

**MCALESTER SOUTHSIDE AREA
REINVESTMENT DEVELOPMENT
PROJECT PLAN**

I. DESCRIPTION OF PROJECT

The goal of the McAlester Southside Area Reinvestment Development Project Plan ("Project Plan") is to generate private investment within an area of approximately Thirty-nine and six tenths acres (39.6 acres) at the Southwest Corner of 14th Street and U.S. Highway 69 (The George Nigh Expressway) in the City of McAlester, Oklahoma (overall, the "Project"). By providing incentives for improvements, infrastructure, and other support, The City of McAlester can create the conditions necessary for quality private development and for the success of the shopping center and restaurants that will be, in part, paid for using sales taxes generated from the subject project.

The purpose of the Increment District (as defined herein) is to promote economic development in the City by facilitating the investment of funds in new retail and commercial development within the City that encourages commerce, increases retail opportunities, and generates corresponding growth in the local tax base.

The City has received a request from Burk Collins & Company (including its successors and assigns, referred to herein as "**Developer**") pertaining to the proposed development. The Project will consist of construction of retail shopping center with related parking, plus the development of at least four (4) new outparcels for new restaurants within the Increment District. Developer has identified the need for public assistance to facilitate a successful retail development project. The aggregate total amount not to exceed \$5,500,000.00, as authorized by this Project Plan, represent approximately 20.4% of the initial projected total public and private investment for the Project, which is expected to exceed \$27,000,000.00.

The Project Area (including the Increment District) is undeveloped within the meaning of Article 10, § 6(C) of the Oklahoma Constitution and the Local Development Act, 62 O.S. §850, *et seq.* (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.

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. The City recognizes the difficulty in development of the area due to significant costs necessary to correct current conditions at the planned Project site.

The Project Plan is created pursuant to the Local Development Act, 62 O.S. §§ 850-869 ("Act"). The public objectives for the Project include:

- Development of blighted and vacant property;
- Extension of the retail and dining to the South to connect with existing and under-utilized public services and infrastructure;
- Creation of opportunities for significant retail space and additional restaurants for the community;
- Development of impactful and well-designed private development along major public investments;
- Stimulating private and public development by upgrading and enhancing utility infrastructure;
- Promotion of continued growth of the jobs, payrolls, and quality of life of current and future employees at MCAAP;
- Encouragement and expansion the mission and personnel at the MCAAP.

The Project will be financed from a combination of public and private sources, including apportionment of tax increments from one (1) new tax increment district to be created in support of this Project Plan. Through the use of tax increment financing, which is the use of incremental increases in local sales tax revenue for specific investments in the area in which the improvements are made, the goals of the Project Plan are more likely to be obtained.

II. BOUNDARIES OF THE PROJECT AREA AND THE INCREMENT DISTRICTS

- A. **Project Area and Boundaries.** The Project Area, which is the area in which project expenditures may be made, is coextensive with the Increment District Map, and is depicted on "Exhibit A, Project Area and Increment District Map." The Project Area legal description is contained in "Exhibit B."
- B. **Increment Districts and Boundaries.** The Project Plan establishes boundaries for the increment district. The Increment District will be limited to the redevelopment area as shown on "Exhibit A. The Increment Districts' boundary legal descriptions are also contained in "Exhibit B".

III. ELIGIBILITY OF PROJECT AREA AND INCREMENT DISTRICT AREA

The purpose of the supporting Increment District is to create an active, high-density and high-quality retail/shopping district. Incremental tax revenues apportioned from the Increment District will be used to pay the public costs of the project that support the following objectives:

- A. Create opportunities for significant amounts of retail and restaurant space;
- B. Create a significant commercial development within the City that will act as a catalyst for additional development within the community;
- C. Create a district that merges daytime, evening, and weekend users;
- D. Develop attractive and impactful private development along U.S. Highway 69 (The George Nigh Expressway);
- E. Attract major investment in the area;
- F. Serve as a catalyst for retaining and expanding employment in the area;
- G. Promote economic development to increase tax revenues, raise property values, and improve economic stability;
- H. Preserve and enhance the tax base; and
- I. Make possible investment, development and economic growth, which would otherwise be difficult or impossible without the project and the apportionment of sales tax from within the Increment District.

