

**OKEMAH
ECONOMIC DEVELOPMENT PROJECT PLAN**

Prepared by:

CITY OF OKEMAH, OKLAHOMA

**MAYOR AND CITY COUNCIL
RON GOTT, MAYOR, WARD 4
RONNIE LUCAS, VICE MAYOR, WARD 1
MIKE ISHMAEL, WARD 2
BRANDON ANDERSON, WARD 3
WAYNE BACON, AT-LARGE**

KRISTY LESLEY, CITY MANAGER

**THE PUBLIC FINANCE LAW GROUP PLLC
5657 N. CLASSEN BOULEVARD, SUITE 100
OKLAHOMA CITY, OKLAHOMA 73118
(405) 235-3413**

INDEX

I. DESCRIPTION OF PROJECT 1

II. PROJECT AREA AND INCREMENT DISTRICT BOUNDARIES 2

III. ELIGIBILITY OF PROJECT 2

IV. OBJECTIVES 3

V. FINANCIAL IMPACTS 3

VI. STATEMENT OF PRINCIPAL ACTIONS 5

VII. ESTABLISHMENT OF INCREMENT DISTRICT NO. 1,
CITY OF OKEMAH..... 6

VIII. PROJECT AND INCREMENT DISTRICT AUTHORIZATIONS 8

IX. BUDGET OF ESTIMATED PROJECT COSTS TO BE FINANCED
FROM INCREMENT DISTRICT NO. 1 8

X. METHODS OF FINANCING PROJECT COSTS, EXPECTED SOURCES
OF REVENUES, AND TIME WHEN COSTS OR MONETARY
OBLIGATIONS ARE TO BE INCURRED..... 9

XI. FINANCING REVENUE SOURCES 16

XII. PUBLIC REVENUE ESTIMATED TO ACCRUE FROM THE PROJECT
AND OTHER ECONOMIC IMPACTS 17

XIII. PRIVATE AND PUBLIC INVESTMENTS EXPECTED FOR THE PROJECT 18

XIV. MISCELLANEOUS PROVISIONS 18

EXHIBIT “A” MAP OF INCREMENT DISTRICT NO. 1

EXHIBIT “B” INCREMENT DISTRICT LEGAL DESCRIPTION

EXHIBIT “C” MAP OF ECONOMIC DEVELOPMENT PROJECT AREA

EXHIBIT “D” PROJECT AREA LEGAL DESCRIPTION

EXHIBIT “E” PROPOSED DEVELOPMENT IN THE PROJECT AREA
AND INCREMENT DISTRICT

EXHIBIT “F” EXISTING USES AND CONDITIONS OF REAL PROPERTY

OKEMAH

ECONOMIC DEVELOPMENT PROJECT PLAN

I. DESCRIPTION OF PROJECT

This Okemah Economic Development Project Plan (the “**Project Plan**”) describes an economic development project of the City of Okemah, Oklahoma (the “**City**”) that brings significant commercial development to the City. The Project Plan contemplates the creation of a tax increment financing district pursuant to the Local Development Act, 62 O.S. §850, *et seq* (the “**Local Development Act**”), as authorized pursuant to Article 10, §6C of the Oklahoma Constitution. The purpose of the Increment District (as described herein) is to encourage economic development in the City by facilitating the payment of the costs of essential infrastructure improvements and remedial costs necessary to make certain property viable for development and/or redevelopment (collectively and as more thoroughly discussed herein, referred to as the “**Project**”).

The primary development component of the Project is the prospective development of an area located along Interstate 40 at the S. Woody Guthrie Street exit to enhance commercial opportunities for residents of Okemah and to attract visitors. The City has identified potential development interests (individually and collectively referred to as the “**Developers**”) that propose various development projects, including but not limited to commercial retail, hotel, restaurants, and other attractions, that would establish Okemah as a destination community.

The City recognizes the difficulty in development of the area due to significant costs necessary to correct current conditions at the planned Project site, including specifically the significant infrastructure and utility improvements necessary to support the development project. The goal of the Increment District (as defined herein) is to promote economic development in the City by incentivizing capital investment in undeveloped property in order to enhance the tax base and create employment opportunities within the City. The City has identified an aggregate total of \$9.5 million in costs associated with the infrastructure improvements and economic incentives (collectively referred to herein as the “**TIF Projects**”). The costs of the infrastructure improvements to serve the entirety of the Increment District (as defined herein) are estimated to be \$6.5 million (collectively, the “**Infrastructure Costs**”). Certain economic incentives are proposed in the estimated amount of \$3 million in support of the Project (the “**Incentive Costs**”). The associated costs of the TIF Projects (inclusive of the Infrastructure Costs and the Incentive Costs), along with the Organizational Costs and the Debt Service Costs (each as further defined herein) are collectively referred to herein as the “**Project Costs**”. The City expects to phase the expenditure of Project Costs in coordination with specific development projects, and intends to apply other available funds as appropriate to offset the costs of the Increment District.

Pursuant to the terms of a development agreement(s) between the City and the Developers (as required by the Local Development Act defined herein), the TIF Revenues generated by virtue of the sales and use tax, ad valorem tax, and hotel tax levies by the City and the County shall be utilized as a revenue source to fund the costs of the TIF Projects. The TIF Revenues (as defined

herein) will be used to pay the costs of the TIF Projects, reimburse the Organizational Costs, and/or pay the Debt Service Costs on obligations issued to pay the same.

Based solely on the preliminary projections prepared by the City based on potential development opportunities, the commercial development within the Increment District could result in a potential total capital investment in excess of \$28.3 million, with a potential total taxable capital investment of approximately \$22.6 million (net taxable value subject to ad valorem taxes) and generate approximately \$579.9 million in taxable sales over the term of the Increment District. Please see Exhibit “E” for a more detailed description of projected development within the Increment District.

II. PROJECT AREA AND INCREMENT DISTRICT BOUNDARIES

The Increment District is the specific geographic area within which the identified tax increments, which may include Ad Valorem Increment Revenues, Sales Tax Increment Revenues, and Hotel Tax Increment Revenues, and may also include certain Leverage Act Increment Revenues, each as are defined in Section VII herein, will be generated and utilized as set forth in this Project Plan (referred to herein as the “**Increment District**”). The Project Area is the area within which all project activities, including construction of the supporting public improvements, will take place (referred to herein as the “**Project Area**”). The Increment District is located entirely within the Project Area. Most of the contemplated project activities will occur within the boundaries of the Increment District, however certain project activities may occur outside the boundaries of the Increment District but within the Project Area. A map showing the Increment District is attached as Exhibit “A”. The legal description of the Increment District is set forth in Exhibit “B”. A map showing the Project Area is attached as Exhibit “C”. The legal description of the Project Area is set forth in Exhibit “D”.

III. ELIGIBILITY OF PROJECT

The Increment District is undeveloped and/or underdeveloped within the meaning of the Local Development Act. The Project Area (including the Increment District) is located in a reinvestment area (as defined in Section 853(17) of the Local Development Act) and is therefore eligible for assistance under the Local Development Act. Additionally, the area comprising the Increment District is contained within a designated enterprise zone (Tract 40107080900) and therefore constitute an enterprise area (as defined in Section 853(5) of the Local Development Act). Additionally, the Project, because it will be located within an enterprise zone, represents an eligible project as defined under the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. §840, *et seq.* (the “**Leverage Act**”), and therefore may qualify for certain incentive matching payments made by the State of Oklahoma based on sales and use tax and hotel/motel tax increments dedicated to the Increment District.

The Increment District comprises an area where investment, development and economic growth have not occurred, and which requires significant public infrastructure improvements to

serve as a catalyst to expand employment opportunities, to attract major investment in the area, and to enhance the tax base.

IV. OBJECTIVES

The purpose of the Project and the Increment District is to support the achievement of the economic development objectives of the City in order to:

- A. Create a significant commercial development within the City that will act as a catalyst for additional development within the community;
- B. Attract major investment in the area;
- C. Serve as a catalyst for retaining and expanding employment in the area;
- D. Promote economic development to increase tax revenues, raise property values, and improve economic stability;
- E. Preserve and enhance the tax base; and
- F. Make possible investment, development and economic growth which would otherwise be difficult or impossible without the TIF Projects and the apportionment of ad valorem taxes and sales and use taxes from within the Increment District.

V. FINANCIAL IMPACTS

The proposed private development will generate tax increments necessary to pay all or a portion of the authorized costs of the TIF Projects. Without the creation of the proposed Increment District, significant development within the Increment District would be unlikely and as a result, any significant increases in ad valorem taxes and sales and use taxes would be extremely improbable.

The proposed development project does not create a significant increase in demand for services or costs to the affected taxing entities other than the City, whose public sector costs will be offset by apportioned tax increments as provided in this Project Plan.

The affected ad valorem taxing jurisdictions are Okfuskee County, the Okfuskee County Health Department, Independent School District No. 26 of Okfuskee County (Okemah Public Schools, referred to herein as the “**School District**”), and Wes Watkins Technology Center No. 25, . The general and intangible impacts on the affected taxing jurisdictions from implementation of this Project Plan are positive and include the achievement of the objectives set forth in Section IV of this Project Plan.

The creation of the Increment District will allow the City to apportion the incremental increase in ad valorem tax revenues, sales and use tax revenues, and hotel tax revenues generated through construction and operation of the commercial developments within the Increment District for the purpose of paying Project Costs, either through direct payment and/or reimbursement and/or paying debt service on tax apportionment bonds or notes (collectively, the “**TIF Bonds**”), which may be issued in one or more series by a public trust created under Title 60, Oklahoma Statutes 2021, Section 176 *et seq.*, for the benefit of the City and including any interest, capitalized interest and other related financing costs. The proceeds of any such TIF Bonds (if issued) shall be utilized for the Project Costs.

