

NORTHEAST RENAISSANCE REDEVELOPMENT PROJECT  
PLAN,  
CITY OF OKLAHOMA CITY

(Date: January 13, 2015)

**I. DESCRIPTION OF PROJECT**

This Northeast Renaissance Redevelopment Project Plan (“Project Plan” or “Plan”) is a project plan as defined under the Oklahoma Local Development Act, 62 O.S. § 850, *et seq.* and is intended to assist in the implementation of two urban renewal plans, adopted and approved pursuant to Oklahoma Urban Renewal Law, 11 O.S. § 38-101, *et seq.* specifically, the John F. Kennedy Urban Renewal Plan and the Northeast Renaissance Urban Renewal Plan.<sup>1</sup>

The primary purposes of the Plan are to reduce and eliminate blight conditions, reverse economic stagnation, create new employment opportunities and growth, create new businesses, and to stimulate the rehabilitation and preservation of historically or architecturally significant structures with an established historic value in the Project Area, which area includes a major portion of “Northeast” Oklahoma City along N.E. 23<sup>rd</sup> Street and extending along its major arterial intersectors, generally from the Oklahoma River (aka North Canadian River) on the east, to Interstate 235 on the west, from N.E. 50<sup>th</sup> Street on north to N.E. 10<sup>th</sup> Street to the south. The Project Area also includes the areas contained in two urban renewal plans adopted by The City of Oklahoma City.

This Plan contemplates the use of ad valorem tax increment and sales tax increment revenues generated from Increment District Number Nine (9) to pay the Project Costs necessary to stimulate the redevelopment of vacant, abandoned, dilapidated, underutilized, blighted and/or historic commercial properties, as well as residential development and redevelopment. In addition, capital improvements to public schools and public infrastructure will also be encouraged and will be considered for public financial support through public infrastructure improvements and assistance in development financing.

The Plan further contemplates several potential catalytic developments, including a significant mixed-use development at N.E. 23<sup>rd</sup> Street and Martin Luther King, Jr. Boulevard, that will be anchored by a new grocery store in a much underserved part of Oklahoma City, and will include other retail, commercial and residential development. Other prospective projects include significant mixed-use developments in the vicinity of N.E. 36<sup>th</sup> and Kelley Avenue, N.E. 16<sup>th</sup> and Martin Luther King, Jr. Boulevard, and additional development at N.E. 23<sup>rd</sup> and Martin Luther King, Jr. Boulevard, and at crossroads near or east of Interstate 35, as well as several Urban Renewal Authority

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<sup>1</sup> Terms that are capitalized herein shall be defined as provided in the *Local Development Act*, 62 O.S. §§ 850, *et seq.*, unless otherwise defined herein or usage indicates a different meaning.

residential and smaller commercial projects contemplated within the project areas for the two Urban Renewal Plans.

In addition to the catalytic anchor developments, the Plan contemplates supportive and compatible commercial, office, retail, recreational, and residential development along and adjacent to N.E. 23rd Street and its major intersecting streets and avenues.

The development and redevelopment of the Project Area is vital in order to support the achievement of the economic development objectives of The City of Oklahoma City (“City”), the Oklahoma City Economic Development Trust (“OCEDT”), and the Oklahoma City Urban Renewal Authority (“OCURA”).

Implementation of the Plan is expected to result in the stimulation of at least \$225 million in taxable private investment and development, consisting of \$100 million of principally affordable residential development and \$125 million in retail/commercial investment and development.

Utilization of tax increment financing in conjunction with other existing public and private programs and redevelopment activities will maximize the impact and implementation of other economic development efforts in the Project Area.

The Project Area and the Increment District are a combination of a reinvestment area, enterprise areas, and urban renewal areas.

## **II. DESCRIPTION OF PROJECT AREA AND INCREMENT DISTRICT**

### **A. Project Area Boundaries.**

The Project Area is the area in which Project activities will take place. The Project Area for the most part includes undeveloped, underdeveloped, underserved, dilapidated, blighted, and economically stagnant properties lying generally between Interstate 235 on the west and the Oklahoma River on the east and between N.E. 50<sup>th</sup> Street on the north and N.E. 10<sup>th</sup> Street on the south. The Project Area is more specifically shown on Exhibit A and the description of Project Area boundaries is contained in Exhibit B.

