

# **PROPOSED OKLAHOMA REGIONAL INNOVATION DISTRICT PROJECT PLAN**

## **EXECUTIVE SUMMARY**

**Dated November 17, 2016**

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The Oklahoma City business community, led by the Greater Oklahoma City Chamber of Commerce, acting jointly with the Oklahoma Health Center Foundation, the Presbyterian Health Foundation, the Oklahoma Medical Research Foundation, and the Oklahoma City Redevelopment Authority, and working with the guidance of the Brookings Institution under a 24-month planning contract, proposes to build on the success of the Oklahoma Health Center Economic Development Project by adopting an Innovation District strategy.

An Innovation District is an intentional economic development strategy based on the premise that economic growth, job creation, and innovation can be fostered through the clustering of businesses, institutions, and people, and the creation of new partnerships. Thus, the proposed Oklahoma Regional Innovation District Project Plan will authorize agreements with public entities to implement and fund plan objectives such as enhanced education programs, skills training programs, intern programs, and workforce development.

The proposed Oklahoma Regional Innovation District Project Plan will make possible partnership agreements, such as a ten (10) year agreement with the Oklahoma City Public School District to provide an enhanced education program supporting the Innovation District. Similar partnerships (with different responsibilities) are contemplated with MetroTech for skills training, with the Oklahoma School of Science and Mathematics (OSSM) for operation of internship programs, and i2E for entrepreneurial support.

The announcement that SSM Health Care of Oklahoma (which operates St. Anthony hospitals) is taking over operations at the OU Medical Center confirms the urgency of approving an amended project plan to augment the current Oklahoma Health Center Economic Development Plan with an Innovation District strategy. The consequence of this announced transaction will change the taxable HCA owned hospital facilities into tax exempt properties – thus eliminating the current \$2.2 million annual revenue stream from taxable properties in Increment District No. 1.

The prudent response is to place the GE Global Research Center in a new increment district (along with other undeveloped and tax exempt properties before January 1, 2017). This change will provide a revenue source to support Innovation District activities in the amount of approximately \$1 million per year for the statutory period of 25 years.

The only assured source of new revenue for the Innovation District is the new revenue generated by the GE Global Oil and Gas Technology Center, which was financially supported by the existing increment district. By placing this development and other undeveloped properties in a new increment district before year end, revenue may be provided for the education and other Innovation District partnerships.

This alternative is reflected in the proposed amended plan, along with other project plan revisions and authorizations to support the objectives of the Innovation District. Thus, the amended plan provides a foundation for the on-going work of the working committees and planning efforts of the Brookings Institution.

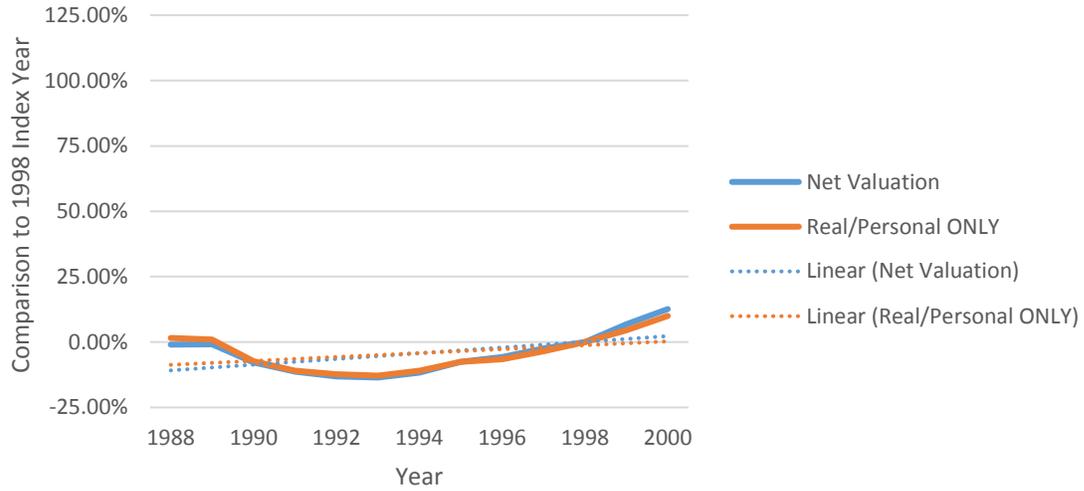
A principal benefit of an Innovation District is the accelerated pace of new business enterprise, new investment and new jobs, the kind of activities that are most beneficial to school district revenues and the generation of new property taxes outside of increment districts. This Oklahoma City economic development strategy has changed flat-line property valuation in the school district and MetroTech to an average annual 5% growth and is creating new taxable value at two and one-half times the amount of value growth in all increment districts. Oklahoma County valuation and revenues have increased from an annual average of 3% to annual average of 8%. See charts attached.

