

**MINUTES OF SPECIAL MEETING
OF THE
TAX INCREMENT DISTRICT REVIEW COMMITTEE OF THE
CITY OF OKEMAH, OKLAHOMA**

March 29, 2024 @ 10:00a.m.

Okemah City Hall, 502 West Broadway, Okemah, Ok

Attendees

- Ronnie Lucas
- Tina Johnson
- Lee Vick
- Vic Woods
- Randy Stubblefield
- Melissa Farris
- Roger Thompson
- John Copeland
- Andrew Benson
- Nate Ellis
- Kristy Lesley
- Relena Haddox

Absent

- Sandra Golden

Key Takeaways

- The meeting focused on the discussion of the proposed tax increment district, including the TIP process, proposed boundaries, preliminary development, and assumptions of projected TIP revenues, and proposed infrastructure improvements and related project costs.
- The TIP committee aims to establish a tax increment finance review committee to oversee the proposed boundary areas and work on revenue assumptions for economic development.
- The committee discussed the importance of new tax revenue generation, not existing tax revenue, and the need to refine the revenue model.
- The proposed boundaries for the increment district number one, City of Okemah, were reviewed, including new annexations and potential areas for inclusion or exclusion.
- Concerns were raised about the definition of "underdeveloped land" and whether the proposed TIP district meets this criterion.
- The "but-for" test was discussed as a means to determine the necessity of a TIF for development.
- Infrastructure improvements were highlighted as a key factor in the TIF district, particularly addressing traffic concerns and the need for repairs and upgrades.
- The flexibility of the TIF to adapt to future business needs was discussed, including the ability to amend the TIF for specific businesses or infrastructure needs.

- The distribution of TIF revenues between project costs and taxing entities was a major topic, with different allocation models considered.
- The impact of the TIF on existing businesses and potential competition was addressed, with emphasis on avoiding cannibalization of sales tax and ensuring fair competition.
- The potential for the TIF to fund both primary and secondary infrastructural needs was confirmed.
- The committee discussed the importance of development agreements and the potential for buyback provisions to protect the community's investment.
- The meeting concluded with a discussion on revenue projections and the need for further refinement of the revenue model.

Next Steps

- The committee will continue to refine the revenue model and assumptions for the TIF district.
- A follow-up meeting will be scheduled, avoiding the 26th of April due to Pioneer Day weekend and Nate Ellis's personal commitments. Potential dates considered are the 19th of April or the 3rd of May, with May 3rd being a tentative date.
- Further discussions will take place to address any questions and concerns raised during the meeting.

Detailed Meeting Minutes

Roll Call and Meeting Opening

- **Ronnie Lucas** called the meeting to order at 10 o'clock and requested a roll call from **Relena Haddox**.
- **Relena Haddox** confirmed the presence of Ronnie Lucas, Vic Woods, Lee Vick, Tina Johnson, Randy Stubblefield, Melissa Farris, Roger Thompson, Andrew Benson and John Copeland.

Approval of Previous Meeting Minutes

Motion: Approve minutes.

- **Proposed by:** Randy Stubblefield
- **Seconded by:** Tina Johnson
- **Discussion:** None
- **Vote:** Unanimous approval

Discussion of Proposed Tax Increment District

TIP Process and Review Committee Purpose

- **Nate Ellis** explained that the tax increment finance review committee is established to oversee the proposed boundary areas and work on revenue assumptions for economic development.
- The committee's goal is to understand where the revenues come from and how they will be used, with the intention to refine the model and provide a more detailed resolution.

Proposed Boundaries

- **Kristy Lesley** presented a map outlining the proposed boundaries, including new annexations and areas for consideration.
- The map included the gold line of I-40, Amos Track, the truck shop, Mack Mahan, and other properties such as Flanders, Mr. Doe's property behind E-Express, Creek Trading property, Palmer's and Vivian Ellison's property.
- **Roger Thompson** raised concerns about defining underdeveloped land and the eligibility of certain areas for inclusion in the TIF district.
- **Nate Ellis** addressed these concerns by explaining the "but-for" test and the necessity of infrastructure improvements for development.

Preliminary Development and Projected TIP Revenues

- **Nate Ellis** discussed preliminary revenue assumptions, emphasizing that they are not final and require further staff-level review.
- The committee considered capturing local taxes such as ad valorem tax and hotel tax, with varying percentages allocated to project costs and taxing entities.
- Different allocation models were discussed, including shared allocation between taxing entities and development, with the possibility of adjusting the term length and percentage allocations.

Proposed Infrastructure Improvements and Related Project Costs

- **Kristy Lesley** highlighted the need for infrastructure improvements, particularly with regard to traffic concerns around the loves area.
- **Roger Thompson** inquired about the ability to modify the TIF for specific businesses and the potential need for infrastructure improvements based on business prospects.
- **Nate Ellis** confirmed that the TIF can be amended to accommodate specific business needs and that the city is not obligated to undertake infrastructure improvements until it is advantageous.

Impact on Existing Businesses and Competition

- **Nate Ellis** discussed the potential impact of the TIF on existing businesses and the importance of avoiding sales tax cannibalization.
- The committee considered the implications of competition created by the TIF and the need for fair treatment of all businesses within the community.

Revenue Projections and Assumptions

- **Nate Ellis** presented a preliminary revenue model with assumptions about development, sales tax, and ad valorem tax revenues.
- The model included projections for quick service restaurants, hotels, and other businesses, with considerations for occupancy factors and new taxable sales.
- The committee acknowledged that the current revenue projections might not cover all identified costs and that additional development could generate more revenue.

Scheduling of Next Meeting

- The committee agreed to schedule the next meeting with May 3rd being a tentative date.

Closing Remarks

- **Ronnie Lucas** thanked everyone for their participation and indicated that further refinement of the revenue model and assumptions is necessary.
- The meeting was adjourned with the understanding that the committee will reconvene to continue discussions on the TIF district.

Adjournment.

Meeting was adjourned at 11:03am by Chairman Ronnie Lucas.

Relena Haddox, City Clerk

Ronnie Lucas, Chairman