



CENTER FOR ECONOMIC
DEVELOPMENT LAW



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**DOWNTOWN AREA
ECONOMIC DEVELOPMENT PROJECT PLAN
ADOPTED BY CITY COUNCIL – DECEMBER 13, 2017**

DOWNTOWN AREA ECONOMIC DEVELOPMENT PROJECT PLAN: CONSIDERATION AND APPROVAL PROCESS

- ❖ **Review Committee meetings:** *Unanimously recommended, October 17, 2017*
- ❖ **TMAPC:** *Unanimously recommended, November 1, 2017.*
- ❖ **Two Public Hearings before City Council:**
 - November 29 – to provide information and an opportunity for questions about the proposed Project Plan (*first reading*)
 - December 13 – to provide the public an opportunity to be heard in support of or opposition to the proposed Project Plan (*second reading*)
- ❖ **Adopted by City Council:** *Unanimously approved by Ordinance #23832 (published December 23, 2017)*

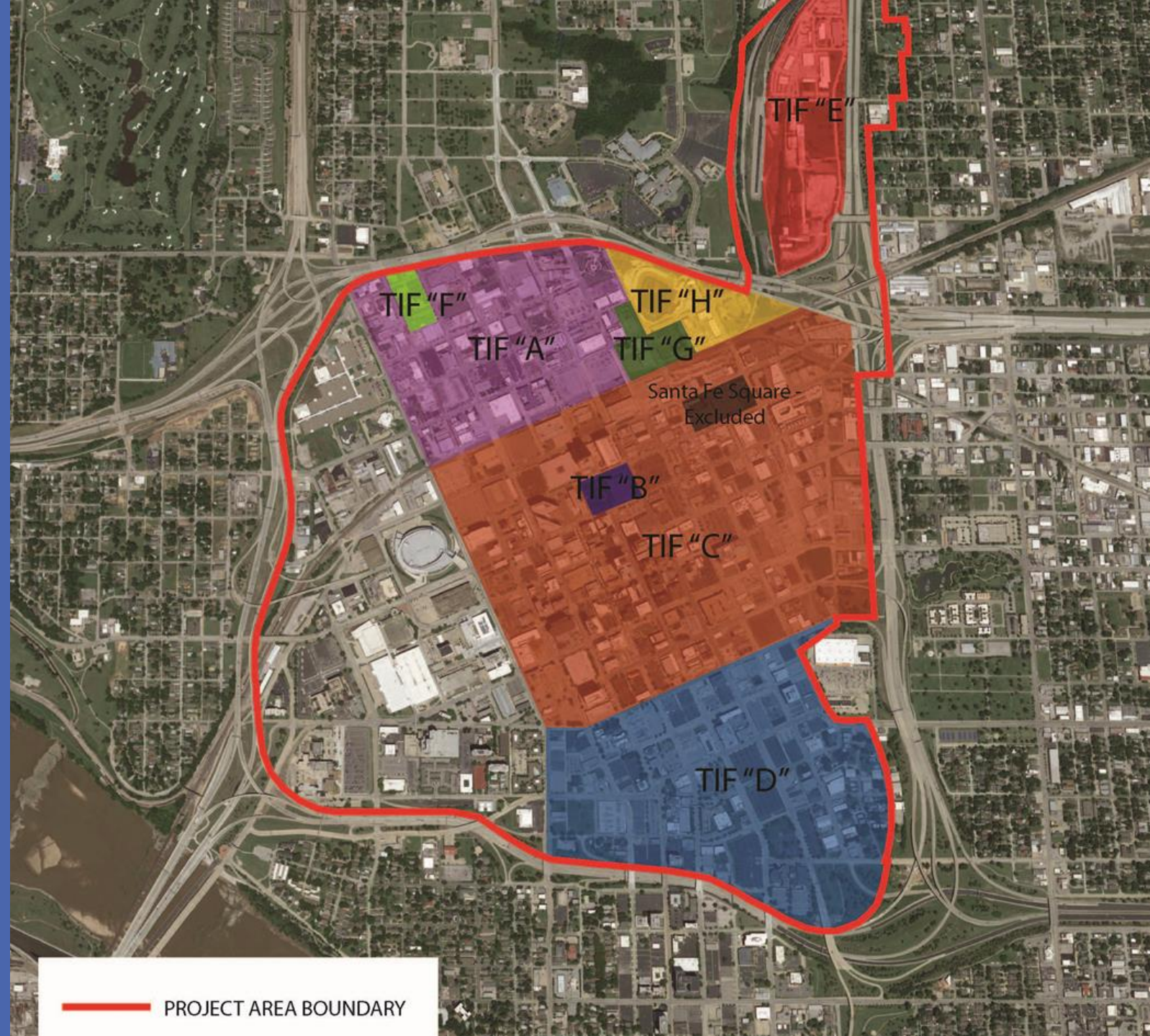
Downtown Area Master Plan (2010)

- ❖ Provides guidance for public and private development in the core of the city.
- ❖ Reflects a desire to revitalize the downtown
- ❖ Recommends urban design criteria to support high-quality, contextual development and placemaking.
- ❖ Seeks increased residential opportunities to create an active environment 24/7.
- ❖ Recognizes the need for transportation improvements including streetscaping, parking structures, and transit facilities to create a more densely developed downtown.

