



### **What is University North Park?**

University North Park is a 585-acre retail and mixed-use development in northern Norman bounded by Robinson Ave. on the south, Tecumseh Rd. on the north, Max Westheimer Airpark on the east, and I-35 on the west. Phase 1 of the development has been an economic and commercial success, generating approximately \$13M in sales and property tax annually for Norman and growing to more than 1.3M square feet of retail and restaurant space.

- In 2003, The University of Oklahoma sold the property to University North Park, LLC, a wholly-owned subsidiary of The University of Oklahoma Foundation, Inc. (“UNP”).
- In 2005, UNP selected University Town Center, LLC (“UTC”), a Charlotte, North Carolina based developer, as purchaser and master developer of the southern half of the property between Robinson and Rock Creek Rd. (Phase 1).
- In 2006, UTC began developing Phase 1 as a premier retail destination.
- As of 2017, Phase 1 of the development is approximately 70 percent completed and UNP is working to begin the second half of the development between Rock Creek Rd. and Tecumseh Rd.

### **What is the University North Park Entertainment District?**

The University North Park Entertainment District is a proposed mixed-use development consisting of restaurants, entertainment venues, office space, structured parking, hotel, expo center, and more, anchored around a new multi-purpose arena. The Entertainment District is envisioned as a regional draw and tourist destination for visitors outside of Norman, but also a place where Norman residents can live, work, and play.

### **When did this Entertainment District vision first occur?**

The initial development of University North Park began in 2006. The UNP Entertainment District is a continuation of the original project goal of creating a regional draw and tourist destination. The idea to place a new 10,000 seat multi-purpose arena in a mixed-use entertainment district occurred after a new conceptual master plan was commissioned during the summer of 2016 and research confirmed the feasibility and financial viability of the vision. The vision was made possible when the University indicated its support of development of the multi-purpose arena as a new home for the men’s and women’s basketball programs.

### **Where will the Entertainment District be located?**

The Entertainment District and multi-purpose arena will be located in the north half of University North Park – north of Rock Creek Road between I-35 and Max Westheimer Airpark.

### **What is included in the new conceptual Master Plan?**

A conceptual master plan for the development of the area between Rock Creek Road and Tecumseh Road (“Phase 2”)



includes the Entertainment District, as described above, as well as “clean manufacturing facilities” (such as IMMY), mixed use office space, parks and green space, and a variety of housing concepts which will be carefully planned to fit within the fabric of University North Park.

### **Who is developing the project?**

The project is in the preliminary stage of development and no developers have been chosen. UNP owns the land and will proceed with a process to select a nationally prominent master developer once the City confirms its support for the project.

### **Who is involved in the project?**

The project is envisioned as a continuing public-private partnership between the City of Norman and UNP, with The University of Oklahoma acting as the anchor tenant of the multi-purpose arena.

### **Who is the contractor?**

The project is still in early stages and no contractor has been selected. Because of the specialized design requirements of a multi-purpose arena, it is likely that multiple architects and contractors will be involved in development of the Entertainment District.

### **Who is paying for the Arena?**

Project funding is in preliminary stages and multiple options are being explored. One option is for the multi-purpose arena to be funded through a combination of tax increment financing (TIF) and capital from UNP, the developer, and private investors. Given the expected arena construction cost of approximately \$160M, partial public financing of the arena will be essential to the overall development’s financial viability.

### **Why now, and who is involved?**

The project is a continuation of the development of the University North Park in Norman. The idea to incorporate a multi-purpose arena in an Entertainment District was born in the early stages of discussions with master planning firm Callison RTKL. The OU Athletic Department supported the concept of a new multi-purpose arena anchored by the OU men’s and women’s basketball teams as beneficial for players and fans alike. Norman business leaders, the OU Foundation, and the University of Oklahoma are all excited and interested in helping make development of an Entertainment District become a reality.

### **Why is the city discussing this UNP Entertainment District project now? There are other pressing items on the city’s agenda such as storm water utility, senior center, etc. — why should they be trying to develop this now?**

In 2016, the City asked UNP and UTC to generate an updated master plan for development of the remainder of University North Park including Phase 2. The new master plan was delivered to the City on September 20, 2017 and reflects the well-established City priorities of making University North Park a regional draw and tourism attraction for the City of Norman,



creating a remarkable place to retain our outstanding college graduates and recruit young professionals and employers with quality jobs to Norman.

