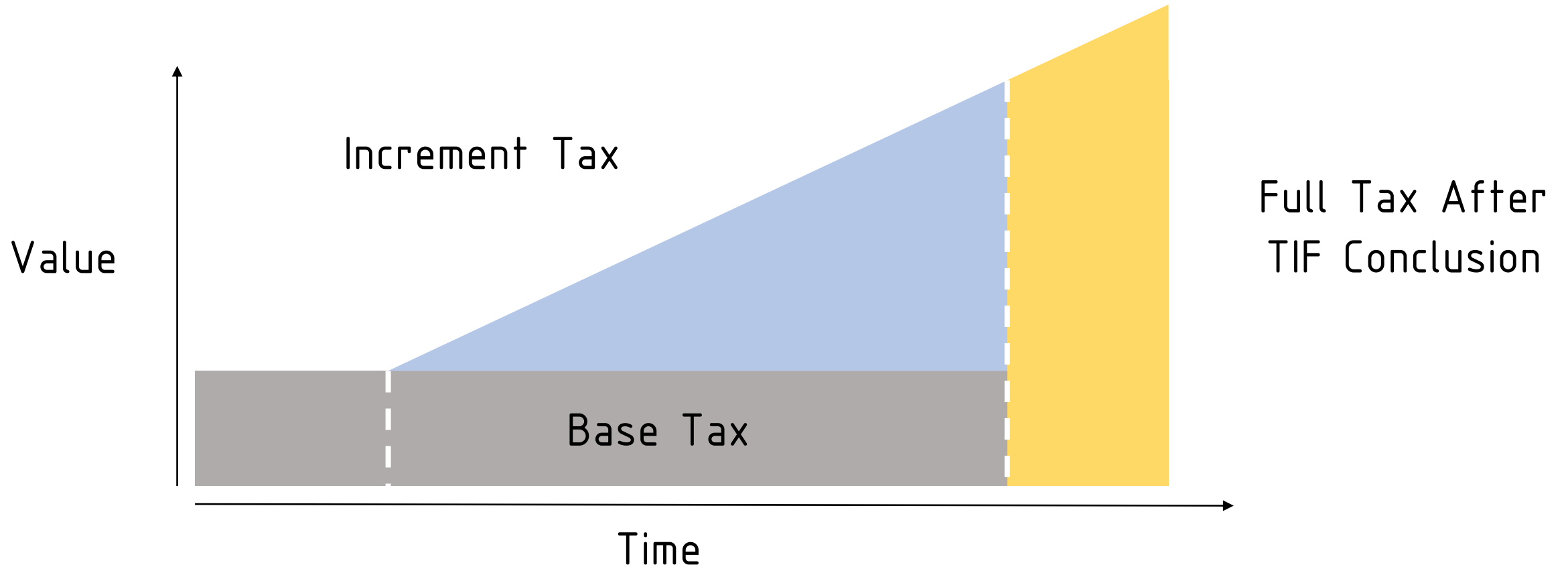
