

Overview
of
Oklahoma City
Tax Increment Finance
(TIF) Districts

September 15, 2015

Purpose of TIF Districts

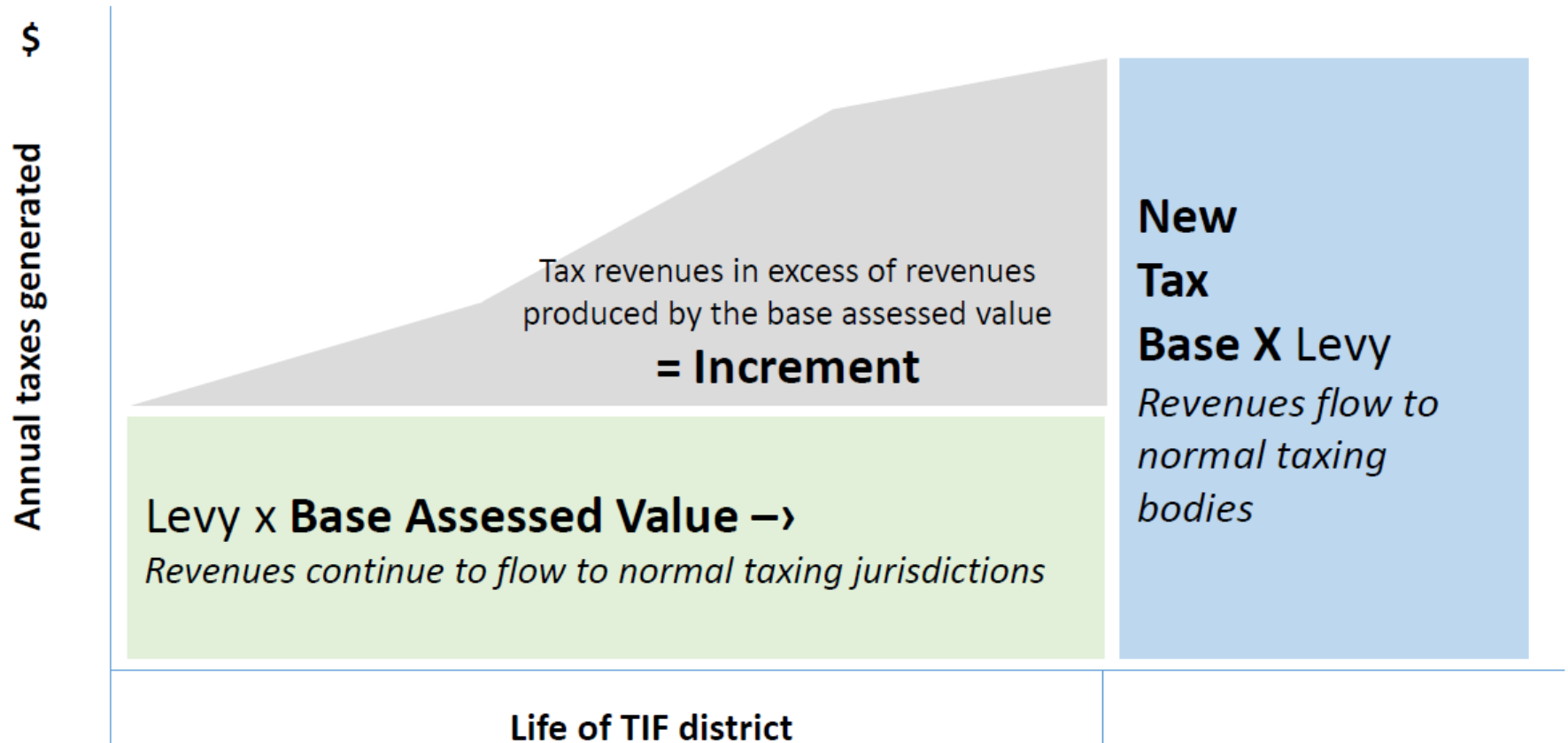
Tax Increment Financing is a tool to be used in areas where *investment, development and economic growth are difficult but possible with TIF assistance.*

TIF is used to:

- Generate new employment opportunities through the creation of a new enterprises, new economic activity, and new investment;
- Attract investment to areas of need throughout the City, particularly in distressed areas;
- Generate new residential and commercial investment that enhances quality of life, education, and economic stability.

Oklahoma communities can capture **ad valorem** increment or **sales tax** increment or **both**.

