

STATE OF OKLAHOMA } S.S.
CLEVELAND COUNTY }
FILED
NOV 18 2024

IN THE DISTRICT COURT OF CLEVELAND COUNTY
STATE OF OKLAHOMA

KYLE ALLISON,)
VERNON MCKOWN JR.,)
DAVID NIMMO, and)
PHILIP QUINN,)

Petitioners/Protestants,)

v.)

PAMELA SUE MCCOY-POST,)
PAUL THOMAS ARCAROLI, and)
RICHARD LORENZ SONDAG,)

Respondents/Proponents.)

In the office of the
Court Clerk MARILYN WILLIAMS

Case No. CV-2024-3374

**NOTICE OF THE PROTEST TO THE LEGAL SUFFICIENCY AND
SIGNATURE COUNT OF REFERENDUM PETITION 2425-1,
ORDINANCE NO. O-2425-2, CITY OF NORMAN, OKLAHOMA**

Notice to:

Brenda Hall
City Clerk
City of Norman, Oklahoma

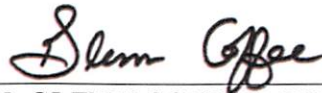
Pamela Sue McCoy-Post
Paul Thomas Arcaroli
Richard Lorenz Sondag

Respondents/Proponents of Referendum Petition:

You are hereby notified that a protest to the legal sufficiency of Referendum Petition 2425-1, Ordinance No. O-2425-2, City of Norman, Oklahoma, has been filed by the above-named Protestants. The Protest has been assigned to the Honorable

JUDGE JEFF VIRGIN, District of the District Court of Cleveland County, Oklahoma, in Norman, Oklahoma.

Respectfully,



V. GLENN COFFEE, OBA #14563
DENISE K. LAWSON, OBA #31532
MICHAEL J. FIELDS, OBA #16920
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ATTORNEYS FOR PETITIONERS/PROTESTANTS

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of November 2024, a true and correct copy of the foregoing was personally served or mailed via certified mail, restricted delivery, to the following:

Brenda Hall
City Clerk, City of Norman
201 W Gray St.
Norman, OK 73069

Pamela Sue McCoy-Post
661 Turkey Run Ct.
Norman, OK 73026

Paul Thomas Arcaroli
405 Garland Court
Norman, OK 73072

Richard Lorenz Sondag
304 SE 60th Avenue
Norman, OK 73026



SEAN PAUL RIEGER, OBA #18817

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RICHARD LORENZ SONDAG,)

Respondents/Proponents.)

**PROTEST TO THE LEGAL SUFFICIENCY AND SIGNATURE COUNT OF
REFERENDUM PETITION 2425-1, ORDINANCE NO. O-2425-2
CITY OF NORMAN, OKLAHOMA AND BRIEF IN SUPPORT**

On September 17, 2024, the City of Norman (the “City”) adopted Municipal Ordinance No. O-2425-2 (the “Ordinance”). The Ordinance, which was enacted pursuant to Oklahoma’s Local Development Act, 62 O.S. § 850, *et seq.* (the “Local Development Act”), will create two tax increment financing districts (the “TIF Districts” or “Increment Districts”) that will result in the construction of the Rock Creek Entertainment District (the “Planned Development”). The Planned Development will be situated east of I-35 between Rock Creek and Tecumseh Roads and include a state-of-the art multi-purpose entertainment venue, as well as associated dining and retail outlets, commercial office spaces, and residential housing. Much like the extraordinarily successful shopping center to its south, which was developed with the assistance of tax increment financing, and the hotel, convention center, and sports complexes built to the center’s east, the Planned Development will improve the quality of life for all Norman residents and materially increase the City’s sales tax base and the *ad valorem* tax base that supplies revenues to Cleveland County (the

“County”), Norman Public Schools, the Pioneer Library System, Cleveland County Health Department, and Moore Norman Technology Center in ways that would be unachievable absent the Planned Development.¹

On September 20, 2024, Pamela Sue McCoy-Post, Paul Thomas Arcaroli, and Richard Ornez Sondag (together the “Proponents”) submitted Referendum Petition 2425-1 (the “Petition”) to the Norman City Clerk. In their Petition, Proponents requested that if a sufficient number of valid signatures could be gathered in support of their effort, the Ordinance be put to a referendum vote of the citizens of Norman; *i.e.*, an “up or down” vote of the people to approve or reject the City’s enactment of the Ordinance. On November 6, 2024, the Norman City Clerk verified that 10,689 of the signatures gathered in support of the Petition were, in the Clerk’s estimation “valid,” and thereafter the City published notice of the same in the Norman Transcript as required by law (the “Notice”); notifying any persons who wished to challenge the validity of the Petition of their right to do so prior to any scheduled referendum election.

Acting in response to the Notice and pursuant to 62 O.S. § 868(C), Kyle Allison, Vernon McKown Jr., David Nimmo and Philip Quinn (hereinafter collectively the “Protestants”) hereby protest the legal sufficiency of the Petition. Protestants pray the Court strike the Petition and order that no referendum election related to the Ordinance take place. In support of these requests for relief, Protestants submit the following Brief.

Brief in Support

I. Introduction and Background

¹ The undeveloped land on which the Planned Development will be built generates only nominal *ad valorem* tax and is not, at present, home to any commercial activities that would generate sales tax revenue for the City. Absent the ability to move forward with the Planned Development contemplated by the TIF Districts created by the Ordinance, the *status quo* generating essentially no tax revenue is likely to persist into the foreseeable future.

The passage of the Ordinance represented the culmination of a year-plus collaborative effort between officials from the City, County, the University of Oklahoma, the University of Oklahoma Foundation, and many highly qualified finance, real estate, and legal professionals. This process was thoughtfully designed to, via the Planned Development, create an exciting opportunity for the Norman economy and the City's residents. Notwithstanding the bright future promised by the Planned Development, a handful of misinformed Norman residents have misguidedly sought to halt the progress of their community's economy at every turn, ultimately leading to the filing of the Petition.

The actions of these naysayers are a continuation of their years-long efforts to disrupt tax increment financing supporting the development situated to the south of the Planned Development and perpetuate the same deceitful theme: that the TIF Districts created by the Ordinance will wrongfully deprive the City of sales tax and County and others of *ad valorem* tax revenues. This is not true. The falsity of this narrative has not, however, prevented the naysayers from trying, time and again, to bring the issue to Norman voters; most recently in the language of the Petition at issue in this lawsuit.

The land on which the Planned Development will be situated does not currently generate *any* sales tax revenues for the City or *ad valorem* tax revenues to speak of. If allowed to move forward, the TIF Districts invest newly created tax revenues in the Planned Development in order to create those very same revenues. This will not deprive the City or others of any tax revenues currently available to them. Instead, the Planned Development will create substantial revenues that do not currently exist.

The manner in which this will take place is straightforward. A public trust established by the County will issue bonds to support construction of the Planned Development within the TIF

Districts. The newly created sales and *ad valorem* taxes generated by this commercial activity will service the bonds. And when the bonds are retired, the new sales and *ad valorem* tax revenues will inure to the benefit of the City, County, and other taxing jurisdictions. None of these entities will be deprived of any material revenues during this process, and all will benefit enormously from the resulting Planned Development.

Proponents' attempt to put the Ordinance to a referendum vote of the people is misguided and premised on misstatements of law and fact related to the foregoing. For these reasons, the Petition should be struck down by the Court, which should also order that no referendum election on the Ordinance take place.

II. Summary of the Applicable Law

The legal efficacy of a municipal referendum effort hinges on the ability of its proponents to satisfy several statutory mandates.² Several of these requirements relate to the proponents' ability to craft a legally sufficient "gist"; a short and plain statement that summarizes the nature of the proposed referendum vote "in language that may be readily understood by persons not engaged in the practice of law." *See* 62 Okla. Stat. § 868(D)(1). The gist's commonsense explanation of the question proponents hope to put to a vote must be presented in two separate settings.

The gist first appears in connection with the referendum proponents' effort to obtain the number of voter signatures necessary to place the item on a ballot. *See* 34 Okla. Stat. § 3 (explaining that "[a] *simple* statement of the gist of the proposition shall be printed on the top margin of each signature sheet") (emphasis added). If the required number of signatures are

² Because the Ordinance was passed pursuant to the Local Development Act, 62 Okla. Stat. § 850, *et seq.*, it is largely its provisions that are referenced in this filing, though additional Oklahoma statutory provisions applicable to all referendum petitions are also cited where appropriate.

obtained and later verified (in this case by the City Clerk), the gist then appears a second time; this time at the top of the ballot presented to municipal voters during the next general election. *See* 62 Okla. Stat. § 868(D)(1) (mandating that the ballot title shall include the gist). In both of these circumstances the purpose of the gist is clear: to satisfy “the need for voters to be given enough information to make an informed decision,” *see Oklahoma’s Children, Our Future, Inc. v. Coburn*, 2018 OK 55, ¶ 24, the gist is designed to accurately “apprise[] voters of what the proposed measure is intended to do,” *see McDonald v. Thompson*, 2018 OK 25, ¶ 6, stated in *simple* terms “that may be readily understood by persons not engaged in the practice of law,” *see* 62 Okla. Stat. § 868(D)(1).

In order to appropriately inform petition signatories and any subsequent voters of the nature of a proposed referendum, a legally valid gist must explain the “[practical] effect” the proposed vote would have on “existing law” in order to “put [potential petition signatories and later voters] on notice of the changes” that would occur if the referendum were put to a vote and approved. *See In re Initiative Petition No. 409*, 2016 OK 51, ¶ 7. These requirements are designed “to prevent fraud, deceit, or corruption in the [referendum] process.” *Id.* at ¶ 3. For these reasons, a gist must not only be stated in commonsense language understandable by the public at large but must also be “free from the taint of misleading terms or deceitful language.” *Id.* at ¶ 7.

III. Summary of the Argument

The gist offered by the Proponents in this case fails to meet the aforementioned legal requirements for several reasons. These errors, whether viewed individually or taken as a whole, mean the citizens of Norman asked to sign the Petition or later asked to vote in favor or against the referendum are “fundamentally unable to cast an informed vote [on the proposed referendum], because they are not being put on notice of all changes being made [by their potential vote] and

will not be aware of the entire practical effect of the [referendum] petition.” *See McDonald v. Thompson*, 2018 OK 55, ¶ 23. As a result, “the only remedy is to strike the petition from the ballot.” *See In re Initiative No. 409*, 2016 OK 51, ¶ 7.

As an initial matter, *no* reasonable person could credibly suggest that Proponents’ gist is stated in *simple* terms “that may be readily understood by persons not engaged in the practice of law.” *See* 62 Okla. Stat. § 868(D)(1). Rather than attempt to distill the legal effects of the Ordinance in a manner that the common person might understand, the language of Proponents’ gist, set forth below, instead attempts to track the highly technical and often complicated terms of the Ordinance itself.

The referendum petition seeks an election for the voters of Norman to approve or reject City of Norman Ordinance 0-2425-2. This Ordinance adopts and approves the "Rock Creek Entertainment District Project Plan." The Project Plan area is located between Interstate 35 and Max Westheimer Airport, and it runs south from Tecumseh Road to an area just south of Rock Creek Road.

The Project Plan creates two Tax Increment Financing (TIF) Districts. Increment District No. 4 allocates 100% of the City's nondedicated, general fund and capital improvement sales and use taxes generated in District 4, beginning May 1, 2025. Increment District No. 5 allocates 100% of certain ad valorem taxes (taxes in excess of the base assessed values of property within District 5) generated in District 5, beginning December 31, 2026. Both Districts would last a maximum of 25 years.

The Project Plan authorizes project costs of up to \$600,000,000 for administration, implementation, and assistance to the Project Developer in financing \$230,000,000 in costs related to the construction of an arena, a parking garage, and additional infrastructure. The incremental tax revenues generated and allocated in the TIF Districts, along with all potential state matching funds, would be used to pay for authorized project costs, and for no other purpose.

See Ex. A, Referendum Petition 2425-1 at 10. The gist’s failure to summarize the relevant issues in a short plain statement as required is fatal from the outset.

The gist’s over complication of matters prevents the common voter from understanding the issues and perhaps worse, the gist also misstates the matters it haphazardly attempts to explain.

Just a few of these substantive misstatements include a material mischaracterization of the nature of the tax revenues generated within the TIF Districts that will be used to help support the Planned Development, and a material misstatement of the City’s potential financial risk (which is none) associated with the project. These, together with other errors discussed below, have created legal infirmities in Proponents’ Petition that require it and the referendum election it seeks to be rejected by the Court.

IV. Factual Background

1. In November of 2023, the City adopted Resolution R-23-24-89, declaring its intent to consider approval of the Rock Creek Entertainment District Project Plan (“Project Plan”), and the potential creation of the two TIF Districts, in accordance with the criteria specified in the Local Development Act. *See* Ex. B, Ordinance No. O-2425-2 at 1-2. The area where the Project will occur is known as the “Project Area.” The Project Area is a contiguous area of real property located within the City’s geographical limits and situated between Interstate 35 on the west, the western edge of the Westheimer Airport on the east, Tecumseh Road on the north, and just south of Rock Creek Road. *See* Ex. C, TIF Project Plan (adopted by the City Council on September 17, 2024) at 1. The boundaries of Increment District No. 4 and Increment District No. 5 are coextensive with the boundaries of the Project Area. *Id.* at 2.

2. Although the Project Area is formally known as Increment District No. 4 and Increment District No. 5, City of Norman, it is generally referred to colloquially as the “Rock Creek Entertainment District” (also referred to herein as the “Planned Development”).

3. The Court is likely familiar with tax increment financing. However, the Petitioners believe it is helpful to review the manner in which the TIF economic development tool is generally designed to work. In broad terms, tax increment financing allows a city or county to designate an

area “where investment, development and economic growth is difficult, but is possible if the provisions of the [Local Development Act] are available.” 62 Okla. Stat. § 852(1). If development occurs within the designated area, then real property values will increase and/or new jobs will be created which will ultimately increase *ad valorem* tax revenues and/or sales tax revenue. Tax increment financing permits a city or county to direct that all or a portion of future *incremental* tax revenues generated within the area (i.e., future tax revenues *in excess* of the tax revenues being generated as of the creation of the TIF district) must be used within the area to, among other things, pay for infrastructure and other public improvements or provide assistance in development financing to incentivize private development. 62 Okla. Stat. § 853(14). In certain instances, the city or county (or a public trust established to administer the TIF) may use borrowed funds to pay for the public improvements or provide the financing assistance, and then pay back the debt with the future incremental tax revenues. 62 Okla. Stat. § 863.

4. Here, the purpose of the Project Plan is to “provide assistance in development financing necessary to support the construction of an arena and parking garage, which is expected to anchor additional development and altogether result in an estimated private investment of \$1,000,000,000 within the City’s corporate boundaries (collectively, the ‘Project’).” Ex. B, Recitals at 1.

5. The Project Plan supports the City of Norman’s objectives “to promote economic development, to stimulate private investment, to reverse economic stagnation or decline, to expand employment, and to enhance the tax base, and thereby making possible investment which would be difficult without the adoption of the Project Plan.” *Id.*

6. Further, the Project “is expected to generate substantial new investment within the proposed Increment Districts” which, in turn, will “stimulate additional indirect economic benefits outside of the Project Area which would not occur without the Project.” *Id.*, Recitals at 2.

7. The Project Plan establishes Increment District No. 4, a sales tax increment district, which becomes effective on May 1, 2025. *See* Ex. C, Section VI at 3. The increment of the sales and use taxes generated by Increment District No. 4 is a portion of the City’s “non-dedicated and capital improvement sales tax attributable to investment and development” within the District, equaling three percent (3%) of taxable sales. *Id.* The Project Plan also establishes Increment District No. 5, an ad valorem increment district, which becomes effective on December 31, 2025.

8. Both Increment Districts will remain active until the first of three events occurs:

(a) \$230 million in principal plus financing costs is repaid to the lender (which shall not be the City);

(b) a total of \$600 million in public assistance is provided (including principal and financing costs – effectively a cap on the amount that can cover financing costs), or

(c) 25 years have passed.

See Ex. C, Section IV at 3; *see also id.*, Section IX at 5. As soon as any one of these three events occurs, both Increment Districts terminate and public assistance for the Project will cease.

9. The Ordinance designates two public entities to the Project’s implementation: the City and the Norman Tax Increment Finance Authority (“NTIFA”). NTIFA is a public trust whose sole beneficiary is the City. *See* Ex. B, Section 8 at 6. The Ordinance designates the City “as the principal entity responsible for implementation” and authorizes the City “to carry out and administer the provisions of the Project Plan and to exercise all powers necessary or appropriate thereto. . .”. *Id.* The Ordinance authorizes NTIFA to “carry out certain provisions of the Project Plan, including all necessary, appropriate, and supporting steps described in the Project Plan . . .”.

Id. Additionally, the Ordinance charges the City Manager with the responsibility of “implementation of the Project Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained in the Project Plan.” *Id.* These oversight provisions are critical not only to the proper and successful implementation of the Project but also to ensure accountability and transparency. Voters should understand that oversight by their elected representatives and public officials is a very important aspect of the Project. The gist is fatally silent on this topic.

10. The incremental (*i.e.*, newly created) tax revenues generated by the Project are required to be paid in accordance with an Economic Development Agreement on a “pay-as-you-go” basis. Ex. C, Section X at 6; *see also* Ex. D, Economic Development Agreement at 6. This approach reduces financial risk, increases the sustainability of the Project, and ties the Project’s success to its ability to generate revenue in the marketplace. Most importantly, a “pay-as-you-go” restriction means neither the City nor NTIFA “intend to authorize or issue any public debt to finance any of the costs of the Project.” *See* Ex. C, Section X at 6; *see also* Ex. D at 3. This is a critical feature of the Project. The gist’s neglect to mention this restriction leaves voters to speculate, or even worse, leaves the misimpression that taxpayers of the City will be directly responsible for paying a City debt for the Project when this is explicitly not the case.

11. The Project is anticipated to increase business activity and economic development to the benefit of the City as well as the State of Oklahoma. *See* Ex. C, Section XI(C) at 8.

V. Parties

1. Kyle Allison is a resident of Norman and a qualified elector residing at 1120 Wellman Drive, Norman, Oklahoma, 73072.

2. Vernon McKown Jr. is a resident of Norman and a qualified elector residing at 517 Flint Ridge Drive, Norman, Oklahoma, 73072.

3. David Nimmo is a resident of Norman and a qualified elector residing at 3120 Millbrook Drive, Norman, Oklahoma, 73072.

4. Philip Quinn is a resident of Norman and a qualified elector residing at 3221 Greenwood Drive, Norman, Oklahoma, 73072.

5. Protestants are citizens of this State and qualified electors of Norman, Oklahoma, and are therefore qualified to bring this action.

6. Respondent Pamela Sue McCoy-Post is a Proponent of the Referendum Petition.

7. Respondent Paul Thomas Arcaroli is a Proponent of the Referendum Petition.

8. Respondent Richard Lorenz Sondag is a Proponent of the Referendum Petition.

VI. Jurisdiction

Venue is proper in Cleveland County, Oklahoma pursuant to 62 Okla. Stat. § 868(C).

This Court has jurisdiction to review the sufficiency of this petition. *Id.*

VII. Argument & Authorities

A. The Referendum Process

Article 10, Section 6(C) of the Oklahoma Constitution provides that “[t]he Legislature . . . may grant incorporated cities, towns, or counties the ability to provide incentives, exemptions and other forms of relief from taxation for historic preservation, reinvestment, or enterprise areas that are exhibiting economic stagnation or decline,” OKLA. CONST. art. 10, § 6(C). The Local Development Act was implemented and executed pursuant to this constitutional provision. 62 Okla. Stat. § 851.

Further, Article 10, Section 6(C) of the Oklahoma Constitution requires the [statutory] law to “provide for the local . . . referendum of the people,” § 6(C)(A) (a right reserved “to the people of every municipal corporation” in Oklahoma pursuant to Article 18, Section 4(a) of the Oklahoma Constitution). Accordingly, the Legislature enacted a statute within the Local Development Act—Title 62, Section 868—which sets forth the specific procedure for a referendum petition. Section 868 requires that the form of the referendum petition be substantially the same as the petition form requirements of Title 34 of the Oklahoma Statutes governing referendum petitions generally.³ Critically, 34 Okla. Stat. § 3 requires that each referendum petition pamphlet contain a simple statement of the “gist of the proposition” which is required to be printed “on the top margin of each signature sheet.”⁴

A legally sufficient referendum petition suspends an ordinance until the question can be submitted to the voters. *In re Referendum Petition No. 1, Ordinance 6-B, City of Sand Springs*, 1950 OK 191, ¶ 33, 203 Okla. 298, 304, 220 P.2d 454, 460. To be legally sufficient, the referendum petition must meet three requirements: (1) the petition must be consistent with the form requirements set forth in Title 34; (2) the petition must be signed by a number of the registered voters residing in the city or town “equal to at least twenty-five percent (25%) of the total number of votes cast at the preceding general municipal election”; and (3) signed copies of the petition

³ The Supreme Court issued a decision in 2020 confirming the form requirements—including Title 34 (and the gist requirements of 34 Okla. Stat. § 3 specifically)—apply with equal force to referendum petitions brought under the Local Development Act. *Miller v. Ellis*, 2020 OK 52, ¶ 3, 467 P.3d 691, 692 (holding that the gist requirements of 34 Okla. Stat. § 3 was directly applicable to a referendum petition related to a municipal TIF district).

⁴ Each of the requirements in 34 Okla. Stat. § 3 is indispensable. “While clerical and technical defects in an initiative petition are to be disregarded . . . failure to comply substantially with statutory requirements renders such petition invalid. *Cnty. Gas & Serv. Co. v. Walbaum*, 1965 OK 118, 404 P.2d 1014, 1015 (invalidating a municipal initiative petition for failure to include the warning clause required by 34 Okla. Stat. § 3).

must be filed with the municipal clerk “within thirty (30) days after the passage or adoption of the ordinance or resolution.” 62 Okla. Stat. § 868(B)(3). If the referendum is legally sufficient in form and receives a sufficient number of signatures, the referendum is then voted on by the people at the next general municipal election. *Id.* at § 868(G). But if the form of the referendum petition is legally deficient pursuant to 34 O.S. § 3, or if it fails to receive enough signatures, the referendum is declared insufficient and struck from the ballot. *See Miller v. Ellis*, 2020 OK 52, 467 P.3d 691; *Oklahoma’s Children, Our Future, Inc. v. Coburn*, 2018 OK 55, ¶ 24, 421 P.3d. 867.

The Petition must be examined within the framework in Oklahoma’s Constitution and statutes, and against that framework, the Petition is clearly insufficient as a matter of law.

B. The Gist Requirement

The ability to petition the government through initiative or referendum petitions, though precious, is not “absolute” as there are “limits, both constitutional and statutory, on the process.” *In re Initiative Petition 344*, 1990 OK 75, ¶ 14, 797 P.2d 326, 330. One such limitation involves the gist that must be included on the signature pages to describe the effect of the petition for those considering whether to sign. 34 Okla. Stat. § 3.

The purpose of the gist is to summarize the contents of the proposition. Although not required to contain “every regulatory detail,” the gist should explain the proposal’s effect, putting voters on notice of the changes being made by the proposition. *In re Initiative Petition No. 409*, 2016 OK 51, ¶ 3, 376 P.3d 250. Specifically, the gist must explain the “[practical] effect” on “existing law” to “put [potential signers] on notice of the changes.” *Id.* at ¶ 7. Thus, much like a ballot title, the function of the gist “is to prevent, fraud, deceit, or corruption in the initiative process.” *Id.* at ¶ 3 (internal quotation omitted). Therefore, a gist must be “free from the taint of misleading terms or deceitful language.” *Id.* at ¶ 7 (internal quotation omitted).

The required placement of the gist of the petition on the signature pages underscores the importance of its role and the necessity that it contain a fair description of the measure. When the gist of the petition omits fundamental information or mischaracterizes aspects of the proposition, it undermines the ability of the people to effectively use the referendum petition process to effect law. “Fundamentally, the need for voters to be given enough information to make an informed decision is why [the Oklahoma Supreme Court] has historically taken a dim view of excluding important changes made to the law from the gist of a petition.” *Coburn*, 2018 OK 55, ¶ 24. Consequently, if “[t]he gist fails to alert potential signatories of the changes being made to the law and does not provide [them] with sufficient information to make an informed decision . . . the only remedy is to strike the petition from the ballot.” *In re Initiative No. 409*, 2016 OK 51, ¶ 7.

Here, the Petition’s gist is wholly insufficient because of both critical omissions and misrepresentations is because “the gist is not subject to amendment” by a reviewing court. The reasonable and “only remedy is to strike the petition from the ballot.” *Id.*

C. The Petition’s Gist Is Not a “Simple Statement” Set Forth “in Language that may be Readily Understood by Persons Not Engaged in the Practice of Law”

The gist of the Petition (which is set forth on page 10 of the Petition, *see* Ex. A) provides as follows:

The referendum petition seeks an election for the voters of Norman to approve or reject City of Norman Ordinance 0-2425-2. This Ordinance adopts and approves the "Rock Creek Entertainment District Project Plan." The Project Plan area is located between Interstate 35 and Max Westheimer Airport, and it runs south from Tecumseh Road to an area just south of Rock Creek Road.

The Project Plan creates two Tax Increment Financing (TIF) Districts. Increment District No. 4 allocates 100% of the City's nondedicated, general fund and capital improvement sales and use taxes generated in District 4, beginning May 1, 2025. Increment District No. 5 allocates 100% of certain ad valorem taxes (taxes in excess of the base assessed values of property within District 5) generated in District 5, beginning December 31, 2026. Both Districts would last a maximum of 25 years.

The Project Plan authorizes project costs of up to \$600,000,000 for administration, implementation, and assistance to the Project Developer in financing \$230,000,000 in costs related to the construction of an arena, a parking garage, and additional infrastructure. The incremental tax revenues generated and allocated in the TIF Districts, along with all potential state matching funds, would be used to pay for authorized project costs, and for no other purpose.

This is not, as required by the Local Development Act (and other applicable statutes), a “[a] simple statement,” *see* 34 Okla. Stat. § 3, “in language that may be readily understood by persons not engaged in the practice of law,” *see* 62 Okla. Stat. § 868(D)(1). It is, instead, extremely legally dense and difficult for any reader to follow; let alone a reader who is “not engaged in the practice of law.” This is, as an initial and threshold matter, fatal to Proponents’ Petition and their referendum election efforts.

The Planned Development associated with the TIF Districts created by the Ordinance involves a public financing structure that may be unknown to many citizens. However, the overall nature of what is contemplated can and must be distilled into plain language readily understood by average voters. Instead, Proponents have unnecessarily complicated matters via their gist.

Proponents could have simply stated the Ordinance creates the TIF Districts, which allow certain newly created tax revenues to service non-City debt to build the Planned Development. For example, for the gist to be easily understood by potential signatories who are “not engaged in the practice of law,” it could have stated:

- Undeveloped land in Norman east of Interstate 35 between Rock Creek and Tecumseh Roads (the “Property”) currently generates no sales tax and almost no *ad valorem tax*.
- The City passed Ordinance O-2425-2 to develop the Property to include a multi-use arena and associated retail, commercial, and residential uses (the “Project”).
- The Ordinance creates two tax increment financing districts (“TIF Districts”) where newly created *ad valorem* and (the non-dedicated sales tax portion(levied at 3%) are allocated to the Project and may be used to repay debt not issued by the City.

