

**City Council Action
Financial Impact Report**

Title of Item: Amending Ordinance No. 25,325 by approving amendment to the Downtown/MAPS Economic Development Project Plan

Date for Introduction: 2/27/18

Originating Department: City Manager's Office

Date for Adoption: 3/13/18

Purpose of Amendment:

- Increase the Tax Increment District #2 budget by \$30,000,000 to support the development of a convention center hotel.
- Reallocate \$5,000,000 from the Economic Development category of the Increment District # 8 budget to the Redevelopment Framework budget category to support additional infrastructure improvements.
- Expand on the the definition of the Increment District #8 Other Economic Development category to allow the use of funds to support the development of a convention center hotel.

Impact in Base Assessed Values: The proposed amendment will have no impact on the Base Assessed Values in either Increment District #2 or #8.

Changes to Project Plan Budget Amounts:

- The Hotels/Commercial Development Budget category in Increment District #2 will increase from \$60,000,000 to \$90,000,000 for an increase of \$30,000,000. This will result in a revised total Increment District #2 budget of \$195,000,000
- The Other Economic Development Budget category in Increment District #8 will decrease \$5,000,000 resulting in an amended budget of \$35,000,000 and the Redevelopment Framework category budget will increase \$5,000,000 resulting in a revised budget of \$126,000,000. The overall Increment District #8 will remain at \$157,000,000.

Description of Impact

The budget increase of \$30,000,000 and expanded definition of the Increment District #8 Other Economic Development category will support the development of a \$235,000,000 convention center hotel that supports a \$285,000,000, 275,000 sf state of the art convention center. The \$30,000,000 TIF investment will result in the creation of 700 direct jobs and an additional 140 indirect jobs with an annual payroll of \$30,507,900 resulting in an estimated \$5,840,400 in new local taxes and \$3,137,500 in new state taxes.

The reallocation of \$5,000,000 from the Other Economic Development budget category to the Redevelopment Framework will not change any impacts originally contemplated when Increment District #8 was created.

Summary of Impact on Taxing Jurisdictions

Oklahoma City Public Schools Impact

The investment in a Convention Center Hotel is unlikely to generate any measurable increased demand upon services of Oklahoma City Public Schools as residential development is an unlikely result. The growth in the number of jobs and individual income will have positive economic impacts outside the Increments districts. The Local Development Act specifically provides that, for purposes of calculating state school aid, only the base assessed value shall be used and increases above the base assessed value must be disregarded. Therefore, the increase in assessed values in the Increment Districts will not negatively impact Oklahoma City Public Schools.

Oklahoma County Impact

No specific measurable demand for increased services upon Oklahoma County is anticipated as a result from the project plan amendment.

Oklahoma City/County Health Impact

The Oklahoma City County Health Department is negatively impacted by unemployment and underemployment. New employment can create only positive impacts upon this taxing jurisdiction. The proposed amendment is estimated to produce new employment.

Metro Tech Impact

The nature of the project makes it likely to create some increased demand for training by Metro Tech. Any increased demand for job training occasions by the Convention Center Hotel Project is likely to be complementary in its impact upon Metro Tech.

Metropolitan Library Impact

No specific measurable demand for increased services upon the Metropolitan Library System is anticipated as a result from the project plan amendment.

Conclusion

Construction and development of economics impacts stimulated by private and public development as a result of the amendment are estimated as follows:

<u>Economic Impact</u>	<u>Overnight Visitors</u>	<u>Full-time jobs</u>	<u>Fiscal Impacts</u>
\$157,000,000	186,000	1,040	\$3,470,000

Clearly the projected development as a result of the Project Plan amendments will have a very strong positive long-term benefit for the whole community and for the State of Oklahoma as gross direct spending as a result development of a convention center hotel and related convention center will exceed \$115 million annually. Correspondingly, no appreciable adverse impact is likely to result from the amendments for the taxing jurisdictions or business activities within the Project Area.

a. **Cost to City Organization (include indirect costs):** N/A

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

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

Department Head Signature: *M. B. B.*

Date: *2/15/18*

Date Submitted to OMB:

OMB Review Completed by:

Date: