



# Downtown Edmond TIF Policy Guide

A policy for the Implementation of the Downtown Edmond Project Plan and  
Increment District No. 1, City of Edmond

*Prepared by the City of Edmond, Oklahoma*

# Downtown Edmond TIF Policy Guide

## INTRODUCTION

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This Policy Guide outlines the goals and objectives of the Downtown Edmond Project Plan (“Project Plan”) and Increment District No. 1, City of Edmond (“Increment District”). This Guide describes generally how public improvements and assistance in development financing may be provided using tax increment revenues. Nothing contained in this Policy Guide binds or obligates the City of Edmond (“City”) or the Edmond Public Works Authority (“EPWA”). Should the provisions of a development agreement or contract approved by the City Council or EPWA differ from the provisions of the Policy Guide, the development agreement or contract will control. Staff will review the TIF Policy Guide and current TIF agreements with the City Council annually as part of their Strategic Planning process.

## PRIORITIES FOR ALLOCATION OF TIF RESOURCES

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Listed below are the activities that the City believes will help serve as catalyst activities to drive growth and development downtown. As the City moves forward to determine what development projects it considers funding with TIF resources, the list below will help determine what some of the priorities will be in those considerations. This list has been derived from the Downtown Master Plan document and from successful practices of other cities. The City’s overall goal is to create a vibrant, enjoyable environment that becomes a significant economic center to our community.

### NEW RESIDENTIAL LIVING UNITS

- Expand the number of available units and create different types of products available for consideration.
- Higher density development will be the only development projects considered.
- Special consideration will be made for affordable/workforce housing units.

### RETAIL ACTIVITIES

- Grow retail sales of merchandise or restaurants to build a strong sales tax base in the core of the City. New to market retail activity is preferred. This should strengthen the evening activity downtown.

### OFFICE DEVELOPMENT

- Increase the square footage of office space available for employment opportunities downtown and for the community. Interested in commitments from businesses without an existing presence in the City. This will strengthen the daytime activity downtown.

### CONNECTIVITY WITH UCO CAMPUS

- Seeking development opportunities that create a bridge of activity between the campus and downtown.

## PROMOTE NEW AND IMPROVE EXISTING PUBLIC SPACES

- Promote walkability by making public right-of-way attractive, safe, and connective for pedestrians to access all development activities the City promotes downtown.
- Improve existing community gathering spaces such as parks, Festival Market, and public parking lots.
- Seek opportunities to add additional gathering spaces connected with new development.
- Prepare for a new future of public transit.

## MAKERS OR PRODUCERS

- Work to attract people to the district whose livelihood is derived from their creation of a product within the district. (This could include a broad range of artisan type activities from painting works of art, making jewelry, crafting furniture or baking bread.)

NOTE: Meeting eligibility criteria does not guaranty approval of assistance.

## GENERAL PROCEDURE FOR TIF ASSISTANCE

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### STEP 1: SUBMISSION OF PROPOSAL OR APPLICATION

Developers, landowners, or business owners seeking TIF assistance must submit an application to the Planning Department containing the requirements listed for each type of assistance. Application forms for each type of assistance are included as exhibits to this Policy Guide. They require the submission of sufficient information to allow reviewers to conduct an analysis of the direct and indirect impacts of proposed development projects.

### STEP 2: REVIEW OF APPLICATION

Staff will conduct an initial review of the application using the guidelines set forth in this Policy Guide, general City and EPWA policies, and may include the following:

- Compatibility with the Project Plan, TIF Policy Guide and eligibility criteria;
- Evaluation of the qualifications of the applicant, including financial capacity and experience; and
- Economic viability of the proposed development project.

### STEP 2a: REVIEW INVOLVING CIP FUNDING ASSISTANCE (if necessary)

During the initial years of the TIF it may be necessary to use Capital Improvement Sales Tax funding as their may not be sufficient TIF revenue available. Any funding involving the use of CIP Funds to assist with development costs of individual development projects will be reviewed by the Capital Improvement Projects Advisory Board. They will focus on eligibility requirements from the Project Plan and TIF Policy Guide along with the overall Capital Improvements they consider when advising the City Council on expenditure of CIP funds.