- The Project may also qualify for assistance from the State of Oklahoma.
- The TIF Districts terminate and all future tax revenues go to the City, County, and other taxing jurisdictions when: \$230,000,000 principal plus financing costs are repaid to the lender; \$600,000,000 has been provided for the Project; or 25 years have elapsed.
- Should the Ordinance be approved: yes or no?

This example is not the only way a gist may be written as required by law. However, this example contrasts sharply with and illustrates the extent to which Proponents miss the mark of a “simple statement” in “language that may be readily understood by persons not engaged in the practice of law.”

D. The Petition’s Gist Contains Omissions that Make it Unlawfully Misleading

In addition to the unlawfully complex nature of the Petition’s gist, the gist contains omissions that fail to put potential signatories “on notice of the changes being made” and fails to convey the practical effect of the petition, as required by law. *In re Initiative Petition No. 384*, 2007 OK 48, ¶ 7, 164 P.3d 125 (internal quotations omitted). These include:

1. **Scope of Project.** The gist admits mention of retail, hotel, residential, office, and a public plaza, which, together with the arena comprise the “Project” that is the subject of the Project Plan to be supported by the creation of the Increment Districts. *See* Ex. D at 2-3.
2. **Debt obligations.** The gist does not disclose that the Project Plan is clear that neither the City nor NTIFA will authorize or issue any public debt to finance any costs of the Project. *See* Ex. C at 6 (“[n]either the City nor the Authority intend to authorize or issue any public debt to finance any costs of this Project.”) Similarly, the gist omits that Project costs cannot exceed the amount of the Increment generated in the Increment Districts – *i.e.* neither the City nor any ad valorem taxing jurisdiction is obligated to provide funds not generated by the Project.
3. **Allocation of funds to City/County.** The gist does not disclose that dedicated sales tax (1.125%) generated in the Increment Districts will be paid to the City and County. Ex. G at 1.
4. **Principal Objectives.** The gist omits mention of the “principal objectives” of the Project according to the Project Plan: creating jobs, stimulating private investment, enhancing the tax base and creating economic growth. *See* Ex. C at 2.

5. ***Public entities charged with overseeing the project.*** The gist makes no mention of the public entities entrusted with implementing and overseeing the project—the City of Norman and the Norman Tax Increment Finance Authority. *See* Ex. C, Section VIII; *see also* Ex. B, Section 8 at 3.

When the gist of the petition provides insufficient and/or misleading information, the only appropriate remedy is to strike the measure from the ballot. The gist of the petition must educate voters about the true nature of the measure, and thus is “indispensable and noncompliance is fatal.” *In re Initiative Petition No. 342*, 1990 OK 76, 797 P.2d at 333. This includes providing information related to the objectives of the plan and the public entities charged with its administration. *See In re Initiative Petition No. 384*, 2007 OK 48, ¶ 12. Due to the gist’s significant omissions alone, the appropriate legal recourse is for the Court to strike it from the ballot.

E. The Petition’s Gist Contains Fatally False and Misleading Misstatements

Under the plain terms of the Project Plan, the Increment Districts will terminate on the occurrence of the ***first*** of the three following conditions: (a) a total amount of \$230 million in principal plus interest is repaid to the lender; (b) a total amount of \$600 million in public assistance has been provided; or (c) 25 years passed—whichever comes first. *See* Ex. C, Section X at 5-6; *see also* Ex. D, Section 2.04 at 5-6. In other words, when any ***one*** of the specified triggering events occurs, no additional funds from either of the Increment Districts can be put toward the Project. This element of information speaks directly to the ***maximum*** amount of public assistance authorized under the Project Plan—the most critical component of the Project Plan as a whole.

But the gist does not clearly convey the maximum amount of public assistance authorized under the Project Plan. Instead, the gist states the following:

The referendum petition seeks an election for the voters of Norman to approve or reject City of Norman Ordinance 0-2425-2. This Ordinance adopts and approves the "Rock Creek Entertainment District Project Plan." The Project Plan area is located between Interstate 35 and Max Westheimer Airport, and it runs south from Tecumseh Road to an area just south of Rock Creek Road.

The Project Plan creates two Tax Increment Financing (TIF) Districts. Increment District No. 4 allocates 100% of the City's nondedicated, general fund and capital improvement sales and use taxes generated in District 4, beginning May 1, 2025. Increment District No. 5 allocates 100% of certain ad valorem taxes (taxes in excess of the base assessed values of property within District 5) generated in District 5, beginning December 31, 2026. ***Both Districts would last a maximum of 25 years.***

The Project Plan authorizes project costs of up to \$600,000,000 for administration, implementation, and assistance to the Project Developer in financing \$230,000,000 in costs related to the construction of an arena, a parking garage, and additional infrastructure. The incremental tax revenues generated and allocated in the TIF Districts, along with all potential state matching funds, would be used to pay for authorized project costs, and for no other purpose.

(emphasis added). This wording of the gist, so far as it can even be understood, inaccurately conveys that project costs of up to \$600,000,000 ***and*** financing assistance to the Project Developer \$230,000,000. In actuality, these are two of three triggers, any of which will end the TIF Districts.

The confused wording of the gist is further compounded by how it addresses the Increment District's 25-year term. While the gist is correct that the Increment Districts are limited in duration to a 25-year maximum term, it is missing two key components. First, the gist does not explain the City's financial obligations are limited to the funds generated by the Increment Districts, leading to confusion as to whether the City has agreed to encumber funds or take on debt to satisfy its commitments. Second, and even more troubling, there is no indication that the City's funding obligations terminate (regardless of whether a monetary cap on assistance has been reached) once the Increment District's 25-year maximum period has expired. Instead, a plain reading of the gist suggests the City's obligations continue ***even if*** the 25-year term of the Increment Districts has expired—leaving the erroneous impression that the City would be “on the hook” for any funds not generated by the Increment Districts within that 25-year term.

The Interim City Attorney apparently identified similar defects in this description because he reworded an almost identical section of the ballot title and replaced it with the following, simple statement:

Both districts will remain active until either \$230 million in principal plus interest is repaid to the lender, \$600 million in public assistance is provided, or 25 years pass, whichever occurs first.

See Ex. E, Letter from Rickey J. Knighton, Interim City Attorney of Norman (Sept. 23, 2024).

The reworded ballot title, unlike the gist, uses plain language to solve the previously discussed deficiencies. First, the ballot title makes clear that the City’s funding obligations terminate upon the earliest occurrence of any of three described triggering events: (a) a total amount of \$230 million in principal plus interest is repaid to the lender; (b) a total amount of \$600 million in public assistance has been provided; or (c) 25 years passed—whichever comes first. Second, the ballot title explicitly ties the establishment of the Increment Districts to the City’s funding obligations (“[b]oth districts will remain active until . . .”). And third, the ballot title makes clear that the City has not obligated itself to any financial commitments beyond the 25-year term—something the gist utterly fails to do.

The Oklahoma Supreme Court has been clear: when certain fundamental limitations or restrictions are built into a legislative act, those limitations must be addressed in the gist. In *In re Initiative Petition 420* the Supreme Court reasoned:

Second, the gist fails to provide enough information concerning the qualifications of the commissioners and it conspicuously omits *a key limitation* in its consideration of redistricting plans. The petition provides many restrictions on who may be a commissioner. A detailed description of each need not be made part of the gist; however, a simple statement behind the purpose for these qualifications is necessary to inform potential signatories about the nonpartisan nature of the petition's redistricting design. Additionally, the gist explains in great length what criteria the Commission must follow in creating redistricting plans but omits any mention of what criteria it must avoid. . . . Because this criterion is especially representative of the underlying purpose of the petition it should be, albeit briefly,

mentioned.

2020 OK 10, ¶ 8, 458 P.3d 1080, 1085 (emphasis added).

Applied in this context, the gist must provide a description of key limitations built into the legislation—particularly if those aspects are representative of the underlying purpose of the measure. And this is particularly true of tax measures, where a full description of the relevant tax components is vital to understanding the true nature of the proposition. *See Coburn*, 2018 OK 55, 421 P.3d 867 (invalidating a referendum petition based upon the gist’s failure to mention two of five tax mechanisms). But here, the gist conspicuously omits a “key limitation” by failing to explain that the City’s obligation to fund the Project Plan would terminate upon the expiration of the Increment Districts, if not satisfied earlier. This limitation is vitally important to understanding the single most important aspect of the Ordinance—the City’s financial commitment.

The public discourse surrounding the Referendum Petition makes clear the necessity of an accurate, simple statement reflecting the City’s funding commitment and the limitations of that commitment. In fact, most public comments, public statements, press articles and advertisements surrounding the Referendum Petition advance arguments for or against this single component: the City’s financial commitment.⁵ It is thus imperative that the gist accurately describe the City’s financial obligations and be “free from the taint of misleading terms or deceitful language.” *In re Initiative Petition No. 409*, 2016 OK 51, ¶ 7. But as worded, the gist inaccurately describes the City’s financial commitments, and wholly fails to provide an explanation of the key limitations built into the Project Plan, leading to confusion and a significant risk of public misinformation.

⁵ See Ex. F, “City Clerk certifies over 10,000 signatures for petition to bring entertainment district to public vote.” *Norman Transcript* (Nov. 6, 2024) (quote from proponent’s organization, ORED, stating that “[w]e oppose public financing of a project plan that saddles our city with a \$600M debt obligation for 25 years.”)

In short, “[a] gist is sufficient if it apprises the voters of what the proposed measure is intended to do.” *In re Initiative Petition No. 384*, 2007 OK 48, ¶ 8. That is clearly not the case here. The omissions and misstatements in the gist’s description of the City’s funding obligations are “misleading and confusing to potential signatories” as it in no way makes clear that the City’s financial obligations will terminate at the occurrence of the first of the three specified triggering events. *Coburn*, 2018 OK 55, ¶ 26. While a detailed recitation of the contours of the entire Project Plan is not necessary, a “simple statement” that accurately describes the City’s funding obligations is imperative. And without this simple statement (like the one provided in the rewritten ballot title), potential signatories are not informed about the true nature of the proposition’s design. As such, the gist is fundamentally deficient and must be struck from the ballot.

F. The Petition’s Gist Misstates and Omits Information Related to the Tax Increments

In addition to the foregoing errors, the gist incorrectly identifies the taxes being allocated in Increment District No. 4. According to the currently worded gist, “Increment District No. 4 allocates 100% of the City’s *non-dedicated, general fund and capital improvement sales and use taxes* generated in District 4, beginning May 1, 2025.” *See* Ex. A at 10 (emphasis added). A plain reading of this sentence would have the potential signer believe that three separate categories of the City’s taxes are being allocated to: (1) non-dedicated taxes; (2) general fund taxes; and (3) capital improvement sale and use taxes. But this is incorrect. According to the Ordinance, Increment District No. 4 allocates “non-dedicated” sales taxes. The City allocates its non-dedicated sales taxes to its “General Fund” and its capital improvement Fund – these are not three separate taxes as the gist proposed by Proponents suggests.

This deficiency is made worse by the gist’s failure to state the sales tax percentage that is devoted to the Project (which amounts to 3%)—an essential element to the establishment of the

Proposal. Even an educated reader who knows the sales tax rate in the City of Norman is 8.75% would have no idea what portion of the City’s sales tax is subject to allocation to the Project as the gist does not actually say. The chart below, provided during the September 17, 2024, City Council Meeting (where the Ordinance was approved), highlights the difficulty of understanding the quantity of the sales tax base subject to allocation without any reference to the revenant percentage:

Norman Sales Tax	
State of Oklahoma	4.5%
Cleveland County Jail	0.125%
Norman General Fund	2.3%
Norman Capital Improvements	0.7%
Norman Public Safety	0.5%
Norman Forward Projects	0.5%
Norman Public Transit	0.125%
Total	8.75%

See Ex. G, Summary of Financing. As is evident from the chart above, the two taxes subject to allocation are the General Fund (2.3%) and the Capital Improvement Fund (0.7%). But notably the dedicated tax funds are *not* subject to allocation.⁶ By omitting any indication of the percentage of Norman’s 8.75% sales tax rate that would be allocated and made available to the City and other sales tax jurisdictions, a signatory could be led to believe a much higher percentage of total sales tax revenue is devoted to the Project.

⁶ Only the non-dedicated (General Fund) taxes and Capital Improvement portions of the City’s sales tax are included. As specified in the Project Plan, certain *dedicated* sales tax, such as the City’s Public Safety fund, Norman Forward funds, the City’s Public Transit fund, and the hotel occupancy taxes “will not be apportioned as increment.” See Ex. C at 10. These dedicated tax revenues are expected to generate “over \$32 million in City sales taxes [] over the life of Increment District No. 4 that will not be increment”. *Id.*

While the Proponents may claim this detail was not necessary to state, an accurate description of the relevant sales tax categories is vitally important to understand “what the proposed measure is intended to do.” *In re Initiative Petition No. 384*, 2007 OK 48, ¶ 8. This deficiency is analogous to the situation in *Coburn* where the Supreme Court found the referendum to be fatally flawed because the gist failed to mention two of the five taxes the referendum sought to repeal. There, the Court reasoned:

Potential signatories may be aware that by signing the petition and then rejecting HB 1010xx at the polls, they would be removing some tax increases. ***But without even a brief mention in the gist of all of the taxes they will be rejecting, they are fundamentally unable to cast an informed vote, because they are not being put on notice of the changes being made and will not be aware of the entire practical effect of the petition.***

Coburn, 2018 OK 55, ¶ 23 (emphasis added). As previously discussed, the gist “is not required to contain every regulatory detail so long as its outline is not incorrect.” *In re Initiative Petition No. 409*, 2016 OK 51, ¶ 3. But here, the outline of the gist ***is incorrect***, leading to the impression that three separate tax bases are being tapped as opposed to two. Given the importance of correctly identifying the tax implications of a proposition, as held in *Coburn*, this defect is fatal.

Of particular relevance, Proponents’ proposed ballot title had identical deficiencies. In finding that the ballot title “does not appear to be in harmony with the law”, Interim City Attorney Rickey J. Knighton II, made the following changes:

Increment District 4 will start on May 1, 2025, allocating all non-dedicated sales tax revenue, 3% of taxable sales, within the District, to project costs. Increment District 5 will begin on December 31, 2026, allocating increased ad valorem tax revenue within the District to project costs.

See Ex. E at 1, 3. Here, Mr. Knighton modified Petitioner’s incorrect identification of three separate categories of sales tax (“non-dedicated, general fund and capital improvement sales and use taxes”) to accurately describe them under the general umbrella of “all non-dedicated sales tax

revenue.” Further, Mr. Knighton inserted explanatory language relating to the percentage of sales tax that would be allocated by adding the phrase “3% of taxable sales”, which provides further support for the argument that the gist (1) inaccurately describes the relevant tax bases, and (2) fails to include an essential explanation of the actual *percentage* of taxes that would be allocated toward the Project. While not controlling on the legality of the gist, Mr. Knighton’s changes are indicative that the gist does not accurately describe the tax base and omits essential information related to the percentage of allocated taxes toward the Project. As such, consistent with the Supreme Court’s reasoning in *Coburn*, the gist is insufficient as a matter of law.

G. The Ballot Title Submitted by Proponents Impermissibly Fails to Include the Gist

In addition to the foregoing gist requirements discussed above, Proponents of a referendum Petition under the Local Development Act must also submit a ballot title, the language of which must be presented to voters in the event of an election. *See* 62 Okla. Stat. § 868(D)(1). Although this ballot title “may be filed with the [city] clerk . . . prior to circulating the petition,” it must be submitted no later than the time that the signed copies of the petition are filed with the clerk” *Id.* In this case, Proponents chose to submit their ballot title to the Norman City Clerk prior to submitting the signatures they gathered in support of the Petition. This was, of course, permissible, though it should again be noted that the Norman City Attorney, acting pursuant to the Local Development Act, made certain corrections to the proposed ballot title to bring it in harmony with the facts and law. *See* Ex. E.

Regardless of timing and/or the initial insufficiencies of Proponents’ ballot title, the Local Development Act makes clear that “[t]he ballot title” whenever submitted “*shall* contain the gist of the proposition.” *See* 62 Okla. Stat. § 868(D)(1) (emphasis added). The ballot title submitted by Proponents in this case did not, however, contain the gist that later appeared on the signature

pamphlets presented to Norman voters in connection with the referendum campaign. *See* Ex. E. This deficiency is a violation of the law and one that is not without consequence.

Had Proponents followed the law and submitted their gist with the ballot title, as required, then when the City Attorney alerted Proponents to the problems with their ballot title the corresponding problems with the gist could have been rectified prior to the signature campaign. This, of course, did not happen. And as a result, while the problems with the ballot title were addressed, the concomitant problems with Proponents' gist were never addressed. As a result, Proponents' gist is not included in the ballot title that would be presented to voters, as is required by § 868(D)(1) of the Local Development Act. This, too, is fatal to the gist's ability to properly inform signatories of the issues at hand and also counsels for the striking of the Petition.

H. A significant number of signatures should be declared legally invalid for failure to conform with the statutory requirements.

Title 34 of the Oklahoma Statutes contains specific requirements for the verification of signatures under Oklahoma law. In addition to requiring that individual signers provide certain information (*see* 34 Okla. Stat. § 1), state law requires that signature pamphlets contain a verification page which must be signed by the circulator, dated and fully notarized. 34 Okla. Stat. § 6. Signature sheets attached to a verification page where "a notary has failed to sign, the seal of the notary is absent, the commission of the notary has expired or the expiration date is not on the signature sheet" are required to be excluded. 34 Okla. Stat. § 6.1(A). Petitioners are aware of a significant number of signatures that were validated by the City Clerk, but are, in fact, legally invalid under Title 34's requirements. Petitioners thus request that all signatures not in conformance with state law requirements be excluded. *See* 34 Okla. Stat. §§ 6, 6.1.

Since the time of the Petition's filing, Protestants have diligently worked to identify various issues related to the signatures submitted in support of the Petition. In connection with his work,

Protestants have to date identified thousands of signatures that do not comport with the law. These examples include multiple pages of signatures that were not notarized in any manner, more than one hundred pages of signatures that were signed by a notary, but no seal of notary was included, as well as various other issues (*e.g.*, mismatched names, incorrect addresses and dates of birth, etc.). Once Proponents are able to more fully explore these issues via discovery, additional evidence will be able to be presented to the Court in connection with the hearing to be conducted on this matter.

VIII. Conclusion

The Petition contains multiple deficiencies that, each individually and most certainly taken in sum, render it and the gist contained therein invalid. For the reasons given, Petitioners ask this Court to declare the Petition insufficient as a matter of law and strike it from the ballot.

Respectfully,



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ATTORNEYS FOR PETITIONERS/PROTESTANTS

WARNING

It is a felony for anyone to sign an initiative or referendum petition with any name other than his own, or knowingly to sign his name more than once for the measure, or to sign such petition when he is not a legal voter.

PETITION FOR REFERENDUM

To the Honorable Larry Heikkila, Mayor of the City of Norman:

We, the undersigned legal voters of the City of Norman, Oklahoma, respectfully order that Ordinance No. O-2425-2, entitled:

AN ORDINANCE OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA APPROVING AND ADOPTING THE ROCK CREEK ENTERTAINMENT DISTRICT PROJECT PLAN; DESIGNATING AND ADOPTING PROJECT AREA AND INCREMENT DISTRICT BOUNDARIES; SETTING EFFECTIVE DATES FOR THE INCREMENT DISTRICTS; ADOPTING CERTAIN FINDINGS; AUTHORIZING THE CITY OF NORMAN AND THE NORMAN TAX INCREMENT FINANCE AUTHORITY TO CARRY OUT AND ADMINISTER THE PROJECT PLAN; RATIFYING AND CONFIRMING THE ACTIONS, RECOMMENDATIONS AND FINDINGS OF THE REVIEW COMMITTEE AND THE NORMAN PLANNING COMMISSION; AND PROVIDING FOR THE SEVERABILITY THEREOF;

passed by the Council of the City of Norman at the September 17, 2024 Special Meeting of the Council of the City of Norman, shall be referred to the people of the City of Norman for their approval or rejection at the next general municipal regular election, currently set to be held on the 11th day of February, 2025, or if that date not be selected, on the first general municipal regular election date so selected thereafter, and each for herself and himself says: I have personally signed this petition; I am a legal voter of the State of Oklahoma and the City of Norman.

Pursuant to the Local Development Act, signed copies of this petition invoking a referendum upon the ordinance shall be submitted to the clerk of the City of Norman within thirty (30) days after the passage or adoption of the ordinance.

The question we herewith submit to our fellow voters is: Shall the following ordinance of the Council of the City of Norman be approved?

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK. EXACT COPY OF ORDINANCE BEGINS ON THE NEXT PAGE.

FILED IN THE OFFICE
OF THE CITY CLERK
ON 9/20/24 10:44 AM

AN ORDINANCE OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA APPROVING AND ADOPTING THE ROCK CREEK ENTERTAINMENT DISTRICT PROJECT PLAN; DESIGNATING AND ADOPTING PROJECT AREA AND INCREMENT DISTRICT BOUNDARIES; SETTING EFFECTIVE DATES FOR THE INCREMENT DISTRICTS; ADOPTING CERTAIN FINDINGS; AUTHORIZING THE CITY OF NORMAN AND THE NORMAN TAX INCREMENT FINANCE AUTHORITY TO CARRY OUT AND ADMINISTER THE PROJECT PLAN; RATIFYING AND CONFIRMING THE ACTIONS, RECOMMENDATIONS AND FINDINGS OF THE REVIEW COMMITTEE AND THE NORMAN PLANNING COMMISSION; AND PROVIDING FOR THE SEVERABILITY THEREOF.

WHEREAS, the Council of the City of Norman, Oklahoma, a municipal corporation, (the "City") adopted Resolution R-2324-89 on November 14, 2023 declaring its intent to consider approval of a Project Plan and the creation of one or more tax increment districts, directing the preparation of a Project Plan, appointing the review committee, directing the review committee to make findings as to eligibility and financial impact, if any, on taxing jurisdictions and business activities within the proposed districts, and directing the review committee to make a recommendation with respect to the proposed project; and

WHEREAS, the City has caused to be prepared the Rock Creek Entertainment District Project Plan ("Project Plan"), in accordance with the Oklahoma Local Development Act, 62 O.S. §850, *et seq.* ("Act"); and

WHEREAS, the purpose of the Project Plan is primarily to provide assistance in development financing necessary to support the construction of an arena and parking garage, which is expected to anchor additional development and altogether result in an estimated private investment of \$1,000,000,000 within the City's corporate boundaries (collectively, the "Project"); and

WHEREAS, the Project Plan supports the City's objectives to promote economic development, to stimulate private investment, to reverse economic stagnation or decline, to expand employment, and to enhance the tax base, and thereby making possible investment that would be difficult without the adoption of the Project Plan; and

WHEREAS, pursuant to the Act and Resolution R-2324-89, the City Council previously established the University North Park Entertainment District Statutory Review Committee ("Review Committee"), comprised of a representative of the City, a representative of the Norman Planning Commission ("Planning Commission"), representatives of each of the affected taxing jurisdictions (including Cleveland County, the Cleveland County Health Department, the Moore Norman Technology Center, the Pioneer Multi-County Library System, collectively, the "Taxing Entities"), and three members of the public at large, one of whom is a representative of the retail community in Norman; and

Ordinance O-2425-2

WHEREAS, the Review Committee has reviewed the proposed Project Plan, the proposed Project Area, and proposed Increment Districts 4 and 5, in accordance with the criteria specified in the Act and has determined that the proposed Project Area (as defined in the Act and described in the Project Plan) and the designated increment districts are eligible for tax increment financing assistance under the Act and that the aggregate impacts on the affected taxing jurisdictions and business activities from implementation of the Project Plan include the achievement of the Project and the stated objectives in the Project Plan; and

WHEREAS, the Review Committee has adopted a resolution of its findings and recommends to the City Council the approval of the Project Plan, including the proposed Increment Districts; and

WHEREAS, the Planning Commission has determined that the Project Plan conforms to the Norman 2025 Comprehensive Plan; and

WHEREAS, the Planning Commission has adopted a resolution recommending to the City Council the approval of the Project Plan, including the proposed Increment Districts; and

WHEREAS, the Project Area and the proposed Increment Districts, which share the same boundaries, are within a state designated enterprise zone and therefore meet the definition of an enterprise area as defined by the Act; and

WHEREAS, the projected investment and development are difficult, but possible, within the proposed Project Area and Increment Districts if the Project Plan is adopted and implemented; and

WHEREAS, tax increment financing as provided in the Project Plan is a necessary component in generating economic development in the proposed Project Area and Increment Districts; and

WHEREAS, the Project is expected to generate substantial new investment within the proposed Increment Districts and to stimulate additional indirect economic benefits outside of the Project Area which would not occur without the Project; and

WHEREAS, the Project Plan provides tools which will supplement and not supplant or replace normal public functions and services; and

WHEREAS, the boundaries of the proposed Increment Districts do not dissect any similar area nor create an unfair competitive advantage; and

WHEREAS, maximum effort has been made to allow full public knowledge and participation in the application of the Act in the review and approval of the Project Plan; and

Ordinance O-2425-2

WHEREAS, all required notices have been given and all required hearings have been held in connection with the Project Plan, as prescribed by the Act, the Oklahoma Open Meetings Act, 25 O.S. § 301, *et seq.*, and other applicable law; and

WHEREAS, pursuant to published notice, at a regular meeting of the City Council held on September 3, 2024, members of the public were provided information, including an analysis of potential positive and negative impacts, and had questions answered regarding the Project Plan; and

WHEREAS, pursuant to published notice, at a regular meeting of the City Council held on September 17, 2024, interested persons in attendance were given an opportunity to be heard for and against the Project Plan; and

WHEREAS, the City and the Norman Tax Increment Finance Authority shall be authorized and designated to carry out certain provisions of the Project Plan, pursuant to the Act; and

WHEREAS, the City retains the right, pursuant to the Act, to make minor amendments to the Project Plan; and

WHEREAS, the City and the Norman Tax Increment Finance Authority shall be authorized and designated to carry out certain provisions of the Project Plan, pursuant to the Act; and

WHEREAS, the City deems it appropriate and desirable and in the best interest of the City and its citizens to adopt and approve the Project Plan, including the establishment of the Increment Districts; and

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA THAT:

SECTION 1. In order to develop the Project Area, the City of Norman elects to utilize Article 10, Section 6C of the Constitution of the State of Oklahoma and the Act, which authorize the use of local taxes for specific public investments, assistance in development financing, and as a revenue source for other public entities in the area, and which provide for the direction of apportionment of local taxes to plan, finance, and carry out development of unproductive, undeveloped, underdeveloped, or blighted areas as determined by the governing body of a city, town or county.

SECTION 2. The Project Plan is hereby approved and adopted, as recommended by the Planning Commission and by the Review Committee. As used herein the "Project Plan" shall mean the document titled "Rock Creek Entertainment District Project Plan" with a cover page indicating the Review Committee recommended approval on May 23, 2024, and the Planning Commission recommended approval on June 13, 2024, and comprised of a cover sheet, eleven (11) pages of text, and seven (7) exhibits labeled Exhibits A, A1, B, C, D, E, and F.

SECTION 3. All actions taken and all recommendations and findings made in connection with the Project Plan by the Planning Commission and the Review Committee are hereby ratified and confirmed, including, but not limited to, the designation and selection of representatives to the Review Committee by the City and each Taxing Entity, the selection of the three members of the public at large who serves on the Review Committee, the findings of conformance with the Norman 2025 Comprehensive Plan, eligibility of the proposed Increment Districts, financial impacts on the affected taxing jurisdictions, and the recommendations for approval.