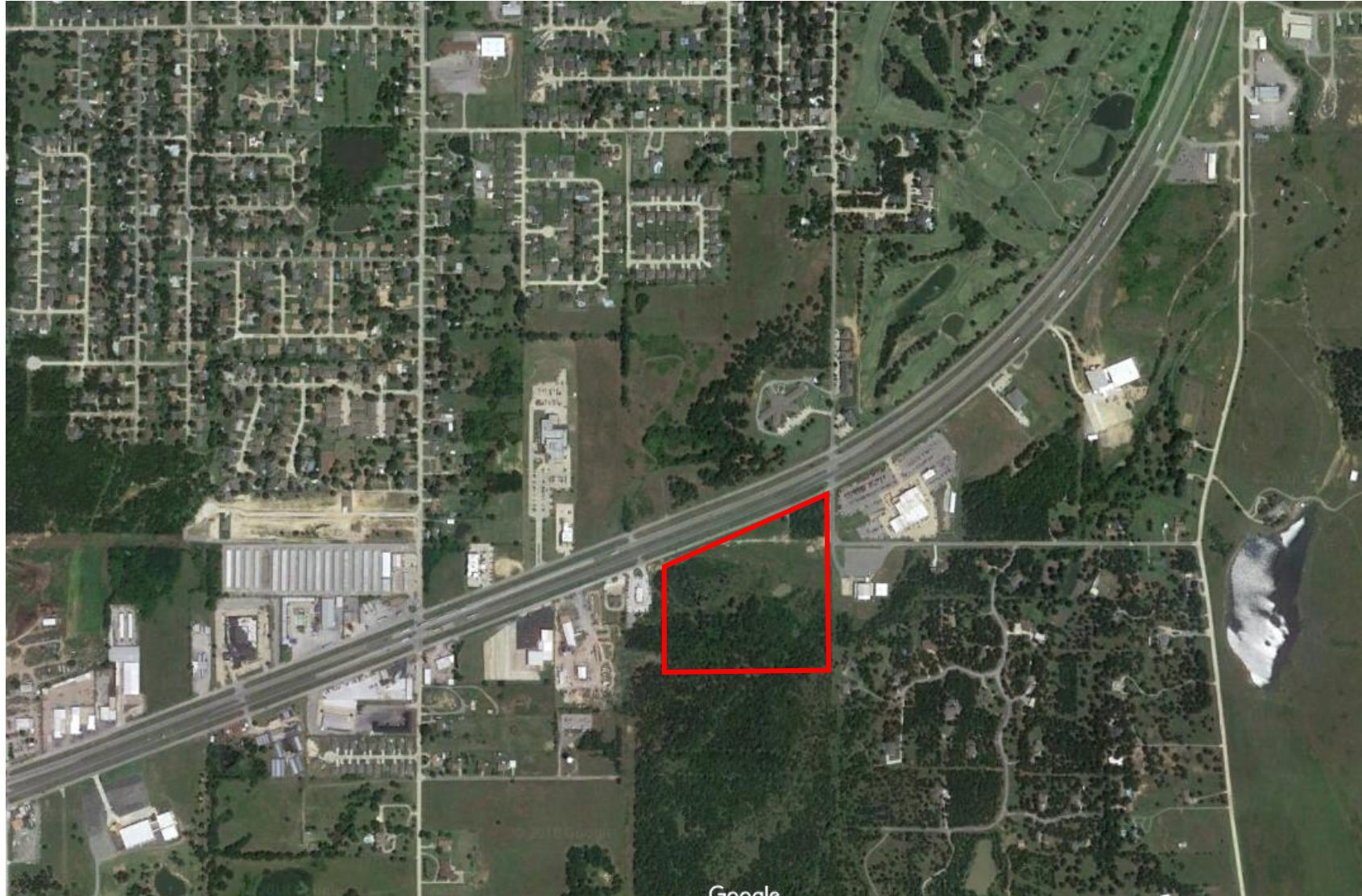


