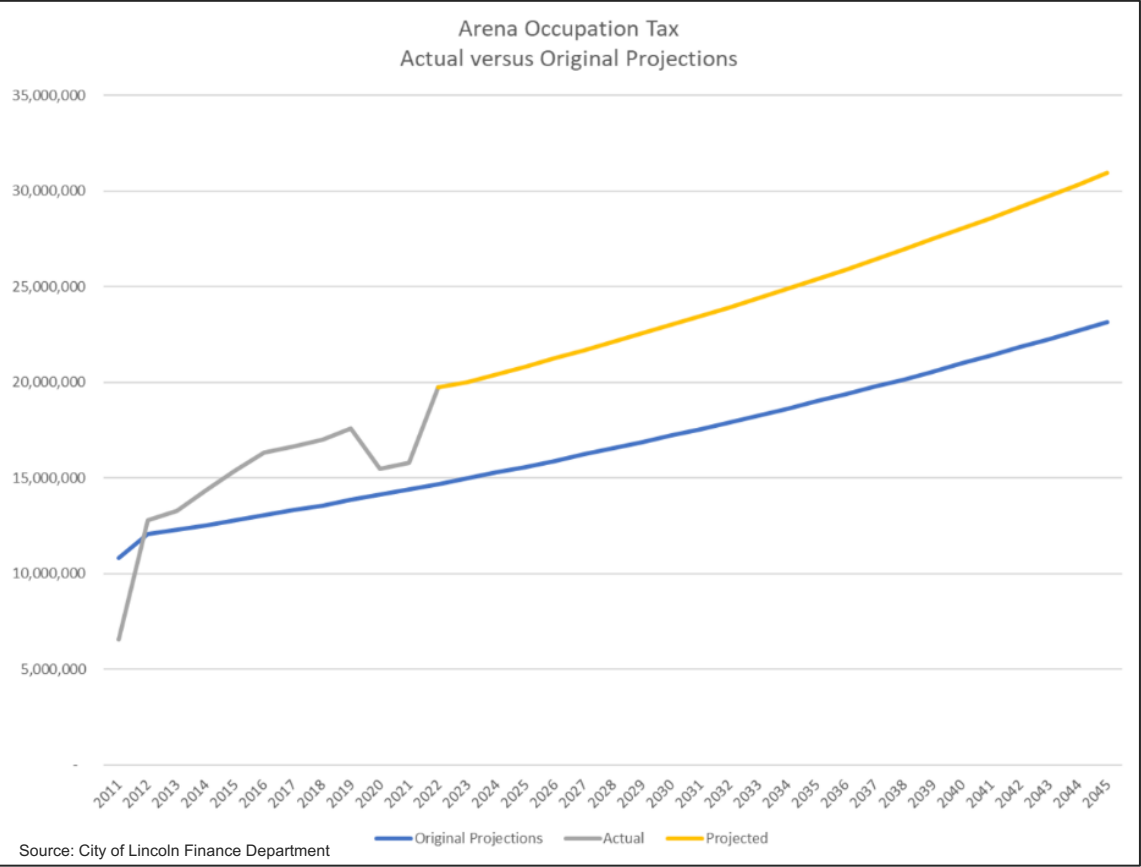
Parking facility revenue: \$3,049,351

Suit and premium seating revenue: \$2,444,564

Investment Income: (\$16,614)

Other program revenues: \$3,648,9

The chart to the right shows that the revenue from the occupation taxes imposed has far surpassed initial projections. Collection of occupation taxes is currently \$30 million more to date than originally projected, which has assisted paying off the city's debt obligations. One driving factor behind this is the fact that the arena created a ripple effect of additional new development beyond what was initially planned in the West Haymarket District.



Source: City of Lincoln Finance Department



# Pinnacle Bank Arena & West Haymarket District



# KFC Yum! Center

## Louisville, KY

**Tenant(s)** — University of Louisville

**Seating Capacity** — 22,090 seats (basketball), 17,500 (end stage)

**Year Built** — 2010

**Ownership** — Louisville Arena Authority

**Operator** — ASM Global

**Project Cost** — \$238 million

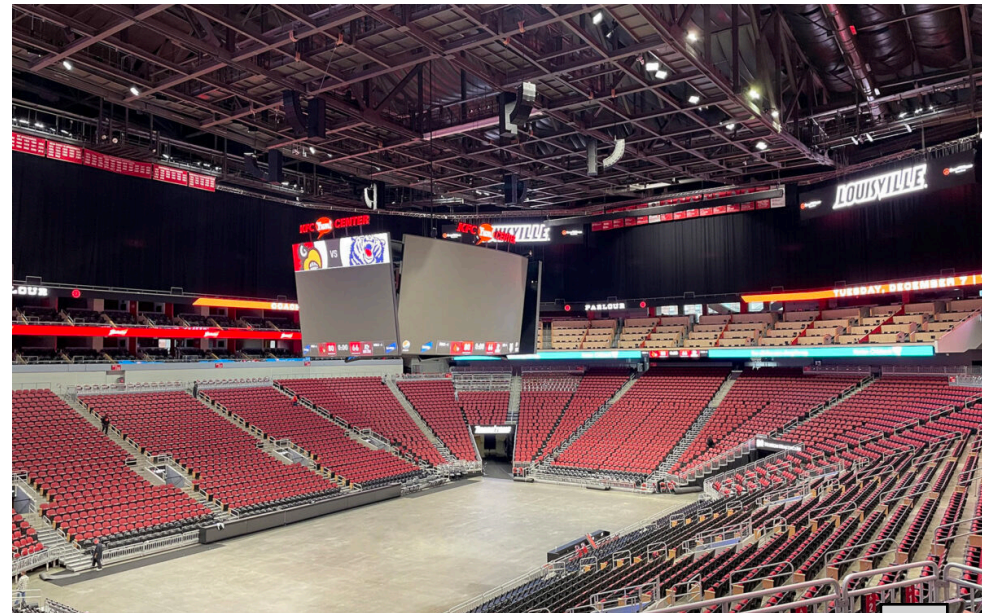
**Financing** — 54% Public, 46% Private

**Notes** — The KFC Yum! Center is the home of the University of Louisville Cardinal's men's and women's basketball teams, volleyball team, and the Louisville Xtreme of the IFL.

Financing for the venue came from \$339 million in bonds through Kentucky's Economic Development Finance Authority. The debt would be paid off over 30-years from many sources. The city set up a downtown TIF of six square miles in the downtown. The TIF has fallen short of expectations, which has resulted in the Arena Authority restructuring its annual payments.

There are several reasons the financing fell short. The projections on the TIF revenue streams were made directly before the 2008 recession. Additionally, given that the projections of the TIF were inflated compared to reality, the deal with UL was less favorable for the building itself.

Despite these concerns and challenges, the facility is a robust economic driver in the downtown. During the nine-year period between FY 2015 and 2023, the facility has generated nearly \$942 million in total spending within the Louisville economy, or an average of nearly \$122 million per year when excluding the pandemic.

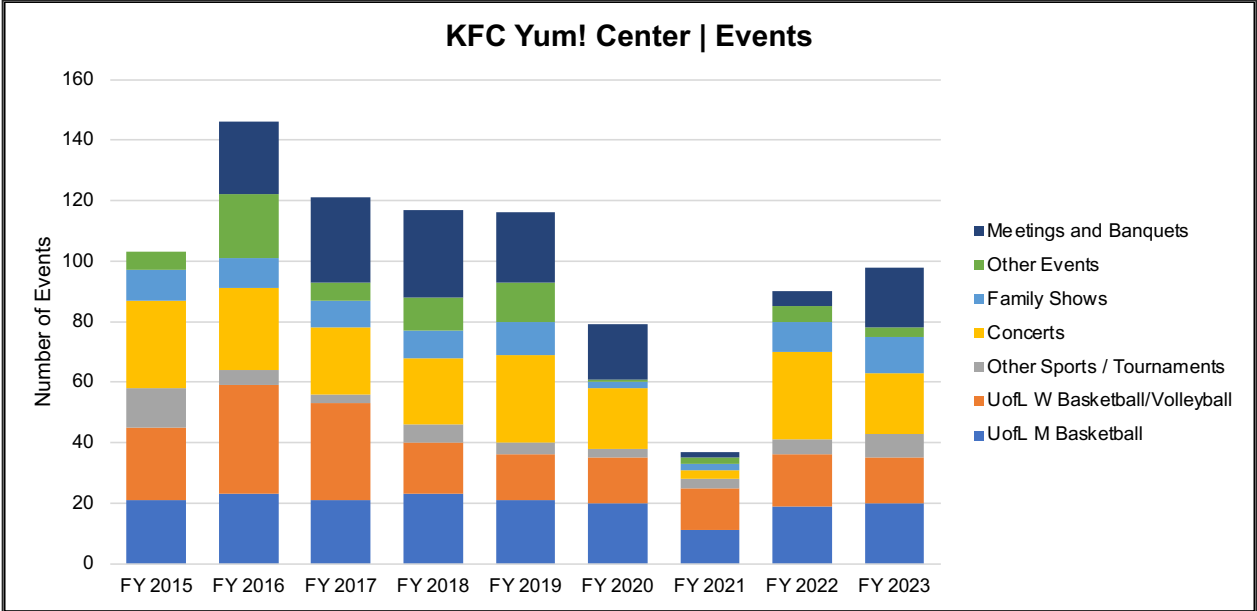


# KFC Yum! Center Events

The table and chart to the right outlines the number and type of events held at the KFC Yum! Center from fiscal years 2015 through 2023.

In 2023 the KFC Yum! Center continues to rebound from the pandemic, hosting 16 percent fewer events than the facility did in 2019. The facility maintains a similar number of concerts and sporting events as it did in 2019 but hosts fewer events in the “Other Events” category (i.e. blood drives, community events).

Additionally, since FY 2017 only selected women’s volleyball games have been hosted at the KFC Yum! Center.



Event Type	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
UofL M Basketball	21	23	21	23	21	20	11	19	20
UofL W Basketball/Volleyball	24	36	32	17	15	15	14	17	15
Other Sports / Tournaments	13	5	3	6	4	3	3	5	8
Concerts	29	27	22	22	29	20	3	29	20
Family Shows	10	10	9	9	11	2	2	10	12
Other Events	6	21	6	11	13	1	2	5	3
Meets and Banquets	–	24	28	29	23	18	2	5	20
<b>Total</b>	<b>103</b>	<b>146</b>	<b>121</b>	<b>117</b>	<b>116</b>	<b>79</b>	<b>37</b>	<b>90</b>	<b>98</b>

Source: KFC Yum! Center

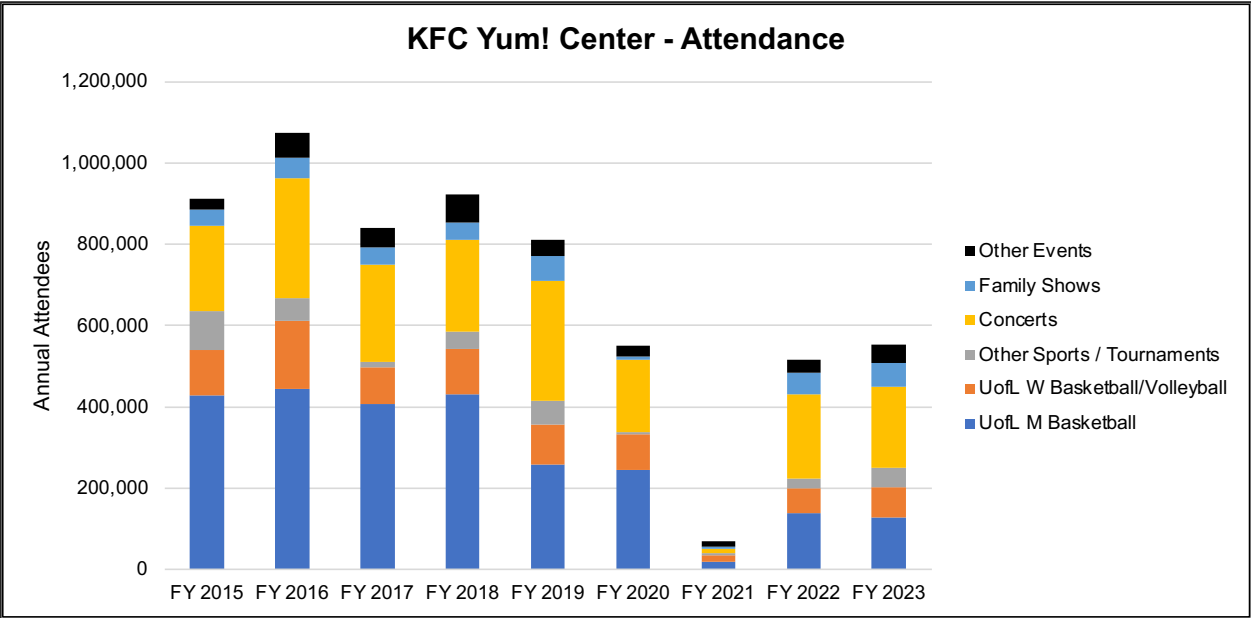
# KFC Yum! Center Attendance

The table and graph to the right outlines estimated event attendance by event type for the KFC Yum! Center.

Though the total number of events hosted at the KFC Yum! Center has rebounded to 84 percent of pre-pandemic levels, total attendance has not, with FY 2022 and FY 2023 attendance at 64 and 68 percent of FY 2019 attendance.

This is largely due to reduced attendance per game for University of Louisville men’s basketball games, which is often tied to each season’s team performance.

Attendance per concert is currently higher than prior to the pandemic.



Event Type	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
UofL M Basketball	429,398	443,320	406,481	430,224	258,416	244,422	19,639	138,943	129,205
UofL W Basketball/Volleyball	112,000	168,506	91,403	113,641	98,945	88,987	16,503	61,531	72,933
Other Sports / Tournaments	95,089	57,045	12,941	40,983	57,183	4,586	3,138	23,169	48,083
Concerts	209,923	295,040	238,100	225,270	295,988	178,774	10,581	208,332	200,711
Family Shows	39,765	48,682	44,614	44,393	59,634	6,303	5,549	53,176	57,541
Other Events	25,500	61,001	46,573	68,000	40,229	26,695	15,395	30,903	45,490
<b>Total</b>	<b>911,675</b>	<b>1,073,594</b>	<b>840,112</b>	<b>922,511</b>	<b>810,395</b>	<b>549,767</b>	<b>70,805</b>	<b>516,054</b>	<b>553,963</b>

Source: KFC Yum! Center

# KFC Yum! Center Financials

The table to the right outlines the historical financials for the KFC Yum! Center. While per capita spending within the arena has increased significantly, a decrease in attendance (mainly to university-oriented events) has led to decreased revenues for the facility.

Inflationary pressures and below average Men's basketball attendance has led to reduced margins, yet the facility continues to operate profitably. In FY 2022 and 2023 the facility operated at an 8 and 9 percent operating margin, respectively.

KFC Yum! Center - Operating Financials									
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>Revenue</b>									
Arena Rent	\$ 6,442,841	\$ 6,874,499	\$ 5,161,016	\$ 5,654,108	\$ 6,517,356	\$ 4,354,496	\$ 1,006,449	\$ 5,218,586	\$ 5,302,146
Premium Seating	\$ 1,126,208	\$ 987,545	\$ 748,826	\$ 1,117,221	\$ 1,641,707	\$ 1,091,023	\$ 56,453	\$ 1,364,458	\$ 1,122,615
Food & Beverage, Merchandise	\$ 2,970,410	\$ 3,068,420	\$ 2,871,574	\$ 2,793,806	\$ 3,430,206	\$ 2,616,472	\$ 177,443	\$ 2,730,682	\$ 3,045,026
Event Revenue	\$ 3,993,479	\$ 4,596,119	\$ 3,855,821	\$ 4,695,858	\$ 5,554,110	\$ 3,182,330	\$ 326,919	\$ 5,222,163	\$ 5,260,665
Parking	\$ 76,341	\$ 60,790	\$ 40,508	\$ 22,575	\$ 19,960	\$ 18,601	\$ -	\$ -	\$ -
Other Income	\$ 410,013	\$ 23,536	\$ 42,243	\$ 23,066	\$ 41,802	\$ 14,832	\$ 54,947	\$ 93,229	\$ -
<b>Total</b>	<b>\$ 15,019,292</b>	<b>\$ 15,610,909</b>	<b>\$ 12,719,988</b>	<b>\$ 14,306,634</b>	<b>\$ 17,205,141</b>	<b>\$ 11,277,754</b>	<b>\$ 1,622,211</b>	<b>\$ 14,629,118</b>	<b>\$ 14,730,452</b>
<b>Direct Expenses</b>									
Event Expenses	\$ 5,038,522	\$ 5,799,120	\$ 3,973,314	\$ 4,817,328	\$ 6,608,724	\$ 4,048,754	\$ 651,838	\$ 5,237,215	\$ 5,626,401
Food & Beverage, Merchandise	\$ 931,879	\$ 835,936	\$ 834,362	\$ 705,815	\$ 817,733	\$ 658,158	\$ 48,216	\$ 503,114	\$ 657,812
Other Expenses	\$ 66,765	\$ 51,705	\$ 35,420	\$ 65,942	\$ 174,880	\$ 100,418	\$ 7,652	\$ 140,666	\$ -
<b>Total</b>	<b>\$ 6,037,166</b>	<b>\$ 6,686,761</b>	<b>\$ 4,843,096</b>	<b>\$ 5,589,085</b>	<b>\$ 7,601,337</b>	<b>\$ 4,807,330</b>	<b>\$ 707,706</b>	<b>\$ 5,880,995</b>	<b>\$ 6,284,213</b>
<b>Gross Profit</b>	<b>\$ 8,982,126</b>	<b>\$ 8,924,148</b>	<b>\$ 7,876,892</b>	<b>\$ 8,717,549</b>	<b>\$ 9,603,804</b>	<b>\$ 6,470,424</b>	<b>\$ 914,505</b>	<b>\$ 8,748,123</b>	<b>\$ 8,446,239</b>
<i>Gross Profit Margin</i>	<i>60%</i>	<i>57%</i>	<i>62%</i>	<i>61%</i>	<i>56%</i>	<i>57%</i>	<i>56%</i>	<i>60%</i>	<i>57%</i>
<b>Operating Expenses</b>									
Administration	\$ 4,558,816	\$ 4,516,932	\$ 4,239,464	\$ 4,574,548	\$ 4,841,635	\$ 4,128,057	\$ 3,627,126	\$ 4,808,912	\$ 4,339,327
Utilities	\$ 1,423,507	\$ 1,232,000	\$ 1,154,382	\$ 1,193,869	\$ 1,169,647	\$ 1,034,188	\$ 801,225	\$ 1,265,656	\$ 1,302,014
Insurance	\$ 478,875	\$ 505,395	\$ 531,199	\$ 472,048	\$ 405,169	\$ 713,734	\$ 619,038	\$ 792,853	\$ 787,763
Management Fee	\$ 494,508	\$ 494,508	\$ 451,847	\$ 710,500	\$ 721,158	\$ 729,090	\$ 731,277	\$ 742,247	\$ 753,380
<b>Total</b>	<b>\$ 6,955,706</b>	<b>\$ 6,748,835</b>	<b>\$ 6,376,892</b>	<b>\$ 6,950,965</b>	<b>\$ 7,137,609</b>	<b>\$ 6,605,069</b>	<b>\$ 5,778,666</b>	<b>\$ 7,609,668</b>	<b>\$ 7,182,484</b>
<b>Net Operating Income</b>	<b>\$ 2,026,420</b>	<b>\$ 2,175,313</b>	<b>\$ 1,500,000</b>	<b>\$ 1,766,584</b>	<b>\$ 2,466,195</b>	<b>\$ (134,645)</b>	<b>\$ (4,864,161)</b>	<b>\$ 1,138,455</b>	<b>\$ 1,263,755</b>
<i>Operating Margin</i>	<i>13%</i>	<i>14%</i>	<i>12%</i>	<i>12%</i>	<i>14%</i>	<i>-1%</i>	<i>-300%</i>	<i>8%</i>	<i>9%</i>
Source: KFC Yum! Center									