SECTION 4. The boundaries of the Project Area, Increment District No. 4, and Increment District No. 5 of the Project Plan are described on Exhibit A of the Project Plan, and shown on Exhibit A1 of the Project Plan, and are hereby designated and adopted as follows:

Project Area, Increment District No. 4, and Increment District No. 5 Legal Description

A tract of land beginning in the West quarter of Section 13, and the East Half of Section 14, and the Northwest Quarter of Section 24, and the Northeast Quarter of Section 23, all in Township 9 North, Range 3 West of Indian Meridian, Norman, Cleveland County, Oklahoma, and being more particularly described as follows: Beginning at the northeast corner of Thedford Addition, Norman, Cleveland County, Oklahoma; Thence south 639.11'; Thence west 660', said point being the northeast addition corner of University North Park XVII Addition; Thence south 503.88'; Thence south 89 degrees west 596.33'; Thence south 3182' along the east right-of-way line of Interstate 35; Thence east 190'; Thence south 81 degrees east 495'; Thence south 84 degrees east 65'; Thence south 180' to a point on north right-of-way line of Rock Creek Road; Thence south 32 degrees east 73.54'; Thence south 250'; Thence west 159.49'; Thence south 23 degrees west 54.45'; Thence west 162.29'; Thence south 86.29'; Thence south 67 degrees east 401'; Thence north 22 degrees east 141.19'; Thence north 42.18', to a point being southwest corner of lot 1A Block 1, University North Park Section VI; Thence east 433.4'; Thence north 14 degrees east 14.89'; Thence south 76 degrees east 184.16'; Thence east 41.09'; Thence north 65', said point being northwest corner lot 6A block 1 University North Park section VI; Thence south 87degrees east 430' to a point on east right-of-way line NW 24th Ave; Thence on a non-tangent curve to the right R=1965.41' cord bearing south 14 degrees west 750' to a point being the Southwest corner of lot 1 block 3 of University North Park Section XXI; Thence south 87 degrees east 333.87'; Thence south 70 degrees east 234.39'; Thence north 1 degree east 842.87'; Thence south 89 degrees east 539.59'; Thence north 1635.98'; Thence west 559.68'; Thence north 7 degrees east 489.83'; Thence east 496.47'; Thence north 00 degrees, 38 minutes west 1741.56'; Thence west 470'; Thence north along a curve to the east, having a radius of 936.15' a distance of 600.12'; Thence north 260'; Thence east 233'; Thence north 158.45'; Thence west 233'; Thence north 173.29'; Thence west 1330', to the point of beginning. AND A tract of land lying in the northwest corner of Section 13, and the Northeast Quarter of Section 14, all in Township 9 North, Range 3 West of Indian Meridian, Norman, Cleveland County, Oklahoma, and being more particularly described as follows: University

North Park Professional Center Lot 1 Block 1

AND LESS AND EXCEPT Two tracts of land lying in the East half of Section 14, in Township 9 North, Range 3 West of Indian Meridian, Norman, Cleveland County, Oklahoma, and being more particularly described as follows: University North Park Section XIV Lot 1 Block 1 and University North Park Section XVI Lot 1 Block 1.

SECTION 5. The City Council hereby finds and determines:

1. The Project Area and the proposed Increment Districts "4" and "5" proposed in the Rock Creek Entertainment District Project Plan are entirely within a state designated enterprise zone and therefore meet the definition of an "enterprise area" under the Local Development Act (62 O.S. § 853(5), (6)). Enterprise Areas qualify for use of the tools of the Local Development Act pursuant to 62 O.S. §856(B)(4)(a).
2. The improvement of the Project Area is likely to enhance the value of other real property in the area and to promote the general public interest.
3. The level of investment, development, and economic growth desired by the City is difficult, but possible, within the Project Area if the provisions of the Local Development Act are utilized.
4. The use of tax increment financing proposed in the Rock Creek Entertainment District Project Plan is a necessary component in stimulating the proposed investment in the Project Area and Increment Districts, which would not have occurred without tax increment financing pursuant to the Act.
5. The aggregate net assessed value of the taxable property in all increment districts within Norman does not exceed twenty-five percent (25%) of the total net assessed value of taxable property within Norman.
6. The aggregate net assessed value of the taxable property in all increment districts within Norman does not exceed twenty-five percent (25%) of the total net assessed value of any affected school districts located within Norman.
7. The land area within all increment districts within Norman does not exceed twenty-five percent (25%) of the total land area of the City.

SECTION 6. Increment District No. 4, a sales tax increment district, is hereby created as of May 1, 2025.

SECTION 7. Increment District No. 5, an ad valorem increment district, is hereby created as of December 31, 2026.

SECTION 8. The following Project and Increment District authorizations are hereby approved:

A. The City of Norman is designated as the principal entity responsible for implementation and is authorized to carry out and administer the provisions of the Project Plan and to exercise all powers necessary or appropriate thereto pursuant to Section 854 of the Act, including the power to make minor amendments to the Project Plan in accordance with Section 858(D) of the Act;

B. The Norman Tax Increment Finance Authority, a public trust with the City as its sole beneficiary, shall have the authority to carry out certain provisions of the Project Plan, including all necessary, appropriate, and supporting steps described in the Project Plan, as well as the authority to exercise all powers necessary or appropriate thereto pursuant to Section 854 of the Act except for approval of the Project Plan and those powers enumerated in paragraphs 1, 2, 3, 4, 7, 13, and 16 of Section 854 of the Act; and

C. The City Manager, Darrel Pyle, or his successor in office, shall be the person in charge of implementation of the Project Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained in the Project Plan.

SECTION 9. The increment of the City's sales and use taxes generated by Increment District No. 4 is a portion of the City's non-dedicated and capital improvements sales tax attributable to investment and development within Increment District No. 4. The sales tax increment shall be 3% of the gross proceeds or gross receipts derived from all sales in Increment District No. 4 that are taxable under the sales tax code of Oklahoma (including any and all amendments thereto and revisions thereof), to be collected only from the non-dedicated (General Fund) and Capital Improvements portions of the City's sales taxes. The sales tax increment shall also include 3% of the gross proceeds or gross receipts generated by investment, construction, and development that is taxable under the sales tax code of Oklahoma, that takes place in Increment District No. 4 pursuant to a development agreement under which development financing assistance is provided from sales tax ("Economic Development Agreement") and which obligates the developer to provide periodic reporting of sales and use taxes paid in connection with construction projects within Increment District No. 4 (increment sales tax from taxable sales and from construction activity, collectively, "Sales Tax Increment"). The Sales Tax Increment may be used to pay Project Costs authorized pursuant to Section IX of this Project Plan, for a period not to exceed 25 fiscal years from the effective date of Increment District No. 4, or the period required for payment of the Project Costs authorized pursuant to Section IX of this Plan, whichever is less. The Sales Tax Increment may be supplemented by state local government matching payments pursuant to the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. § 840, *et seq.* ("Leverage Act").

SECTION 10. The increment of ad valorem taxes from Increment District No. 5 in excess of the base assessed values of Increment District No. 5 ("Ad Valorem Increment") shall be apportioned to pay Project Costs authorized pursuant to Section IX of this Project Plan for a period not to exceed 25 fiscal years from the effective date of Increment District No. 5, or the period required for the payment of the Project Costs authorized pursuant to Section IX of this Project Plan, whichever is less.

SECTION 11. During the period of apportionment, the apportionment fund (1) shall be available to pay Project Costs under Section IX of the Project Plan, (2) shall constitute special funds of the Norman Tax Increment Finance Authority ("Authority"), and (3) shall not be subject to annual appropriation as a part of the General Fund of the City.


SECTION 12. The Project Plan is determined to be feasible and desirable and is hereby approved.

SECTION 13. REPEALER. All Ordinances or parts of Ordinances in conflict with this Ordinance are hereby repealed to the extent of the conflict only.

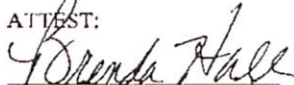
SECTION 14. SEVERABILITY. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional, such portion shall not affect the validity of the remaining portions of this Ordinance.

PASSED AND APPROVED in an open meeting of the City Council of Norman, Oklahoma on the 17th day of September, 2024.

CITY OF NORMAN

By: 
Larry Heikkila, Mayor

ATTEST:


Brenda Hall, City Clerk
(SEAL)



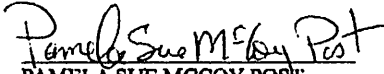
STATE OF OKLAHOMA } SS
CLEVELAND COUNTY }

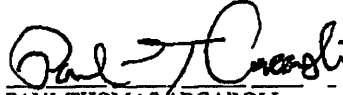
I hereby certify this to be a true and exact copy of Ordinance O-2425-2


adopted 9-17-24


City Clerk

PROponents OF RECORD:


PAMELA SUE MCCOY-POSI
661 Turkey Run Ct.
Norman, OK 73026


PAUL THOMAS ARCAROLI
405 Garland Court
Norman, OK 73072


RICHARD LOKEN SONDAG
304 SE 60TH Avenue
Norman, OK 73026

GIST OF THE PROPOSITION

The referendum petition seeks an election for the voters of Norman to approve or reject City of Norman Ordinance O-2425-2. This Ordinance adopts and approves the "Rock Creek Entertainment District Project Plan." The Project Plan area is located between Interstate 35 and Max Westheimer Airport, and it runs south from Tecumseh Road to an area just south of Rock Creek Road.

The Project Plan creates two Tax Increment Financing (TIF) Districts. Increment District No. 4 allocates 100% of the City's non-dedicated, general fund and capital improvement sales and use taxes generated in District 4, beginning May 1, 2025. Increment District No. 5 allocates 100% of certain ad valorem taxes (taxes in excess of the base assessed values of property within District 5) generated in District 5, beginning December 31, 2026. Both Districts would last a maximum of 25 years.

The Project Plan authorizes project costs of up to \$600,000,000 for administration, implementation, and assistance to the Project Developer in financing \$230,000,000 in costs related to the construction of an arena, a parking garage, and additional infrastructure. The incremental tax revenues generated and allocated in the TIF Districts, along with all potential state matching funds, would be used to pay for authorized project costs, and for no other purpose.

WARNING

It is a felony for anyone to sign an initiative or referendum petition with any name other than his own, or knowingly to sign his name more than once for the measure, or to sign such petition when he is not a legal voter.

WRITE LEGIBLY. THE FOLLOWING FIVE DATA POINTS MUST BE INCLUDED: THE VOTER'S LEGAL FIRST NAME, LEGAL LAST NAME, ZIP CODE, HOUSE NUMBER, AND NUMERICAL MONTH AND DAY OF MY BIRTH.

PRINTED LEGAL FIRST NAME AND LEGAL LAST NAME (PLEASE USE ALL CAPS)	RESIDENCE ADDRESS (HOUSE NUMBER, STREET, CITY, STATE, ZIP CODE)	NUMERICAL MONTH OF MY BIRTH	NUMERICAL DAY OF MY BIRTH	SIGNATURE OF LEGAL VOTER
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

FILED IN THE OFFICE
OF THE CITY CLERK
ON 9/20/24 10:44 AM

AFFIDAVIT OF CIRCULATOR

State of Oklahoma,)
) ss.
County of Cleveland)

I, _____, being first duly sworn, say: That I am at least eighteen (18) years old and that all signatures on the signature sheet were signed in my presence; I believe that each has stated his or her name, mailing address, and date of birth associated with his or her Oklahoma voter registration record, and that each signer is a legal voter of the State of Oklahoma and the City of Norman.

SIGNED:

Circulator Signature

Complete Street Address

City, State, Zip Code

Subscribed and sworn to before me this ____ day of _____ A.D. 2024.

NOTARY PUBLIC

My Commission # _____ Expires: _____

[SEAL]

Ordinance O-2425-2

AN ORDINANCE OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA APPROVING AND ADOPTING THE ROCK CREEK ENTERTAINMENT DISTRICT PROJECT PLAN; DESIGNATING AND ADOPTING PROJECT AREA AND INCREMENT DISTRICT BOUNDARIES; SETTING EFFECTIVE DATES FOR THE INCREMENT DISTRICTS; ADOPTING CERTAIN FINDINGS; AUTHORIZING THE CITY OF NORMAN AND THE NORMAN TAX INCREMENT FINANCE AUTHORITY TO CARRY OUT AND ADMINISTER THE PROJECT PLAN; RATIFYING AND CONFIRMING THE ACTIONS, RECOMMENDATIONS AND FINDINGS OF THE REVIEW COMMITTEE AND THE NORMAN PLANNING COMMISSION; AND PROVIDING FOR THE SEVERABILITY THEREOF.

WHEREAS, the Council of the City of Norman, Oklahoma, a municipal corporation, (the “City”) adopted Resolution R-2324-89 on November 14, 2023 declaring its intent to consider approval of a Project Plan and the creation of one or more tax increment districts, directing the preparation of a Project Plan, appointing the review committee, directing the review committee to make findings as to eligibility and financial impact, if any, on taxing jurisdictions and business activities within the proposed districts, and directing the review committee to make a recommendation with respect to the proposed project; and

WHEREAS, the City has caused to be prepared the Rock Creek Entertainment District Project Plan (“Project Plan”), in accordance with the Oklahoma Local Development Act, 62 O.S. §850, *et seq.* (“Act”); and

WHEREAS, the purpose of the Project Plan is primarily to provide assistance in development financing necessary to support the construction of an arena and parking garage, which is expected to anchor additional development and altogether result in an estimated private investment of \$1,000,000,000 within the City’s corporate boundaries (collectively, the “Project”); and

WHEREAS, the Project Plan supports the City’s objectives to promote economic development, to stimulate private investment, to reverse economic stagnation or decline, to expand employment, and to enhance the tax base, and thereby making possible investment that would be difficult without the adoption of the Project Plan; and

WHEREAS, pursuant to the Act and Resolution R-2324-89, the City Council previously established the University North Park Entertainment District Statutory Review Committee (“Review Committee”), comprised of a representative of the City, a representative of the Norman Planning Commission (“Planning Commission”), representatives of each of the affected taxing jurisdictions (including Cleveland County, the Cleveland County Health Department, the Moore Norman Technology Center, the Pioneer Multi-County Library System, collectively, the “Taxing Entities”), and three members of the public at large, one of whom is a representative of the retail community in Norman; and

Ordinance O-2425-2

WHEREAS, the Review Committee has reviewed the proposed Project Plan, the proposed Project Area, and proposed Increment Districts 4 and 5, in accordance with the criteria specified in the Act and has determined that the proposed Project Area (as defined in the Act and described in the Project Plan) and the designated increment districts are eligible for tax increment financing assistance under the Act and that the aggregate impacts on the affected taxing jurisdictions and business activities from implementation of the Project Plan include the achievement of the Project and the stated objectives in the Project Plan; and

WHEREAS, the Review Committee has adopted a resolution of its findings and recommends to the City Council the approval of the Project Plan, including the proposed Increment Districts; and

WHEREAS, the Planning Commission has determined that the Project Plan conforms to the Norman 2025 Comprehensive Plan; and

WHEREAS, the Planning Commission has adopted a resolution recommending to the City Council the approval of the Project Plan, including the proposed Increment Districts; and

WHEREAS, the Project Area and the proposed Increment Districts, which share the same boundaries, are within a state designated enterprise zone and therefore meet the definition of an enterprise area as defined by the Act; and

WHEREAS, the projected investment and development are difficult, but possible, within the proposed Project Area and Increment Districts if the Project Plan is adopted and implemented; and

WHEREAS, tax increment financing as provided in the Project Plan is a necessary component in generating economic development in the proposed Project Area and Increment Districts; and

WHEREAS, the Project is expected to generate substantial new investment within the proposed Increment Districts and to stimulate additional indirect economic benefits outside of the Project Area which would not occur without the Project; and

WHEREAS, the Project Plan provides tools which will supplement and not supplant or replace normal public functions and services; and

WHEREAS, the boundaries of the proposed Increment Districts do not dissect any similar area nor create an unfair competitive advantage; and

WHEREAS, maximum effort has been made to allow full public knowledge and participation in the application of the Act in the review and approval of the Project Plan; and

Ordinance O-2425-2

WHEREAS, all required notices have been given and all required hearings have been held in connection with the Project Plan, as prescribed by the Act, the Oklahoma Open Meetings Act, 25 O.S. § 301, *et seq.*, and other applicable law; and

WHEREAS, pursuant to published notice, at a regular meeting of the City Council held on September 3, 2024, members of the public were provided information, including an analysis of potential positive and negative impacts, and had questions answered regarding the Project Plan; and

WHEREAS, pursuant to published notice, at a regular meeting of the City Council held on September 17, 2024, interested persons in attendance were given an opportunity to be heard for and against the Project Plan; and

WHEREAS, the City and the Norman Tax Increment Finance Authority shall be authorized and designated to carry out certain provisions of the Project Plan, pursuant to the Act; and

WHEREAS, the City retains the right, pursuant to the Act, to make minor amendments to the Project Plan; and

WHEREAS, the City and the Norman Tax Increment Finance Authority shall be authorized and designated to carry out certain provisions of the Project Plan, pursuant to the Act; and

WHEREAS, the City deems it appropriate and desirable and in the best interest of the City and its citizens to adopt and approve the Project Plan, including the establishment of the Increment Districts; and

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA THAT:

SECTION 1. In order to develop the Project Area, the City of Norman elects to utilize Article 10, Section 6C of the Constitution of the State of Oklahoma and the Act, which authorize the use of local taxes for specific public investments, assistance in development financing, and as a revenue source for other public entities in the area, and which provide for the direction of apportionment of local taxes to plan, finance, and carry out development of unproductive, undeveloped, underdeveloped, or blighted areas as determined by the governing body of a city, town or county.

SECTION 2. The Project Plan is hereby approved and adopted, as recommended by the Planning Commission and by the Review Committee. As used herein the “Project Plan” shall mean the document titled “Rock Creek Entertainment District Project Plan” with a cover page indicating the Review Committee recommended approval on May 23, 2024, and the Planning Commission recommended approval on June 13, 2024, and comprised of a cover sheet, eleven (11) pages of text, and seven (7) exhibits labeled Exhibits A, A1, B, C, D, E, and F.

Ordinance O-2425-2

SECTION 3. All actions taken and all recommendations and findings made in connection with the Project Plan by the Planning Commission and the Review Committee are hereby ratified and confirmed, including, but not limited to, the designation and selection of representatives to the Review Committee by the City and each Taxing Entity, the selection of the three members of the public at large who serves on the Review Committee, the findings of conformance with the Norman 2025 Comprehensive Plan, eligibility of the proposed Increment Districts, financial impacts on the affected taxing jurisdictions, and the recommendations for approval.

SECTION 4. The boundaries of the Project Area, Increment District No. 4, and Increment District No. 5 of the Project Plan are described on Exhibit A of the Project Plan, and shown on Exhibit A1 of the Project Plan, and are hereby designated and adopted as follows:

Project Area, Increment District No. 4, and Increment District No. 5 Legal Description

A tract of land beginning in the West quarter of Section 13, and the East Half of Section 14, and the Northwest Quarter of Section 24, and the Northeast Quarter of Section 23, all in Township 9 North, Range 3 West of Indian Meridian, Norman, Cleveland County, Oklahoma, and being more particularly described as follows: Beginning at the northeast corner of Thedford Addition, Norman, Cleveland County, Oklahoma; Thence south 639.11'; Thence west 660', said point being the northeast addition corner of University North Park XVII Addition; Thence south 503.88'; Thence south 89 degrees west 596.33'; Thence south 3182' along the east right-of-way line of Interstate 35; Thence east 190'; Thence south 81 degrees east 495'; Thence south 84 degrees east 65'; Thence south 180' to a point on north right-of-way line of Rock Creek Road; Thence south 32 degrees east 73.54'; Thence south 250'; Thence west 159.49'; Thence south 23 degrees west 54.45'; Thence west 162.29; Thence south 86.29'; Thence south 67 degrees east 401'; Thence north 22 degrees east 141.19'; Thence north 42.18', to a point being southwest corner of lot 1A Block 1, University North Park Section VI; Thence east 433.4'; Thence north 14 degrees east 14.89'; Thence south 76 degrees east 184.16'; Thence east 41.09'; Thence north 65', said point being northwest corner lot 6A block 1 University North Park section VI; Thence south 87degrees east 430' to a point on east right-of-way line NW 24th Ave; Thence on a non-tangent curve to the right R=1965.41' cord bearing south 14 degrees west 750' to a point being the Southwest corner of lot 1 block 3 of University North Park Section XXI; Thence south 87 degrees east 333.87'; Thence south 70 degrees east 234.39'; Thence north 1 degree east 842.87'; Thence south 89 degrees east 539.59'; Thence north 1635.98'; Thence west 559.68'; Thence north 7 degrees east 489.83'; Thence east 496.47'; Thence north 00 degrees, 38 minutes west 1741.56'; Thence west 470'; Thence north along a curve to the east, having a radius of 936.15' a distance of 600.12'; Thence north 260'; Thence east 233'; Thence north 158.45'; Thence west 233'; Thence north 173.29'; Thence west 1330', to the point of beginning. AND A tract of land lying in the northwest corner of Section 13, and the Northeast Quarter of Section 14, all in Township 9 North, Range 3 West of Indian Meridian, Norman, Cleveland County, Oklahoma, and being more particularly described as follows: University

Ordinance O-2425-2

North Park Professional Center Lot 1 Block 1

AND LESS AND EXCEPT Two tracts of land lying in the East half of Section 14, in Township 9 North, Range 3 West of Indian Meridian, Norman, Cleveland County, Oklahoma, and being more particularly described as follows: University North Park Section XIV Lot 1 Block 1 and University North Park Section XVI Lot 1 Block 1.

SECTION 5. The City Council hereby finds and determines:

1. The Project Area and the proposed Increment Districts “4” and “5” proposed in the Rock Creek Entertainment District Project Plan are entirely within a state designated enterprise zone and therefore meet the definition of an “enterprise area” under the Local Development Act (62 O.S. § 853(5), (6)). Enterprise Areas qualify for use of the tools of the Local Development Act pursuant to 62 O.S. §856(B)(4)(a).
2. The improvement of the Project Area is likely to enhance the value of other real property in the area and to promote the general public interest.
3. The level of investment, development, and economic growth desired by the City is difficult, but possible, within the Project Area if the provisions of the Local Development Act are utilized.
4. The use of tax increment financing proposed in the Rock Creek Entertainment District Project Plan is a necessary component in stimulating the proposed investment in the Project Area and Increment Districts, which would not have occurred without tax increment financing pursuant to the Act.
5. The aggregate net assessed value of the taxable property in all increment districts within Norman does not exceed twenty-five percent (25%) of the total net assessed value of taxable property within Norman.
6. The aggregate net assessed value of the taxable property in all increment districts within Norman does not exceed twenty-five percent (25%) of the total net assessed value of any affected school districts located within Norman.
7. The land area within all increment districts within Norman does not exceed twenty-five percent (25%) of the total land area of the City.

SECTION 6. Increment District No. 4, a sales tax increment district, is hereby created as of May 1, 2025.

Ordinance O-2425-2

SECTION 7. Increment District No. 5, an ad valorem increment district, is hereby created as of December 31, 2026.

SECTION 8. The following Project and Increment District authorizations are hereby approved:

A. The City of Norman is designated as the principal entity responsible for implementation and is authorized to carry out and administer the provisions of the Project Plan and to exercise all powers necessary or appropriate thereto pursuant to Section 854 of the Act, including the power to make minor amendments to the Project Plan in accordance with Section 858(D) of the Act;

B. The Norman Tax Increment Finance Authority, a public trust with the City as its sole beneficiary, shall have the authority to carry out certain provisions of the Project Plan, including all necessary, appropriate, and supporting steps described in the Project Plan, as well as the authority to exercise all powers necessary or appropriate thereto pursuant to Section 854 of the Act except for approval of the Project Plan and those powers enumerated in paragraphs 1, 2, 3, 4, 7, 13, and 16 of Section 854 of the Act; and

C. The City Manager, Darrel Pyle, or his successor in office, shall be the person in charge of implementation of the Project Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained in the Project Plan.

SECTION 9. The increment of the City’s sales and use taxes generated by Increment District No. 4 is a portion of the City’s non-dedicated and capital improvements sales tax attributable to investment and development within Increment District No. 4. The sales tax increment shall be 3% of the gross proceeds or gross receipts derived from all sales in Increment District No. 4 that are taxable under the sales tax code of Oklahoma (including any and all amendments thereto and revisions thereof), to be collected only from the non-dedicated (General Fund) and Capital Improvements portions of the City’s sales taxes. The sales tax increment shall also include 3% of the gross proceeds or gross receipts generated by investment, construction, and development that is taxable under the sales tax code of Oklahoma, that takes place in Increment District No. 4 pursuant to a development agreement under which development financing assistance is provided from sales tax (“Economic Development Agreement”) and which obligates the developer to provide periodic reporting of sales and use taxes paid in connection with construction projects within Increment District No. 4 (increment sales tax from taxable sales and from construction activity, collectively, “Sales Tax Increment”). The Sales Tax Increment may be used to pay Project Costs authorized pursuant to Section IX of this Project Plan, for a period not to exceed 25 fiscal years from the effective date of Increment District No. 4, or the period required for payment of the Project Costs authorized pursuant to Section IX of this Plan, whichever is less. The Sales Tax Increment may be supplemented by state local government matching payments pursuant to the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. § 840, *et seq.* (“Leverage Act”).

Ordinance O-2425-2

SECTION 10. The increment of ad valorem taxes from Increment District No. 5 in excess of the base assessed values of Increment District No. 5 (“Ad Valorem Increment”) shall be apportioned to pay Project Costs authorized pursuant to Section IX of this Project Plan for a period not to exceed 25 fiscal years from the effective date of Increment District No. 5, or the period required for the payment of the Project Costs authorized pursuant to Section IX of this Project Plan, whichever is less.

SECTION 11. During the period of apportionment, the apportionment fund (1) shall be available to pay Project Costs under Section IX of the Project Plan, (2) shall constitute special funds of the Norman Tax Increment Finance Authority (“Authority”), and (3) shall not be subject to annual appropriation as a part of the General Fund of the City.

SECTION 12. The Project Plan is determined to be feasible and desirable and is hereby approved.

SECTION 13. REPEALER. All Ordinances or parts of Ordinances in conflict with this Ordinance are hereby repealed to the extent of the conflict only.

SECTION 14. SEVERABILITY. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional, such portion shall not affect the validity of the remaining portions of this Ordinance.

PASSED AND APPROVED in an open meeting of the City Council of Norman, Oklahoma on the ____ day of _____, 2024.

CITY OF NORMAN

By: _____
Larry Heikkila, Mayor

ATTEST:

Brenda Hall, City Clerk
(SEAL)

ROCK CREEK ENTERTAINMENT DISTRICT PROJECT PLAN

PREPARED BY:

THE CITY OF NORMAN, OKLAHOMA



I. DESCRIPTION OF PROJECT

The Rock Creek Entertainment District Project Plan is a project plan as defined under the Oklahoma Local Development Act, 62 O.S. § 850, *et seq.* (“Act”), and is referred to here as the “Project Plan.” The Project is being undertaken by the City of Norman, Oklahoma (“City”) to develop an area of town that has remained largely undeveloped. By developing the property with uses including office, retail, hotel, and residential, anchored by a multi-purpose arena and public plaza (“Project”), the City’s hope is to incentivize private investment in this area of the City, which abuts Interstate 35. The development will help achieve some of the City’s development objectives, improve the quality of life for its citizens, stimulate private investment, and enhance the tax base. The Project includes the development of a multi-purpose arena to be used by the University Oklahoma basketball and gymnastics teams and as the venue for high school and other sports activities as well as concerts and other performances. The development also includes commercial and retail uses with restaurants and bars and a public festival plaza street, a public parking garage, as well as over 1000 residential units.