### **B. Increment District No. 9 – Ad Valorem and Sales Tax Increment District.**

Pursuant to the terms set forth in Section VII of this Plan, there will be one increment district which shall be both an ad valorem and a sales tax district. It shall be designated as Increment District No. 9, The City of Oklahoma City.

Increment District No. 9 is the area (within the identified boundary as shown on Exhibit C and described in Exhibit D) from which the tax increment will be generated. The increment will come from ad valorem taxes and from certain designated City of Oklahoma City sales taxes. The ad valorem tax increment is that amount of ad valorem taxes generated in excess of the base assessed value of the increment district. The

increment of ad valorem taxes generated from Increment District No. 9 may be used to pay Project Costs as authorized in Section X of this Project Plan and in the Local Development Act. A map showing a combination of the Project Area boundaries and the Increment District Boundaries is attached as Exhibit E.

The sales tax increment from Increment District No. 9 is the increment of City of Oklahoma City sales taxes generated in Increment District No. 9, as determined by a formula and procedure to be approved by the City Council in accordance with the Local Development Act. The sales tax increment may be used to pay Project Costs authorized in Section X of this Project Plan and as allowed by the Local Development Act.

As provided in 62 O.S. §856(B)(2), the City Council shall determine the date of commencement for the Tax Increment District, which will be declared and set by the Mayor and Council of The City of Oklahoma City by resolution or ordinance within ten years of the date of approval of this Project Plan.

### **III. PLAN OBJECTIVES – DEVELOPMENT AND REDEVELOPMENT PROJECTS**

The priorities of the Plan will be those activities and projects that stimulate development and redevelopment opportunities and encourage investment activities which bring residents and visitors to the Project Area. The objectives of the Plan within the Project Area supported by Increment District No. 9 are to:

- A.** Redevelop and revitalize areas in N.E. Oklahoma City within the Project Area which are or have become unproductive, undeveloped, underdeveloped or blighted;
- B.** Promote economic development to increase sales tax revenues, improve property values, and improve economic stability;
- C.** Promote economic development to retain jobs and create new jobs;
- D.** Stimulate new investment in Oklahoma City;
- E.** Preserve and enhance the tax base; and
- F.** To stimulate private and public investment in the Project Area to make possible investment, development and economic growth that would otherwise be difficult without the Project and the apportionment of incremental tax revenues for Projects.
- G.** Provide development opportunities for other taxing entities in the Increment District.

#### **IV. REVIEW AND APPROVAL OF SPECIFIC DEVELOPMENTS PRIOR TO IMPLEMENTATION**

##### **A. Review Procedures.**

Prior to expenditure of funds from the Increment District for a specific development (Project), the proposed development and budgetary allocation of an ad valorem or sales tax increment from the Increment District for a proposed development shall be reviewed and approved in accordance with the process and procedures contained in this Section IV to the extent possible.

##### **B. Consideration Process.**

###### **1. Staff Advisory Evaluation.**

The initial consideration of a proposed development and budgetary allocation for a private or public development shall be submitted to a Staff Advisory Committee, chaired by the City Manager of The City of Oklahoma City (or designee), with representatives of The City of Oklahoma City Finance, Public Works, Planning, and Legal departments, and representation from the Renewal Authority. The staff advisory committee shall determine which proposals should be submitted to the Northeast Renaissance Increment District Review Committee (“Review Committee”) in light of project objectives, feasibility, priorities, and funding availability; provided, however, with respect to proposed public developments, the submitting public entity may direct submission to the Review Committee regardless of recommendation from the Staff Advisory Committee.

