

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

Date: May 31, 2024

Time: 10:00 AM

Location: Okemah City Hall, 502 West Broadway, Okemah, Ok 74859

**Attendees**

- **Ronnie Lucas** – Chairman
- **Tina Johnson** – Committee Member
- **Randy Stubblefield** – Committee Member
- **Vic Woods** – Committee Member
- **Sandra Golden** - At-large Representative
- **Andrew Benson** - At-large Representative
- **Roger Thompson** - At-large Representative
- **Kristy Lesley** – City Manager
- **Relena Haddox**– City Clerk
- **Nate Ellis** - Public Finance Law Group

**Absent**

- **Melissa Farris** – Committee Member
- **John Copeland** – At-large Representative

**1. Call to Order**

Chairman Ronnie Lucas called the meeting to order.

**2. Approval of Minutes**

**Motion:** Approve minutes.

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

**3. Discussion and Status of the Proposed Tax Increment District**

**3.1 Introduction and Purpose of Meeting**

- Attorney Ellis stated the purpose of the meeting was to review the draft Project Plan and the draft Committee Resolution for the proposed Tax Increment District (TID).
- Attorney Ellis explained that the committee could take action on the resolution at this meeting, but the intention was to allow time for review and address questions at a later date.

**3.2 Overview of the Project Plan**

- Attorney Ellis provided an overview of the Project Plan, emphasizing its flexibility and purpose.

- Attorney Ellis explained that the Project Plan outlines the time horizons, revenue allocation, captured revenues, and a not-to-exceed amount for project costs.
- Attorney Ellis clarified that the plan allows for amendments, giving the city flexibility to adjust to future needs.

### 3.3 Project Area and Boundaries

- Attorney Ellis described the proposed project area, focusing on commercial development along the I-40 Woody Guthrie corridor.
  - Attorney Ellis pointed out specific properties included and excluded from the TID, noting the possibility of future inclusion through amendments.
  - City Manager Lesley and Attorney Ellis clarified the inclusion and exclusion of specific properties, including the Amos track, a truck shop, and various businesses.
  - Attorney Ellis explained the rationale for including and excluding certain properties based on potential development impact and landowner preference.
- Attorney Ellis addressed the inclusion of a portion of Oklahoma Department of Transportation (ODOT) property, stating it has no taxable value and will not impact revenue generation.

### 3.4 Project Eligibility

- Attorney Ellis explained the project's eligibility for TIF funding, highlighting its qualification as both a reinvestment area and an enterprise area.
  - Attorney Ellis explained that the designation as an enterprise zone makes the project eligible for potential matching funds through the state's Leverage Act.

### 3.5 Project Objectives

- Attorney Ellis outlined the project's objectives:
  - Creating significant commercial development
  - Attracting major investment
  - Catalyzing job retention and expansion
  - Promoting economic development
  - Enhancing tax values and revenues
  - Improving economic stability
  - Preserving and enhancing the tax base
  - Enabling investment, development, and economic growth that might otherwise be difficult or impossible

### 3.6 Financial Impacts and Revenue Allocation

- Attorney Ellis detailed the financial impacts of the proposed TID, including:
  - Identification of ad valorem taxing entities
  - Revenue allocation (50% to project costs, 50% returned to taxing jurisdictions)
  - Benefits of the 50% allocation, particularly for the school district

- Capture of sales tax, hotel tax, and potential Leverage Act funds
  - Mechanism for adjusting captured revenue based on changes in tax rates
- Attorney Ellis addressed City Manager Lesley's questions regarding the potential increase in revenue for specific entities and the overall impact on sales tax generation.

### 3.7 Project Timeline and Commencement Date

- Attorney Ellis discussed the proposed time horizon of the TID (up to 25 years) and the ability to defer the start date up to 10 years.
  - Attorney Ellis explained the implications of setting the commencement date, particularly regarding the calculation of base assessed value and base sales tax.

### 3.8 Leverage Act and Matching Funds

- Attorney Ellis provided an in-depth explanation of the Leverage Act and its potential impact on the project.
  - Attorney Ellis explained how the Leverage Act could provide matching funds for project costs, potentially up to \$11.3 million.
  - Attorney Ellis emphasized the importance of using Leverage Act funds strategically to incentivize larger-scale development and attract businesses that generate significant sales and hotel tax revenue.
- Attorney Ellis addressed City Manager Lesley's questions regarding the use of Leverage Act funds and the types of businesses that would be eligible for incentives.

