

Minutes



Frisco Road Economic Development Project Plan Review Committee

THE FRISCO ROAD ECONOMIC DEVELOPMENT PROJECT PLAN REVIEW COMMITTEE MET IN SPECIAL SESSION ON **DECEMBER 18, 2013** AT THE CENTENNIAL BUILDING IN THE CITY COUNCIL CONFERENCE ROOM. THE MEETING WAS HELD AT 1:30 PM

CALL TO ORDER:

ITEM 1:

Roll Call:

Ken Smith, Chairman - Absent
Betty Corn - Absent
Bill Martin
Kyle Ruzicka
Larry Taylor
Jack Stewart

OTHERS PRESENT:

Larry Mitchell
Doug Shivers
Amy Phillips

Leslie Batchelor
Sara Hancock
Grayson Bottom (arrived 1:46 pm)

ITEM 2:

APPROVAL OF MINUTES FROM NOVEMBER 21, 2013 MEETING

Motion for minutes to be approved

Motion – Larry Taylor

Second – Bill Martin

Ayes- Stewart, Martin, Ruzicka, Taylor

ITEM 3:

REVIEW AND CONSIDERATION OF PROPOSED PROJECT AREA AND INCREMENT DISTRICT

Leslie Batchelor handed out an information packet that included a draft memo of project area descriptions and options. She then reviewed the three major functions of the TIF Review Committee: Establish eligibility of the area, Financial Impact of the project, and General Recommendation to the City Council. Today she would like to focus on the eligibility. The eligibility depends on what area you pick. Included in the packet was a draft memo of the project and how the area is eligible. The initial description of the project is south of I-40 and east of Frisco Road. The boundaries need to stay within

the limits of the City of Yukon. There are two areas that can be the same or slightly different: 1. The Increment District - the area in which the tax revenue from newly generated development will be collected and apportioned to pay for project costs. 2. Project Area - the area within which the money can be spent. Ms. Batchelor restated these areas can be exactly the same or slightly different. She then directed the committee to look at the handout with the different options included. The options are only initial and state the core area for the project. With the Review Committees input, they can come up with the boundaries today. However, formal action will be done at a future meeting. Option A Map extends along Frisco Road to the north. Other options vary mostly along the southern and eastern edges. Frisco Road is included in the Project Area, even though it will not generate taxes. Ms. Batchelor discussed how it meets eligibility and how the statutes require TIF District to focus on reinvestment area. Ms. Batchelor then read 62 O.S. § 853(17) definition of reinvestment area. She stated Frisco Road project is on the Oklahoma Department of Transportation (ODOT) eighty eight year report, as a needed transportation improvement.

ITEM 4:

REVIEW AND CONSIDERATION OF ELIGIBILITY OF PROPOSED PROJECT, PROJECT AREA, AND INCREMENT DISTRICT

Mr. Stewart asked about the house that was located in the district. Ms. Batchelor stated no one in the area is affected by the district. Mr. Taylor questioned the ODOT plan. Mr. Mitchell stated Frisco Road is scheduled to be worked on in 2020. We have asked ODOT for an accelerated schedule, so it would coincide with our development. Mr. Taylor questioned who pays. Mr. Mitchell stated federal dollars cover 80% and 20% by the City. Mr. Taylor asked if there was going to be an off ramp. Mr. Mitchell stated there is no design yet. The TIF District would allow for funding of Frisco Road. The City has to get it ready for construction and then ODOT puts the contract out for bid. Mr. Taylor asked, if Yukon would front money. Mr. Mitchell stated yes, soft cost should be \$3 million and a total cost of \$6 to \$7 million for Yukon. Mr. Mitchell gave more information on process and funding. Mr. Mitchell also discussed opening Health Center Parkway. By doing this, some development will occur and funds will be collected. Mr. Taylor asked about a vote to the people for Revenue Bonds. Grayson Bottom stated it ties up your balance sheet. Ms. Batchelor stated we should save budget questions for next meeting.

Mr. Taylor asked about soft costs for Frisco Road being paid from general fund. Mr. Bottom stated more of a Commercial Note than a Bond. The costs are eligible for reimbursement from the TIF District or by other revenue not dedicated. Ms. Batchelor stated Yukon is in good shape because of available funds. Mr. Bottom stated another reason Sales Tax supported Revenue Bond is impractical is because of encumbering all sales tax from the City for this one project. Also, want to do Bank Qualified Bonds, but here, not so much worried about this because bond purchaser here is the developers. Ms.

Batchelor stated TIF financing gives more flexibility. Mr. Taylor asked if there were deals in place or ongoing discussions. Mr. Mitchell stated yes on Health Center Parkway, if we start construction, they will make commitment. Mr. Taylor asked about water being a problem. Mr. Bottom stated no, most of the development is not large users of water. We can use a federal grant to extend existing 12 inch line and loop the area. Mr. Mitchell questioned the house that was located in district. Mr. Bottom stated the house was converted to office space and is now leased as a yard.

Ms. Batchelor stated we should focus on boundaries. The boundary area east of Frisco, south of I-40 to Garth Brooks, north of hospital, triangle is basic area and looking to extend north along Frisco Road. Mr. Stewart asked, if that area has water concerns or issues. Mr. Bottom described water concerns and issues. Mr. Taylor stated north side owners land has been ruined due to drainage. Mr. Bottom stated that is incorrect. Mr. Stewart asked, if that was a problem, could the project area be used to fix the problem. Mr. Mitchell stated yes, if needed. Ms. Batchelor stated to make sure the Project Area covers where the City needs to spend money. We want to make sure to get undeveloped land in TIF District and Project Area. Project area can go either way, if it is included, doesn't mean you have to spend money on it.

Mr. Bottom favors Option A1 and would like Project Area and Increment District similar to the same. Mr. Stewart asked if northwest corner would go all the way to Highway 66. Mr. Bottom stated it is already platted for residential. Mr. Taylor asked if anyone has talked with Mr. Kouba. Mr. Bottom stated not yet. Mr. Stewart asked if exit ramp will be in Mr. Kouba's land. Mr. Bottom stated no, it will be way back. Mr. Taylor stated Option A1 looks good. Ms. Batchelor stated there will be no action today, but she will draft plan accordingly and then a vote will be taken at future meeting.

Mr. Bottom stated it would be a huge leg up to reconfigure the Health Center Parkway. Last bond issue had money to improve South Highway 4 and this project has been delayed and the money has to be spent. The City could spend that money on Health Center Parkway. This would open 125,000 square feet of retail space to fund the project. Ms. Batchelor stated draft budget will be sent in advance for review. Mr. Bottom stated this project is tailor made for a TIF District. Mr. Taylor asked if there was a risk that federal won't approve interchange. Mr. Bottom stated very little. Yukon has been named as an urbanized area, so rules changed. Ms. Batchelor said the interchange benefits entire community. City should look at all financing options and look at cheapest safest way. Financing may not come strictly from the TIF District.

ITEM 5:

DISCUSSION AND QUESTION

ITEM 6:

CONSIDER SELECTING AND APPROVING THE DATE AND TIME, FOR THE NEXT REVIEW COMMITTEE AND SPECIAL MEETING

January 16, 2014 at 10:00am was suggested.

Motion to approve Thursday, January 16, 2014 at 10:00 am, for the next Review Committee Special Meeting.

Motion – Larry Taylor

Second – Jack Stewart

Ayes – Taylor, Ruzicka, Stewart, Martin

Nays- None

ITEM 7:

ADJOURNMENT