###### **2. Recommendation by the Northeast Renaissance Project Increment District Review Committee.**

The Northeast Renaissance Project Increment District Review Committee shall review the recommendation of the Staff Advisory Committee and the proposed development and budgetary allocation in light of the project objectives, feasibility, priorities, and funding availability and submit its recommendation to the OCEDT and the City Council of The City of Oklahoma City, as appropriate, within 60 days after the Review Committee’s receipt of the development proposal.

###### **3. City Council Action and Approval of a Budgetary Allocation.**

Upon receipt of the recommendation of the Review Committee, or if no recommendation is received within the 60 day period, the City Council of The City of Oklahoma City may consider the development proposal and the proposed budgetary allocation necessary to leverage or stimulate private and public developments and may approve, deny or modify such recommendation, and if a budgetary allocation is approved, direct the OCEDT to implement the proposed development project under such procedures as each entity may implement from time to time.

**4. Consideration by the Oklahoma City Economic Development Trust:**

Upon notice of the approval of a budgetary allocation from The City for a proposed development project within the Project Area, OCEDT shall take necessary action to negotiate and approve, to the extent possible, appropriate development or redevelopment agreements, within the budgetary allocation approved by the City Council, to implement the proposed project acting under such procedures as each entity may prescribe from time to time.

If the proposed development project involves property owned by the Renewal Authority within City approved urban renewal or redevelopment project areas, the OCEDT may negotiate and approve appropriate agreements with the Renewal Authority to implement the proposed development project, acting under such procedures as each may prescribe from time to time.

**V. ELIGIBILITY OF THE REDEVELOPMENT PLAN PROJECT AREA AND INCREMENT DISTRICT.**

The Project Area and Increment District are blighted as defined in the Urban Renewal Law, 11 O.S. § 38-101, *et seq.* The Project Area contains two areas that are subject to Urban Renewal Plans, the John F. Kennedy Urban Renewal Plan and the Northeast Renaissance Urban Renewal Plan.

The Project Area and the Increment District as a whole are blighted due to long-standing conditions of arrested economic development which has impaired the financial vitality and growth of Oklahoma City and constitutes an economic liability. The Project Area is predominantly unproductive, undeveloped, and underdeveloped.

The Project Area and the Increment District are blighted within the meaning of the Urban Renewal Law and, therefore, are areas which meet and comply with the statutory definition of “reinvestment area.” Portions of the Project Area and the Increment District are within a State designated “Enterprise Area” or “Enterprise Zone.” The Project Area and the Increment District meet and comply with these statutory definitions under the Local Development Act.

**VI. FINANCIAL IMPACTS**

Redevelopment in the Increment District and Project Area is estimated to stimulate new investment of more than \$225 Million. New ad valorem taxes generated outside of the Project Area and Increment District No. 9 are anticipated to be greater than the new ad valorem taxes generated within the Project Area and Increment District.

These positive impacts are directly stimulated by the proposed catalyst projects such as the mixed-use development at N.E. 23<sup>rd</sup> Street and Martin Luther King, Jr. Boulevard that will be anchored by a new grocery store in a much underserved part of Oklahoma City

and the senior housing developments and which projects would not occur except for the Plan. On balance, the predominant effects on all involved taxing jurisdictions are beneficial. Any negative impacts are those associated with healthy and moderate economic and job growth, which impact may be mitigated. The beneficial impacts are significant and vital to the long-term objectives of the affected taxing jurisdictions.

## **VII. ESTABLISHMENT OF INCREMENT DISTRICT NO. 9, CITY OF OKLAHOMA CITY**

### **A. Increment District No. 9, City of Oklahoma City**

The increment of ad valorem taxes from Increment District No. 9, City of Oklahoma City, in excess of the base assessed value of the Increment District, shall be apportioned to pay Project Costs (as defined in this Section VII and in conformance with the Local Development Act) authorized pursuant to Section XI(D) of this Plan for a period not to exceed twenty-five (25) years, or the period required for the payment of such authorized Project Costs, whichever is less.

The increment of The City of Oklahoma City sales taxes generated by Oklahoma City Increment District No. 9, as determined by a formula to be approved by resolution of the City Council in accordance with the Local Development Act, shall be apportioned to pay Project Costs for a period not to exceed twenty-five (25) years or the period required for payment of the Project Costs authorized pursuant to Section XI of this Plan, whichever is less.