Furthermore, the plan takes advantage of a unique opportunity that will only exist for a limited period of time. The time is limited because the University needs either a substantially renovated Lloyd Noble Center or a new, modern multi-purpose arena. There are no other options. Because UNP owns a very favorable site to construct a new multi-purpose arena, the second option becomes immediately viable. However, two critical conditions must be satisfied before the Entertainment District can go forward. First, the University must agree to play its men's and women's home basketball games at the new arena and enter an appropriate long-term commitment. In that regard, the University has agreed in principle to do so. And second, the City must support the project by: (a) amending the existing TIF project plan and establishing a new TIF district within Phase 2 and (b) rezoning Phase 2 to permit up to 50 areas of commercial development. Unless both conditions are satisfied, the Entertainment District will not occur.

The initiatives of the UNP Entertainment District, Senior Center, Storm Water Utility, and other important matters for Norman are not mutually exclusive. We can accomplish and further each of these missions. But we don't want to face another Warren Theater moment and lose generational opportunities such as this because we are afraid to advance them concurrently.

## **What is a TIF?**

A Tax Increment Financing District, or "TIF," is a public financing method that has been used as a tool for infrastructure improvements, redevelopment, and other community-improvement projects across America since the 1950s. Through the use of TIF, municipalities typically temporarily allocate new future property tax or sales revenue from a defined area or district toward a specific economic development projects in the community. It is important to note that a **TIF is not a new tax or a tax increase, but only a temporary use of a portion of new tax revenues for the public's benefit.** The streets, parks, and other infrastructure in the existing UNP were made possible through a TIF. The proposed UNP Entertainment District requires TIF assistance for the construction of the multi-purpose arena.

## **Who will own and manage the arena?**

Multiple options are being discussed. One possible structure is for the multi-purpose arena to be owned or leased by an entity having UNP, the master developer, and various private investors as members. An experienced professional arena management company would be retained to manage the arena.

## **What is the cost of the project/cost of the arena?**

With the project still in early stages of planning, it is too early to accurately estimate project costs for the multi-purpose arena or the Phase 2 development as a whole. In his report, issued in September 2017, Professor Dauffenbach estimated that more than \$500 million would be invested to develop all of Phase 2 over a 10-year period including \$160 million for



the new multi-purpose arena. Upon completion of construction, the Phase 2 properties will be placed on the Cleveland County Assessor's rolls and the owners will pay ad valorem taxes or make payments in lieu of ad valorem taxes.

### **What is the benefit to the city and county?**

Professor Dauffenbach's report confirms that Phase 1 of University North Park has been an economic success for the City of Norman. In the aggregate, new local undedicated sales taxes and ad valorem taxes have equaled or exceeded the projections made by Dr. Alexander Holmes in 2006. Development of Phase 2 of University North Park will provide substantial additional long-term revenue streams to the City and County through even more new sales taxes and ad valorem taxes. Professor Dauffenbach estimated that the Phase 2 development would generate more than \$19 million annually in new local tax revenues when fully completed in 10 years. Based on prior performance by the City, UTC, and UNP, and the vision and viability of the Entertainment District, investment in the TIF is a fiscally responsible investment in the community as a whole.

Additionally, the Entertainment District will put the City in a better position to attract new residents and to entice young talent and OU graduates, who often move elsewhere— to remain in Norman. In addition, it will enable prospective employers to establish or expand their businesses, create quality jobs, and recruit our best and brightest young Oklahomans. Simply stated, Phase 2 will create a whole new environment and quality of life, allowing Norman residents to live, work, and "play" in the same place. A development of this nature is an exciting opportunity for the people of Norman to experience and enjoy a cutting edge blend of entertainment, business, and residential options in a single location.