Wherever possible and appropriate, tax increment financing will be used in conjunction with existing programs and other locally implemented economic development efforts.

IV. STATEMENT OF PRINCIPAL ACTIONS

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

- A. Leveraging private development, retail, pursuant to development agreements with the Authority and/or assistance in development financing agreements with the McAlester Economic Development Authority ("MEDA") or another public trust designated by City;
- B. Negotiation, preparation, execution, and implementation of development agreements, including agreements for financing 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;
- C. Providing for development of public or private facilities to be financed in whole or in part by apportioned increments from the increment district created pursuant to this Project Plan;
- D. Assisting other public entities in the area to enhance their programs, missions, and services by releasing a portion of the apportioned sales tax increment to the relevant taxing entities, including the City of McAlester and the County of

Pittsburg, State of Oklahoma.

- E. Financing authorized project costs in support of economic development activities and investment to attract and expand quality employment within the Project Area.
- F. All other actions necessary and appropriate to carry out the development project as authorized by the Local Development Act.

V. FINANCIAL IMPACTS

The proposed private development will generate tax increments necessary to pay for the public portion of the authorized costs of the Project. Without the proposed Increment District, significant development within the area would be unlikely and any significant increases in ad valorem taxes and sales and use taxes would be extremely improbable.

It is anticipated that a successful development will result in immediate benefit to the affected ad valorem taxing jurisdictions without causing a negative impact on the existing sales tax base during the term of the Increment District. The formation of an Increment District should result in an increase in existing ad valorem tax revenue to each of the affected ad valorem taxing jurisdictions.

The creation of the Increment District will allow the City to apportion the incremental increase in sales tax revenues generated through construction and operation of the retail development within the Increment District for the purpose of paying Project Costs (as defined herein) either through direct payment or reimbursement.

VI. ESTABLISHMENT OF THE MCALESTER SOUTHSIDE AREA REINVESTMENT INCREMENT DISTRICT

- A. This Project Plan creates one (1) sales tax increment district.
 - 1. The increment of sales taxes generated by investment and construction, in the Increment District on projects that are potentially eligible for support by the State of Oklahoma pursuant to the Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. § 840, *et seq.*, and as determined by a formula to be approved by resolution of the City Council in accordance with the Act, may be used to pay Project Costs for a period not to exceed five (5) fiscal years following the effective date of the Increment District, as provided by law, or the period required for payment of the Project Costs, whichever is less.
 - 2. The City of McAlester, Oklahoma remains committed to continuing the expansion of the McAlester Army Ammunition Plant and base activities, including improvements to the quality of life in this area that is intended to grow employment and payrolls at the MCAAP facility.
- B. The increment district shall commence as of the date determined by the City

Council for that district in accordance with 62 O.S. § 856(8)(2) of the Act. The Increment District shall be comprised of the area shown and described in Exhibits A and B.

- C. During the period of apportionment, the apportionment fund shall constitute funds of MEDA or any alternative entity authorized by The City, and shall not constitute a part of the general fund to be appropriated annually by the City Council.
- D. The percentage of generated ad valorem increment apportioned to the affected taxing entities shall be one hundred percent (100%).

VII. ALLOCATION OF THE APPORTIONED SALES TAX INCREMENT

The Increment District shall be created upon adoption of an Ordinance of the City Council of the City of McAlester, Oklahoma, approving this Project Plan, and begin on the date the first retail sale occurs within the project area ("Effective Date"). The apportionment of the incremental revenues shall continue for that period required for the payment of the Project Costs (\$5,500,000.00), or for a period of sixty (60) months after the date of the first retail sale within the project area, whichever is less ("Termination Date"). For calculation of the termination date, month one (1) begins on first day of the month immediately following said first retail sale.