### **B. Effective Date of Increment District and Extension of Time Caused by Litigation.**

In the event of any litigation challenging directly or indirectly the validity of this Plan, the increment district, or challenging directly or indirectly any apportionment or disbursement, the time period for the increment district or any apportionment or disbursement shall be tolled for a period of time equal to the pendency of any such litigation as permitted under 62 O.S. § 861(A). The effective date for Increment District No. 9 shall be the effective date of this Plan.

### **C. Apportionment Fund Managed by OCEDT.**

During the period of apportionment, the apportionment fund shall constitute funds of the OCEDT, which entity is approved and authorized by The City to issue tax apportionment bonds or notes, and shall not constitute a part of the general fund to be apportioned annually by the governing body of the City.

### **C. Zoning, Comprehensive Plan.**

There are no known changes to zoning or the City's Comprehensive Plan required prior to implementing this Plan. Future developments or redevelopments in the

Project Area may require changes to the zoning associated with a particular tract of property to be redeveloped or may require possible changes to the City's Comprehensive Plan. Those changes will be dealt with on a project by project basis.

## **VIII. AUTHORIZATIONS**

**A. Administration of Plan.** The City is authorized to carry out and administer the provisions of this Plan and to exercise all powers necessary or appropriate thereto, pursuant to Section 854, Title 62 of the Oklahoma Statutes. OCEDT and the Renewal Authority are the public entities (of which the City is the beneficiary) specifically designated by the City to assist the City in carrying out this Plan and to exercise all powers necessary or appropriate thereto pursuant to Section 854, Title 62 of the Oklahoma Statutes, except for approval of this Plan, and those powers enumerated in paragraphs 1, 3, 4, 7, 13 and 16 of Section 854, Title 62 of the Oklahoma Statutes. OCEDT will be the entity primarily responsible for carrying out this Plan.

In addition to OCEDT and the Renewal Authority, The City of Oklahoma City may designate other public trusts of which the City is beneficiary to assist in carrying out and administering the provisions of this Plan.

**B. Financing and Payment of Project Costs.** OCEDT is authorized by the City to: (1) issue tax apportionment bonds or notes, issue other bonds or notes, or both; (2) incur Project Costs, pursuant to Section VII of this Plan; (3) provide funds to or reimburse the City or the Renewal Authority for the acquisition of redevelopment Project property, payment of Project Costs, and other payment of costs incurred in support of the implementation of the Project; and (4) incur the costs of issuance of bonds and accumulate appropriate reserves, if any, in connection with them.

The revenue sources expected to finance Project Costs as defined in Section VII. D. and authorized by Section X are the portion of the increments generated by values in excess of the base assessed value within Increment District No. 9, as defined by this Plan and by the sales tax increments generated by the Sales Tax Increment District calculated pursuant to the increment formula to be adopted by the City.

Project Costs will be paid by the OCEDT, the City or other public entity charged with implementing this Plan. Additional supporting public improvements will be provided by the City. The financing of the projected private development in the Project Area will be provided by private equity and private mortgage financing, secured by private redevelopments, or pursuant to and in accordance with redevelopment agreements entered into between the private sector and the OCEDT, the City, or other public entity charged with implementing this Plan.

Additional sources of revenue to fund projects approved under the Plan may include Community Development Block Grant Funds and Section 108 loans or other Federal funds, which may be repaid in whole or in part with apportioned tax increments or which may not be repaid, as provided by Federal law. Other possible sources of

revenue to pay costs of approved projects may be income or other revenues directly generated by projects within Increment District No. 9, which are paid to the City, OCEDT and/or a public trust designated by the City Council as the recipient of such income or revenues.

- C. Person in Charge.** James D. Couch, the City Manager of Oklahoma City, or his successor in office, acting in his capacity as General Manager of OCEDT, shall be the person in charge of implementation of the Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained herein. The City Manager (or any successor in office), acting in his capacity as General Manager of OCEDT, is authorized to empower one or more designees to exercise responsibilities in connection with the Plan or the implementation of any approved project supported under the Plan.