What is a Tax Increment Financing (TIF) District?

Tax Increment Financing is a tool that captures future sales and/or property tax increments to fund projects within an established district.



McAlester Southside Area Reinvestment Development Project Plan



Proposed 14th Street Development

Proposed Tenants

Hobby Lobby

TJ Max

Ross

ULTA

Furniture Factory Outlet

Maurices

Rack Room Shoes

Estimating 4 Restaurant

Pad Sites

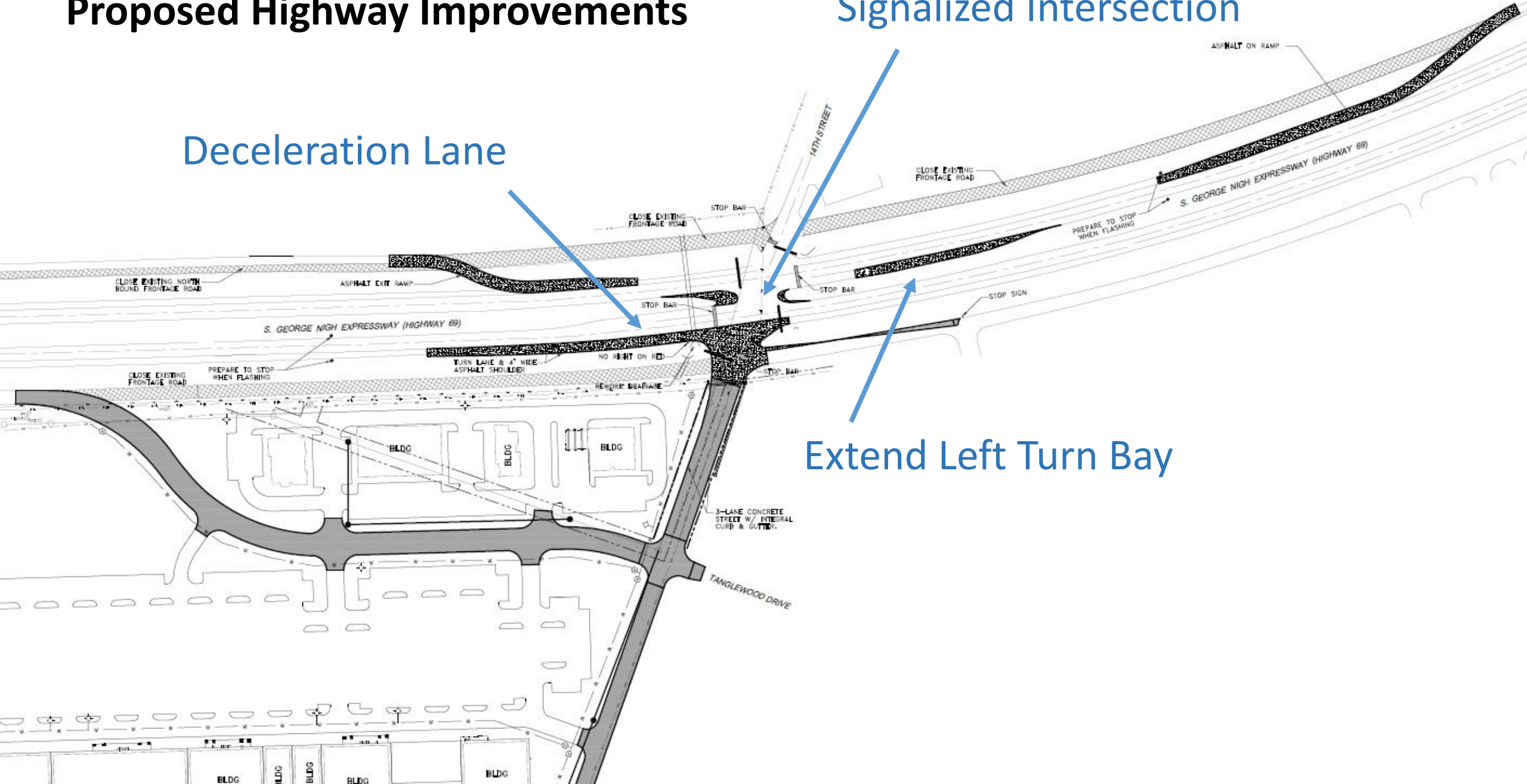


Proposed Highway Improvements

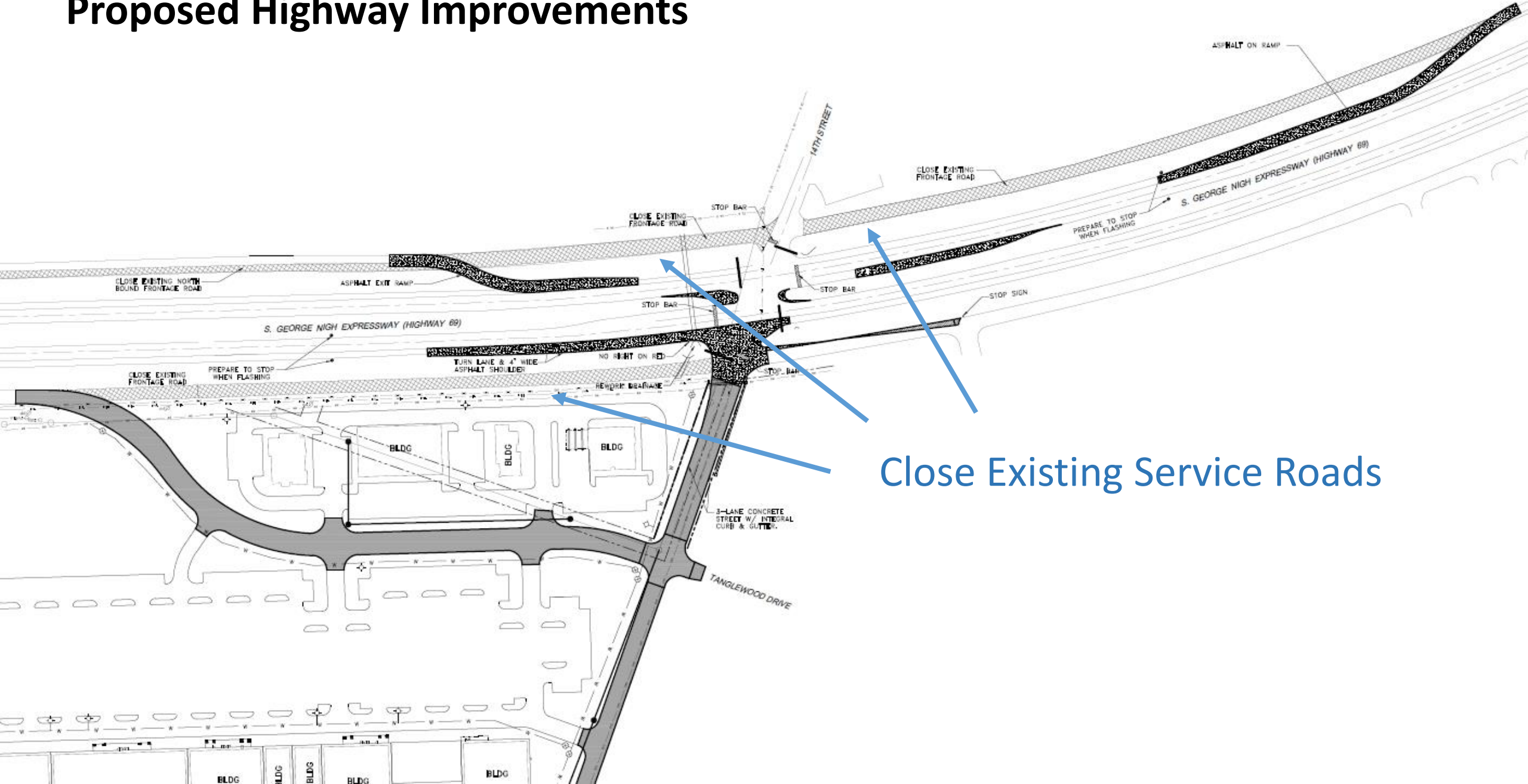
Signalized Intersection

Deceleration Lane

Extend Left Turn Bay



Proposed Highway Improvements

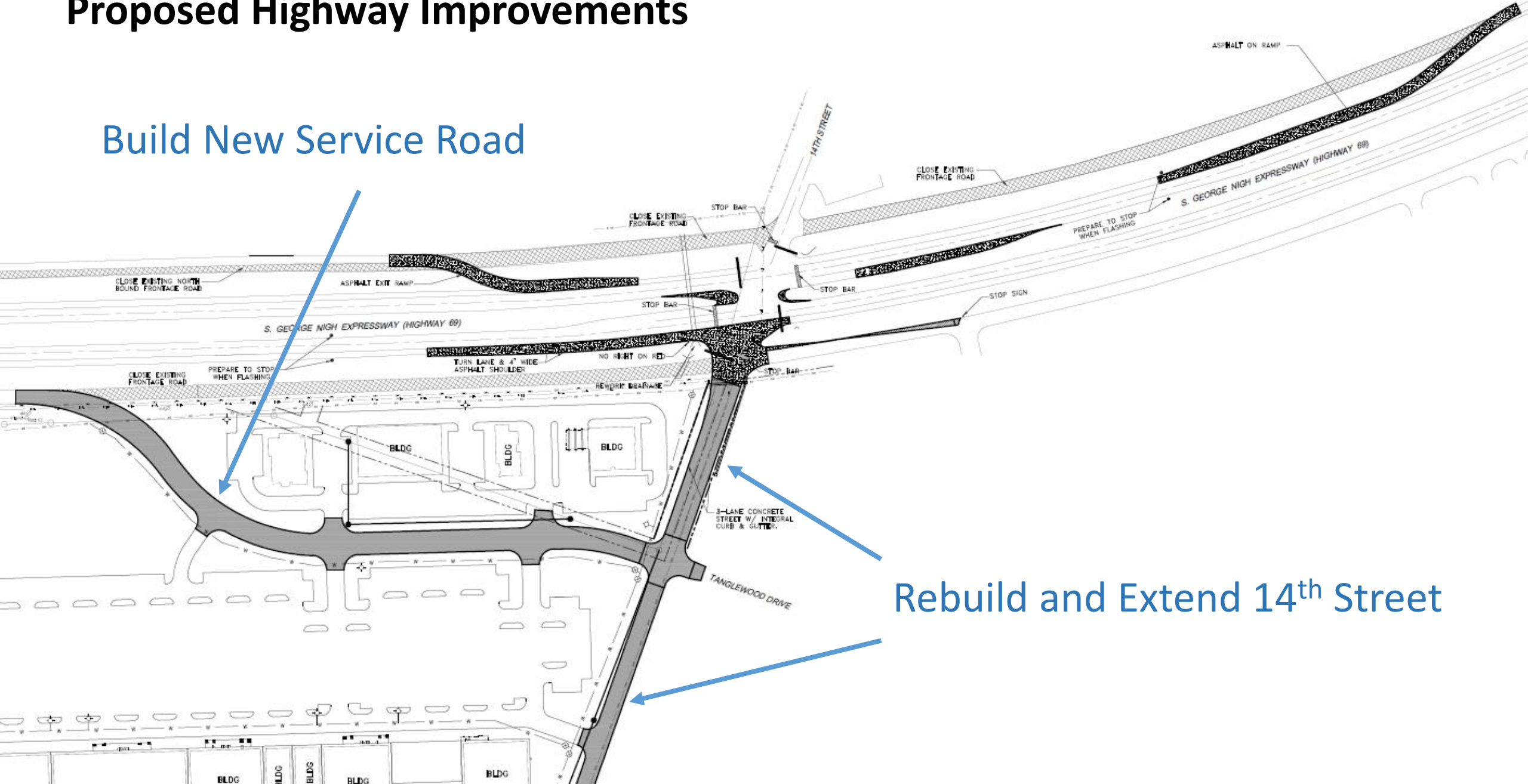


Close Existing Service Roads

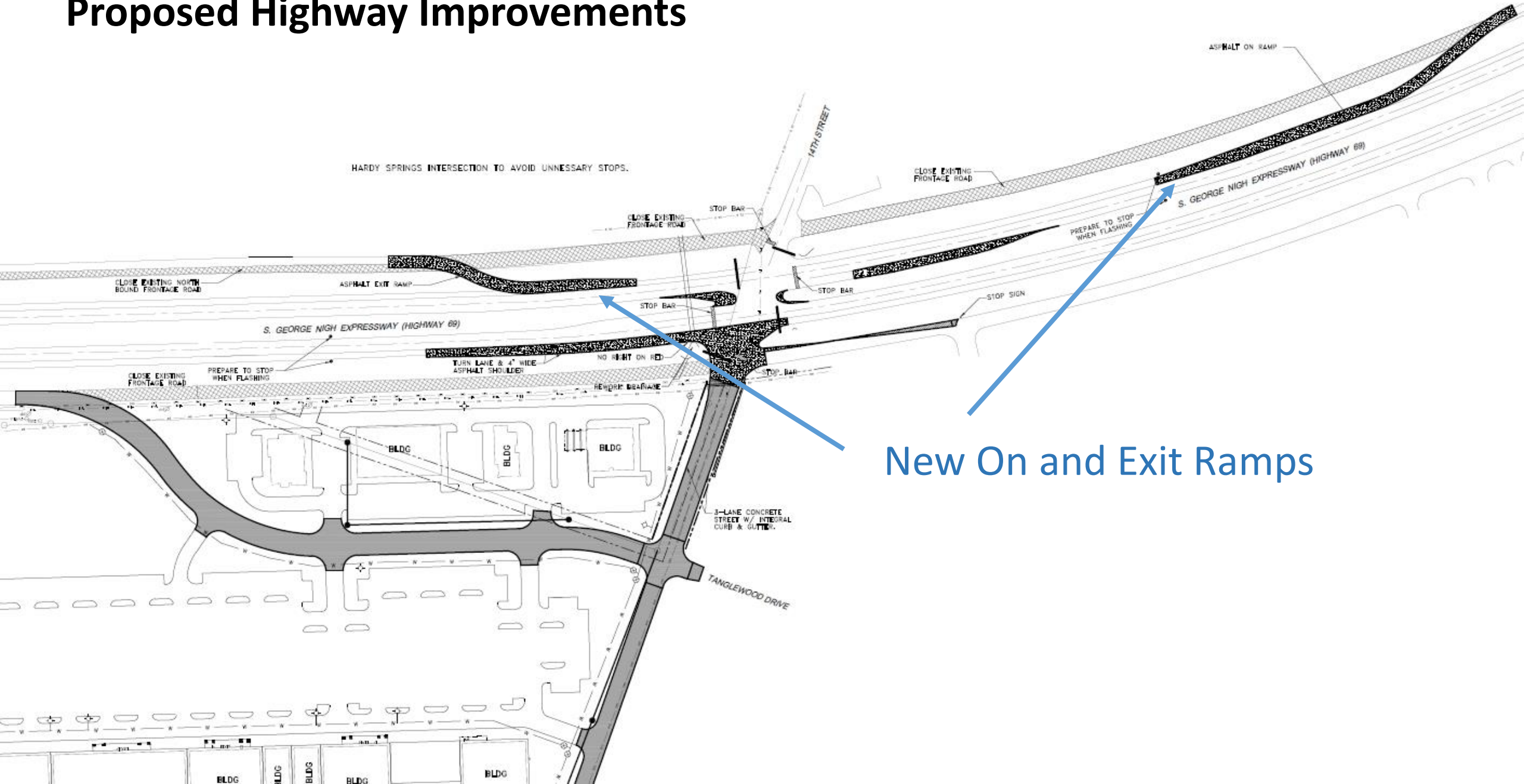
Proposed Highway Improvements

Build New Service Road

Rebuild and Extend 14th Street



Proposed Highway Improvements



Economic Impact Analysis – Property Tax Increment