- a. Up to ninety percent (90%) of the incremental city and county sales tax revenues derived from the Increment District, (the "**Sales Tax Increment Revenues**"), shall be pledged or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to this Project Plan.
- b. The payment of Project Costs, will be made from the following sources of TIF Revenues:
 - i. *Sales Tax Increment Revenues*. In accordance with the provisions of the Local Development Act, up to ninety percent (90%) of the incremental sales tax revenues derived from the Increment District, (i.e., the "**Sales Tax Increment Revenues**"), are to be apportioned and set aside from all other sales taxes levied within the Increment District, to be used exclusively for the payment of Project Costs incurred in connection with the development or construction of those projects listed in this Project Plan; and
 - ii. Provided, the remaining un-apportioned ten percent (10%) of the incremental sales tax revenues derived from the Increment District, shall be retained by the City and County respectively, and utilized for the purpose or purposes for which the sales tax was levied. Provided further, that if said rate of sales tax levied by the City or County shall increase or decrease, said percentages of allocation shall automatically be revised in a manner that will yield Sales Tax Increment Revenues equivalent to the proceeds of the total sales tax rate.
 - iii. The Sales Tax Increment Revenues shall include all sales tax generated

within the Increment District. However, the Sales Tax Increment Revenues calculated 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 (said reduction referred to herein as a "Transfer Adjustment").

- iv. Pursuant to the Local Development Act, the Sales Tax Increment Revenues apportioned hereunder and so collected shall be placed into a separate account created within the Apportionment Fund (such account being hereinafter referred to as the "**Sales Tax Increment Revenue Account**") and shall be used to pay (or reimburse the payment of) Project Costs. No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the City.
- v. The apportionment of sales taxes pursuant to this plan shall terminate upon the final payment of, or reimbursement for, an aggregate total amount not to exceed \$5,500,000.00 or the termination of this plan whichever occurs first.

VIII. REVIEW AND APPROVAL OF INCREMENT REVENUES FOR PROJECT

- A. **Review Procedures.** Prior to expenditure of funds from the Increment District established under this Project Plan, the proposed development and budgetary allocation of sales tax increment shall be reviewed and approved in accordance with the procedures contained herein
- B. **Initiation of the Review and Approval Process.** Initiation of the review and approval process for consideration of development proposals seeking assistance within the project area shall be undertaken by City or, The McAlester Economic Development Authority, staffs acting under such procedures as each may prescribe from time to time.
- C. **Staff Advisory Evaluation.** After initiation of the review and approval process as provided in B, above, the proposed development agreement and budgetary allocation for providing assistance in development financing for a development proposal shall be submitted to a staff advisory committee, chaired by the City Manager of The City (or designee), with representatives of The City's Finance, Planning, and Legal departments, and representation from the McAlester Economic Development Authority. The composition of the staff advisory committee shall be reflected in a memorandum from the City Manager. The staff advisory committee shall determine which proposals should be submitted to the McAlester Southside Area Reinvestment Review Committee in light of project objectives, feasibility, priorities, and funding availability.

- D. **Recommendation by the McAlester Southside Area Reinvestment Review Committee.** The McAlester Southside Area Reinvestment Review Committee shall review the proposed development agreement and budgetary allocation in light of the project objectives, feasibility, priorities, and funding availability and submit its recommendation to the City Council within 30 days after the Review Committee's receipt of the development proposal.
- E. **City Council Action and Approval.** Upon receipt of the recommendation of the Review Committee, or if no recommendation is received within the 30 day period, the City Council may consider the development proposal and budgetary allocation and may approve, deny or modify such proposal.

IX. PROJECT AND INCREMENT DISTRICT AUTHORIZATION

- A. The McAlester Economic Development Authority is the principal entity authorized to incur Project Costs and to sign Development Agreements. However, The City reserves the right to designate an alternative entity to incur project costs, as deemed appropriate to individual project developments.
- B. Within the boundaries of the project area approved by The City, the Authority is designated and authorized as a public entity to carry out and administer the provisions of this Project Plan with respect to private development and in accordance with budgetary allocations for development activities approved in accordance with this Project Plan approved by The City.
- C. The McAlester Economic Development Authority is authorized to carry out and administer the provisions of this Project Plan, in accordance with such approvals, and to exercise all powers necessary or appropriate thereto as provided in Section 854, Title 62, of the Oklahoma Statutes, except for approval of the Project Plan, approval of the form and content of any development agreement, and those powers enumerated in Paragraphs 1, 2, 3, 4, 7, 13 and 16 of said Statute.