How the District Works

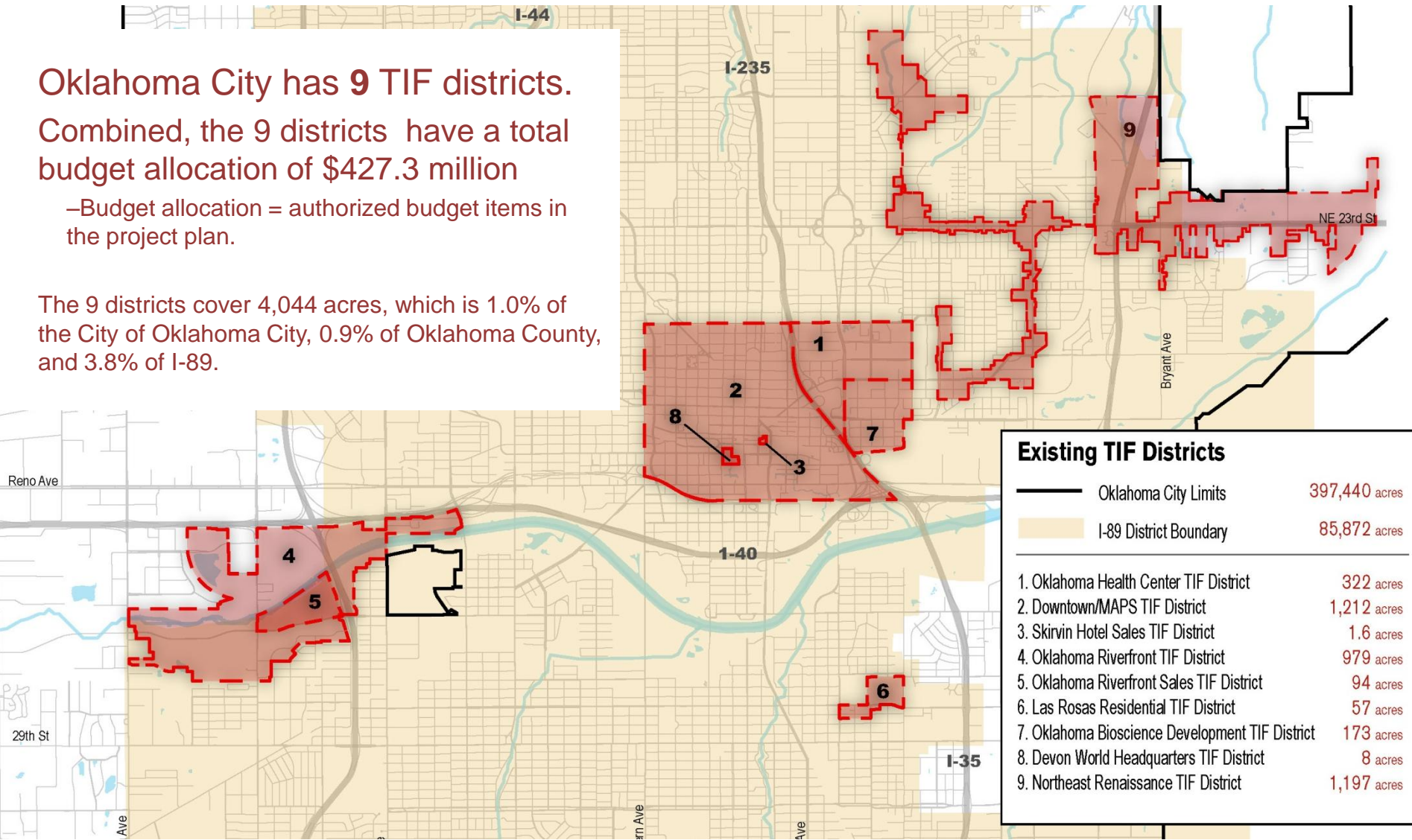


Oklahoma City TIF Districts

Oklahoma City has **9** TIF districts.
 Combined, the 9 districts have a total budget allocation of \$427.3 million

–Budget allocation = authorized budget items in the project plan.

The 9 districts cover 4,044 acres, which is 1.0% of the City of Oklahoma City, 0.9% of Oklahoma County, and 3.8% of I-89.



Existing TIF Districts	
— Oklahoma City Limits	397,440 acres
— I-89 District Boundary	85,872 acres
<hr/>	
1. Oklahoma Health Center TIF District	322 acres
2. Downtown/MAPS TIF District	1,212 acres
3. Skirvin Hotel Sales TIF District	1.6 acres
4. Oklahoma Riverfront TIF District	979 acres
5. Oklahoma Riverfront Sales TIF District	94 acres
6. Las Rosas Residential TIF District	57 acres
7. Oklahoma Bioscience Development TIF District	173 acres
8. Devon World Headquarters TIF District	8 acres
9. Northeast Renaissance TIF District	1,197 acres

Medical Research Park (TIF #1)



Purpose: Job creation surrounding Health Sciences Center

Created: January 5, 1993

Expires: June 30, 2022

Implementing Body: Oklahoma City Redevelopment Authority

Project Plan Budget: \$47 million

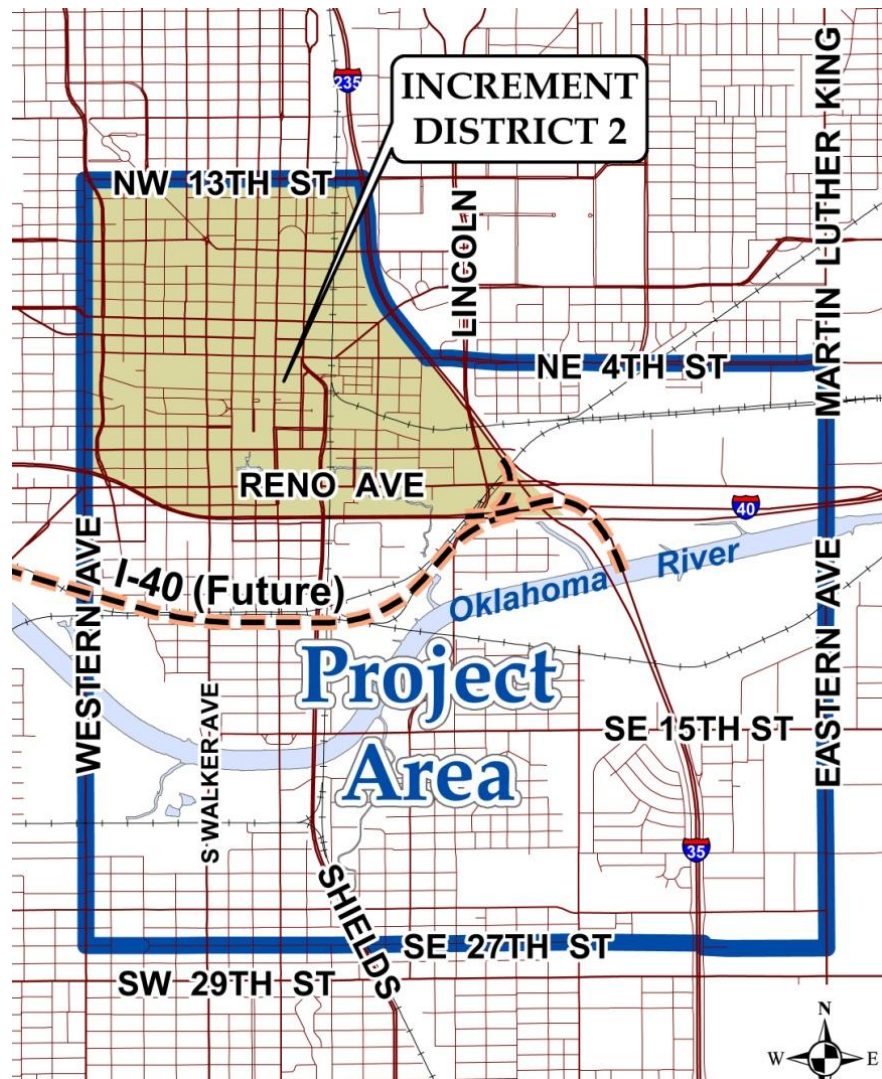
Increment Totals: \$23.3 million (NAV)

Market Value Growth: \$235 million

Taxes Generated (2015): \$2.8 million*

*\$1.1 million from OU

Downtown / MAPS (TIF #2)



Purpose: Catalyze investment in the core downtown area, focusing particularly on housing

