

PURSUANT TO THE LEGAL NOTICE AS IS REQUIRED BY THE OKLAHOMA OPEN MEETING ACT INCLUDING THE POSTING OF NOTICE AND AGENDA AS IS REQUIRED BY THE TERMS THEREOF, THE TAX INCREMENT FINANCE REVIEW COMMITTEE OF THE CITY OF OKEMAH, OKLAHOMA, MET IN SPECIAL SESSION AT CITY HALL, LOCATED AT 502 WEST BROADWAY STREET, OKEMAH, OKLAHOMA, 74859, ON THE 19<sup>TH</sup> DAY OF JULY, 2024, AT 10:00 O’CLOCK A.M.

PRESENT: Chairman Ronnie Lucas (City of Okemah), Melissa Farris (Okemah Planning Commission), Lee Vick (Okemah Public Schools), Vic Woods (Wes Watkins Tech Center), and Randy Stubblefield (Okfuskee County)

ABSENT: Tina Johnson (Okfuskee County Health Department), Andrew Benson (At-Large Representative), Roger Thompson (At-Large Representative), Sandy Golden (At-Large Representative), and John Copeland (Alternate At-Large Representative/non-member).

(OTHER PROCEEDINGS)

Thereupon, the following resolution was introduced and caused to be read by title by the City Clerk. Committee Member Vic Woods moved passage of the Resolution as presented, and Committee Member Randy Stubblefield seconded the motion. The motion carrying with it the approval of said Resolution was approved by the following vote:

AYE: Chairman Ronnie Lucas, Melissa Farris, Lee Vick, Vic Woods, and Randy Stubblefield

NAY: None

The Resolution so approved is as follows:

[RESOLUTION ON FOLLOWING PAGE]

## RESOLUTION

### **A RESOLUTION RECOMMENDING THAT THE CITY OF OKEMAH, OKLAHOMA THROUGH ITS CITY COUNCIL CREATE A TAX INCREMENT DISTRICT AND APPROVE THE OKEMAH ECONOMIC DEVELOPMENT PROJECT PLAN; AND MAKING CERTAIN FINDINGS IN REGARDS THERETO.**

WHEREAS, pursuant to the provisions of the Local Development Act, 62 O.S. 2021, Section 851 *et seq.* (the “Local Development Act”), as amended, the City Council of the City of Okemah, Oklahoma (the “City”) appointed the Tax Increment District Review Committee (the “Review Committee”) to review and make recommendations concerning a proposed tax increment district within the City; and

WHEREAS, the membership of this Review Committee is comprised of the following individuals: a representative of the City, a representative of the Planning Commission of the City, representatives of each taxing jurisdiction within the proposed district whose taxes might be impacted by virtue of the adoption of a project plan, and three representatives of the public at large, all as required pursuant to Section 855(A) of the Local Development Act; and

WHEREAS, the Review Committee has the statutory duty to consider and make its findings and recommendations to the City with respect to the conditions establishing the eligibility of the proposed district and the appropriateness of the approval of the proposed plan and project, as well as to report its findings to the City in regard to the financial impact on the taxing jurisdictions and business activities within the proposed district; and

WHEREAS, Article 10, Section 6C of the Oklahoma Constitution and its enabling legislation known as the Local Development Act provide that the City may use local taxes and local fees, in whole or in part, for specific public investments, assistance in development financing, or as a specific revenue source for other public entities in the area for which the improvements take place and may direct the apportionment of the taxes and fees for historic preservation, reinvestment, or enterprise areas that are exhibiting economic stagnation or decline; and

WHEREAS, the Review Committee has been presented with the “Okemah Economic Development Project Plan” (the “Project Plan”), providing for the creation of Increment District No. 1, City of Okemah, Oklahoma (the “Increment District”), wherein certain projects are contemplated to be financed from a combination of public and private sources, including apportionment of ad valorem taxes, sales and use taxes, and hotel taxes, all derived from the proposed Increment District, to be established in connection with the project; and

WHEREAS, the Project Plan contemplates the funding of essential public improvements; and

WHEREAS, it is more likely than not that the private investment referenced in the Project Plan would not occur within the proposed Increment District without the public improvements specified in such plan.