X. BUDGET OF ESTIMATED PROJECT COSTS TO BE FINANCED BY TAXES APPORTIONED FROM INCREMENT DISTRICT

- A. **Project Cost.** The Project Costs will be financed by the apportionment of sales tax increments from the Increment District. The total project costs expected to be incurred throughout the Project Area are:

Assistance in Development Financing/ Reimbursement	\$	5,500,000.00
TOTAL	\$	5,500,000.00

B. **Generation of Revenue.** The sales tax increment revenue expected to be generated from the Increment District and authorized for payment of Project Costs within the Project Area are as follows:

Increment District	\$ 5,500,000.00
TOTAL	\$ 5,500,000.00

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

XI. FINANCING REVENUE SOURCES

The revenue source expected to finance Project Costs is the incremental increase in city and county sales tax revenue generated by development within the increment district established under this Project Plan.

XII. PUBLIC REVENUE ESTIMATED TO ACCRUE FROM THE PROJECT

The estimated incremental increase in sales tax revenue, which will serve as the revenue source for financing the Project Costs is the city and county sales tax revenue directly attributable to the project defined by establishment of the Increment District. Separately, it is anticipated that development of the Project as a whole, and the attendant increases in employment, will result in increased ad valorem taxes both inside and outside of the Increment District and increased income and sales tax revenues to the State of Oklahoma.

XIII. ANNUAL REPORTS

In accordance with 62 O.S. § 867 of the 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 sales taxes on property in the Increment District. At the time of submitting the report, The City shall also publish the report in a newspaper of general circulation.

In addition, City staff shall periodically review and evaluate the Project, the Increment District, and the policies to implement the Project Plan in order to consider what adjustments, if any, are appropriate and desirable. City staff shall undertake a thorough review and evaluation of the Project, in light of market conditions and public priorities at that time, and present to the City Council a report with recommendations regarding any amendments to the Project Plan or policies that may be appropriate and desirable in the interest of achieving the objectives of the Project Plan in accordance with the Legislative guidelines provided in 62 O.S. § 852 of the Act. The City Council shall express its intent whether to consider any amendments in the manner prescribed by Section 858(C) of the Act, including review by the Review Committee and Planning Commission.

XIV. MISCELLANEOUS PROVISIONS

- A. The project area and increment district areas attached as Exhibits “A” and “B” are currently vacant agricultural tracts. As such they are currently generating no sales tax revenue.
- B. This Project Plan has been adopted by The City and the Authority for the purposes of developing the Shops at McAlester Project, and anticipates the use of sales tax increments generated by the project itself, to pay authorized Project Costs. The Shops at McAlester Project contemplates the prospective and imminent development of a new retail shopping center space in the City of McAlester, Oklahoma.
- C. This document shall be interpreted and enforced in accordance with the laws of the State of Oklahoma.
- D. If any provision, or any portion thereof, contained in this Plan is held unconstitutional, invalid or unenforceable, the remainder of this Plan, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.
- E. The name of the person who shall be in charge of the implementation of the project plan of the district shall be Peter J. Stasiak, McAlester City Manager, or his successor appointed by the City of McAlester, Oklahoma.