**IX. THE ESTIMATED RETURN ON PUBLIC INVESTMENT AND THE ESTIMATED PUBLIC AND PRIVATE INVESTMENT STIMULATED BY THE PLAN.**

**A. Public Revenue Estimated to Accrue from the Plan and Increment District.**

Over the lifespan of the Increment District, between \$27 million and \$30 million is anticipated to be generated in total incremental property taxes. It is also estimated that incremental sales tax revenues are likely to range between \$700,000 - \$1,000,000 annually in the near term (first 10 years), and between \$2,800,000 - \$3,200,000 annually over the longer term. Over the lifespan of the Increment District, between \$28 million and \$32 million in incremental sales tax is estimated to be generated.

Because the Plan is expected to create new investment and new jobs which did not previously exist either within Oklahoma City or within the State of Oklahoma, these new public revenues simply would not be created except for the Plan, the redevelopment projects to be incentivized, and the public and related financial undertakings necessary for its implementation.

**B. Private and Public Investments Expected from the Plan and Increment District.**

Within the Project Area, new private investment of more than \$225 million is expected, supported by \$45 million in public Project Costs.

**X. BUDGET OF ESTIMATED PROJECT COSTS TO BE FINANCED BY APPORTIONED TAX INCREMENTS.**

The Project Costs will be financed by the apportionment of tax increments from the Increment District in order to leverage private investment and assist in public developments. As authorized in this Section X, Project Costs may be financed by the apportionment of tax increments.

**A. Types of Project Costs.**

The eligible Project Costs include the costs of property acquisition, disposition, relocation, site preparation, supporting public facilities, assistance in development financing, and costs related thereto, incurred by a public entity in accordance with this Plan. Eligible Project Costs also include those costs as defined in the Local Development Act at 62 O.S. § 853(14). Project Costs include the costs incurred or to be incurred by the City, OCEDT, or other public entity, in implementing this Plan including, but are not limited to, payment and/or reimbursement of costs advanced in connection with the preparation and approval of the Plan and the projects supported under Plan. Project Costs also include all costs incurred for the issuance of any bonds or other methods of financing used to finance Project Costs, including, but not limited to administrative costs, organizational costs, professional service costs, acquisition costs, and financing costs and fees. Project costs include general administrative costs of OCEDT, the City or other public entity charged with implementation of the Plan.

**B. Estimated Project Costs.**

The total Project Costs authorized to be financed by the apportionment of tax increments in Increment District No. 9 is \$45 million, plus financing costs, administrative costs, and interest incurred for the repayment of Project Costs.

The budget for Project Costs and the estimated allocation of increment among redevelopment categories for Increment District No. 9 is as follows:

Residential Development	\$7,750,000
Retail/Commercial Development	\$22,500,000
Public Improvements and Development	\$12,000,000
Other Public Development	\$2,750,000

**(Total Project Costs: \$45,000,000)**

Plus interest and the costs of financing incurred in connection with the Project and Project activities, as well as general administrative costs of OCEDT, the Renewal Authority, the City, or other public entity, incurred in connection with implementation of the Project Plan, in an amount up to 5% of the annual tax increment revenues.

Budgeted funds in the “Other Public Development” category may be provided directly to other public taxing entities as a specific revenue source in accordance with Oklahoma Constitution Article X, Section 6C, Subsection B, and may therefore be used for activities outside the Project Area.

### **C. Additional Project Costs.**

Additional costs necessary or appropriate to implementing this Plan which are to be financed by other than apportioned tax increments may be approved by the City at any time. The provisions of this Section XI are not a limitation on costs to be financed by other than apportioned tax increments Nothing herein shall require the City to use other sources of funds to pay Project Costs.

## **XI. REFERENCES**

1. Oklahoma City Comprehensive Plan 2000
2. The John F. Kennedy Urban Renewal Plan
3. The Northeast Renaissance Urban Renewal Plan