

**RESOLUTION**

**RESOLUTION OF THE CLASSEN CORRIDOR REVITALIZATION TIF REVIEW COMMITTEE (“REVIEW COMMITTEE”) ADOPTING FINDINGS WITH REGARD TO ELIGIBILITY AND FINANCIAL IMPACTS OF THE CLASSEN CORRIDOR REVITALIZATION PROJECT PLAN (“PROJECT PLAN”) AND RECOMMENDING THAT THE CITY COUNCIL OF OKLAHOMA CITY ADOPT THE PROJECT PLAN AS ATTACHED HERETO AS EXHIBIT A.**

**WHEREAS**, the City Council may desire to create a new project plan in accordance with the Oklahoma Local Development Act, 62 O.S. §850 *et seq.* (the “LDA”). The new project plan (attached hereto as “**Exhibit A**”), if approved at a future date by the City Council, will be titled the “Classen Corridor Revitalization Project Plan” (“Project Plan”) and is anticipated to cover an area which includes a large portion of Oklahoma City’s first Bus Rapid Transit (“BRT”) Line, from NW 34<sup>th</sup> Street and N Classen Boulevard south to NW 10<sup>th</sup> Street and N Pennsylvania Avenue on the west and NW 8<sup>th</sup> Street and N Robinson Avenue on the east; and

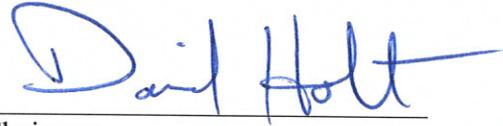
**WHEREAS**, in accordance with Section 855 of LDA, the Review Committee shall consider and make findings and recommendations with respect to the conditions establishing eligibility and appropriateness of the Project Plan. Said findings are attached hereto as **Exhibit B**; and

**WHEREAS**, additionally in accordance with Section 855 of the LDA, the Review Committee shall consider and make findings and recommendations with respect to the analysis used to project revenues over the life of the Project Plan as well as the Project Plan’s effect on the affected taxing jurisdictions and business activities within the Project Area. Said findings are attached hereto as **Exhibit C**; and

**WHEREAS**, after having considered and discussed the findings attached hereto as **Exhibit B** and **Exhibit C**, the Review Committee finds that the Project Plan is eligible in accordance with the LDA, is an appropriate tool to reduce and eliminate blight conditions, reverse economic stagnation, create new employment opportunities and growth, and stimulate rehabilitation of vacant and historically significant properties with little to no negative impacts on the affected taxing jurisdictions and business activities within the Project Area.

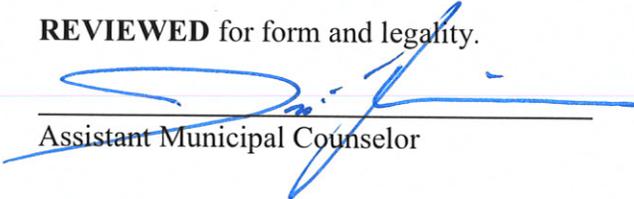
**NOW, THEREFORE, BE IT RESOLVED** by the Classen Corridor Revitalization TIF Review Committee that its findings, attached hereto as **Exhibit B** and **Exhibit C**, with regard to the Classen Corridor Revitalization Project Plan, attached hereto as **Exhibit A**, are hereby adopted and it recommends to the City Council of the City of Oklahoma City that the Classen Corridor Revitalization Project Plan be approved.