Created: March 7, 2000

Expires: June 30, 2027

Implementing Body: Oklahoma City Economic Development Trust

Project Plan Budget: \$121 million

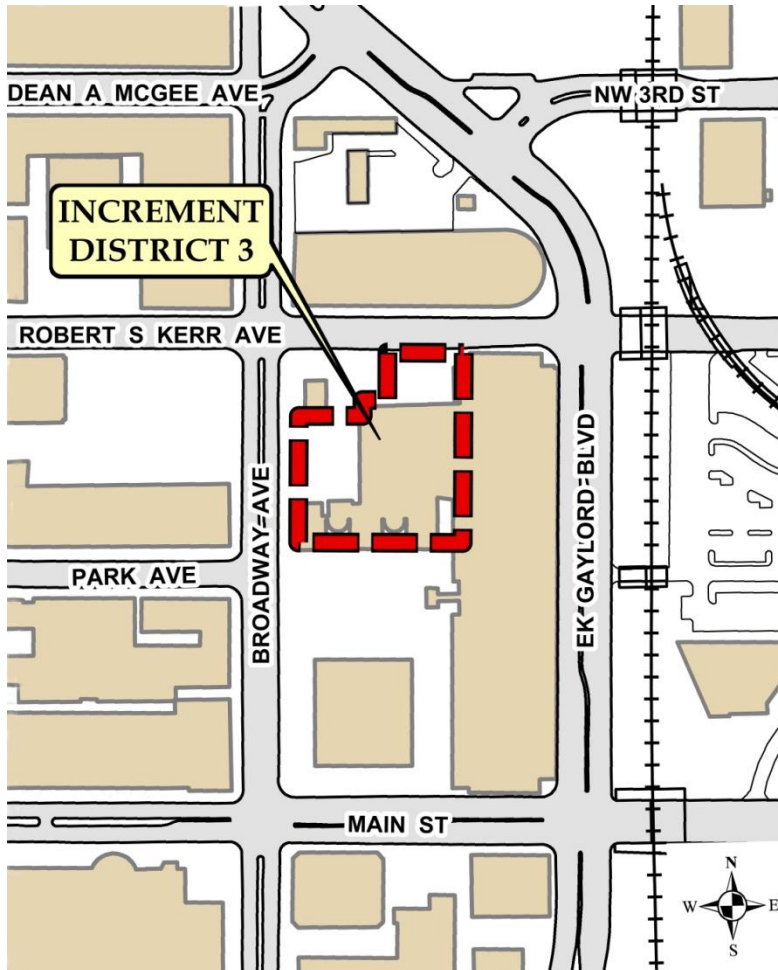
Increment Totals: \$89 million (NAV)

Market Value Growth: \$809 million

Taxes Generated (2015): \$7.2 million*

*\$2.93 million to other taxing jurisdictions (in addition to \$7.2 million listed above)

Skirvin (TIF#3)



Purpose: Renovate the Skirvin Hotel

Created: July 7, 2004

Expires: July 30, 2030

Sales Tax Only

Utilized Leverage Act Funding

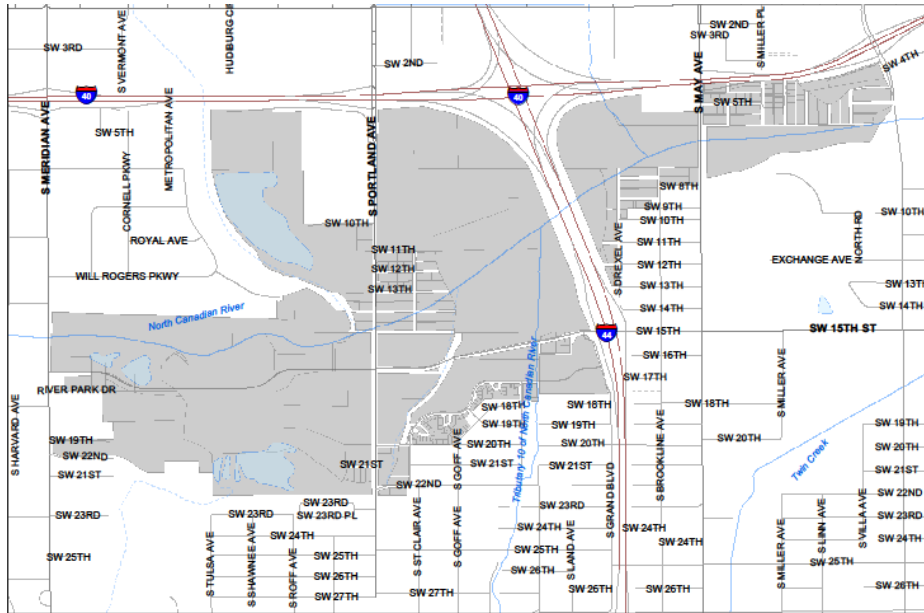
Project Plan Budget: \$5 million

Based on Skirvin Hotel Revenues

City has paid \$2.7 million since opening in 2007.

State has matched \$2.7 million

Oklahoma Riverfront (TIF #4 & #5)



February 7, 2005

Utilized Leverage Act funding
Based on Dell Payroll

\$720 million in payroll generation since inception.

City has paid \$2.25 million since opening in 2007
State has matched \$2.25 million

Purpose: Assist Dell Computers
/ redevelop waterfront

Created: March 29, 2005

Expires: June 30, 2031

Implementing Body: Oklahoma City
Economic Development Trust

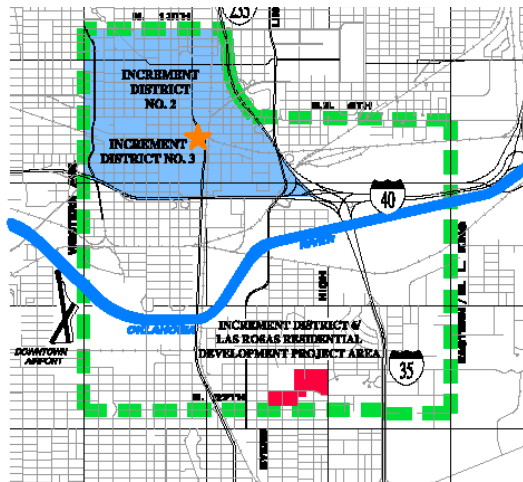
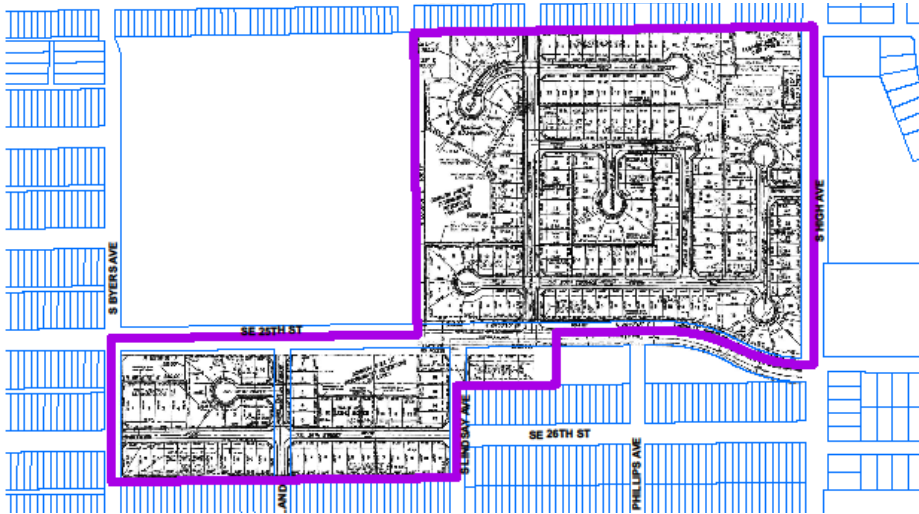
Project Plan Budget: \$28,203,000

