

Adopted December 17, 2015

ADMIRAL PLACE COMMUNITY DEVELOPMENT PROJECT PLAN INCREMENT DISTRICT NO. 7, CITY OF TULSA

PREPARED BY:

THE CITY OF TULSA, OKLAHOMA



WITH THE ASSISTANCE OF:

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ADMIRAL PLACE COMMUNITY DEVELOPMENT PROJECT PLAN

I. INTRODUCTION

The Admiral Place Community Development Project Plan is a project plan as defined under the Oklahoma Local Development Act, 62 O.S. §850, *et seq.*, and is referred to here as the “Project Plan.” The project is being undertaken by the City of Tulsa, Oklahoma (“City”) in order to develop approximately 50 acres located in the eastern part of Tulsa, achieve the City’s development objectives, improve the quality of life for its citizens, stimulate private investment, and enhance the tax base. At the heart of this project is the development of a regional retail outlet shopping center of approximately 350,000 square feet and public infrastructure improvements necessary to such development, including a regional detention facility. A key component of the Project Plan is the encouragement of private developments that improve the quality of life for the residents of Tulsa. This Project Plan is a critical element in fostering public-private partnerships to create the type of development that the City seeks but can achieve only by means of the financing tools available under the Oklahoma Local Development Act.

An increment district provides funding for public sector costs to stimulate private commercial development and provide improvements to and beautification of the area in order to create the high-quality development that the City contemplates. The project will be financed from a combination of public and private sources, including apportionment of sales tax increments from Increment District No. 7, City of Tulsa.

II. BOUNDARIES OF PROJECT AREA AND INCREMENT DISTRICT

The Project Area is the area in which project activities will take place. The Increment District is designated Increment District No. 7, City of Tulsa, and is the area from which the increment is generated. The Project Area and Increment District are generally located southeast of the intersection of I-44 and Admiral Place. The Project Area and Increment District boundaries are depicted on Exhibit A. The Project Area boundaries are described on Exhibit B. The Increment District boundaries are described on Exhibit C.

III. ELIGIBILITY OF PROJECT AREA

The Project Area is an enterprise area. It lies within an enterprise zone, designated by the Oklahoma Department of Commerce to be in a disadvantaged portion of the City of Tulsa. Investment, development, and economic growth in the area are difficult, but possible if the provisions of the Local Development Act are used. The Project Area is unproductive, undeveloped, underdeveloped, or blighted within the meaning of Article 10, §6C of the Oklahoma Constitution, and suffers from conditions inhibiting development.

IV. OBJECTIVES

The principal objectives of the project and Increment District No. 7 are:

- A. 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.
- B. To stimulate private commitments to invest in and develop the Project Area.
- C. To create an attractive, high-quality, and viable retail and commercial center to attract residents and visitors from the region.
- D. To provide a needed public benefit through the construction of a regional detention facility and other public improvements.

V. STATEMENT OF PRINCIPAL ACTIONS

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

- A. Project planning, design and approval.
- B. Construction of a regional detention facility and construction and/or repair of public improvements, streets, streetscapes, utilities and other public infrastructure and facilities.
- C. Landscape and streetscape improvements, including lighting, signage, and sidewalks, and park or park-like elements.
- D. Development of an approximately 350,000 square feet regional retail outlet shopping center, as well as restaurants, hotels, and additional retail.

VI. ESTABLISHMENT OF INCREMENT DISTRICT NO. 7, CITY OF TULSA

A. This Project Plan creates Increment District No. 7, City of Tulsa, a sales tax increment district.

B. The sales tax increment is a portion of the City's sales tax attributable to investment and development within Increment District No. 7. The sales tax increment shall be two and one tenths percent (2.1%) of the gross proceeds or gross receipts derived from all sales in Increment District No. 7 that are taxable under the sales tax code of Oklahoma (including any and all amendments thereto and revisions thereof), regardless of whether the City modifies its sales tax rates.

C. The increment of the sales taxes generated by Increment District No. 7 may be used to pay Project Costs authorized by Section VIII of this Project Plan for a period not to exceed twenty-five (25) fiscal years from the effective date of Increment District No. 7, as provided by law, or the period required for payment of the Project Costs authorized by Section VIII, whichever is less. During the period of apportionment, the sales tax apportionment fund (1) shall be available to pay Project Costs

under Section VIII, (2) shall constitute special funds of the City, or, at the direction of the City, the Tulsa Industrial 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.