NOW, THEREFORE, BE IT RESOLVED BY THE REVIEW COMMITTEE THAT THE FOLLOWING RECOMMENDATIONS AND FINDINGS BE MADE TO THE CITY COUNCIL OF THE CITY OF OKEMAH, OKLAHOMA, IN REGARD TO THE PROPOSED INCREMENT DISTRICT AND THE PROJECT PLAN:

SECTION 1. ELIGIBILITY AND CREATION OF INCREMENT DISTRICT. The Review Committee hereby finds that the boundaries of the proposed Increment District, as set forth in Exhibit "D" of the Project Plan, are within a reinvestment area (as defined in Section 853(17) of the Local Development Act), and therefore, meets the requirements of Section 856(B)(4)(a)(1) of the Local Development Act. Additionally, the area comprising the Increment District is each contained within a designated enterprise zone (Tract 40107080900) and therefore constitutes an enterprise area (as defined in Section 853(5) of the Local Development Act).

SECTION 2. APPROVAL AND RECOMMENDATIONS IN REGARD TO THE PROJECT PLAN.

(A) The Review Committee has considered the Project Plan, and hereby finds that the provisions of the Project Plan do meet the following legislative guidelines set forth in Section 852 of the Local Development Act:

(1) Investment, development, and economic growth are difficult within the boundaries of the proposed Increment District, but possible if the tax increment financing provisions of the Local Development Act are available;

(2) That the proposed Increment District does not encompass an area where investment, development and economic growth would occur without the assistance of public funds;

(3) That the undertaking of the projects described in the Project Plan will not supplant or replace normal public functions and services;

(4) That the purpose set forth in the Project Plan for the proposed Increment District works in conjunction with the City's locally implemented economic development plans;

(5) That the proposed Increment District does not have boundaries that dissect a similar area and does not create an unfair competitive advantage;

(6) That the project contemplates the need for residential and neighborhood treatments, and capital improvements to neighborhood public schools, as well as commercial/industrial development;

(7) That where possible, partial credits or credits that do not utilize the full time frame allowed have been incorporated into the Project Plan;

(8) That the maximum effort has been made to allow full public knowledge and participation in the use of the Local Development Act in connection with the preparation and adoption of the Project Plan;

(9) That the Project Plan contemplates the conservation, preservation and rehabilitation of existing improvements within the proposed Increment District; that demolition, clearance and relocation is minimized except for structures necessary for the undertaking of the projects referenced in the Project Plan; and

(10) That the Project Plan, upon adoption by the City, develops and applies clear standards, criteria and threshold limits that are applicable to all similar property and areas that the Project Plan contains protection against nearby relocations to utilize incentives.

(B) The Review Committee further finds that contemplated private and public projects described in the Project Plan will likely enhance the value of other real property located within the proposed Increment District and the Project Area and will promote the general public interest.

(C) The Review Committee further finds that the aggregate net assessed value of all taxable property in all increment districts, as determined pursuant to Section 856(B)(4)(d) of the Local Development Act, within the City does not exceed 35% of the total net assessed value of taxable property within the City.

(D) The Review Committee further finds that the aggregate net assessed value of the taxable property in all increment districts, as determined pursuant to Section 856(B)(4)(f) of the Local Development Act, within the City does not exceed 25% of the total assessed net value of any affected school districts located within the City.

(E) The Review Committee further finds that the land area of all increment districts within the City does not exceed 25% of the total land area of the City.

(F) Based on the foregoing, the Review Committee finds that the Project Plan and the projects therein are appropriate under the provisions of the Local Development Act, and the approval of the Project Plan by the City is hereby recommended.