Increment Totals: \$7.7 million (NAV)

Market Value Growth: \$91.8 million

Taxes Generated (2015): \$885,157

Las Rosas (TIF #6)



Purpose: Development of 220 single family homes near school

Created: October 18, 2005

Expires: June 30, 2031

Implementing Body: Oklahoma City Public Property Authority

Project Plan Budget: \$3,100,000

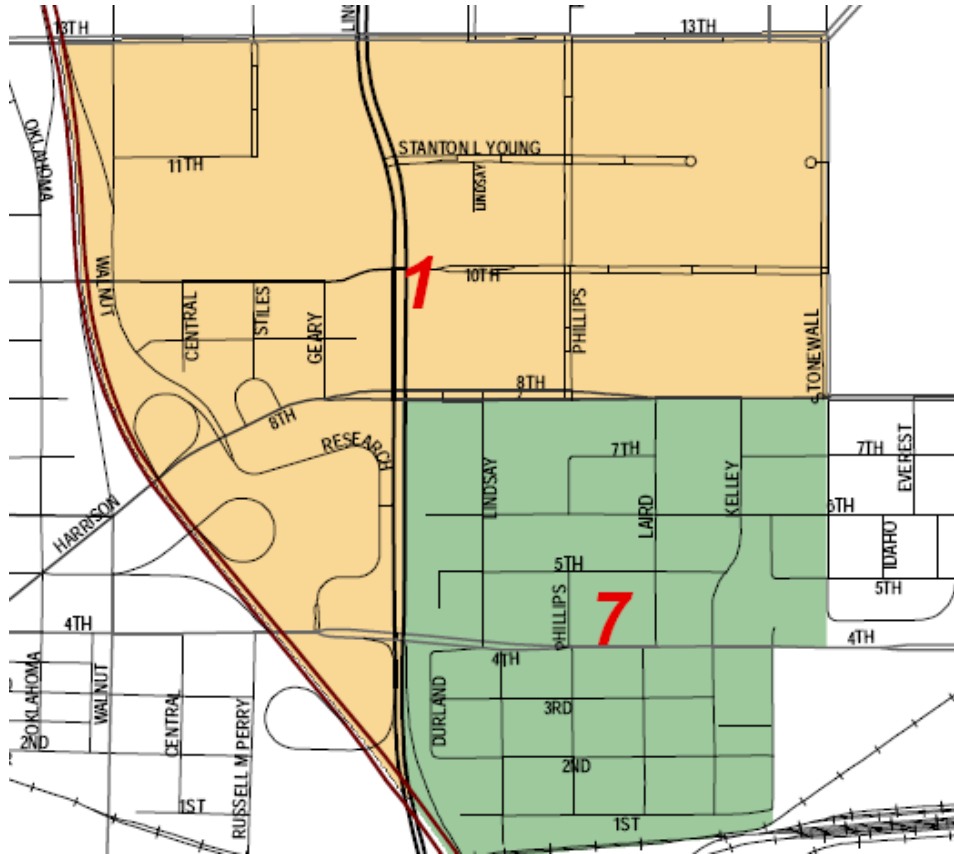
Increment Totals: \$514,772 (NAV)

Market Value Growth: \$4,679,745

Taxes Generated (2015): \$51,466

Project Suspended (62 units built) – internal borrowing to pay off bank loan

Bioscience (TIF #7)



Purpose: Job creation near Health Science Center, focus on bioscience

Created: August 1, 2006

Expires: June 30, 2032

Implementing Body: Oklahoma City Redevelopment Authority

Project Plan Budget: \$21,000,000

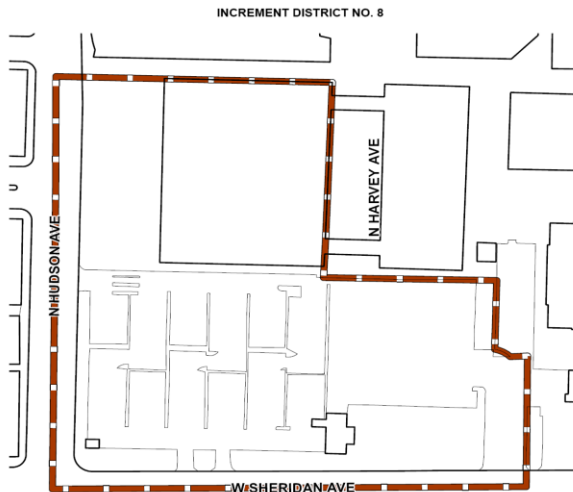
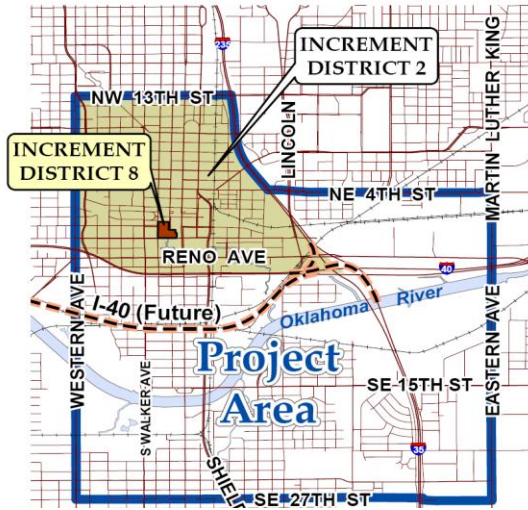
Increment Totals: (\$25,817) (NAV)

Market Value Growth: \$0

Taxes Generated (2015): \$0

Limited / negative increment growth due to property acquired by public and non-profits

Devon World Headquarters (TIF #8)



Purpose: Infrastructure & Economic Development

Created: December 16, 2008

Expires: June 30, 2034 (Ad Valorem),
June 30, 2013 (Sales Tax)