In 2006, the City approved a project plan and created an increment district for an area that includes the property where the Project is contemplated, as well as property immediately to the south (respectively, “Original UNP Project Plan” and “Original UNP Project” or “TIF No. 2”). The Original UNP Project resulted in a large retail development, one that generates more visits than any other retail center in central Oklahoma and \$13,400,000 in estimated annual sales tax revenue. Certain components of the Original UNP Project were left unrealized. In 2018, the City explored an amendment to the Original UNP Project to provide public financial assistance towards an arena and entertainment district. That amendment did not move forward; the proposal was tabled. At that time, the City, by approval of Ordinance O-1920-24, also terminated the apportionment of new incremental tax revenues for TIF No. 2, which was created in the adoption of the Original UNP Project Plan and amended the authorized projects for which incremental tax revenues could be used.¹

The opportunity for an arena and entertainment district has presented itself again, along with significant residential development. The City is positioned to pursue its development objectives, capitalize on the retail development immediately adjacent, and complete the development of the area through the approval and implementation of the Project.

This Project Plan is a critical element in fostering public-private partnerships to make the Project happen and can be achieved by means of the financing tools available under the Act, including the establishment of an increment district. An increment district provides funding for public sector costs to stimulate the development and provide public improvements to the area. The Project will be financed from a combination of public and private sources.

II. BOUNDARIES OF PROJECT AREA AND INCREMENT DISTRICTS

The Project Area is the area in which Project activities will take place and Project expenditures may be made and can be generally described as the area between Interstate 35 on the west, the western edge of the Westheimer Airport on the east, Tecumseh Road on the north, and just south of Rock Creek Road on the south.

¹ As of the date of this Project Plan, there remain unexpended incremental tax revenues from TIF No. 2 that may still be used for eligible project costs described in the Original UNP Project Plan.

The increment districts are the area in which incremental tax revenues will be collected. Increment District No. 4 is a sales tax increment district and will become effective on May 1, 2025. Increment District No. 5 is an ad valorem increment district and will become effective on December 31, 2026. The boundaries of Increment District No. 4 and Increment District No. 5 are coextensive with the boundaries of the Project Area.

The legal description of the Project Area, Increment District No. 4, and Increment District No. 5 is provided in Exhibit A and boundaries are depicted on Exhibit A-1.

III. ELIGIBILITY OF PROJECT AREA

In order to establish a tax increment district, Section 856(B)(4)(a) of the Act requires the City to find that the proposed Project Area or Increment Districts meets one of the following criteria:

- (1) Is a reinvestment area,
- (2) Is a historic preservation area,
- (3) Is an enterprise area, or
- (4) Is a combination of the areas specified in divisions (1), (2) and (3) of this subparagraph.

All of Increment District No. 4, Increment District No. 5, and the Project Area lie within a state-designated enterprise zone, and therefore qualifies as an enterprise area. A map showing the enterprise zone boundaries is attached as Exhibit B.

IV. OBJECTIVES

The principal objectives of the Project are:

- A. To retain or expand employment, to attract major investment in the area, and reverse economic stagnation.
- B. To preserve and enhance the tax base and make possible investment, development, and economic growth that would otherwise be difficult without the Project and the apportionment of incremental tax revenues.
- C. To stimulate private commitments to invest and reinvest in the area.

V. STATEMENT OF PRINCIPAL ACTIONS

Implementation actions for the Project, including all necessary, appropriate, and supportive steps, will consist principally of providing financial assistance toward the following:

- A. Project planning, design, and approval.
- B. Construction of public improvements, streets, streetscapes, utilities and other public infrastructure and facilities serving the Project Area, including appropriate landscape improvements, a public festival plaza, lighting, signage, and sidewalks serving the area.
- C. Support of the Project, which redevelops and activates vacant property.

VI. ESTABLISHMENT OF INCREMENT DISTRICTS

A. This Project Plan establishes Increment District No. 4, a sales tax increment district, which will become effective on May 1, 2025. The increment of the City's sales and use taxes generated by Increment District No. 4 is a portion of the City's non-dedicated and capital improvements sales tax attributable to investment and development within Increment District No. 4. The sales tax increment shall be 3% of the gross proceeds or gross receipts derived from all sales in Increment District No. 4 that are taxable under the sales tax code of Oklahoma (including any and all amendments thereto and revisions thereof), to be collected only from the non-dedicated (General Fund) and Capital Improvements portions of the City's sales taxes. The sales tax increment shall also include 3% of the gross proceeds or gross receipts generated by investment, construction, and development that is taxable under the sales tax code of Oklahoma, that takes place in Increment District No. 4 pursuant to a development agreement under which development financing assistance is provided from sales tax ("Economic Development Agreement") and which obligates the developer to provide periodic reporting of sales and use taxes paid in connection with construction projects within Increment District No. 4 (increment sales tax from taxable sales and from construction activity, collectively, "Sales Tax Increment"). The Sales Tax Increment may be used to pay Project Costs authorized pursuant to Section IX of this Project Plan, for a period not to exceed 25 fiscal years from the effective date of Increment District No. 4, or the period required for payment of the Project Costs authorized pursuant to Section IX of this Plan, whichever is less. The Sales Tax Increment may be supplemented by state local government matching payments pursuant to the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. § 840, *et seq.* ("Leverage Act").

B. This Project Plan establishes Increment District No. 5, an ad valorem increment district. Increment District No. 5 will become effective on December 31, 2026.

C. The increment of ad valorem taxes from Increment District No. 5 in excess of the base assessed values of Increment District No. 5 ("Ad Valorem Increment") shall be apportioned to pay Project Costs authorized pursuant to Section IX of this Project Plan for a period not to exceed 25 fiscal years from the effective date of Increment District No. 5, or the period required for the payment of the Project Costs authorized pursuant to Section IX of this Project Plan, whichever is less.

D. During the period of apportionment, the apportionment fund (1) shall be available to pay Project Costs under Section IX, (2) shall constitute special funds of the Norman Tax Increment Finance Authority ("Authority"), and (3) shall not be subject to annual appropriation as a part of the General Fund of the City.

VII. OVERSIGHT AND APPROVAL OF INCREMENTAL TAX REVENUES FOR PROJECT COSTS

A. Oversight Procedures.

Prior to expenditure of funds from the Increment Districts established under this Project Plan, the proposed development and budgetary allocation of increment shall be considered and approved in accordance with the procedures contained in this Section VII.

B. Initiation of the Consideration and Approval Process.

Initiation of the consideration and approval process for expenditures within the Project Area shall be undertaken by City staff, acting under such procedures as the City may prescribe from time to time.

C. City and Authority Approval.

All budgetary allocations and expenditures of funds from the Increment Districts established under this Project Plan shall be approved by the City Council or, subject to legally sufficient delegation by City Council, the board of trustees of the Authority.

VIII. PROJECT AND INCREMENT DISTRICTS AUTHORIZATIONS

A. The City of Norman is designated and authorized as the principal public entity to carry out and administer the provisions of this Project Plan and to exercise all powers necessary or appropriate thereto as provided in the Act, 62 O.S. § 854.

B. The Authority is authorized and designated to carry out those provisions of the Project Plan related to issuance of bonds or notes as provided in Section 863 of the Act, subject to approval of the governing body of the City of any specific notes or bonds. The Authority is authorized to assist in carrying out this Project Plan and to exercise all powers necessary or appropriate thereto pursuant to Section 854 of the Act, except for approval of this Project Plan and those powers enumerated in paragraphs 1, 2, 3, 4, 7, 13 and 16 of Section 854, which are reserved by the City. As a public entity designated by the City, the Authority is authorized to: (1) issue tax apportionment bonds or notes, or both; (2) incur Project Costs, pursuant to Section IX of this Project Plan; (3) provide funds to or reimburse the City for the payment of Project Costs; (4) incur the cost of issuance of bonds for payment of such costs and to accumulate appropriate reserves, if any, in connection with them; and (5) enter into an Economic Development Agreement with the Project's developer for the provision of Assistance in Development Financing. Project Costs shall mean (a) the public costs authorized to be paid by apportioned tax increments pursuant to Section IX of this Project Plan, and (b) costs necessary or appropriate to implement this Project Plan other than costs authorized by Section IX, which may be authorized without amendment to this Project Plan.

C. Darrel Pyle, City Manager, or his successor in office, or his designee shall be the person in charge of implementation of the Project Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained in this Project Plan. The City Manager or his designee is authorized to empower one or more designees to exercise responsibilities in connection with Project implementation.

IX. BUDGET OF ESTIMATED PROJECT COSTS TO BE FINANCED BY TAXES APPORTIONED FROM THE INCREMENT DISTRICTS

A. The Project Costs that will be financed by the apportionment of incremental tax revenues from Increment District No. 4 and Increment District No. 5 are:

1. Generally.

The costs to incur or to be incurred by the City and the Authority in implementing and administering this Project Plan, including, but not limited to, payment and/or reimbursement of costs advanced in connection with the preparation and approval of this Project Plan, administrative costs, organizational costs, professional services costs, and financing costs and fees.

2. Authorized Project Cost Limits.

Authorized Project Costs include Assistance in Development Financing and Administration/Implementation. The amount of Assistance in Development Financing shall not exceed \$600,000,000. The amount of Administration/Implementation shall not exceed \$200,000 annually and \$5,000,000 total. The amount of total authorized collections and expenditures are \$600,000,000. The Maximum Authorized Collections/Expenditures and the amounts authorized for each individual Project Cost Budget category are based on the maximum amount of Assistance in Development Financing to be authorized by an Economic Development Agreement between the Authority and the Project's developer, which will provide for the Project's developer and its development partners to shoulder the full cost and financing risk toward the Project's construction, development, and operations, and will provide such Assistance in Development Financing solely as a pay-as-you-go contractual obligation from generated incremental tax revenues and supplemental funds from the State of Oklahoma, as more specifically outlined in subparagraph 3 below.

3. Assistance in Development Financing.

Assistance in Development Financing consists of amounts paid to the Project's developer to incentivize the Project and shall be limited to an amount equal to 100% of the Ad Valorem Increment less an amount equal to the lesser of (i) 2% of the Ad Valorem Increment, or (ii) \$200,000, per year, which shall be retained by the Authority for Administrative/Implementation costs described in subparagraph 2 until the maximum level of Administration/Implementation costs described in subparagraph 2 has been reached, and 100% of the Sales Tax Increment, all of which shall not exceed the lesser of (a) the maximum amount of Assistance in Development Financing listed in subparagraph 2 above or (b) the amount necessary, in combination with 100% of any potential state local government matching payments received from the State of Oklahoma pursuant to the Leverage Act ("Leverage Act Payments"), for the Project's developer and its development partners to finance \$230,000,000 in private development and public infrastructure costs. Leverage Act Payments will be supplemental and in addition to the maximum amount listed in authorized Project Cost limits in subparagraph 2 above, but will be applied to the private financing assistance cap described in (b) of this subparagraph. Any amounts of Assistance in Development Financing and Leverage Act Payments that are paid to the Project's developer in excess of the amounts necessary to make the Project's developer's financing payments annually are anticipated to be paid toward the outstanding principal on such financing, and any accumulated funds in any required reserve account remaining unexpended toward such financing when such financing is retired will either be applied toward the costs of paying off such financing or else will be returned to the Authority for distribution to the affected taxing entities as specific revenue source payments in proportion to the sales and ad valorem levies that contributed to the payments.

4. Administration/Implementation.

Authorized administration and implementation costs consist of direct administrative costs (including reasonable charges for time spent by City and Authority employees in connection with this Project Plan), organizational costs, and other incidental costs involved with creating and publicizing the consideration of this Project Plan, Increment District No. 4, and Increment District No. 5. Administration and implementation costs shall be limited to the lesser of (i) 2% of the Ad Valorem Increment, or (ii)

\$200,000, per year, which shall be retained by the Authority for Administrative/Implementation costs described in subparagraph 2.

B. The incremental tax revenues expected to be generated from the Increment Districts and authorized for payment of Project Costs within the Project Area are as follows:

Increment District No. 4	\$151,000,000
Increment District No. 5	\$389,000,000

The amounts set forth above in this Section IX(B) are estimated collections and not limits on increment collections from Increment District No. 4 or Increment District No. 5. Increment collections will be limited only to such amounts as needed to pay all project costs described in Section IX.A.2.

Incremental tax revenues are anticipated to be supplemented by up to \$151,000,000 or more in potential Leverage Act Payments.

C. Additional costs necessary or appropriate to implement this Project Plan that are to be financed by other than apportioned Ad Valorem Increment and Sales Tax Increment may be approved by the City at any time. The provisions of this Section IX are not a limitation on Project Costs to be financed by other than apportioned Ad Valorem Increment and Sales Tax Increment.

X. FINANCING PLAN AND REVENUE SOURCES

A. Financing Plan.

The proposed private development is projected to generate tax increments necessary to pay authorized public costs of the Project. The financing of the projected private development in the area will be provided by private equity and debt financed by the Project's developer and its development partners and secured by the private development. It is anticipated that incremental tax revenues will be paid as Assistance in Development Financing once increments are generated by the Project. Such Assistance in Development Financing shall be paid in accordance with an Economic Development Agreement and are intended to provide up to \$230,000,000 in present value toward construction of an arena and a parking garage serving the arena and toward the costs of infrastructure to be dedicated to the public, which is anticipated to be comprised of approximately \$190,000,000 in present value toward construction of an arena and a parking garage serving the arena, both of which will be components of the Project, and approximately \$40,000,000 in present value toward the costs of infrastructure to be dedicated to the public. The Assistance in Development Financing is anticipated to be provided through a contractual obligation that provides such assistance on a pay-as-you-go basis. Neither the City nor the Authority intend to authorize or issue any public debt to finance any of the costs of the Project.

B. Financing Authorizations.

The implementation of the Project Plan shall be financed in accordance with financial authorizations, including both fund and asset transfers, as may be authorized from time to time by the City.

C. Financing Revenue Sources.

The revenue sources expected to finance Project Costs authorized by Section IX are the portion of the incremental tax revenue attributable to investment and development within Increment District No. 4 and Increment District No. 5. Project Costs will be paid by the City and/or the Authority.

D. Financial Reports and Audits.

The redevelopment activities undertaken by the City, pursuant to this Project Plan, shall be accounted for and reported by the appropriate and necessary annual fiscal year audits and reports.

E. Other Necessary and Supporting Costs.

The Authority is authorized to issue bonds and notes and to apply for and obtain grants from other sources for costs incurred or to be incurred in connection with the Project and the construction of improvements therein in addition to Project Costs to be financed pursuant to Section IX.

XI. ESTIMATED PRIVATE AND PUBLIC INVESTMENTS STIMULATED BY THE PROJECT, ASSOCIATED IMPACTS ON BUSINESS ACTIVITIES, AND FINANCIAL IMPACTS ON TAXING JURISDICTIONS

A. Estimated Private and Public Investment.

The total estimated investment in the Project is over \$1 billion, including the estimated public investment described in Section IX above. Private investment in the area is expected to consist of the Project and its various new residential, retail, office, commercial, arena, parking garage, and hotel development, along with necessary adjacent public improvements. The Project will be financed by the developer and the developer's partners. Public investment will include Assistance in Development Financing to contribute to the construction of the Project, including the arena, parking garage, infrastructure improvements, landscaping, and streetscape improvements.

B. Estimated Public Revenue.

The incremental tax revenues, which will serve as the revenue source for financing the Project Costs authorized by Section IX, is the public revenue directly attributable to the Project defined by establishment of Increment District No. 4 and Increment District No. 5. The City, the State, and other taxing entities should anticipate experiencing increases in tax revenues that are not a part of the incremental tax revenues. Incremental tax revenues are anticipated to be supplemented by potential Leverage Act Payments.

Incremental tax revenues anticipated to be collected and apportioned pursuant to this Project Plan are estimated to average \$30,000,000 annually upon build out. The public revenue anticipated includes increased tax revenue both inside and outside Increment District No. 4 and Increment District No. 5, as well as the potential Leverage Act Payments. The economic benefits of the Project Plan indicate positive financial impacts for the community as a whole. The aggregate impacts on the City from implementation of the Project Plan are positive and include the achievement of the objectives set forth in Section IV.

C. Impacts on Business Activities.

The Project is anticipated to increase business activity within the Increment Districts and Project Area by adding new businesses and residences. Measuring the specific impacts of the Project on business activities and the greater community is more difficult. An economic analysis commissioned by the Norman Economic Development Coalition and conducted by the Oklahoma Department of Commerce indicates that the Project will generate over 4,600 jobs and contribute over \$350 million per year to the state's Gross Domestic Product ("GDP") once the Project has been completed, and those figures would increase to upwards of 6,600 jobs and \$454 million in annual GDP during peak construction years. The Department of Commerce report indicates that job growth and GDP effects will not be limited to the City and will be seen in surrounding communities and the state as a whole. A copy of the Department of Commerce's report is attached to this Project Plan as Exhibit E.

Another report commissioned by the Cleveland County Industrial Development Authority and performed by Hunden Partners includes an analysis of the Project's market demand, feasibility, and economic impacts. Hunden Partners' report estimates a little over 1,000 direct jobs and approximately 800 additional indirectly-generated or induced jobs, all of which bring with it approximately \$1.8 billion in net new earnings over a 25-year period. In addition to employment impacts and related earnings, the Hunden Report also looked at net new consumer spending that the Project might generate, and concluded that direct, indirect, and induced new spending from the Project in Cleveland County as a whole would total over \$4.5 billion over 25 years. Hunden estimates that 17% of the direct on-site sales on the Project would be net new in Cleveland County, and most of that will be from recaptured spending that currently occurs in Oklahoma County. Hunden also estimates that 78% of new office tenants and 14% of the new prospective residents who will lease the residences proposed as part of the Project will be new to the County. A copy of the Hunden Partners report is attached to this Project Plan as Exhibit F.

D. Financial Impacts on Taxing Jurisdictions.

1. Norman Public Schools.

Norman Public Schools may experience growth in enrollment as a result of the Project's employment, new residences, and the ancillary economic impacts from the Project. The financial impacts of this enrollment growth may be mitigated by the fact that only 14% of the proposed residents in the residential components of the Project will be new to Cleveland County (according to the Hunden report). Depending on from where in Cleveland County the other 86% of the new residents will be relocating, the overall growth levels may be minimal or significant. The table below shows estimated scenarios for new enrollment and corresponding new/increased State School Aid in Year 10 of the Project (i.e., upon Project buildout and stabilization), based on how many new residents may relocate to the Project from within or outside of Norman Public Schools' jurisdiction:²

² Assumptions: (a) residential units would add residents at the average household size for the City of Norman per U.S. Census (2.4 persons per household) and those residents would include a percentage population under age 18 equal to the City of Norman's demographics according to the U.S. Census; (b) state appropriations for State Aid would start at 2023-2024 levels and increase 2% annually; (c) post-stabilization occupancy rate will be 93% listed in Hunden Partners Report.

Year 10:	14% Residents New to NPS³	25% Residents New to NPS⁴	40% Residents New to NPS⁵
– New Enrollment	95	171	273

Norman Public Schools should anticipate an increase in non-sinking fund ad valorem tax revenue of approximately \$7,900,000 annually upon termination of Increment District No. 5. Assuming no major changes in the Oklahoma State School Aid formula and no major shifts in Norman Public Schools’ ratio of ad valorem valuation to student population at that time, the State Aid formula will offset approximately 79% of that new non-sinking fund ad valorem tax revenue, resulting in a net increase of non-sinking fund revenue to the school district of approximately \$1,680,000 annually.

2. Cleveland County.

A demand for increased services from Cleveland County is anticipated to result from the Project. Projections show new ad valorem tax revenue to the County upon completion of the Project and expiration of Increment District No. 5 of approximately \$1,900,000 annually. Additional ad valorem and sales tax revenues for the County may be generated by increased consumer spending and GDP growth anticipated to be observed within Cleveland County due to the Project.

3. Cleveland County Health Department.

Demand for increased services from the Cleveland County Health Department (“CCHD”) anticipated to result from the Project are not quantifiable at present, but some may be anticipated. Projections show that CCHD should anticipate receiving additional operational ad valorem revenue annually approximating \$495,000 upon termination of Increment District No. 5, not including any ad valorem tax revenue growth from new residential and commercial construction that will occur outside of the Project but within CCHD’s jurisdiction as a result of increased GDP experienced in the County.

4. Moore Norman Technology Center.

Demand for increased services from Moore Norman Technology Center (“MNTC”) anticipated to result from the Project are not quantifiable at present, but some may be anticipated. Opportunities for complementary job training programs (including, but not limited to construction-related trades) may be utilized through the public and private construction projects anticipated. In addition, MNTC should anticipate receiving approximately \$2,900,000 in non-sinking fund ad valorem tax revenue annually upon Increment District No. 5’s termination, not including any ad valorem revenue growth from new residential and commercial construction that will occur outside of the Project as a result of increased GDP experienced in MNTC’s jurisdiction.

³ Minimum number of new residents, based on number of residents anticipated to be new to Cleveland County in Hunden Partners report.

⁴ Includes minimum number of residents new to Cleveland County from the Hunden Partners report, plus an additional 11% of new residents moving to the Project from outside of Norman Public Schools jurisdiction.

⁵ Includes minimum number of residents new to Cleveland County from the Hunden Partners report, plus an additional 26% of new residents moving to the Project from outside of Norman Public Schools jurisdiction.

5. Pioneer Multi-County Library System.

Demand for increased services from Pioneer Multi-County Library System (“Pioneer Library”) anticipated to result from the Project are not quantifiable at present, but some may be anticipated. Pioneer Library should anticipate receiving approximately \$1,100,000 in non-sinking fund ad valorem tax revenue annually upon Increment District No. 5’s termination, not including any ad valorem revenue growth from new residential and commercial construction that will occur outside of the Project as a result of increased GDP experienced in Pioneer Library’s jurisdiction.

6. City of Norman.

The Project likely has the largest impacts on the City. As stated in Section VI(B) herein, the Sales Tax Increment is 3% of the City’s sales tax revenue, which includes only the non-dedicated (General Fund) and Capital Improvement portions of the City’s sales tax rate. The City’s sales tax projections show over \$32 million in City sales taxes generated over the life of Increment District No. 4 that will not be increment—\$23.2 million each to the City’s Public Safety fund, \$3.3 million to Norman Forward funds,⁶ and \$5.8 million to the City’s Public Transit fund. The hotel component of the Project is also anticipated to generate \$8 million in hotel occupancy taxes to the City over the 25-year life of Increment District No. 4, which will not be apportioned as increment.

The Hunden Partners report indicates that 17% of the retail anticipated to be generated by the Project will be net new to Cleveland County. It is unknown at this time how much additional retail activity will result from activity new to the City from other locations within Cleveland County, though it is worth noting that, aside from the retail sales from the Lloyd Noble Center that would take place instead at the new arena, the concept provided for the Project indicates that nearly all of the retail is anticipated to be small-scale stores and entertainment businesses, not major retail outlets. The Project’s developer or its affiliate also owns a significant portion of the University North Park shopping center immediately to the south of the Project and has a strong incentive to avoid cannibalization from or relocation of existing retailers.

It is anticipated that additional sales tax revenues outside of the Project Area will be generated because of the Project due to the increased gross domestic product, consumer spending, and local earnings from the Project. The Hunden Partners report and the Department of Commerce report do not quantify those indirect impacts, however. The Hunden Partners report indicates that the Project will generate \$608 million in City of Norman taxes over 25 years.

Upon completion, the City will become responsible for maintenance of all new public infrastructure and improvements anticipated to be constructed by the Project, in addition to providing police, fire, parks, and other general municipal services to serve the Project. It is anticipated that the arena will operate independently of the City, with no direct revenue or expense impacts on City operational funds. Additionally, a portion of the costs associated with the maintenance of certain infrastructure, improvements, and transportation may be borne by an improvement district created under the Oklahoma Improvement District Act, 11 O.S. § 39-101, *et seq.*, covering the Project Area, or by a property owners’ association or other mechanism.

⁶ Norman Forward is set to sunset in 2030. If the voters elect to reenact or renew it beyond that date, additional revenues will be available.

XII. LAND USE

Existing uses and conditions of real property in the Project Area are shown on the map attached as Exhibit C. The proposed improvements to and the proposed uses of the real property in the Project Area are shown on Exhibit D.

XIII. MISCELLANEOUS PROVISIONS

An amendment to the existing Planned Unit Development (Ordinance O-2122-21) is necessary to accommodate this Project, and an application to amend is pending as of the date of this Project Plan. Property owners are responsible for all required zoning changes necessary to accommodate the Project. This Project Plan complies with the objectives and priorities of the Norman 2025 Plan, the City's Comprehensive Plan.

EXHIBIT A
PROJECT AREA, INCREMENT DISTRICT NO. 4, AND INCREMENT DISTRICT NO. 5
LEGAL DESCRIPTION

A tract of land beginning in the West quarter of Section 13, and the East Half of Section 14, and the Northwest Quarter of Section 24, and the Northeast Quarter of Section 23, all in Township 9 North, Range 3 West of Indian Meridian, Norman, Cleveland County, Oklahoma, and being more particularly described as follows:

Beginning at the northeast corner of Thedford Addition, Norman, Cleveland County, Oklahoma;

Thence south 639.11';

Thence west 660', said point being the northeast addition corner of University North Park XVII Addition;

Thence south 503.88';

Thence south 89 degrees west 596.33';

Thence south 3182' along the east right-of-way line of Interstate 35;

Thence east 190';

Thence south 81 degrees east 495';

Thence south 84 degrees east 65';

Thence south 180' to a point on north right-of-way line of Rock Creek Road;

Thence south 32 degrees east 73.54'

Thence south 250';

Thence west 159.49';

Thence south 23 degrees west 54.45';

Thence west 162.29;

Thence south 86.29';

Thence south 67 degrees east 401';

Thence north 22 degrees east 141.19';

Thence north 42.18', to a point being southwest corner of lot 1A Block 1, University North Park Section VI;

Thence east 433.4';

Thence north 14 degrees east 14.89';

Thence south 76 degrees east 184.16';

Thence east 41.09';

Thence north 65', said point being northwest corner lot 6A block 1 University North Park section VI;

Thence south 87 degrees east 430' to a point on east right-of-way line NW 24th Ave;

Thence on a non-tangent curve to the right R=1965.41' cord bearing south 14 degrees west 750' to a point being the southwest corner of lot 1 block 3 of University North Park Section XXI;

Thence south 87 degrees east 333.87';

Thence south 70 degrees east 234.39';

Thence north 1 degree east 842.87';

Thence south 89 degrees east 539.59';

Thence north 1635.98';

Thence west 559.68';

Thence north 7 degrees east 489.83';

Thence east 496.47';

Thence north 00 degrees, 38 minutes west 1741.56';

Thence west 470';

Thence north along a curve to the east, having a radius of 936.15' a distance of 600.12';

Thence north 260';

Thence east 233';

Thence north 158.45';

Thence west 233';

Thence north 173.29';

Thence west 1330', to the point of beginning.

