



**STILLWATER WEST 51 DEVELOPMENT DISTRICT PROJECT PLAN**

**CITY OF STILLWATER, OKLAHOMA**

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**Adopted April 4, 2016**

## **I. INTRODUCTION**

The Stillwater West 51 Development District is established pursuant to the Local Development Act, 62 O.S. §850, *et seq.*, for the purpose of facilitating key development objectives, stimulating private investment, enhancing the tax base, and generally improving the quality of life for Stillwater citizens. This project is a significant element in fostering public-private partnerships to create the type of community development that the City of Stillwater seeks but can achieve only by means of the financing tools available under the Local Development Act.

## **II. BOUNDARIES**

The “Project Area” is the geographic area wherein the activities authorized by this Project Plan will occur. This area consists of all presently unproductive, undeveloped, and underdeveloped commercially zoned properties lying north and south of State Highway 51 (also known as “Sixth Avenue”) situated between Range Road on the west and Sangre Road on the east. This area is more particularly described by the legal description and map appended hereto as Exhibit “A.” These are also the boundaries of “Increment District No. 2, City of Stillwater.”

## **III. ELIGIBILITY**

The Project Area is a reinvestment area as defined by 62 O.S. §853(17). It is an area requiring public improvements to serve as a catalyst for retaining or expanding employment, to attract major investment in the area, and to preserve or enhance the tax base. The Project Area is considered unproductive, undeveloped and underdeveloped as required by Article 10, §6C of the Oklahoma Constitution.

## **IV. OBJECTIVES**

The principal objectives of the project and Increment District No. 2 are:

- A. To serve as a catalyst for retaining or expanding employment and to attract major investment in the area.
- B. Provide funding through apportionment of tax increments for site acquisition and preparation, public facilities and improvements, and other public enhancements required by the Stillwater Municipal Code to support new retail development in the Project Area.
- C. To preserve and enhance the tax base and make possible investment, development, and economic growth that would otherwise be difficult without the project and the apportionment of incremental sales tax revenues.
- D. To stimulate private commitments to invest and reinvest in the Project Area.
- E. Increase sales tax revenues, raise property values, and improve economic stability.
- F. To create an attractive viable commercial retail area to attract residents and visitors.

## **V. PROJECT IMPLEMENTATION**

This Project Plan shall be implemented through the utilization of any combination of the following actions as determined appropriate for the entire project or any individual development eligible herein:

- A. Planning and design.
- B. Site preparation or rehabilitation.
- C. Acquisition of real property for public improvements, including, but not limited to utilities, streets, sidewalks, traffic control, and drainage facilities, necessary for development in the Project Area.
- D. Construction, modification, rehabilitation, or repair of public improvements, including, but not limited to utilities, streets, sidewalks, traffic control, and drainage facilities.
- E. Construction of aesthetically based improvements including, but not limited to landscaping and streetscaping.
- F. "Development Agreements" to encourage private investment in the Project Area.
- G. Any action compensable as a "project cost" pursuant to 62 O.S. §853(17).

## **VI. INCREMENT DISTRICT NO. 2, CITY OF STILLWATER**

- A. Increment District No. 2, City of Stillwater, a sales tax increment district, is hereby created.
- B. A portion of the non-dedicated sales tax generated by entities located within the Project Area operating under a development agreement executed pursuant to the provisions of this Project Plan may be used to pay Project Costs for a period not to exceed twenty (20) fiscal years from the effective date of Increment District No. 2, City of Stillwater, as provided by law, or the period required for payment of the Project Costs authorized by this Project Plan, whichever period is less.
- C. The allowable increment shall not exceed fifty percent (50%) of the City of Stillwater's two percent (2%) non-dedicated sales tax. This allowable increment shall not be increased during the effective period of this Project Plan should the City of Stillwater increase its sales tax rate.
- D. An apportionment fund shall be established and (1) shall be available to pay Project Costs, (2) 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 (3) shall not be subject to annual appropriation as a part of the general fund of the City of Stillwater.
- E. Project Costs shall mean: (1) the costs authorized to be paid by apportioned tax increments pursuant to this Project Plan; (2) additional costs necessary or appropriate to implementing this Project Plan, which may be approved and incurred without amending this Plan;

or (3) those costs authorized by 62 O.S. §853(17).

## **VII. PROJECT AND INCREMENT DISTRICT AUTHORIZATION**

A. The City of Stillwater is designated and authorized as the principal public entity to carry out and administer the provisions of this Project Plan and to exercise all powers necessary or appropriate thereto as provided in 62 O.S. § 854.

B. The Stillwater Economic Development Authority, a public trust (SEDA) is authorized and designated to carry out those provisions of the project related to issuance of bonds or notes as provided in 62 O.S. §854(B) and §863, subject to approval of the Stillwater City Council. SEDA is authorized to assist with the execution of this Project Plan and to exercise all powers necessary or appropriate thereto pursuant to 62 O.S. §854, except for approval of this Project Plan and those powers specifically enumerated in 62 O.S. §854(1)(2)(3)(4)(7)(13) and (16).