VII. PROJECT AND INCREMENT DISTRICT AUTHORIZATIONS

A. The City 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 the Oklahoma Local Development Act, 62 O.S. §854.

B. The Tulsa Industrial Authority (TIA), or another public entity designated by the City pursuant to Section VI, is authorized and designated to carry out those provisions of the project related to issuance of bonds or notes as provided in Sections 854(B) and 863 of the Oklahoma Local Development Act, subject to approval of the governing body of the City of any specific notes or bonds. TIA is authorized to assist in carrying out this Project Plan and to exercise all powers necessary or appropriate thereto pursuant to Section 854 of the Oklahoma Local Development Act, except for approval of this Project Plan and those powers enumerated in paragraphs 1, 2, 3, 4, 7, 13 and 16 of Section 854. As a public entity designated by the City, TIA or another public entity designated by the City is authorized to: (1) issue tax apportionment bonds or notes, or both; (2) pledge revenues from current and future fiscal years to repayment; (3) incur Project Costs pursuant to Section VIII of this Project Plan; (4) 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 (5) incur the cost of issuance of bonds for payment of such costs and to accumulate appropriate reserves, if any, in connection with them. Project Costs shall mean (a) the public costs authorized to be paid pursuant to Section VIII of this Project Plan, and (b) costs necessary or appropriate to implement this Project Plan other than costs authorized by Section VIII, which may be authorized without amendment to this Project Plan.

C. The City Manager, Jim Twombly, his successor in office, or his 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 this Project Plan. The City Manager, his successor in office, or his 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. 7, CITY OF TULSA

A. The Project Costs will be financed by the apportionment of sales tax increments from Increment District No. 7. The Project Costs categories are:

Assistance in Development Financing	\$20,000,000.00
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Assistance in Development Financing consists of public support provided to a private developer pursuant to a legally enforceable Development Agreement to ensure the delivery of the project, or specific portions thereof. The Development Agreement is anticipated to provide support for the following:

Regional Detention Facility	\$ 6,500,000.00
Public Infrastructure Improvements	\$ 4,500,000.00
Landscape and Streetscape Improvements	\$ 4,000,000.00
Public Improvements Contingency	\$ 1,000,000.00
Tenant Improvements and Recruitment	\$ 4,000,000.00
Project Preparation and Implementation	\$ 200,000.00

TOTAL Project Costs	\$20,200,000.00
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Plus financing costs, costs of issuance, necessary or appropriate reserves, and interest on repayment of Project Costs.

B. 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 VIII are not a limitation on Project Costs to be financed by other than apportioned sales tax increments.

IX. FINANCING REVENUE SOURCES

A. Financing Authorizations.

The implementation of the Project Plan shall be financed in accordance with financial authorizations, including both fund and asset transfers, authorized from time to time by the City.

B. Financing Revenue Sources.

The revenue sources expected to finance Project Costs authorized by Section VIII are the portion of the increments attributable to investment and development within Increment District No. 7. Project Costs will be paid by the City and/or TIA.

C. Financial Reports and Audits.

The development activities undertaken by the City, pursuant to this Project Plan, shall be accounted for and reported by the appropriate and necessary annual fiscal year audits and reports.

D. Other Necessary and Supporting Costs.

TIA or another public entity designated by the City pursuant to Section VI, 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 to be financed pursuant to Section VIII.

X. PRIVATE AND PUBLIC INVESTMENTS EXPECTED FOR THE PROJECT

A. Private and Public Investments Expected from the project and Increment District No. 7.

The total estimated private investment for the retail outlet center is approximately \$95,000,000.00. There will likely be additional private investment within Increment District. These private investments are in addition to an estimated \$20,000,000.00 in aggregate public investment. Private investment in the area is expected to consist of new retail development and potentially office and hotel development. Public investment will include a regional detention facility, infrastructure improvements, and landscape and streetscape improvements.

B. Public Revenue Estimated to Accrue from the Project and Increment District No. 7.

The estimated incremental increases in sales tax revenue, which will serve as the revenue source for financing the Project Costs authorized by Section VIII, is the public revenue directly attributable to the project defined by establishment of Increment District No. 7. Both the City and the State will experience increases in sales tax revenues that are not a part of Increment District No. 7. Ad valorem taxing entities will experience additional revenues from increasing values of the Project Area and other property near and adjacent to the project.