This effort is supported by MetroTech, i2E, OSSM, and others, in addition to the Greater Oklahoma City Chamber of Commerce, the Oklahoma City Redevelopment Authority, the Presbyterian Health Foundation, the Oklahoma City Urban Renewal Authority, the Oklahoma Medical Research Foundation, and the Oklahoma Health Center Foundation. The Brookings Institution has selected ONLY two (2) cities (Oklahoma City and Philadelphia) to assist in their respective Innovation District efforts.

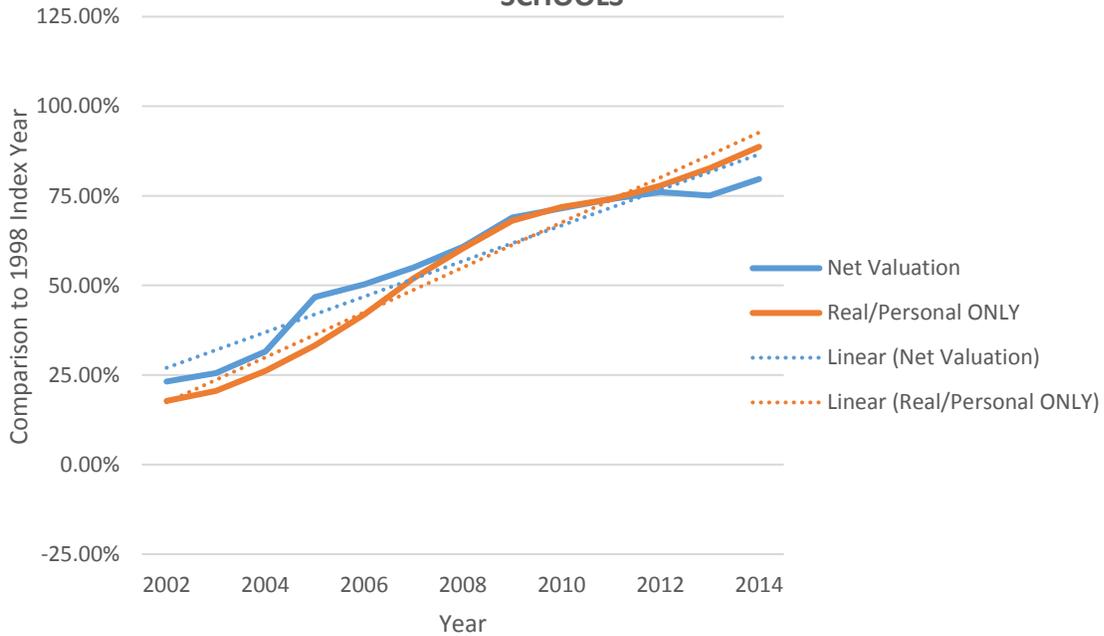
A more detailed summary of the proposed plan of the proposed Innovation District strategy is attached.

The first step toward the adoption of the proposed Oklahoma Regional Innovation District Project Plan is consideration by the review committee to make its recommendations. But time is critical and we want to provide all appropriate assurances that the proposed enhanced partnerships are both financially and effectively beneficial to our taxing jurisdictions, including, public schools and our community.