It is anticipated that a successful development will result in significant long-term benefits to the affected ad valorem taxing jurisdictions without causing significant (if any) negative impact on the existing tax base during the term of the Increment District. The formation of an Increment District should result in no net loss in existing ad valorem tax revenue to each of the affected ad valorem taxing jurisdictions. The formation of the Increment District will cause the affected ad valorem taxing jurisdictions to forgo any new incremental ad valorem tax revenue generated from real and personal property values during the term of the Increment District, but will not affect the existing ad valorem tax base within the Increment District. During the term of the Increment District, the 50.0% of Ad Valorem Increment Revenues (as defined herein) apportioned to the affected ad valorem taxing jurisdictions as a specific revenue source are estimated to be approximately \$2.714 million (ranging from \$45,000 to \$116,900 per year and based on the proposed development of the Projects), and which will be apportioned directly to the affected taxing jurisdictions. Upon expiration of the Increment District, the affected ad valorem taxing jurisdictions could see an aggregate net gain in annual ad valorem tax revenues of approximately \$233,900 (based on an aggregate taxable capital investment of approximately \$22.6 million).

Potential impacts on the ad valorem taxing jurisdictions include population growth and the demand for services created thereby. The direct impact on each ad valorem taxing jurisdiction is the loss of a portion of the new ad valorem tax increment revenues during the period of apportionment. An additional impact on the School District is that the valuation of the Increment District will not count for, and will therefore limit, the bonding capacity of the School District. However, the School District does realize additional revenue from other sources on a per pupil basis. These impacts may be mitigated by any increase in valuation of property outside the Increment District (for example, successful development enhances the property values surrounding the Increment District), and by any increase in new housing outside the Increment District (for example, successful development results in net population gain to the City creating demand for new housing).

The formation of an Increment District should result in no net loss in existing sales and use tax revenue to the City, as the affected sales tax jurisdiction. A baseline sales tax collection level within the Increment District will be identified and will continue to accrue to the City. A potentially negative impact of utilizing incremental sales tax revenues to promote the creation of a significant retail development is the potential for transfer of sales tax dollars from existing retail establishments located outside the Increment District to new retail establishments located inside the Increment District. To offset this concern, the Increment District will only capture fifty percent (50%) of the Sales Tax Increment Revenues (as defined herein), representing the equivalent of a one and three-quarters percent (1.75%) incremental sales and use tax based on a total of 3.5% sales

and use tax levied by the City as of the date of this Project Plan) for the payment of Project Costs, with the other fifty percent (50%) of the Sales Tax Increment Revenues (representing half of the incremental sales and use tax revenue based on a total of 3.5% sales and use tax levied by the City as of the date of this Project Plan) accruing to the City for general or dedicated municipal purposes, and further, the incremental sales and use tax revenues will exclude an amount representing the estimated historical sales tax collections for any business located within the City that relocates to a site within the Increment District. Assuming completion of the proposed Project, the City could realize an estimated gross gain in annual sales and use tax revenues in the approximate amount of \$364,300, and upon expiration of the Increment District, an estimated gross gain in annual sales and use tax revenues of approximately \$1.1 million. Additionally, Okfuskee County levies a 2.0% sales and use tax as of the date of this Project Plan. The County sales and use tax collections are not subject to the apportionment of the Increment District, however, it is estimated that upon completion of the proposed development of the Projects, the County could realize an estimated gross gain in annual sales and use tax revenues in the approximate amount of \$416,300.

The City will forgo a portion of any new incremental hotel/motel taxes collected during the term of the Increment District. However, the City could realize new hotel/motel tax levels of approximately \$47,900 per year upon full buildout, and approximately \$95,800 per year after expiration of the Increment District (based on an assumed level of annual taxable hotel/motel transactions upon full build-out in the approximate amount of \$1.91 million).

These impacts may be mitigated by any decrease in sales and use tax collections outside the Increment District (for example, potential decline in overall sales of competing businesses, or relocation of existing businesses from other areas of the City to the Increment District) or by increased costs of providing city services to the development (police, fire, etc.) but may be augmented by the increased retention of customer spending within the City (for example, by reducing the leakage of sales to other municipalities by offering a wider and more diversified retail selection within the City).

The proposed Project will create an increase in demand for utility services from the City, however the City has sufficient capacity (with the completion of the proposed TIF Projects) to handle such demand, and the proposed development within the Increment District should generate significant increases in annual water and sewer utility revenues. Any increase in public sector costs should be more than offset by apportioned tax increments as provided in this Project Plan.

VI. STATEMENT OF PRINCIPAL ACTIONS

Implementation actions for the project, including all necessary, appropriate and supportive steps, will consist of any of the following:

A. Site preparation, planning and construction of public improvements necessary to support the development project;

B. Acquisition by private developers of any additional property interests necessary for the development project including connecting public easements;

C. Negotiation, preparation, execution, and implementation of development agreements, including agreements for financing, demolition, and construction by private developers, as authorized by the Local Development Act. Such agreements may include the granting of incentives for private developers to complete certain improvements within the Project Area;

D. Issuance of tax apportionment bonds or other debt issuance necessary to provide funds for Project Costs;

E. All other actions necessary and appropriate to carry out the development project as authorized by the Local Development Act.

VII. ESTABLISHMENT OF INCREMENT DISTRICT NO. 1, CITY OF OKEMAH

Increment District No. 1, City of Okemah shall commence as of the date determined by the City Council of the City in accordance with Section 856(B)(2) of the Local Development Act (the “**Commencement Date**”); provided however, the Commencement Date shall not be later than ten (10) years following adoption of this Project Plan. In accordance with the provisions of the Local Development Act, the following incremental revenues shall be apportioned and used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan. The apportionment of the Ad Valorem Increment Revenues, the Sales Tax Increment Revenues, the Hotel Tax Increment Revenues, and the Leverage Act Increment Revenues (each as defined herein, and collectively referred to as the “**TIF Revenues**”) shall continue for that period required for the payment of the Project Costs, or a period not to exceed twenty-five (25) full fiscal years following the Commencement Date (expected to end June 30, 2050, and referred to as the “**Expiration Date**”), whichever is less:

A. One hundred percent (100.0%) of the total equalized assessed value of real and personal property within the boundaries of the Increment District. The base assessed value (as described in Section 862 of the Local Development Act) of the Increment District shall be calculated as an amount equal to one hundred percent (100.0%) of the initial equalized assessed value of real and personal property within the boundaries of the Increment District. In accordance with the provisions of the Local Development Act, one hundred percent (100%) of the increments of real and personal property ad valorem taxes generated within the Increment District, in excess of the real and personal property ad valorem taxes generated from the base assessed value of the Increment District, as such increments are determined and defined pursuant to the Local Development Act (collectively, the “**Ad Valorem Increment Revenues**”, and said amount representing one hundred percent (100.0%) of the total new ad valorem tax revenues generated within the boundaries of the Increment District, as determined annually by the Okfuskee County Assessor), shall be apportioned as follows: (i) one-half (50.0%) of the Ad Valorem Increment Revenues shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan; and (ii) one-half (50.0%) of the Ad Valorem Increment Revenues shall be apportioned to the affecting taxing jurisdictions in proportion to the allocation that the taxing jurisdictions would ordinarily receive from the increased assessed values, in the absence of the Increment District (as

set forth in Sections 853(9), 853(14)(i) and 854(4) of the Local Development Act; provided that any portion of the TIF Revenues allocated to the School District shall be for the purpose of providing a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the School District; and

B. Fifty percent (50%) of the incremental sales and use tax revenue (representing an amount equivalent to a one and three-quarters percent (1.75%) sales and use tax based on a total of 3.5% sales and use tax levied by the City as of the date of this Project Plan pursuant to Chapter 2, Article 2, Section 2-2-1 *et seq.*, of the Okemah Code of Ordinances (the “**Code of Ordinances**”), as such Code of Ordinances may be amended, replaced, extended, superseded, terminated, or otherwise modified from time to time, including with regards to the total amount of applicable City sales and use tax rate (collectively, the “**Sales Tax Increment Revenues**”); provided that all such Sales Tax Increment Revenues shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan; provided, however, the Sales Tax Increment Revenues shall be reduced by the amount of sales tax revenues generated by any existing businesses (currently located within the City, but outside the boundaries of the Increment District) that cease operations at their existing location and relocate to within the Increment District, but provided further, said reduction shall not be applied to any existing businesses that open an additional location within the Increment District for so long as all other existing location(s) remain open for business. Said amount of reduction (collectively, the “**Transfer Adjustment**”) shall be calculated based on the sales tax collections during the twelve month period prior to closing the previous location. The remaining unapportioned fifty percent (50%) incremental sales and use tax (representing an amount equivalent to a one and three-quarters percent (1.75%) sales and use tax based on a total of 3.5% sales and use tax levied by the City as of the date of this Project Plan) shall be retained by the City and utilized on a pro rata basis for any lawful purpose consistent with the aforementioned Code of Ordinances.

C. Fifty percent (50%) of the incremental hotel/motel tax revenues derived from the Increment District, representing half of the total five percent (5.0%) hotel/motel tax levied by the City pursuant to Ordinance No. 2017-12 of the City adopted October 12, 2017 (the “**Hotel Tax Ordinance**”), as such Hotel Tax Ordinance may be amended, replaced, extended, superseded, terminated, or otherwise modified from time to time, including with regards to the total amount of City hotel/motel tax rate (collectively, the “**Hotel Tax Increment Revenues**”); provided that all of the generated increment shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan. The remaining unapportioned fifty percent (50%) incremental hotel/motel tax revenues (representing an amount equivalent to a two percent (2.5%) hotel/motel tax based on a total of 5.0% hotel/motel tax levied by the City as of the date of this Project Plan) shall be retained by the City and utilized on a pro rata basis for any lawful purpose consistent with the aforementioned Hotel Tax Ordinance.

D. One hundred percent (100%) of the incentive matching payments made by the State of Oklahoma pursuant to the Leverage Act, based on sales and use tax and hotel/motel tax increments dedicated to the Increment District, as such amounts are hereinafter determined and defined (collectively, and as more specifically defined in Section X herein, the “**Leverage Act Increment Revenues**”); provided that all of the generated increment shall be pledged as security

for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan.

VIII. PROJECT AND INCREMENT DISTRICT AUTHORIZATIONS

A. Upon adoption of an Ordinance of the City Council of the City approving this Project Plan, the City is hereby designated and authorized as the public entity to carry out and administer the provisions of this Project Plan and to exercise all powers necessary or appropriate thereto, including, without limitation, those powers described in Section 854 of the Local Development Act.

B. The City may create a new public trust with the City named as its beneficiary, and/or designate an existing public trust with the City named as its beneficiary (said public trust referred to herein as the “**Authority**”), and said Authority shall be the public entity designated by the City to assist in carrying out and administering the provisions of this Project Plan and authorized to exercise all powers necessary or appropriate thereto pursuant to Title 62, Section 854 of the Local Development Act, except for approval of this Project Plan and those powers enumerated in paragraphs 1, 2, 3, 4, 7, 13, and 16 of that section, which powers shall be reserved to the City.

C. The person in charge of implementation of this Project Plan in accordance with the provisions, authorizations and respective delegations of responsibilities contained herein is Ms. Kristy Lesley, City Manager. Ms. Lesley, or her successor as City Manager, 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 FROM INCREMENT DISTRICT NO. 1

Project Costs to be financed by the apportionment of tax increments from the Increment District include the planning, design, acquisition, site preparation and/or construction of the TIF Projects in an aggregate total amount of \$9.5 million. Certain Project Costs may be funded through the payment of assistance in development financing (as authorized by Section 853(14)(o) of the Local Development Act) to a third party as reimbursement for the payment of such Project Costs. Additional amounts will be financed by the apportionment of tax increments from the Increment District including the following items related to Project Costs in excess of the amounts specifically identified for TIF Project Costs: (a) the direct or incidental administrative costs incurred or to be incurred by or on behalf of the City, the Authority, or other public entities (all as contemplated in Title 62, Section 853(14)(e) of the Local Development Act) in organizing, supervising, 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 service costs, including those incurred for architectural, planning, engineering, legal and financial advisors and services, and

costs for determining or re-determining the base assessed value of the Increment District (the “**Organizational Costs**”), and (b) interest and other financing costs and fees, including principal, interest (including capitalized interest), associated costs of issuance, reasonably required reserves, and prepayment premium paid on debt service and/or any reimbursement obligation (the “**Debt Service Costs**”). The Organizational Costs associated with the initial creation and implementation of the Increment District are preliminarily estimated to be approximately \$100,000, and the ongoing Organizational Costs are estimated to be \$10,000 per year. The Debt Service Costs associated with the Project Costs are preliminarily estimated to be on the order of not to exceed \$11.24 million.

The total estimate of Project Costs that may be made available for improvements from apportioned tax revenues shall be \$9,500,000 (including all engineering, construction, planning, and contingency costs). Apportioned tax revenues in excess of the amounts needed for Project Costs may be utilized as necessary to pay the Organizational Costs and the Debt Service Costs, and could total approximately \$11,600,000. The estimated combined total of all project costs is \$21,100,000.00.

X. METHODS OF FINANCING PROJECT COSTS, EXPECTED SOURCES OF REVENUES, AND TIME WHEN COSTS OR MONETARY OBLIGATIONS ARE TO BE INCURRED

It is hereby determined that the proposed Project Costs will generally benefit and support development throughout the Project Area, inclusive of the Increment District. It is further determined that (i) the TIF Revenues derived from the Increment District may properly be utilized to pay any and all Project Costs within the Project Area; and (ii) it is proper and may be appropriate (at the discretion of the City) to pledge TIF Revenues from the Increment District to the repayment of TIF Bonds. Therefore, with respect to the Increment District:

A. Methods of Financing. It is expected that the Project Costs will be paid from proceeds of the Authority’s TIF Bonds. Payment of principal and interest due on the TIF Bonds will be paid from available TIF Revenues. Certain Project Costs may be directly paid by a third party developer or the City and reimbursed from proceeds of the TIF Bonds. Alternately, certain Project Costs may also be directly paid by a third party developer or the City and reimbursed from TIF Revenues in excess of those needed for debt service on the TIF Bonds. Certain other costs of the Project may be paid from such other funds of the City or the Authority as may be lawfully used for the purposes hereinabove stated, including proceeds of certain debt obligations issued by the Authority and secured by a pledge of general sales tax, utility, or other available revenues.

B. Expected Sources of Revenues. The payment or reimbursement of Project Costs, including any interest component on reimbursed funds and any principal, interest, and premium on any TIF Bonds, will be made from one or more of the following sources of revenues:

(i) *Ad Valorem Increment Revenues.* In accordance with the provisions of the Local Development Act, the Ad Valorem Increment Revenues are to be apportioned and set aside

from all other ad valorem taxes levied within the Increment District, to be used exclusively for:

- (a) the payment of principal, interest and premium, if any, on any TIF Bonds issued pursuant to Section 863 of the Local Development Act (including pledging as security for such payments);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects;
- (d) the reimbursement of a third party developer (pursuant to a development agreement with the City or the Authority), the City, or any agency thereof (including the Authority), which has paid Project Costs from funds which were not increments derived from the Increment District, but only to the extent that such sums were actually paid or, in the case of reimbursement of a third party developer, constitute an interest component on sums that were actually paid; and
- (e) the establishment and payment of a specific revenue source for affected taxing entities pursuant to Sections 853(9), 853(14)(i), and 854(4) of the Local Development Act.

Pursuant to the Local Development Act, the Ad Valorem Increment Revenues apportioned hereunder shall be transferred by the Okfuskee County Treasurer to a special fund to be known as the “Increment District No. 1 - Apportionment Fund” (hereinafter, the “**Apportionment Fund**”), which fund will be held by and be the property of the City (except that such fund may also be held by the Authority or a trustee acting on behalf of the Authority). No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All Ad Valorem Increment Revenues so collected shall be apportioned as follows: (i) one-half (50.0%) of the Ad Valorem Increment Revenues shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan; and (ii) one-half (50.0%) of the Ad Valorem Increment Revenues shall be apportioned to the affecting taxing jurisdictions in proportion to the allocation that the taxing jurisdictions would ordinarily receive from the increased assessed values, in the absence of the Increment District (as set forth in Sections 853(9), 853(14)(i) and 854(4) of the Local Development Act; provided that any portion of the TIF Revenues allocated to the School District shall be for the purpose of providing a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the School District.

The apportionment of ad valorem taxes pursuant to this section shall terminate upon the final payment of, or reimbursement for, all project costs incurred in connection with the projects listed in this Project Plan, and the payment of all outstanding principal, accrued

interest, and premium due on the TIF Bonds; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond the Expiration Date.

In the event that any Project Costs remain unpaid, or any portion of the principal of or interest on the TIF Bonds, issued in connection herewith, or any amount due and owing for reimbursement to the City or the Authority or pursuant to a development agreement between the City and a Developer, remains unpaid as of the Expiration Date, then the Increment District shall not terminate until the increment apportioned during the term of the Increment District is actually received by the Apportionment Fund, even if the receipt of such revenues occurs subsequent to the Expiration Date.

(ii) *Sales Tax Increment Revenues.* In accordance with the provisions of the Local Development Act, the Sales Tax Increment Revenues are to be apportioned and set aside from all other sales and use taxes levied within the Increment District, to be used exclusively for:

- (a) the payment of principal, interest and premium, if any, on any TIF Bonds issued pursuant to Section 863 of the Local Development Act (including pledging as security for such payments);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects; and
- (d) the reimbursement of a third party developer, including any interest component (pursuant to a development agreement with the City and/or the Authority), the City, or any agency thereof (including the Authority), which has paid Project Costs from funds which were not increments derived from the Increment District, but only to the extent that such sums were actually paid or, in the case of reimbursement of a third party developer, constitute an interest component on sums that were actually paid.

Provided, however, the remaining unapportioned incremental sales and use tax revenues derived from the Increment District, as of the date of this Project Plan representing the equivalent of 1.75% of the total 3.5% sales and use tax levied by the City, shall be retained by the City and utilized on a pro rata basis for any lawful purpose consistent with the aforementioned Code of Ordinances. For purposes of determining the incremental portion of the sales and use taxes generated within or sourced to the Increment District, the Mayor of the City shall certify as the “base sales tax amount” the annual sales taxes received by the City that were generated within the area comprising the Increment District during the calendar year immediately preceding the Commencement Date of the Increment District. If necessary for such certification, said base amount may be determined using reasonable estimates prepared by the City Clerk. Fifty percent (50%) of the sales and use tax generated within or sourced to the Increment District and received by the City which are in excess of such base amount, net of any Transfer Adjustment, shall be considered to be the

“increment” subject to apportionment by this section. In addition to sales and use tax generated from retail sales, the Sales Tax Increment Revenues shall include sales and use tax generated from actual construction occurring within the Increment District. The City shall establish procedures related to the calculation and determination of construction related sales and use tax revenue qualifying as Sales Tax Increment Revenues. Such procedures shall stipulate that construction related Sales Tax Increment Revenues be derived only from new construction activities occurring within the Increment District. The City shall be entitled to rely on certifications of actual construction costs provided by a third party developer(s) or related parties in connection with determining any applicable Sales Tax Increment Revenues.

Pursuant to the Local Development Act, the Sales Tax Increment Revenues apportioned hereunder and so collected shall be placed into the Apportionment Fund. No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All Sales Tax Increment Revenues so collected shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan, including any interest component (pursuant to a development agreement with the City and/or the Authority).

The apportionment of sales and use taxes pursuant to this section shall terminate upon the final payment of, or reimbursement for, all Project Costs incurred in connection with the projects listed in this Project Plan, and the payment of all outstanding principal, accrued interest, and premium due on the TIF Bonds; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond the Expiration Date.

In the event that any Project Costs remain unpaid, or any portion of the principal or interest on the TIF Bonds, issued in connection herewith, or any amount due and owing for reimbursement to the City or the Authority or pursuant to a development agreement between the City and the Developer, remains unpaid as of the Expiration Date, then the Increment District shall not terminate until the increment apportioned during the term of the Increment District is actually received by the Apportionment Fund, even if the receipt of such revenues occurs subsequent to the Expiration Date.