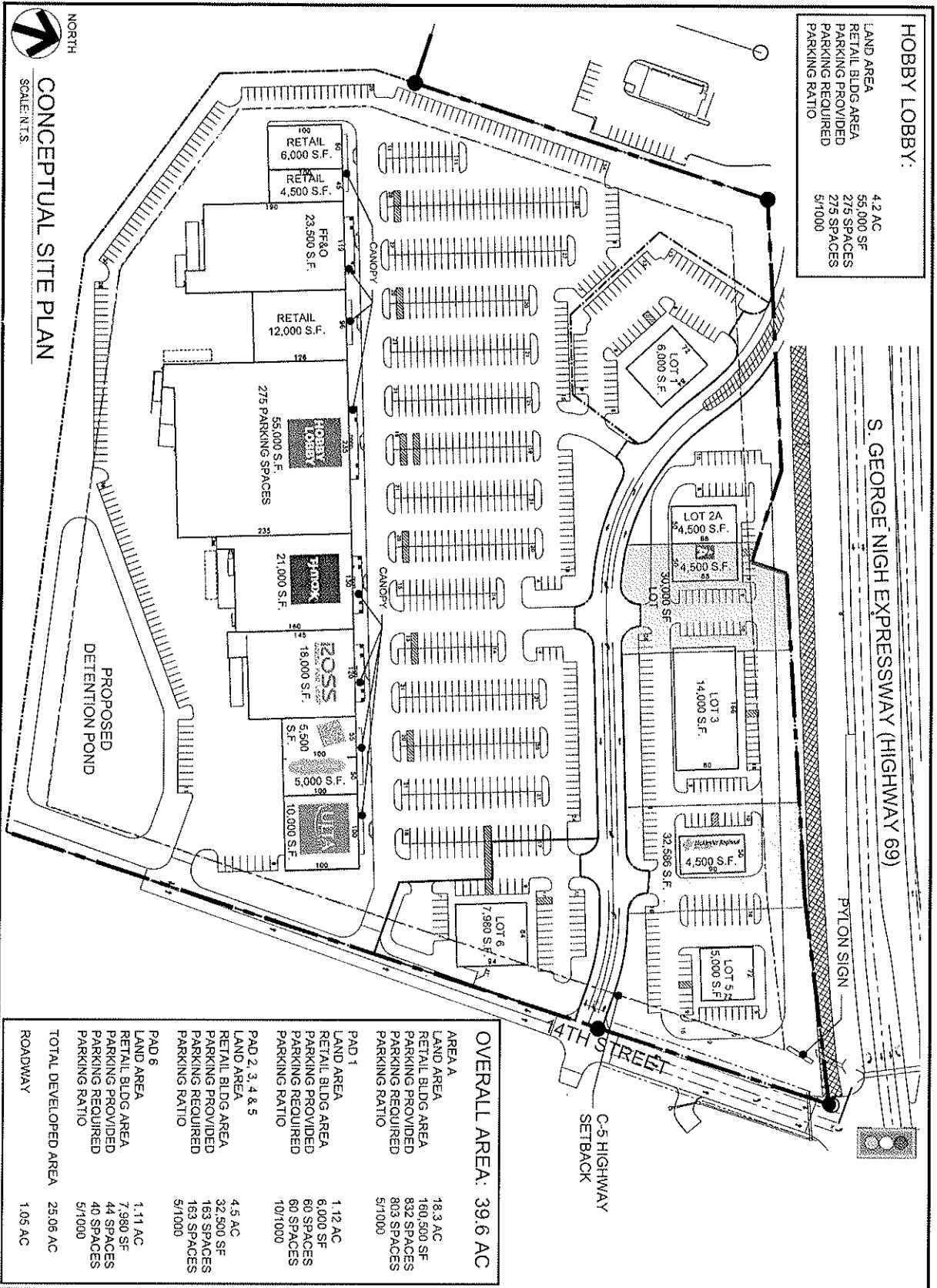
Approved at a special meeting of the McAlester Southside Area Reinvestment Review Committee, on this 18th day of June 2018. To be submitted for review and approval by the City Council of McAlester, Oklahoma.



Vote:

Chair

John Browne, Chair/Representative City of McAlester	<input checked="" type="radio"/> Yea <input type="radio"/> Nay	Mark Emmons, Representative McAlester Planning Commission	<input checked="" type="radio"/> Yea <input type="radio"/> Nay
Hope Trammell, Representative Pittsburg County	<input checked="" type="radio"/> Yea <input type="radio"/> Nay	Ross Selman, Representative Pittsburg County Health Dept.	<input checked="" type="radio"/> Yea <input type="radio"/> Nay
Shelley Free, Representative Kiamichi Technology Center	<input type="radio"/> Yea <input type="radio"/> Nay	Mike Echelle, Representative At Large	<input type="radio"/> Yea <input type="radio"/> Nay
Brain Lott, Representative Frink Chambers School	<input checked="" type="radio"/> Yea <input type="radio"/> Nay	Brent Case, Representative At Large	<input type="radio"/> Yea <input type="radio"/> Nay
Michael Hull, Representative Library/SEPLSO	<input checked="" type="radio"/> Yea <input type="radio"/> Nay	Sam Wampler, Representative At Large	<input checked="" type="radio"/> Yea <input type="radio"/> Nay



CONCEPTUAL SITE PLAN

SCALE: 1/8" = 1'-0"

NORTH

BURK COLLINS & CO., LTD.

