

FINANCIAL IMPACT REPORT OF THE FIRST AMENDMENT TO THE OKLAHOMA REGIONAL INNOVATION DISTRICT PROJECT PLAN AND INCREMENT DISTRICTS

Description of Impact

The Oklahoma Regional Innovation District Project Plan (“Project Plan”) and its increment districts have been effective in generating economic development and growth both inside and outside the increment districts. As part of The City of Oklahoma City’s overall economic development strategy, the use of tax increment financing in previously undeveloped and underdeveloped areas of the core has attracted both direct and indirect investment that has strengthened and improved the tax base for all the local taxing jurisdictions.

The currently proposed amendment to the Project Plan builds on that success in modest but impactful ways by creating two new increment districts: (1) a sales tax increment district (No. 17) covering only the large mixed-use project known as Convergence located at Harrison Avenue and North Stiles Avenue that includes the MAPS 4 Innovation Hall and (2) an ad valorem increment district (No. “P”) on property that remains undeveloped or significantly underdeveloped, primarily along the western and northern edges of the Innovation District.

Estimated Project Costs	District No. 17	District No. “P”
Commercialization		
Place-Making		\$5,000,000
Implementation		\$4,000,000
Supporting Development	\$2,500,000	\$71,000,000
Revenue for Public Entities		\$10,000,000
Total	\$2,500,000	\$90,000,000

Oklahoma City Public Schools Impact: Additional new development in the Project Area is likely to result in an increased demand on the public school district. However, a principal benefit of an Innovation District is the accelerated pace of new business enterprise, new investment and new jobs, the kind of activities that are most beneficial to school district revenues. Over the past two decades, the Oklahoma City economic development strategy has changed flat-line property valuation to an average annual 5% growth and is creating new taxable value in the school district at two and one-half times the amount of value growth in all increment districts. Attracting additional growth and investment in the core, rather than in outlying areas, will continue to have a positive financial impact on OKCPS.

Additionally, the First Amendment provides an additional \$10 million over the life of Increment District No. “P” as a specific revenue source for enhanced education, skills training programs, workforce development, internships, and entrepreneurial support. In 2022, the Oklahoma City Redevelopment Authority (OCRA), allocated \$350,000 for these purposes. Another \$350,000 has been authorized for 2023. The First Amendment will enable OCRA to increase that allocation in future years, following the completion of Convergence.

Oklahoma County Impact: No specific demand for increased services on Oklahoma County is likely to result from the developments under the Project Plan. Like OKCPS and MetroTech (both districts are embraced with the County area), the County’s property tax base and revenues have been stimulated by the City’s economic development policies. County-wide property valuations have improved from a modest 3% annual growth to an average 8% annual growth over the past two decades, mirroring the growth patterns outside of all increment districts as seen in the OKCPS and MetroTech districts.

Oklahoma City/County Health Impact: No demand for increased services by the Oklahoma City-County Health Department is anticipated as a result of the new developments arising under the First Amendment to the Project Plan. The Project Plan’s objectives of creating better connected neighborhoods, improved

walkability, and increased opportunities for underserved communities should have a positive impact on public health. The benefits to the Health Department's tax base should be proportional to County benefits.

Metro Tech Impact: As with OKCPS, Oklahoma City's economic development strategy over the past two decades has changed flat-line property valuation to an average annual 5% growth and is creating new taxable value in the MetroTech's district at two and one-half times the amount of value growth in all increment districts. The additional growth to be stimulated by the First Amendment will have a positive financial impact on the tax base for MetroTech.

Likewise, the additional \$10 million provided by the First Amendment as a specific revenue source for enhanced education, skills training programs, workforce development, internships, and entrepreneurial support is envisioned to be deployed through partnerships and coordination with MetroTech.

Metropolitan Library Impact: The anticipated additional developments stimulated by the First Amendment to the Project Plan may add to the clientele visiting the Ronald J. Norick Downtown Library, as the closest public library in the metropolitan area. The benefits to the Library System's tax base should be proportional to County benefits.

Cost to City Organization (include indirect costs): Creation of a sales tax increment district, with budget of \$2,500,000 in sales tax revenue to be provided to the project.

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: 4/20/23

OMB Review Completed by:



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