# New Developments: Baylor University

## Waco, TX

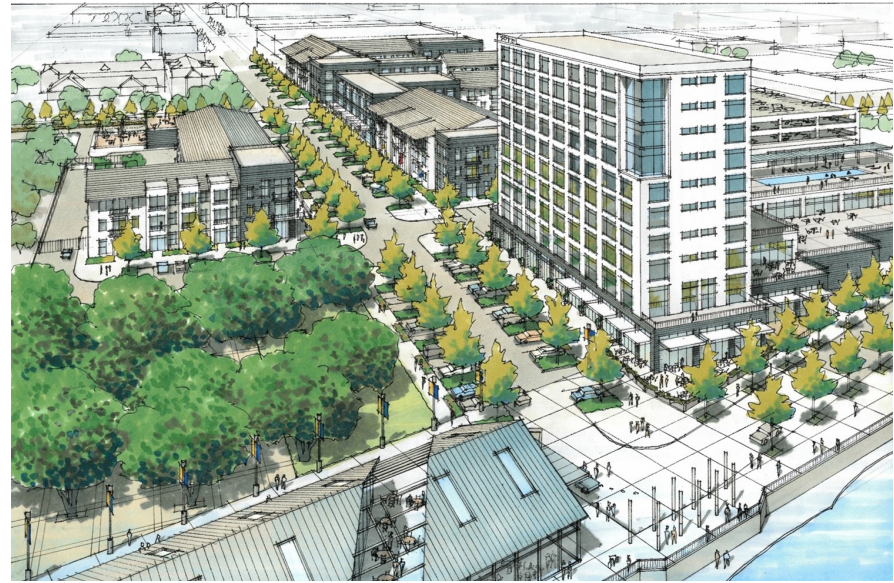
Baylor University is currently underway with a new 7,500-seat basketball arena, Foster Pavilion, which is nearing completion and will host its first collegiate basketball game in early January 2024. The arena was the conception of a public-private partnership between the university and the city of Waco, with \$65 million of financing coming from the city and the remaining coming from the university sources. The total project cost is reported at \$212.6 million. Outside of this new project the city, university and private development community have planned for a mixed-use entertainment and lifestyle district directly outside of the new venue.

Phase I includes the following elements which are completed and leasing:

- 266 units residential, 250 units student housing
- 6,000 SF of retail & restaurant space
- 600 new parking spaces, in addition to the 400 recently completed

The city of Waco approved \$20.2 million in TIF funding for the mixed-use components, which includes the clean up of environmental contaminants, create public improvements, waterfront improvements, news streets, infrastructure, a parking garage and a re-do of University Parks streetscape from Jackson to I-35. The public improvements include Farmers Market Plaza.

Phase II and III-unit count and square footage detail has not been released but will include an extensive amount of retail and restaurant space, hotels and additional residential development, which is shown on the following slide.



# Brazos Riverfront Project

The mixed-use district will be developed over three phases with phase I elements already being delivered.

Phase II and III are planned to deliver in 2025.

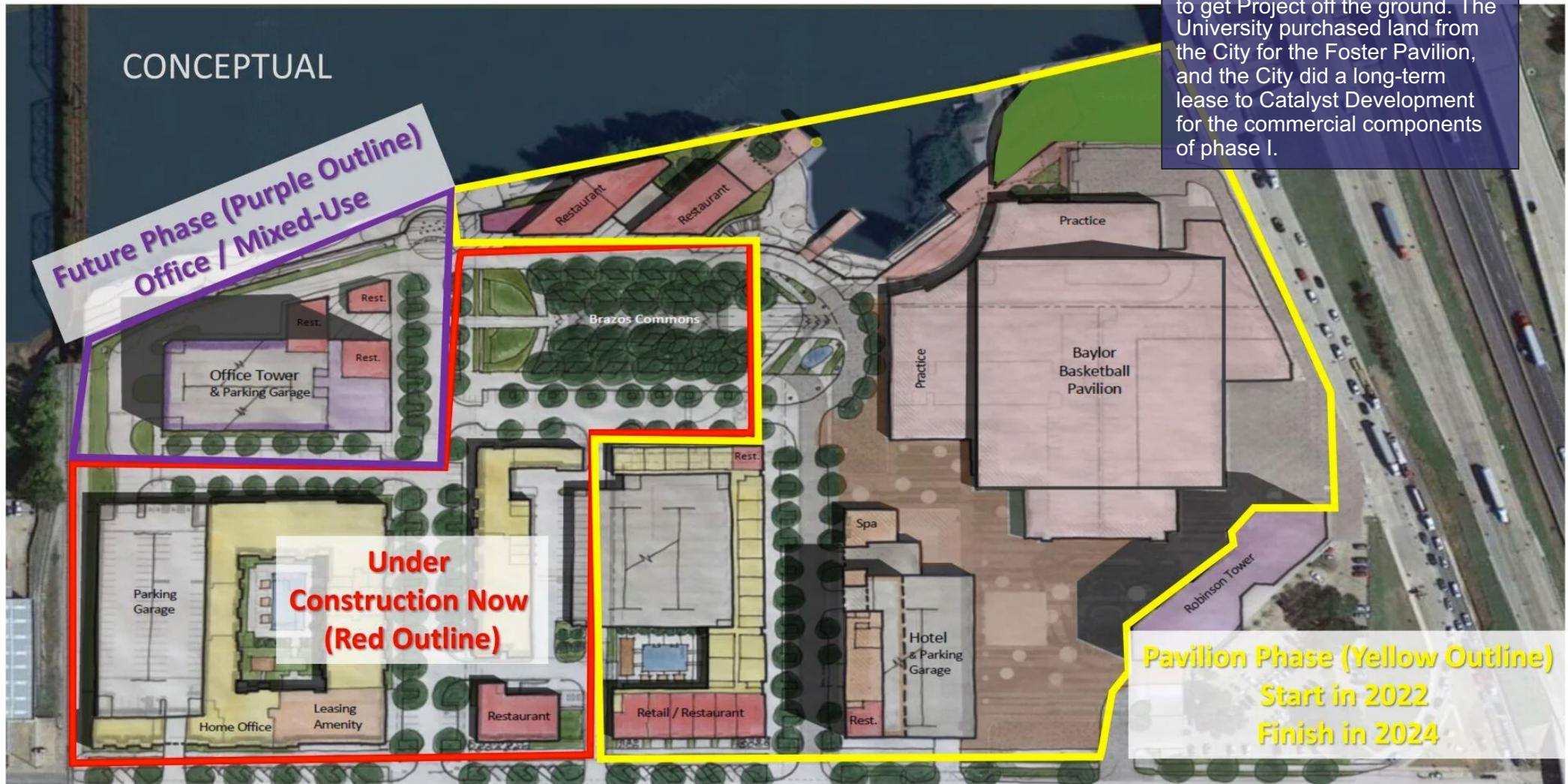
There was a complex land swaps to get Project off the ground. The University purchased land from the City for the Foster Pavilion, and the City did a long-term lease to Catalyst Development for the commercial components of phase I.

CONCEPTUAL

**Future Phase (Purple Outline)  
Office / Mixed-Use**

**Under Construction Now (Red Outline)**

**Pavilion Phase (Yellow Outline)  
Start in 2022  
Finish in 2024**



# Brazos Riverfront Construction





# University of Central Florida Orlando, FL

In 2007, the University of Central Florida opened Knights Plaza, an athletic village and shopping center on campus located near the now FBC Mortgage Stadium. The plaza consists of student housing for 2,000 students in four towers, 183,000 SF of retail and restaurant space, as well as a new 9,400-seat Addition Financial Arena and renovated 2,300-seat Spectra-managed The Venue at UCF Arena which is used as both a practice facility and concert / event venue.

In the past, the plaza has had difficulties filling the retail space due to lack of free parking and changing economic conditions. The plaza is currently occupied by more than 15 dining and retail establishments that cater to the large student population.

The \$107 million development was funded through the following:

- Student housing revenues - \$59 million
- University operating funds - \$30 million
- Naming rights / sponsorships - \$11 million
- Commercial leases - \$7 million

In Spring 2022, the UCF Board of Trustees approved numerous improvement projects for the football stadium and Knights Plaza including additional stadium seating, premium options, relocation of practice fields, new resistance river and hydrotherapy pools, and additional parking. Total cost of these phased improvements is expected at \$125 million to be funded by university-issued debt and private donations.



# Knights Plaza Development Overview

Knights Plaza incorporates retail, restaurants, public space and student housing adjacent to University of Central Florida's athletic facilities. The plaza acts as the "Campus Town Center."

Recently approved investment in the district will allow for a renovated football stadium, additional commercial developments and new public gathering spaces.



# Key Highlights

## Case Studies

There is no “magic bullet” on how to get large event venue anchored mixed-use districts done. However, these case studies show some examples on how it has been done elsewhere, how these venues have performed, and what the true impact is when a high-caliber venue is privately managed.

The net new economic impact of several of the arenas analyzed can be seen in the significant boost in annual visitation to these venues compared to the old venue where the team played. The geofencing analysis shows that many of these fans came from outside the given city or county.

Revenue streams within the venue and outside of the building are used to assist in the funding of these large projects. This includes naming rights, advertising, luxury suite revenue and others. Although not applicable in all situations, district taxes such as ticket taxes or others can be levied on events within the venue, with the goal of those revenue streams being another funding stream to fund the project.

Venues with private management maximize the efficiency of the venue, as seen by the significant visitation generated by these venues. Those operated by universities that do not open their schedules to external events, such as Lloyd Noble currently, do not.



Item 3.

# **Demand & Financial Projection Overview**

Original Development – OU Foundation  
Development Program provided by  
Team Norman

# Original Development – OU Foundation Development Program Demand & Financial Projections

The adjacent table shows Hunden’s projections of key performance metrics for the core elements of the OU Foundation Development Program provided by Team Norman.

Lease/rental rates and occupancy levels were based on Hunden’s assessment of the competitive market environment and performance of comparable assets.

Development Assumptions		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2051
ORIGINAL DEVELOPMENT		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25
Inflation Factor 3%												
<b>Performance Venue / Arena</b>												
Capacity (8,000 Fixed Seats)				10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Total Number of Events				136	147	160	160	160	160	160	160	160
Number of Promoted Concerts & Shows				14	17	21	21	21	21	21	21	21
Total Attendance				428,015	465,025	501,615	501,615	501,615	501,615	501,615	501,615	501,615
<b>Multifamily</b>												
Total Units			250	500	500	500	750	1,079	1,424	1,424	1,424	1,424
Total SF	1,001		250,166	500,332	500,332	500,332	750,499	1,079,717	1,424,947	1,424,947	1,424,947	1,424,947
Average Rent PSF	\$ 1.42		\$ 1.60	\$ 1.65	\$ 1.70	\$ 1.75	\$ 1.80	\$ 1.85	\$ 1.91	\$ 1.97	\$ 2.02	\$ 3.15
Occupancy			58%	66%	86%	82%	93%	84%	86%	89%	93%	93%
<b>Single Family for Rent</b>												
Total Units			177	177	177	177	177	177	177	177	177	177
Total SF	1,300		230,100	230,100	230,100	230,100	230,100	230,100	230,100	230,100	230,100	230,100
Average Rent PSF	\$ 1.21		\$ 1.40	\$ 1.44	\$ 1.49	\$ 1.53	\$ 1.58	\$ 1.62	\$ 1.67	\$ 1.72	\$ 1.72	\$ 2.68
Occupancy			62%	93%	93%	93%	93%	93%	93%	93%	93%	93%
<b>Office</b>												
Total SF			48,000	138,000	318,000	330,502	420,502	565,322	565,322	565,322	565,322	565,322
% Leasable			93%	93%	93%	93%	93%	93%	93%	93%	93%	93%
Occupancy			50%	73%	68%	73%	78%	86%	93%	93%	93%	93%
Average Rent PSF	\$ 22.00		\$ 25.50	\$ 26.27	\$ 27.06	\$ 27.87	\$ 28.71	\$ 29.57	\$ 30.45	\$ 31.37	\$ 31.37	\$ 48.87
<b>Retail/F&amp;B</b>												
Total SF			275,500	275,500	275,500	275,500	275,500	275,500	275,500	275,500	275,500	275,500
% Leasable			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Occupancy			60%	88%	88%	88%	88%	88%	88%	88%	88%	88%
Avg. Ann. Sales PSF	8%		\$ 355.51	\$ 366.18	\$ 377.16	\$ 388.48	\$ 400.13	\$ 412.13	\$ 424.50	\$ 437.23	\$ 437.23	\$ 681.20
Average Rent PSF	\$ 23.00		\$ 26.66	\$ 27.46	\$ 28.29	\$ 29.14	\$ 30.01	\$ 30.91	\$ 31.84	\$ 32.79	\$ 32.79	\$ 51.09
<b>Hotel Assets</b>												
Total Keys			150	150	150	150	150	150	150	150	150	150
Conference Center			40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Occupancy			65%	74%	78%	78%	78%	81%	83%	84%	84%	83%
ADR			\$ 177.14	\$ 182.53	\$ 187.40	\$ 192.09	\$ 196.89	\$ 201.67	\$ 206.64	\$ 211.92	\$ 211.92	\$ 326.85
<b>Airport Related Assets</b>												
FBO Total SF			48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Hangar Space Total SF			60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000

Source: Hunden Partners



# Event Venue Projections

# Arena & Event Venue

## Event & Attendance Projections

The table shows the estimated event projections for the event venue in Norman. These event assumptions were created based on Hunden’s assessment of the market, conversations with promoters and stakeholder groups, and analysis of other comparable venues across the country.

Norman, Oklahoma Event Venue	2029	2030	2031	2032	2033	2034	2035	2036	2051
Events & Attendance	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25
<b>Events by Type</b>									
OU Men's Basketball	18	18	18	18	18	18	18	18	18
OU Women's Basketball	18	18	18	18	18	18	18	18	18
OU Gymnastics	5	5	5	5	5	5	5	5	5
Concerts - End/Center Stage	5	6	7	7	7	7	7	7	7
Concerts - Half House	4	5	6	6	6	6	6	6	6
Family Shows	5	8	10	10	10	10	10	10	10
High School Sports	8	8	10	10	10	10	10	10	10
Motor Sports, Wrestling and Rodeo	4	5	6	6	6	6	6	6	6
Comedy Shows	1	1	2	2	2	2	2	2	2
Other Sporting Events	3	5	6	6	6	6	6	6	6
Graduations	14	14	14	14	14	14	14	14	14
Banquets	13	15	18	18	18	18	18	18	18
Meetings	35	35	35	35	35	35	35	35	35
Community Events	3	4	5	5	5	5	5	5	5
<b>Total</b>	<b>136</b>	<b>147</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>
<b>Annual Attendance</b>									
OU Men's Basketball	129,600	129,600	129,600	129,600	129,600	129,600	129,600	129,600	129,600
OU Women's Basketball	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
OU Gymnastics	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Concerts - End/Center Stage	37,000	44,400	51,800	51,800	51,800	51,800	51,800	51,800	51,800
Concerts - Half House	14,800	18,500	22,200	22,200	22,200	22,200	22,200	22,200	22,200
Family Shows	17,500	28,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
High School Sports	16,000	16,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Motor Sports, Wrestling and Rodeo	22,000	27,500	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Comedy Shows	2,800	2,800	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Other Sporting Events	12,000	20,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Graduations	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000	91,000
Banquets	3,640	4,200	5,040	5,040	5,040	5,040	5,040	5,040	5,040
Meetings	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625
Community Events	4,050	5,400	6,750	6,750	6,750	6,750	6,750	6,750	6,750
<b>Total</b>	<b>428,015</b>	<b>465,025</b>	<b>501,615</b>	<b>501,615</b>	<b>501,615</b>	<b>501,615</b>	<b>501,615</b>	<b>501,615</b>	<b>501,615</b>
Source: Hunden Partners									

# Arena & Event Venue

## Proforma Projections

The table below outlines the proforma financial statement of the proposed 10,500-seat event venue within the greater development.

Hunden expects that arena and event venue will generate a net profit of approximately \$423,000 in Year 1 of operation and stabilize at approximately \$1.8 million by stabilization in Year 3 of operation.