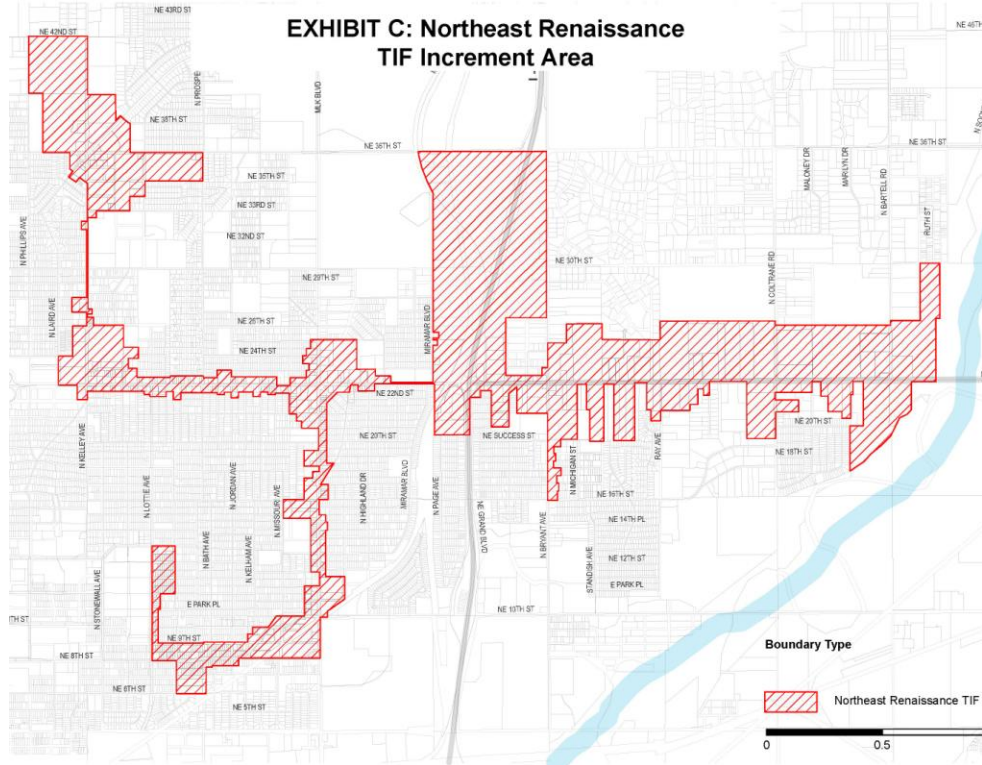
Implementing Body: Oklahoma City
Economic Development Trust

Project Plan Budget: \$157,000,000

Taxes Generated (2015): \$11,300,000
Assessor billed \$9,188,728

Included in the Downtown / MAPS Project
Plan

Northeast Renaissance (TIF #9)



Purpose: Redevelopment of NE 23rd, MLK and Kelley Avenue corridors in Northeast Oklahoma City

Created: January 14, 2015

Expires: June 30, 2041

Implementing Body: Oklahoma City Economic Development Trust

Project Plan Budget: \$45,000,000

Success of Existing Districts

TIF #1 - Medical Research Park / TIF #7 Oklahoma Bioscience

- ✓ 2,000 Jobs between 2002-2011 (18.7% growth rate)

TIF #2 - Downtown

- ✓ 2,110 Housing Units – 40% of new I-89 housing in Downtown
- ✓ 1,500 Additional Housing Units Underway/Planned
- ✓ ~ \$800 million in new market value generated in 15 years

TIF #3 - Skirvin Sales Tax

- ✓ Renovation of landmark building in OKC

TIF #4 - Oklahoma Riverfront / TIF #5 Oklahoma Riverfront Sales Tax

- ✓ 2,100 Jobs
- ✓ \$720 million in Salary generation

TIF #6 - Las Rosas Residential

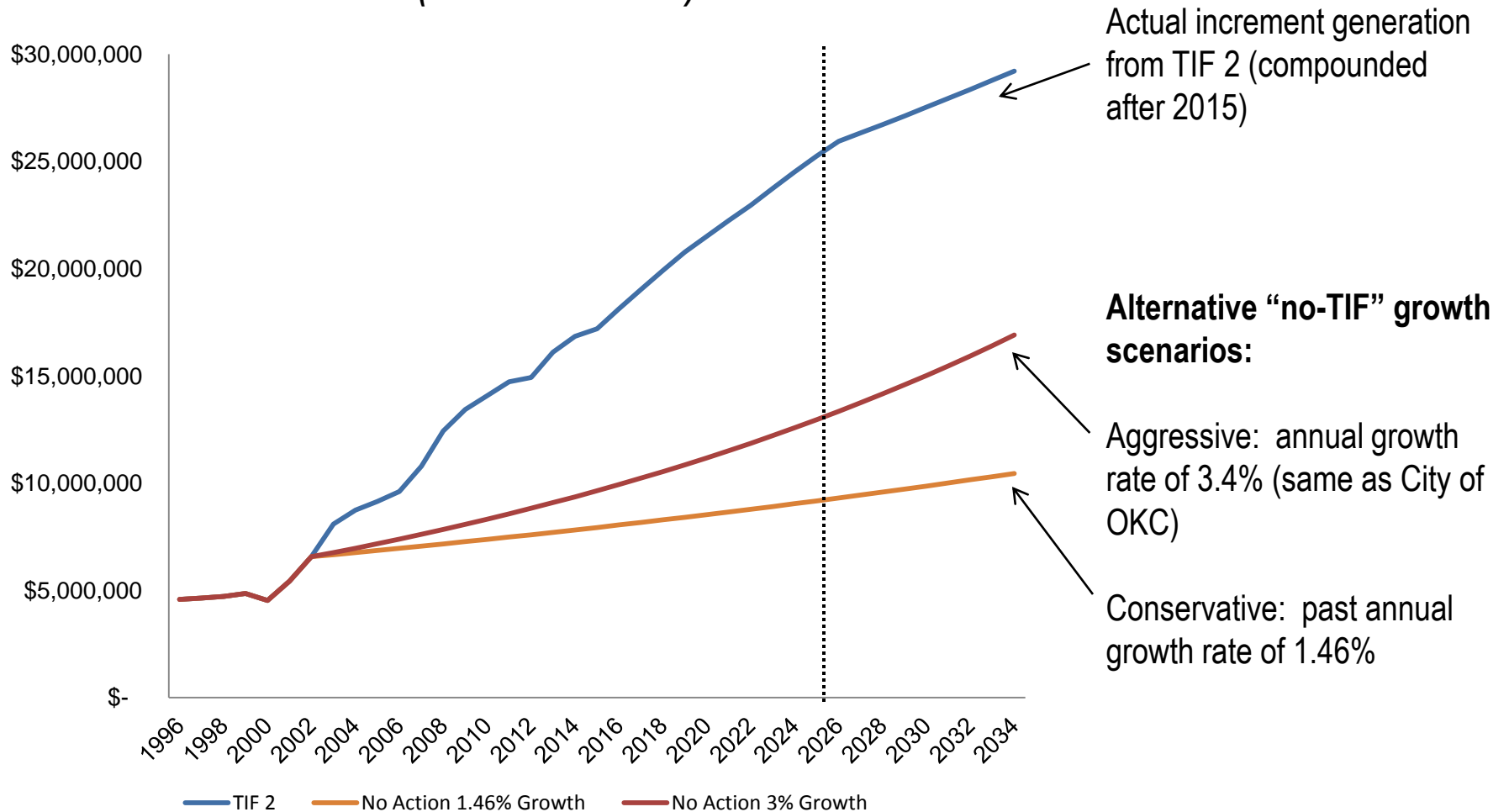
- ✓ 220 Housing Units
- ✓ \$24 million in investment