(iii) *Hotel Tax Increment Revenues.* In accordance with the provisions of the Local Development Act, the Hotel Tax Increment Revenues are to be apportioned and set aside from all other hotel/motel taxes levied within the Increment District, to be used exclusively for:

- (a) the payment of principal, interest and premium, if any, on any TIF Bonds issued pursuant to Section 863 of the Local Development Act (including pledging as security for such payments);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;

(c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects; and

(d) the reimbursement of a third party developer (pursuant to a development agreement with the City or the Authority), including any interest component (pursuant to a development agreement with the City and/or the Authority), the City, or any agency thereof (including the Authority), which has paid Project Costs from funds which were not increments derived from the Increment District, but only to the extent that such sums were actually paid or, in the case of reimbursement of a third party developer, constitute an interest component on sums that were actually paid.

Provided, however, the remaining unapportioned incremental hotel/motel tax revenues derived from the Increment District, as of the date of this Project Plan representing the equivalent of 2.5% of the total 5.0% hotel/motel tax levied by the City, shall be retained by the City and utilized on a pro rata basis for any lawful purpose consistent with the aforementioned Hotel Tax Ordinance. For purposes of determining the incremental portion of the hotel/motel taxes generated within the Increment District, the Mayor of the City shall certify as the “base lodging tax amount” the annual hotel/motel taxes received by the City that were generated within the area comprising the Increment District during the calendar year immediately preceding the Commencement Date of the Increment District. If necessary for such certification, said base amount may be determined using reasonable estimates prepared by the City Clerk. All hotel/motel tax revenue generated within the Increment District and received by the City which are in excess of such base amount, shall be considered to be the “increment” subject to apportionment by this section.

Pursuant to the Local Development Act, the Hotel Tax Increment Revenues apportioned hereunder and so collected shall be placed into the Apportionment Fund. No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All Hotel Tax Increment Revenues so collected shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan, including any interest component (pursuant to a development agreement with the City and/or the Authority).

The apportionment of hotel/motel taxes pursuant to this section shall terminate upon the final payment of, or reimbursement for, all Project Costs incurred in connection with the projects listed in this Project Plan, and the payment of all outstanding principal, accrued interest, and premium due on the TIF Bonds; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond the Expiration Date.

In the event that any Project Costs remain unpaid, or any portion of the principal of or interest on the TIF Bonds, issued in connection herewith, or any amount due and owing for reimbursement to the City or the Authority or pursuant to a development agreement between the City and the Developer, remains unpaid as of the Expiration Date, then the Increment District shall not terminate until the increment apportioned during the term of the Increment District is actually received by the Apportionment Fund, even if the receipt of such revenues occurs subsequent to the Expiration Date.

(iv) *Leverage Act Increment Revenues.* In accordance with the provisions of the Local Development Act, the Leverage Act Increment Revenues are to be apportioned and set aside from all other revenues generated within the Increment District, to be used exclusively for:

- (a) the payment of principal, interest and premium, if any, on any TIF Bonds issued pursuant to Section 863 of the Local Development Act (including pledging as security for such payments);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects; and
- (d) the reimbursement of a third party developer (pursuant to a development agreement with the City or the Authority), including any interest component (pursuant to a development agreement with the City and/or the Authority), the City, or any agency thereof (including the Authority), which has paid Project Costs from funds which were not increments derived from the Increment District, but only to the extent that such sums were actually paid or, in the case of reimbursement of a third party developer, constitute an interest component on sums that were actually paid.

The City shall establish procedures related to application under the Leverage Act for sales and use tax and hotel/motel tax matching funds. It is hereby recognized that any Leverage Act Increment Revenues represent a substantial economic benefit to the City and the development of the Project, and the City and the Authority shall take all reasonable actions necessary to maximize the Leverage Act Increment Revenues.

Pursuant to the Local Development Act, the Leverage Act Increment Revenues apportioned hereunder and so collected shall be placed into the Apportionment Fund. No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All Leverage Act Increment Revenues so collected shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan, including any interest component (pursuant to a development agreement with the City and/or the Authority).

The apportionment of matching incentive funds pursuant to this section shall terminate upon the final payment of, or reimbursement for, all Project Costs incurred in connection with the projects listed in this Project Plan, and the payment of all outstanding principal, accrued interest, and premium due on the TIF Bonds; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond the Expiration Date.

In the event that any Project Costs remain unpaid, or any portion of the principal or interest on the TIF Bonds, issued in connection herewith, or any amount due and owing for reimbursement to the City or the Authority or pursuant to a development agreement

between the City and the Developer, remains unpaid as of the Expiration Date, then the Increment District shall not terminate until the increment apportioned during the term of the Increment District is actually received by the Apportionment Fund, even if the receipt of such revenues occurs subsequent to the Expiration Date.

C. Time When Costs Or Monetary Obligations Are To Be Incurred. It is estimated that the time frame for incurring most of the Project Costs will be within five to seven years from the date of approval of this Project Plan; however, certain Project Costs will not be incurred until appropriate development projects within the Increment District are identified by the City. It is anticipated that most Project Costs will be paid from proceeds of TIF Bonds issued by the Authority, provided however, certain Project Costs may be directly paid or reimbursed from apportioned TIF Revenues.

D. Flow of Funds; Excess Revenues.

During the term of the Increment District, TIF Revenues shall be utilized as follows:

- FIRST: The payment of principal, accrued interest, and premium, if any, due on the TIF Bonds;
- SECOND: If applicable, transfers to any debt service reserve established in connection with the TIF Bonds in such amounts as may be necessary to restore the reserve to its prescribed levels;
- THIRD: The payment and/or reimbursement of authorized Project Costs (including any interest component pursuant to a development agreement);
- FOURTH: If applicable, the prepayment of principal on any TIF Bonds until such time as all TIF Bonds are retired; and
- FIFTH: Upon retirement of all TIF Bonds (if any) and payment of all Project Costs (including any interest component pursuant to a development agreement), (a) any remaining Ad Valorem Increment Revenues shall be transferred to the various ad valorem taxing jurisdictions, in the same percentages as originally collected, as determined by reference to the millage levied by each of the various ad valorem taxing jurisdictions for the related tax year, excluding sinking fund levies, and (b) any remaining Sales Tax Increment Revenues and/or Hotel Tax Increment Revenues shall be transferred to the City for deposit into the General Fund or to the appropriate special fund, in each case consistent with the provisions of the Local Development Act. Any remaining Leverage Act Increment Revenues either shall be treated appropriately as ad valorem tax revenue, sales and use tax revenue, or hotel/motel tax revenue, and shall be transferred as set forth in (a) and (b) herein, or, if required by the Leverage Act, shall be returned to the State of Oklahoma.

XI. FINANCING REVENUE SOURCES

The TIF Revenues are expected to finance all or a portion of the Project Costs authorized by Section IX. Based on the initial projections of Ad Valorem Increment Revenues for the Project, it is estimated that approximately \$5.428 million could be generated by the incremental increase in ad valorem tax revenue during the term of the Increment District, with approximately \$2.714 million available for allocation to Project Costs and approximately \$2.714 million apportioned to the affected ad valorem taxing jurisdictions. The initial projections of Ad Valorem Increment Revenues are based upon an estimated \$22.6 million aggregate taxable capital investment, an 11% assessment rate for real property, an 11% assessment rate for business personal property, and an approximately 9.401% millage levy within the Increment District (based on the 2023 levy rate for property located within the School District).

Based on the initial projections of Sales Tax Increment Revenues for the Project, it is estimated that approximately \$20.264 million could be generated by the incremental increase in sales and use tax revenue during the term of the Increment District, with approximately \$10.132 million available for allocation to Project Costs and approximately \$10.132 million retained by the City. The initial projections of incremental sales and use tax revenue are based upon the projected revenues generated within the Increment District from the levy of an aggregate total of three and one-half percent (3.5%) sales and use tax on new construction within the Increment District and new retail and other space generating approximately \$578.9 million in gross taxable sales during the term of the Increment District.

Based on the initial projections of Hotel Tax Increment Revenue, it is estimated that approximately \$2.347 million could be generated by the incremental increase in hotel/motel tax revenue during the term of the Increment District, with approximately \$1.173 million available for allocation to Project Costs and approximately \$1.173 million retained by the City and allocated. The initial projections of incremental hotel/motel tax revenue are based upon the revenues generated within the Increment District from the levy of five percent (5.0%) room occupancy tax, and occupancy generating approximately \$46.9 million in gross occupancy sales during the term of the Increment District.

Additional TIF Revenues may be realized through state matching incentive payments made pursuant to the Leverage Act, as set forth in Section X(B)(iv) above (i.e. the Leverage Act Increment Revenues). Based on the initial projections of revenue and the level of apportionment of sales and use tax and hotel/motel tax to Project Costs, state matching payments could make available up to an additional \$11.3 million for Project Costs, although it is expected that only a portion of the taxable transactions may qualify for state matching incentive payments.

The calculation of projected TIF Revenues will be refined based upon (i) the actual effective ad valorem tax rate and base assessed valuation, as determined from time to time by the Okfuskee County Assessor and subject to change by voters of the applicable taxing jurisdiction at an election(s) held for such purpose, (ii) the total net capital investment resulting from development within the Increment District, (iii) the timing of the development; (iv) the impact of the specific nature of the actual retail investment on projected sales per square foot, and (v) the availability, occupancy, and rates and charges established for lodging establishments within the Increment District.

The realization of the TIF Revenues is directly dependent on the City's ability to attract development proposals on a magnitude necessary to fully develop the area within the Increment District during the term of the Increment District. The anticipated development, along with the necessary Infrastructure Costs, is more fully discussed in Exhibit "E". As appropriate, the Authority and/or the City may enter into economic development agreements with the Developer(s) or any other parties as required by the Local Development Act.

Certain TIF Projects may be designed and/or constructed by the City. Authorized Project Costs, or the payment of debt service on TIF Bonds issued to pay Project Costs, will be paid from TIF Revenues by the City or the Authority, and may include (i) reimbursement of the City or the Authority for certain public improvements constructed from other available funds, and (ii) assistance in development financing (as authorized by the Local Development Act) to the Developer for certain public infrastructure and/or other site improvements constructed on behalf of the City in furtherance of the purposes of this Project Plan. The financing of the projected private development in the area may be provided by private equity and private mortgage financing, secured by the private developments.