SHOPS AT McALESTER - McALESTER, OKLAHOMA

RSP ARCHITECTS

300 West Owen Street
 McAlester, OK 74102
 582.293.0245
 512.577.2481 fax
 www.rsparch.com

Project No.	DH
Drawn By	SFTL
Checked By	MAY 3, 2018
Date	

Sheet Name: **CS101**

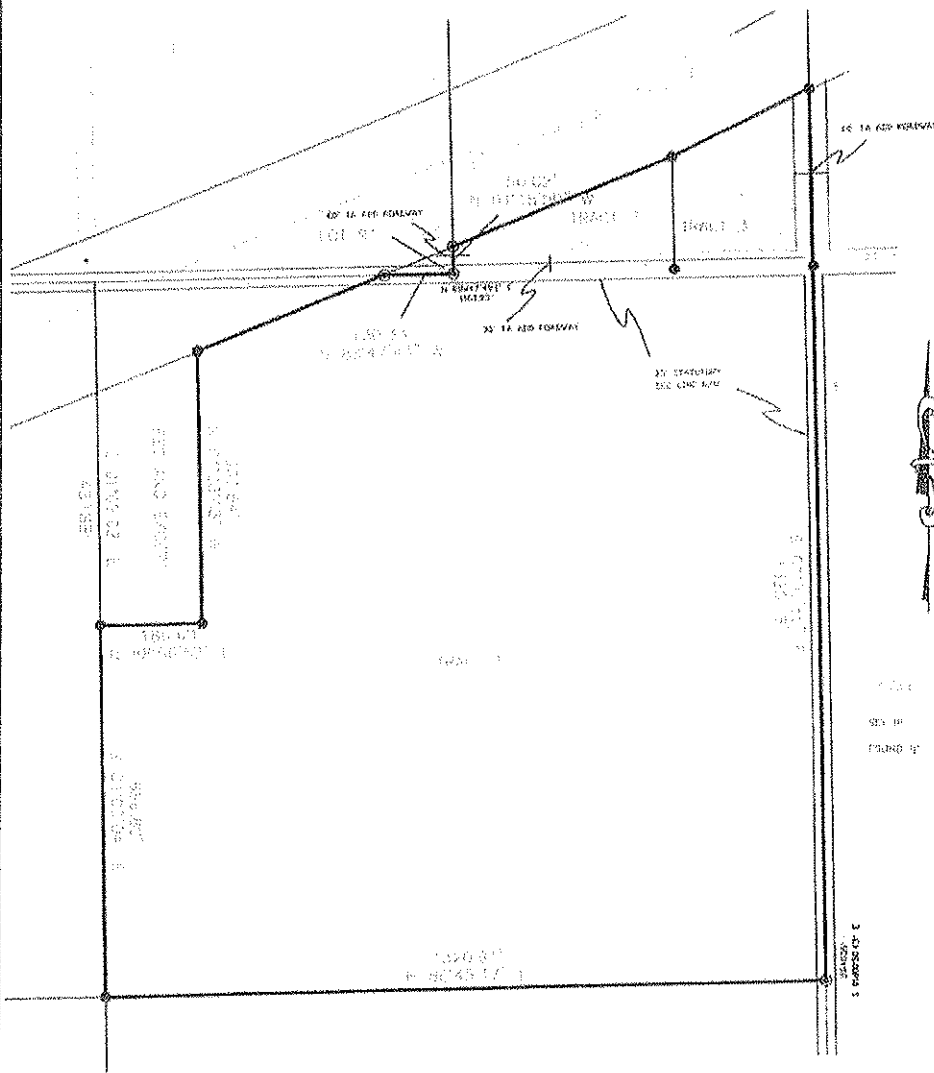
CONCEPTUAL SITE PLAN V.22

EXHIBIT "B"

FOR: BURK COLLINS AND CO., LTD.