C. SEDA is authorized to: (1) issue tax apportionment notes; (2) incur Project Costs, pursuant to this Project Plan; (3) provide funds to or reimburse the City for the payment of Project Costs and other costs incurred in support of the implementation of the project; and (4) incur the cost of issuance of notes for payment of such costs and to accumulate appropriate reserves, if any, in connection with them.

D. City Manager Norman McNickle, who also serves as the General Manager of the Stillwater Economic Development Authority, 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 this Project Plan. The City Manager, his/her successor in office, or his/her designee is authorized to empower one or more designees to exercise responsibilities in connection with project implementation.

## **VIII. BUDGET OF ESTIMATED PROJECT COSTS TO BE FINANCED BY TAXES APPORTIONED FROM INCREMENT DISTRICT NO. 2, CITY OF STILLWATER**

### **A. Estimated Project Costs**

<i>Project Improvements</i> (other than Public Improvements)	\$22,500,000
<i>Public Improvements</i> (including in-kind participation)	\$20,602,000
<b>TOTAL PROJECT COSTS</b>	<b>\$43,102,000</b>

This total is exclusive of financing costs, costs of issuance, necessary or appropriate reserves, and interest on repayment of Project Costs.

### **B. Additional Project Costs**

Additional costs necessary or appropriate to implement this Project Plan that are to be financed by means other than apportioned sales tax increments may be approved by the City or SEDA at any time. The provisions of this Section are not a limitation on such Project Costs.

## **IX. FINANCING AND REVENUE SOURCES**

### **A. Financing Authorizations**

Any necessary fund and/or asset transfer shall be authorized by SEDA as provided in this Project Plan.

### **B. Financing Revenue Sources**

Eligible Project Costs shall be financed from increment revenues derived through development and investment within Increment District No. 2, City of Stillwater as provided in this project Plan. SEDA shall be the entity responsible for making payment as authorized herein.

### **C. Financial Reports and Audits**

All activities authorized by this Project Plan shall be reported by periodic financial statements as required by 62 O.S. §867 and annual fiscal year audits as required by the City of Stillwater.

### **D. Other Necessary and Supporting Costs**

SEDA is authorized to issue bonds and notes and to apply for and obtain grants from other sources for costs incurred or to be incurred in connection with the project and the construction of improvements therein in addition to Project Costs financed pursuant to this Project Plan.

## **X. PRIVATE AND PUBLIC INVESTMENT**

Private investment within the Project Area is expected to consist of new sales tax generating retail and similar commercial development. Potential total private investment within the boundaries of the Project Area during the twenty year term of this Project Plan and Increment District No. 2, City of Stillwater is \$758,233,000. The total estimated private investment for such development during this period is \$454,939,800. Public investment consisting of in-kind participation, reimbursement for infrastructure costs, and payment for eligible Project Costs shall not exceed \$43,102,000.

## **XI. PUBLIC REVENUE**

The estimated incremental increase in sales tax revenue, which will serve as the revenue source for financing the Project Costs authorized by this Project Plan, is the public revenue directly attributable to the project defined by establishment of the sales tax increment district. Both the City and the State will experience increases in sales tax revenues that are not a part of the increment. Ad valorem taxing entities will also experience additional revenues from increasing real property values near and adjacent to the Project Area.

Incremental sales tax revenues are estimated to be \$14,882.848 annually (based on fifty percent build out). The development anticipated will not result in a measurable increase in demand for services by or in costs to the City of Stillwater, the only affected taxing entity, whose public sector costs will be substantially defrayed from apportioned sales tax increments. The public

revenue anticipated includes increased tax revenue both inside and outside the Project Area. The economic benefits of the Project Plan for the City as the affected taxing jurisdiction indicate positive financial impacts for the community as a whole. The aggregate impacts on the City from implementation of the Project Plan are positive and include the achievement of the objectives set forth in Section IV.

## **XII. LAND**

No changes in zoning are required to accommodate sales tax generating retail and similar commercial development within the Project Area. This Project Plan complies with the objectives and priorities of the City of Stillwater C-3 Plan. Existing uses and condition of real property in the Project Area are shown on the map attached as Exhibit "B."

## **XIII. INELIGIBLE BUSINESSES**

Commercial businesses not eligible for funding or assistance under this Project Plan:

1. New and Used Motor Vehicle Sales and/or Service
2. Hotels, Motels, or any other type of temporary lodging or accommodation establishment
3. Adult Businesses as defined in Chapter 23, Stillwater City Code
4. Any sales tax generating retail establishment or similar commercial development operating within the boundaries of the Project Area on or before May 1, 2016
5. Any sales tax generating retail establishment or similar commercial development that relocates into the boundaries of the Project Area after May 1, 2016, except to the extent that the relocation will create new sales tax revenue based on a three year annual collection average as determined by Oklahoma Tax Commission remittance records