### SECTION 3. REPORT OF FINANCIAL IMPACT.

(A) The Review Committee finds that the current ad valorem tax revenues collected within the proposed Increment District will continue to be apportioned to the taxing entities. The Committee also finds that dedicating incremental ad valorem tax, sales and use tax, and hotel tax revenues (collectively, the “TIF Revenues” as described in the Project Plan) to the Increment District apportionment fund beginning on the effective date as determined by the City Council of the City with respect to the Increment District, in accordance with Section 856(B)(2) of the Local Development Act (the “Commencement Date”) until such time as all project costs are paid or twenty-five (25) full fiscal years following the Commencement Date (referred to as the “Expiration Date”, and expected to be June 30, 2050), whichever is less, is desirable to serve as a catalyst for retaining or expanding employment, to attract major investment in the area, and to enhance the tax base. These investments will benefit the proposed Increment District and thereby eventually result in substantial increased ad valorem tax, sales and use tax, and hotel tax revenues to the taxing jurisdictions through implementation of the Project Plan. Furthermore, the Project Plan provides that excess ad valorem tax, sales and use tax, and hotel tax revenues collected within the proposed Increment District that are not required for project costs and/or debt service on the TIF Bonds (as defined in the Project Plan) shall returned to the respective taxing jurisdiction. As used herein, the

phrase “payment of project costs” is deemed to include any interest component of any reimbursement offered pursuant to a development agreement.

(B) The Project as represented to the Review Committee contemplates the creation of a tax increment district that will encourage 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 proposed Project Costs (as described in the Project Plan) total approximately \$9.5 million, including necessary public infrastructure and economic incentives to fully develop the area within the Increment District. The City expects to phase the expenditure of Project Costs in coordination with specific development projects, and intends apply other available funds as appropriate to offset the costs of the Increment District. The City also expects to pay Organizational Costs in the amount of approximately \$100,000, interest and related financing costs, in an amounts preliminarily determined to be not-to-exceed \$11.24 million, along with annual administration costs associated with the Increment District not in excess of \$10,000 per year, all to be paid from available TIF Revenues in addition to the specifically identified Project Costs. Based on the preliminary development projections assuming full buildout of the Increment District, it is anticipated that approximately \$5.428 million in ad valorem tax TIF Revenues will be generated during the term of the Increment District, with approximately \$2.714 million available for the payment of Project Costs, and the balance of approximately \$2.714 million apportioned to the affected taxing entities. With respect to the ad valorem tax TIF Revenues, the Project Plan contemplates the capture of 100% of such revenues during the term of the Increment District, but 50.0% of such revenues will be apportioned to the affected taxing jurisdictions. Additionally, it is projected that approximately \$578.9 million in taxable sales will generate approximately \$20.26 million in City sales tax revenues and \$11.58 million in County sales tax revenues, with 50% of such City sales tax apportioned to the payment of Project Costs and the other 50% apportioned to the City (\$10.13 million). None of the County sales tax revenues would be captured by the proposed increment district. It is anticipated that approximately \$2.34 million in hotel tax TIF Revenues will be generated during the term of the Increment District, with approximately \$1.17 million available for the payment of Project Costs, and the balance of approximately \$1.17 million apportioned to the City. The apportionment of City sales tax and hotel/motel tax is also reasonably expected to qualify for State of Oklahoma matching funds of approximately \$11.3 million, pursuant to the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. §840, *et seq.* (the “Leverage Act”). All revenue projections are based on an estimated \$28.3 million initial capital investment, an estimated \$22.6 million aggregate taxable capital investment, an 11.0% assessment rate for real property and a 11.0% assessment rate for personal property, an average 94.01 mill levy within the Increment District, and a three and one-half percent (3.5%) City sales tax rate, a five percent (5.0%) hotel/motel tax, and two percent (2.0%) County sales tax rate.