AND

A tract of land lying in the northwest corner of Section 13, and the Northeast Quarter of Section 14, all in Township 9 North, Range 3 West of Indian Meridian, Norman, Cleveland County, Oklahoma, and being more particularly described as follows:

University North Park Professional Center Lot 1 Block 1

LESS AND EXCEPT

Two tracts of land lying in the East half of Section 14, in Township 9 North, Range 3 West of Indian Meridian, Norman, Cleveland County, Oklahoma, and being more particularly described as follows:

University North Park Section XIV Lot 1 Block 1 and University North Park Section XVI Lot 1 Block 1

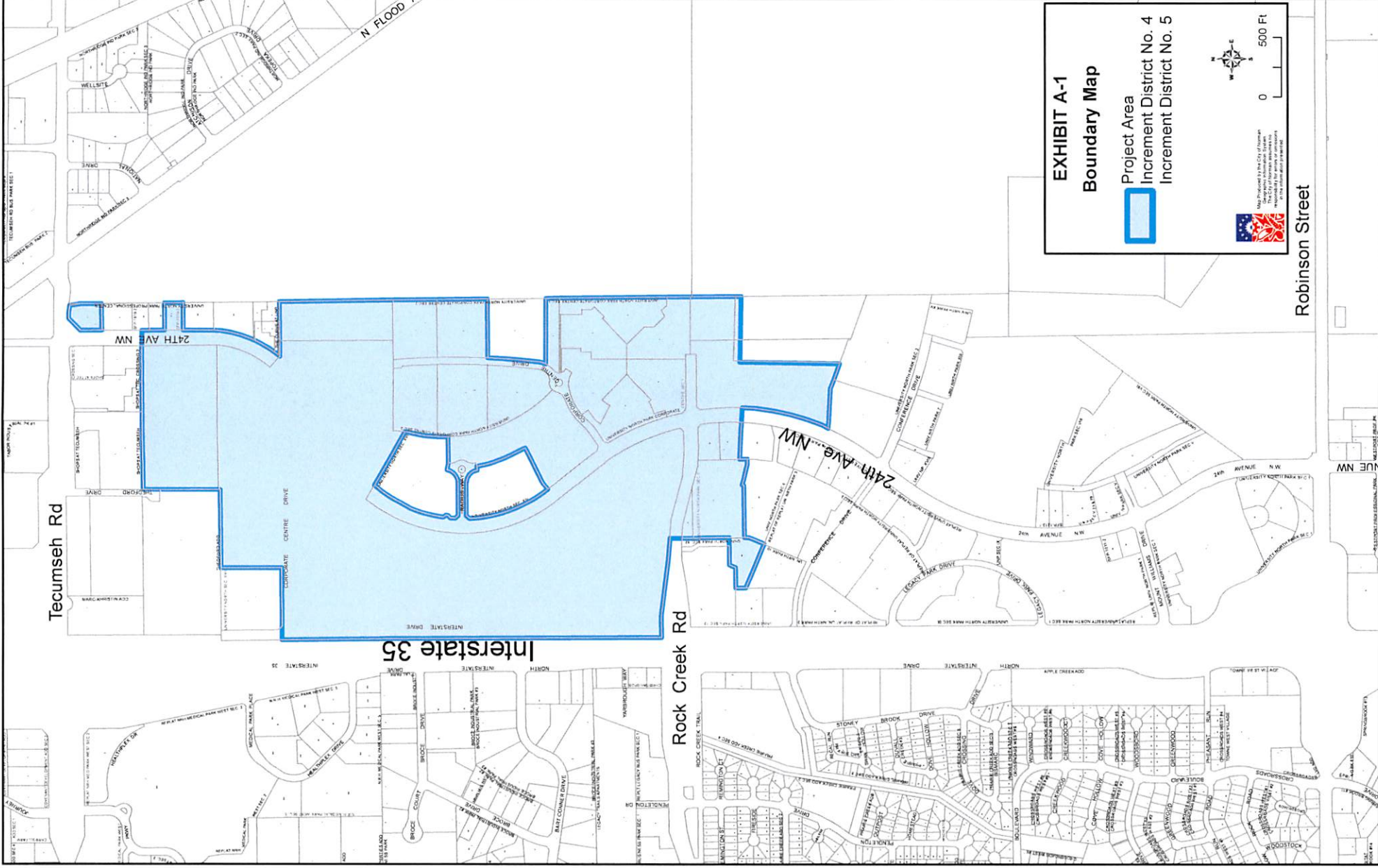
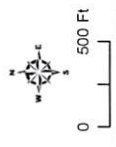


EXHIBIT A-1
Boundary Map

Project Area
Increment District No. 4
Increment District No. 5



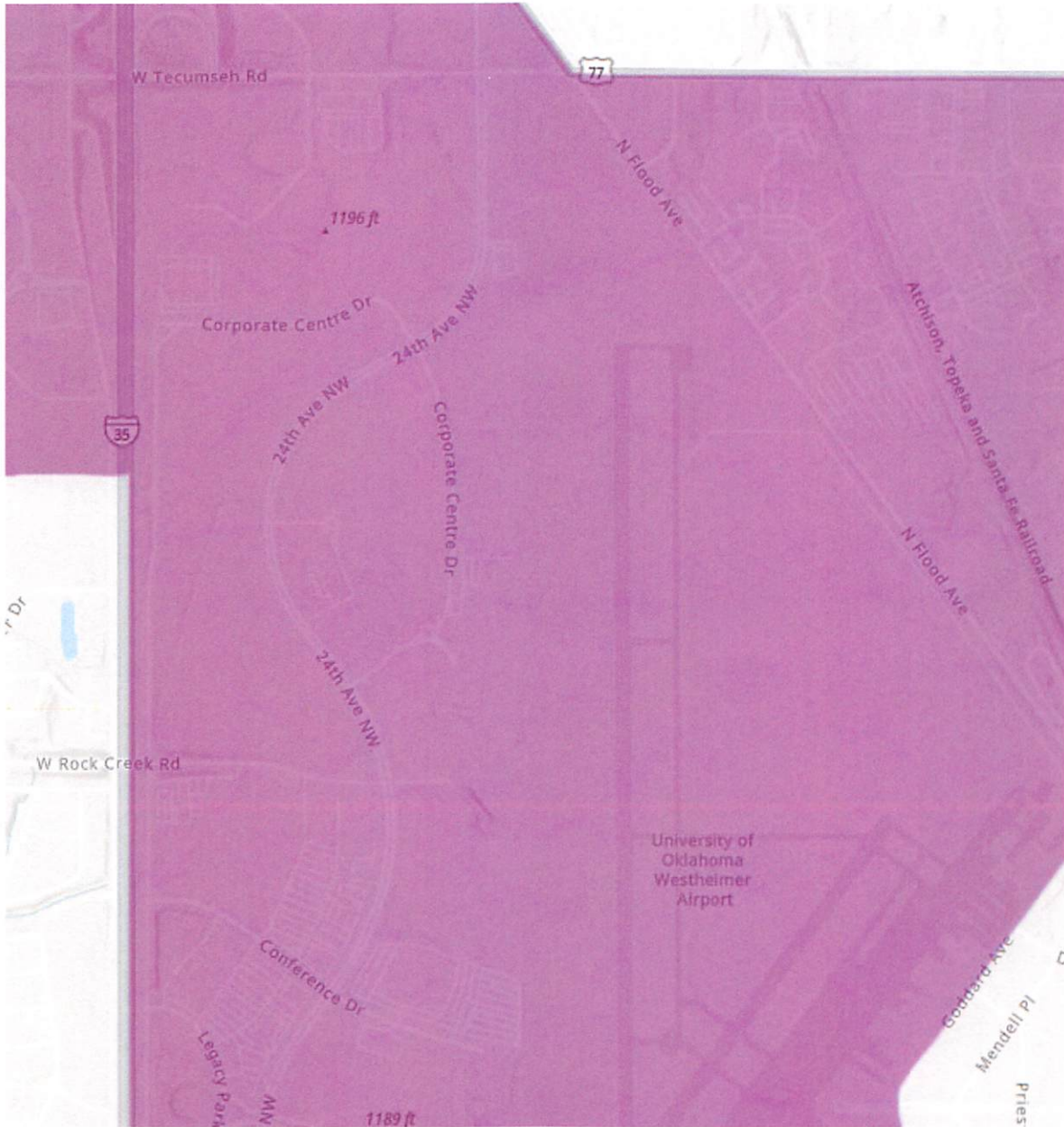
Map provided by the City of Provo
The City of Provo makes no
warranty or representation
regarding the accuracy of the
information shown on this map.



Robinson Street

EXHIBIT B

ENTERPRISE ZONE BOUNDARY MAP



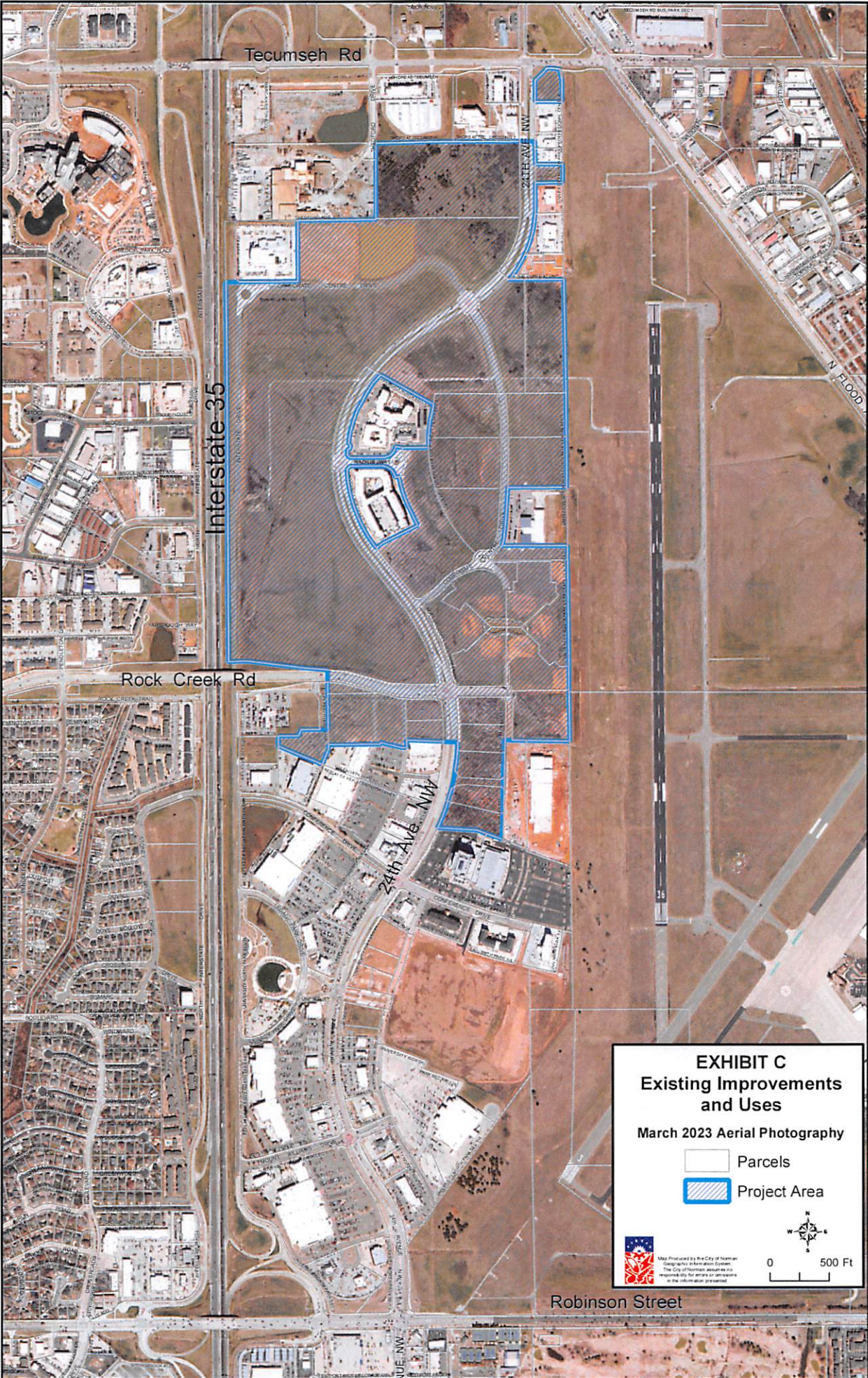

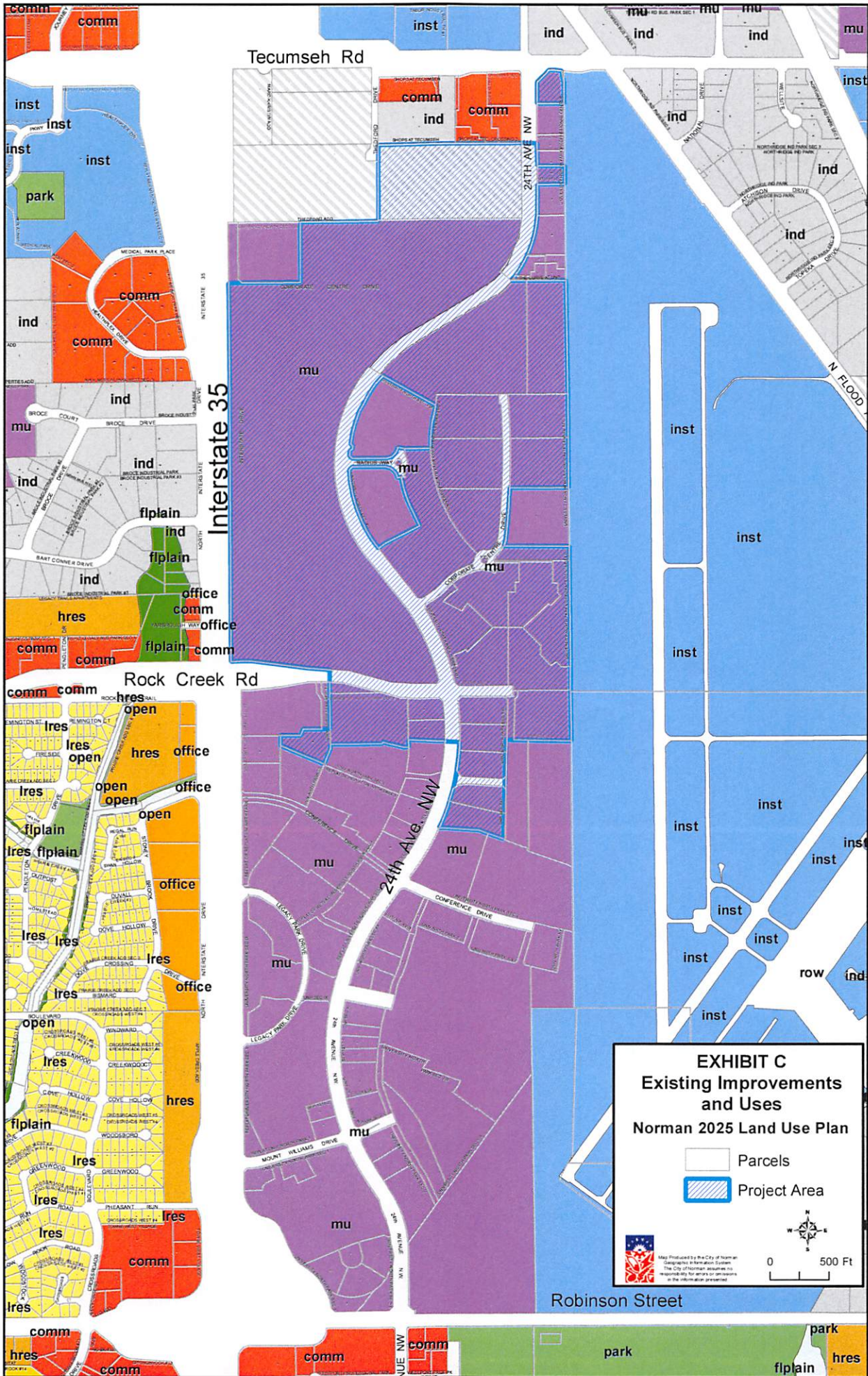


EXHIBIT C
Existing Improvements
and Uses
 March 2023 Aerial Photography

Parcels
 Project Area


 0 500 Ft



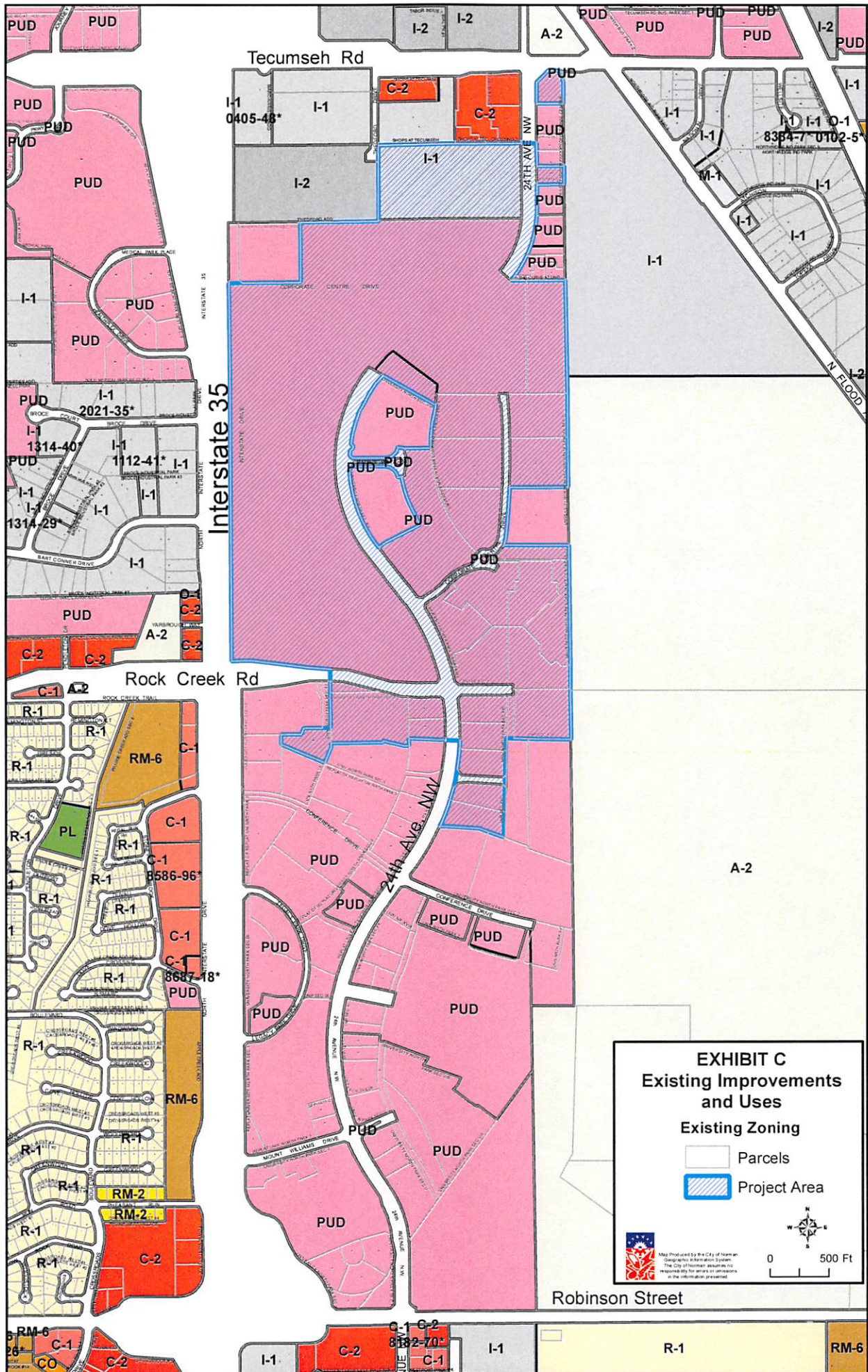


EXHIBIT C
Existing Improvements and Uses

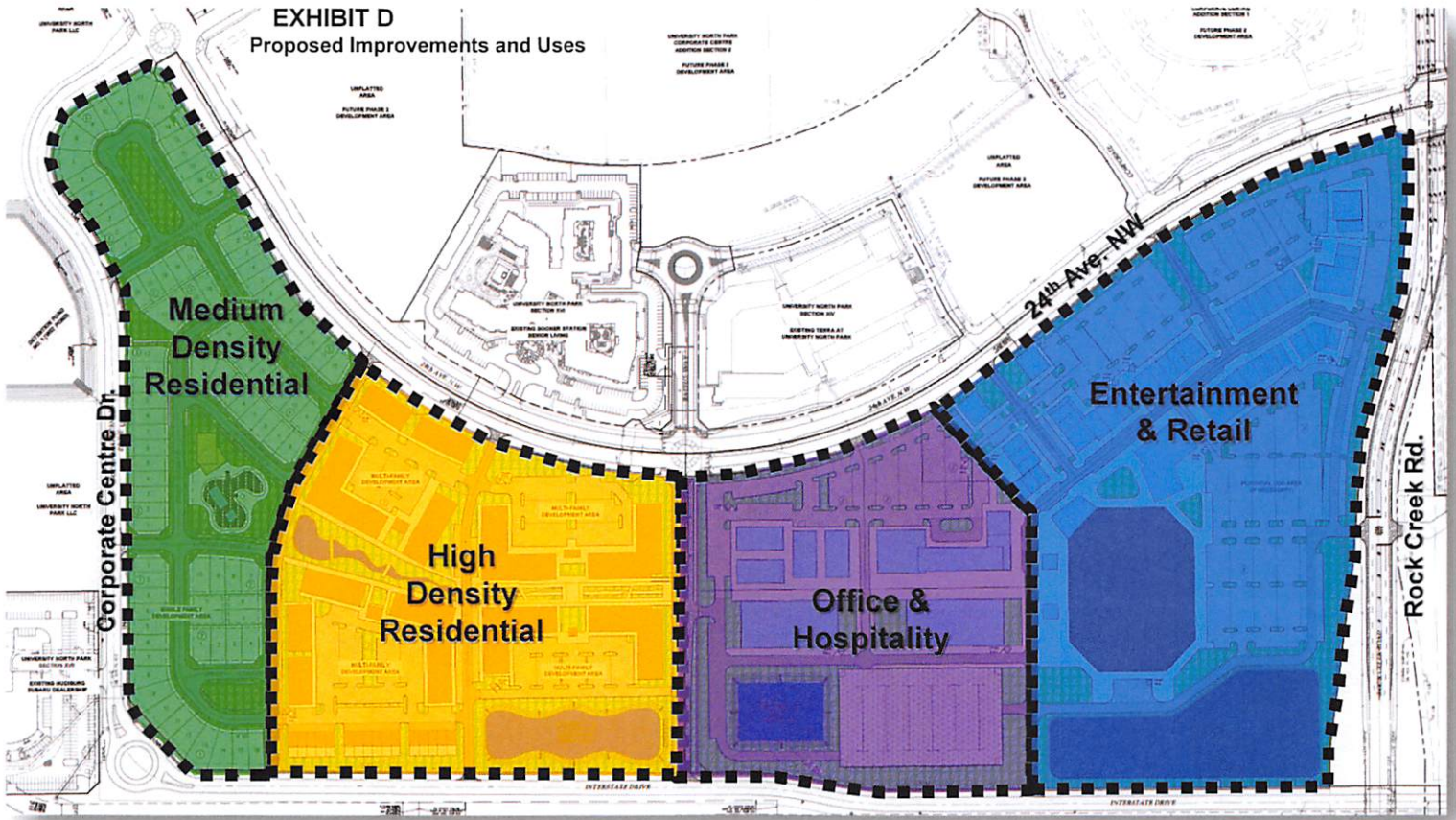
Existing Zoning

- Parcels
- Project Area

Map Produced by the City of Norman
 Geographic Information System
 The City of Norman assumes no
 responsibility for errors or omissions
 on the information presented.

0 500 Ft

EXHIBIT D
Proposed Improvements and Uses



**ECONOMIC DEVELOPMENT AGREEMENT:
ROCK CREEK ENTERTAINMENT DISTRICT**

THIS ECONOMIC DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into as of the ___ day of _____, 2024 (“**Effective Date**”), by and between the City of Norman, a municipal corporation (“**City**”); the Norman Tax Increment Finance Authority, a public trust having the City as its beneficiary (“**NTIFA**”); UNP North, LLC, an Oklahoma limited liability company (“**Landowner**”); and the Cleveland County Recreational and Entertainment Facilities Authority, a public trust having Cleveland County as its beneficiary (“**CC Trust**”) (City, NTIFA, Landowner, and CC Trust, collectively, “**Parties**,” and individually, “**Party**”) (Landowner and CC Trust, collectively, “**Developer Parties**,” and individually, “**Developer Party**”).

RECITALS:

- (1) NTIFA is a public trust created by a Trust Indenture dated July 11, 2006, for the use and benefit of the City, under authority of and pursuant to the provisions of 60 O.S. § 176, *et seq.*, for the purpose of supporting the City’s economic development initiatives that utilize tax increment financing.
- (2) NTIFA is an independent legal entity authorized to facilitate, enable, operate, manage, market, administer, and finance all forms of economic development projects within or near the City related to tax increment financing, and is empowered to enter into and perform the obligations of this Agreement.
- (3) The City has adopted and approved the Rock Creek Entertainment District Project Plan (“**Project Plan**”, Ordinance O-2425-2) pursuant to the Oklahoma Local Development Act, 62 O.S. § 850, *et seq.* (“**Act**”).
- (4) The City designated NTIFA as the public entity responsible for implementing the Project Plan.
- (5) The Project Plan established the Project Area and two increment districts: (i) “Increment District No. 4, City of Norman,” a sales tax increment district (“**TIF 4**”), which was created as of the date of the Project Plan’s approval and which will be activated as of May 1, 2025; and (ii) “Increment District No. 5, City of Norman,” an ad valorem increment district (“**TIF 5**”), which was created as of the date of the Project Plan’s approval and which will be activated as of December 31, 2026. TIF 4 and TIF 5 share the same geographic boundaries, and for reference in this Agreement, are collectively referred to as the “**Increment Districts**.”
- (6) The Project Plan supports the City’s efforts to achieve its development objectives for the area north of Rock Creek Road and east of Interstate 35 by incentivizing private investment of the area into an entertainment district to include a mix of office, retail, general commercial, restaurant, hospitality, parking, private park and open space, and residential land uses and anchored by a multi-purpose arena and public plaza.
- (7) Developer Parties propose to facilitate construction on property owned by Landowner within the boundaries of the Increment Districts of a \$650,000,000, multiphase, mixed-use

entertainment center and neighborhood consisting of: (i) a multipurpose performance venue and sports arena anchor containing approximately 8,000 seats and a 1,200 space parking garage; (ii) a plaza; (iii) 140,000 square feet of retail and restaurant space; (iv) up to 180,000 square feet of Class A office space built in phases based on market demand; (v) a 150-room select service hotel; (vi) approximately 500 multifamily housing units; (vii) additional multifamily housing units and/or up to 177 medium density housing units built in phases based on market demand; and (viii) all necessary public and private utility and stormwater infrastructure (such items as further described in Section 1.03 below, “**Project**”) (item (i), and those portions of item (viii) necessary to service items (i), (ii), (iii), (iv), (v), (vi) and (vi), collectively, the “**Anchor Project**”; items (ii), (iii), (iv), (v), (vi), (vii), and those portions of item (viii) necessary to service items (ii), (iii), (iv), (v), (vi), and (vi), collectively, “**Mixed Use Project**”).