XII. PUBLIC REVENUE ESTIMATED TO ACCRUE FROM THE PROJECT AND OTHER ECONOMIC IMPACTS

The Ad Valorem Increment Revenues, the Sales Tax Increment Revenues, and the Hotel Tax Increment Revenues (estimated at a total of approximately \$14.02 million over the term of the Increment District based on the projected development of the Project, but not including potential Leverage Act matching incentive funds from the State), of which portions will serve as all or a portion of the revenue source for financing the Project Costs authorized by Section IX of this Project Plan, are the public revenues directly attributable to the project defined by establishment of the Increment District. Additionally, the various taxing jurisdictions may realize additional ad valorem tax and/or sales and use tax revenue from additional development outside the boundaries of the Increment District.

Construction of the improvements and subsequent development should have a positive impact on total employment in the City's metropolitan area, including temporary construction jobs and permanent positions at the Project facilities. Indirect impacts (associated with the employment and income which result from the provision of inputs in support of the primary activity), and induced impacts (associated with the wages and jobs resulting from changes in household expenditures which come about through direct and indirect employment) will also result in additional growth in the City's metropolitan area.

This Project Plan includes certain projections and estimates, which are based on the current expectations or beliefs of third party developer(s) and are subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained herein due to changes in economic conditions, market demand and other factors affecting the development of the Project.

XIII. PRIVATE AND PUBLIC INVESTMENTS EXPECTED FOR THE PROJECT

The publicly financed project costs in the amount of \$9,500,000, as authorized by this Project Plan, represent approximately 25.15% of the projected total public and private investment for the Project, which including anticipated expenditures by or on behalf of commercial or governmental entities within the Increment District, could exceed \$37.8 million.

XIV. MISCELLANEOUS PROVISIONS

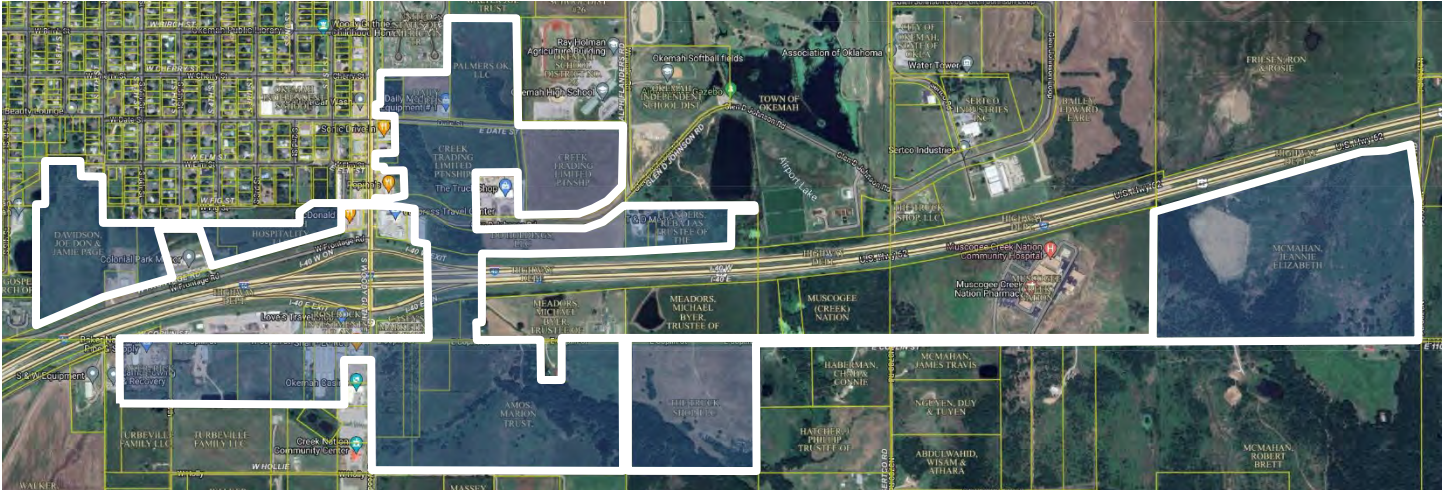
A. Zoning Conditions. The property within the boundaries of the Increment District is currently zoned a mix of Commercial and Agricultural. No changes in the ordinances of the City (other than minor zoning adjustments to accommodate the proposed Project) are contemplated under this Project Plan. Development is anticipated to occur in accordance with current zoning requirements, with appropriate adjustments as approved by the City. The proposed project conforms to the comprehensive plan for the City, as amended. A map showing the existing uses and conditions of the real property is included as Exhibit “F”.

B. Annual Reports. In accordance with Section 867 of the Local Development Act, following the end of each fiscal year, the City shall prepare and submit a report to the chief executive officer of each taxing entity that levies ad valorem taxes on property within each Increment District. At the time of submitting the report, the City shall also publish a notice and summary of the report in a newspaper of general circulation.

EXHIBIT "A"

MAP OF INCREMENT DISTRICT NO. 1

The boundaries of Increment District No. 1, City of Okemah contain an area generally described as certain property north and south of Interstate 40, centered on the South Woody Guthrie Street interchange (Exit 221), and east of N 3760 Road, and west of N 3790 Road.



* Increment District boundaries contained within white border and shaded blue

EXHIBIT “B”

INCREMENT DISTRICT LEGAL DESCRIPTION

INCREMENT DISTRICT NO. 1

The composite legal description for the Increment District is an area located entirely in Okfuskee County, Oklahoma, more particularly described as follows:

[TO BE PROVIDED]

The following Tracts 1-34 are approximately representative of the Increment District boundaries shown on the map in Exhibit “A”.

INCREMENT DISTRICT NO. 1

An area located entirely in Okfuskee County, Oklahoma, more particularly described as follows:

91.56 mills

Legal Cross Reference	Parcel ID	Account No.	Shorthand Legal Description	Record Owner	Acres	Address	2023 Market	2023 Tax	2023 Assessed	Estimated	Status
							Value	Value	Value	2022 Taxes	
1	0000-13-011-009-0-015-00	540002223	21.38 AC IN SW SE SE &; SW SE; 3.13 AC IN NW SE SE &; 1.63 AC IN S/2 SE SE SE &; .99 AC IN W/2 SE SW &; PT. SW SW (SEE CARD) 13-11-9 OKEMAH TWP.	HIGHWAY DEPT.	0.1	PARTIAL	-	-	-	-	Exempt
2	0000-24-011-009-0-013-00	540002371	COMM AT NW/COR NW NW NE TH ON A GRID BEARING N 89 DEG.08'06"E A DIST OF 164.50' TO POB TH CONT N 89 DEG 08'06"E A DIST. OF 498.94' TO NE/COR NW NW NE TH S 01 DEG 21' 44"E ALONG EAST LINE NW NW NE A DIST 659.47' TO SE/COR NW NW NE TH S 89 DEG 08'53"W ALONG THE SOUTH LINE OF NW NW NE A DIST OF 494.72' TH N 01 DEG.28'27" W A DIST 659.37' TO POB CONT.7.48 AC. M/L 24-11-9 OKEMAH TWP.	BAKER, RICK R.	7.48	601 E COPLIN ST	349,391	275,431	30,297	2,774	
3	0000-24-011-009-0-018-00	540002376	NE NW NE 24-11-9 OKEMAH TWP.	DEGGE OILFIELD SERVICES, LLC	10	405 W COPLIN RD	254,681	245,470	27,001	2,472	
4	0000-24-011-009-0-019-00	540002377	W/2 NW NE NE 24-11-9 OKEMAH TWP.	BISON REAL PROPERTIES, LLC	5		75,000	31,174	3,429	314	
5	0000-24-011-009-0-021-00	540002378	E/2 NW NE NE 24-11-9 OKEMAH TWP.	BISON REAL PROPERTIES, LLC	5		75,000	31,174	3,429	314	
6	0000-24-011-009-0-022-00	540002379	BEG AT A PT. ON N LINE OF NE NE A DIST OF 560.51' ON AN OK. STATE PLANE GRID SYSTEM, BEARING S 89 DEGREE 08' 06"W OF NE/C NE NE; S01 DEG. 80' 19"E A DIST OF 603.17' N 55 DEG. 01' 37" W A DIST OF 15.66' S 34 DEG. 58' 23" W A DIST OF 148.21' N 01 DEG. 08' 19" W A DIST OF 714.16' N 89 DEG. 08' 06" E A DIST OF 100' TO P.O.B OKEMAH TWP. 24-11-9 1979 HILLCREST 14X56 SER.#02520476N OTC#540697226002	PETERSON, TREVOR	1.49	115 W COPLIN	132,081	114,314	12,575	1,151	
7	0000-24-011-009-0-029-00	540002385	BEG. AT A POINT ON THE N LINE OF NE NE A DIST OF 345' S 89 DEG.08'06"W OF NE/COR OF NE NE TH S 01 DEG.01'37"E 659.82' TH S 89 DEG.08'53"W 136.10' TH N 55 DEG. 01'37"W 96.70' TH N 01 DEG.08'19" W 603.17' TH N 89 DEG.08' 06"E 215.51' TO POB CONT. 3.204 AC. M/L 24-11-9 OKEMAH TWP.	FSM HOLDING GROUP LLC; OKFUSKEE STORAGE HOLDING LLC & HFH GROUP	3.21		1,713,589	1,713,589	188,495	17,259	
8	0000-17-011-010-0-002-00	540002730	COMMENCING AT THE NE/C; THENCE S01DEG05'36"E 1346.74' TO THE POB; THENCES01DEG05'36"E 1291.79'; THENCE S89DEG00'11"W 2637.33'; THENCE N01DEG10'06"W1298.59'; THENCE N74DEG10'27"E 2137.46'; THENCE N86DEG43'007"E 202.79'; THENCEN75DEG49'39"E 282.91'; THENCE S06DEG25'23"E 528.73'; THENCE S12DEG32'28"E 102.03';THENCE N88DEG54'24"E 24.75' TO THE POB 17-11-10 OKEMAH TOWNSHIP	MCMAHAN, JEANNIE ELIZABETH	98.32		30,268	30,268	3,330	305	
9	0000-18-011-010-0-009-00	540002738	27.43 AC. IN S/2 SW &; 10.33 AC. IN SW SE 18-11-10 OKEMAH TWP.	HIGHWAY DEPT.	6	PARTIAL/I-40	3,868	-	-	-	Exempt
10	0000-18-011-010-0-010-00	540002739	BEG. AT PT 65' E OF SW COR SEC. E 1021' N 154' E 51' N286' TO S R/W OF I-40; SW ALONG R/W 1112' TO E R/W OF HWY 27; S 185.37' TO P.O.B LESS 5.7 ACRES IN I-40 ANNEX OKEMAH TWP. 18-11-10	KELLOGG, IRL RUSSELL &	2.015		12,120	9,662	1,063	97	
11	0000-18-011-010-0-017-00	540002743	COMM. AT SW COR OF LOT 3 N ALONG W LINE OF LOT 3 A DIST OF 340.8' TH E 160' FOR P.O.B. TH N 40' E 108.71' S 40' W 108.71'TO P.O.B. 18-11-10	BAKER, GERALD WAYNE & JEANNIE SUE	0.1		850	850	94	9	