PLAT OF SURVEY
 PREPARED BY: MILLIGAN LAND SURVEYING PLLC
 C.A. 5298 (PLS) exp 06/30/2019
 216 PEACEABLE RIDGE McALESTER, OK 74501
 Cell 918-429-5999 Fax 918-423-7761

EASEMENTS: NOT PROVIDED



LEGAL DESCRIPTION AS PROVIDED:

TRACT 1:
 ALL THAT PART OF THE N/4 NE/4 OF SECTION 19, TOWNSHIP 5 NORTH, RANGE 15 EAST OF THE INDIAN BASE AND MERIDIAN LYING SOUTH OF HIGHWAY #69, PITTSBURG COUNTY, STATE OF OKLAHOMA, PITTSBURG COUNTY, STATE OF OKLAHOMA LESS AND EXCEPT A TRACT DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE SOUTHERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY #69 AND THE WEST LINE OF SAID NE/4 NE/4; THENCE SOUTHERLY ALONG THE WEST LINE OF SAID NE/4 NE/4 A DISTANCE OF 430.82 FEET; THENCE EASTERLY AND PERPENDICULAR TO THE WEST LINE OF SAID NE/4 NE/4 A DISTANCE OF 386.66 FEET; THENCE NORTHERLY AND PARALLEL WITH THE WEST LINE OF SAID NE/4 NE/4 A DISTANCE OF 508.64 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY #69; THENCE SOUTHWESTERLY ALONG SAID RIGHT-OF-WAY A DISTANCE OF 200.00 FEET TO THE POINT OF BEGINNING.

TRACT 2:
 ALL THAT PART OF THE WESTERLY 405 FEET OF LOT 90 LYING SOUTH OF U.S. HIGHWAY 69 R-O-W IN TOWNSITE ADDITION #4 TO PITTSBURG COUNTY, STATE OF OKLAHOMA

TRACT 3:
 THE EASTERLY 257.5 FEET OF THAT PART OF LOT 90 LYING SOUTH OF U.S. HIGHWAY 69 R-O-W IN TOWNSITE ADDITION #4 TO PITTSBURG, COUNTY STATE OF OKLAHOMA

PROPERTY ADDRESS:
 TBD, SW CORNER OF
 14TH STREET AND 69 HIGHWAY
 McALESTER, OKLAHOMA 74501
 BASIS OF NORTH: ODOT PLANS

THIS SURVEY MEETS OR EXCEEDS THE OKLAHOMA MINIMUM STANDARDS FOR THE PRACTICE OF LAND SURVEYING AS ADOPTED BY THE OKLAHOMA BOARD REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS

LAST SITE VISIT 3/7/2018

WILL MILLIGAN PLS 1661

Will Milligan 3/7/2018

TRACT 1

All that Part of the Northeast Quarter (NE¼) of the Northeast Quarter (NE¼) of Section NINETEEN (19), Township FIVE (5) North, Range FIFTEEN (15) East of the Indian Base and Meridian, lying South of Highway #69, Pittsburg County, State of Oklahoma, less and except a tract of land more particularly described as follows: Beginning at the Intersection of the Southerly right-of-way line of U.S. Highway #69 and the West line of said NE¼ NE¼; thence Southerly along the West line of said NE¼ NE¼ a distance of 430.82 feet; thence Easterly and perpendicular to the West line of said NE¼ NE¼ a distance of 186.66 feet; thence Northerly and parallel with the West line of said NE¼ NE¼ a distance of 502.64 feet to a point on the Southerly right-of-way line of U.S. Highway #69; thence Southwesterly along said right-of-way a distance of 200.00 feet to the Point of Beginning.

TRACT 2

All that part of the Westerly 405 feet of Lot NINETY (90) lying South of U.S. Highway 69 right-of-way in TOWNSITE ADDITION #4 to Pittsburg County, Oklahoma

TRACT 3

The Easterly 257.5 feet of that Part of Lot NINETY (90) lying South of U.S. Highway 69 right-of-way in TOWNSITE ADDITION #4 to Pittsburg County, Oklahoma