TIF #8 - Devon Development

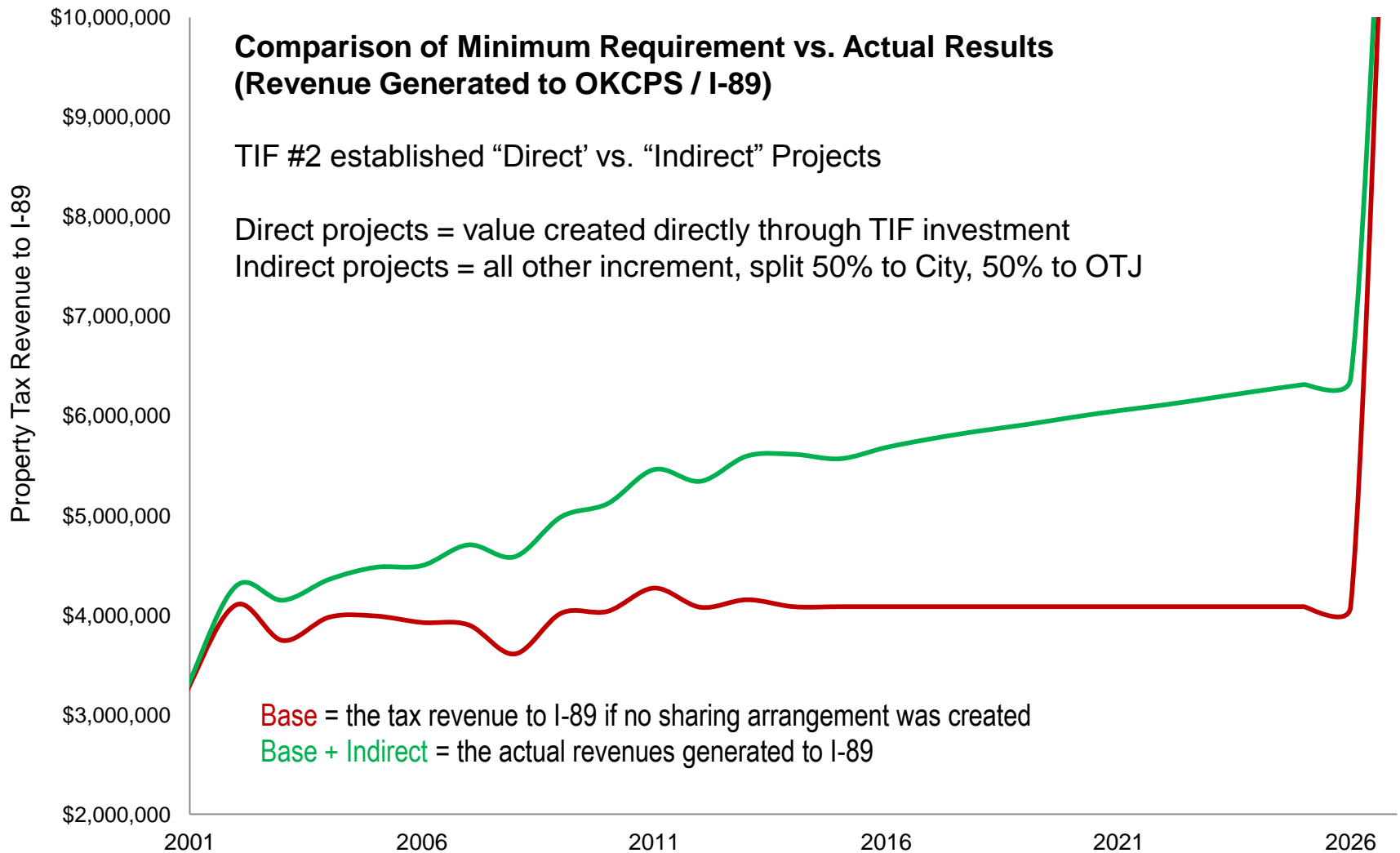
- ✓ \$176 million infrastructure investment in Downtown streets, sidewalks, parks, and plazas

Example of Successful Revenue Sharing

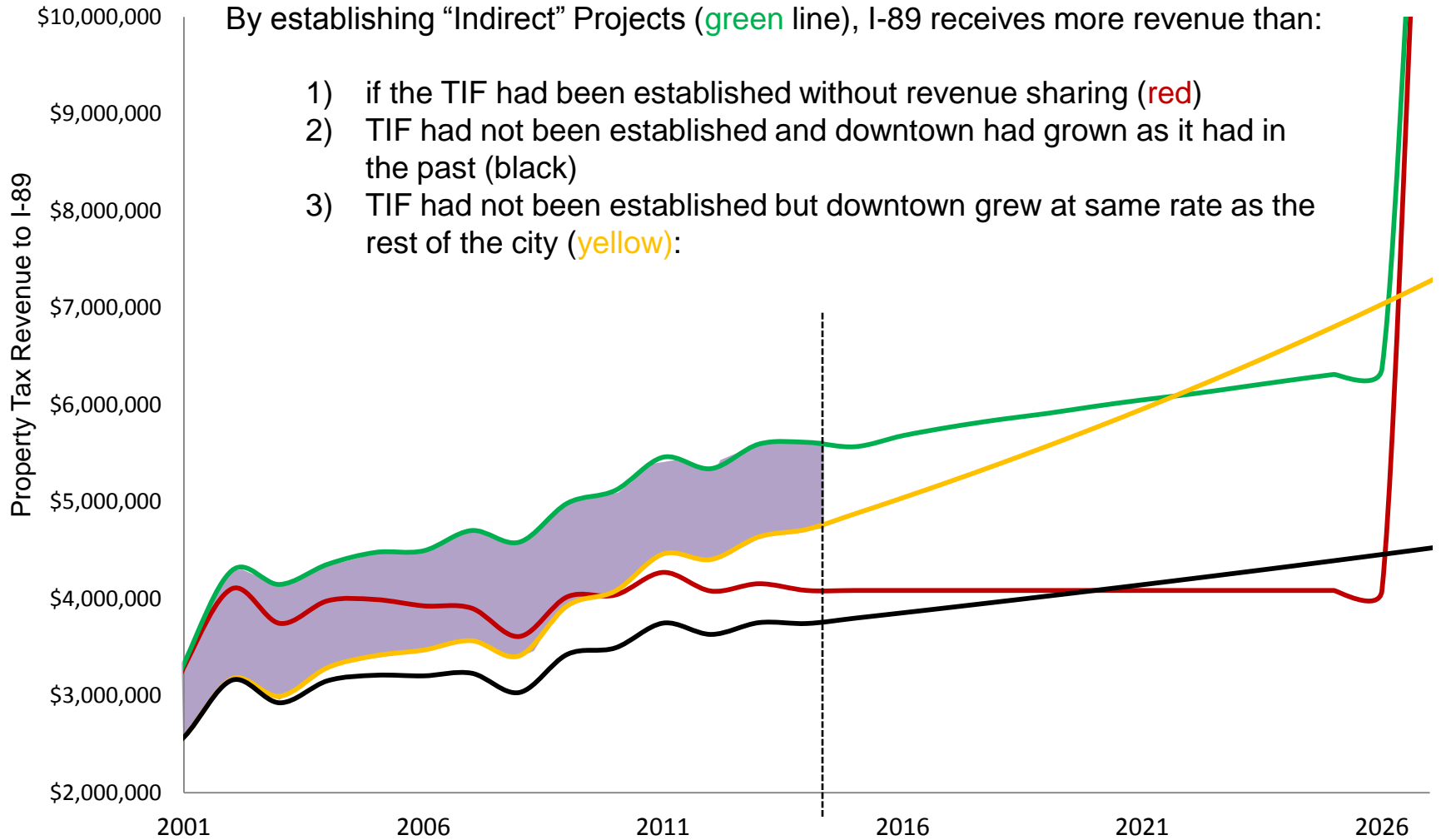
Increment Generated in TIF 2 (Downtown / MAPS)



