2nd R E A D D R A F T

ORDINANCE NO. 3339

AN ORDINANCE APPROVING AND ADOPTING THE STILLWATER WEST 51 DEVELOPMENT DISTRICT PROJECT PLAN; DESIGNATING AND ADOPTING PROJECT AREA AND INCREMENT DISTRICT BOUNDARIES; ESTABLISHING A DATE FOR THE CREATION OF INCREMENT DISTRICT NO. TWO, CITY OF STILLWATER; ADOPTING CERTAIN FINDINGS; AUTHORIZING THE CITY OF STILLWATER TO CARRY OUT AND ADMINISTER THE PROJECT PLAN; ESTABLISHING A TAX APPORTIONMENT FUND; DECLARING APPORTIONED FUNDS TO BE SPECIAL FUNDS OF THE CITY OF STILLWATER OR ALTERNATIVE AUTHORIZED ENTITY; AUTHORIZING THE USE OF SALES TAX INCREMENT REVENUES FOR THE PAYMENT OR FINANCING OF CERTAIN PROJECT COSTS; AUTHORIZING THE USE OF OTHER RESOURCES TO PAY FOR OR FINANCE PROJECT COSTS; AUTHORIZING THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY OR ALTERNATIVE AUTHORIZED ENTITY TO ISSUE APPORTIONMENT NOTES AND CARRY OUT CERTAIN PROVISIONS OF THE PROJECT PLAN; RATIFYING AND CONFIRMING THE ACTIONS, RECOMMENDATIONS AND FINDINGS OF THE REVIEW COMMITTEE AND THE PLANNING COMMISSION; DIRECTING CONTINUING APPORTIONMENT; PROVIDING FOR SEVERABILITY

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STILLWATER, OKLAHOMA:

WHEREAS, the Stillwater West 51 Development District Project Plan ("Project Plan") supports City of Stillwater ("City") objectives to stimulate economic development, retain and expand employment, attract major investment, and enhance the tax base; and

WHEREAS, the purpose of this project is the development of an attractive, viable commercial retail development area along State Highway 51 extending from Range Road east to Sangre Road; and

WHEREAS, the Project Plan serves as a catalyst to achieving the City's goals of promoting economic development, stimulating private investment, and enhancing the tax base, thereby making possible investment that would be difficult or impossible without the Project and the apportionment of sales tax revenues from within the increment district; and

WHEREAS, the Project Plan meets the requirements of the Oklahoma Local Development Act, 62 O.S. §850, *et seq*., as amended (the "Local Development Act") because the proposed Project Area is a reinvestment area as defined by said Act; and

WHEREAS, the Stillwater Tax Increment Financing District Review Committee ("Review Committee"), comprised of a representatives of the City, the Planning Commission, and members of the public at large, has considered the financial impacts of the Project on the City, the affected taxing jurisdiction, and has found that any adverse impacts are offset by the economic benefits of the development for the community as a whole; and

WHEREAS, the Review Committee has examined the proposed Project Area and the proposed Sales Tax Increment District No. 2, the City of Stillwater as defined in Section 6 of this ordinance ("Increment District No. 2"), in accordance with the criteria specified in the Local Development Act, has determined that Increment District No. 2 is eligible for designation as an increment district and for development under the Local Development Act, and has adopted a resolution recommending the approval of the proposed Project Plan, including proposed Increment District No. 2, to the City Council; and

WHEREAS, the Planning Commission has determined that the Project Plan conforms with the Stillwater Comprehensive Plan ("C3") and recommends approval thereof; and

WHEREAS, the projected investment and development are difficult, but possible, within the proposed Project Area and Increment District No. 2 if the Project Plan is adopted and implemented; and

WHEREAS, tax apportionment financing is a necessary component in generating economic development within the proposed Project Area and Increment District No. 2; and

WHEREAS, the apportioned sales tax increment revenues derived from Increment District No. 2 shall be used to finance eligible project costs contained in Section VIII of the Project Plan; and