Norman, Oklahoma Event Venue	2029 Year 3	2030 Year 4	2031 Year 5	2032 Year 6	2033 Year 7	2034 Year 8	2035 Year 9	2036 Year 10	2051 Year 25
<b>Operating Revenues</b>									
<b>Event Rental Revenue</b>									
University Rent	\$ 500,000	\$ 515,000	\$ 530,450	\$ 546,364	\$ 562,754	\$ 579,637	\$ 597,026	\$ 614,937	\$ 958,052
Other Rental Income	\$ 783,996	\$ 987,865	\$ 1,210,654	\$ 1,274,673	\$ 1,342,299	\$ 1,413,744	\$ 1,489,231	\$ 1,568,997	\$ 3,491,699
Service Income (Loss)	\$ (295,838)	\$ (372,767)	\$ (456,836)	\$ (480,993)	\$ (506,512)	\$ (533,471)	\$ (561,956)	\$ (592,055)	\$ (1,317,579)
<b>Subtotal - Event Rental Revenue</b>	<b>\$ 988,158</b>	<b>\$ 1,130,098</b>	<b>\$ 1,284,268</b>	<b>\$ 1,340,044</b>	<b>\$ 1,398,542</b>	<b>\$ 1,459,910</b>	<b>\$ 1,524,302</b>	<b>\$ 1,591,879</b>	<b>\$ 3,132,172</b>
<b>Event Ancillary Revenue</b>									
Concessions (net)	\$ 1,365,585	\$ 1,541,630	\$ 1,732,413	\$ 1,784,385	\$ 1,837,917	\$ 1,893,054	\$ 1,949,846	\$ 2,008,341	\$ 3,128,931
Catering (net)	\$ 98,390	\$ 111,229	\$ 129,841	\$ 133,737	\$ 137,749	\$ 141,881	\$ 146,138	\$ 150,522	\$ 234,508
Parking (net)	\$ 1,281,858	\$ 1,504,516	\$ 1,736,229	\$ 1,788,316	\$ 1,841,965	\$ 1,897,224	\$ 1,954,141	\$ 2,012,765	\$ 3,135,823
Merchandise (net)	\$ 100,593	\$ 112,308	\$ 125,619	\$ 129,388	\$ 133,270	\$ 137,268	\$ 141,386	\$ 145,627	\$ 226,883
Convenience Charge Rebates	\$ 95,128	\$ 108,509	\$ 122,390	\$ 126,062	\$ 129,844	\$ 133,739	\$ 137,751	\$ 141,884	\$ 221,051
Facility Fees	\$ 647,679	\$ 858,883	\$ 1,078,237	\$ 1,110,585	\$ 1,143,902	\$ 1,178,219	\$ 1,213,566	\$ 1,249,973	\$ 1,947,417
<b>Subtotal - Ancillary Revenue</b>	<b>\$ 3,589,233</b>	<b>\$ 4,237,075</b>	<b>\$ 4,924,731</b>	<b>\$ 5,072,473</b>	<b>\$ 5,224,647</b>	<b>\$ 5,381,386</b>	<b>\$ 5,542,828</b>	<b>\$ 5,709,113</b>	<b>\$ 8,894,611</b>
<b>Other Revenue</b>									
Advertising/Sponsorship (net)	\$ 1,500,000	\$ 1,545,000	\$ 1,591,350	\$ 1,639,091	\$ 1,688,263	\$ 1,738,911	\$ 1,791,078	\$ 1,844,811	\$ 2,874,155
Naming/Service Rights (net)	\$ 938,000	\$ 966,140	\$ 995,124	\$ 1,024,978	\$ 1,055,727	\$ 1,087,399	\$ 1,120,021	\$ 1,153,622	\$ 1,797,305
Premium Seating	\$ 1,283,000	\$ 1,321,490	\$ 1,361,135	\$ 1,401,969	\$ 1,444,028	\$ 1,487,349	\$ 1,531,969	\$ 1,577,928	\$ 2,458,361
Other	\$ 30,000	\$ 30,900	\$ 31,827	\$ 32,782	\$ 33,765	\$ 34,778	\$ 35,822	\$ 36,896	\$ 57,483
<b>Subtotal - Other Revenue</b>	<b>\$ 3,751,000</b>	<b>\$ 3,863,530</b>	<b>\$ 3,979,436</b>	<b>\$ 4,098,819</b>	<b>\$ 4,221,784</b>	<b>\$ 4,348,437</b>	<b>\$ 4,478,890</b>	<b>\$ 4,613,257</b>	<b>\$ 7,187,304</b>
<b>Total Operating Revenues</b>	<b>\$ 8,328,392</b>	<b>\$ 9,230,703</b>	<b>\$ 10,188,435</b>	<b>\$ 10,511,335</b>	<b>\$ 10,844,973</b>	<b>\$ 11,189,734</b>	<b>\$ 11,546,020</b>	<b>\$ 11,914,248</b>	<b>\$ 19,214,087</b>
<b>Operating Expenses</b>									
Personnel	\$ 3,791,557	\$ 3,905,303	\$ 4,022,462	\$ 4,143,136	\$ 4,267,430	\$ 4,395,453	\$ 4,527,317	\$ 4,663,136	\$ 7,265,014
Utilities	\$ 1,095,398	\$ 1,128,260	\$ 1,162,108	\$ 1,196,971	\$ 1,232,880	\$ 1,269,867	\$ 1,307,963	\$ 1,347,201	\$ 2,098,896
Operations	\$ 1,166,809	\$ 1,201,814	\$ 1,237,868	\$ 1,275,004	\$ 1,313,254	\$ 1,352,652	\$ 1,393,231	\$ 1,435,028	\$ 2,235,727
General & Admin	\$ 1,364,466	\$ 1,405,400	\$ 1,447,562	\$ 1,490,988	\$ 1,535,718	\$ 1,581,790	\$ 1,629,243	\$ 1,678,121	\$ 2,614,457
Insurance	\$ 168,327	\$ 173,376	\$ 178,578	\$ 183,935	\$ 189,453	\$ 195,137	\$ 200,991	\$ 207,020	\$ 322,531
Management Fee	\$ 318,800	\$ 328,364	\$ 338,215	\$ 348,362	\$ 358,813	\$ 369,577	\$ 380,664	\$ 392,084	\$ 610,854
<b>Total Operating Expenses</b>	<b>\$ 7,905,357</b>	<b>\$ 8,142,517</b>	<b>\$ 8,386,793</b>	<b>\$ 8,638,397</b>	<b>\$ 8,897,548</b>	<b>\$ 9,164,475</b>	<b>\$ 9,439,409</b>	<b>\$ 9,722,591</b>	<b>\$ 15,147,481</b>
<b>Net Operating Income</b>	<b>\$ 423,035</b>	<b>\$ 1,088,186</b>	<b>\$ 1,801,642</b>	<b>\$ 1,872,939</b>	<b>\$ 1,947,424</b>	<b>\$ 2,025,259</b>	<b>\$ 2,106,610</b>	<b>\$ 2,191,657</b>	<b>\$ 4,066,606</b>

Source: Hunden Partners





# Full Development – Rock Creek Entertainment District TIF #4

# Full Development – TIF #4

## Demand & Financial Projections

The adjacent table shows projections of key performance metrics for the core elements of the OU Foundation Development Program as well as the additional development that would occur within surrounding parcels within the TIF #4 district.

This includes the addition of the National Weather Experience, additional retail and hotel assets in Year 8, retail and restaurants in Year 9 and finally multifamily in Year 10.

Lease/rental rates and occupancy levels were based on Hunden's assessment of the competitive market environment and performance of comparable assets.

Development Assumptions ROCK CREEK TIF#4 FULL DEVELOPMENT											
	2027 Year 1	2028 Year 2	2029 Year 3	2030 Year 4	2031 Year 5	2032 Year 6	2033 Year 7	2034 Year 8	2035 Year 9	2036 Year 10	2051 Year 25
Inflation Factor 3%											
<b>Performance Venue / Arena</b>											
Capacity (8,000 Fixed Seats)			10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Total Number of Events			136	147	160	160	160	160	160	160	160
Number of Promoted Concerts & Shows			14	17	21	21	21	21	21	21	21
Total Attendance			428,015	465,025	501,615	501,615	501,615	501,615	501,615	501,615	501,615
<b>Multifamily</b>											
Total Units		250	500	500	500	750	1,079	1,424	1,424	1,644	1,644
Total SF	1,001	250,166	500,332	500,332	500,332	750,499	1,079,717	1,424,947	1,424,947	1,645,093	1,645,093
Average Rent PSF	\$ 1.42	\$ 1.60	\$ 1.65	\$ 1.70	\$ 1.75	\$ 1.80	\$ 1.85	\$ 1.91	\$ 1.97	\$ 2.02	\$ 3.15
Occupancy		58%	66%	86%	82%	93%	84%	86%	89%	93%	93%
<b>Single Family for Rent</b>											
Total Units			177	177	177	177	177	177	177	177	177
Total SF	1,300		230,100	230,100	230,100	230,100	230,100	230,100	230,100	230,100	230,100
Average Rent PSF	\$ 1.21		\$ 1.40	\$ 1.44	\$ 1.49	\$ 1.53	\$ 1.58	\$ 1.62	\$ 1.67	\$ 1.72	\$ 2.68
Occupancy			62%	93%	93%	93%	93%	93%	93%	93%	93%
<b>Office</b>											
Total SF			48,000	138,000	318,000	330,502	565,322	565,322	565,322	565,322	565,322
% Leasable			93%	93%	93%	93%	93%	93%	93%	93%	93%
Occupancy			50%	73%	68%	73%	78%	86%	93%	93%	93%
Average Rent PSF	\$ 22.00		\$ 25.50	\$ 26.27	\$ 27.06	\$ 27.87	\$ 28.71	\$ 29.57	\$ 30.45	\$ 31.37	\$ 48.87
<b>Retail/F&amp;B</b>											
Total SF			275,000	275,000	275,000	275,000	275,000	330,000	330,000	330,000	330,000
% Leasable			100%	100%	100%	100%	100%	100%	100%	100%	100%
Occupancy			60%	88%	88%	88%	88%	86%	86%	86%	86%
Avg. Ann. Sales PSF	8%		\$ 355.51	\$ 366.18	\$ 377.16	\$ 388.48	\$ 400.13	\$ 412.13	\$ 424.50	\$ 437.23	\$ 681.20
Average Rent PSF	\$ 23.00		\$ 26.66	\$ 27.46	\$ 28.29	\$ 29.14	\$ 30.01	\$ 30.91	\$ 31.84	\$ 32.79	\$ 51.09
<b>Hotel Assets</b>											
Total Keys			150	150	150	150	150	270	270	270	270
Conference Center			40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Occupancy			65%	74%	78%	78%	78%	75%	76%	77%	76%
ADR			\$ 177.14	\$ 182.53	\$ 187.40	\$ 192.09	\$ 196.89	\$ 201.67	\$ 206.64	\$ 211.92	\$ 326.85
<b>National Weather Experience</b>											
Total Square Footage Estimate				100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Estimated Annual Attendance				203,172	199,901	193,029	172,311	172,311	172,311	172,311	172,311
<b>Airport Related Assets</b>											
FBO Total SF			48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Hangar Space Total SF			60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Source: Hunden Partners											

# Economic Impact Summary

Hunden uses the IMPLAN input-output multiplier model, which determines the level of additional activity in the Cleveland County economy due to additional inputs. For example, for every dollar of direct new spending in Cleveland County, the IMPLAN model provides multipliers for the indirect and induced spending that will result.

The net new and recaptured direct spending discussed earlier in the chapter is considered to be the **Direct Impact**.

- From the direct spending figures, further impact analyses will be completed.
- **Indirect Impacts** are the supply of goods and services resulting from the initial direct spending. For example, a visitor's direct expenditure on a hotel room causes the hotel to purchase linens and other items from suppliers. The portion of these hotel purchases that are within the local economy is considered an indirect economic impact.
- **Induced Impacts** embody the change in spending due to the personal expenditures by employees whose incomes are affected by direct and indirect spending. For example, a waitress at a restaurant may have more personal income as a result of the induced customer's visit. The amount of the increased income that the employee spends in the area is considered an induced impact.
- **Fiscal Impacts** represent the incremental tax revenue collected by the state, county or city due to the net new economic activity. The fiscal impact represents the government's share of total economic benefit. Fiscal impacts provide an offset to the potential public expenditures required to support the development.
- **Employment Impacts** include the incremental employment provided not only onsite, but due to the spending associated with it. For example, the direct, indirect and induced impacts generate spending, support new and ongoing businesses, and ultimately result in ongoing employment for citizens. Hunden will show the number of ongoing jobs supported by the project and provide the resulting income and income taxes generated.

# Net New Assumptions

It is expected that there will be some level of substitution/cannibalized spending that would occur due to the development of the project. However, similarly there is also expected to be some recaptured spending that would occur that is currently leaked to surrounding markets outside of Cleveland County for retail, restaurant, and entertainment offerings.

The following table shows Hunden's projections of substitution/cannibalization, as well as recaptured spending, within each asset within the development. These assumptions are kept constant in each scenario.

Hunden utilized several quantitative methods which resulted in the adjacent daytripper, overnighiter, and net new percentages shown. These methods for each asset category are explained in further detail on the following slide.

Net New Assumptions - Cleveland County		Item 3.
	General Assump.	Cleveland County
<b>Arena</b>		
<b>Visitors</b>		
<b>% &amp; # Daytripper</b>	<b>% of Visitor Type</b>	
OU Sports	86%	-10%
Concerts, Comedy Shows	79%	95%
Family Shows	90%	95%
High School Sports and Community Events	98%	5%
Other Sports	95%	90%
Graduation, Banquets, Meetings	90%	12%
<b>Total</b>	<b>87%</b>	<b>41%</b>
<i>% of Visits to Lloyd Noble Under 200 Miles (2022)</i>	<i>89%</i>	
<b>% &amp; # Overnighiter</b>		
OU Sports	14%	8%
Concerts, Comedy Shows	21%	95%
Family Shows	10%	95%
High School Sports and Community Events	2%	5%
Other Sports	5%	90%
Graduation, Banquets, Meetings	10%	12%
<b>Total</b>	<b>21%</b>	<b>44%</b>
<i>% of Visits to Lloyd Noble Beyond 200 Miles (2022)</i>	<i>11%</i>	
<b>Weather Experience Museum</b>		
<b>Visitors</b>		
<b>% &amp; # Daytripper</b>	<b>% of Visitor Type</b>	
OU Sports	84%	78%
<i>% of Visits Among Comparable Museums Under 250 Miles (2022)</i>	<i>84.4%</i>	
<b>% &amp; # Overnighiter</b>		
OU Sports	16%	83%
<i>% of Visits Among Comparable Museums Over 250 Miles (2022)</i>	<i>15.6%</i>	
<b>Restaurant &amp; Retail</b>		
% Sales Net New to Cleveland County		17%
% Not Captured in Other Components		84%
<b>Office</b>		
% Income Net New to Cleveland County		78%
% Not Captured in Other Components		100%
<b>Residential</b>		
% Residents Net New to Cleveland County		14%
% Not Captured in Other Components		100%
<b>Hotel</b>		
% Rooms Revenue Net New to Cleveland County		31%
% Not Captured in Other Components		68%
People Per Room	1.5	

Source: Hunden Partners

# Net New Assumptions

**Arena:** Lloyd Noble is much larger than the proposed Project. Average attendance for OU Men's Basketball over the past decade was approximately 9,500. With an arena that only contains 8,000 fixed seats for basketball games, Hunden assumed that there would be negative net new for OU Sporting events. However, given that Lloyd Noble currently does not host any other external events, such as concerts, family shows, or other events, these would yield a high net new percentage to the county. Daytripper and overnigher percentages were crafter based on Hunden's geofencing analysis of Lloyd Noble over the past several years and of comparable university arenas.

**National Weather Experience:** The National Weather Experience will be an impactful asset for the county, given that the county does not contain anything similar to what is being proposed. The current National Weather Museum and Science Center in the county is not located in compelling location and receives little visitation. Hunden assessed comparable museum experiences across the country to understand their levels of visitation and how far people travel to visit these experiences.

**Retail:** Hunden assumed 17 percent of sales would be net new to the County. For substitution, Hunden assessed the current levels of visitation to UNP and other core retail nodes in Cleveland County and discounted the net new percentage to account for substitution that would occur. Moreover, Hunden utilized geofencing from Placer.Ai to assess the number of people who live in Cleveland County who currently leave the county and go to core entertainment and retail districts in Oklahoma City, this included Bricktown among other popular retail nodes. This analysis assisted in accounting for recaptured spending that would occur for residents that are currently leaving the county for these offerings. The result of this analysis was a net new assumption of 17 percent for the retail within the district.

**Office:** Hunden assumed 78 percent of the incomes/employees onsite would be net new to the County, meaning that the companies that leased space within the development came to Cleveland County for a compelling office location for their employees. Conversations local groups and data from the Bureau of Labor Statistics on employment assisted in deriving this percentage, although this is highly contingent on the types of employers that lease space within the office component of the development.

**Residential:** It was estimated 14 percent of new residents would move from outside of Cleveland County. Hunden utilized the Bureau of Labor Statistics and Lightcast to assess migration to Cleveland County.

**Hotel:** Utilizing Placer.ai geofencing data and historical hotel performance from Smith Travel Research (STR), Hunden determined that 31 percent of the rooms revenue generated from onsite hotels would be net new to the county.

# Original Development – OU Foundation Development Program

Economic, Fiscal & Employment Impact

# Net New Spending to Cleveland County

## Original Development – OU Foundation Development Program

Direct net new/recaptured spending, falls into the five categories: food & beverage, lodging, retail, transportation and other.

The total of these direct spending categories during the 25-year period shown is more than \$2.3 billion for the entire Project. The retail category is the largest category of direct spending, contributing to an estimated \$820 million over the time period. The direct retail spending is new spending that would occur across the Cleveland County economy in existing retail establishments due to the Project. The other component of direct spending, which includes spending on ticketed events within the event venue, is the second largest category of direct spending and is expected to generate approximately \$652 million.

Total net new spending impact to Cleveland County over the 25-year time period, including indirect and induced spending that would occur, is estimated to total \$3.7 billion.