INCREMENT DISTRICT NO. 1

An area located entirely in Okfuskee County, Oklahoma, more particularly described as follows:

91.56 mills

Legal Cross Reference	Parcel ID	Account No.	Shorthand Legal Description	Record Owner	Acres	Address	2023 Market	2023 Tax	2023 Assessed	Estimated	Status
							Value	Value	Value	2022 Taxes	
12	0000-18-011-010-0-021-00	540002746	A TR. IN W/2 OF 18-11-10 DESC. AS COMM AT NW/COR OF SW/4 TH S00 DEG.00'00" E ALONG W LINE OF SAID SEC. 431.50' TH N 90 DEG. 00'00"E A DIST.60' TO POB SAID PT. BEING ON E R/W LINE OF HWY.27 TH N 90DEG 00'00"E A DIST OF 265.86' TH N 00 DEG.00'00"E A DIST.10' TH S 86DEG.54' 49"E A DIST.OF1106.24'TH N00 DEG.06'04"W A DIST 1040.08' TH N 89DEG.57' 52"E A DIST.70' TH S00DEG 06'04"E A DIST.OF 1040' TH N89 DEG.57'52"E A DIST 1050' TO A PT. ON E LINE OF W/2 OF SAID SEC.18 TH S00 DEG.06'04"E ALONG E LINE 70'TH S89 DEG.57' 52"W 1045.41' TH S 06 DEG 54'45"E 458.08'TH S 00DEG 04'10"E 421.56' TO A PT. ON N R/W LINE OF EXISTING INDUSTRIAL RD. TH S 89DEG 55'50"W ALONG SAID R/W 70'TH N 00DEG.	CITY OF OKEMAH	7.03		7,030	-	-	-	Exempt
13	0000-18-011-010-0-022-00	540002747	BEG. AT A POINT ON EAST LINE OF SAID SW/4 A DIST 1137.29' S OF NE/COR OF SAID SW/4 TH S ALONG SAID E LINE A DIST. OF 191.66' TH S41 DEG.34'18"W A DIST OF 20.85'TH SW'ERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 632.96' A DIST. OF 524.22' TH S 89 DEG.01'28"W A DIST OF 1015.89' TH S 79 DEG.49' 19"W A DIST OF 125.06' TH NW'ERLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 558.46' A DIST 367.67' TH NW'ERLY ON A CURVE TO THE LEFT HAVING A RADIUS OF 398.46' A DIST OF 134.54' TH N 67 DEG.09' 06"W A DIST. OF 122.61' TH N A DIST. OF 99.60' TH N79 DEG. 19'14"E A DIST. OF 107.90'TH SE'RLY ON A CURVE TO THE RIGHT HAVING A RADIUS OF 558.46 A DIST OF 246.92' TH SE'RLY ON A CURVE	CITY OF OKEMAH	2.36	PARTIAL	7,080	-	-	-	Exempt
14	0000-19-011-010-0-006-00	540002754	NW NE LESS 1.5 AC 19-11-10 OKEMAH TWP.	THE TRUCK SHOP, LLC	38.5		11,841	11,841	1,303	119	
15	0000-19-011-010-0-007-00	540002755	N/2 NW LESS 10 ACRES FOR I-40 ANNEX &; LESS 7.05 ACRES 19-11-10 OKEMAH TWP BEG 40' E OF NW/C NW; THENCE S 968' TO POB; THENCE S 352' THENCE EAST 290' N 352' W 290' TO P.O.B 19-11-10 OKEMAH TWP I-40 ANNEX TRACT #2	AMOS, MARION TRUST, KANDISE SPURGEN, BOBBY AMOS & CARLA	60.6		9,051	9,051	996	91	
16	0000-19-011-010-0-008-00	540002756	BEG. AT A PT 490' E OF NW/C NW NW S 504.5' E 301.72' N 504.5' W 301.72' TO P.O.B. 19-11-10 OKEMAH TWP	AMOS, FREDDY MARION	3.5		5,513	4,039	444	41	
17	0124-13-011-009-0-002-00	540008113	BEG.215'W OF NE/C SE SE W 336.35' SW 127.3' S 120.2' W 850.33' S 218' E 140' S 149.46'NE 1124.68' N243.8' TO POB LESS THE EAST .35 AC.M/L I-40 ANNEX TRACT 8 OKEMAH CITY	FFIOKEMAH HOSPITALITY, LLC	7.93		225,000	225,000	24,750	2,266	
18	0124-24-011-009-0-001-00	540008116	BEG AT NE/C NE NE W TO ST HWY #27 ROW LINE FOR POB S 220' W 205' N 220' E 205' TRACT # 5 I-40 ANNEX ADDITION 24-11-9	KADIAN, CHETNA	1.04	1001 S WOODY GUTHRIE ST	85,914	85,914	9,451	865	
19	0124-24-011-009-0-008-00	540008123	TR. BEG. AT A PT. 25' S &; 245' W OF NE/C NE TH S 634.75' W 100' TH N 634.75' TH E 100' TO POB 24-11-9 I-40 ANNEX TRACT 3 2018 FTWD 16X80 VIN#FLE240TX1740085A TITLE#810004305051	NIFTY, INC.	1.46	21 W COPLIN ST	178,883	150,158	16,518	1,512	
20	0124-18-011-010-0-001-00	540008126	BEG. 65'E OF SW/COR SEC. 18 E 836' N 386' TH SW- ERLY 887.44' S 185.37' TO BEG. I-40 ANNEX TRACT LESS 3 ACRE TRACT W SIDE OF PROPERTY 1 18-11-10 OKEMAH CITY	KELLOGG, IRL RUSSELL &	2.48	715 W COPLIN RD	37,200	37,200	4,092	375	
21	0125-18-011-010-0-001-00	540008130	A TRACT OF LAND IN THE NW SW (AKA LOT 3) MORE PARTICULARLY DESCRIBED AS FOLLOWS: FROM THE TRUE POB LOCATED AT THE NORTH TERMINUS OF A LINE WHICH BEGINS 1128.50' N &; 65' E OF THE SW/C, EXTENDING NORTH 11DEG19' WEST 25.3'; THENCE EXTENDING NORTH OF THE EAST ROW LINE OF ST HWY 27, 206.8'; THUS LOCATING THE TRUE POB; THENCE N ALONG THE ROW LINE OF HWY 27 TO A POINT 340.8' NORTH &; 60' E OF THE SW/C OF LOT 3 (SW/C NW SW); THENCE EAST 300'; THENCE SOUTH TO A POINT 300' EAST OF THE TRUE POB; THENCE WEST 300; TO THE TRUE POB 18-11-10 COLLETT ADDITION	BYERLY, ALTON D & RAEANN	2.19	608 S WOODY GUTHRIE ST	268,877	248,272	27,310	2,501	
22	0140-13-011-009-0-004-00	540008270	A 1.64 AC. TR IN PART OF SW SE 13-11-9 LANDERS TRACT	DAVIDSON, JOE DON & JAMIE PAGE	1.64		125,733	125,733	13,830	1,266	

INCREMENT DISTRICT NO. 1

An area located entirely in Okfuskee County, Oklahoma, more particularly described as follows:

91.56 mills

Legal Cross Reference	Parcel ID	Account No.	Shorthand Legal Description	Record Owner	Acres	Address	2023 Market	2023 Tax	2023 Assessed	Estimated	Status
							Value	Value	Value	2022 Taxes	
23	0140-13-011-009-0-008-00	540008274	A TR. LYING IN SW SE &; DESC. AS BEG 760' W &; 180' S OF THE NE/C OF SW SE TH S 01 DEG 01' 25" E &; PAR. TO E LINE OF SW SE A DIST OF 586' THENCE S 73 DEG 05' 31" W A DISTANCE OF 245' THENCE N 01 DEG 01' 25" W &; PARALLEL TO THE EAST LINE OF SAID SW SE A DISTANCE OF 653.76' TH N 89 DEG 08' 51" E AND PAR. TO THE N LINE OF SW SE A DIST OF 235.65' TO P.O.B. 13-11-9 LANDERS TRACT	ADKINS ENTERPRISES INC.	3.35		83,750	83,750	9,213	844	
24	0140-13-011-009-0-009-00	540008275	E/2 SE SW &; A TR. BEG. AT NW/C SW SE EXTENDING E367' S180'E190'S 1140' W 557' N 1320' TO POB. LESS.49 AC.(EDWIN LANDERS LESS 1.64 AC.(P.LANDERS) &; LESS 1.03 AC.(PHILIP &; PHYLIS) AND ANOTHER TRACT BEG AT SE/COR NE SW TH N 433' W 575.3' S 433' &; E 575.3' TO POB LESS A STRIP 13'X 179' (.05 AC. M/L) &; LESS A TR 140' X 206.50'(.66 AC M/L) &; LESS 9.65 AC. OCCUPIED BY I-40 &; LESS 3.35 AC. TR.(SW SE) COLONIAL PARK N.H. 13-11-9 LANDERS TRACT OKEMAH CITY	DAVIDSON, JOE DON & JAMIE PAGE	25.37		12,964	12,964	1,426	131	
25	0142-18-011-010-0-001-00	540008281	SW SE LESS 29.48 AC. 18-11-10 FLANDERS TRACT	FLANDERS, REBA J AS TRUSTEE OF THE DANNY L FLANDERS & REBA J FLANDERS REVOCABLE TRUST	10.52	801 E GLEN JOHNSON RD	420,783	286,869	31,556	2,889	
26	0142-18-011-010-0-002-00	540008282	COMM AT SW/C OF SAID SEC. 18 TH N ALONG THE W LINE OF SAID SEC. A DIST OF 1305.94' TH E A DIST OF 360' TO POB SAID POINT BEING ON THE S R/W LINE OF GLEN JOHNSON R. TH S 66 DEG 14'44" E 122.61' TH ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 398.46' A DIST OF 134.54' TH ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 558.64' A DIST OF 367.67' TH N 78 DEG 54' 57" E 125.06' TH N 89 55' 50"E 1015.89' TH ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 632.96' A DIST OF 524.22' TH N 42 DEG 28' 40" E 20.85' TO A PT WHERE THE S R/W LINE OF SAID GLEN JOHNSON RD. INTERSECTS THE E LINE OF SAID SW/4 TH S 00 DEG 06' 04" E ALONG SAID E LINE 452.22' TO A PT ON THE N R/W LINE OF INTERSTATE 40 TH S8	DO HOLDINGS, LLC	11.77		1,975	1,975	217	20	
27	0142-18-011-010-0-003-00	540008283	BEG AT THE SW/COR OF THE INTERSTATE R/W EAST ALONG S BOUNDARY 242' TO POBEAST 78' TH 90 DEG TO THE NORTH 298' TH 90 DEG WEST 78' TH 90 DEG S TO POB & PLUS A R/W BEG AT THE NW/ COR OF SAID .533 ACRES RUNNING 100' TO THE NW 12' WIDETO THE SW EDGE OF CIRCLE DRIVE 18-11-10 FLANDERS TRACT	FLANDERS, DARYL W. & DIANNEM.	0.54	803 GLEN D. JOHNSON RD.	111,378	77,595	8,536	782	
28	0143-18-011-010-0-003-00	540008284	COMM. AT THE SW/COR OF SAID SEC. 18 TH N ALONG THE W LINE OF SAID SEC. A DIST OF 1218.19' TH E 1560.33' TO POB SAID PT BEING ON THE NORTH R/W LINE OF GLEN JOHNSON RD. TH N 89 DEG 55' 50" E ALONG SAID R/W A DIST OF 396.09' TH N 84 DEG 59' 57" E A DIST OF 116.32' TH NORTHEASTERLY ON A CURVE TO THE LEFT HAVING A RADIUS OF 502.96' A DIST FOF 416.56' TH N 42 DEG 28' 40" E 161.68' TO A PT WHERE THE N R/W LINE OF SAID GLEN JOHNSON ROAD INTERSECTS THE EAST LINE OF SAID SW/4 TH N 00 DEG 06' 04" W ALONG SAID EAST LINE 585.42' TH S89 DEG 57' 52" W 1045.41' TH S 06 DEG 54' 45" E 458.08' TH S 00 DEG 04' 10" E 421.56' TO THE PT OF BEG CONTAINING 19.08 ACRES MORE OR LESS. 18-11-	CREEK TRADING LIMITED PTNSHP AN OKLA. LTD. PTNSHP	19.08		4,005	3,918	431	39	

INCREMENT DISTRICT NO. 1

An area located entirely in Okfuskee County, Oklahoma, more particularly described as follows:

91.56 mills

Legal Cross Reference	Parcel ID	Account No.	Shorthand Legal Description	Record Owner	Acres	Address	2023 Market Value	2023 Tax Value	2023 Assessed Value	Estimated 2022 Taxes	Status
29	0144-18-011-010-0-001-00	540008285	COMM AT NW/COR OF SW/4 TH S ALONG THE W LINE OF SW A DIST OF 481.50' TH E 268.71' TH S 10' TO POB TH S 410.48' TH W 208.71' TH S 50' TH E 208.71' TH S 40' TH E 91.29' TH S 247.99' TO A PT ON THE N R/2 LINE OF GLEN JOHNSON RD. TH N 80 DEG 13' 36" E ALONG SAID R/W 107.90' TH SOUTHEASTERLY ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 558.46' A DIST OF 246.92' TH SOUTH- EASTERLY ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 398.46' A DIST OF 262.33' TH S 80 DEG 52' 01" E 125.06' TH N 89 DEG 55' 50" A DIST OF 12.13' TH LEAVING SAID R/W N 00 DEG 04' 10" W 417.42' TH N 89 DEG 55' 50" E 417.42' TH N 06 DEG 54' 45" W 458.08' TH N 87 DEG 00' 48" W 1167.75' TO THE POB.	CREEK TRADING LIMITED PTNSHIP, AN OKLA. LTD PTNSHIP	18.08		2,577	2,577	283	26	
30	0145-18-011-010-0-001-00	540008287	COMM AT THE NW/C SW/4 OF SAID SEC.18 TH N89DEG57'50"E 115' TO POB SAID PT BEING ON E R/W LINE OF STATE HWY 27 TH S00DEG00'00"E 50' TH N89DEG57'50"E 210.86' TH S00DEG00'00"E 372.46' TH S86DEG54'49"E 1106.24' TH N00DEG06'04"E 1040.08' TH S89DEG57'52"W 636.96' TH S00DEG00'00"E 557.37' TH S89DEG57'50"W 676.70' TO POB CONTAINING 19.88 AC ML LESS 4.65 ACRES ARIZONA-OKLAHOMA TRACT	PALMERS OK, LLC	15.23		44,690	2,608	287	26	
31	0145-18-011-010-0-004-00	540008290	COMM AT NW/C LOT 3; THENCE N89DEG44'24"E ALONG THE NORTH LINE 115' TO E R/W LINE OF HWY 27; THENCE SOUTH ALONG THE ROW LINE A DIST OF 50' TO THE POB; THENCE SOUTH ALONG ROW LINE 260.10'; THENCE WEST ALONG SAID ROW A DIST OF 55'; THENCE SOUTH ALONG SAID ROW A DIST OF 121.40'; THENCE EAST A DIST OF 265.86'; THENCE NORTH A DIST OF 382.46'; THENCE S89DEG44'24" WEST A DIST OF 210.86' TO POB 18-11-10 ARIZONA-OKLAHOMA TRACT	KENNEDY, VIVIAN SUE ELLEXSON	2		50,000	7,436	818	75	
32	0145-18-011-010-0-005-00	540015197	COMMENCING AT THE NW/C OF LOT 3 THENCE N89DEG 57' 50" EAST ALONG THE NORTH LINE OF SAID LOT 3 A DISTANCE OF 325.86' TO THE POB; THENCE N89DEG 57' 50" EAST ALONG THE NORTH LINE OF SAID LOT 3 A DISTANCE OF 465.84'; THENCE S00DEG 00' 00" WEST A DISTANCE OF 447.87' THENCE N86DEG 54'49" WEST ALONG THE NORTH LINE OF EAST DATE STREET A DISTANCE OF 466.52' THENCE N00DEG 00' 00" EAST A DISTANCE OF 422.46' TO THE POB, CONSISTING OF 4.65 ACRES MOL 18-11-10	DAILY, CURTIS	4.65	212 E DATE ST	669,639	514,934	56,643	5,186	
33	0000-19-011-010-0-022-00	540015704	BEG 330' EAST OF THE NW/C THENCE EAST 160' THENCE SOUTH 968' THENCE WEST 160' THENCE NORTH 968' TO THE POB 19-11-10 OKEMAH TWP	DO HOLDINGS, LLC	3.56		356,000	356,000	39,160	3,585	
34	0124-19-011-010-0-004-00	540015705	BEG 40' EAST OF THE NW/C NW THENCE 290' EAST THENCE 968' SOUTH THENCE 290' WEST THENCE 968' NORTH TO THE POB 19-11-10 OKEMAH TWP I-40 ANNEX TRACT #2	DO HOLDINGS, LLC	6.44		326,819	326,819	35,950	3,292	

TOTALS: 388.035 5,693,550 5,026,585 552,927 50,626

TIF TOTAL

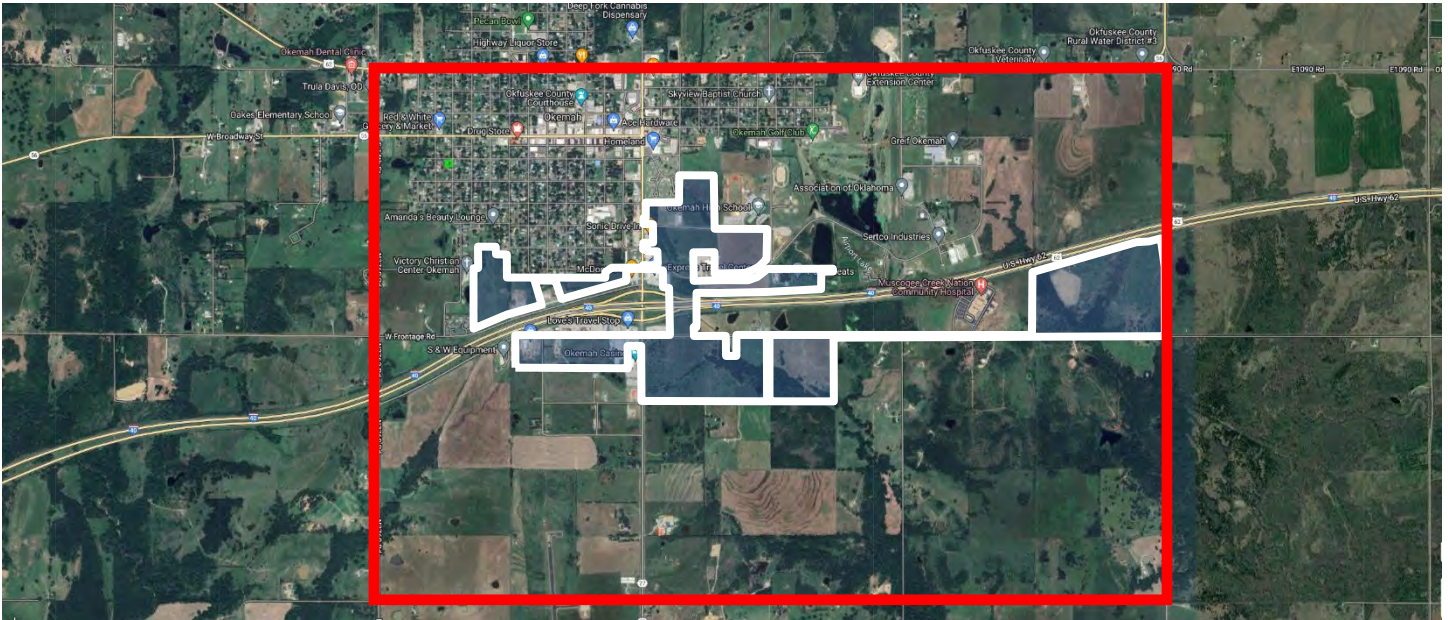
Excluding Exempt Properties: 552,927 50,626

2,159	Total City Area (acres)	17.97%
\$ 10,504,191	Total City NAV	5.26%
\$ 31,971,165	Total School NAV	1.73%

EXHIBIT "C"

MAP OF ECONOMIC DEVELOPMENT PROJECT AREA

The boundaries of the Project Area associated with Increment District No. 1, City of Okemah contain an area comprising 6 square miles, roughly bordered on the south by E 1110 Rd, on the west by N 3760 Road, on the north by Columbia Street/OK Highway 62, and on the east by N 3790 Road.