Example of Successful Revenue Sharing



Example of Successful Revenue Sharing



Framework for Future TIF Districts

- **Purpose of TIF**
 - A tool to be used in areas where investment, development and economic growth are difficult put possible with TIF assistance.
- **General Intent**
 - The increment generated will be needed to pay the Public Project Costs* necessary to generate private investment.
- **Past TIFs**
 - TIFs 1, 3, 4, 5, 6, 7, and 9 are all examples of districts where almost all increment generated has gone, or is anticipated to go, to project costs that generate investment.
- **Revenue Sharing Opportunities**
 - Areas where Public Project Costs* can generate both directly supported projects but can also generate substantial additional (indirect) investment within the TIF District.
 - Revenue sharing is possible after an initial period necessary to generate investment.
 - It may be appropriate to find opportunities to share additional revenue either through annual distribution or through project budgets.

*Public Project Costs = costs in the Project Plan to support development, infrastructure and other public benefits.

Proposed TIF District # 2 Amendment

- Amend Budget Amounts

Description	Current Budget	Proposed Amendment	Revised Budget
Residential	\$35,000,000	\$5,000,000	\$40,000,000
Hotel/Commercial	\$45,000,000	\$15,000,000	\$60,000,000
Public Schools (1)	\$7,000,000	\$9,000,000	\$16,000,000
Public Parking	\$9,000,000	\$0	\$9,000,000
Other Public Development (2)	\$25,000,000	\$0	\$25,000,000
Skirvin Hotel Sales Tax Allocation	\$5,000,000	\$0	\$5,000,000
Other Taxing Jurisdictions (3)	<u>\$0</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>
	\$126,000,000	\$34,000,000	\$160,000,000

(1) The Public Schools category will be restricted to I-89 only

(2) Other Public Development category will be limited to City projects.

(3) Other Taxing Jurisdictions (OTJ) category will be for all OTJs except for I-89

- Other Proposed Amendments

- Allow for taxing jurisdictions to spend TIF allocations outside of the designated project area.
- Expand Project Area to SW 29th.
- Carve out portion of TIF #2 for TIF #10.

Proposed TIF District # 2 Amendment

Proposed New Allocations

Description	Current Allocations	Current Request	Revised Allocations
Residential	\$25,340,740		\$25,340,740
Hotel/Commercial	\$34,830,083		\$34,830,083
Public Schools (1)	\$6,000,000	\$10,000,000	\$16,000,000
Public Parking	\$3,200,000		\$3,200,000
Other Public Development (2)	\$17,541,760	\$1,500,000	\$19,041,760
Skirvin Hotel Sales Tax Allocation	\$5,000,000		\$5,000,000
Other Taxing Jurisdictions (3)	\$0	\$3,440,000	\$3,440,000
	\$91,912,583	\$14,940,000	\$106,852,583