Direct, Indirect and Induced Net New Spending to Cleveland County (\$000s) - Norman Arena Mixed-Use District - Original Development													
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2046	2051	Total
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 20	Year 25	
<b>Direct Spending</b>													
Food & Beverage	\$ -	\$ 96	\$ 8,005	\$ 12,367	\$ 14,792	\$ 15,719	\$ 17,475	\$ 20,401	\$ 21,573	\$ 22,228	\$ 29,425	\$ 33,906	\$ 553,056
Lodging	\$ -	\$ -	\$ 2,415	\$ 2,893	\$ 3,303	\$ 3,386	\$ 3,470	\$ 3,637	\$ 3,776	\$ 3,911	\$ 5,200	\$ 6,028	\$ 100,980
Retail	\$ -	\$ 275	\$ 6,347	\$ 11,566	\$ 16,302	\$ 18,310	\$ 22,630	\$ 30,290	\$ 32,894	\$ 33,992	\$ 45,330	\$ 52,387	\$ 819,529
Transportation	\$ -	\$ 55	\$ 2,294	\$ 3,456	\$ 4,795	\$ 5,206	\$ 6,079	\$ 7,653	\$ 8,204	\$ 8,453	\$ 10,888	\$ 12,404	\$ 202,420
Other	\$ -	\$ 208	\$ 5,012	\$ 8,847	\$ 13,334	\$ 14,892	\$ 18,202	\$ 24,048	\$ 26,066	\$ 26,945	\$ 36,062	\$ 41,737	\$ 651,930
<b>Total</b>	\$ -	\$ 633	\$ 24,072	\$ 39,129	\$ 52,527	\$ 57,513	\$ 67,857	\$ 86,030	\$ 92,512	\$ 95,529	\$ 126,905	\$ 146,462	\$ 2,327,915
<b>Total Spending</b>													
Direct	\$ -	\$ 633	\$ 24,072	\$ 39,129	\$ 52,527	\$ 57,513	\$ 67,857	\$ 86,030	\$ 92,512	\$ 95,529	\$ 126,905	\$ 146,462	\$ 2,327,915
Indirect	\$ -	\$ 236	\$ 8,446	\$ 13,827	\$ 18,501	\$ 20,324	\$ 24,140	\$ 30,873	\$ 33,253	\$ 34,341	\$ 45,583	\$ 52,590	\$ 834,909
Induced	\$ -	\$ 144	\$ 5,777	\$ 9,102	\$ 12,221	\$ 13,343	\$ 15,689	\$ 19,841	\$ 21,319	\$ 22,004	\$ 29,032	\$ 33,415	\$ 534,419
<b>Total</b>	\$ -	\$ 1,014	\$ 38,295	\$ 62,057	\$ 83,248	\$ 91,179	\$ 107,686	\$ 136,744	\$ 147,084	\$ 151,873	\$ 201,520	\$ 232,467	\$ 3,697,243

Source: Hunden Partners

# Employment & Earning Impact

Net New Earnings & FTE Jobs from Direct, Indirect & Induced Spending (\$000s) - Norman Arena Mixed-Use District - Original Development													
	2027 Year 1	2028 Year 2	2029 Year 3	2030 Year 4	2031 Year 5	2032 Year 6	2033 Year 7	2034 Year 8	2035 Year 9	2036 Year 10	2046 Year 20	2051 Year 25	Total
<b>Net New Earnings</b>													
From Direct	\$ -	\$ 312	\$ 8,733	\$ 14,970	\$ 20,638	\$ 22,968	\$ 27,930	\$ 36,729	\$ 39,776	\$ 41,116	\$ 54,876	\$ 63,450	\$ 996,200
From Indirect	\$ -	\$ 92	\$ 3,416	\$ 5,475	\$ 7,254	\$ 7,966	\$ 9,454	\$ 12,093	\$ 13,034	\$ 13,471	\$ 17,933	\$ 20,717	\$ 328,233
From Induced	\$ -	\$ 70	\$ 2,679	\$ 4,189	\$ 5,602	\$ 6,144	\$ 7,284	\$ 9,317	\$ 10,042	\$ 10,380	\$ 13,783	\$ 15,909	\$ 252,516
<b>Total</b>	<b>\$ -</b>	<b>\$ 473</b>	<b>\$ 14,828</b>	<b>\$ 24,634</b>	<b>\$ 33,494</b>	<b>\$ 37,079</b>	<b>\$ 44,669</b>	<b>\$ 58,139</b>	<b>\$ 62,852</b>	<b>\$ 64,967</b>	<b>\$ 86,591</b>	<b>\$ 100,077</b>	<b>\$ 1,576,949</b>
<b>Net New FTE Jobs</b>													<b>Average</b>
From Direct	0	9	304	485	638	686	800	1005	1060	1072	1148	1194	922
From Indirect	0	3	124	195	255	274	317	396	417	422	451	468	363
From Induced	0	2	85	129	168	178	203	250	262	265	278	287	227
<b>Total</b>	<b>0</b>	<b>14</b>	<b>512</b>	<b>809</b>	<b>1,061</b>	<b>1,138</b>	<b>1,320</b>	<b>1,651</b>	<b>1,740</b>	<b>1,758</b>	<b>1,877</b>	<b>1,949</b>	<b>1,513</b>

Source: Hunden Partners

Net New Earnings from job growth are expected to total \$1.6 billion over the 25-year time period. New full-time equivalent jobs are expected to be created from the Project, primarily in the mixed-use district but also at the new event venue. During the 25-year period, the Project is expected to support an average of roughly 1,513 jobs in the Cleveland County economy. These are net new jobs generated by the Project, meaning those that would not be created 'but for' the development. Labor that is transferred or would have been created regardless of the Project is not included.



# Fiscal Impact

Fiscal Impact - Tax Impacts from New District Spending (\$000s) - Norman Arena Mixed-Use District - Original Development													
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2046	2051	Total
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 20	Year 25	
<b>Local Taxes</b>													
Local Sales Tax (4.25%)	\$ -	\$ 27	\$ 1,023	\$ 1,663	\$ 2,232	\$ 2,444	\$ 2,884	\$ 3,656	\$ 3,932	\$ 4,060	\$ 5,393	\$ 6,225	\$ 98,936
Local Hotel Tax (8%)	\$ -	\$ -	\$ 193	\$ 231	\$ 264	\$ 271	\$ 278	\$ 291	\$ 302	\$ 313	\$ 416	\$ 482	\$ 8,078
Property Tax	\$ -	\$ 760	\$ 8,191	\$ 8,950	\$ 10,277	\$ 11,516	\$ 14,485	\$ 16,719	\$ 17,221	\$ 17,737	\$ 23,838	\$ 27,634	\$ 445,650
<b>Total</b>	\$ -	\$ 787	\$ 9,407	\$ 10,845	\$ 12,774	\$ 14,231	\$ 17,647	\$ 20,666	\$ 21,455	\$ 22,110	\$ 29,647	\$ 34,341	\$ 552,665

Source: Hunden Partners

Hunden estimated the potential tax collections that would be generated from the project that would be considered net new to Norman/Cleveland County.

The Project is expected to generate \$553 million in local taxes over 25 years, with a majority of this coming from onsite property tax generation. Additionally, it is estimated there will be approximately \$107 million of net new sales tax and hotel tax generated in the greater local economy over the timeframe.

# Onsite Property Tax Projections

## Original Development – OU Foundation Development Program

The following table shows the property tax projections for the Original Development on the OU Foundation land over 25 years. Over 25 years the development is estimated to generate nearly \$446 million in ad valorem which contributes directly to the Rock Creek TIF #4.

On-Site Capturable Tax Impacts - Rock Creek Entertainment District #4 - OU Foundation Land											
	2027 Year 1	2028 Year 2	2029 Year 3	2030 Year 4	2031 Year 5	2032 Year 6	2033 Year 7	2034 Year 8	2035 Year 9	2036 Year 10	2051 Year 25
<b>PROPERTY TAXES (\$000s)</b>											
Office	\$ -	\$ -	\$ 266	\$ 788	\$ 1,869	\$ 2,001	\$ 3,526	\$ 3,632	\$ 3,741	\$ 3,853	\$ 6,002
MultiFamily	\$ -	\$ 760	\$ 1,565	\$ 1,612	\$ 1,660	\$ 2,565	\$ 3,801	\$ 5,167	\$ 5,322	\$ 5,482	\$ 8,540
Single Family For Rent and Townhomes	\$ -	\$ -	\$ 500	\$ 515	\$ 531	\$ 547	\$ 563	\$ 580	\$ 598	\$ 616	\$ 959
Retail & Restaurant	\$ -	\$ -	\$ 1,696	\$ 1,747	\$ 1,799	\$ 1,853	\$ 1,909	\$ 1,966	\$ 2,025	\$ 2,086	\$ 3,250
Hotel	\$ -	\$ -	\$ 473	\$ 487	\$ 501	\$ 516	\$ 532	\$ 1,096	\$ 1,128	\$ 1,162	\$ 1,811
Hangar	\$ -	\$ -	\$ 80	\$ 83	\$ 85	\$ 88	\$ 90	\$ 93	\$ 96	\$ 99	\$ 154
Plaza Spaces	\$ -	\$ -	\$ 53	\$ 55	\$ 57	\$ 58	\$ 60	\$ 62	\$ 64	\$ 66	\$ 102
Arena	\$ -	\$ -	\$ 3,557	\$ 3,664	\$ 3,774	\$ 3,887	\$ 4,004	\$ 4,124	\$ 4,248	\$ 4,375	\$ 6,816
Weather Experience Museum*											
Parking*											
FBO*											
<b>Total Property Tax</b>	\$ -	\$ 760	\$ 8,191	\$ 8,950	\$ 10,277	\$ 11,516	\$ 14,485	\$ 16,719	\$ 17,221	\$ 17,737	\$ 27,634
<i>Cumulative</i>	\$ -	\$ 760	\$ 8,951	\$ 17,901	\$ 28,178	\$ 39,694	\$ 54,179	\$ 70,898	\$ 88,119	\$ 105,856	\$ 445,650

\*The National Weather Experience, Parking, and FBO will contribute via a Payment In-Lieu of Taxes (PILOT), these values are yet to be determined  
 Source: Hunden Partners

Dollars shown are not in present value dollars.

# Onsite Sales Tax Projections

## Original Development – OU Foundation Development Program

The adjacent table shows the onsite sales tax revenue calculation that would be generated by OU Foundation Development Program. Hunden estimates that based on direct onsite spending these would generate an estimated \$116 million over 25 years.

Moreover, although not directly applicable to TIF#4, the onsite hotels are estimated to generate \$20 million in City of Norman HOT tax over 25 years.

On-Site Capturable Tax Impacts - Rock Creek Entertainment District #4 - Original Development												
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2051	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25	
<b>SALES TAX REVENUES (\$000s)</b>												
<b>Taxable Revenues (\$000s)</b>												
Retail & F&B	\$ -	\$ -	\$ 58,659	\$ 88,615	\$ 91,273	\$ 94,011	\$ 96,832	\$ 97,470	\$ 100,394	\$ 103,406	\$ 161,103	
Arena	\$ -	\$ -	\$ 19,740	\$ 22,630	\$ 25,671	\$ 26,441	\$ 27,234	\$ 28,051	\$ 28,893	\$ 29,760	\$ 46,365	
Hotel	\$ -	\$ -	\$ 9,565	\$ 11,120	\$ 12,002	\$ 12,232	\$ 12,551	\$ 13,246	\$ 13,789	\$ 14,309	\$ 21,952	
<b>Total Sales Tax</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,965</b>	<b>\$ 122,365</b>	<b>\$ 128,946</b>	<b>\$ 132,685</b>	<b>\$ 136,617</b>	<b>\$ 138,767</b>	<b>\$ 143,076</b>	<b>\$ 147,475</b>	<b>\$ 229,420</b>	
<b>Sales Tax Avail for TIF Fundings (\$000s) Rate</b>												
State	4.500%	\$ -	\$ -	\$ 3,958	\$ 5,506	\$ 5,803	\$ 5,971	\$ 6,148	\$ 6,245	\$ 6,438	\$ 6,636	\$ 10,324
Cleveland County Jail	0.125%	\$ -	\$ -	\$ 110	\$ 153	\$ 161	\$ 166	\$ 171	\$ 173	\$ 179	\$ 184	\$ 287
City General Fund	2.300%	\$ -	\$ -	\$ 2,023	\$ 2,814	\$ 2,966	\$ 3,052	\$ 3,142	\$ 3,192	\$ 3,291	\$ 3,392	\$ 5,277
City of Norman Capital Projects	0.700%	\$ -	\$ -	\$ 616	\$ 857	\$ 903	\$ 929	\$ 956	\$ 971	\$ 1,002	\$ 1,032	\$ 1,606
City of Norman Public Safety	0.500%	\$ -	\$ -	\$ 440	\$ 612	\$ 645	\$ 663	\$ 683	\$ 694	\$ 715	\$ 737	\$ 1,147
City of Norman Public Transit	0.125%	\$ -	\$ -	\$ 110	\$ 153	\$ 161	\$ 166	\$ 171	\$ 173	\$ 179	\$ 184	\$ 287
Norman Forward Projects	0.500%	\$ -	\$ -	\$ 440	\$ 612	\$ 645	\$ 663	\$ 683	\$ 694	\$ 715	\$ 737	\$ 1,147
<b>Total</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,697</b>	<b>\$ 10,707</b>	<b>\$ 11,283</b>	<b>\$ 11,610</b>	<b>\$ 11,954</b>	<b>\$ 12,142</b>	<b>\$ 12,519</b>	<b>\$ 12,904</b>	<b>\$ 20,074</b>
<b>Sales Tax Avail for TIF Fundings (\$000s) Available?</b>												
State		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cleveland County Jail		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City General Fund		\$ -	\$ -	\$ 2,023	\$ 2,814	\$ 2,966	\$ 3,052	\$ 3,142	\$ 3,192	\$ 3,291	\$ 3,392	\$ 5,277
City of Norman Capital Projects		\$ -	\$ -	\$ 616	\$ 857	\$ 903	\$ 929	\$ 956	\$ 971	\$ 1,002	\$ 1,032	\$ 1,606
City of Norman Public Safety		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Norman Public Transit		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Norman Forward Projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,639</b>	<b>\$ 3,671</b>	<b>\$ 3,868</b>	<b>\$ 3,981</b>	<b>\$ 4,099</b>	<b>\$ 4,163</b>	<b>\$ 4,292</b>	<b>\$ 4,424</b>	<b>\$ 6,883</b>
<i>Cumulative</i>		<i>\$ -</i>	<i>\$ -</i>	<i>\$ 2,639</i>	<i>\$ 6,310</i>	<i>\$ 10,178</i>	<i>\$ 14,159</i>	<i>\$ 18,257</i>	<i>\$ 22,420</i>	<i>\$ 26,713</i>	<i>\$ 31,137</i>	<i>\$ 115,776</i>
<b>Non-TIF Additional On-Site Tax Impacts (\$000s)</b>												
City Hotel Occupancy Tax	8.000%	\$ -	\$ -	\$ 507	\$ 591	\$ 641	\$ 657	\$ 673	\$ 717	\$ 750	\$ 781	\$ 1,191
<b>Total</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 507</b>	<b>\$ 591</b>	<b>\$ 641</b>	<b>\$ 657</b>	<b>\$ 673</b>	<b>\$ 717</b>	<b>\$ 750</b>	<b>\$ 781</b>	<b>\$ 1,191</b>
<i>Cumulative</i>		<i>\$ -</i>	<i>\$ -</i>	<i>\$ 507</i>	<i>\$ 1,097</i>	<i>\$ 1,738</i>	<i>\$ 2,395</i>	<i>\$ 3,068</i>	<i>\$ 3,785</i>	<i>\$ 4,535</i>	<i>\$ 5,316</i>	<i>\$ 19,990</i>

Source: Hunden Partners

Dollars shown are not in present value dollars.



# **Full Development – Rock Creek Entertainment District TIF #4**

Economic, Fiscal & Employment Impact

# Net New Spending to Cleveland County

## Full Development – Rock Creek TIF #4

As noted earlier, the full development includes the OU Foundation Development Program and the additional land within the TIF #4 that is owned by NEDC and other entities.

Direct net new/recaptured spending falls into five categories: food & beverage, lodging, retail, transportation and other.

The total of the direct net new/recaptured spending for all five categories during the 25-year period is close to \$2.8 billion for the entire Project, inclusive of additional land within the TIF that would be built out during later phases of development. Spending generated by the National Weather Experience would contribute to additional spending in the form of ticket sales and there would likely be substantial retail and food and beverage spending generated onsite and in the greater local economy.

Total net new spending impact to Cleveland County over the 25-year period, including indirect and induced spending that would occur, is estimated to total \$4.5 billion.