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WHEREAS, the establishment of the proposed Increment District No. 2 will be used in conjunction with existing programs and other locally implemented economic development efforts in order to encourage economic development in the proposed Project Area; and

WHEREAS, the Project will stimulate new investment within Increment District No. 2 and will generate additional indirect economic benefits outside of Increment District No. 2 which would not occur without the Project; and

WHEREAS, the Project Plan provides tools which will supplement and not supplant or replace normal public functions and services; and

WHEREAS, the boundaries of the proposed Increment District No. 2 do not dissect any similar area nor create an unfair competitive advantage; and

WHEREAS, maximum effort has been made to facilitate full public knowledge and participation in the application of the Local Development Act and in the review and approval of the Project Plan; and

WHEREAS, all required notices have been given and all required hearings have been held in connection with the proposed Project Plan, as prescribed by the Local Development Act, the Oklahoma Open Meetings Act, 25 O.S. §301, *et seq.,* and other applicable law; and

WHEREAS, the City of Stillwater retains the right, pursuant to the Local Development Act, to make minor amendments to the Project Plan; and

WHEREAS, implementation of the Project Plan will be facilitated by authorizing the Stillwater Economic Development Authority, a public trust, or other entity designated by the City, to issue tax apportionment notes and to incur project costs as defined by the Project Plan, to be reimbursed for such costs, and to incur the costs of issuance of such bonds and to accumulate appropriate reserves, if any, in connection therewith; and

WHEREAS, it is in the best interest of the City of Stillwater and its citizens to approve the Project Plan, including the establishment of Increment District No. 2, City of Stillwater.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Stillwater, Oklahoma:

SECTION 1. The City of Stillwater hereby elects to utilize Article 10, Section 6C of the Constitution of the State of Oklahoma and the Local Development Act, which authorize the use of local taxes for specific public investments, assistance in development financing and as a revenue source for other public entities in the area, and which provide for the direction of apportionment of local taxes to plan, finance, and carry out development of unproductive, undeveloped, underdeveloped or blighted areas as determined by the governing body of a city, town or county.

SECTION 2. The Project Plan is hereby adopted and approved, as recommended by the Planning Commission and the Review Committee. As used herein “Stillwater West 51 Development District Project Plan” or “Project Plan” shall mean the document dated May 16, 2016, comprised of six (6) pages of text, three (3) exhibits labeled Exhibits A, B, and C, and titled “Stillwater West 51 Development District Project Plan.”

SECTION 3. All actions taken and all recommendations and findings made in connection with the Project Plan by the Planning Commission and the Review Committee are hereby ratified and confirmed, including, but not limited to, designation and selection of representatives to the Review Committee from the City, the Planning Commission, and the public at large, recommendations for approval, findings of conformance with the Comprehensive Plan, eligibility of Increment District No. 2, and financial impacts upon the taxing jurisdiction.

SECTION 4. For identification purposes, the name of the increment district, which is a sales tax increment district, shall be “Increment District No. 2, the City of Stillwater.”

SECTION 5. Increment District No. 2, the City of Stillwater, is hereby created as of the date of the adoption of this ordinance.

SECTION 6. The boundaries of the Project Area and the boundaries of Increment District No. 2, the City of Stillwater, are shown on Exhibit A of the Project Plan and are hereby designated and adopted as follows:

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Project Area and Increment District No. 2
Legal Description