### 3.9 Project Authorizations and Budget

- Attorney Ellis clarified that the adoption of the ordinance authorizing the TID does not obligate the city to spend any funds until specific contracts and agreements are approved.
- Attorney Ellis presented the project budget, outlining the estimated costs:
  - Infrastructure costs: \$4.9 million
  - Incentive costs: \$3 million
  - Organizational costs: \$100,000
  - Administrative costs: Not to exceed \$10,000 per year
  - Debt service costs: Not to exceed \$8.4 million
- Attorney Ellis emphasized that these costs are estimates and could be reduced through various financing mechanisms, grant funding, and other cost-saving measures.

### 3.10 Revenue Projections and Assumptions

- Attorney Ellis presented the projected revenue based on development assumptions, totaling over \$14 million over 25 years.
  - Attorney Ellis clarified that this projection does not include potential Leverage Act funds, which could significantly increase the total revenue.
- Attorney Ellis explained the rationale behind the revenue projections, acknowledging that actual revenue could be higher or lower depending on the pace and scale of development.

### 3.11 Zoning Conditions

- Attorney Ellis briefly discussed the zoning conditions within the project area, noting that most of the land is currently zoned for commercial or agricultural use.
  - Attorney Ellis anticipated future zoning changes as specific development proposals are submitted and reviewed.

### 3.12 Annual Reporting Requirements

- Attorney Ellis outlined the statutory reporting requirements for TIF districts, including annual reports to the Department of Commerce, taxing entities, and the public.

### 3.13 Exhibits and Supporting Documents

- Attorney Ellis reviewed the exhibits included in the Project Plan:
  - Exhibit A: Map of the increment district
  - Exhibit B: Legal description of the increment district and list of properties
  - Exhibit C: Map of the project area
  - Exhibit D: Legal description of the project area
  - Exhibit E: Proposed infrastructure costs and incentive costs
  - Exhibit F: [Placeholder for renderings or preliminary site plans]
  - Exhibit G: [Placeholder for updated zoning map]

### 3.14 Statutory Thresholds

- Attorney Ellis presented the statutory thresholds that the proposed TID must meet:
  - Land area: The TID cannot exceed 25% of the total land area within the city.
  - Net assessed valuation (NAV): The TID cannot exceed 35% of the city's total NAV or 25% of the school district's total NAV.
- Attorney Ellis confirmed that the proposed TID meets all statutory thresholds.

## 4. Review of Proposed Resolution

Tabled

### 4.1 Purpose and Recommendations

- Attorney Ellis presented the proposed resolution for the committee's consideration.
  - Attorney Ellis explained that the resolution recommends the city adopt the TID and outlines the findings that support this recommendation.

### 4.2 Eligibility and Legislative Findings

- Attorney Ellis reviewed the resolution's sections:
  - Section 1: Determination of eligibility and creation of the increment district
  - Section 2: Legislative findings, including compliance with statutory thresholds
  - Section 3: Financial impact, including a summary of revenue assumptions and a detailed account of tax levies and potential impacts on taxing entities

### 4.3 Financial Impact and Revenue Allocation

- Attorney Ellis emphasized that the proposed TID is not expected to negatively impact existing tax revenues or the financial stability of any taxing entities.
- Attorney Ellis explained that the 50% revenue allocation ensures that taxing entities continue to receive a significant portion of the new tax revenue generated by the development.

## 5. Public Input and Next Steps

### 5.1 Public Input

- City Manager Lesley inquired about the process for public input on the proposed TID.
- Attorney Ellis explained that the public can contact committee members or attend the scheduled public hearings.
  - Attorney Ellis clarified that the public hearings would be held during City Council meetings to ensure maximum transparency and accessibility.

### 5.2 Next Steps

- Attorney Ellis recommended that committee members review the Project Plan and Resolution and submit any questions or concerns to City Manager Lesley for clarification.
- Attorney Ellis suggested that the committee aim to make a recommendation on the proposed TID at the next meeting.

## 6. Selection of Next Meeting Time

- The committee discussed potential dates for the next meeting, considering the availability of committee members and Attorney Ellis.
- The next meeting was scheduled for July 12<sup>th</sup> at 10am.

## 7. Adjournment

Chairman Lucas adjourned the meeting at 11:16a.m.

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**Relena Haddox, City Clerk**

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**Ronnie Lucas, Chairman**