



Education Funding Matters

Every dollar matters with state funds on the decline. In the last 10 years, state revenue for Meridian Tech has been cut by more than 20%. We train people to enter the workforce, work with businesses to make them stronger, and our business incubator supports the creation of new companies. Meridian's funds are vital to ensuring we can fulfill our primary role of economic development.

The TIF area is already growing, if not thriving. Over \$82 million in new development will soon be taxed and officially added to the tax rolls in 2019. This amounts to over \$650,000 annually that will be diverted from other entities toward the TIF. For Meridian that is \$139,000 each year for 25 years. This equates to two classrooms, with a capacity of 60 students total per year. That's as many as 1,500 students. How do we make the decision on which students can't come to Tech?

Frequently Asked Questions About How the TIF Impacts Education Funding

What is a TIF?

A Tax Increment Financing District (TIF) is a defined section of a community, up to 25%, that is created with the intent of stimulating economic growth. The area is created on the assumption that without an infusion of public investment in the area, private development won't occur. Any growth in funds above the baseline tax at the time the TIF is implemented is diverted away from the taxing entities that normally receive the funds to the TIF district.

What are the criteria for creating a TIF?

The Local Development Act reads: 1. That the tools of this act [tax increment districts and incentive districts] be used in those cases where investment, development and economic growth is difficult, but is possible, if the provisions of this act are available; [and] 2. That the tools of this act not be used in areas where investment, development and economic growth would have occurred anyway and that the governing body take care to exclude areas that do not meet this criteria. (Section 62-852). The Act is to be used in areas that are "unproductive, undeveloped, underdeveloped or blighted areas." (Subsection C of Section 6 of Article X of the Oklahoma Constitution)

What are the details of this TIF?

The boundaries of the proposed TIF encompass most of downtown and an area south and east of the University with Washington street as the western boundary, Sixth Street as the southern boundary, Main Street as the eastern boundary and Hall of Fame as the northern boundary. It will be in existence for up to 25 years or when \$32.5 million is collected.

Who is affected by the TIF?

Meridian, Payne County Government, Payne County Health, and all residents of Payne County will be affected. In a letter to city councilors, County Clerk Glenna Craig says: The county, schools, and health department do not have any other mechanism to create more revenue [to support] all areas, services, and functions of county government, including roads and bridges, record recording, court systems, mediation services, assessments of property, tax collection, expo center, extension services, elections, health departments, rural and municipal fire departments, emergency management, environmental enforcement, community service programing, and law enforcement. Read the full letter in the Stillwater NewsPress.

Isn't the TIF area already thriving?

Economic growth is already occurring in this area without the help of a TIF. The Payne County Assessor shows an estimated \$82 million of appraised property within the TIF area that will be added to the tax rolls in 2019. Cowan also shows property value growth in the project area is outpacing most other areas of Stillwater. Since 2003 growth in the TIF district has been 10.31% compared to 3.87% in the City of Stillwater as a whole. Cowan says that "since the beginning of 2015 there have been 112 sales of properties in the proposed TIF district. The average selling price has been 156% of the appraised value of the property. To say that this is a blighted or stagnant area is ludicrous."

Why doesn't Meridian support this TIF?

There are two main reasons. TIFs are designed to stimulate economic growth in underdeveloped areas. This area is already thriving. The second reason is there is no defined plan. No real costs are given, only a plan to collect revenue into a fund for future use. A 25-year TIF is a full generation of students. In 1973 when residents voted to become part of the Meridian district, it took a vote of the people. Now a vote of 5 people on the city council can take funding away from entities that provide critical services such as education and access to health care by diverting it to the TIF.

I've heard people say there's no loss to Meridian. Is that true?

There will be a loss. There is new development in the TIF district waiting to be added to the tax rolls, which happens annually in January. There is additional development that has been approved by the city that has not yet started. None of these were created through the help of the TIF. If the TIF were not approved, the ad valorem from the existing property would go to the tax receiving entities in Payne County, including Meridian. Meridian would receive a conservative estimate of about \$139,000 each year on these existing properties from just growth that is already occurring. Not to mention future growth that is likely to occur without the TIF. The TIF is estimated to last 25 years. That's more than \$3.4 million over the life of the TIF.

Will the TIF really improve the project area?

The plan as written does not identify a specific project to improve the area. Other TIFs Meridian has been a part of have had a defined project such as extending a sanitary sewer connection to properties that are undevelopable without it. This plan says that \$11.6 million is for public infrastructure, facilities and improvements but no details are given. It sets aside \$12.5 million for new business development and \$5 million in assistance for development financing. There is nothing specific identified in the plan to stimulate economic growth, only a plan to redirect already occurring growth revenue into a fund for the city.

How will Stillwater Public Schools be affected? Won't they receive extra funding via the TIF?

SPS was against the TIF originally. The night before the review committee voted, the city met with the SPS board of education to discuss setting funds set aside for SPS. As a result, the TIF plan now includes \$2.8 million for SPS initially and an additional \$2.8 million for facilities at a later date. Meridian, Payne County and Payne County Health were not given this special consideration. SPS did vote in favor of the TIF. Also, due to Oklahoma's equalization formula for public schools, the impact for Stillwater Public Schools will be minimal. In general terms, when a school district loses funds locally, they qualify for a larger share of state dollars. As we know, funds are limited at the state level. In practice then, when Stillwater qualifies for a larger share of state dollars, each of the other schools in the county and state will receive a lesser share.

Tell me about the review committee that met about the TIF and the final recommendation to the city council?

The committee was comprised of representatives from Stillwater Public Schools, the City Council, the City Planning Commission, Meridian, Payne County, Payne County Health and three at-large representatives recommended by the City Council representative. The vote was 6 to 2 in favor with Meridian and Payne County opposed and Payne County Health abstaining on advice from their attorney.

What can I do?

Contact City Councilors to share your concerns. A referendum petition is also an option that would give all Stillwater residents a voice in deciding what's best for the city.