Estimated Value of the Development \$14,199,760

Estimated Annual Taxes (Shopping Center) \$123,599

Assessment 11%

Tax Rate of \$79.13 per \$1,000

Estimated Annual Taxes (Pad Sites) \$35,000

Assumed \$7,000 Per Pad Site

Base Annual Property Taxes \$14

Estimated Incremental Property Taxes \$158,585

Economic Impact Analysis – Sales Tax Increment

Estimated Annual Retail Sales	\$45,000,000
City Sales Tax Rate	3.5%
County Sales Tax Rate	1.5%
Estimated Annual City Sales Tax Collections	\$1,575,000
Estimated Annual County Sales Tax Collections	\$675,000

Economic Impact Analysis – Redirected Sales Tax

Estimated Annual City Sales Tax Collections	\$1,575,000
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Estimated Annual County Sales Tax Collections	\$675,000
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Redirected Sales Tax Rate Estimate	25.0%
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Estimated Annual New Sales Tax Collections for City of McAlester	\$1,181,250
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Estimated Annual New Sales Tax Collections for Pittsburg County	\$506,250
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Economic Impact Analysis – Infrastructure Maintenance

Total Additional Public Improvements to be Maintained by the City	\$1,116,266
Extension of 14 th Street	\$329,916
Extension of Tanglewood Drive	\$536,350
Signalized Traffic Light	\$250,000
Annual Depreciation (20-Year, Linear Model)	\$55,814

Economic Impact Analysis – Additional Consideration

Use Tax Collections

Building Materials Delivered to Site will Trigger Use Tax

Spin-Off Retail Sales

New Patrons May Shop at Other Establishments Off Site

Additional 300+ Jobs

New Jobs will Create Additional Income Within the Community

Additional Interest and Activity

Other Developers and Business Take Interest in Market

Economic Impact Analysis – Long Term Projections

Using Assumptions to Estimate Impact

Retail Sales at 100% of Projections

Redirected Sales Tax Rate at 25%

Service Life of Shopping Center is 20 Years

Service Life of Infrastructure is 20 Years

20 Year Impact:

Tax Collections - Redirected Sales - TIF Allocation - Maintenance Costs

$\$30,035,250 - \$7,508,812 - \$3,850,000 - \$1,116,280 = \$17,560,158$

Economic Impact Analysis – Stress Test Analysis

Change Assumptions to Test the Strength of the Project

Retail Sales at 70% of Projections

Redirected Sales Tax Rate at 50% (double)

Service Life of Shopping Center is 10 Years (half)

Service Life of Infrastructure is 10 Years (half)

10 Year Impact:

Tax Collections - Redirected Sales - TIF Allocation - Maintenance Costs

$\$9,999,675 - \$4,999,837 - \$3,850,000 - \$1,116,280 = \$33,558$