- (8) Landowner, along with other potential development partners, has made public presentations describing maximum potential development opportunities within the Increment Districts that top \$1 billion, based on the Project serving as a catalyst for the larger scale of potential development.
- (9) The Project will generate substantial private capital investment in the Project Area and will create employment, generate new sales and ad valorem tax revenues, and provide needed new housing stock in the City.
- (10) The City understands that the Developer Parties have goals to offer housing at competitive market rates and to assist the City to fill its housing supply gap.
- (11) The City and the Developer Parties have goals to work together on transportation solutions for the Project.
- (12) In order to make such a large, high-risk venture economically feasible, Developer Parties have requested assistance in development financing from NTIFA and the City in an amount necessary to secure indebtedness in an amount not to exceed \$230,000,000 in principal to be used toward the construction of the Anchor Project (the “**Anchor Financing**”). Such assistance in development financing would include incremental tax revenues generated from within TIF 4 and TIF 5 (which includes the PILOT Payments as defined and set forth in Section 4.08(c)(i) of this Agreement) (such incremental tax revenues, “**TIF Revenues**”), as well as any state local government matching payments received from the State of Oklahoma pursuant to the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. § 840 *et seq.* (“**Leverage Act Funds**”) (TIF Revenues and the Leverage Act Funds, collectively referred to as the “**Public Assistance**”). It is anticipated that CC Trust will utilize the Public Assistance as collateral toward the Anchor Financing.
- (13) The Mixed Use Project would not be possible without the Anchor Project, and the Anchor Project would not be possible without the Public Assistance due to numerous factors, including but not limited to high borrowing costs, increased construction costs, and an estimated rate of return unable to attract the capital necessary to fully fund the Anchor Project’s construction. The Anchor Project, in turn, would not be possible without the Mixed Use Project providing a source of revenues for the Public Assistance.

- (14) The City and NTIFA find it appropriate, desirable, and in the public interest to provide the Public Assistance in order to assist the completion of the Project and achieve the objectives outlined in the Project Plan.
- (15) The Parties deem it appropriate and desirable to approve and execute this Agreement, which provides for the implementation of the Project consistent with the Project Plan, including providing the Public Assistance, Developer Parties have requested to carry out the Project according to the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual obligations herein set forth, the Parties hereby covenant and agree with each other as follows:

ARTICLE I. SUBJECT OF AGREEMENT

Section 1.01 Purpose of this Agreement.

The purpose of this Agreement is to set forth the terms and conditions under which the City and NTIFA will provide the Public Assistance requested by Developer Parties, who will cause the Project to be developed and constructed, in order to secure adequate consideration for the Public Assistance.

Section 1.02 Scope of Agreement.

- (a) Developer Parties hereby agree, subject to the terms, conditions and limitations hereinafter provided, to cause the design, construction, and completion, in the time period hereinafter described, of the Project on the real property more particularly described and depicted in Exhibit 1 (“**Property**”), substantially in accordance with the Phasing Plan and the Development Plans to be approved pursuant to this Agreement.
- (b) NTIFA hereby agrees, subject to the terms, conditions, and limitations hereinafter provided, to provide (i) up to \$600,000,000 in Incremental Sales Tax Revenues (as defined in Section 5.03(a) of this Agreement) and Incremental Ad Valorem Revenues (as defined in Section 5.03(a) of this Agreement), and (ii) 100% of any Leverage Act Funds payments received from the State Oklahoma, to be utilized exclusively for the payment of Project Costs as authorized by and defined in the Project Plan.
- (c) The City hereby approves NTIFA’s provision of the Public Assistance for the Project in the manner described in the Project Plan and this Agreement.

Section 1.03 Scope of the Project; Definition of the Project.

- (a) Developer Parties will cause the incurrence and expenditure of total costs of at least \$650,000,000 toward the Project on the Property, which lies within the boundaries of the Increment Districts. The “**Project**” will, upon completion, contain at least the following:
- (i) The Anchor Project, which will be financed by the issuance of bonds, notes, or other evidence of indebtedness issued by CC Trust; and owned (with the exception of

public infrastructure), constructed, or caused to be constructed, by the CC Trust and which will consist of:

- 1) a multipurpose performance venue and sports arena anchor containing approximately 8,000 seats in various configurations and 1,200 space parking garage; and
 - 2) all necessary infrastructure to service the Anchor Project and portions of the Mixed Use Project.
- (ii) The Mixed Use Project, which will be constructed or caused to be constructed by the Landowner and which will consist of:
- 1) An outdoor community plaza;
 - 2) 140,000 square feet of retail and restaurant space;
 - 3) Up to 180,000 square feet of Class A office space built in phases based on market demand;
 - 4) a 150-room, select service hotel;
 - 5) Approximately 500 multifamily housing units built in phases based on market demand;
 - 6) Additional multifamily housing units and/or up to 177 medium density housing units built in phases, based on market demand; and
 - 7) all necessary public and private utility and stormwater infrastructure to service items 1) through 6) above.

All of the foregoing components of the Project shall be reflected in a Phasing Plan jointly submitted by the Developer Parties and Development Plans submitted by respective Development Party, to be approved by NTIFA in accordance with the terms set forth in Section 2.02 of this Agreement. The Project (including total Project costs) and each individual components thereof may vary in size and scale from the description in this Section 1.03 by up to 15%.

- (c) The Project may be completed in multiple phases (each, a “Phase”) to be determined and provided by Developer Parties in the Phasing Plan at a later date pursuant to the terms of Sections 2.02, 3.02, and 4.02 of this Agreement.
- (d) The Parties acknowledge that the scope of the Project does not include or contemplate any NTIFA or City providing or securing any advance financing for any Project component other than the Public Assistance described in Article V of this Agreement. All costs of the Project will be borne by Landowner, CC Trust, or their assignees.

(e) For purposes of this Agreement:

- (i) **“Phasing Plan”** means a proposed phasing plan for the Project, including which components of the Project will be completed in each phase, proposed construction time frames, and anticipated Project investment for each Project component in each Phase.
- (ii) **“Development Plans”** means:
 - 1) Drawings, site plans, floor plans, and other documents illustrating the scale of the Project components to be completed in each proposed Phase, as well as plans and specifications of sufficient detail to at least demonstrate compliance with the Project description in Section 1.03(a) of this Agreement, all of which may be as submitted concurrently with the Landowner’s zoning and platting process submittals; and
 - 2) A budget showing the estimated full cost of the construction of the Project components for each proposed Phase consistent with the Phasing Plan;
 - 3) Evidence of sufficient financing capacity and any commitments necessary (including both financial commitments, financing terms and requirements, and construction contracts) to fund the full cost of construction to complete the Project components for each proposed Phase; and
 - 4) Any other such essential documentations as may be reasonably requested by NTIFA.

Development Plans are distinct from, and shall be required in addition to, all applicable plans, permits, licenses, and other requirements described in Sections 3.04, 4.04, and 5.01 of this Agreement. However, the zoning and platting submittals may be submitted concurrently with Development Plans.

(f) All other capitalized terms, unless otherwise defined in this Agreement, shall have the meanings ascribed in the Project Plan.

Section 1.04 Relationship of the Parties.

The implementation of this Agreement is a complex process which will require the mutual agreement of the Parties and their timely actions on matters appropriate or necessary to implementation. The Parties shall use their best efforts in good faith to perform and to assist others in performing their respective obligations in accordance with this Agreement. This Agreement specifically does not create any partnership or joint venture between the Parties or render either Party liable for any of the debts or obligations of any other Party.

ARTICLE II. NTIFA AND CITY OBLIGATIONS

Section 2.01 Project Plan.

The City has previously approved and adopted the Project Plan. NTIFA shall support the Project in accordance with the Project Plan and this Agreement.

Section 2.02 Review of Plans and Material Changes.

NTIFA shall, in its reasonable discretion, not to be unreasonably withheld, conditioned or delayed, approve or disapprove (with specific comments specifying the reasons for disapproval), or impose further reasonable requirements with respect to the Phasing Plan and Development Plans in writing within 30 days after receipt. Approval of Development Plans or, alternatively, the imposition of additional conditions or requirements on such Development Plans, and specifically with respect to Development Plans covering the Anchor Project, shall be contingent upon, amongst other things, NTIFA's determination, in its reasonable discretion, not to be unreasonably withheld, conditioned, or delayed, that the evidence of financing or other information and/or documents submitted as part of those Development Plans provides adequate assurances that the Project will be completed as described in this Agreement. Following approval, any Material Changes in the Phasing Plan or Development Plans must be submitted to NTIFA for review, and NTIFA shall, in its reasonable discretion, approve or disapprove (with specific comments specifying the reasons for disapproval), or impose further reasonable requirements with respect to the proposed change. The time within which NTIFA shall approve or disapprove any Material Change in the Phasing Plan or Development Plans shall be 20 days after the date of NTIFA's receipt of notice of such proposed Material Change. For purposes of this Agreement, "**Material Change**" means: (i) a significant and substantial change impacting the overall character, quality, or appearance of the Project as a whole as established by the most recently approved Phasing Plan or Development Plans; (ii) changes that would result in an overall decrease of more than 15% of the construction costs of the Project or any individual Phase thereof; or (iii) exclusion of any one or more of the Project components listed in Section 1.03(a) of this Agreement. Notwithstanding, any Phasing Plans or Development Plans shall be consistent with the approvals of the Project through the zoning and platting process.

Section 2.03 Certificates of Completion.

Within 30 days after NTIFA has been provided with satisfactory evidence that either Developer Party has caused the completion of the development and construction of any portion of the Project (as evidenced by the issuance of a final certificate of occupancy for each component of that particular portion of the Project, together with such other evidence NTIFA may reasonably require to establish that that portion of the Project is substantially complete and ready to open) and that the appropriate Developer Party has complied with the requirements of Articles III and IV of this Agreement with respect to such portion, NTIFA shall issue a Certificate of Completion certifying that the respective Developer Party has met the construction and development requirements for each component of the completed portion of the Project set forth in this Agreement.

Section 2.04 TIF Assistance.

As authorized by the Project Plan and subject to the terms, conditions, and limitations contained in Article V herein, NTIFA shall provide public assistance in development financing to CC Trust

in an amount equal to the lesser of (i) the Public Assistance (as defined in Recital (10) above and below in Section 5.03) or (ii) (A) up to \$600,000,000.00 in Incremental Sales Tax Revenues (as defined in Section 5.03(a) of this Agreement) and Incremental Ad Valorem Revenues (as defined in Section 5.03(a) of this Agreement), and (B) 100% of any Leverage Act Funds received from the State of Oklahoma (“Total Assistance”).

Section 2.05 Incremental Sales Tax Accounting.

The City and NTIFA shall use commercially reasonable efforts to collect and account for Incremental Sales Tax collections within TIF 4 that are generated outside of the Property. Within 45 days following the first day of each quarter (January 1, April 1, July 1, and October 1) that CC Trust is eligible for payments of Public Assistance from Incremental Sales Tax Revenues (as defined in Section 5.03 of this Agreement), NTIFA shall provide Developer Parties with documentation of amounts collected as result of those efforts.

ARTICLE III. LANDOWNER OBLIGATIONS

Section 3.01 Control of Property.

- (a) Landowner represents that Landowner owns the Property as of the date of this Agreement and Landowner has, or will have after the date of this Agreement, the rights as are necessary and appropriate to construct the Mixed Use Project on the Property.
- (b) Landowner agrees to negotiate in good faith with CC Trust to provide CC Trust whatever control of a portion of the Property might be needed for CC Trust to finance and to construct, or cause to be constructed, the Anchor Project, as described in Section 4.01 below.

Section 3.02 Phasing Plan.

Landowner may complete the Mixed Use Project in one or more Phases, to be determined by Landowner. Landowner will provide NTIFA with a Phasing Plan for the Project, in conjunction with CC Trust’s and Landowner’s proposed phasing for the Anchor Project, for approval pursuant to Section 2.02 above not later than March 15, 2025, unless extended as provided by Section 8.05 herein.

Section 3.03 Development Plans.

- (a) Landowner will provide NTIFA with Development Plans for each Phase of the Mixed Use Project for approval pursuant to Section 2.02 above not later than 90 days prior to the initiation of construction of each such Phase.
- (b) In conjunction with CC Trust’s provision of Development Plans for the Anchor Project pursuant to Section 4.03 of this Agreement, Landowner agrees to provide any adequate assurances reasonably required by CC Trust to secure the Anchor Financing and to ensure that the Mixed Use Project is constructed consistent with the description in this Agreement.

Section 3.04 Development Obligations.

The Landowner shall cause the Mixed Use Project to be constructed on the Property, at no expense to NTIFA (other than the Public Assistance to secure construction of the Anchor Project as provided in Article V herein). The Mixed Use Project must be constructed in accordance with the Phasing Plan and Development Plans approved by NTIFA, acting in its reasonable discretion, not to be unreasonably withheld, conditioned or delayed. The Landowner shall secure or cause the appropriate parties to secure all governmental approvals in connection with (a) the preparation of the Property for construction; (b) the construction, completion, and occupancy of the Mixed Use Project; and (c) the development and operation of the Mixed Use Project, including, without limitation, zoning, building code, and environmental laws. The Landowner will dedicate up to 1,200 square feet within the Property for public art.

Section 3.05 Construction Schedule.

Landowner shall begin development of the Mixed Use Project, including site work and other development in preparation of vertical construction, pursuant to valid permits, not later than January 1, 2026, unless extended as provided by Section 8.05 herein, and shall thereafter diligently prosecute construction of the Mixed Use Project in order to complete it and receive its full and final certificates of occupancy, for all Phases and all components of the Mixed Use Project, by December 31, 2032, unless extended as provided by Section 8.05 herein. Individual Phases of the Mixed Use Project shall be initiated and completed pursuant to the submitted and approved Phasing Plan.

Section 3.06 Material Changes.

Landowner shall not make any Material Change (as defined in Section 2.02 of this Agreement) to the Mixed Use Project, as evidenced in the approved Phasing Plan or Development Plans, without first obtaining the written approval of NTIFA, which approvals will not be unreasonably withheld, conditioned or delayed. Landowner shall promptly notify NTIFA and the City in writing if it desires to make a Material Change to the Mixed Use Project.

Section 3.07 Progress Reports.

Until construction of the Mixed Use Project has been completed, Landowner shall make reports in such detail and at such times as may reasonably be requested by NTIFA or CC Trust as to the actual progress of the Mixed Use Project. If any Party requests such a report, Landowner shall make the resulting report available to all Parties.

Section 3.08 Taxes, Assessments, Encumbrances.

- (a) *Reassessment.* Upon completion of each component of the Mixed Use Project and the Mixed Use Project as a whole, Landowner shall promptly take the necessary actions to have the Mixed Use Project or individual component reassessed by the Cleveland County Assessor.
- (b) *Duty to Pay.* Landowner shall pay or cause to be paid when due all sales taxes, real estate taxes, and taxes and assessments on the Property which Landowner is responsible to pay. Including the City's Wastewater Excise Tax on New Development.

(c) *Arena and Parking Garage PILOT.*

- (i) Following the date NTIFA issues a Certificate of Completion for the Anchor Project having been constructed, in the event that the Anchor Project is not assessed ad valorem taxes in any year in which the Property is located within an active increment district, the portion of the property upon which the Anchor Project will be situated will be subject to an annual payment in lieu of ad valorem taxes, as described in Section 4.08(c) below.
- (ii) The obligations described in Section 4.08(c)(i) are for the benefit of NTIFA and the City, and TIF 5. To secure the obligations under Section 4.08(c)(i), if the CC Trust will not hold record title to the portion of the Property on which the Anchor Project will be constructed, Landowner shall cause to be executed and filed in the Cleveland County Land Records the covenant described in Section 4.08(c)(ii), with such covenant obligation Landowner and any successor in interest to make such PILOT Payments.

Section 3.09 Sales and Use Tax Reporting.

- (a) Landowner shall ensure, and shall require, to the extent possible, all contractors, subcontractors, vendors, subsequent owners/successors in interest, and tenants that work on the construction of the Project ensure, that all purchases of materials, goods, and services used in said construction have a delivery address within the Property, have a transaction location within the Property, or are otherwise subject to City sales and use taxes.
- (b) Within 20 days following the first day of each calendar month that CC Trust is eligible for payments of Public Assistance from Incremental Sales Tax Revenues (as defined in Section 5.03 of this Agreement), Landowner shall cause the submission to NTIFA of a monthly statement regarding the sales and use taxes generated by the Mixed Use Project's construction and operations, for the immediately preceding monthly period ("**Sales Tax Statement**"). The Sales Tax Statement should include:
 - (i) Sales tax identification numbers or EIN numbers used in remissions of sales and use taxes to the Oklahoma Tax Commission for the following:
 - 1) Landowner;
 - 2) All contractors, subcontractors, and vendors working on the construction of the Mixed Use Project during the preceding quarter; and
 - 3) All Mixed Use Project tenants, subtenants, and subsequent owners of property within the Mixed Use Project.
 - (ii) Copies of Oklahoma Tax Commission forms reflecting the amount of net taxable sales or other sales or use taxes with respect to which all parties identified in subparagraph (i) above, as applicable, remitted local sales or use tax revenue during the previous quarter on the Mixed Use Project within the Property.

Section 3.10 Beneficiaries.

The obligations of Landowner under this Article III are for the benefit of NTIFA, the City, and CC Trust, to ensure that the entire Project is completed.

ARTICLE IV. CC TRUST OBLIGATIONS**Section 4.01 Control of Property.**

CC Trust represents that Landowner owns the Property as of the date of this Agreement, but that CC Trust will negotiate in good faith with the Landowner to secure whatever rights as are necessary and appropriate that will allow CC Trust to finance and to construct, or cause to be constructed, and own, operate and maintain, or cause to be operated and maintained, the Anchor Project on the Property on or before the date construction of the Anchor Project is to commence pursuant to Section 4.05 below. CC Trust's securing such rights are a condition precedent to its obligations to commence construction of the Anchor Project.

Section 4.02 Phasing Plan.

CC Trust may complete, or cause to be completed, the Anchor Project in one or more Phases, to be determined by CC Trust. CC Trust will work with Landowner to provide NTIFA with a Phasing Plan for the Project, to include the proposed phasing for both the Anchor Project and Mixed Use Project, for approval pursuant to Section 2.02 above not later than March 15, 2025, unless extended as provided by Section 8.05 herein.

Section 4.03 Development Plans.

CC Trust will work with Landowner to provide NTIFA with Development Plans for each Phase of the Anchor Project for approval pursuant to Section 2.02 above not later than 90 days prior to the initiation of construction of each such Phase.

Section 4.04 Development Obligations.

In exchange for CC Trust's assistance in facilitating the financing of the Anchor Project, CC Trust shall cause the Anchor Project to be constructed on the Property, at no expense to NTIFA (other than the Public Assistance as provided in Article V herein). The Anchor Project must be constructed in accordance with the Phasing Plan and Development Plans approved by NTIFA, acting in its reasonable discretion, not to be unreasonably withheld, conditioned or delayed. CC Trust shall secure, or cause the appropriate parties to secure, all governmental approvals in connection with (a) the preparation of the Property for construction; (b) the construction, completion, and occupancy of the Anchor Project; and (c) the development and operation of the Anchor Project, including, without limitation, zoning, building code, and environmental laws.

Section 4.05 Construction Schedule.

CC Trust shall start, or caused to be started, the development of the Anchor Project, including site work and other development in preparation of vertical construction, pursuant to valid permits, not later than January 1, 2026, unless extended as provided by Section 7.05 herein, and shall thereafter

diligently prosecute construction of the Anchor Project in order to cause it to be completed and receive its full and final certificates of occupancy by December 31, 2029, unless extended as provided by Section 8.05 herein. Individual Phases of the Anchor Project shall be initiated and completed pursuant to the submitted and approved Phasing Plan.

Section 4.06 Material Changes.

CC Trust shall not make any Material Change (as defined in Section 2.02 of this Agreement) to the Anchor Project, as evidenced in the approved Phasing Plan or Development Plans, without first obtaining the written approval of both NTIFA and Landowner, which approvals will not be unreasonably withheld, conditioned or delayed. CC Trust shall promptly notify NTIFA, the City, and Landowner in writing if it desires to make a Material Change to the Anchor Project.

Section 4.07 Progress Reports.

Until construction of the Anchor Project has been completed, CC Trust shall work with Landowner to make reports in such detail and at such times as may reasonably be requested by NTIFA or Landowner as to the actual progress of the Anchor Project. If any Party requests such a report, CC Trust shall work with Landowner to make the resulting report available to all Parties.

Section 4.08 Taxes, Assessments, Encumbrances.

- (a) *Reassessment.* Upon completion of the Anchor Project as a whole, CC Trust shall promptly take the necessary actions to have the Anchor Project reassessed by the Cleveland County Assessor. Such assessment shall be made at the rate assessed for commercial property located in Cleveland County not exempted from ad valorem taxation.
- (b) *Duty to Pay.* CC Trust shall pay, or cause to be paid, when due all sales taxes, real estate taxes, and taxes and assessments on the Property which CC Trust is responsible to pay. CC Trust shall have no obligation to pay any sales taxes, real estate taxes, and taxes and assessments on the Property owed by any future operator, tenant, or other user of the Anchor Project.
- (c) *Anchor Project PILOT.*
 - (i) Following the date NTIFA issues a Certificate of Completion for the Anchor Project having been constructed, in the event that the Anchor Project is not assessed ad valorem taxes in any year in which the Property is located within an active increment district, CC Trust shall cause to be paid to NTIFA an annual payment in lieu of ad valorem taxes (“**PILOT Payment(s)**”) on the real or personal property comprising such components. Such annual PILOT Payments shall be made by December 31 annually. The amount of such PILOT Payments will be established by multiplying \$290,000,000.00 (or, if individual components are not assessed, \$263,000,000.00 for the arena component of the Anchor Project or \$27,000,000.00 for the parking garage component of the Anchor Project, individually) by an assessment ratio of 12%, then increasing the resulting product by 1.5% for every 12 month period that has passed since NTIFA issued a Certificate of Completion for the Anchor Project, and then multiplying that resulting product by the annual ad valorem tax levy millage rate in

effect within TIF 5 for that tax year. CC Trust shall have no obligation to make any PILOT Payments for or on behalf of any future operator, tenant, or other user of the Anchor Project.

- (ii) The obligations under Section 4.08(c)(i) are for the benefit of NTIFA, the City, and TIF 5. To secure the obligations under Section 4.08(c)(i), CC Trust shall cause to be executed and filed in the Cleveland County Land Records a covenant, in form substantially as provided in Exhibit 2 to this Agreement (subject to revisions necessary to reflect the nature of the land transfer arrangement between Landowner and CC Trust), benefitting NTIFA and the City and running with the land upon which the Anchor Project is constructed, obligating the appropriate party or any successor in interest to make such PILOT Payments.

Section 4.09 Sales and Use Tax Reporting.

- (a) CC Trust shall ensure, and shall require, to the extent possible, all contractors, subcontractors, vendors, subsequent owners/successors in interest, and tenants that work on the construction of the Anchor Project ensure, that all purchases of materials, goods, and services used in said construction have a delivery address within the Property, have a transaction location within the Property, or are otherwise subject to City sales and use taxes.
- (b) Within 30 days following the first day of each calendar month that CC Trust is eligible for payments of Public Assistance from Incremental Sales Tax Revenues (as defined in Section 5.03 of this Agreement), CC Trust shall cause the submission to NTIFA of a monthly statement regarding the sales and use taxes generated by the Anchor Project's construction and operations, for the immediately preceding monthly period ("**Sales Tax Statement**"). The Sales Tax Statement should include:
 - (i) Sales tax identification numbers or EIN numbers used in remissions of sales and use taxes to the Oklahoma Tax Commission for the following:
 - 1) CC Trust;
 - 2) All contractors, subcontractors, and vendors working on the construction of the Anchor Project during the preceding quarter; and
 - 3) All Anchor Project tenants, subtenants, operators, vendors and subsequent owners of property within the Anchor Project.
 - (ii) Copies of Oklahoma Tax Commission forms reflecting the amount of net taxable sales or other sales or use taxes with respect to which all parties identified in subparagraph (i) above, as applicable, remitted local sales or use tax revenue during the previous quarter on the Anchor Project within the Property.

Section 4.10 Beneficiaries.

The obligations of CC Trust under this Article IV are for the benefit of NTIFA, the City, and Landowner, to ensure that the entire Project is completed.

ARTICLE V. ASSISTANCE IN DEVELOPMENT FINANCING

Section 5.01 Generally.

The Project Plan authorizes Project Costs, including assistance in development financing to support the Project. Assistance in development financing will be provided to CC Trust consistent with Section 5.03 below (“**Public Assistance**”). The Public Assistance provided by NTIFA shall be used to support the Project. The total Public Assistance from NTIFA shall not exceed the Total Assistance set forth in Section 2.04.

Section 5.02 Conditions Precedent.

The following are conditions precedent to the commencement of the payment obligations described in Section 5.03 below:

- (a) Approval by NTIFA of the Phasing Plan for the Project and one or more Development Plans sufficient to cover the entire Anchor Project in accordance with the provisions set forth in Section 2.02.
- (b) Consummation of the transfer of title or effective control of the portion of the Property upon which the Anchor Project will be constructed.
- (c) Filing of the covenant described in Section 4.08(c)(ii) in the Cleveland County Land Records.

Section 5.03 Payment Obligations.

Following the satisfaction of all conditions precedent described in Section 5.02 above, and provided Developer Parties at the time of satisfaction of the conditions described in Section 5.02 above are not in material default of their current obligations under this Agreement, NTIFA shall commence payments of the Public Assistance to CC Trust as follows:

- (a) *Public Assistance*. NTIFA shall pay CC Trust monthly payments of Public Assistance in an amount equal to the lesser of:
 - (i) the following amounts:
 - 1) 100% of the Incremental Ad Valorem Revenues generated within TIF 5 (which includes the PILOT Payments as set forth in Section 3.08(c)(i)), less an amount equal to the lesser of (i) 2% of such Incremental Ad Valorem Revenues, or (ii) \$200,000, per year, which shall be retained by NTIFA to cover administrative and implementation costs associated with the Project;
 - 2) 100% of the Incremental Sales Tax Revenues generated within TIF 4 by transactions subject to sales and use tax, including Incremental Sales Tax Revenues generated both by construction activities and operations within TIF 4; and

- 3) 100% of any potential Leverage Act Funds; or
- (ii) Such amounts as described in subparagraph (i) above as may be necessary for CC Trust to receive the same amount of Public Assistance as CC Trust has incurred in retiring the outstanding principal of and accrued interest and fees on the Anchor Financing for the construction of the Anchor Project; or
- (iii) Such amounts as described in subparagraph (i) above as may be necessary for the aggregate Public Assistance provided to reach the Total Assistance.

For purposes of this Agreement, “**Incremental Ad Valorem Revenues**” are the ad valorem tax increment revenues generated and apportioned as incremental revenue within TIF 5, including, without limitation, the PILOT Payments as set forth in Section 4.08(c)(i), and “**Incremental Sales Tax Revenues**” are the sales and use tax increment revenues generated and apportioned as incremental revenue within TIF 4. TIF Revenues allocated for the Public Assistance shall not exceed the amount designated for Assistance in Development Financing pursuant to the Project Plan. Leverage Act Funds allocated for Public Assistance are not subject to the Project Plan’s Assistance in Development Financing limitations.

(b) Reserved.