### **What will happen to the Lloyd Noble Center?**

The University will study the long-term options for the Lloyd Noble Center, but in the short term, it will be used as the home for the OU wrestling and gymnastics teams as well as the practice facility for the OU women's and men's basketball teams. With a reduced burden on the Lloyd Noble Center, the OU Athletic Department is looking forward to developing opportunities to bring more people to the University community, while still making the Lloyd Noble available to host some of the campus's most

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### **Have other cities undertaken similar projects?**

Multiple cities across the country are using entertainment districts anchored by arenas, stadiums, or ballparks to generate successful economic development and growth for their respective communities. Indeed, a modern trend in municipal financing is to create alternative sources of tax streams to support our cities in the face of rapidly receding "brick and mortar" retail sales tax revenues.

### **What about the students?**

Arrangements will be made to ensure students living on-campus will be provided opportunities for transportation to



and from University sponsored events at University North Park, including the men's and women's basketball games. The University also plans to incorporate student input through every step of the project. Currently, a remarkably low number of students attend OU home basketball games, even though they are housed nearby. And many of them attend via automobile transportation to the games. It is anticipated that because of the nearby myriad entertainment options, more OU students will attend OU home basketball games at University North Park.

### **When will the project be completed?**

The completion date has not yet been established.

### **When will the project be started?**

There are two critical conditions to proceeding with the project. First, Phase 2 zoning of the Planned Unit Development ("PUD") must be amended by the City to permit up to 50 acres of commercial development. Second, the City Council will need to vote to approve a mutually acceptable Amended University North Park Project Plan to: (a) amend the existing tax increment financing (TIF) district covering Phase 1 and (b) establish an extended TIF district covering Phase 2. The City of Norman and the OU Foundation are working in good faith to accomplish these requirements, but the project cannot proceed until the two conditions are satisfied.

### **Some have said the new Entertainment District will cannibalize the downtown area businesses.**

An entertainment district is a unique and rapidly evolving development concept. All of the prospects in the Entertainment District will be unique to Norman and would not do business in Norman outside of the Entertainment District. As a result, no cannibalization of downtown businesses is anticipated. As mentioned by Councilmember Holman in a recent City Council Study Session, downtown Norman has flourished, grown, and evolved in a positive manner during the concurrent period of growth of University North Park. By all accounts, Phase I has not had a negative effect on downtown Norman.

### **Why not put this to a vote of the people?**

The members of the City Council are empowered to take the requisite action to satisfy the two conditions necessary to proceed with development of the Entertainment District. The original University North Park TIF was not put to a vote of the people, nor was the Center City TIF.

### **How have other similar sized and positioned cities fared with new arenas when there is a metro area abutting them that have a larger arena nearby?**

The CS&L Report addresses the feasibility of similar arenas in comparable locations and most have been successful. There are many examples, but the Haymarket Square entertainment district in downtown Lincoln, Nebraska anchored by a new multi-purpose arena to provide a home for the University of Nebraska men's and women's basketball teams is quite similar. In a recent major address to City leaders, the Lincoln Mayor began and ended with a reference to the new arena



by stating, “The Pinnacle Bank Arena represents more than an entertainment venue...it is a shining beacon of what we can accomplish when leadership, passion, and purpose converge. It gave us the confidence to take on new and bigger challenges in our quest to become a world class city.” In addition, The Star entertainment district in Frisco, Texas that is anchored by the Dallas Cowboys headquarters is another compelling example.

The UNP’s multi-purpose arena, expected to be approximately 10,000 seats and developed within a larger entertainment district, would fit a niche in the central Oklahoma market that is not currently served.

### **What “skin in the game” will the developer/owners put into this?**

According to current projections, over a 10-year period, assuming full build out, approximately \$500 million of private capital will be invested in Phase 2. Such a major investment of private capital is projected to generate new annual tax revenue of approximately \$19 million to the City and County. Needless to say, without the Entertainment District to spur development of Phase 2, the projections will shrink dramatically.

### **Does the Entertainment District make up for the loss of the Warren Theater opportunity?**

Yes. Certainly, Norman leadership has long regretted that the owner of Warren Theaters never seriously considered Norman as a potential location, but instead constructed a major theater complex in the city of Moore where substantial entertainment dollars continue to be spent. Meanwhile, Norman’s lone theater has a mostly empty parking lot on Friday and Saturday nights. Visionary opportunities like the UNP Entertainment District are fleeting. They are either seized or lost forever.