Incremental sales tax revenues are estimated to range between \$2,000,000.00 annually in the near term and \$3,500,000.00 annually over the longer term. The development anticipated by the project will not result in a measurable increase in demand for services by or in costs to the City, the only affected taxing entity, whose public sector costs will be substantially defrayed from apportioned sales tax increments derived from the development. The economic benefits of the project 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.

XI. FINANCING PLAN

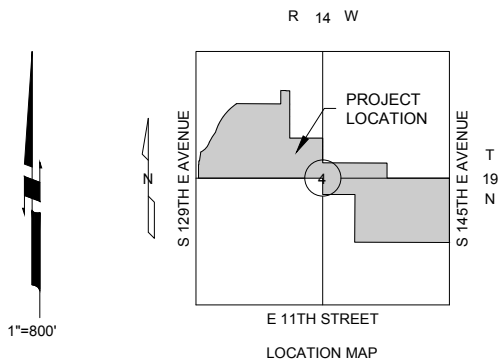
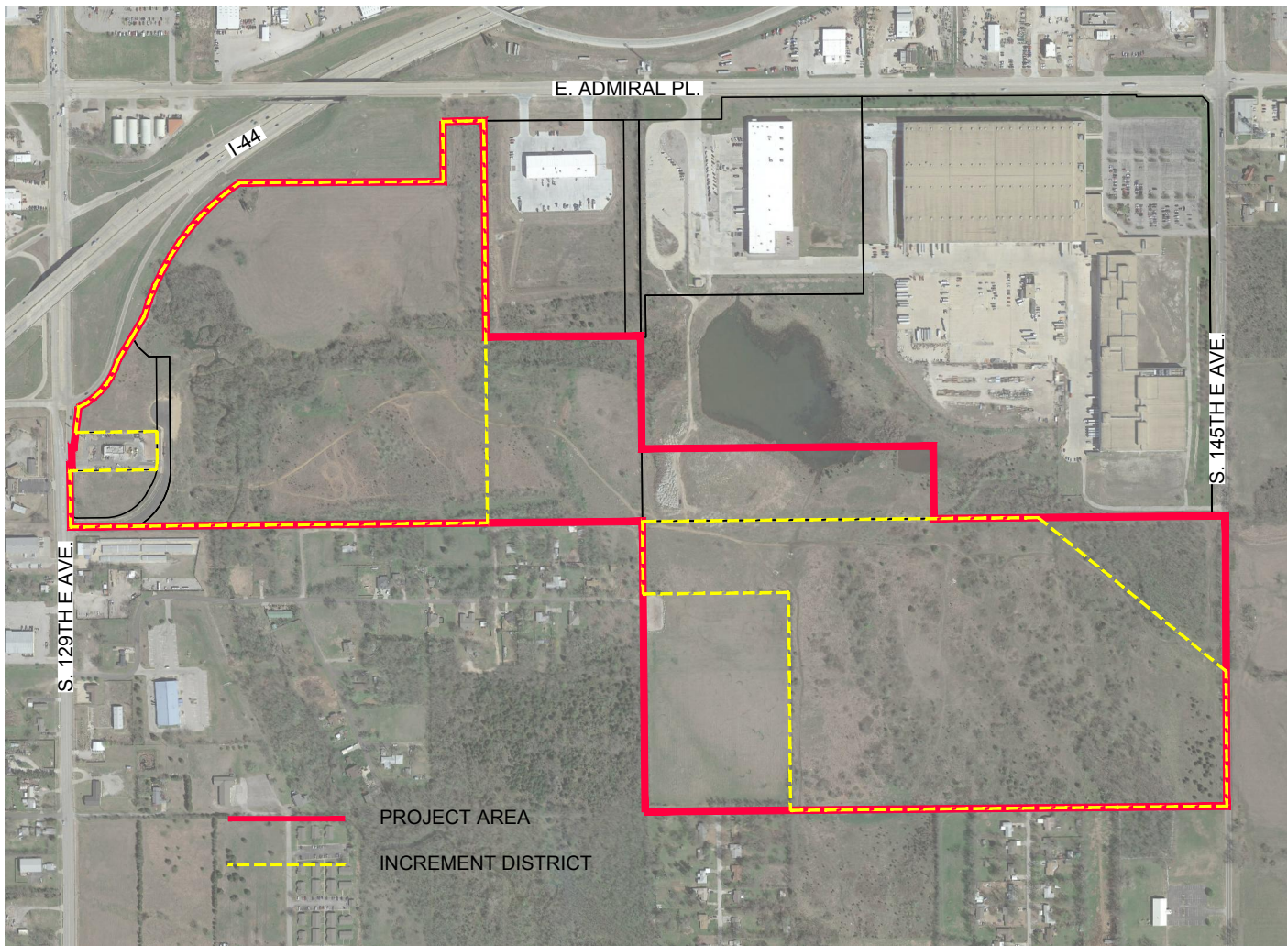
Private developers of the Project Area will be required to construct the necessary improvements for the project at their initial expense. It is anticipated that these costs will be incurred within a year or two after approval of the Project Plan. The tax increments generated by the sales from the private development in the Increment District will pay authorized Project Costs after they are incurred by the developer(s). Without the proposed project and assistance in development financing, development of this type and on this scale within the Project Area would not occur. Increments generated by Increment District No. 7 will provide the funding of Project Costs to be paid by the City and/or TIA. The financing of the projected private development in the area will be provided by private equity and private financing, secured by the private development.