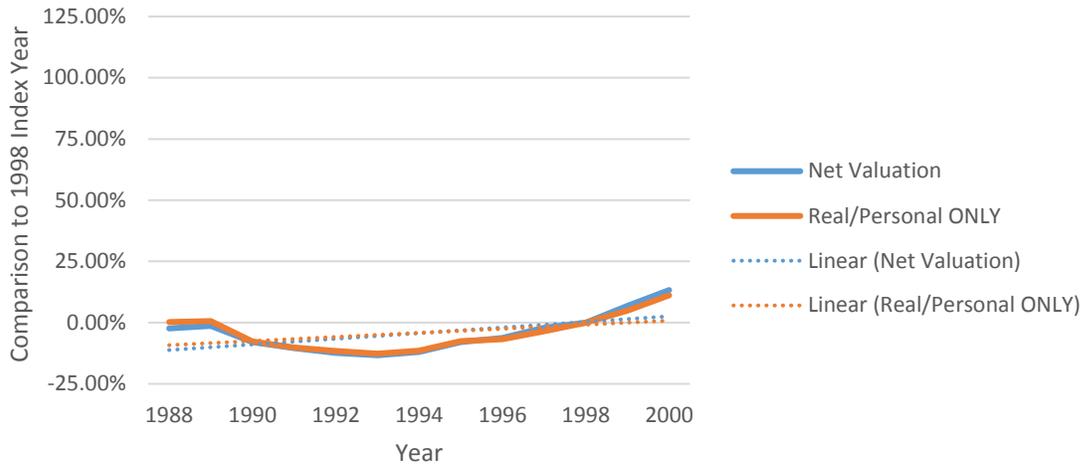
### PRE-TIF ASSESSED VALUE GROWTH: OKLAHOMA CITY PUBLIC SCHOOLS



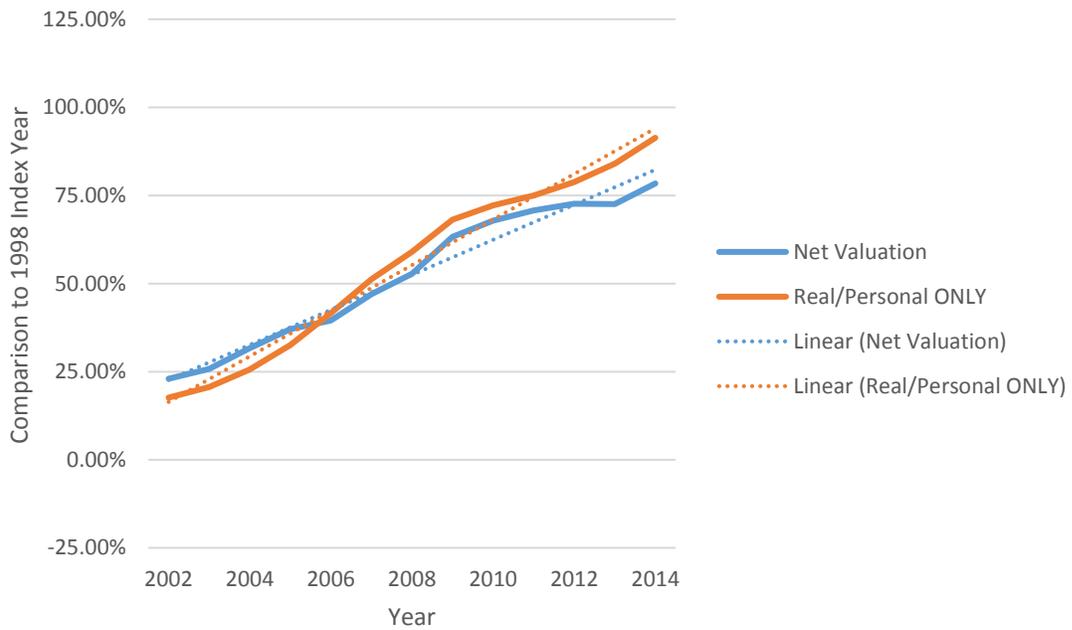
### POST-TIF ASSESSED VALUE GROWTH: OKLAHOMA CITY PUBLIC SCHOOLS



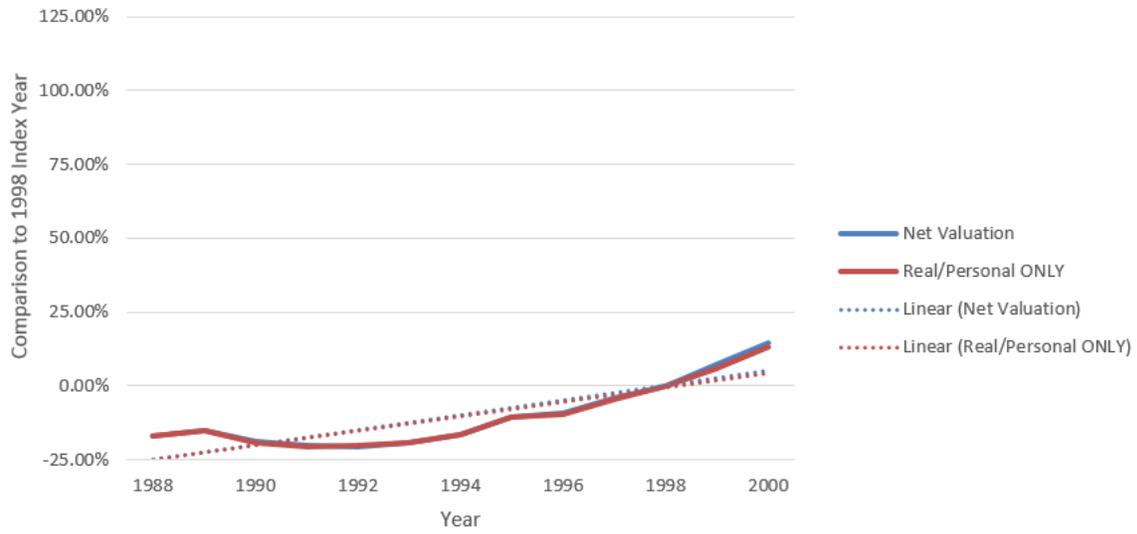
### PRE-TIF ASSESSED VALUE GROWTH: METRO TECH