### STEP 3: AGREEMENT

Upon favorable staff recommendation, an agreement between the applicant and EPWA will be presented to the applicant. The agreement will obligate the applicant to construct the development project consistent with the submitted application, this Policy Guide and the City's ordinances. The development agreement will detail

the distribution of revenues available to pay the TIF assistance, set specific performance standards on which such payments are conditioned, and set the timeline upon which they will be paid, subject to availability.

#### STEP 4: CONSIDERATION FOR APPROVAL

Upon review and discussion regarding the terms of the agreement, the agreement will be provided to EPWA Board of Trustees for its consideration.

#### STEP 5: PAYMENT OF TIF ASSISTANCE

Upon approval by EPWA of the agreement, TIF assistance will be provided as detailed in the agreement and as described in the Section below.

### TIF ASSISTANCE

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There are two eligible categories of TIF assistance for development projects within the Increment District: (A) Public Improvements Assistance and (B) Assistance in Development Financing. Generally, unless described otherwise in this section, any TIF assistance will be limited to amounts generated by the specific development project being assisted.

#### PUBLIC IMPROVEMENTS ASSISTANCE

Public Improvements Assistance may be available for development projects having a legitimate need for public improvements or infrastructure to serve the development project or the surrounding vicinity.

#### ELIGIBILITY

Public Improvements Assistance may be available to fund or reimburse costs of providing public improvements or infrastructure necessary to serve a development project or surrounding areas.

Staff will evaluate the need and the public purpose served by the proposed public improvements or infrastructure using the following criteria:

- The nature and scope of the public improvements and infrastructure to be constructed by or at the expense of the developer;
- The need for the public improvements or infrastructure for both the proposed development project and the Project Area as a whole;
- The location and external impacts of proposed public improvements and infrastructure;
- The size of the capital investment involved and available funding sources to fund that investment; and
- The comparative cost effectiveness of providing Public Improvements Assistance to the developer to construct needed public improvements and infrastructure versus EPWA or the City directly constructing the needed public improvements and infrastructure.

NOTE: Meeting eligibility criteria does not guaranty approval of assistance.

#### APPLICATION REQUIRED

A developer seeking Public Improvements Assistance must submit an TIF Assistance Application to EPWA. The form of the application is included here as Exhibit A.

## ASSISTANCE IN DEVELOPMENT FINANCING

Assistance in Development Financing may be available to a developer proposing to develop on vacant property within the Increment District or *significantly* rehabilitate or redevelop a building or site within the Increment District.

### ELIGIBILITY

General Criteria. The following criteria will be used to evaluate whether a particular development project may qualify for incentives:

- (i) The specific development project for which assistance is requested must involve an investment of at least \$2,000,000 in hard construction costs.
- (ii) The developer seeking assistance must either own or have a long-term ground lease for the property that it is seeking to develop or rehabilitate.
- (iii) Development projects must follow all design and density standards as adopted by the City in its Code of Ordinances.

NOTE: Meeting eligibility criteria does not guaranty approval of assistance.

### APPLICATION REQUIRED

A developer seeking Assistance in Development Financing must submit a TIF Assistance Application to EPWA. The form of the application is included here as Exhibit A.

### TOTAL TIF ASSISTANCE AMOUNT

Total TIF Assistance available for a given project (including both Public Improvements Assistance and Assistance in Development Financing) shall be determined in the development agreement as a percentage of a development project's hard construction costs and when that development project is completed. The issuance of a Certificate of Occupancy by the City shall determine the development project's completion.

Development Project Completed By:	June 30, 2024	June 30, 2028	June 30, 2032	End of Increment District
Percentage of Construction Cost Assistance Cap:	12%	10%	8%	6%

The hard costs of the construction of improvements on a development project will be determined and verified by staff prior to the payment of any TIF Assistance. The receipt of TIF Assistance is conditioned upon the developer's payment of taxes on its property and upon an increase in taxable value of the property.

Amounts available for TIF Assistance for a development project are also limited based on the amount of unobligated incremental revenues generated by Increment District and the cumulative Project Cost category limitations described in the Project Plan. TIF Assistance, generally, will not be available until the development project is completed and incremental revenues generated by the development project are received. There is no guarantee of the availability and timing of funds for TIF Assistance. In certain circumstances, Public Improvements Assistance may be provided from the affected utilities and from Capital Improvement Sales Tax

funding. Any such funds advanced will be budgeted in the agreement to be reimbursed from incremental revenues.