(c) *General Restrictions and Payment Procedures.*

- (i) The Public Assistance shall be payable solely from available Incremental Ad Valorem Revenues, Incremental Sales Tax Revenues, and Leverage Act Funds. The payment of the full amount of Public Assistance depends on TIF Revenues generated within TIF 4 and TIF 5 and received by the City and NTIFA within any given payment period, Leverage Act Funds received by the City or NTIFA within any given payment period, as well as the total project cost budget listed in the Project Plan.
- (ii) Any amounts of Public Assistance paid to CC Trust pursuant to this Agreement that exceed the amounts incurred by CC Trust to pay the interest and principal payments as they come due on the Anchor Financing referenced in subparagraph (a)(ii) plus the maintenance of any required reserve accounts for the Anchor Financing shall be applied to the limits on the Public Assistance described subparagraph (a)(ii). In the event CC Trust receives Public Assistance pursuant to this Agreement, in excess of the amounts incurred by CC Trust toward paying off the Anchor Financing, CC Trust shall pay any such excess amounts to NTIFA for distribution to affected taxing entities as specific revenue sources pro rata based on the ad valorem levies and sales tax revenues by which increment revenues have been apportioned pursuant to the Project Plan.
- (iii) Within 20 days following the first day of each month that CC Trust is eligible for payments of Public Assistance, Landowner and CC Trust shall jointly cause to be submitted to NTIFA an invoice requesting payment be made to CC Trust in the amount(s) calculated in accordance with Section 5.03(a) above. This invoice must include at least:

- 1) the amount of the Public Assistance requested;
- 2) the amount of principal and interest paid by Recipient for the previous quarter on the Anchor Financing, including a complete and up-to-date amortization table or other documentation showing to NTIFA's reasonable satisfaction the outstanding principal on the Anchor Financing and the projected costs to pay off the Anchor Financing over the remaining amortization period; and
- 3) the aggregate amount of the Public Assistance payments previously made to Recipient) as of the date of the request.

NTIFA will provide documentation of the amount of Incremental Ad Valorem Revenues received by NTIFA from the City, the amount of Incremental Sales Taxes it can verify based on information supplied by CC Trust, Landowner, and by the City's accounting for Incremental Sales Taxes outside of the Project (as described in Section 2.05), the amount of any Leverage Act Funds received by the State of Oklahoma, and will review invoices for payment, and its calculation of any adjustments to the limit on the Public Assistance due to the provisions of Section 5.03(a)(ii). Should NTIFA question or request additional documentation or disapprove all or a portion of any invoice in good faith, NTIFA will pay any undisputed portion of such invoice, and the Developer Parties will be notified so that they may provide additional documentation sufficient to demonstrate the remainder of the invoice should be paid, in whole or in part. NTIFA will use best efforts to coordinate with the City to pay invoices within forty-five (45) days of the presentation of the invoice provided for in this subsection (c)(iii). The Parties understand and acknowledge that amounts of Ad Valorem Incremental Revenues are typically received once per year, and that amount of ad valorem taxes reported with any invoice for Public Assistance will not be paid out until the City and NTIFA receive such Ad Valorem Incremental Revenues from the Cleveland County Treasurer.

ARTICLE VI. CONSTRUCTION OF THE PROJECT

Section 6.01 Scope of Project.

The Property shall be developed within the general requirements established by the City's zoning and building codes applicable to the Property and related laws governing municipal planning and zoning (collectively, the "Code"). To the extent as required by the Code, Developer Parties shall be responsible for the construction, renovation, relocation, improvement, equipping, repair and installation of public and private improvements associated with the Project as described in, and in conformance with, the approved Phasing Plan and each Phase's approved Development Plans, and as required by the Code.

Section 6.02 Construction of Project.

Developer Parties agree that all construction, renovation, improvement, equipping, repair and installation work on the Project shall be done substantially in accordance with the Phasing Plan and Development Plans as approved by NTIFA.

Section 6.03 City and Other Governmental Permits; Reports and Records.

Developer Parties shall, at their own expense, secure or cause to be secured any and all permits and approvals which may be required by the City and any other governmental agency having jurisdiction as to such construction, development or work. The City will use all reasonable efforts to expedite the necessary approvals for undertaking and implementing the construction of the Project, to the extent the City has the authority to grant approval.

Section 6.04 Inspections.

Developer Parties shall permit the authorized representatives of the City and NTIFA access to the Property at all reasonable times which any of them deems necessary for the purposes of this Agreement and shall work cooperatively with the Cleveland County Assessor's Office to grant access to the Property and any equipment located thereon to facilitate assessment thereof. No compensation shall be payable nor shall any charge be made in any form by any party for the access provided for in this Section.

NTIFA and CC Trust (with respect to the Anchor Project only) shall have the right, but not the obligation, to inspect at reasonable times and upon reasonable prior notice the progress and quality of all work performed by, or under contract with, either Developer Party, their general contractors, or any contractor in connection with the Project. The failure of NTIFA and CC Trust (with respect to the Anchor Project only) to inspect the work shall not relieve Developer Parties of their duties under this Agreement. NTIFA and CC Trust (with respect to the Anchor Project only) shall have the right, but not the obligation, to inspect at reasonable times and upon reasonable prior notice all books, records and information pertaining to the Project including, without limitation, as-built plans and specifications, subcontracts, agreements, shop drawings, permits, entitlements, reports, studies, investigations, inspections, agreements, documentation and correspondence.

Section 6.05 Indemnification.

Developer Parties, each independently, shall defend, indemnify, assume all responsibility for, and hold NTIFA, the City, CC Trust and their respective elected and appointed officers and employees and agents, harmless from, all costs (including reasonable attorney's fees and costs), claims, demands, liabilities or judgments (except those which have arisen from the willful misconduct or negligence of NTIFA, the City, CC Trust or their officers, employees and agents) for injury or damage to property and injuries to persons, including death, arising out of or resulting from any of each respective Developer Party's activities under this Agreement, whether such activities or performance thereof be by Landowner or anyone directly or indirectly contracted with or employed by any Developer Party and whether such damage shall accrue or be discovered before or after termination of this Agreement, but only to the extent caused by the negligent acts or omissions of that Developer Party or anyone directly or indirectly contracted with or employed by that Developer Party and specifically excluding all such costs, claims, demands and liabilities sustained or suffered by representatives of NTIFA that are accessing the Property as contemplated by Section 6.04.

Section 6.06 Liability Insurance.

- (a) In addition to the indemnification of NTIFA and the City required in Section 6.05 hereof, each Developer Party shall take out and maintain, or cause their general contractors for the Project to take out and maintain, during the period set forth in subsection (d) of this Section, a commercial general liability policy in the amount of \$1,000,000 combined single limit bodily injury and property damage any one occurrence/\$2,000,000 general aggregate naming NTIFA, CC Trust (with respect to the Anchor Project only) and the City as additional insureds.
- (b) Developer Parties shall each furnish, or cause to be furnished, a certificate (or certificates) of insurance signed by an authorized agent of the insurance carrier(s) setting forth the general provisions of the insurance coverage. This certificate(s) of insurance shall evidence the naming of NTIFA, CC Trust (with respect to the Anchor Project only) and the City as additional insureds under the policy (or policies). Developer Parties each agree to notify or cause the general contractor(s) to notify (whichever is applicable) NTIFA, CC Trust (with respect to the Anchor Project only) and the City by certified mail of any cancellation or termination of the coverage at least thirty 30 days in advance of the effective date of any such cancellation or termination. Coverage provided hereunder by either Developer Party, or if applicable, their general contractor(s), shall be primary insurance and non-contributory with any insurance maintained by NTIFA, CC Trust or the City, and the policies shall contain such an endorsement.
- (c) Developer Parties shall also each furnish, or cause to be furnished, to NTIFA and the City evidence satisfactory to NTIFA and the City that any contractor with whom they have contracted for the performance of work on the Property or otherwise pursuant to this Agreement carries workers compensation insurance as required by law at the time of execution of the Agreement.
- (d) The insurance obligations set forth in this Section shall commence for CC Trust on or prior to the date CC Trust commences construction of the Anchor Project and shall remain in effect until NTIFA issues a final Certificate of Completion for the Anchor Project, and for Landowner the insurance obligations set forth in this Section shall commence on or prior to the date that Landowner commences construction of the Mixed Use Project and shall remain in effect until NTIFA issues the final Certificate of Completion for the Mixed Use Project.

Section 6.07 Local, State and Federal Laws.

Developer Parties shall carry out the provisions of this Agreement in conformity with all applicable local, state and federal laws and regulations.

Section 6.08 Nondiscrimination.

- (a) Each Developer Party covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, gender identity, familial status, marital status, age, handicap, national origin or ancestry in the sale, lease, sublease, transfer, use occupancy, tenure or enjoyment of the Property, nor shall either Developer Party itself

or any person claiming under or through it knowingly establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property. The covenant established in this Section shall, without regard to technical classification and designation, be binding for the benefit and in favor of NTIFA, the City, and the CC Trust, their successors and assigns and any successor in interest to the Property or any part thereof. The covenants contained in this Section shall remain for so long as any amounts due under this Agreement or a tax increment district established for this Project remains unpaid or outstanding.

- (b) Each Developer Party, for itself, its successors and assigns, and any contractor with whom that Developer Party has contracted for the performance of work on the Property, agrees that in the construction of the Project, that Developer Party shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, age, sex, sexual identity, gender identity, marital status, handicap, national origin or ancestry.

Section 6.09 Reserved.

Section 6.10 Maintenance.

Developer Parties, and all successors and assigns in interest to Developer Parties, shall be obligated to maintain the Project and all improvements and landscaping situated on the Property in a clean and neat condition and in a continuous state of good repair in accordance with the Code. Developer Parties agree to consider in good faith the support or enactment of improvement districts or private mechanisms that can assist with the maintenance of the Project.

Section 6.11 Transfers and Assignments.

The qualifications and identity of Developer Parties are of particular concern to the community and to NTIFA. Developer Parties recognize that it is because of such qualifications and identity that NTIFA is entering into the Agreement with Developer Parties, and, in so doing, is further willing to accept and rely on the obligations of Developer Parties for the faithful performance of all undertakings and covenants to be performed by Developer Parties without requiring in addition a surety bond or similar undertaking for such performance of all undertakings and covenants in this Agreement. Prior to completion of the Mixed Use Project and issuance of the Certificate of Completion therefor, Landowner shall not, except as permitted by this Agreement, without prior written approval of NTIFA, which approvals shall not be unreasonably withheld, conditioned or delayed, make any total or partial sale, transfer, conveyance, assignment or lease of the Property or assign any of the development obligations or rights under this Agreement. Similarly, prior to completion of the Anchor Project and issuance of the Certificate of Completion therefor, CC Trust shall not, except as permitted by this Agreement, without prior written approval of NTIFA and Landowner, which approvals shall not be unreasonably withheld, conditioned or delayed, make any total or partial sale, transfer, conveyance, assignment or lease of the Property or assign any of the development obligations or rights under this Agreement. The foregoing restrictions on assignment, transfer, and conveyance shall not apply to and do not require the prior written approval of other Parties for:

- (a) the partial assignment of the obligations under this Agreement by Landowner, and the assumption of such obligations by, the following entities or by single-purpose entities or affiliated entities created by and under common ownership or management of the following entities:
 - (i) RDC Development Holdings, LLC; or
 - (ii) LPC Commercial Investments LLC.
- (b) in connection with the partial assignment and assumption in subsection (a) above, the sale, transfer, conveyance or lease of a portion of the Property to the following entities or by single-purpose entities or affiliated entities created by and under common ownership or management of the following entities:
 - (i) RDC Development Holdings, LLC; or
 - (ii) LPC Commercial Investments LLC.
- (c) the collateral assignment by CC Trust of its right to receive Public Assistance payments to a trustee bank or financial institution necessary to secure indebtedness to any construction or permanent lender or debtholder with respect to the Anchor Project;
- (d) any mortgage lien or security interest granted by either Developer Party or any assignee of Developer Parties to secure indebtedness to any construction or permanent lender with respect to the Project or any phase or component thereof, and any assignment, transfer, or conveyance effectuated pursuant to any Project capital provider's exercise of remedies on account of such mortgage lien or security interest; and
- (e) the rental, leasing, easement granting, or other routine operational grants of portions of the Property by Developer Parties for any uses contemplated for the Project; and
- (f) any transfer of any component of the Project after a Certificate of Completion has been granted by NTIFA with respect to such component.

Section 6.12 Assignee Obligations and Rights.

Any assignee of Developer Parties shall be liable only for the obligations or entitled only to the rights under this Agreement that that Developer Party and assignee contractually agree to assign or assume. No assignee shall become liable to any of the Parties under this Agreement or other assignees of Developer Party, nor subject to any remedies on account thereof, except by reason of a Default caused by the assignee with respect to the obligations or rights assigned and assumed. It is the intent of this section to limit liability for any assignee only to the portion of the Project for which said assignee contractually agrees to develop.

Section 6.13 Assistance Financing.

Notwithstanding any provision of this Agreement to the contrary, CC Trust shall have the right, without first obtaining consent of NTIFA or Landowner, to sell, assign, pledge, grant a security

interest in or otherwise transfer CC Trust's rights to Public Assistance payments hereunder, provided, however, that both Developer Parties (or their assigns) shall remain liable for all of their obligations hereunder. In furtherance of the foregoing, CC Trust (or its assigns) shall be permitted to issue bonds, notes or other evidences of indebtedness in one or more series, on a taxable or federally tax-exempt basis, that is secured by CC Trust's (or its assigns') rights to Public Assistance payments and grant any other Anchor Project collateral to such debt holders. NTIFA and Landowner agree to cooperate in good faith with CC Trust (or its assigns) as necessary in connection with any assistance in development financing and the pledge or transfer of such payment rights to the debt holders, at no cost and expense to NTIFA.

ARTICLE VII. REPRESENTATIONS AND WARRANTIES

Section 7.01 Landowner Representations and Warranties.

Landowner represents and warrants the following to the actual and current knowledge of Landowner:

- (a) Landowner represents that it is a duly organized limited liability company and is currently in existence under the laws of the State of Oklahoma. Landowner is authorized to conduct business in the State of Oklahoma and is not in violation of any provisions of its articles of organization, operating agreement, or any other agreement governing Landowner, or any law of the State of Oklahoma affecting Landowner's ability to perform under this Agreement.
- (b) Landowner's ability to cause the accomplishment of the Mixed Use Project with NTIFA's provision of the Public Assistance to CC Trust to support the construction of the Anchor Project has induced Landowner to proceed with the Mixed Use Project, and Landowner hereby covenants, subject to the terms and conditions and limitations herein provided, to complete construction of the same and continue to maintain and operate the Mixed Use Project.
- (c) Landowner represents that it has the full power and authority to execute this Agreement and this Agreement shall constitute a legal, valid and binding obligation of Landowner in accordance with its terms, and the consent of no other party is required for the execution and delivery of this Agreement by Landowner or the consummation of the transactions contemplated hereby, subject to laws relating to bankruptcy, moratorium, insolvency, or other laws affecting creditor's rights generally and subject to general principles of equity.
- (d) Landowner represents that the execution and delivery of this Agreement, the consummation of the transactions contemplated herein, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented or limited by or in conflict with, and will not result in a breach of, other provisions of its articles of organization, operating agreement or any other agreement governing Landowner or with any evidence of indebtedness, mortgages, agreements, or instruments of whatever nature to which Landowner is a party or by which it may be bound, and will not constitute a default under any of the foregoing.
- (e) To the knowledge of the undersigned representative of Landowner, there is not currently pending any action, suit, proceeding or investigation, nor is any such action threatened in writing which, if adversely determined, would materially adversely affect Landowner or the

Project, or impair the ability of Landowner to carry on its business substantially as now conducted or result in any substantial liability not adequately covered by insurance.

- (f) Landowner warrants that it has not paid or given and will not pay or give any officer, employee or agent of NTIFA or CC Trust any money or other consideration for obtaining this Agreement. Landowner further represents that, to its best knowledge and belief, no officer, employee or agent of NTIFA or CC Trust who exercises or has exercised any functions or responsibilities with respect to the Project during his or her tenure, or who is in a position to participate in a decision making process with regard to the Project, has or will have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Project, or in any activity, or benefit therefrom, during or after the term of this Agreement.
- (g) All utility services necessary for the development and construction of the Mixed Use Project are, or by completion of the Mixed Use Project will be, available to the Property, including water, storm and sanitary sewer facilities, electric and gas utilities, and telephone services.
- (h) Financial statements of Landowner or its affiliates that have been or will be delivered to NTIFA are true and correct in all material respects, and fully and accurately present the financial condition of Landowner or its affiliates on the respective dates thereof. There has been no material adverse change in the financial condition of Landowner or its affiliates since the date of the latest statement furnished prior to the execution of this Agreement.
- (i) Neither this Agreement nor any statement or document referred to herein or delivered by Landowner pursuant to this Agreement contains any statement which Landowner knows to be untrue or omits to state a material fact known to Landowner that is necessary to make the statements made herein or therein not misleading.

Section 7.02 CC Trust Representations and Warranties.

CC Trust represents and warrants the following to the actual and current knowledge of CC Trust:

- (a) CC Trust represents that it is a duly organized and validly existing public trust under the laws of the State of Oklahoma.
- (b) CC Trust's ability to assist in the financing and cause the accomplishment of the Anchor Project with Public Assistance from NTIFA and the development obligations of Landowner has induced CC Trust to proceed with causing the construction of the Anchor Project, and CC Trust hereby covenants, subject to the terms and conditions and limitations herein provided, to complete, or cause the completion of, construction of the same and continue to maintain and operate, or cause to be maintained and operated, the Anchor Project.
- (c) CC Trust is fully empowered to enter into this Agreement and to perform the transactions contemplated thereby and generally to carry out its obligations hereunder and thereunder. CC Trust has duly authorized its Chairperson, or in the Chairperson's absence, its Vice Chairperson, to execute and deliver this Agreement and all other documentation required to consummate the transaction contemplated herein on behalf of CC Trust.

- (d) The performance by CC Trust under this Agreement will not violate any provision or constitute a default under any indenture, agreement or instrument to which CC Trust is currently bound or by which it is affected.
- (e) To the knowledge of the undersigned officer of CC Trust, there is no action, suit, proceeding or inquiry at law or in equity pending or threatened, affecting CC Trust wherein any unfavorable decision, ruling or finding would materially adversely affect CC Trust's ability to perform under this Agreement or under any other instrument pertinent to the transaction contemplated herein to which CC Trust is a party.
- (f) CC Trust warrants that it has not paid or given and will not pay or give any officer, employee or agent of NTIFA any money or other consideration for obtaining this Agreement. CC Trust further represents that, to its best knowledge and belief, no officer, employee or agent of NTIFA who exercises or has exercised any functions or responsibilities with respect to the Anchor Project during his or her tenure, or who is in a position to participate in a decision making process with regard to the Anchor Project, has or will have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Anchor Project, or in any activity, or benefit therefrom, during or after the term of this Agreement.
- (g) To the knowledge of the undersigned officer of CC Trust, based upon representations of Landowner, all utility services necessary for the development and construction of the Anchor Project are, or by completion of the Anchor Project will be, available to the Property, including water, storm and sanitary sewer facilities, electric and gas utilities, and telephone services.
- (h) Neither this Agreement nor any statement or document referred to herein or delivered by CC Trust pursuant to this Agreement contains any statement which CC Trust knows to be untrue or omits to state a material fact known to CC Trust that is necessary to make the statements made herein or therein not misleading.

Section 7.03 NTIFA Representations and Warranties.

NTIFA represents and warrants the following:

- (a) NTIFA is a duly organized and validly existing public trust under the laws of the State of Oklahoma.
- (b) NTIFA is fully empowered to enter into this Agreement and to perform the transactions contemplated thereby and generally to carry out its obligations hereunder and thereunder. NTIFA has duly authorized its Chairperson, or in the Chairperson's absence, its Vice Chairman, to execute and deliver this Agreement and all other documentation required to consummate the transaction contemplated herein on behalf of NTIFA.
- (c) The performance by NTIFA under this Agreement will not violate any provision or constitute a default under any indenture, agreement or instrument to which NTIFA is currently bound or by which it is affected.

- (d) To the knowledge of the undersigned officer of NTIFA, there is no action, suit, proceeding or inquiry at law or in equity pending or threatened, affecting NTIFA wherein any unfavorable decision, ruling or finding would materially adversely affect NTIFA's ability to perform under this Agreement or under any other instrument pertinent to the transaction contemplated herein to which NTIFA is a party.

Section 7.04 Effect of Breach of Representations and Warranties.

Except where specifically stated otherwise, all representations and warranties of the Parties hereto are made solely as of the Effective Date. Each Party shall be fully liable to the other Parties for any damages actually incurred by the other Parties arising from the breach of the breaching Party's representations and warranties under this Agreement, and the breaching Party shall promptly pay the other Parties for all such damages promptly upon its receipt of an invoice therefor; provided, however, that no breach of a representation or warranty under this Agreement will render this Agreement void or voidable, nor relieve the non-breaching Party of its obligations under this Agreement.

ARTICLE VIII. EVENTS OF DEFAULT AND REMEDIES

Section 8.01 Events of Default.

The following shall constitute defaults hereunder (each a "Default" and collectively, "Defaults"):

- (a) Default by any Party in the performance or observance of any material covenant or obligation contained in this Agreement, any instrument executed pursuant to this Agreement, or under the terms of any other instrument delivered by one Party to any other Party in connection with this Agreement, including, without limitation, the material breach of any material covenant, or, as to Developer Parties, Material Changes from approved Development Plans without prior written consent of NTIFA in accordance with the terms set forth in Section 2.02 of this Agreement; or
- (b) Any representation, statement, certificate, schedule or report made or furnished by any Party to other Parties with respect to the matters and transactions covered by this Agreement which proves to be false or erroneous in any material respect at the time of its making or any warranty of a continuing nature which ceases to be complied with in any material respect and which the offending Party fails to take or cause to be taken corrective measures satisfactory to the other Party within 30 days after written notice from the other Party to the offending Party; or
- (c) The initiation of bankruptcy or receivership proceedings by or against Landowner and the pendency of such proceedings without discharge for 90 days.

Section 8.02 Notice and Opportunity to Cure.

Upon a Default, a non-offending Party will provide the offending Party, copying all other non-offending Parties, with notice identifying all specific actions or omissions of the offending Party constituting the basis for the Default and the sections of this Agreement which render such action(s) or omission(s) to be a Default. The offending Party shall have at least thirty (30) days

opportunity to cure such Default. If the Default is of such a nature so as to reasonably require more than thirty (30) days in which to cure, the offending Party shall have such additional time as is reasonable under the circumstances in which to cure such Default, so long as the offending Party promptly commences the cure within such thirty (30) day period and thereafter diligently and continuously prosecutes such cure to completion.

Section 8.03 Termination.

- (a) In the event that NTIFA unreasonably fails to approve the Phasing Plan or any Development Plans and, if any such default or failure shall not be cured within 30 days after the date of NTIFA's receipt of written demand by Landowner or CC Trust, then this Agreement, or the relevant portion thereof, may, at the option of either Landowner or CC Trust, be terminated by written notice thereof to the Parties, and NTIFA, the City, and Developer Parties shall not have any further rights against or liability to the others under this Agreement with respect to the terminated portion thereof.
- (b) In the event that Developer Parties fail to submit the Phasing Plan or Development Plans to NTIFA and within the timeframes mandated by this Agreement, and, if any default or failure shall not be commenced to be cured within 30 business days after the date of Developer Parties' receipt of written demand by NTIFA, then this Agreement, or the relevant portion thereof, may, at the option of NTIFA, be terminated by written notice thereof to Landowner and CC Trust, and NTIFA, the City, Landowner, and CC Trust shall not have any further rights against or liability to the others under this Agreement with respect to the terminated portion thereof.
- (c) Upon completion of development of the Project, the issuance of Certificates of Completion for all components in all Phases therefor, and the payment of all Public Assistance payable under Article V hereof, this Agreement shall automatically terminate in which event none of the Parties will have any further liabilities or obligations hereunder. This Agreement shall not otherwise be terminable by any Party except upon the mutual agreement of the City, NTIFA, the Developer Parties and all Qualified Lenders. For purposes of this subsection (c), "Qualified Lenders" shall mean, collectively: (i) the trustee of the Anchor Financing or its designee; and (ii) each secured lender of CC Trust, or any assignee of CC Trust who holds a fee or leasehold mortgage of the part of the Property on which the Anchor Project will be located, to secure construction financing of the Anchor Project.

Section 8.04 Remedies.

Upon the occurrence of a Default, any Party may, in addition to any other remedies specifically provided for hereunder, exercise any remedy available to that Party by law or in equity, at its option without prior demand or notice, except as provided in this Agreement. Such remedies shall expressly include recovery of such Party's actual damages incurred in connection with the Default, and pursuant of specific performance of the defaulting Party's undischarged obligations to the extent otherwise available. Notwithstanding anything to the contrary contained herein, in no event shall NTIFA or the City have any right to terminate future payments of the Public Assistance or to claw back or recover any amounts of Public Assistance previously disbursed by NTIFA pursuant to this Agreement.

Section 8.05 Enforced Delay; Extension of Times of Performance.

- (a) In addition to specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in Default, and all performance and other dates specified in this Agreement shall be extended, where the Party seeking the extension has acted diligently and delays or defaults are due to events beyond the reasonable control of the Party such as but not limited to: default of another Party; war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; pandemics; quarantine restrictions; freight embargoes; invasion, lack of transportation; litigation; unusually severe weather; or any other causes beyond the control or without the fault of the Party claiming an extension of time to perform.
- (b) Times of performance under this Agreement may also be extended in writing by the mutual agreement of the Parties.

Section 8.06 Non-liability of Officials, Employees and Agents of NTIFA or the City.

No official, employee or agent of NTIFA, the City or CC Trust shall be personally liable to Landowner or CC Trust, or any successors in interest, pursuant to the provisions of this Agreement, for any default or breach by NTIFA or the City.

Section 8.07 Limitations of Liability.

No Party under this Agreement may pursue or recover punitive damages from the other Parties hereunder.

ARTICLE IX. MISCELLANEOUS**Section 9.01 NTIFA's and the City's Obligations Limited.**

Nothing in this Agreement is intended to require or obligate nor shall anything herein be interpreted to require or obligate NTIFA or the City to provide, apply or make any payment or advance from any revenue or funds coming into its hands other than the Public Assistance and in the manner provided in this Agreement. The City and/or NTIFA shall have no liability for repayment of any indebtedness incurred by Developer Parties or any assignee of Developer Parties pursuant to this Agreement other than the obligation to collect, account for, and timely provide the Public Assistance as herein authorized and agreed.

Section 9.02 Notices.

All notices and other communications required, permitted or contemplated by this Agreement ("Notices" and each a "Notice") must be in writing, signed by the Party giving the Notice, and sent using the contact information below. Notices must be sent by: (1) hand-delivery in return for a receipt; (2) United States mail with postage prepaid; (3) nationally recognized overnight courier service; or (4) email, so long as the intended recipient acknowledges by email or other writing as having received the Notice (with an automatic "read receipt" not constituting acknowledgment). A Notice is effective on the earlier of: (1) the date of actual delivery; or (2) for mailed Notices (without a return receipt), three 3 business days after the date of mailing. However, if the receipt

of Notice is refused, the Notice is effective upon attempted delivery. Any Party may change its contact information by notifying the other Parties as required by this Section. Notwithstanding the foregoing, Notices advising the other Parties of a Default under this Agreement must be sent by: (1) hand-delivery in return for a receipt; (2) certified United States mail, return receipt requested with postage prepaid; or (3) nationally recognized overnight courier service. Such Notices are effective on the date of actual delivery. However, if receipt of the Notice is refused, the Notice is effective upon attempted delivery.