Increment Districts and Project Area

Increment Districts are the areas in which the increment is generated

Project Area is the area in which generated increment may be spent on project costs



EIGHT TIF DISTRICTS, ONE PROJECT AREA

- TIFs A will begin when the Project Plan is approved.
- TIFs B, C, D, E, F, G, and H will begin by future City Council resolution (before December 2027)
- TIF revenue from any TIF District can be spent anywhere in the Project Area.

BUDGET OF PROJECT COSTS

Public Improvements and Infrastructure: \$ 90,000,000

Assistance in Development Financing: \$ 170,000,000

Total Authorized Budget: \$ 260,000,000

**Plus 4% of the annual ad valorem increment for administration and implementation,*

****Plus** financing costs, costs of issuance, reserves, and interest.*

REVENUE SHARING FOR TULSA PUBLIC SCHOOLS

- Ten percent of all the *ad valorem* increment generated by all the Increment Districts other than Increment District B, the Performing Arts Center TIF project, will be apportioned to TPS on an on going basis as a specific revenue source for a public entity in accordance with Section 853(9) of the Local Development Act.

Public Improvements and Infrastructure

- Streets, sidewalks, streetscapes, lighting, transit improvements
- Utilities, water, storm, sewer, drainage
- Public buildings and structures
- *Basically any publicly-let contract or publicly-owned improvement*

Assistance in Development Financing

Public financing assistance to incentivize a private project or to make a private project financially feasible.

Must be provided under a legal contract to ensure:

1. Adequate consideration
2. Enforceability

Development Agreements are used to **leverage** private development and to get a higher quality and greater investment.

TIF Districts

| | | |
|-------------------------|-----------------------------|---------------------|
| ■ INCREMENT DISTRICT A: | The Arts TIF District | \$ 5,000,000 |
| ■ INCREMENT DISTRICT B: | PAC TIF District | \$ 39,000,000 |
| ■ INCREMENT DISTRICT C: | East End TIF District | \$ 90,000,000 |
| ■ INCREMENT DISTRICT D: | Cathedral TIF District | \$ 25,000,000 |
| ■ INCREMENT DISTRICT E: | Evans-Fintube TIF District | \$ 40,000,000 |
| ■ INCREMENT DISTRICT F: | Western Supply TIF District | \$ 28,000,000 |
| ■ INCREMENT DISTRICT G: | Ball Park Area TIF District | \$ 28,000,000 |
| ■ INCREMENT DISTRICT H: | Greenwood TIF District | <u>\$ 5,000,000</u> |
| | | \$260,000,000 |