* Project Area is outlined by red border. Increment District boundaries contained within white border and shaded blue

EXHIBIT “D”

PROJECT AREA LEGAL DESCRIPTION

INCREMENT DISTRICT NO. 1 PROJECT AREA

An area located in Okfuskee County, Oklahoma, more particularly described as follows:

All of Sections Nineteen (19), Twenty (20), Twenty-One (21), and Twenty-Two (22), Township 11 North, Range 10 East of the Indian Base and Meridian, Okfuskee County, Oklahoma.

All of Sections Thirteen (13) and Twenty-Four (24), Township 11 North, Range 9 East of the Indian Base and Meridian, Okfuskee County, Oklahoma.

EXHIBIT “E”**PROPOSED DEVELOPMENT IN THE PROJECT AREA
AND INCREMENT DISTRICT**

This Okemah Economic Development Project Plan describes an economic development project of the City of Okemah, Oklahoma, that brings a significant commercial development to the City. The Project Plan contemplates the creation of a tax increment financing district pursuant to the Local Development Act, 62 O.S. §850, *et seq*, as authorized pursuant to Article 10, §6C of the Oklahoma Constitution. The purpose of the Increment District is to encourage economic development in the City by facilitating the payment of the costs of essential infrastructure improvements and remedial costs necessary to make certain property viable for development and/or redevelopment (i.e., the Project). The primary development component of the Project is the prospective development of an area located along Interstate 40 at the S. Woody Guthrie Street exit to enhance commercial opportunities for residents of Okemah and to attract visitors. The City has identified potential development interests that propose various development projects, including but not limited to commercial retail, hotel, restaurants, and other attractions, that would establish Okemah as a destination community.

The City recognizes the difficulty in development of the area due to significant costs necessary to correct current conditions at the planned Project site, including specifically the significant infrastructure and utility improvements necessary to support the development project. The goal of the Increment District is to promote economic development in the City by incentivizing capital investment in undeveloped property in order to enhance the tax base and create employment opportunities within the City. The City has identified an aggregate total of \$9.5 million in costs associated with the infrastructure improvements and economic incentives (i.e., the TIF Projects). The costs of the infrastructure improvements to serve the entirety of the Project Area, inclusive of the Increment District (i.e., the Infrastructure Costs) are estimated to be \$6.5 million. Certain economic incentives (i.e., the Incentive Costs) are proposed in the estimated amount of \$3.0 million in support of the Project. The associated costs of the TIF Projects (inclusive of the Infrastructure Costs and the Incentive Costs), along with the Organizational Costs and the Debt Service Costs represent the Project Costs. The City expects to phase the expenditure of Project Costs in coordination with specific development projects, and intends to apply other available funds as appropriate to offset the costs of the Increment District.

The following specific Infrastructure Costs have been identified by the City as necessary to support the full development of the Project. The authorized amounts shown represent cost estimates in current (2024) dollar amounts. Project costs may include the actual costs of the acquisition, demolition, alteration, remodeling, repair, construction and/or reconstruction of new or existing structures and fixtures, including streets, bridges, drainage facilities, and any similar public improvements, common utility or service facilities, related landscaping; the actual cost of the clearing and grading of the streets within the Project Area and any environmental remediation related thereto; utility relocation costs; professional service costs, including those incurred for architectural, planning, engineering and legal.

- A. **West Coplin Street:** West Coplin Street consists of three distinct typical sections beginning at SH-27 with Portland

cement concrete pavement approximately 570 feet in length and thirty-four feet wide including curb and gutter. The next section is asphalt cement pavement approximately 2,075 in length and twenty-six feet wide. The third section is a double bituminous surfaced gravel road approximately 2,890 feet in length and twenty-two feet wide. The Concrete section has severe racking throughout with faulting and settlement. There is one drop inlet structure located on the south edge of the pavement near the Shell station driveway. Recommended action is removal and replacement of this pavement with 9 inch continuously reinforced concrete pavement (estimate cost of \$418,740). The Asphalt section has several base failures and suffers from poor drainage. Recommended action is removal of vegetation and reshaping ditches for proper drainage, and the surfacing be processed into the subgrade to a depth of eight inches, compacted and paved with two lifts of asphalt; 2.5 inches of S3 base course and 1.5 inch S4 surface course (estimated cost of \$238,443). The Double Bituminous Surface section has multiple base failure areas and poor drainage. Recommended action is removal of vegetation and reshaping ditches for proper drainage, and the surfacing be processed into the subgrade to a depth of eight inches, compacted and paved with two lifts of asphalt; 2.5 inches of S3 base course and 1.5 inch S4 surface course (estimated cost of \$281,329).

\$938,512

- B. **NS 3760 Road:** The road is surfaces with a double bituminous layer and has a few base failures with adequate drainage. Recommended action is the surfacing be processed into the subgrade to a depth of eight inches, compacted and paved with two lifts of asphalt; 2.5 inches of S3 base course and 1.5 inch S4 surface course, to be extended fifty feet beyond the intersection points with Coplin Street and EW 1100 Road. **\$110,298**
- C. **EW 1100 Road:** The road is surfaces with asphalt and is in generally good condition with no apparent base failures and adequate drainage. Recommended action is two inch asphalt overlay. **\$212,380**
- D. **East Coplin Street:** East Coplin Street will require improvements to support any development projects in the area. Costs have been extrapolated based and two mile total segment and the estimated costs for West Coplin Street. **\$2,000,000**
- E. **Intersection Improvements/Signalization of Coplin and Woody Guthrie:** Significant development in the area will ultimately require addition traffic control devices to maintain appropriate service levels and public safety. **\$400,000**

- F. **17th Street Lift Station:** Construction of a lift station on 17th Street to support additional development in the area. **\$1,236,960.00**

- G. **Contingency:** Additional costs related to pavement markings (\$70,000) and construction traffic control (\$30,000), plus an approximately thirty percent (30%) contingency to reflect probable inflationary costs for the above listed projects over the development period. **\$1,501,850**

Pursuant to the terms of a development agreement(s) between the City and the Developers, the TIF Revenues generated by virtue of the sales and use tax, ad valorem tax, and hotel tax levies by the City and the County shall be utilized as a revenue source to fund the costs of the TIF Projects. The TIF Revenues (as defined herein) will be used to pay the costs of the TIF Projects, reimburse the Organizational Costs, and/or pay the Debt Service Costs on obligations issued to pay the same.

The Incentive Costs are estimated to be \$3.0 million and will be used for the purpose of providing assistance in development financing (as authorized by Section 853(14)(o) of the Local Development Act) necessary to accomplish the Project. Said assistance in development financing will be approved by the City Council pursuant to an economic development agreement with the prospective development that sets forth appropriate performance requirements to qualify for the incentive(s). Certain of the Infrastructure Costs may also be accomplished through the use of assistance in development financing.

Additional amounts will be financed by the apportionment of tax increments from the Increment Districts including the Organizational Costs and the Debt Service Costs, all related to Project Costs in excess of the amounts specifically identified as Incentive Costs and City Infrastructure Project Costs. The Organizational Costs associated with the initial creation and implementation of the Increment District are preliminarily estimated to be approximately \$100,000, and the ongoing Organizational Costs are estimated to be \$10,000 per year for the Increment District. The Debt Service Costs associated with the Project Costs are preliminarily estimated to be not in excess of approximately \$11.24 million.

The total estimate of Infrastructure Costs and Incentive Costs that may be made available for improvements and assistance in development financing from apportioned tax revenues shall be \$9.5 million (including all engineering, construction, planning, and contingency costs), which shall be a not-to-exceed amount. The City reserves the right to reallocate the costs described above to accommodate any cost differentials from the preliminary projections. The City anticipates that certain other funds may be available to supplement and/or offset all or a portion of certain Project Costs. The City expects to phase the expenditure of Project Costs in coordination with specific development projects. Apportioned tax revenues may be utilized as necessary to pay the Organizational Costs and the Debt Service Costs, and could total approximately \$11.6 million. The estimated combined total of all Project Costs is \$21.1 million.

The estimated \$28.3 million capital investment and \$579.9 million in total taxable sales for the Project is based on the following preliminary assumptions:

- Approximately 61,500 square feet retail and restaurant space, with average build cost of \$323/sf and average retail sales of \$307/sf completed in 2025-2028.
- Approximate 84 units of hotel space with projected \$8.4 million capital investment and average occupancy rates of \$125 per night, with a 50% occupancy factor, completed in 2025.

EXHIBIT “F”

EXISTING USES AND CONDITIONS OF REAL PROPERTY

The following page depicts the current Zoning Map of the City of Okemah, Oklahoma. The Zoning Map is in the process of being updated, and does not reflect certain parcels with the Increment District boundaries that have been recently annexed to the City. Those parcels have generally been preliminarily zoned for agricultural uses, however it is expected that those parcels will be rezoned for commercial use at the appropriate time(s).