Notices to Landowner will be addressed as follows:

UNP North, LLC
Attn: Guy L. Patton, Manager
100 W. Timberdell Rd.
Norman, OK 73019

Notices to CC Trust will be addressed as follows:

Cleveland County Recreational and Entertainment Facilities Authority
Attn: Chair
201 S. Jones Ave., Suite 200
Norman, OK 73069

Notices to NTIFA will be addressed as follows:

Norman Tax Increment Finance Authority
Attn: General Manager
P.O. Box 370
201 West Gray
Norman, OK 73070

Notices to City will be addressed as follows:

City of Norman
Attn: Darrel Pyle, City Manager
P.O. Box 370
201 West Gray
Norman, OK 73070

Section 9.03 Amendment.

This Agreement may not be amended or modified in any way, except by an instrument in writing executed by all Parties hereto and approved in writing by Landowner, CC Trust, NTIFA, and the City.

Section 9.04 Non-Waiver; Cumulative Remedies.

No failure on the part of any Party to exercise and no delay in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by any Party of any right

hereunder preclude any other or further right thereof. The remedies herein provided are cumulative and not alternative.

Section 9.05 Applicable Law.

This Agreement and the documents issued and executed hereunder shall be deemed to be a contract made under the laws of the State of Oklahoma and shall not be construed to constitute NTIFA or the City as a joint venturer with Landowner or CC Trust, or to constitute a partnership among the Parties.

Section 9.06 Descriptive Headings.

The descriptive headings of the articles and sections of this Agreement are for convenience only and shall not be used in the construction of the terms hereof.

Section 9.07 Integrated Agreement.

This Agreement constitutes the entire agreement between the Parties hereto, and there are no agreements, understandings, warranties or representations between the Parties regarding the financing of the Project other than those set forth herein.

Section 9.08 Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors, legal representatives and assigns.

Section 9.09 Counterparts.

This Agreement may be executed in several counterparts, and all such executed counterparts shall constitute the same Agreement. It shall be necessary to account for only one such counterpart in proving this Agreement.

Section 9.10 Construction of this Agreement.

The Parties acknowledge that the Parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the City caused this Agreement to be duly executed as of the Effective Date.

THE CITY OF NORMAN,
a municipal corporation
("City")

By: _____
Larry Heikkila, Mayor

ATTEST:

City Clerk

IN WITNESS WHEREOF, NTIFA caused this Agreement to be duly executed as of the Effective Date.

NORMAN TAX INCREMENT FINANCE AUTHORITY,
a public trust
("NTIFA")

By: _____
_____, Chair

ATTEST:

Secretary

IN WITNESS WHEREOF, CC Trust caused this Agreement to be duly executed as of the Effective Date.

CLEVELAND COUNTY RECREATIONAL AND ENTERTAINMENT FACILITIES AUTHORITY,
a public trust
("CC Trust")

By: _____,
_____, Chair

ATTEST:

Secretary

IN WITNESS WHEREOF, Landowner has caused this Agreement to be duly executed as of the Effective Date.

UNP NORTH, LLC,
an Oklahoma limited liability company
("Landowner")

By: _____
Name: _____
Title: _____

EXHIBIT 1**LEGAL DESCRIPTION OF THE PROPERTY**

A tract of land lying in the East Half (E/2) of Section Fourteen (14), Township Nine (9) North, Range Three (3) West of the Indian Meridian, Cleveland County, Oklahoma being more particularly described as follows:

COMMENCING at the southeast corner of the Southeast Quarter of said Section 14;

THENCE North $89^{\circ}06'20''$ East, along the south line of said Southeast Quarter, a distance of 205.03 feet;

THENCE North $00^{\circ}21'28''$ West a distance of 280.01 feet to a point of intersection of the east right of way line of Interstate Drive as established in Book 5288, Page 52 with the north right of way line of Rock Creek Road as established in Book 4630, Page 406 and the POINT OF BEGINNING;

THENCE along the east right of way line of said Interstate Drive, the following Five (5) courses:

1. Continuing North $00^{\circ}21'28''$ West a distance of 1,107.06 feet to a point of curvature;
2. Northerly along a non tangent curve to the right having a radius of 910.00 feet (said curve subtended by a chord which bears North $05^{\circ}50'27''$ East a distance of 196.52 feet) for an arc distance of 196.90 feet to a point of reverse curvature;
3. Northerly along a non tangent curve to the left having a radius of 990.00 feet (said curve subtended by a chord which bears North $06^{\circ}09'41''$ East a distance of 202.77 feet) for an arc distance of 203.13 feet;
4. North $00^{\circ}17'00''$ East, a distance of 1,427.78 feet;
5. North $47^{\circ}18'26''$ East a distance of 244.88 feet to a point on the south right of way line of Corporate Center Drive as established by said document recorded in Book 5288, Page 52;

THENCE along said south right of way line, the following Five (5) courses:

1. North $89^{\circ}38'32''$ East a distance of 915.55 feet to a point of curvature;
2. Easterly along a curve to the left having a radius of 540.00 feet (said curve subtended by a chord which bears North $68^{\circ}06'45''$ East a distance of 396.34 feet) for an arc distance of 405.82 feet to a point of reverse curvature;
3. Easterly along a curve to the right having a radius of 159.92 feet (said curve subtended by a chord which bears South $82^{\circ}04'47''$ East a distance of 249.79 feet) for an arc distance of 286.65 feet;

4. South 30°46'30" East, a distance of 177.61 feet;
5. South 20°48'48" West a distance of 32.32 feet to a point on the westerly right of way line of 24th Avenue N.W. as established in Book 2552, Page 472;

THENCE South 75°46'31" East, along said westerly right of way line, a distance of 27.24 feet;

THENCE South 30°46'30" East a distance of 60.00 feet to a point on the centerline of said 24th Avenue N.W.;

THENCE along said centerline, the following Four (4) courses:

1. South 59°13'30" West a distance of 506.75 feet to a point of curvature;
2. Southerly along a curve to the left having a radius of 1,225.41 feet (said curve subtended by a chord which bears South 10°24'11" West a distance of 1,844.66 feet) for an arc distance of 2,088.36 feet;
3. South 38°25'09" East a distance of 400.00 feet to a point of curvature;
4. Southeasterly along a curve to the right having a radius of 1,905.41 feet (said curve subtended by a chord which bears South 25°52'38" East a distance of 827.54 feet) for an arc distance of 834.18 feet;

South 76°39'53" West, a distance of 60.01 feet;

THENCE South 38°04'45" West a distance of 31.45 feet to a point on the north right of way line of Rock Creek Road as established in Book 4630, Page 406;

THENCE along said north right of way line, the following Six (6) courses:

1. South 89°06'20" West a distance of 164.31 feet;
2. North 86°07'59" West a distance of 222.17 feet;
3. North 74°46'41" West a distance of 371.81 feet;
4. North 85°32'53" West a distance of 340.56 feet;
5. North 82°57'16" West a distance of 482.29 feet;
6. South 89°06'20" West a distance of 89.68 feet to the POINT OF BEGINNING.

Said described tract of land contains an area of 3,923,449 square feet or 90.0700 acres, more or less

EXHIBIT 2
FORM OF PILOT COVENANT

After Recording, Return To:

Norman Tax Increment Finance Authority
Attn: General Manager
P.O. Box 370
201 West Gray
Norman, OK 73070

Covenant Agreement

This Covenant Agreement (“Covenant Agreement”) is made effective as of the ____ day of _____, 20____ (“Effective Date”), by and between the Norman Tax Increment Finance Authority, an Oklahoma public trust (“NTIFA”), the City of Norman (“City”), UNP North, LLC (“Landowner”), and the Cleveland County Recreational and Entertainment Facilities Authority, an Oklahoma public trust (“CC Trust”), with reference to the following:

A. NTIFA, the City, CC Trust, and Landowner have previously entered into that certain Economic Development Agreement: Rock Creek Entertainment District, dated _____, 2024 (“EDA”).

B. The EDA sets forth the obligations of CC Trust and Landowner and their permitted assignees to undertake the development of a \$650,000,000.00 mixed use project anchored by a multipurpose event venue and arena (“Project”) on property more particularly described on Exhibit A to this Covenant Agreement (“Property”). CC Trust will construct, or cause to be constructed, and own the event venue/arena and parking garage on a portion of the Property identified on Exhibit A as the “Anchor Property”, and Landowner will construct the surrounding mixed use project on the surrounding property identified on Exhibit A as the “Mixed Use Property.”

C. The City Council of the City has approved and adopted the Rock Creek Entertainment District Project Plan (the “Project Plan”), creating and establishing Increment District Number 4, The City of Norman (“Increment District No. 4”), and Increment District Number 5, The City of Norman (“Increment District No. 5”) (Increment District No. 4 and Increment District No. 5, collectively, “Increment Districts”).

D. Pursuant to the terms and provisions of the EDA, under which NTIFA has agreed to provide certain financial assistance to support the Project, Landowner and CC Trust has agreed to cause to be made payment of ad valorem taxes in an annual minimum amount for the duration of Increment District No. 5.

E. Accordingly, Landowner and CC Trust have agreed that a recordable instrument would include a covenant running with the land providing that the owner(s) and any successors in interest of the Anchor Property will pay or cause to be paid a minimum annual amount of ad

valorem taxes on the Anchor Property and taxable personal property during the Minimum Annual Payment Period (as defined below).

The parties hereby agree and covenant as follows:

1. **Imposition of Covenants.** This Covenant Agreement is made as of the Effective Date and as consideration for the execution and delivery of the EDA. This Covenant Agreement imposes the covenants herein on the Anchor Property. Pursuant to Section 4.08 of the EDA, CC Trust hereby binds itself and its successors and assigns to the covenants herein, which shall continue in effect for the duration of Increment District No. 5.

2. **Minimum Annual Payment.** Commencing on the earlier of (i) December 31, 2029 or (ii) the year following the year in which NTIFA files a Certificate of Completion for the Anchor Project (both as defined in the EDA), the Anchor Property shall be subject to a minimum annual ad valorem payment (whether classified, in whole or in part, as a tax payment or an in lieu of payment) obligation in the amount of not less than the amount calculated by multiplying \$290,000,000.00 (or, if individual components are not assessed, \$263,000,000.00 for the arena component of the Anchor Project or \$27,000,000.00 for the parking garage component of the Anchor Project, individually) by an assessment ratio of 12%, then increasing the resulting product by 1.5% for every 12 month period that has passed since NTIFA issued a Certificate of Completion for the Anchor Project, and then multiplying that resulting product by the annual ad valorem tax levy millage rate in effect within TIF 5 for that tax year ("Minimum Annual Payment"), which shall continue in effect for each year thereafter through the duration of Increment District No. 5 ("Minimum Annual Payment Period").

3. **Obligation to Pay Minimum Annual Payment.** Subject to Section 8 of this Covenant Agreement, during the Minimum Annual Payment Period, the owner(s) (and any successors in interest) of the Anchor Property will pay, or cause to be paid, not less than the Minimum Annual Payment of ad valorem taxes (or will make a payment in lieu of taxes in the Minimum Annual Payment amount). During the Minimum Annual Payment Period, if the county assessment ratios, levy rates, or taxable assessed values that are in effect for any subsequent fiscal year prior to the termination of Increment District No. 5 result in an ad valorem tax liability that is less than the Minimum Annual Payment amount, the owner(s) of the Anchor Property shall, in addition to paying ad valorem taxes on the property based on the county assessment ratios, levy rates, and taxable assessed values then in effect, make, or cause to be made, a payment in lieu of ad valorem taxes in the amount of the difference between (i) the ad valorem tax calculation then in effect, and (ii) the Minimum Annual Payment amount.

4. **Payments in Lieu of Ad Valorem Taxes.** During the Minimum Annual Payment Period, if all or a portion of the Anchor Property is exempt from ad valorem taxes (whether resulting from ownership of such real or personal property by a public or private tax-exempt entity

or a lease or sublease of such property to a public or private tax-exempt entity), the owner(s) of the Anchor Property shall make (or cause to be made) payments in lieu of ad valorem taxes with respect to the real property and/or personal property to which such exemption applies, commencing in any year in which such ad valorem tax exemption is in effect and terminating upon the first to occur of termination of such ad valorem tax exemption or termination of Increment District No. 5.

5. Lien Securing Minimum Annual Payment Obligations. The Minimum Annual Payment obligations of the Anchor Property pursuant to the covenants in this Covenant Agreement are secured by a lien (or liens) on the Anchor Property in favor of Cleveland County, Oklahoma (“County”) for the benefit of the apportionment fund of Increment District No. 5 arising annually at the same time, in the same manner, having the same priority, and subject to the same enforcement and remedies as liens to secure the annual payments of other ad valorem taxes, which lien or liens may also be evidenced by written notice executed by or on behalf of the County, NTIFA, the City, or the duly authorized designee of NTIFA and filed in the records of the County Clerk of Cleveland County, and which lien or liens may also be enforced by the County, NTIFA, or the City on its behalf by its authorized designee by foreclosure in the same manner as foreclosure of a mortgage.

6. Covenants Running with the Land. The covenants in this Covenant Agreement shall run with the Anchor Property described in Exhibit A to this Covenant Agreement. The County, NTIFA, the City, and the Landowner shall each be deemed a beneficiary of the covenants in this Covenant Agreement, and such covenants shall run in favor of the County, NTIFA, the City, and Landowner, for the entire period during which such covenants shall be in force and effect. As such beneficiaries, in the event of any breach of such covenants, the County (or NTIFA or the City, if the County does not elect to exercise its rights and remedies) shall have the right to exercise all the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach, to which beneficiaries of such covenant may be entitled; provided, however, that in all such events, NTIFA and/or the City, as applicable, shall be required to provide notice of any such breach to all lienholders of record at such notice address as is provided in such record document prior to the exercise of any of its rights and remedies hereunder; further provided, however, that the failure to provide such notice shall not prevent the exercise of any of its rights and remedies hereunder.

7. Timing of Minimum Annual Payment. The Minimum Annual Payment shall be made by December 31 of each year to the Cleveland County Treasurer.

8. No Personal Liability; Right to Dispute Any Tax Increases. In no event shall the covenants in this Covenant Agreement constitute a personal liability of CC Trust (or their respective successors and assigns), nor will the owner(s) of any portion of the Anchor Property be prevented from disputing any proposed increased ad valorem taxes that may be in excess of the

Minimum Annual Payment amount. In the event of a default in payment of the Minimum Annual Payment obligation, the beneficiaries of the Minimum Annual Payment pursuant to this Covenant Agreement shall look exclusively to the Anchor Property for satisfaction thereof and shall not seek or obtain a personal judgment against CC Trust or its successors or assigns.

9. Termination of Ad Valorem Tax Covenants. The covenants in this Covenant Agreement shall terminate upon the termination or dissolution of Increment District No. 5, and, upon such termination or dissolution of Increment District No. 5, shall be extinguished and of no further force and effect.

The parties have executed and delivered this Covenant Agreement as of the day and year first above written.

NORMAN TAX INCREMENT FINANCE AUTHORITY,
an Oklahoma public trust

BY: _____

Name: _____

Title: _____

**CLEVELAND COUNTY RECREATIONAL AND
ENTERTAINMENT FACILITIES AUTHORITY, an
Oklahoma public trust**

BY: _____
Name: _____
Title: _____

UNP NORTH, LLC, an Oklahoma limited liability company

BY: _____
Name: _____
Title: _____



Date: September 23, 2024
To: Brenda Hall, City Clerk *BH*
From: Rickey J. Knighton II, Interim City Attorney *RJK*
Subject: Rock Creek Entertainment District Referendum Ballot Title

Background:

On September 20, 2024, Proponents of a referendum regarding Ordinance O-2425-2 filed a Referendum Petition with your office. The Proponents also filed a ballot title. The Proponents ballot title states as follows:

Ordinance 0-2425-2 of the City of Norman would adopt the "Rock Creek Entertainment District Project Plan." The Project Plan would create two Increment Districts. Increment District 4 would allocate 100% of the City's general fund and capital improvement sales and use taxes generated in District 4, beginning May 1, 2025. Increment District 5 would allocate 100% of certain ad valorem taxes generated in District 5, beginning December 31, 2026. Both Districts would last up to 25 years.

The Project Plan authorizes project costs up to \$600,000,000 for administration, implementation, and assistance to the Project Developer in financing \$230,000,000 relating to the construction of an arena, parking garage, and infrastructure. Increment tax revenues generated in the Districts, along with potential state matching funds, would be used to pay for authorized project costs.

A yes vote would approve the Ordinance. A no vote would reject the Ordinance.

Shall the Ordinance be approved?

Subsection D(2) of 62 O.S. § 868 requires that the municipal attorney notify you whether the ballot title is in legal form and in harmony with the law within three (3) days after the filing of the ballot title. If the ballot title is not in proper form, in the opinion of the attorney, the municipal attorney shall prepare and file a ballot title which does conform to the law within the three-day period.

Discussion:

The form of the ballot title submitted by the Proponents on September 20, 2024, complies with 62 O.S. § 868(D)(1)(a) through (c). Said ballot title does not exceed one hundred fifty (150) words, reflect partiality in its composition or contain any argument for or against the measure, or contain language whereby a "yes" vote is, in fact, a vote against the proposition and a "no" vote is, in fact, a vote in favor of the proposition. However, said ballot title does not appear to be in harmony with the law. Assuming without conceding that 62 O.S. § 868 requires a municipal attorney to prepare a ballot title after determining that the ballot title submitted by the proponent is legal form but not in harmony with the law, a ballot title that is legal as to form and in harmony with the law is attached.

FILED IN THE OFFICE
OF THE CITY CLERK
ON 9/23/24-JW

Any qualified elector who is dissatisfied with the wording of the ballot title may appeal to Cleveland County District Court within the (10) days after the ballot title is filed with the City Clerk. 68 O.S. § 868(E). The petition for appeal is required to include a substitute ballot title for the one from which the appeal is taken. *Id.* Written notice of the appeal must be served on the City Clerk and upon the parties who filed the ballot title at least five days before the appeal is heard by the Court. *Id.*

Ballot Title

Ordinance O-2425-2 adopts the “Rock Creek Entertainment District Project Plan,” which includes assistance in development financing for construction of a multipurpose arena, parking garage, and related infrastructure. The Plan anticipates that \$230 million will be borrowed for these projects. The Plan establishes two increment districts to support development of these projects.

Increment District 4 will start on May 1, 2025, allocating all non-dedicated sales tax revenue, 3% of taxable sales, within the District, to project costs. Increment District 5 will begin on December 31, 2026, allocating increased ad valorem tax revenue within the District to project costs.

Both districts will remain active until either \$230 million in principal plus interest is repaid to the lender, \$600 million in public assistance is provided, or 25 years pass, whichever occurs first.

A yes vote approves the Ordinance, while a no vote rejects it.

Shall the Ordinance be approved?

https://www.oudaily.com/news/city-clerk-certifies-over-10-000-signatures-for-petition-to-bring-entertainment-district-to-public/article_75fd6bdc-9ca7-11ef-9541-2b6ccc8d9627.html

City clerk certifies over 10,000 signatures for petition to bring entertainment district to public vote

Nov 6, 2024



ORED petition site in front of Yellow Dog Coffee Company on Oct. 9.

Thomas Pablo/OU Daily

By Vasudha Penmatsa

news reporter

Oklahomans for Responsible Economic Development announced the city clerk certified over 10,000 signatures on its petition to send the Rock Creek Entertainment District to a public vote.

This comes nearly three weeks after ORED announced it gathered 11,602 signatures on **Oct. 17**.

According to a Facebook post by Paul Arcaroli, an ORED member, City Clerk Brenda Hall certified 10,698 signatures for the petition, exceeding the 6,098 required to turn the entertainment district to a public vote.

The \$1.1 billion Rock Creek Entertainment District was introduced in September 2023. The development would include an arena to replace Lloyd Noble Center, new offices, homes and retail establishments.

Norman City Council approved the entertainment district 5-4 on Sept. 18 after 1 a.m. Three residents, Pamela Mccoy-Post, Paul Arcaroli and Richard Sondag, filed the petition on behalf of ORED on Sept. 20.

“We believe a project of this magnitude should require a real public vetting followed by a citywide vote of the people,” ORED wrote on its website.

ORED argues that the tax increment financing model or TIF used to fund the project will burden the city budget moving forward and take \$100 million of taxes away from Norman Public Schools.

“Our group is not opposed to the arena, and we are not antigrowth. We oppose public financing of a project plan that saddles our city with a \$600M debt obligation for 25 years,” ORED wrote on its website.

OU statements on ORED petition

In September, OU President Joseph Harroz Jr. told OU Daily editors he believed community members had the right to overturn the council’s decision, but he hoped the decision would prevail.

“They want to try and overturn it, they can try to overturn it,” Harroz said. “I obviously think that’s not in the best interest of the city, but they think otherwise. So we’ll see what that shakes out.”

Harroz said the entertainment district represents opportunity and change for Norman.

“People don't like change,” Harroz said. “They want to criticize change, but that assumes that where you stand, if you don't change, will be the same tomorrow as it is today.”

OU Marketing and Communications wrote in an email to OU Daily that the university will continue to advocate for the project's development.

“This is nothing more than an effort to overturn a year-long process that included the in-depth study, analysis and vote of five different democratically elected or appointed boards and commissions, including the Norman City Council,” an OU spokesperson wrote. “The truth is this project can not happen in Norman if the City Council’s vote on the TIF is overturned. We will await the outcome of the city’s signature verification process as the next step in working to ensure this project comes to fruition for the citizens of Norman.”

According to Arcaroli’s post, legal notice of the petition will be published in the [Norman Transcript](#) on Nov. 10. A protest may be filed by an elector of the city in district court within 10 days of the publication in the newspaper. If this occurs, the district court will have 10 days from the filing of the protest to set a date to hear the protest.

If the petition is accepted, registered voters will be allowed to vote on the development of the entertainment district on Feb. 11, the day of the first municipal regular election.

This story was edited by Anusha Fathepure and Ismael Lele.

Vasudha is a news reporter and primarily covers environment and science. She wants to raise awareness about local science-related organizations and projects. Vasudha can be contacted at Vasudha.M.Penmatsa-1@ou.edu.

Summary of Financing

1 Public Funding Request of \$230 Million + costs

Cost Breakdown (rounded within 3% for description purposes)

\$300 million arena and parking garage
 + **\$30 million** infrastructure cost (roads, utilities, etc.)
Total Arena Cost: \$330 million

- **\$100 million capital** from OU/Developers
- **\$230 million TIF Financing**

TIF Financing Revenue Breakdown

- Ad Valorem – Cleveland County, other taxing bodies (<67%)
- Sales Tax – **City of Norman** (>33%)
- Non-Dedicated TIF REVENUES ONLY FOR REPAYMENT
- DEDICATED SALES TAX (public safety, etc.) WILL BE PAID to City of Norman throughout life of TIF

Norman Sales Tax	
State of Oklahoma	4.5%
Cleveland County Jail	0.125%
Norman General Fund	2.3%
Norman Capital Improvements	0.7%
Norman Public Safety	0.5%
Norman Forward Projects	0.5%
Norman Public Transit	0.125%
Total	8.75%

Summary of Financing

2 Breakdown City Portion

\$230 Million

+ costs @ 6% rate x 25 years =

\$507 Million

(capped at \$600 Million)

Revenue

- Ad Valorem Tax: \$369 Million
- Sales Tax: \$138 Million

Sales Tax Sources

- Leverage Act Funds: \$69 Million
- Construction Sales Tax OU Arena: \$18 Million
- Norman Sales Tax Total: \$51 Million

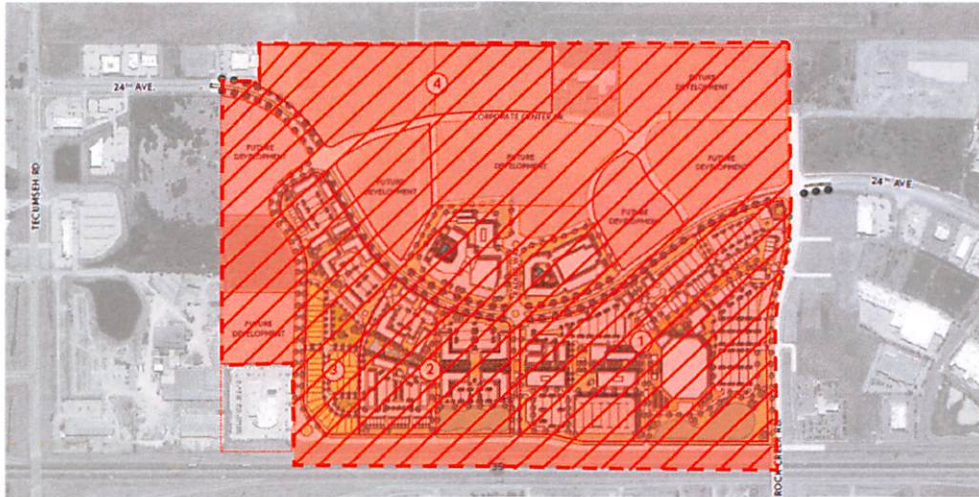
Unaffected – pass through Dedicated Tax Est.

\$54 Million

- Public Safety
- Public Transit
- Norman Forward

Sales Tax North of Rock Creek Road

3



Sales Tax without Project:

2025:	\$0
2026:	\$0
2027:	\$0
2028-2050:	\$0
2051:	\$0

Sales Tax with Project:

2025:	\$0
2026:	\$1,240,000
2027:	\$1,350,000
2028-2050:	\$52,800,000
2051:	\$24,900,000

The Facts

4 How does this affect a Norman Citizen?

- **No new taxes. No risk to the public. No financial risk to the City.**
- Landowner/Developers/County borrow **\$230 million** for arena, parking garage, and infrastructure which catalyzes additional development.
- This is the way public/private partnerships work. If TIFs were a negative, they wouldn't be utilized.

Active TIFs 2024

- **Oklahoma: 109** (Cities include: Atoka, Elk City, Durant, El Reno, Ardmore, Boise City, Norman, Elgin, Lawton, Sapulpa, Grove, Enid, Blanchard, Chickasha, Altus, Blackwell, Heavener, Muskogee, Bethany, Choctaw, Del City, Edmond, Harrah, Midwest City, Oklahoma City, The Village, Warr Acres, Okmulgee, Cushing, Stillwater, Carlton Landing, McAlester, Shawnee, Tecumseh, Claremore, Town of Inola, Seminole, Wewoka, Guymon, Bixby, Broken Arrow, Glenpool, Jenks, Owasso, Sand Springs, Tulsa, Bartlesville, Alva)
- **Missouri: 384**
- **Texas: 794**

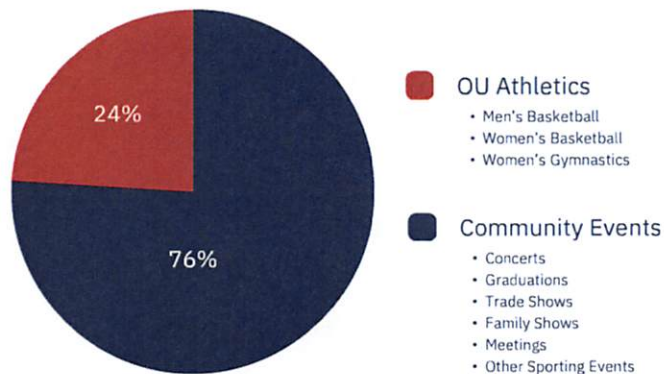
5 Is the City of Norman at risk if the \$230 million is not paid back?

- **NO.**
 - Parties other than City are arranging the financing, issuing the bonds, and taking the risk of bond payments.

Arena

6 This is just an arena for OU?

- Professionally Managed
- Event Programmed 170-180 days per year
 - OU Athletics will utilize 41 days per year
 - Community Events will utilize 130-139 days per year



Projected Total Number of Event Nights: 171