(C) The Review Committee hereby finds that the likely financial impact on each of the taxing jurisdictions within the proposed Increment District to be as follows:

(1) CITY OF OKEMAH. The City currently levies sales and use taxes equal to three and one-half percent (3.5%) pursuant to Chapter 2, Article 2, Section 2-2-1 *et seq.*, of the Okemah Code of Ordinances (referred to within this subsection as the “Sales Tax Revenue”). The stated purposes of the Sales Tax Revenue under the Okemah Code of Ordinances are: (i) one (1.0%) is designated for general municipal functions of the City;

(ii) one percent (1.0%) is designated for transfer to the Okemah Utilities Authority to be utilized for debt service, with any remaining funds paid back to the city for general municipal functions of the City; (iii) one percent (1.0%) is designated for capital improvements and/or to create new jobs and retain existing jobs in the City; and (iv) one-half of one percent (0.5%) is designated for debt service and has a termination date of December 31, 2039. Additionally, the City currently levies hotel taxes equal to five percent (5.0%) pursuant to Ordinance No. 2017-12 of the City adopted October 12, 2017 (referred to within this subsection as the “Hotel Tax Revenue”). The stated purposes of the Hotel Tax Revenue under the Ordinance are for economic development, recreation and tourism within the City. Furthermore, the City may levy ad valorem taxes (at varying rates from year to year) to pay principal and interest on the City’s outstanding General Obligation indebtedness (if any) and/or judgment rolls (referred to within this subsection as the “Sinking Fund Revenue”)

Sales Tax Revenue. There is currently no Sales Tax Revenue generated within the proposed Increment District. The City reasonably expects that the Project may result in increased competition for retail sales with establishments within Okemah but outside the Increment District boundaries, therefore the Project Plan proposes that one-half of the increment sales tax revenues (an amount equivalent to a one and three quarters percent (1.75%) sales and use tax, representing 50% of the incremental sales and use tax revenue based on a total of 3.5% sales and use tax presently levied by the City), will be captured by the Increment District, and further, that the increment of Sales Tax 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. With regard to future incremental Sales Tax Revenue, the maximum annual and total incremental revenues which are expected to be generated within the proposed Increment District from the City’s 3.5% sales and use tax levy and apportioned under the Project Plan for project costs and/or debt service on the TIF Bonds are estimated as set forth on Exhibit “A” hereto. Because substantially all of the incremental Sales Tax Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, and because the City has proposed mitigating measures to guard against the cannibalization of existing sales tax collections, no adverse financial impact to the City’s Sales Tax Revenue is expected.

Hotel Tax Revenue. There is currently a limited amount of Hotel Tax Revenue generated within the proposed Increment District. The Project Plan proposes that fifty percent (50%) of the increment of Hotel Tax Revenues will be captured by the Increment District. With regard to future incremental Hotel Tax Revenue, the maximum annual and total incremental revenues which are expected to be generated within the proposed Increment District from the City’s 5.0% hotel tax levy and apportioned under the Project Plan for project costs and/or debt service on

the TIF Bonds are estimated as set forth on Exhibit “A” hereto. Because substantially all of the incremental Hotel Tax Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the City’s Hotel Tax Revenue is expected.

Sinking Fund Revenue. The establishment of the proposed Increment District does not alter the City’s legal obligation under its General Obligation Bonds and/or judgment rolls, and will likely not affect the City’s ability to raise sufficient Sinking Fund Revenue to repay such obligations. Thus, no adverse financial impact to the City’s Sinking Fund Revenue is expected.

(2) OKFUSKEE COUNTY. Okfuskee County, Oklahoma (the “County”) currently levies: (a) ad valorem taxes equal to 10.55 mills to support the general governmental activities of the County (referred to within this subsection as the “General Fund Revenue”), and (b) ad valorem taxes (at varying rates from year to year) to pay principal and interest on the County’s outstanding General Obligation indebtedness, if any (referred to within this subsection as the “Sinking Fund Revenue”).