**APPROVED** by the Classen Corridor Revitalization TIF Review Committee this 2nd  
day of May, 2024.



Chairman

**REVIEWED** for form and legality.



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Assistant Municipal Counselor

# TRC RESOLUTION - EXHIBIT B

## FINDINGS REGARDING THE CONDITIONS ESTABLISHING ELIGIBILITY AND APPROPRIATENESS OF THE CLASSEN CORRIDOR REVITALIZATION PROJECT PLAN

### **A. Findings of Fact Regarding Eligibility of the Proposed Project Area and Increment Districts**

1. The Classen Corridor Revitalization Project Plan (“Project Plan”) is eligible in accordance with Article X, Section 6(C) of the Oklahoma Constitution and the Oklahoma Local Development Act (62 O.S. §851) for the reasons that the Project Area and Increment Districts are comprised of a combination of reinvestment areas and enterprise areas. Much of the Project Area requires public improvements to: (1) help reverse the current state of economic stagnation and decline; (2) serve as a catalyst for expanding employment opportunities; (3) attract major investment; and (4) enhance the tax base. Part of the Project Area has previously been declared blighted and lies within the boundaries of the Midtown Urban Renewal Plan. Portions of the Project Area also lie within a state-designated enterprise zone.
2. An analysis was conducted to identify the average growth of property values, as well as the average age of structures to demonstrate eligibility as a reinvestment area. Property growth averages 3.8% in the proposed Increment Districts between 2020 and 2023, compared to average growth citywide of 5.5% during the same period. Oklahoma County records indicate that a large majority, 88% of the properties within the Project Area are more than 35 years old. Further, 53% of the properties are more than 100 years old.
3. With the approval of this Project Plan, the aggregate net assessed value of the taxable property in all increment districts within Oklahoma City does not exceed 25% of the total net assessed value of all taxable property within the City, the aggregate net assessed value of the taxable property in all increment districts in Oklahoma City does not exceed 25% of the total net assessed value of any affected school district located within the City, and the land area of the increment districts within the City do not exceed 25% of the total land area of the City.

### **B. Findings of Fact Regarding Appropriateness of the Project Plan**

1. The priorities of the Plan will be those activities and projects that stimulate development, redevelopment and revitalization and encourage investment activities which bring residents and visitors to the Project Area.
2. Investment, development, and economic growth within the proposed Project Area have been and continue to be difficult. However, they are possible with the utilization of the tools available pursuant to the Local Development Act.

3. Tax increment financing is a necessary component in stimulating investment in the proposed Project Area and Increment Districts.
4. Tax increment financing will be used to supplement and not supplant or replace normal public functions and services in the proposed Project Area and Increment Districts.
5. Tax increment financing will be used in conjunction with existing programs and efforts and other locally implemented economic development efforts.
6. The Project Plan will emphasize conservation, preservation, and rehabilitation rather than demolition, clearance and relocation, where possible.
7. The proposed Increment Districts have been delineated with particular emphasis so that boundaries do not dissect similar areas or create any unfair competitive advantage.
8. The proposed Project Plan contains clear standards, criteria and threshold limits that are applicable to all similar properties and areas.

# TRC RESOLUTION - EXHIBIT C

## FINANCIAL IMPACT ANALYSIS OF THE CLASSEN CORRIDOR REVITALIZATION PROJECT PLAN

### Description of Impact

#### Financial Impact on Affected Taxing Jurisdictions within the Proposed Project Area

Specific measurable increases in demand for service from the affected taxing jurisdictions are not immediately quantifiable. In general, it is expected that the economic benefits of the Project Plan for the affected taxing jurisdictions and the community as a whole will ultimately offset any adverse financial impacts resulting from the Project Plan.

Additionally, as part of the approval process for projects receiving funding, the Review Committee will have an opportunity to consider a recommendation of each project to City Council, in light of priorities, objectives and feasibility. This will allow affected taxing jurisdictions to consider impacts of projects prior to approval by OCEDT and City Council.

Individual statements regarding the impact to affected taxing jurisdictions are included below.

#### Financial Impact on Business Activities within the Proposed Project Area

Increased development and redevelopment of stagnated properties in the area will likely result in increased activity for new and existing businesses alike. Existing property owners will benefit, either directly or indirectly, from increased development activity and improved property values expected to result from activities of the Project Plan.

Within the Increment Districts, 20% of the property area is publicly owned and generating no tax revenue. A large majority of this property is located along 10<sup>th</sup> Street west of Classen and is owned by The City of Oklahoma City. The City intends to work with a private developer to redevelop and repurpose this property into a taxable use.