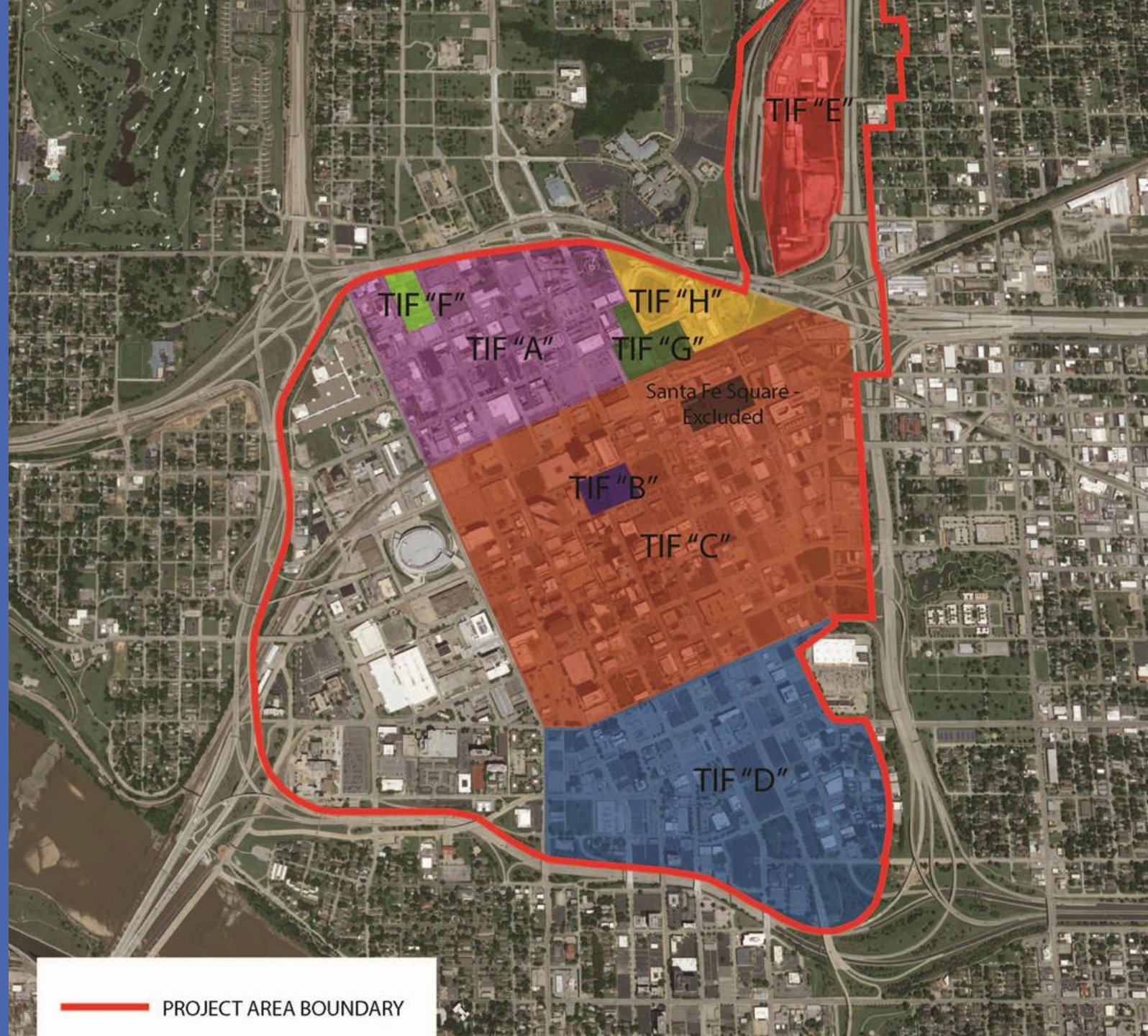
8 Increment Districts

Ad Valorem + Sales Tax—

- TIFs A, B, E, F, & G

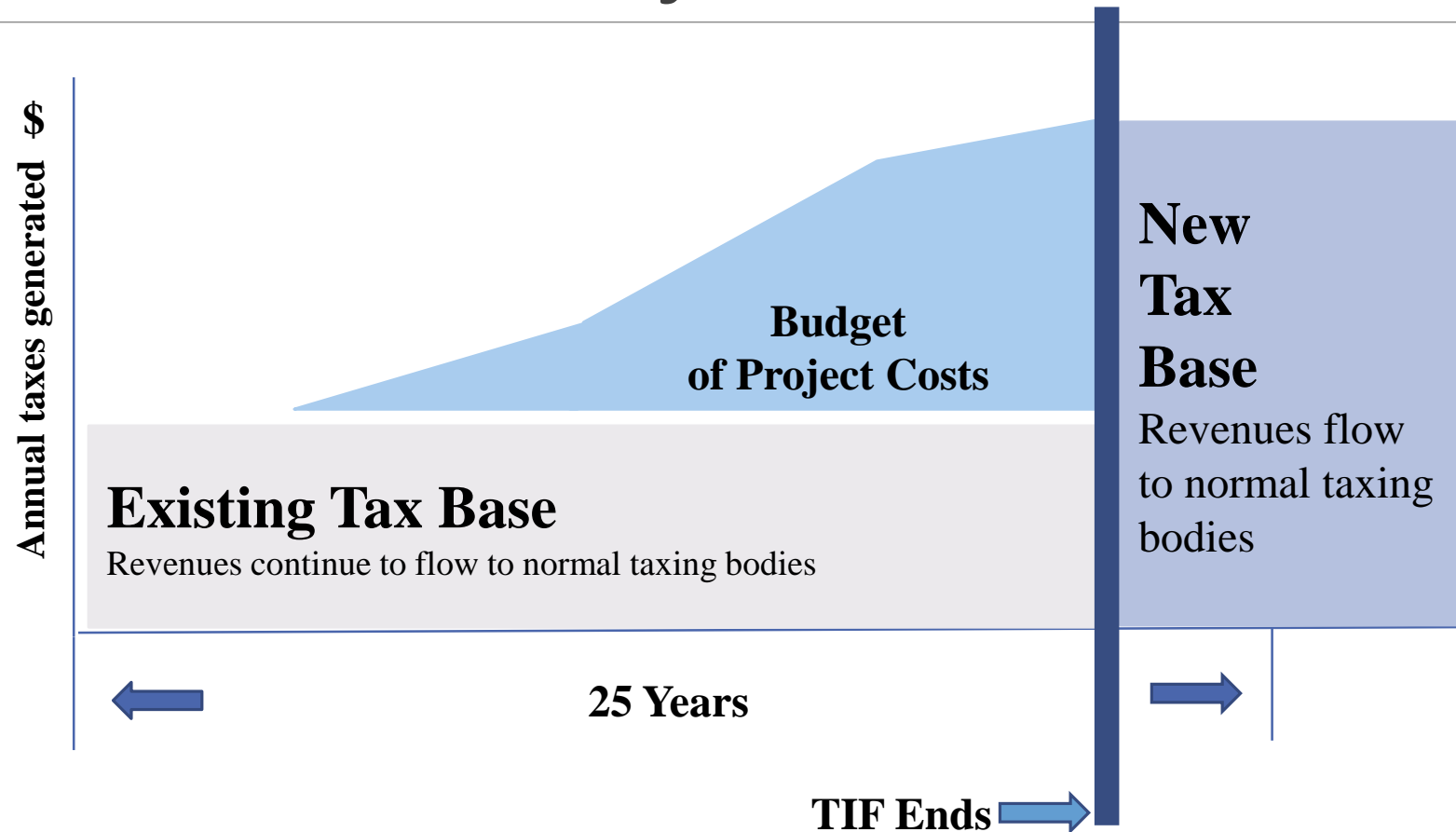
Ad Valorem Only—

- TIFs C, D, & H



— PROJECT AREA BOUNDARY

Increment -> Project Costs



| INCREMENT DISTRICTS | | AD VALOREM | | SALES TAX | | | PROJECT COSTS (\$) |
|---------------------|------------------------------------|------------|-----------|-----------|---------------------|----------------------------|--------------------|
| | | TIF | TPS Share | TIF | Rate | TIF Applicability | |
| A: | The Arts TIF District | Yes | 10% | Yes | 2% (undedicated) | • Retail | 5,000,000 |
| B: | PAC TIF District | Yes | - | Yes | 3.65% | • Construction • Retail | 39,000,000 |
| C: | East End TIF District | Yes | 10% | No | - | - | 90,000,000 |
| D: | Cathedral TIF District | Yes | 10% | No | - | - | 25,000,000 |
| E: | Evans-Fintube TIF District | Yes | 10% | Yes | 2% (undedicated) | • Construction | 40,000,000 |
| F: | Western Supply TIF District | Yes | 10% | Yes | 2% (undedicated) | • Construction • Retail | 28,000,000 |
| G: | Ball Park Area TIF District | Yes | 10% | Yes | 2% (undedicated) | • Construction • Retail | 28,000,000 |
| H: | Greenwood TIF District | Yes | 10% | No | - | - | 5,000,000 |

Project Plan Objectives

- Facilitate development downtown in order to generate \$1 billion dollars in new private investment and to initiate a catalytic effect for nearby neighborhoods.
- Provide a funding mechanism for a substantial portion of the local public investment required to fund public infrastructure.
- Enhance the tax base and make possible investment, development, and growth that would not otherwise occur.
- Activate the street level and enhance pedestrian accessibility.