General Fund Revenue. As all of the existing General Fund Revenue that is currently generated within the proposed Increment District will continue to accrue to the County, no diminishment of the County’s General Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental General Fund Revenue, the maximum annual and total incremental revenues which are expected to be generated within the proposed Increment District from the County’s 10.55 mill levy and apportioned under the Project Plan for project costs and/or debt service on the TIF Bonds are estimated as set forth on Exhibit “B” hereto. However, because substantially all of the incremental General Fund Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the County’s General Fund Revenue is expected.

Sinking Fund Revenue. The establishment of the proposed Increment District does not alter the County’s legal obligation under its General Obligation Bonds, and will likely not affect the County’s ability to raise sufficient Sinking Fund Revenue to repay such debt. Thus, no adverse financial impact to the County’s Sinking Fund Revenue is expected.

Other Considerations. The apportionment of the County’s portion of the TIF Revenues not required for payment of the Project Costs, represents a significant source of revenue for the duration of the Increment District that will also be available to offset any adverse financial impacts to the County. Additionally, the County levies sales and use tax equal to two percent (2.0%). There is currently a limited amount of Sales Tax Revenue generated within the proposed Increment District. The proposed development will result in a significant source of revenue

for the duration of the Increment District that will also be available to offset any adverse financial impacts to the County.

(3) OKFUSKEE COUNTY HEALTH DEPARTMENT. The Okfuskee County Health Department (the “Health Department”) currently levies ad valorem taxes equal to 2.64 mills to support the operational activities of the Health Department (referred to within this subsection as the “General Fund Revenue”).

General Fund Revenue. As all of the existing General Fund Revenue that is currently being generated within the proposed Increment District will continue to accrue to the Health Department, no diminishment of the Health Department’s General Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental General Fund Revenue, the maximum annual and total incremental revenues which may be generated within the proposed Increment District from the Health Department’s 2.64 mill levy and apportioned under the Project Plan for project costs and/or debt service on the TIF Bonds are estimated as set forth on Exhibit “B” hereto. However, because substantially all of the incremental General Fund Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the Health Department’s General Fund Revenue is expected.

Other Considerations. The apportionment of the Health Department’s portion of the TIF Revenues not required for payment of the Project Costs, represents a significant source of revenue for the duration of the Increment District that will also be available to offset any adverse financial impacts to the Health Department.

(4) WES WATKINS TECHNOLOGY CENTER. Wes Watkins Technology Center District No. 25 (“Technology Center”) currently levies: (a) ad valorem taxes equal to 5.28 mills to support the educational activities of the Technology Center (referred to within this subsection as the “General Fund Revenue”), (b) ad valorem taxes equal to 5.00 mills to finance a portion of the capital needs of the Technology Center (referred to within this subsection as the “Building Fund Revenue”), and (c) ad valorem taxes (at varying rates from year to year) to pay principal and interest on the Technology Center’s outstanding General Obligation indebtedness, if any (referred to within this subsection as the “Sinking Fund Revenue”).

General Fund Revenue. As all of the existing General Fund Revenue that is currently being generated within the proposed Increment District will continue to accrue to Technology Center, no diminishment of Technology Center’s General Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental General Fund Revenue, the maximum annual and total incremental revenues which are expected to be generated within the proposed Increment District from the Technology Center’s 5.28 mill levy and apportioned under the Project Plan for project costs and/or debt service on the TIF Bonds are estimated as set forth on Exhibit “B” hereto. However, because substantially all of the incremental General Fund Revenue which would be



generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the Technology Center's General Fund Revenue is expected.