From the center line intersection of 6th Avenue (Hwy 51) and Sangre Road S89-28-55W along the center line of West 6th Avenue 2,637.75 feet, 173.35 feet N90-0-0E to point of beginning, 1,810.92 feet S1-10-34E, 642.26 feet S89-27-34W, 296.18 feet N1-5-7E, 34.97 feet N43-47-42E, 134.31 feet N0-24-25W, 462.81 feet S89-45-48W, 30.21 feet N81-16-37W, 30.10 feet N64-22-40W, 12.45 feet N19-57-56E, 148.80 feet N89-32-50E, 404.61 feet N0-33-8W, 261.21 feet S89-27-37W, 182.54 feet S0-34-11E, 202.04 feet S20-13-17E, 120.09 feet N30-28-53W, a curve with a chord 77.85 feet N67-32-29W with a radius of 100 feet, 634.04 feet S89-32-54W, 327.82 feet N1-12-23W, 691.362 feet S89-26-56W, 396.59 feet S0-59-54E, 1,317.97 feet S89-40-21W, 651.96 feet N1-10-8W, 1,319.23 feet S89-16-12W, 171.24 feet N1-26-49W, 429.10 feet S89-22-23W, 130.6 feet N1-26-32W, 230.99 feet S89-22-12W, 309.99 feet S1-26-31E, 1,865.99 feet S89-26-20W, 657.57 feet N0-48-15W, 1,128.18 feet N89-17-4E, 50.01 feet S1-26-38E, 60.38 feet N89-23-0E, 355.19 feet N89-17-21E, 117.63 feet N89-19-3E, 200.05 feet S89-58-58E, 31.00 feet N89-17-52E, 629.00 feet N89-3-29E, 256.88 feet N1-33-58W, 508.69 feet N0-30-21W, 389.89 feet N89-23-46E, 69.99 feet N89-23-39E, 850.01 feet N89-23-41E, 70.24 feet N89-23-47E, 600.00 feet N89-23-40E, 800.00 feet N0-24-55W, 160.00 feet N89-21-7E, 210.67 feet S18-57-38E, 360.01 feet S0-24-55E, 437.90 feet N89-21-8E, 976.83 feet N0-32-9W, 250.59 feet N89-26-40E, 573.99 feet S52-54-0E, 641.28 feet N0-29-21W, 191.77 feet S-67-14-50E, 164.48 feet S13-27-15E, 133.828 feet S62-6-56W, 223.31 feet S37-25-5E, 234.65 feet S6-48-42E, 108.70 feet

S7-21-26W, 67.53 feet S34-31-15W, 204.74 feet S20-54-23E, 124.53 feet S35-55-16E, 197.35 feet S10-9-12E, 237.54 feet N89-26-45E, 159.80 feet N0-29-16W, 169.79 feet N89-26-37E, 300.11 feet N0-29-19W, 45.35 feet S89-26-39W, 251.65 feet N0-29-21W, 269.44 feet S21-29-27E, 340.72 feet N89-26-37E, 269.23 feet S0-26-34E, 887.55 feet S58-41-35E, 1,633.35 feet S81-49-50E, 122.55 feet S0-23-51E, 1,615.14 feet S89-21-17W, 290.26 feet S0-36-43E to point of beginning.

SECTION 7. The City Council hereby finds that:

(a) The Project Area, including Increment District No. 2, is a reinvestment area as defined by the Local Development Act;

(b) The improvement of the Project Area is likely to enhance the value of other real property in the area and to promote the general public interest;

(c) The Project Plan complies with the applicable guidelines of 62 O.S. § 852, including specifically paragraphs 1 and 2;

(d) The aggregate net assessed value of the taxable property in all increment districts, as determined pursuant to the Local Development Act, 62 O.S. § 862, within the City of Stillwater does not exceed 35% of the total net assessed value of the taxable property within Stillwater;

(e) The aggregate net assessed value of the taxable property in all increment districts, as determined pursuant to the Local Development Act, 62 O.S. § 862, within the City of Stillwater does not exceed 25% of the total net assessed value of any affected school districts located within Stillwater;

(f) The land within all increment districts within Stillwater does not exceed twenty-five percent (25%) of the total land area of the City of Stillwater;

(g) The Stillwater West 51 Development District Project Plan is feasible and conforms to the Comprehensive Plan for the City of Stillwater.