- Establish minimum design standards for projects receiving assistance, to promote high-quality development and placemaking.
- Offer increased residential opportunities in a variety of types and with a range of prices.

Project Plan Authorizations

- The City is designated as the principal public entity to carry out and administer the Project Plan.
- The Tulsa Industrial Authority (TIA) is authorized by the City to assist in carrying out the Project Plan.
- Specifically, to:
 - issue tax apportionment bonds or notes,
 - pledge revenues,
 - incur Project Costs
 - provide funds to or reimburse the City for Project Costs,
 - incur the costs of issuance of bonds.

Apportionment Fund

- During the period of apportionment, the apportionment fund shall constitute funds of the TIA or an alternative entity authorized by the City, and shall not constitute a part of the general fund to be apportioned annually by the City Council.

Implementation Activities and Responsibilities

- Enter into Development Agreements to leverage private development by providing public improvements or assistance in development financing.
- Monitor budget and cash flow of each increment district.
- Help ensure effective and principled implementation of the Project Plan.

Key Points about the Downtown TIF Plan

- 1. Does not raise taxes.
- 2. Should be a win-win for all taxing jurisdictions.
- 3. TIF revenues generated in one district can be spent anywhere in the project area.
- 4. Establishing a TIF does not automatically provide revenue to any private developer.
- 5. TIF district ends when the project costs for that TIF district are paid.



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QUESTIONS



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