Building Fund Revenue: As all of the existing Building Fund Revenue that is currently generated within the proposed Increment District will continue to accrue to Technology Center, no diminishment of Technology Center's Building Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental Building Fund Revenue, the maximum annual and total incremental revenues which are expected to be generated within the proposed Increment District from the Technology Center's 5.00 mill levy and apportioned under the Project Plan for project costs and/or debt service on the TIF Bonds are estimated as set forth on Exhibit "B" hereto. However, because substantially all of the incremental Building Fund Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the Technology Center's Building Fund Revenue is expected.

Sinking Fund Revenue. The establishment of the proposed Increment District does not alter the Technology Center's legal obligation under its General Obligation Bonds, and will likely not affect the Technology Center's ability to raise sufficient Sinking Fund Revenue to repay such debt. Thus, no adverse financial impact to the Technology Center's Sinking Fund Revenue is expected.

Other Considerations. The apportionment of the Technology Center's portion of the TIF Revenues not required for payment of the Project Costs, represents a significant source of revenue for the duration of the Increment District that will also be available to offset any adverse financial impacts to the Technology Center.

(5) OKEMAH PUBLIC SCHOOLS. The Okemah Independent School District #26 of Okfuskee County, Oklahoma (the "Okemah School District") currently levies: (a) ad valorem taxes (at varying rates from year to year) to pay principal and interest on the Okemah School District's outstanding General Obligation indebtedness, if any (referred to within this subsection as the "Sinking Fund Revenue"); (b) ad valorem taxes equal to 36.80 mills to support the operational activities of the Okemah School District (referred to within this subsection as the "General Fund Revenue"); and (c) ad valorem taxes equal to 5.26 mills to finance a portion of the capital needs of the Okemah School District (referred to within this subsection as the "Building Fund Revenue"). Also, additional ad valorem taxes equal to 4.22 mills are levied county-wide to support the operational activities of all public schools within Okfuskee County, and distributed on the basis of the legal average daily attendance for the preceding school year as certified by the State Board of Education (referred to within this subsection as the "County Levy Revenue").

Sinking Fund Revenue. The establishment of the proposed Increment District does not alter the Okemah School District's legal obligation under its General Obligation Bonds, and will likely not affect the Okemah School District's ability to raise

sufficient Sinking Fund Revenue to repay such debt. Thus, no adverse financial impact to the Okemah School District's Sinking Fund Revenue is expected.

Building Fund Revenue. As all of the existing Building Fund Revenue that is currently being generated within the proposed Increment District will continue to accrue to the Okemah School District, no diminishment of the Okemah School District's Building Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental Building Fund Revenue, the maximum annual and total incremental revenues which may be generated within the proposed Increment District from the Okemah School District's 5.26 mill levy and apportioned under the Project Plan for (a) payment of project costs and/or debt service on the TIF Bonds or (b) allocated to the Okemah School District, are estimated as set forth on Exhibit "A" hereto. However, because substantially all of the incremental Building Fund Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the Okemah School District's Building Fund Revenue is expected.

General Fund Revenue and County Levy Revenue. As all of the existing General Fund Revenue and County Levy Revenue that are currently being generated within the proposed Increment District (and allocated to the Okemah School District) will continue to accrue to the Okemah School District, no significant diminishment of the Okemah School District's General Fund Revenue or County Levy Revenue will likely occur. With regard to future incremental General Fund Revenue, these revenues are predominantly impacted by changes in funding from the State of Oklahoma's "State Aid Fund", as provided in Title 70, Sections 118-101 *et seq.* of the Oklahoma Statutes (such revenues being referred to herein as the "State Aid Revenue"). Under these provisions, increases in revenue from the net assessed valuation of a school district are offset by reductions in the amount of State Aid Revenue contributed by the State of Oklahoma. Therefore, the inclusion or omission of the net assessed valuation of the new private investment generated within the Increment District would not substantially increase or decrease the net amount of General Fund Revenue available to the Okemah School District. Furthermore, the apportionment of an allocable portion of the TIF Revenue, as described in Other Considerations below, will accrue for purpose of providing a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the Okemah School District, and will not be considered an offset against State Aid Revenue. The impacts of State Aid Revenue notwithstanding, the maximum annual and total incremental revenues which may be generated within the proposed Increment District from the Okemah School District's 36.80 mill levy and apportioned under the Project Plan for project costs and/or debt service on the TIF Bonds are estimated as set forth on Exhibit "A" hereto.