Direct, Indirect and Induced Net New Spending to Cleveland County (\$000s) - Norman Arena Mixed-Use District - Full Development Program - Rock Creek TIF#4												
	2027 Year 1	2028 Year 2	2029 Year 3	2030 Year 4	2031 Year 5	2032 Year 6	2033 Year 7	2034 Year 8	2035 Year 9	2036 Year 10	2051 Year 25	Total
<b>Direct Spending</b>												
Food & Beverage	\$ -	\$ 96	\$ 7,995	\$ 16,639	\$ 19,073	\$ 19,930	\$ 22,822	\$ 25,777	\$ 27,068	\$ 28,017	\$ 42,153	\$ 692,955
Lodging	\$ -	\$ -	\$ 2,415	\$ 4,736	\$ 5,161	\$ 5,225	\$ 5,153	\$ 6,600	\$ 6,838	\$ 7,070	\$ 10,709	\$ 176,017
Retail	\$ -	\$ 275	\$ 6,340	\$ 14,614	\$ 19,353	\$ 21,307	\$ 29,706	\$ 34,321	\$ 37,016	\$ 38,699	\$ 59,113	\$ 934,204
Transportation	\$ -	\$ 55	\$ 2,294	\$ 5,133	\$ 6,446	\$ 6,800	\$ 8,369	\$ 9,719	\$ 10,303	\$ 10,680	\$ 15,080	\$ 252,773
Other	\$ -	\$ 208	\$ 5,011	\$ 13,401	\$ 17,933	\$ 19,450	\$ 25,673	\$ 28,755	\$ 30,906	\$ 32,292	\$ 49,800	\$ 788,441
<b>Total</b>	\$ -	\$ 633	\$ 24,055	\$ 54,524	\$ 67,967	\$ 72,712	\$ 91,723	\$ 105,171	\$ 112,131	\$ 116,758	\$ 176,855	\$ 2,844,390
<b>Total Spending</b>												
Direct	\$ -	\$ 633	\$ 24,055	\$ 54,524	\$ 67,967	\$ 72,712	\$ 91,723	\$ 105,171	\$ 112,131	\$ 116,758	\$ 176,855	\$ 2,844,390
Indirect	\$ -	\$ 236	\$ 8,439	\$ 18,351	\$ 23,024	\$ 24,763	\$ 31,901	\$ 36,982	\$ 39,510	\$ 41,166	\$ 62,202	\$ 998,449
Induced	\$ -	\$ 144	\$ 5,774	\$ 13,551	\$ 16,671	\$ 17,712	\$ 21,942	\$ 25,248	\$ 26,853	\$ 27,923	\$ 41,664	\$ 676,902
<b>Total</b>	\$ -	\$ 1,014	\$ 38,268	\$ 86,425	\$ 107,661	\$ 115,187	\$ 145,566	\$ 167,401	\$ 178,494	\$ 185,846	\$ 280,721	\$ 4,519,741

Source: Hunden Partners

# Employment & Earning Impact

Net New Earnings & FTE Jobs from Direct, Indirect & Induced Spending (\$000s) - Norman Arena Mixed-Use District - Full Development Program - Rock Creek TIF#4												
	2027 Year 1	2028 Year 2	2029 Year 3	2030 Year 4	2031 Year 5	2032 Year 6	2033 Year 7	2034 Year 8	2035 Year 9	2036 Year 10	2051 Year 25	Total
<b>Net New Earnings</b>												
From Direct	\$ -	\$ 312	\$ 8,725	\$ 17,940	\$ 23,607	\$ 25,883	\$ 35,509	\$ 41,622	\$ 44,801	\$ 46,825	\$ 71,673	\$ 1,132,572
From Indirect	\$ -	\$ 92	\$ 3,413	\$ 6,783	\$ 8,562	\$ 9,250	\$ 12,069	\$ 14,359	\$ 15,365	\$ 16,030	\$ 24,406	\$ 388,652
From Induced	\$ -	\$ 70	\$ 2,677	\$ 5,470	\$ 6,882	\$ 7,402	\$ 9,538	\$ 11,394	\$ 12,179	\$ 12,701	\$ 19,237	\$ 307,393
<b>Total</b>	<b>\$ -</b>	<b>\$ 473</b>	<b>\$ 14,816</b>	<b>\$ 30,192</b>	<b>\$ 39,052</b>	<b>\$ 42,534</b>	<b>\$ 57,117</b>	<b>\$ 67,375</b>	<b>\$ 72,344</b>	<b>\$ 75,555</b>	<b>\$ 115,316</b>	<b>\$ 1,828,617</b>
<b>Net New FTE Jobs</b>												<b>Average</b>
From Direct	0	9	303	639	788	828	1051	1193	1248	1271	1379	1,088
From Indirect	0	3	124	259	318	333	418	474	495	504	544	431
From Induced	0	2	85	190	227	235	282	318	330	334	350	285
<b>Total</b>	<b>0</b>	<b>14</b>	<b>512</b>	<b>1,089</b>	<b>1,332</b>	<b>1,396</b>	<b>1,750</b>	<b>1,985</b>	<b>2,072</b>	<b>2,110</b>	<b>2,272</b>	<b>1,804</b>

Source: Hunden Partners

Net New Earnings from job growth are expected to total approximately \$1.8 billion over the 25-year period. Onsite new full-time equivalent jobs are expected to be created from the full development, primarily in the mixed-use district, but also at the new event venue and the National Weather Experience. During the 25-year period, the Project is expected to support an average of roughly 1,804 jobs. Labor that is transferred or would have been created regardless of the Project is not included.

# Fiscal Impact

Fiscal Impact - Tax Impacts from New District Spending (\$000s) - Norman Arena Mixed-Use District - Full Development Program - Rock Creek TIF#4												
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2051	Total
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25	
<b>Local Taxes</b>												
Local Sales Tax (4.25%)	\$ -	\$ 27	\$ 1,022	\$ 2,317	\$ 2,889	\$ 3,090	\$ 3,898	\$ 4,470	\$ 4,766	\$ 4,962	\$ 7,516	\$ 120,887
Local Hotel Tax (8%)	\$ -	\$ -	\$ 193	\$ 379	\$ 413	\$ 418	\$ 412	\$ 528	\$ 547	\$ 566	\$ 857	\$ 14,081
Property Tax	\$ -	\$ 760	\$ 8,191	\$ 8,950	\$ 10,277	\$ 11,516	\$ 14,485	\$ 17,551	\$ 18,077	\$ 19,466	\$ 30,328	\$ 482,189
<b>Total</b>	<b>\$ -</b>	<b>\$ 787</b>	<b>\$ 9,406</b>	<b>\$ 11,646</b>	<b>\$ 13,578</b>	<b>\$ 15,024</b>	<b>\$ 18,796</b>	<b>\$ 22,548</b>	<b>\$ 23,390</b>	<b>\$ 24,994</b>	<b>\$ 38,701</b>	<b>\$ 617,157</b>

Source: Hunden Partners

Hunden estimated the potential tax collections that would be generated from the project that would be considered net new to Norman/Cleveland County.

The Project is expected to generate \$617 million in local taxes over 25 years, with a majority of this coming from onsite property tax generation. Additionally, it is estimated that there will be \$135 million of net new sales tax and hotel tax generated in the local economy over the timeframe.

# Onsite Property Tax Projections

## Full Development – Rock Creek TIF #4



The following table shows the property tax projections for the full development and build out within the TIF #4 district over 25 years. Over 25 years the development is estimated to generate \$482 million in ad valorem which contributes directly to the Rock Creek TIF #4.

On-Site Capturable Tax Impacts - Rock Creek Entertainment District #4 - Full Development											
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2051
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25
<b>PROPERTY TAXES (\$000s)</b>											
Office	\$ -	\$ -	\$ 266	\$ 788	\$ 1,869	\$ 2,001	\$ 3,526	\$ 3,632	\$ 3,741	\$ 3,853	\$ 6,002
MultiFamily	\$ -	\$ 760	\$ 1,565	\$ 1,612	\$ 1,660	\$ 2,565	\$ 3,801	\$ 5,167	\$ 5,322	\$ 6,329	\$ 9,860
Single Family For Rent and Townhomes	\$ -	\$ -	\$ 500	\$ 515	\$ 531	\$ 547	\$ 563	\$ 580	\$ 598	\$ 616	\$ 959
Retail & Restaurant	\$ -	\$ -	\$ 1,696	\$ 1,747	\$ 1,799	\$ 1,853	\$ 1,909	\$ 2,359	\$ 2,430	\$ 2,503	\$ 3,900
Hotel	\$ -	\$ -	\$ 473	\$ 487	\$ 501	\$ 516	\$ 532	\$ 1,534	\$ 1,580	\$ 1,627	\$ 2,535
Hangar	\$ -	\$ -	\$ 80	\$ 83	\$ 85	\$ 88	\$ 90	\$ 93	\$ 96	\$ 99	\$ 154
Plaza Spaces	\$ -	\$ -	\$ 53	\$ 55	\$ 57	\$ 58	\$ 60	\$ 62	\$ 64	\$ 66	\$ 102
Arena	\$ -	\$ -	\$ 3,557	\$ 3,664	\$ 3,774	\$ 3,887	\$ 4,004	\$ 4,124	\$ 4,248	\$ 4,375	\$ 6,816
Weather Experience Museum*											
Parking*											
FBO*											
<b>Total Property Tax</b>	<b>\$ -</b>	<b>\$ 760</b>	<b>\$ 8,191</b>	<b>\$ 8,950</b>	<b>\$ 10,277</b>	<b>\$ 11,516</b>	<b>\$ 14,485</b>	<b>\$ 17,551</b>	<b>\$ 18,077</b>	<b>\$ 19,466</b>	<b>\$ 30,328</b>
<i>Cumulative</i>	<i>\$ -</i>	<i>\$ 760</i>	<i>\$ 8,951</i>	<i>\$ 17,901</i>	<i>\$ 28,178</i>	<i>\$ 39,694</i>	<i>\$ 54,179</i>	<i>\$ 71,730</i>	<i>\$ 89,807</i>	<i>\$ 109,273</i>	<i>\$ 482,189</i>

\*The National Weather Experience, Parking, and FBO will contribute via a Payment In-Lieu of Taxes (PILOT), these values are yet to be determined

Source: Hunden Partners

Dollars shown are not in present value dollars.



# Onsite Sales Tax Projections

## Full Development – Rock Creek TIF #4

The adjacent table shows the onsite sales tax revenue calculation that would be generated by all development within the Rock Creek TIF #4 district over 25 years. Hunden estimates that based on direct onsite spending these would generate an estimated \$138 million over 25 years.

Moreover, although not directly applicable to TIF#4, the onsite hotels are estimated to generate \$31 million in City of Norman HOT tax over 25 years.

On-Site Capturable Tax Impacts - Rock Creek Entertainment District #4 - Full Development											
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2051
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25
<b>SALES TAX REVENUES (\$000s)</b>											
<b>Taxable Revenues (\$000s)</b>											
Retail & F&B	\$ -	\$ -	\$ 58,659	\$ 88,615	\$ 91,273	\$ 94,011	\$ 96,832	\$ 116,964	\$ 120,473	\$ 124,087	\$ 193,323
Arena	\$ -	\$ -	\$ 19,740	\$ 22,630	\$ 25,671	\$ 26,441	\$ 27,234	\$ 28,051	\$ 28,893	\$ 29,760	\$ 46,365
Weather Experience	\$ -	\$ -	\$ -	\$ 4,367	\$ 4,425	\$ 4,401	\$ 4,047	\$ 4,168	\$ 4,293	\$ 4,422	\$ 6,890
Hotel	\$ -	\$ -	\$ 9,565	\$ 11,120	\$ 12,002	\$ 12,232	\$ 12,551	\$ 19,984	\$ 20,826	\$ 21,626	\$ 33,129
<b>Total Sales Tax</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,965</b>	<b>\$ 126,732</b>	<b>\$ 133,371</b>	<b>\$ 137,086</b>	<b>\$ 140,664</b>	<b>\$ 169,168</b>	<b>\$ 174,485</b>	<b>\$ 179,895</b>	<b>\$ 279,706</b>
<b>Sales Tax Avail for TIF Fundings (\$000s)      Rate</b>											
State	\$ -	\$ -	\$ 3,958	\$ 5,703	\$ 6,002	\$ 6,169	\$ 6,330	\$ 7,613	\$ 7,852	\$ 8,095	\$ 12,587
Cleveland County Jail	\$ -	\$ -	\$ 110	\$ 158	\$ 167	\$ 171	\$ 176	\$ 211	\$ 218	\$ 225	\$ 350
City General Fund	\$ -	\$ -	\$ 2,023	\$ 2,915	\$ 3,068	\$ 3,153	\$ 3,235	\$ 3,891	\$ 4,013	\$ 4,138	\$ 6,433
City of Norman Capital Projects	\$ -	\$ -	\$ 616	\$ 887	\$ 934	\$ 960	\$ 985	\$ 1,184	\$ 1,221	\$ 1,259	\$ 1,958
City of Norman Public Safety	\$ -	\$ -	\$ 440	\$ 634	\$ 667	\$ 685	\$ 703	\$ 846	\$ 872	\$ 899	\$ 1,399
City of Norman Public Transit	\$ -	\$ -	\$ 110	\$ 158	\$ 167	\$ 171	\$ 176	\$ 211	\$ 218	\$ 225	\$ 350
Norman Forward Projects	\$ -	\$ -	\$ 440	\$ 634	\$ 667	\$ 685	\$ 703	\$ 846	\$ 872	\$ 899	\$ 1,399
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,697</b>	<b>\$ 11,089</b>	<b>\$ 11,670</b>	<b>\$ 11,995</b>	<b>\$ 12,308</b>	<b>\$ 14,802</b>	<b>\$ 15,267</b>	<b>\$ 15,741</b>	<b>\$ 24,474</b>
<b>Sales Tax Avail for TIF Fundings (\$000s)      Available?</b>											
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cleveland County Jail	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City General Fund	\$ -	\$ -	\$ 2,023	\$ 2,915	\$ 3,068	\$ 3,153	\$ 3,235	\$ 3,891	\$ 4,013	\$ 4,138	\$ 6,433
City of Norman Capital Projects	\$ -	\$ -	\$ 616	\$ 887	\$ 934	\$ 960	\$ 985	\$ 1,184	\$ 1,221	\$ 1,259	\$ 1,958
City of Norman Public Safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Norman Public Transit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Norman Forward Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,639</b>	<b>\$ 3,802</b>	<b>\$ 4,001</b>	<b>\$ 4,113</b>	<b>\$ 4,220</b>	<b>\$ 5,075</b>	<b>\$ 5,235</b>	<b>\$ 5,397</b>	<b>\$ 8,391</b>
<i>Cumulative</i>	\$ -	\$ -	\$ 2,639	\$ 6,441	\$ 10,442	\$ 14,555	\$ 18,775	\$ 23,850	\$ 29,084	\$ 34,481	<b>\$ 137,676</b>
<b>Non-TIF Additional On-Site Tax Impacts (\$000s)</b>											
City Hotel Occupancy Tax	\$ -	\$ -	\$ 507	\$ 591	\$ 641	\$ 657	\$ 673	\$ 1,185	\$ 1,239	\$ 1,290	\$ 1,969
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 507</b>	<b>\$ 591</b>	<b>\$ 641</b>	<b>\$ 657</b>	<b>\$ 673</b>	<b>\$ 1,185</b>	<b>\$ 1,239</b>	<b>\$ 1,290</b>	<b>\$ 1,969</b>
<i>Cumulative</i>	\$ -	\$ -	\$ 507	\$ 1,097	\$ 1,738	\$ 2,395	\$ 3,068	\$ 4,253	\$ 5,492	\$ 6,782	<b>\$ 31,031</b>

Source: Hunden Partners

# hunden partners

Hunden Partners is a full-service real estate development advisory practice specializing in destination assets.

With professionals in Chicago, San Diego, and Minneapolis, Hunden provides a variety of services for all stages of destination development in:

- Real Estate Market & Financial Feasibility
- Economic, Fiscal & Employment Impact Analysis (Cost/Benefit)
- Organizational Development
- Public Incentive Analysis
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The firm and its principal have performed more than 1,000 studies over the past 25 years, with more than \$20 billion in built, successful projects.



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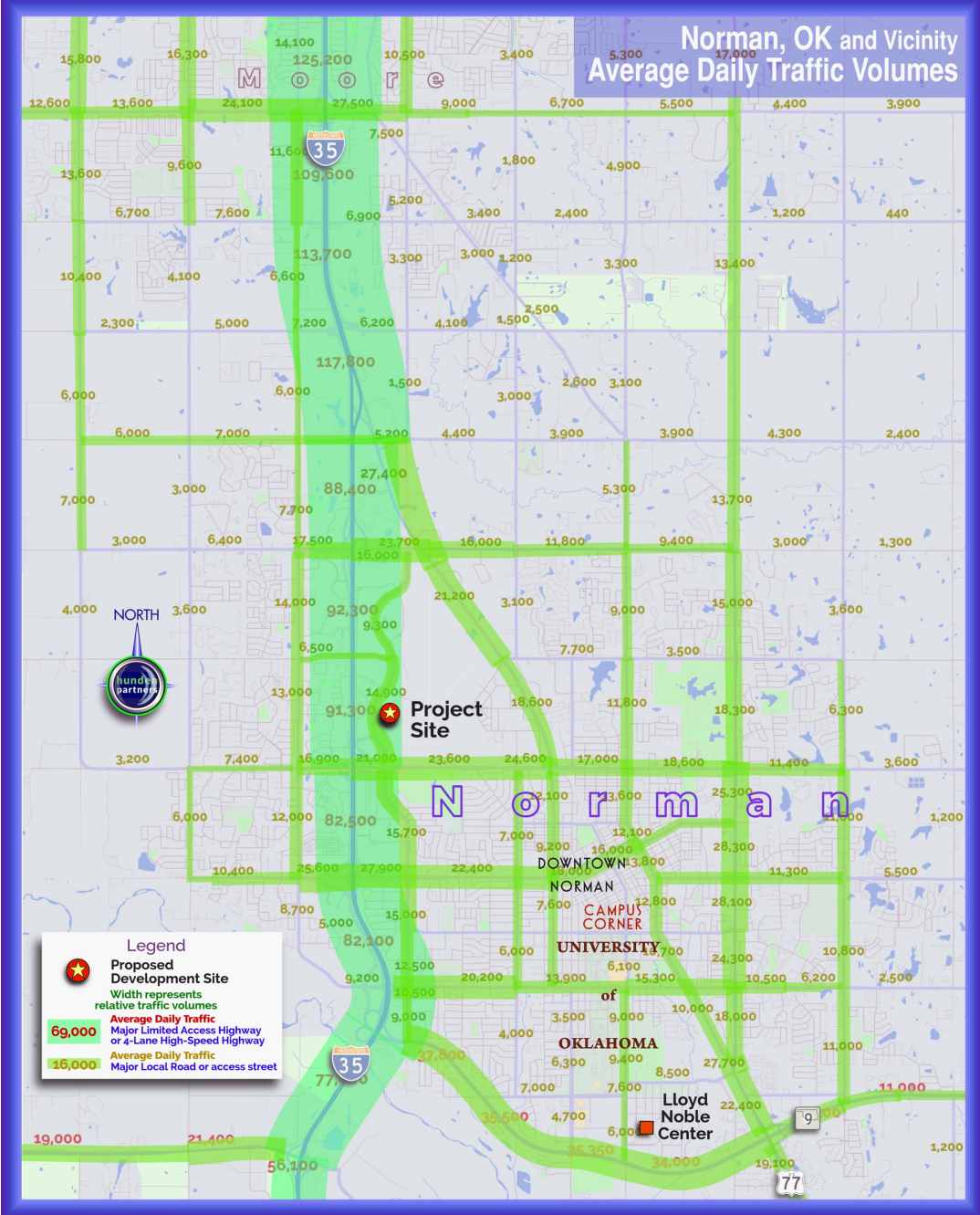


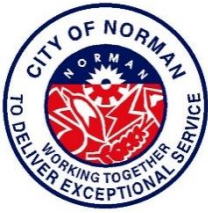
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# Appendix

# Local Traffic Counts





## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 05/13/2024

**ITEM TITLE:** PRESENTATION AND DISCUSSION OF THE OKLAHOMA DEPARTMENT OF COMMERCE REPORT TITLED ECONOMIC IMPACT OF NORMAN TIF DISTRICT

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University North Park Entertainment District Project Statutory Review Committee  
Item 4 of the Agenda

Oklahoma Department of Commerce

# Economic Impact of Norman TIF District

Research and Economic Analysis Division

Aldwyn Sappleton and Jon Chiappe  
4-3-2024



## Economic Impact Methodology Summary

This report is based on estimates from key stakeholders that have provided building and operations costs of facilities included in the OU Foundation plan (See Appendix 2), along with proposed Norman Economic Development Coalition (NEDC) developments that have provided some level of commitment should the tax increment finance (TIF) area (see appendix 1) and arena be approved. The NEDC development primarily consist of a restaurant, a recreational/entertainment facility and a Weather Museum. The impact result reflects how each development has a staggered timeline that may not span the full life of the TIF. The National Weather Museum is a great example of an operation that was estimated to only capture 13 to 15 years of payments during the TIF. However, the impacts do span further outside timeline of the TIF. The estimate on the operations involved significant planning and adjustments to primarily include projects or operations that have a strong chance of meeting the proposed timelines in the development. Some operations did not have sales estimates but did have property tax calculations due to lack of scaling details. In this report there were no additional estimates on likely personal property that should be purchased to furnish and facilitate business operations within the proposed operations. Property values are estimated to increase 3% each year but are heavily offset by a depreciation schedule plus NPV discount rates to factor the time-value of money or cost of capital. A similar 3% growth was assumed for sales tax in the larger sales scenarios, but the discount rate fully covers that increase with an additional dampening effect evident in the net present value calculations.

