



MEMORANDUM

Council Agenda
Item No. VII.AT.2.
8/15/2017

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: James D. Couch, City Manager

Resolution approving a \$2,600,000 allocation of Downtown/MAPS Economic Development Project Plan TIF No. 2 funds (Hotels/Commercial Development) for the I-40 Crosstown Land Acquisition Project, I-40 Crosstown Expressway between the I-40/I-44 Junction and the I-40/I-235 Junction, and the Oklahoma City Boulevard. Wards 6 and 7.

Location I-40 Crosstown Expressway between the I-40/I-44 Junction and the I-40/I-235 Junction, and the Oklahoma City Boulevard

Purpose To allocate a portion of the TIF No. 2 Residential Development budget to support the I-40 Crosstown Land Acquisition Project

Background On March 7, 2000, the Council adopted Ordinance No. 21,431, approving the Downtown/MAPS Economic Development Project Plan ("Project Plan") and establishing Tax Increment District No. 2, City of Oklahoma City ("TIF-2"). The Project Plan requires that the Downtown/MAPS Tax Increment Review Committee meet and review any proposed economic development project and budgetary allocation in light of the overall project objectives, feasibility, priorities, and funding availability and submit its recommendation to the City Council of The City of Oklahoma City for approval of a budget allocation prior to submittal to the Oklahoma City Economic Development Trust prior to implementation of the proposed development project.

The City of Oklahoma City, the Oklahoma City Public Property Authority ("OCPPA") and the Department of Transportation for the State of Oklahoma ("ODOT") entered into the Amended Project, Right-of-Way, Public Utility, Encroachment, and Maintenance Agreement for the I-40 Crosstown Expressway ("Amended Project Agreement") on May 8, 2017. The Amended Project Agreement generally includes terms and conditions for highway maintenance, construction of the Oklahoma City Boulevard, and the exchange of property between the City and ODOT, including the payment by OCPPA of approximately \$2,600,000 which amount represents the difference in the fair market values of certain properties described in the Amended Agreement.

It is recognized that certain properties to be transferred to the City and/or OCPPA through the Amended I-40 Crosstown Project Agreement have economic development potential. In view of the economic development potential of the I-40 Crosstown Land Acquisition Project, it is the recommendation of City staff that the City Council support the I-40 Crosstown Land Acquisition Project by authorizing and recommending a budget allocation of \$2,600,000 to support project costs for capital costs and real property assembly.

Upon review of the proposed I-40 Crosstown Land Acquisition Project on July 31, 2017, it is the recommendation of the Downtown/MAPS Tax Increment Review Committee that the City Council approve and allocate \$2,600,000 from the Increment District No. 2 Hotels/Commercial Development budget category for allowable project costs needed by OCPPA to complete the purchase of the properties from ODOT which will be available to support the proposed I-40 Crosstown Land Acquisition Project, subject to a requirement that the subsequent Economic Development Agreement contain a provision that in the event any of the parcels purchased from ODOT and used for private development are sold and result in a composite sale price in excess of the approved allocation be returned to the Leverage Fund of the Downtown/MAPS Economic Development Project Plan.

Approval of the attached resolution will allocate \$2,600,000 from the Increment District No. 2 Hotels/Commercial Development budget for the I-40 Crosstown Land Acquisition Project.

Previous Action Downtown/MAPS Tax Increment District No. 2 Review Committee adopted resolution on July 31, 2017 (Item No. VI.)

Review City Manager's Office - Economic Development

Recommendation: Resolution be adopted.