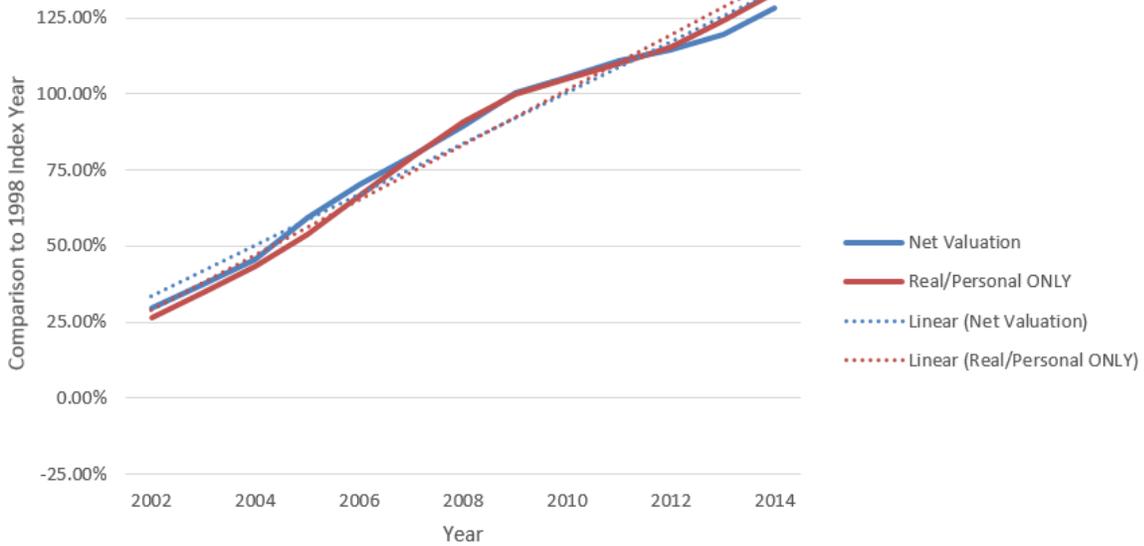
### POST-TIF ASSESSED VALUE GROWTH: METRO TECH



### PRE-TIF ASSESSED VALUE GROWTH: OKLAHOMA COUNTY



### POST-TIF ASSESSED VALUE GROWTH: OKLAHOMA COUNTY



## OKLAHOMA REGIONAL INNOVATION DISTRICT PROJECT PLAN SUMMARY

With the guidance of the Brookings Institution, the objectives under the existing Oklahoma Health Center Economic Development Project Plan will be expanded to include a strategy for the integration of an Innovation District, which is only possible because of the successful and continuing development of the University of Oklahoma Health Sciences Center, along with the presence and growth of other significant developments in the project area.

An Innovation District is an intentional economic development strategy based on the premise that economic growth, job creation, and innovation can be fostered through the clustering of businesses, institutions, and people, and the creation of new partnerships. Proximity and relationships allow people to collaborate and, as a result, spurs and stimulates productivity, ideas, education, and innovation. Innovation Districts encourage mixed developments that include housing, office space, retail, green space, and entertainment venues. They foster connections between leading edge anchor institutions and business, cluster research with startups, business incubators and entrepreneurs, and create new partnerships with education, skills training, and the community. Key elements of the Oklahoma Regional Innovation District Project Plan are:

**PROJECT AREA AND INCREMENT DISTRICT CHANGES.** See Exhibit attached illustrating proposed project area and each increment district.