## ALTERNATIVE FORMS OF ASSISTANCE

The City recognizes that all development projects are unique, and that the two categories of TIF assistance laid out in this Policy Guide may not be sufficient for specific projects. Developers meeting the criteria or guidelines for either of the categories described in this Policy Guide may propose their own amount or form of TIF assistance by submitting a memorandum attachment to their proposal that describes the alternative amount or form of assistance desired for the project and presents justification for the alternative. Alternative amounts or forms of assistance must be generated by the specific project for which it is requested. Alternative amounts or forms of assistance must receive a positive recommendation from staff and be agreed to by EPWA.

## EXCEPTIONS

The City recognizes that exceptions in policies for eligibility, types, and amounts of assistance may be required for certain development projects to move forward. The City and/or EPWA may waive certain policy guidelines if a sufficient case is made to staff and agreed to by EPWA. Developers desiring an exception or waiver must submit a memorandum documenting the need for an exception or waiver from the guidelines laid out in this Policy, and may be asked to present justification for the request. Exceptions or waivers will be considered in the context of a development project's economic and community impacts.

## DIRECT PUBLIC IMPROVEMENTS

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Increment revenues will be used to pay authorized project costs of public infrastructure, facilities, and improvements directly undertaken by EPWA or the City. Such improvements will proceed in accordance with the requirements of The Edmond Plan, 2018, the Downtown Master Plan, the City's Capital Improvements Plan, and all applicable design standards and regulations. Staff shall prepare annually a public improvements implementation schedule, indicating the priority of specific public improvements projects within the Project Area, based on the reasonable availability of unobligated increment revenue or other funding sources, and present the recommendations in that schedule to the Capital Improvement Plan Advisory Board and EPWA for consideration and inclusion in each year's capital improvements budget. Funding for Direct Public Improvements may be advanced from the affected municipal utilities, Capital Improvement Sales Tax funds, or other sources. Any such funds advanced from other municipal revenue sources may be reimbursed from incremental revenues.

For scheduled projects that are included in each year's budget, staff will:

- Review concepts and designs for individual projects and, when public competitive bidding procedures are to be used, to develop recommendations to the City and/or EPWA relating to the bids and specifications to be advertised and constructed with increment funds;
- Consider and make recommendations concerning the engagement and selection of certain professional consultants, architects, or engineers in regard to individual projects;
- Review submitted bids and proposals received in response to any advertised public construction project to be funded with increment revenues; and
- Make recommendations to the City and/or EPWA concerning selection of contractors.

## GLOSSARY OF TERMS

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Terms used throughout this Policy Guide are further defined as follows:

*Downtown Edmond Project Plan:* The document approved by the City Council of the City of Edmond on September 28, 2020, by the adoption of Ordinance No. 3798, which became effective as of October 28, 2020, and that established Increment District No. 1, City of Edmond, pursuant to and consistent with the Oklahoma Local Development Act.

*Hard Costs of the Construction of Improvements:* The actual and direct construction costs of the material, labor, and improvements associated with a development. Such costs exclude developer's fees and other soft costs, including but not limited to architectural, engineering, financing, and legal fees, and other pre- and post-construction fees and expenses.

*Increment District:* Increment District No. 1, City of Edmond. This is the area from which increment is generated. The geographic boundaries of the Increment District are described and illustrated in Exhibits A and B of the Project Plan.

*Increment:* The ad valorem revenue in excess of the revenue generated by the base assessed value of the Increment District (as determined by the Oklahoma County Assessor in accordance with the Oklahoma Local Development Act), i.e., the new revenue attributable to increases in the value of property within the Increment District.

*Oklahoma Local Development Act:* The law passed by the Oklahoma Legislature to implement Section 6C of Article X of the Oklahoma Constitution, which empowers the governing bodies of cities, towns, and counties to apportion tax increments to help finance the public costs of economic development. 62 O.S. § 850, et seq.

*Project Area:* The area within which project activities occur and where increment may be expended. The geographic boundaries of the Project Area are described and illustrated in Exhibits A and B of the Project Plan.

*TIF Assistance:* Public funds provided to a developer pursuant to an approved agreement with EPWA to assist in a development project. TIF Assistance is provided only for development projects that are determined, in the City's and/or EPWA's discretion: (1) to meet the City's approved development goals and objectives for the Project Area, as expressed from time to time in the City's plans and policies, and (2) to provide adequate consideration and public benefit in return for the public investment.