The remaining 80% of the property is predominantly commercial. On average from 2020 to 2023 these property values grew by 3.8%, compared to an average growth citywide of 5.5%. It is expected that activities and projects supported by this Project Plan will increase property values within the Increment Districts and Project Area.

#### Estimated Return on Public Investment

Over the lifespan of the four Increment Districts, between \$46.9 million and \$74.7 million is anticipated to be generated in total incremental ad valorem taxes. These estimates were derived from an analysis of the area and determining the types of development likely to occur, single-story or multi-story, structured parking or surface parking, etc. Then using estimated cost of development per square foot, total potential development costs were determined to be around \$450M.

#### Estimated Project Costs

Total Project Costs authorized to be financed by the apportionment of tax increments in the four Increment Districts is \$68,000,000, plus financing costs, administrative costs, and interest incurred for the repayment of Project Costs. It is anticipated that increment from any of the four Increment Districts may be used for Project Costs anywhere in the Project Area regardless of the Increment District in which the revenue was generated.

#### Project Costs funded with Ad Valorem Tax

Assistance in Development Financing	\$ 40,000,000
Assistance in Development Financing – Affordable Housing	\$ 10,000,000
Public Improvements and Development	\$ 10,000,000
Other Taxing Jurisdictions	\$ 8,000,000
Total Ad Valorem Tax Budget	\$ 68,000,000

**Oklahoma City Public Schools Impact:** A substantial portion of the Increment Districts include retail and office uses. There is an expectation that new housing would be developed in certain areas, which could result in increased demand for services from local schools. OKCPS has a number of schools within the boundaries of the Increment Districts, with a school population for standard enrollment schools exceeding 2,300 students. There are alternative schools in the area as well, that may absorb some of the increase in students resulting from activities of the Project Plan.

The Project Plan provides for the ability of affected taxing jurisdictions to receive funding from the incremental taxes generated by the Project Plan, which may be used for projects within the Project Area.

It is important to note for Oklahoma City Public Schools that while increased student counts would result in an increase to the calculation of state school aid, increment revenues provided to Oklahoma City Public Schools will not cause a reduction to the calculation. The Oklahoma State School Aid formula specifically excludes any incremental valuation within active increment districts in calculating chargeable income in both Foundation Aid and Salary Incentive Aid. Therefore, those payments are more valuable than revenues subject to school aid efforts.

**Oklahoma County Impact:** Increased service needs from Oklahoma County are not immediately quantifiable, however impacts are expected to be incremental. The Project Plan provides for the ability of affected taxing jurisdictions to receive funding from the incremental taxes generated by the Project Plan, which may be used for projects within the Project Area.

**Oklahoma City/County Health Impact:** Increased service needs from Oklahoma City-County Health Department are not immediately quantifiable, however impacts are expected to be incremental. The Project Plan provides for the ability of affected taxing jurisdictions to receive funding from the incremental taxes generated by the Project Plan, which may be used for projects within the Project Area.

**Metro Tech Impact:** Increased service needs from Metro Technology Centers are not immediately quantifiable, however impacts are expected to be incremental. The Project Plan provides for the ability of affected taxing jurisdictions to receive funding from the incremental taxes generated by the Project Plan, which may be used for projects within the Project Area.

**Metropolitan Library Impact:** Increased service needs from Metropolitan Library System are expected to be minimal. The Project Plan provides for the ability of affected taxing jurisdictions to receive funding from the incremental taxes generated by the Project Plan, which may be used for projects within the Project Area.

**Cost to City Organization (include indirect costs):** The anticipated public and private development will generate tax increments sufficient to pay the authorized Project Costs of the Project Plan. It is expected that any increased demand for services will be offset by increased tax revenue, both inside and adjacent to the Project Area.

**Cost to Citizens:** There are no additional costs above current property tax and sales tax rates.

**Cost to Business:** There are no additional costs above current property tax and sales tax rates.

Department Head Signature:



Date: 4/30/2024

OMB Review Completed by:



Date: 4/30/2024