- **Enlarge Project Area.** Increase area to be directly served by the Project.
- **Reduce size of Increment District Nos. 1 and 7.**
  - Portions of District No. 1 will be made a part of new District No. “N.”
  - Portions of District No. 7 will be made a part of new District No. “M.”
- **New Increment Districts.**
  - Create new District No. 11 to be effective immediately upon plan approval.
  - Create new District No. “M”, to be effective in the future.  
The boundaries of District No. “M” are within the existing boundaries of District No. 7.
  - Create new District No. “N”, to be effective in the future.  
The boundaries of District No. “N” are within the existing boundaries of District No. 1.
- **Composition.**
  - In District No. 1, the principal remaining developments consist of the hospital complex owned by HCA Health Services of Oklahoma, which will become tax exempt upon completion of the anticipated new partnership with SSM Health Care of Oklahoma.
  - In District No. 7, the Page-Woodson residential development is underway. Embassy Suites and other development opportunities remain in District No. 7.
  - District No. 11 is comprised of properties which are undeveloped, tax exempt, or under development, specifically GE Global Oil & Gas Technology Center, which is supported by the project.
  - Districts “M” and “N” are locations of future potential development opportunity.

- **Duration.**
  - Increment District No. 1 will terminate as of June 30, 2022.
  - Increment District No. 7 will terminate as of June 30, 2032.
  - Each new increment district will have a duration of a period not to exceed 25 fiscal years from the respective effective dates.

**PROVIDE ADDITIONAL FINANCING:**

- Authorize: \$52 Million in new revenue from District No. 11 plus increments generated in Districts “M” and “N.”

**STRATEGIC CHANGES**

- Capitalize on Assets: Build on the success of the previous developments in and around the Oklahoma Health Center, including, the University of Oklahoma Health Sciences Center, the Research Park, the GE Global Research Center, the Oklahoma Medical Research Foundation, Cytovance Biologics, Embassy Suites, Page-Woodson residential redevelopment, the Oklahoma School of Science and Mathematics, the Oklahoma State Chamber of Commerce, and numerous other developments.
- Broaden Objectives:
  - Create an innovation ecosystem that is designed to promote a high level of interaction and connectivity, facilitate idea generation, and advance commercialization.
  - Include technology and biotech businesses, educational institutions, entrepreneurs, business incubators and start-ups, retail, housing, entertainment, green space, public space, and multi-use developments.
- Stimulate Innovation: Create and retain new business, investments, and employment.
- Enhance education and job training: With an \$18 million authorization, plan and undertake programs to enhance education (especially in the area neighborhoods), skills training programs, internships, and entrepreneurial support under partnership agreements with I-89, Metrotech, OSSM, i2E, and others.
- Community connections and opportunities:
  - Create an environment of interconnecting places for work, live, and play.
  - Provide public collaborative space.
  - Improve adjacent neighborhoods, reduce the disparity in income, educational attainment levels and job opportunities.
  - Create walkable streets and vibrant public spaces to build connections within the district, where meetings take place, both serendipitously and intentionally.

**CREATE NEW PARTNERSHIPS:** Developing and enhancing public-private partnerships with universities, technology-related businesses, cutting-edge companies, centers of research, schools, and the community facilitates interaction and communication, stimulates investment, and spurs job growth. Potential partners include:

- Entrepreneurial: Bio-tech, energy, aerospace, engineering, information technology (IT), research, entrepreneurs and business
- Education: Oklahoma City Public Schools.
- Skills Training: Metro Tech.
- Intern Programs: OSSM.
- Community: N.E. Innovation District Citizens Group, JFK Neighborhood Association, N.E. Renaissance Steering Committee, Douglas Alumni Association, Harrison-Walnut Neighborhood Association.

**GENERATE BENEFICIAL IMPACTS:**

- Community / City / Region: Create revenue that helps improve schools, infrastructure, housing, public safety, and other services.
- Employment: The Innovation District will serve as a platform for quality job growth and business expansion and generate a higher multiple of beneficial economic impacts.
- Taxing Jurisdictions: Oklahoma City Public Schools, Metrotech, Oklahoma County, Metropolitan Library System, Oklahoma City-County Health Department, and The City of Oklahoma City.

**EXHIBIT "A"**  
**OKLAHOMA REGIONAL INNOVATION DISTRICT PROJECT PLAN:**  
**PROJECT AREA AND INCREMENT DISTRICT BOUNDARIES**