Proposed TIF District # 2 Amendment

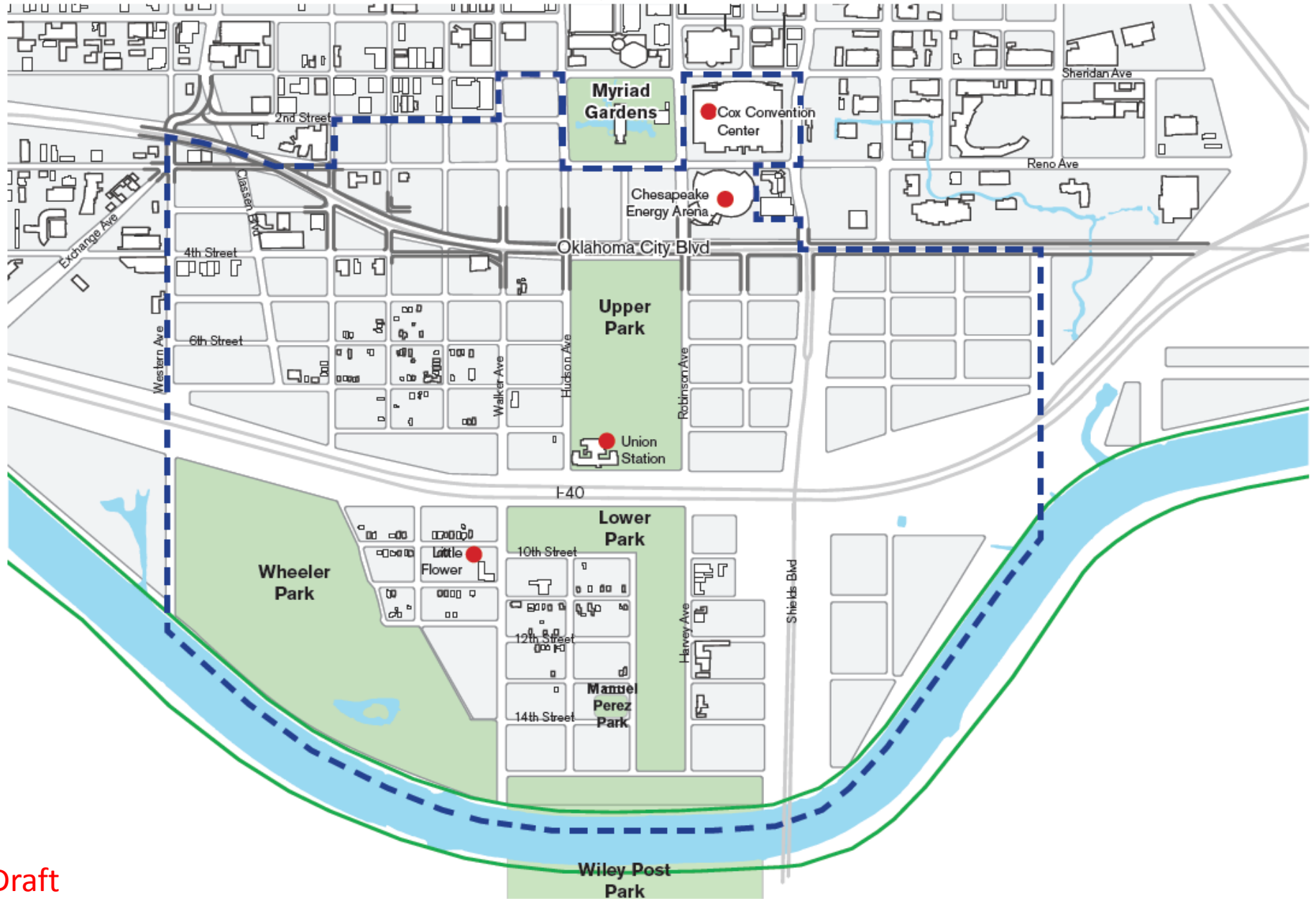
Revised Summary

Description	Revised Budget	Revised Allocations	Revised Balance
Residential	\$40,000,000	\$25,340,740	\$14,659,260
Hotel/Commercial	\$60,000,000	\$34,830,083	\$25,169,917
Public Schools (1)	\$16,000,000	\$16,000,000	\$0
Public Parking	\$9,000,000	\$3,200,000	\$5,800,000
Other Public Development (2)	\$25,000,000	\$19,041,760	\$5,958,240
Skirvin Hotel Sales Tax Allocation	\$5,000,000	\$5,000,000	\$0
Other Taxing Jurisdictions (3)	<u>\$5,000,000</u>	<u>\$3,440,000</u>	<u>\$1,560,000</u>
	\$160,000,000	\$106,852,583	\$53,147,417

Core to Shore Reinvestment Area

- Consists of 6 new TIF districts under 1 Project Plan
- Each may begin at differing times
 - State law allows a City up to 10 years to trigger start date
- Currently generating \$750,804 in ad valorem taxes
 - Approximately \$142,908 is paid in TIF # 2
- Revenue sharing options
 - Similar to TIF #2

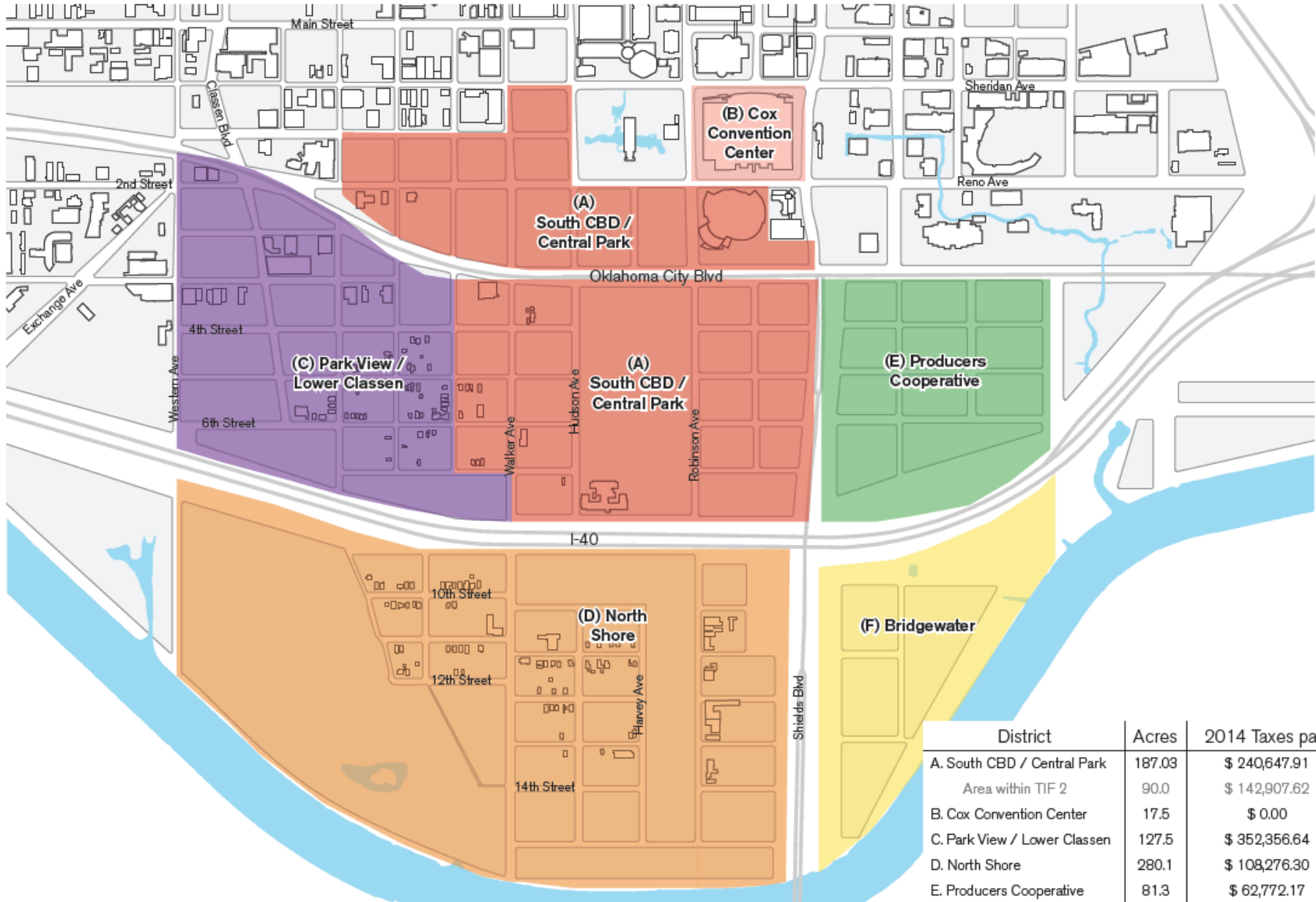
Core to Shore Reinvestment Area- Increment District Boundary



Core to Shore Reinvestment Area within TIF 2



Core to Shore Reinvestment Area - TIF Districts



District	Acres	2014 Taxes paid
A. South CBD / Central Park	187.03	\$ 240,647.91
Area within TIF 2	90.0	\$ 142,907.62
B. Cox Convention Center	17.5	\$ 0.00
C. Park View / Lower Classen	127.5	\$ 352,356.64
D. North Shore	280.1	\$ 108,276.30
E. Producers Cooperative	81.3	\$ 62,772.17
F. Bridgewater	72.8	\$ 6,435.03
Total	766.1	\$ 770,478.05

Core to Shore Reinvestment Area – Increment District & Project Areas Compared to Existing TIF Districts

