

TIF #2 OVERSIGHT COMMITTEE MINUTES (UNIVERSITY NORTH PARK TIF)
Executive Conference Room
201 WEST GRAY
1:30 P.M.
September 19, 2017

The Tax Increment Financing District #2 – University North Park (“UNP TIF”) Oversight Committee met at 1:30 p.m. in the Municipal Building Study Session Room on the 19th day of September, 2017.

PRESENT: Chair Fred Walden, Janese Shepard, Chris Dragg, William Wilson, Greg Burge, Dr. Nic Migliorino, and Ted Smith

ABSENT: Member Merelyn Bell

OTHERS PRESENT: Kyle Allison, City Council Member
Robert Castleberry, City Council Member
Jeff Bryant, City Attorney
Anthony Francisco, Finance Director
Clint Mercer, Chief Accountant
Suzanne Krohmer, Budget Manager
Kathryn Walker, Assistant City Attorney
Dan Batchelor, Center for Economic Development Law

Item 1, being

APPROVAL OF MINUTES FROM JULY 18, 2017

The meeting was called to order by Chair Walden. Walden declared a quorum after a motion was made and was seconded. The motion was unanimously approved.

Item 2, being:

DISCUSSION OF COMMITTEE RECOMMENDATION TO PAY OFF NORMAN TAX INCREMENT FINANCING AUTHORITY NOTE, SERIES 2013

Anthony Francisco stated that the recommendation to pay off the 2013 NTIFA Notes was approved at the last Committee meeting but that it has not been forwarded to the City Council. Jeff Bryant stated that the City Manager did receive the letter with the recommendation, at which time he reached out to the financial advisor to get more information on the financials that would go into paying off this Note. He also stated that the Note could not be paid off until September 2018 without a penalty. Anthony Francisco stated that this was not true.

Dr. Nic Migliorino stated that he had a concern about the revenue piece of the TIF note that is tied to the school. The school system really depends on that piece since it is about \$600,000 per year. Francisco stated that the Committee's recommendation to pay off the Note was a completely separate issue than the apportionment of sales tax or property tax that the School District receives.

Member Dragg made a motion to move item #2 until after item #4 (UNP Consultant Study) has been discussed. The motion was seconded by Member Smith. The motion was unanimously approved. Francisco stated that he believes this is misleading and that the recommendation to pay off the existing debt has nothing to do with item #4 or any future actions that the Council will take.

Member Smith asked if we would continue to pay interest on the note until September of 2018 even if we paid it off early. Francisco stated that the interest is already figured in to the payoff.

Member Smith made a motion to defer the previous motion to recommend paying off the TIF note early. Possible action to be revisited and perhaps taken after September 2018. Member Shepard seconded the motion. The motion passed unanimously.

Item 3, being:

UPDATE ON NEW BUSINESSES IN UNIVERSITY NORTH PARK

This was also moved until after item #4 had been discussed.

Anthony Francisco stated that the only new UNP business for this month was Bad Daddy Burger.

Item 4, being:

DISCUSSION AND POSSIBLE ACTION ON CALLISON/RTKL CONSULTANT STUDY PRESENTATION

Jeff Bryant introduced Dan Batchelor from the Center for Economic Development Law, who worked on the TIF during the initial process. Dan Batchelor stated that the original TIF was important for the economic health of Norman because the retail base of the city was moving to the north.

Jeff Gunning with RTKL gave the presentation and slideshow (which is attached). He stated that his company was approached about a year ago to draw up a plan for the north side of University North Park (between Rock Creek and Tecumseh Avenue). They would like this to be a mixed use development that brings in things like restaurants and entertainment. They do not propose to add significantly more retail. The proposed development would potentially attract people from across the region and state. There are also new roads proposed to deal with the new traffic this area would generate. An arena is also proposed in this plan that could potentially attract people and events to the area. There is a proposed expo center that could be placed near the hotels in the area, a senior living area, as well as single-family homes and multi-family living areas. Also, 15 acres of park space is included in the new plan.

Member Wilson asked if the senior living area would have long term care. Gunning stated that it would not offer long term care and would just be a senior living area.

Member Smith asked who the funding sources for the different areas would be. Dan Batchelor stated that this is just a development plan that introduces a balanced range of uses for multiple parts. Part one is the arena, which will have its own mix of potential financing sources; part two is the entertainment district; part three is the multi-family residential area; part four would be the other residential areas. The financing for these parts would be the next step for the City and the developers to consider. He stated that this type of entertainment district could generate significant growth for Norman and gave an example of the revitalizing of the Oklahoma City core district.

Member Dragg asked about the aesthetics of the new apartments that are in the plan. Gunning stated that there is usually a variety of styles, but they should go along the similar design guidelines.

Jeff Gunning stated that the developers in the south part of the UNP district were engaged during the design process for the north part. They do think the plan for the north side would be a nice complement to what they are already doing on the south side.

Jeff Bryant stated that he believes the developers of the south side of the UNP district are close to finishing a plan for the Life Style Center and could be presenting that plan sometime in October.

Member Smith asked how this proposed plan relates to the payoff of the TIF's current debt. Bryant advised to sit tight on the debt payoff in order to have access to available cash. Member Shepard asked what the additional cost for paying off the TIF note early would be. Bryant stated that to pay off early we would still pay all of the interest costs and some escrow costs. Member Smith asked if it would affect the ability to borrow money under the TIF in any way if the current Note was paid off early. Bryant stated that he believes the interest rates for loans will go up.

Member Burge asked if there are any definite fees for paying off the TIF note early. Anthony Francisco stated that there is no penalty for early payoff at all. He also stated that there will be enough cash to pay for the remaining projects authorized in the UNP TIF Project Plan on a pay-as-you-go basis and there should be no need for future indebtedness. Member Burge asked if the cost of Life Style Center was already an obligation within the TIF. Francisco stated that this was correct and that the Life Style Center was an authorized project.

Member Dragg asked what the time frame of the proposed RTKL plan would be if it were to be adopted today. Dan Batchelor stated that this proposal is a 10 year development plan.

Member Wilson asked whether or not the existing TIF will continue to generate cash towards the existing Note. Anthony Francisco confirmed that it would; paying off the existing Note is a separate issue. The existing Note has nothing to do with the proposed development in the north half of University North Park.

Chair Walden asked about the 2008 General Obligation Bond that was approved by the voters for a Senior Citizens Center. Jeff Bryant gave further information about the proposed RTKL plan for the north side of UNP.

Member Dragg made a motion to approve the presented development plan for the north side of UNP, with Member Smith seconding the motion. Dr. Nic Migliorino stated that we need to remain aware

of the ad valorem side of the TIF in reference to the school system. He also pointed out that more growth in Norman at this proposed rate would require more schools to be built and redistricting to take place. He is also excited about the potential for this arena being available to the school system. Member Burge asked what the cost per year per student might be. Dr. Migliorino stated it could be \$3,500-4,500 per student per semester. Member Burge then asked if OU would be paying to use the arena in the plan. He also wanted to know if Norman would be the smallest community in the United States to have two arenas of this size. Dan Batchelor stated that OU is being courted as an “anchor tenant” but they would not own the arena.

The motion to approve the recommendation to adopt the master plan proposal for the area north of Rock Creek Rd. presented by Callison/RTKL and submitted by UNP LLC as consistent with the Project Plan goals and objectives was passed unanimously.

Discussion was again moved to item #2, with no further discussion

Item 5, being:

FINANCIAL REPORTS

No discussion

Item 6, being:

MISCELLANEOUS COMMENTS

None

The Committee adjourned at approximately 2:57 p.m.