SECTION 8. The City is authorized to carry out and administer the provisions of the Project Plan and to exercise all powers necessary or appropriate thereto pursuant to the Local Development Act, 62 O.S. § 854; and the City reserves the power to make minor amendments to the Project Plan in accordance with the Local Development Act, 62 O.S. § 858(D). Changes in project costs incurred pursuant to Section VIII(B) of the Project Plan (those not to be financed with apportioned tax increments) do not require an amendment.

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SECTION 9. The Stillwater Economic Development Authority, a public trust, and any other public entity designated by the City shall have the authority to carry out certain provisions of the Project Plan, including the authority to: (a) issue tax apportionment notes; (b) incur project costs, pursuant to Section VIII of the Project Plan; (c) provide funds to or reimburse the City of Stillwater for the payment of project costs and other costs incurred in support of the implementation of the project; and (d) incur the cost of issuance of notes for payment of such costs and to accumulate appropriate reserves, if any, in connection with them.

SECTION 10. The sales tax increment is a portion of the City's non-dedicated sales tax attributable to investment and development within the Increment District. The sales tax increment shall be one-half of the City's two percent (2%) non-dedicated sales tax revenues (resulting in a 1% effective incremental sales tax rate) generated by commercial transactions in Increment District No. 2. Regardless of whether the City raises its sales tax rates, the incremental tax rate shall remain the same for the purposes of calculating the sales tax increment generated by Increment District No. 2.

SECTION 11. Commencing July 1, 2016, the increment of the sales taxes generated by Increment District No. 2, the City of Stillwater, may be used to pay project costs authorized by Section VIII of the Project Plan for a period not to exceed the twenty (20) fiscal years following the effective date of Increment District No. 2, the City of Stillwater, as provided by law, or the period required for payment of the project costs authorized by Section VIII of the Project Plan, whichever is less. During the period of apportionment, the sales tax apportionment fund (a) shall be available to pay project costs under Section VIII of the Project Plan, (b) shall constitute special funds of the City of Stillwater, or, at the direction of the City, the Stillwater Economic Development Authority, a public trust, or another public entity designated by the City, and (c) shall not be subject to annual appropriation as a part of the general fund of the City of Stillwater.

SECTION 12. The following Project Plan and Increment District No. 2 authorizations are hereby approved:

(a) The City of Stillwater is designated as the entity principally responsible for the implementation and administration of the provisions of the Project Plan, in accordance with the provisions, authorizations, and respective delegations of responsibilities contained herein or hereafter authorized pursuant to the Project Plan.

(b) Norman McNickle, the City Manager, his successor in office or the City Manager's designee shall be the person in charge of implementation of the Project Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained in the Project Plan. The City Manager, his successor in office, or the City Manager's designee is authorized to empower one or more designees to exercise responsibilities in connection with project implementation.

SECTION 13. Pursuant to Section 6C of Article X of the Constitution of the State of Oklahoma and the Local Development Act, the direction of apportionment shall continue beyond the current fiscal year for (a) the duration of Increment District No. 2, or (b) the period required for the payment of project costs and the discharge of indebtedness that may be incurred by the public entities authorized by the Project Plan, whichever is less.

SECTION 14. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional, such portion shall not affect the validity of the remaining portions of this ordinance.

INTRODUCED and CONSIDERED in open meeting of the City Council of the City of Stillwater on this 16th day of May, 2016.

PASSED by the Stillwater City Council this ___ day of May, 2016.

SIGNED by the Mayor of Stillwater on the ____ day of May, 2016.

_____

GINA J. NOBLE, MAYOR

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(SEAL)

ATTEST:

_____
ELIZABETH CHRZ, CITY CLERK

APPROVED AS TO FORM AND LEGALITY THIS __ DAY OF MAY, 2016.

_____
JOHN E. DORMAN, CITY ATTORNEY

First Reading: 3-21-16
Second Reading: 5-16-16