Moreover, under current provisions of Oklahoma law, if new students are attracted to the Okemah School District due to the construction of the projects described in the Project Plan, then the Okemah School District will likely receive additional State Aid Revenue and County Levy Revenue by virtue of those students.

However, cost increases to service these new students are expected to be commensurate with any additional funding. Therefore, the net impact of these factors yields no adverse or beneficial financial impact on the General Fund Revenue or the County Levy Revenue by virtue of the implementation of the Project Plan.

Other Considerations. The apportionment of the Okemah School District's portion of the TIF Revenues not required for payment of the Project Costs, represents a significant source of revenue for the duration of the Increment District that, pursuant to the Project Plan, will be dedicated for the purpose of providing a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the Okemah School District.

(D) The Review Committee hereby finds that there will be no impact to existing business activities within the proposed Increment District. There are no ongoing business activities within the proposed Increment District. Development of the project is expected to create a new commercial traffic benefitting the City and surrounding businesses outside the proposed Increment District.

[Remainder of Page Left Blank Intentionally]

ADOPTED THIS 19<sup>TH</sup> DAY OF JULY, 2024.

(SEAL)  
ATTEST:



By: Bon Juan 7-19-24  
Chairman

By: [Signature]  
City Clerk

STATE OF OKLAHOMA        )  
  )SS  
COUNTY OF OKFUSKEE     )

I, the undersigned, City Clerk of the City of Okemah, Oklahoma, do hereby certify that the above and foregoing is a true, full and correct copy of an excerpt from the minutes of a meeting of the Tax Increment District Review Committee of said City held on the date above stated, all as recorded in the official minutes of such meeting. I further certify that the "Open Meeting Law" was complied with for such meeting.

GIVEN UNDER MY HAND THIS 19<sup>TH</sup> DAY OF JULY, 2024.

(SEAL)



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City Clerk

**EXHIBIT A**  
**Estimated Potential Impact on Certain Sales Tax Collections**

Taxing Purpose	Tax Rate <sup>(1)</sup>	TIF Revenues Captured <sup>(2)</sup>		Allocation to County <sup>(3)</sup>	Allocation to State <sup>(5)</sup>	Total Sales Tax Revenue
		Allocation to City <sup>(3)</sup>	Allocation to Project Costs <sup>(4)</sup>			
City of Okemah Sales Tax	3.500%	10,132,454.54	10,132,454.54	0.00	0.00	20,264,909.08
Okfuskee County Sales Tax	2.000%	0.00	0.00	11,579,948.05	0.00	11,579,948.05
State of Oklahoma Sales Tax	4.500%	0.00	0.00	0.00	26,054,883.11	26,054,883.11
<b>TOTALS:</b>	<b>10.000%</b>	<b>10,132,454.54</b>	<b>10,132,454.54</b>	<b>11,579,948.05</b>	<b>26,054,883.11</b>	<b>57,899,740.23</b>

(1) Assumes continued levy through expiration of Increment District (June 30, 2050)

(2) Based on estimated \$578.997 million in total taxable sales (construction, retail, and lodging)

(3) 50% allocation of Sales Tax Increment Revenues allocated to City (1.75% of a total of 3.5% sales tax); 100% of County sales tax allocated to County

(4) 50% allocation of Sales Tax Increment Revenues; excess revenues not needed for Project Costs and related financing costs will be returned to the City

(5) A portion of the State Sales Tax Collections may be eligible for capture as TIF Revenue pursuant to the Leverage Act