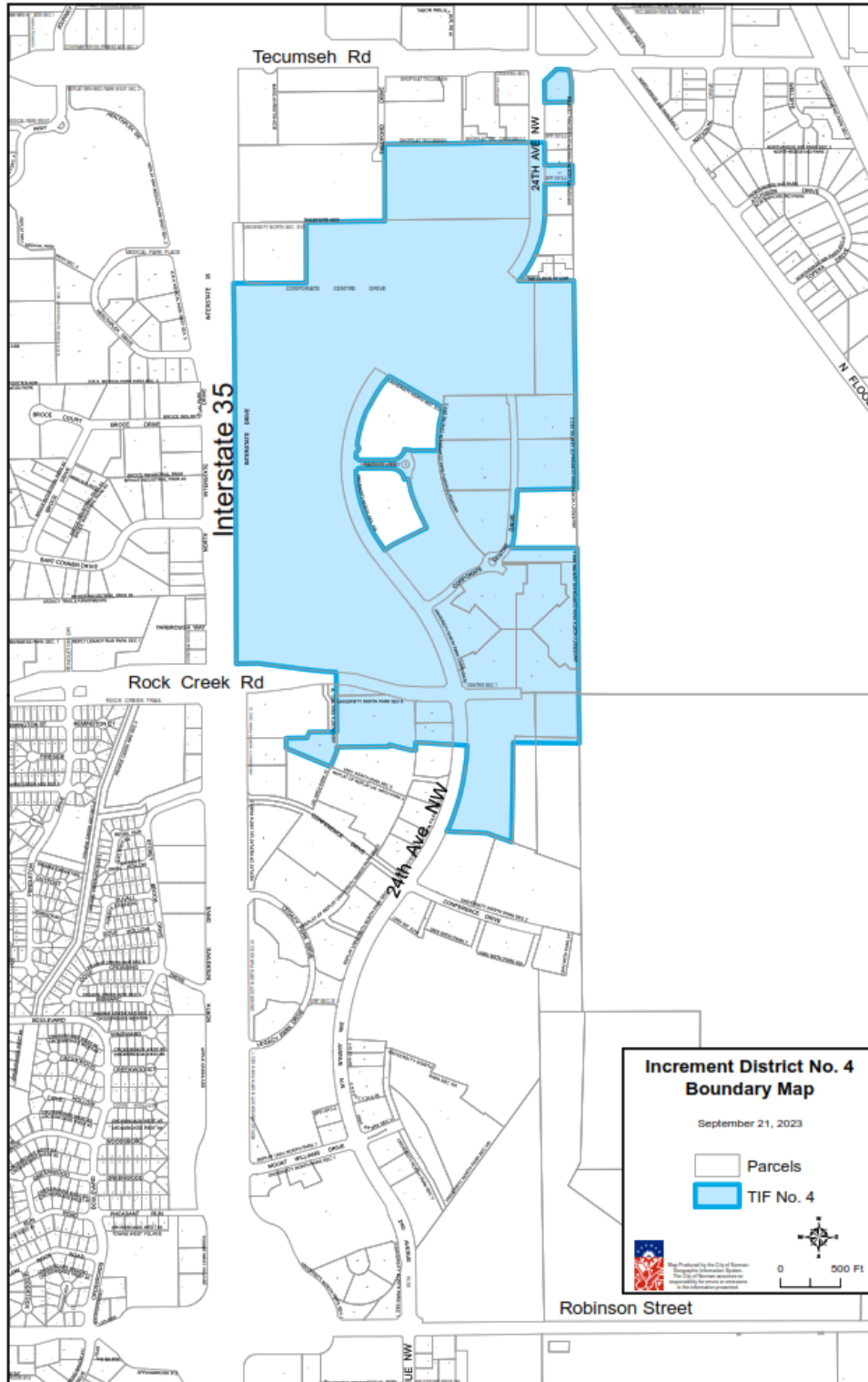
The key figures for employment and GDP were generated using the REMI PI+ economic impact modeling tool. This tool is a dynamic policy model that takes into consideration cannibalization, business cycle, inflation and other regional and national factors. The GDP dollars communicated are in 2012 chained dollars, but inputs were pegged to 2022 dollar value. This economic impact report also considers the construction activities proposed in the overall TIF development (see appendix 1). Construction impacts are temporary in nature and will fade away shortly after construction activities have ended and workers move on to other geographies and/or projects. This report will look at employment, wages and GDP sales generated by the construction, and ongoing operation of businesses proposed by OU Foundation developers and the three NEDC prospects. Economic impacts are primarily influenced by three categories: direct, induced and indirect impacts. An analysis of the construction activities and ongoing operations of the University North Park developments (TIF area) yielded strong economic results. The results communicate the combined impacts from direct, indirect and induced activities. The direct impacts are measured by the direct jobs and investment listed by the developers. Those workers directly employed by proposed businesses earn wages that they in turn spend in the local economy (induced impacts from employee wages) to pay for food entertainment, housing and such. Indirect impacts occur when the proposed businesses spend significant dollars at local suppliers like Target, Crest, Home Depot, Lowes and others, on supplies to support their day-to-day operations. The impact results communicate the combined direct, indirect and induced impacts as a result of the proposed operations in the TIF.

The estimates for property taxes and sales taxes are based on the direct estimates of sales or items subjected to sales tax during construction and operations of the facilities proposed to be located in the TIF. Additional developments outside the planned and measured impacts would yield higher results. Also, if the developments do not occur then estimated tax revenue and development costs would be reduced somewhat proportionally depending on the type of business operation. The exclusion of an Arena would have an outsized negative impact on the overall viability of the development.



The maps in Appendices 1 and 2 cover the proposed Project Area, but the current economic impact estimates are focused on planned developments within the Project Area.

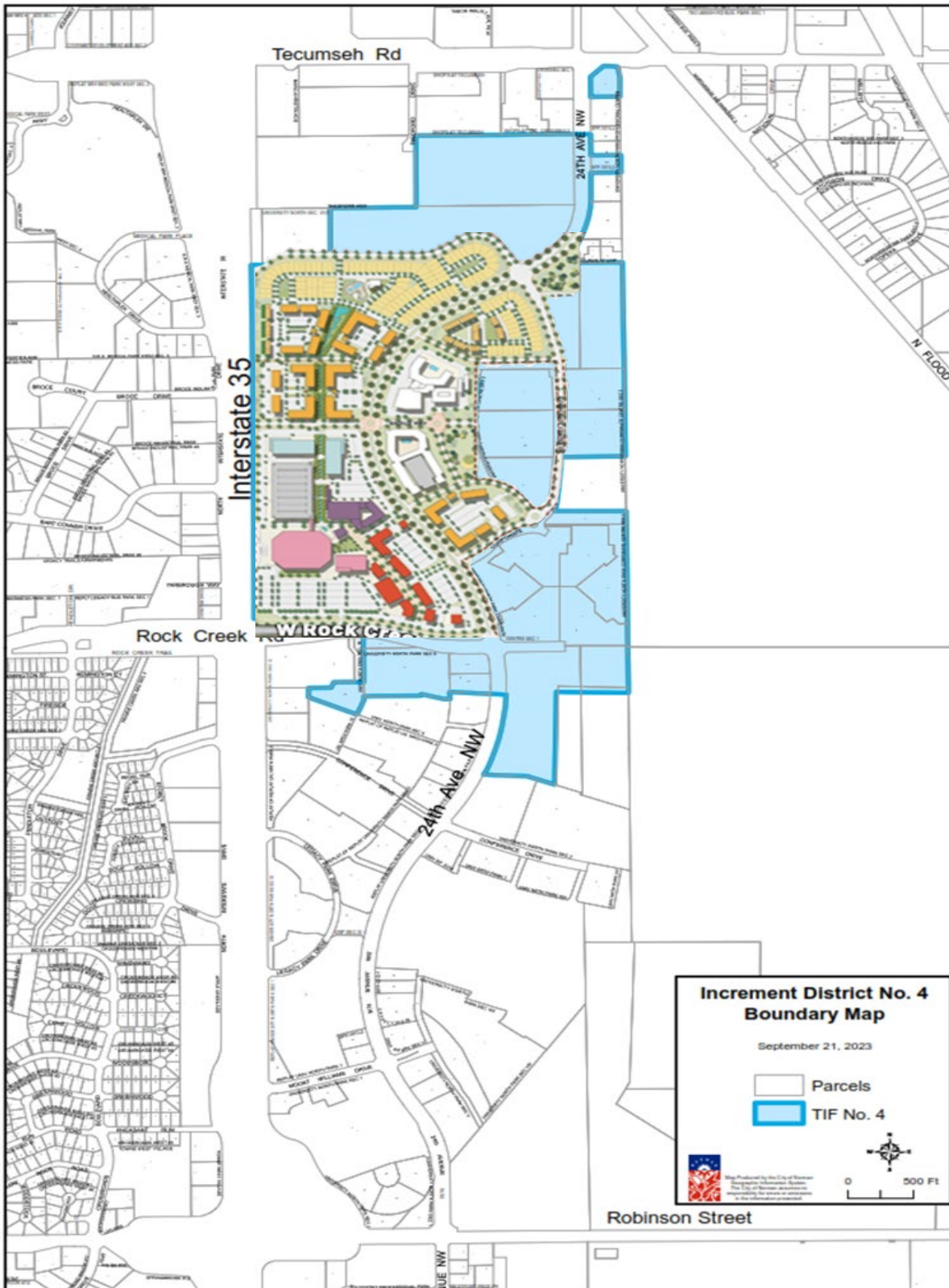
**Appendix 1:** Map of proposed TIF District 4.







**Appendix 2:** Map of the OU Foundation Property overlaid onto TIF District 4.

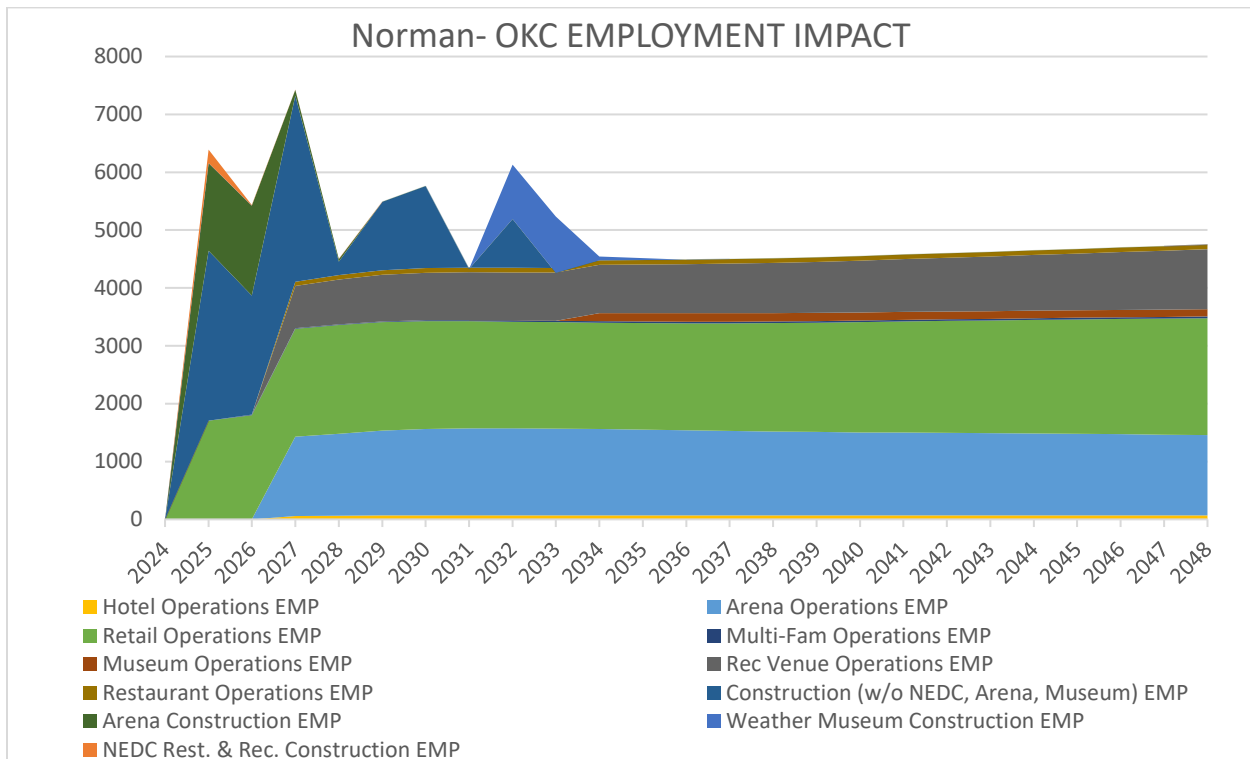




### Employment Impacts

Employment impacts are estimated to top well over 7,400 jobs during peak construction periods. Construction without the NEDC projects would reduce the overall jobs impact to over 6,600 jobs. As illustrated in the chart below, those construction activities are temporary in nature and will fade over time, leaving sustained impacts that occur from the day-to-day operations of the proposed businesses in the TIF area. The construction employment increases roughly 8 to 10 years into the TIF based on estimated construction of the weather museum. After temporary construction activities have faded, the jobs impact from the current development plan is estimated to average over 4,600 jobs.

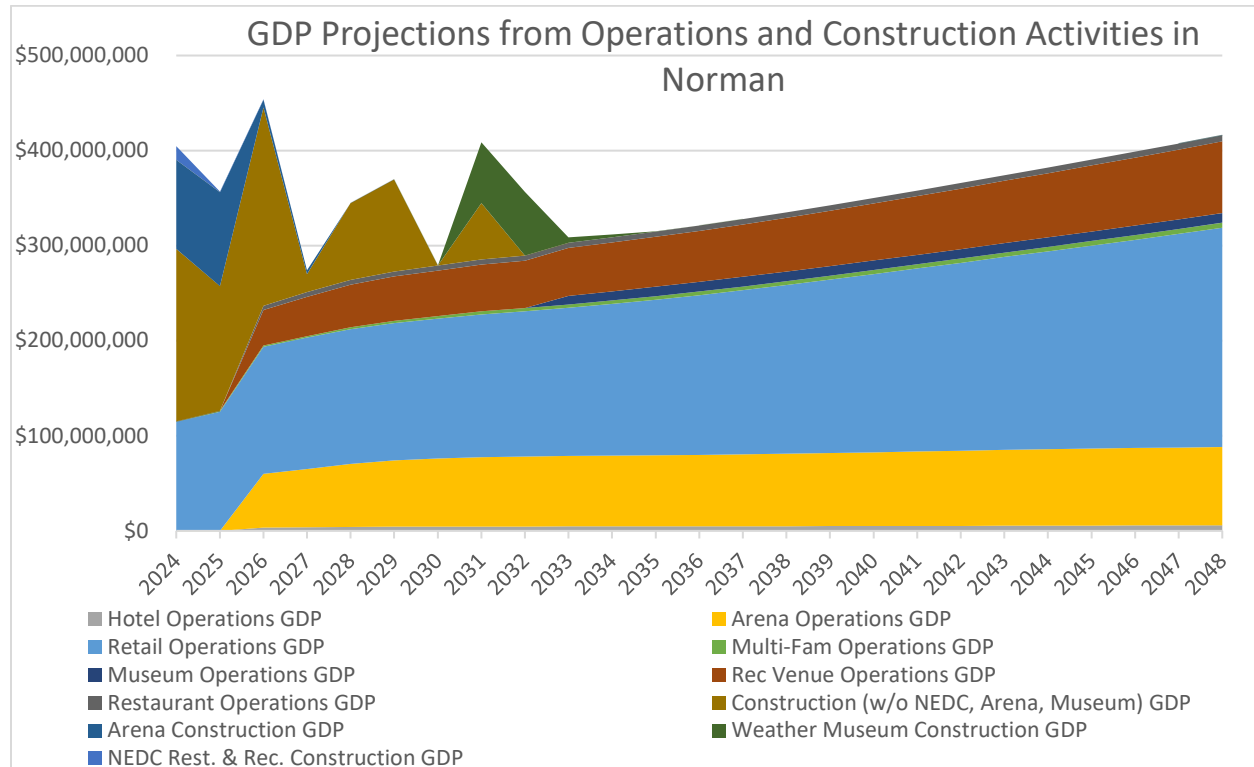
The full scale of jobs growth projected in this impact report will not be limited to Norman; surrounding communities and the state of Oklahoma are poised to be impact with net new overall job growth.





### Gross Domestic Product (GDP)

The proposed NEDC and OU Foundation developments are estimated to add significant dollars in the local economy through construction activities and then the on-going operations of the businesses located in the TIF district. As with employment, construction activities are temporary in nature and contribute to significant spikes in the first half of the TIF – as construction fades, the longer-term effects from the day-to-day business will remain. Peak construction shows a high \$454M in GDP added to the local economy. In post construction years that addition to GDP averages over \$350M per year from normal operations.



The impact without the NEDC projects would be roughly \$411M at peak construction and an average of \$285M in GDP in the post construction years of the TIF.



## FISCAL IMPACT

### Ad Valorem

#### Total Potential Property Tax

Based on the initial value of the infrastructure planned by OU, NEDC and other developers the estimated property tax on those facilities are expressed in the chart below. The chart is reflective of lower property taxes over time due to depreciated property values. Personal property like machinery and equipment unique to business operations were not included with this analysis.

#### OU Foundation Valuations

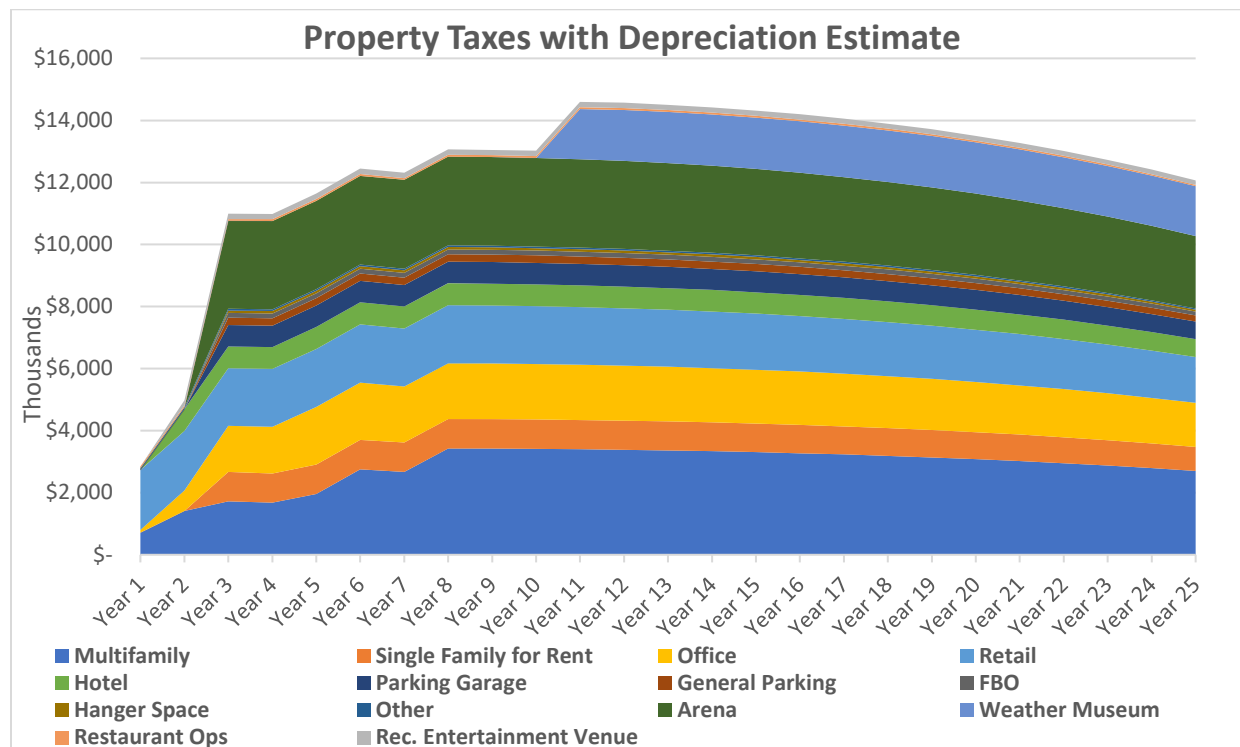
Over the life of the TIF, over \$277 million is estimated to be generated from property taxes alone. Without depreciation, that total potential tax would be much higher at \$425 million.

- Total Potential Property Tax \$425,213,366 (arena pays taxes thru a PILOT)
- Total with Depreciation \$280,593,521
- **Total NPV (5%) with Depreciation \$169,264,657**

#### With NEDC Properties Valuations

Over the life of the TIF, over \$310 million is estimated to be generated from property taxes alone. Without depreciation, that total potential tax would be much higher at \$455 million.

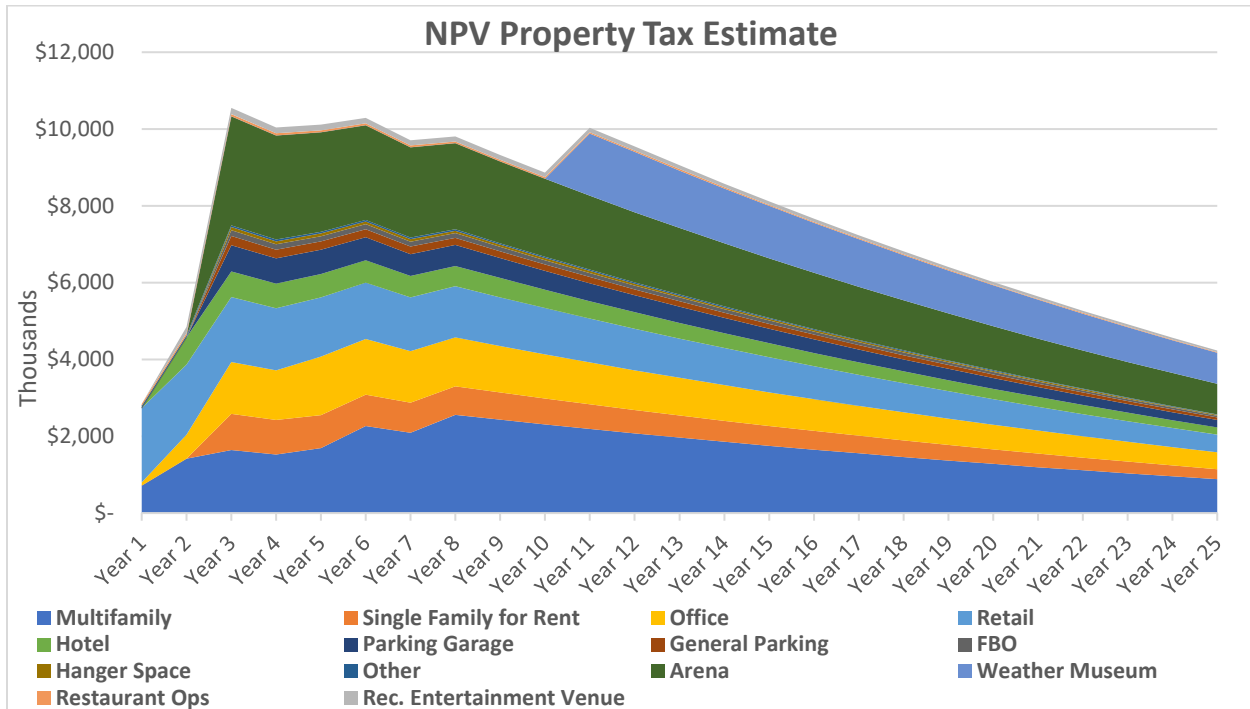
- Total Potential Property Tax \$463,145,932 (arena pays taxes thru a PILOT)
- Total with Depreciation \$310,621,784
- **Total NPV (5%) with Depreciation \$190,506,418**





### Net Present Value (NPV) of Direct Property Taxes

The Net Present Value of Property Taxes factoring depreciation over the life of the TIF would lead to a relatively smaller return on taxes over time, mainly due to the time-value of money. The chart below shows peak taxes generated over the life of the TIF when projects come online. The overall NPV is over \$169M for the original OU Foundation plan and over \$190 million in property taxes with NEDC projects added.



- Total Potential Property Tax \$425,213,366 (arena pays taxes thru a PILOT)
- Total with Depreciation \$280,593,521
- **Total NPV (5%) with Depreciation \$169,264,657**

#### With National Weather Experience Museum \$115M facility

- Total Potential Property Tax \$30,073,439 (15 Years of TIF start 2033)
- Total with Depreciation \$24,646,488
- **Total NPV (5%) with Depreciation \$17,922,737**

#### With NEDC Tecumseh Restaurant – Email commitment from large restaurant group

- Total Potential Property Tax \$2,050,527 (23 Years of TIF)
- Total with Depreciation \$1,416,866
- **Total NPV (5%) with Depreciation \$889,661**

#### With NEDC Recreational Entertainment Venue – LOI received

- Total Potential Property Tax \$5,808,599 (23 Years of TIF)
- Total with Depreciation \$3,964,910
- **Total NPV (5%) with Depreciation \$2,429,363**



**Summary of Property Taxes- NEDC**

- Total Potential Property Tax \$37,932,566 (Museum et al- All Private Ownership and/or pays taxes thru a PILOT)
- Total with Depreciation \$30,028,263
- **Total NPV (5%) with Depreciation \$21,241,761**

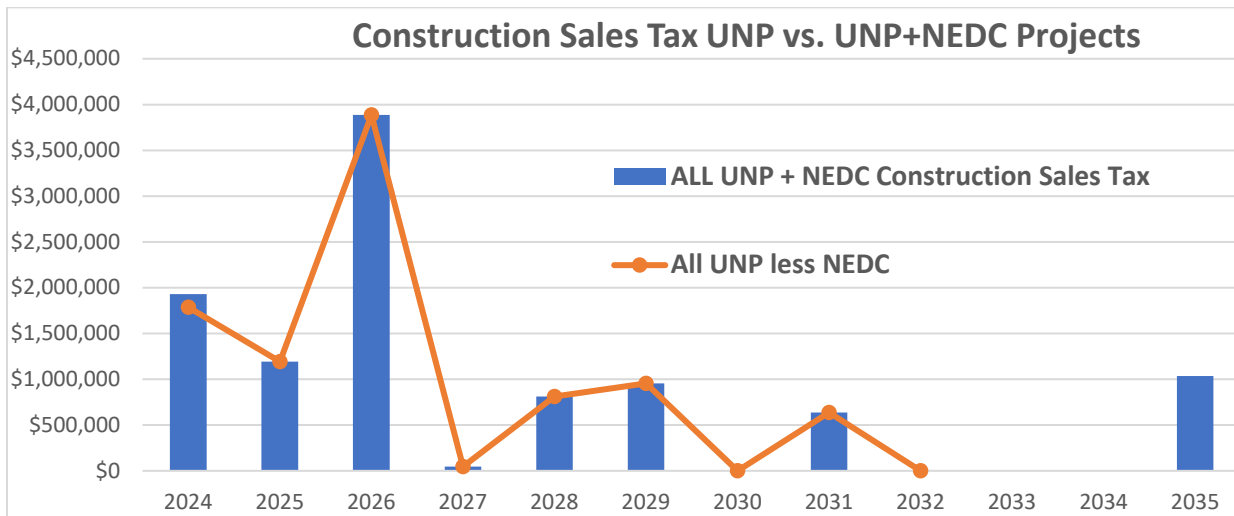
**Grand Total Property Tax Estimate**

- Total Potential Property Tax \$463,145,932 (arena pays taxes thru a PILOT)
- Total with Depreciation \$310,621,784
- **Total NPV (5%) with Depreciation \$190,506,418**

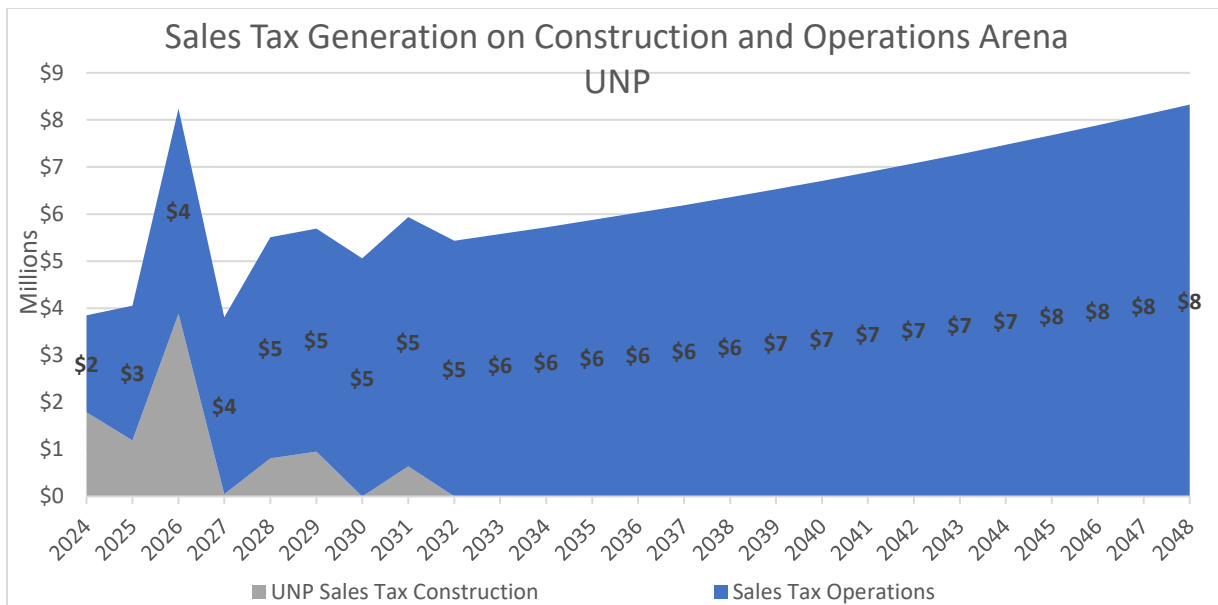


### Sales Tax Estimates

With a preliminary look at only construction sales taxes so far, we are estimating that just under \$9 to \$10.5 million in local sales taxes will be generated from construction activities through the proposed developments. This estimate assumes roughly 30-35% of the construction costs are spent in the TIF district on building materials that are subject to sales taxes. Other sources such as RSMeans show materials cost at over 45% for multifamily production as an example. The chart below shows construction sales tax with and without the NEDC projects based on a conservative material cost ratio.

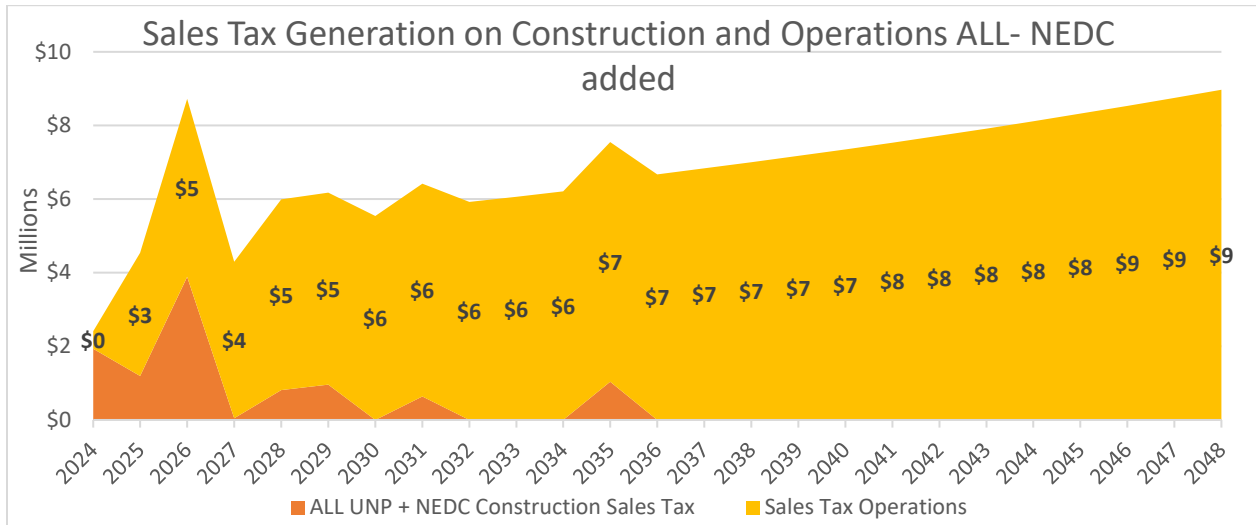


Should Norman apply and get approval for programs such as the Leverage Act, the full amount of construction sales tax could potentially be leveraged and matched by the state. Additionally, sales taxes from operations over the life of the TIF is estimated to be a steady number. When considering all sales subjected to sales taxes, roughly \$148M is estimated to be generated from the Arena and other projects in the OU Foundation plan for the University North Park area (see chart below).





With NEDC properties and the Weather Center Museum, roughly \$12M in net new sales taxes are estimated to be generated over the life of the TIF. The total sales tax from operations is estimated to be over \$160M over the life of the TIF. When the construction sales taxes are added, the grand total sales tax is estimated to be over \$157M without the NEDC projects and over \$170M in sales tax with all UNP, Arena and NEDC projects combined (see chart below).



Again, based on performance, those funds could be leveraged to maximize matching state funds.