**Estimated Potential Impact on Certain Hotel Tax Collections**

Taxing Purpose	Tax Rate <sup>(1)</sup>	TIF Revenues Captured <sup>(2)</sup>		Allocation to County <sup>(3)</sup>	Total Hotel Tax Revenue
		Allocation to City <sup>(3)</sup>	Allocation to Project Costs <sup>(4)</sup>		
City of Okemah Hotel Tax	5.000%	1,173,703.13	1,173,703.13	0.00	2,347,406.25
Okfuskee County Hotel Tax	0.000%	0.00	0.00	0.00	0.00
<b>TOTALS:</b>	<b>5.000%</b>	<b>1,173,703.13</b>	<b>1,173,703.13</b>	<b>0.00</b>	<b>2,347,406.25</b>

(1) Assumes continued levy through expiration of Increment District (June 30, 2050)

(2) Based on estimated \$46.948 million in total taxable lodging sales

(3) 50% allocation of Hotel Tax Increment Revenues allocated to City (2.5% of a total of 5.0% hotel tax)

(4) 50% allocation of Hotel Tax Increment Revenues allocated to Project Costs; excess revenues not needed for Project Costs and related financing costs will be returned to the City

**EXHIBIT "B"**  
**Estimated Potential Impact on Certain Ad Valorem Collections**

Ad Valorem Taxing Entity	Mill Levy <sup>(1)</sup>	TIF Revenues Captured <sup>(2)</sup>		Allocation to Taxing Entities <sup>(2)</sup>	
		Maximum Year	25 Year Total	Maximum Year	25 Year Total
Okfuskee County - General Fund	10.550	26,250.51	609,250.89	13,125.25	304,625.44
Okfuskee County - Sinking Fund	0.000	0.00	0.00	0.00	0.00
Okfuskee County Health Dept. - General Fund	2.640	6,568.85	152,457.09	3,284.42	76,228.55
City of Okemah - Sinking Fund	0.000	0.00	0.00	0.00	0.00
Okemah ISD #26 - General Fund	36.800	91,565.76	2,125,159.50	45,782.88	1,062,579.75
Okemah ISD #26 - Building Fund	5.260	13,087.93	303,759.21	6,543.97	151,879.61
Okfuskee County - 4 Mill School Levy	4.220	10,500.20	243,700.36	5,250.10	121,850.18
Okemah ISD #26 - Sinking Fund	24.260	60,363.73	1,400,988.30	30,181.87	700,494.15
Wes Watkins Technology Center #25 - General Fund	5.280	13,137.70	304,914.19	6,568.85	152,457.09
Wes Watkins Technology Center #25 - Building Fund	5.000	12,441.00	288,744.50	6,220.50	144,372.25
Wes Watkins Technology Center #25 - Sinking Fund	0.000	0.00	0.00	0.00	0.00
<b>Okemah Levy Total:</b>	<b>94.010</b>				
<b>TOTALS:</b>		<b>233,915.68</b>	<b>5,428,974.04</b>	<b>116,957.84</b>	<b>2,714,487.02</b>

**Allocation of TIF Revenues**

TIF Projects	50.00%	116,957.84	2,714,487.02
Okfuskee County	5.61%	13,125.25	304,625.44
Okfuskee County Health Dept.	1.40%	3,284.42	76,228.55
Okemah ISD #26	37.52%	87,758.81	2,036,803.68
Wes Watkins Technology Center #25	5.47%	12,789.35	296,829.34
<b>TOTAL ALLOCATION</b>	<b>100.00%</b>	<b>233,915.68</b>	<b>5,428,974.04</b>

(1) Based on 2023 millage rate (94.01 mills total for Okemah)

(2) 50.0% of Ad Valorem Tax Increment Revenues allocated to Project Costs; 50.0% allocated to Taxing Entities; excess revenues not needed for Project Costs and related financing costs will be returned to the respective taxing jurisdiction