**Summary estimate of overall sales tax generation through the life of the TIF**

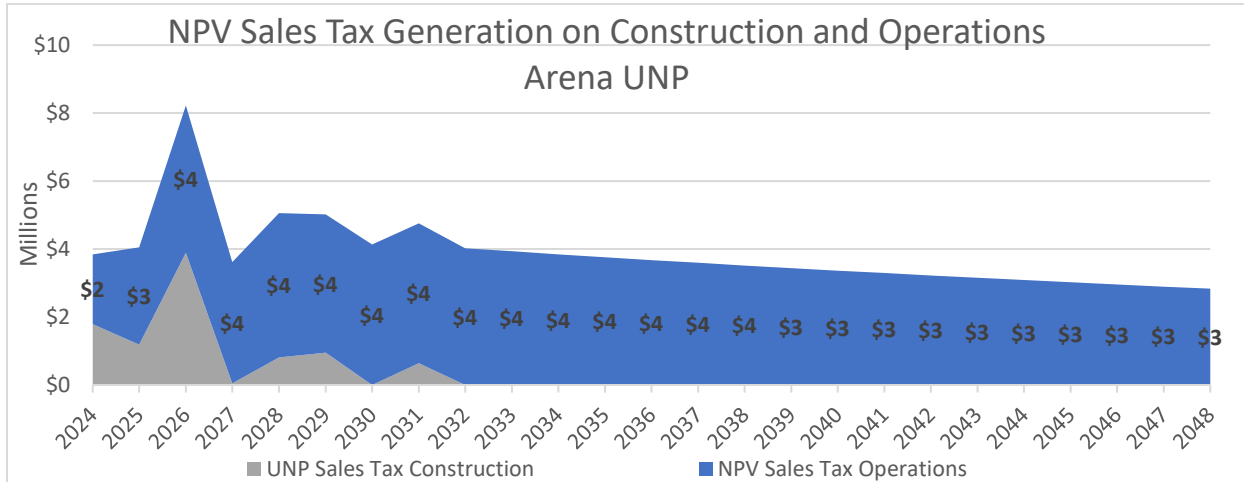
- UNP OU Foundation developments including the Arena
  - **\$148M** in operations sales tax
  - **\$157M** in construction and operations sales tax
  
- All NEDC developments and OU Foundation development projections
  - **\$160M** in operations sales tax
  - **\$170M** in construction and operations sales tax



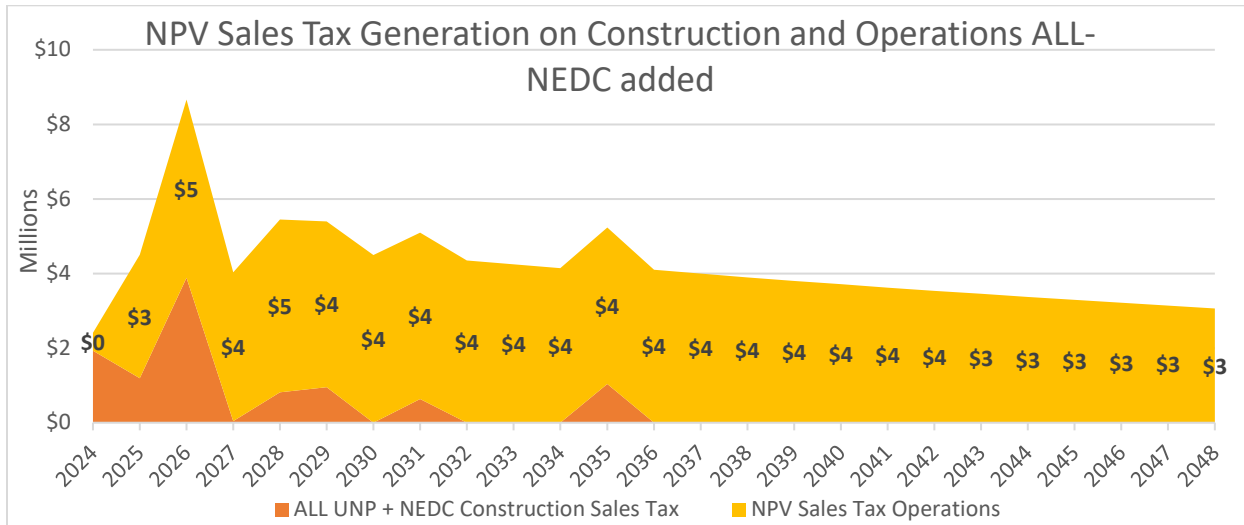


### NPV Sales Tax Breakdown

When considering the net present value of those sales tax dollars estimated to be generated over the life of TIF, the sales tax revenue for the Arena plus the original UNP developments reduces to \$87M. When construction sales tax revenues are added in the total, NPV rises to \$96M total for operations and constructions sales tax.



With the addition of the NEDC projects, including the Museum, Rec facility and restaurant, the total NPV estimate tax revenue will increase over the life of the TIF to \$94M without construction sales tax and \$104M with construction sales taxes added in.



### Summary estimate of overall NPV sales tax generation through the life of the TIF

- **NPV** Arena plus UNP original developments
  - **\$87M** in operations sales tax
  - **\$96M** in construction and operations sales tax
- **NPV** All NEDC developments along with Arena and UNP projections
  - **\$94M** in operations sales tax
  - **\$104M** in construction and operations sales tax

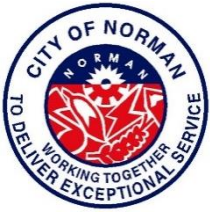


### Summary of Property and Sales Tax generation estimate

- UNP original developments plus Arena
  - **\$280M** in property taxes
  - **\$157M** in construction and operations sales tax
    - **\$148M** in operations sales tax
  - **\$438M Total Sales and Property Taxes**
  
- All NEDC developments along with Arena and UNP projections
  - **\$310M** in property tax
  - **\$170M** in construction and operations sales tax
    - **\$160M** in operations sales tax
  - **\$481M Total Sales and Property Taxes**

### NPV Summary of Property and Sales Tax generation estimate

- **NPV** Arena plus UNP original developments
  - \$169M in property taxes
  - **\$96M** in construction and operations sales tax
    - **\$87M** in operations sales tax
  - **\$266M Total Sales and Property Taxes**
  
- **NPV** All NEDC developments along with Arena and UNP projections
  - **\$190M** in property taxes
  - **\$104M** in construction and operations sales tax
    - **\$94M** in operations sales tax
  - **\$295M Total Sales and Property Taxes**



## CITY OF NORMAN, OK STAFF REPORT

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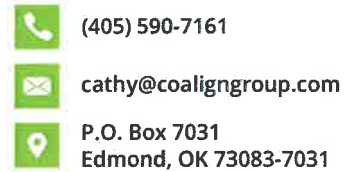
**MEETING DATE:** 05/13/2024

**ITEM TITLE:** PRESENTATION AND DISCUSSION OF THE COALIGN GROUP  
REPORT TITLED SUMMARY OF TIF REVENUES, DATED MAY 6, 2024

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University North Park Entertainment District Project Statutory Review Committee

Item 5 of the Agenda



May 6, 2024

**Anthony Francisco, Finance Director and Kathryn Walker, City Attorney**  
**City of Norman**

### **Summary of TIF Revenues - Revised**

This memo has been revised to reflect the structure of the proposed Project Plan which will create two increment areas. I have assumed that the sales tax increment area will begin first and the property tax increment area will begin one year later.

Thank you for retaining the Coalign Group to assist in the evaluation of revenue estimates associated with the creation of a tax increment finance district for the University North Park project. Based on the scope of work of our agreement, we have evaluated the revenues to be generated by the development of the various components of the project. The evaluation was limited to information provided by the OU Foundation and their consultants.

The components of the project included in the evaluation were residential development including multifamily units and single-family homes, a performance arena, retail, office, a museum, and parking. The investment associated with the various aspects of the development total more than \$1.1 billion. The following is a summary of the findings of the analysis of the data provided by the OU Foundation:

- The estimates of the construction costs of the various aspects of the project seem reasonable.
- The estimates of the value of the components of the project were discounted by 20% for the determination of taxable value for ad valorem taxes.
- The estimates of sales for each aspect of the project seem reasonable and conservative.
- 100% of ad valorem revenue has been included. City sales taxes of 3% were included.
- Construction sales taxes were included and used to calculate the revenues subject to the Leverage Act.
- The estimates of TIF revenue assume that the Leverage Act will be utilized to maximize revenues available to support project costs. Leverage Act revenues are calculated at 50% of the sales tax increment each year.
- An estimate of the net present value and debt coverage ratio that would be needed for the issuance of debt are also included.

#### Summary of Available Revenues: With the Leverage Act

Total TIF Revenues	\$614,457,021
Net Present Value at 7% Discount Rate	\$380,579,742
Funding NPV with DCR 1.25x	\$304,463,794
Funding NPV with DCR 1.50x	\$253,719,829

Year	Ad Valorem					Sales Tax								Total TIF
	CSL Projected Value(10)	Analysis Value (1)	Net AV (2)	Total AV Tax	TIF Allocation (3)	CSL Projected Sales	Gross Retail Sales Tax (4)	Total City ST (5)	Total TIF ST (6)	City Construction Sales Tax	TIF ST Allocation (8)	State Leverage ST (9)	Total TIF ST Revenues	Revenues
2024														
2025														
2026	457,857,300	366,285,840	43,954,301	5,061,777	5,061,777	110,200,000	9,642,500	4,545,750	3,306,000	4,807,509	8,113,509	4,056,754	12,170,263	17,232,041
2027	608,607,076	486,885,661	58,426,279	6,728,370	6,728,370	120,118,021	10,510,327	4,954,868	3,603,541	859,569	4,463,109	2,231,555	6,694,664	13,423,035
2028	820,746,927	656,597,542	78,791,705	9,073,653	9,073,653	144,648,008	12,656,701	5,966,730	4,339,440	1,870,864	6,210,304	3,105,152	9,315,456	18,389,109
2029	922,053,695	737,642,956	88,517,155	10,193,636	10,193,636	148,987,448	13,036,402	6,145,732	4,469,623	895,808	5,365,431	2,682,716	8,048,147	18,241,783
2030	997,235,219	797,788,175	95,734,581	11,024,794	11,024,794	153,457,071	13,427,494	6,330,104	4,603,712	859,928	5,463,640	2,731,820	8,195,460	19,220,254
2031	1,090,270,113	872,216,090	104,665,931	12,053,329	12,053,329	158,060,783	13,830,319	6,520,007	4,741,823	1,108,093	5,849,916	2,924,958	8,774,875	20,828,203
2032	1,111,882,563	889,506,050	106,740,726	12,292,262	12,292,262	162,802,606	14,245,228	6,715,608	4,884,078	-	4,884,078	2,442,039	7,326,117	19,618,379
2033	1,205,032,386	964,025,909	115,683,109	13,322,067	13,322,067	167,686,685	14,672,585	6,917,076	5,030,601	742,613	5,773,213	2,886,607	8,659,820	21,981,886
2034	1,251,577,541	1,001,262,033	120,151,444	13,836,640	13,836,640	172,717,285	15,112,762	7,124,588	5,181,519	-	5,181,519	2,590,759	7,772,278	21,608,918
2035	1,289,124,868	1,031,299,894	123,755,987	14,251,740	14,251,740	177,898,804	15,566,145	7,338,326	5,336,964	-	5,336,964	2,668,482	8,005,446	22,257,186
2036	1,327,798,614	1,062,238,891	127,468,667	14,679,292	14,679,292	183,235,768	16,033,130	7,558,475	5,497,073	-	5,497,073	2,748,537	8,245,610	22,924,901
2037	1,408,661,549	1,126,929,239	135,231,509	15,573,261	15,573,261	188,732,841	16,514,124	7,785,230	5,661,985	-	5,661,985	2,830,993	8,492,978	24,066,238
2038	1,450,921,396	1,160,737,117	139,288,454	16,040,458	16,040,458	194,394,826	17,009,547	8,018,787	5,831,845	-	5,831,845	2,915,922	8,747,767	24,788,226
2039	1,494,449,038	1,195,559,230	143,467,108	16,521,672	16,521,672	200,226,671	17,519,834	8,259,350	6,006,800	-	6,006,800	3,003,400	9,010,200	25,531,872
2040	1,539,282,509	1,231,426,007	147,771,121	17,017,322	17,017,322	206,233,471	18,045,429	8,507,131	6,187,004	-	6,187,004	3,093,502	9,280,506	26,297,828
2041	1,585,460,984	1,268,368,787	152,204,254	17,527,842	17,527,842	212,420,475	18,586,792	8,762,345	6,372,614	-	6,372,614	3,186,307	9,558,921	27,086,763
2042	1,633,024,814	1,306,419,851	156,770,382	18,053,677	18,053,677	218,793,089	19,144,395	9,025,215	6,563,793	-	6,563,793	3,281,896	9,845,689	27,899,366
2043	1,682,015,558	1,345,612,447	161,473,494	18,595,288	18,595,288	225,356,882	19,718,727	9,295,971	6,760,706	-	6,760,706	3,380,353	10,141,060	28,736,347
2044	1,732,476,025	1,385,980,820	166,317,698	19,153,146	19,153,146	232,117,589	20,310,289	9,574,851	6,963,528	-	6,963,528	3,481,764	10,445,291	29,598,438
2045	1,784,450,306	1,427,560,245	171,307,229	19,727,741	19,727,741	239,081,116	20,919,598	9,862,096	7,172,433	-	7,172,433	3,586,217	10,758,650	30,486,391
2046	1,837,983,815	1,470,387,052	176,446,446	20,319,573	20,319,573	246,253,550	21,547,186	10,157,959	7,387,606	-	7,387,606	3,693,803	11,081,410	31,400,982
2047	1,893,123,329	1,514,498,663	181,739,840	20,929,160	20,929,160	253,641,156	22,193,601	10,462,698	7,609,235	-	7,609,235	3,804,617	11,413,852	32,343,012
2048	1,949,917,029	1,559,933,623	187,192,035	21,557,035	21,557,035	261,250,391	22,859,409	10,776,579	7,837,512	-	7,837,512	3,918,756	11,756,268	33,313,302
2049	2,008,414,540	1,606,731,632	192,807,796	22,203,746	22,203,746	269,087,903	23,545,191	11,099,876	8,072,637	-	8,072,637	4,036,319	12,108,956	34,312,701
Totals	33,082,367,195	26,465,893,756	3,175,907,251	365,737,479	365,737,479	4,647,402,439	406,647,713	191,705,351	139,422,073	11,144,383	150,566,456	75,283,228	225,849,684	591,587,163

Total TIF Revenues	591,587,163
Net Present Value at 7% Discount Rate	375,388,230
Funding NPV with DCR 1.25x	300,310,584
Funding NPV with DCR 1.50x	250,258,820

- (1) Assumes 80% of Projected Value
- (2) Real Property and Personal Property Assessment Rates in Cleveland County - 12%
- (3) Assumes TIF Allocation at 100% of Total AVT
- (4) Reflects Total Sales Tax Rate of 8.75%
- (5) Reflects City Portion at 4.125%
- (6) Assumes 3.00% non-dedicated City Sales Tax
- (7) Estimate of Construction Sales tax
- (8) Reflects 100% allocated to TIF District
- (9) Reflects State match on certain sales tax revenues discounted by 50%
- (10) This column is based on new arena estimate and adjusted based on original CSL development plan

516,303,935



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 05/13/2024

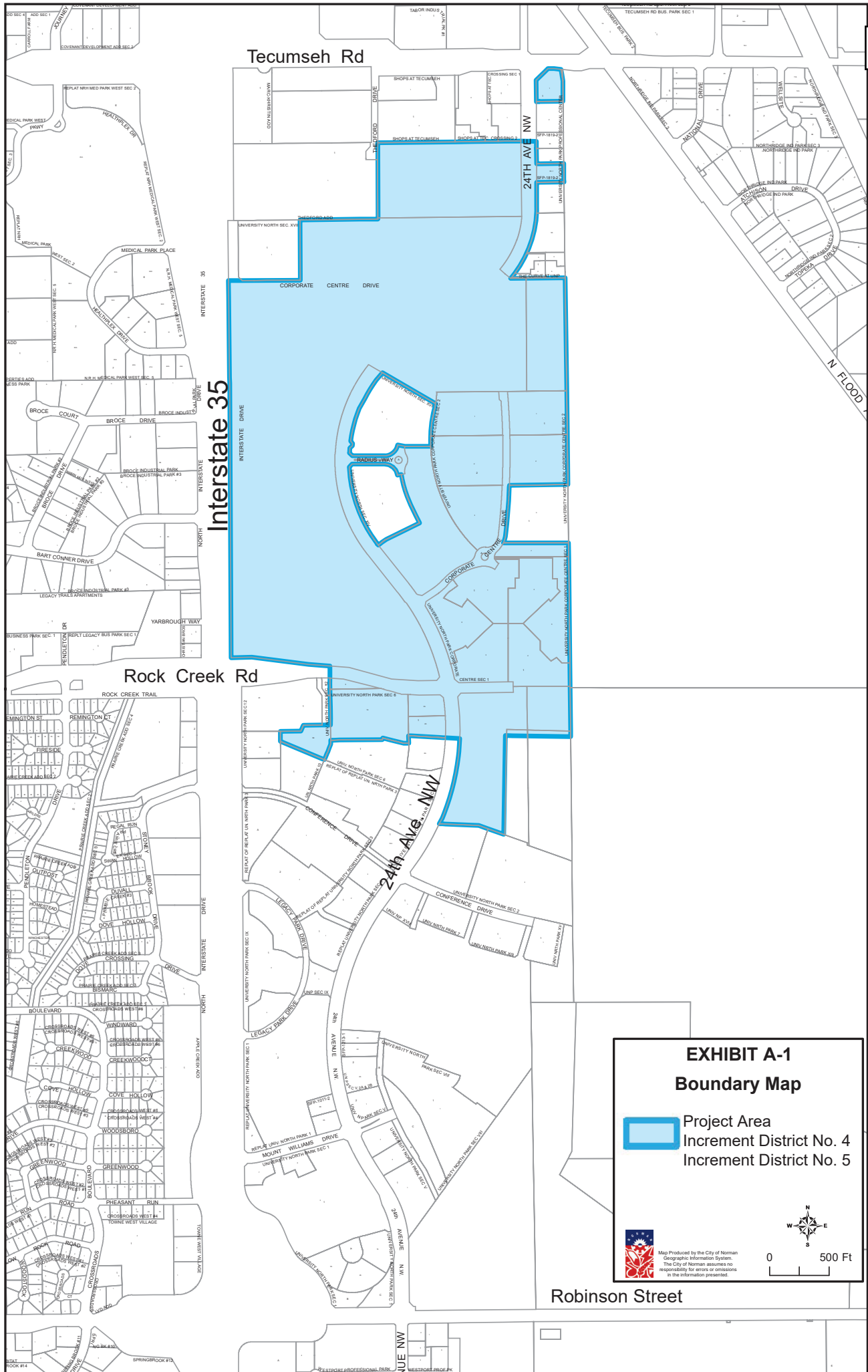
**ITEM TITLE:** PRESENTATION AND DISCUSSION OF THE PROPOSED ROCK CREEK ENTERTAINMENT DISTRICT PROJECT PLAN

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University North Park Entertainment District Project Statutory Review Committee


Item 6 of the Agenda






**EXHIBIT A-1**  
**Boundary Map**

 Project Area  
 Increment District No. 4  
 Increment District No. 5

 Map Produced by the City of Norman  
 Geographic Information System.  
 The City of Norman assumes no  
 responsibility for errors or omissions  
 in the information presented.

  
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Robinson Street