XII. LAND USE

The property within the Increment District is currently undeveloped. Existing uses and conditions of real property and the few structures in the Project Area are shown on the attached Exhibit D. A map showing the proposed improvements to and proposed uses of the real property in the Increment District are shown on the attached Exhibit E. Implementation of the Project Plan requires proposed changes to the Tulsa Comprehensive Plan and zoning by the City of Tulsa. The land use in the

Comprehensive Plan for the Project Area will be amended to Regional Center as defined in the Comprehensive Plan. Zoning for the Project Area will be changed to Commercial Shopping, Commercial General, or other zoning appropriate for the development.

EXHIBIT A: PROJECT AREA & INCREMENT DISTRICT



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Date: 11-04-15
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EXHIBIT
TULSA, TULSA COUNTY, OKLAHOMA



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Certificate of Authorization #1484 Exp. Date: 06-30-2017
• ENGINEERS • SURVEYORS • PLANNERS •

EXHIBIT B

LEGAL DESCRIPTION

Project Area

November 4, 2015

A tract of land being a part of the Southeast Quarter (SE/4), Northeast Quarter (NE/4) and Northwest Quarter (NW/4) of Section Four (4) Township Nineteen (19) North, Range Fourteen (14) West of the Indian Meridian, City of Tulsa, Tulsa County, Oklahoma, being more particularly described as follows:

Beginning at the Northeast (NE) Corner of the Southeast Quarter (SE/4) of said Section Four (4), said point being the POINT OF BEGINNING;

THENCE South, along and with the East line of the Southeast Quarter (SE/4) of said Section Four (4) to the Southeast (SE) Corner of the North Half (N/2) of the Southeast Quarter (SE/4) of said Section Four (4);

THENCE West, along and with the South line of the North Half (N/2) of the Southeast Quarter (SE/4) of said Section Four (4) to the Southwest (SW) Corner of the North Half (N/2) of the Southeast Quarter (SE/4) of said Section Four (4);

THENCE North, along and with the West line of the Southeast Quarter (SE/4) of said Section Four (4) to the Northwest (NW) Corner of the Southeast Quarter (SE/4) of said Section Four (4)

THENCE West, along and with the South line of the Northwest Quarter (NW/4) of said Section Four (4) to the Southwest (SW) Corner of the recorded plat COOLEY CREEK CENTER I;

THENCE Northerly along and with the West line of the recorded plat COOLEY CREEK CENTER I to a point on the South right-of-way line of Interstate 44;

THENCE Northeasterly and Easterly along and with the South right-of-way line of Interstate 44 to the Northwest (NW) Corner of the recorded plat INLAND TRUCK PARTS;

THENCE South along and with the West line of the recorded plat INLAND TRUCK PARTS to the Southwest (SW) Corner of the recorded plat INLAND TRUCK PARTS;

THENCE East along and with the extended South line of the recorded plat INLAND TRUCK PARTS to a point on the East line of the Northwest Quarter (NW/4) of said Section Four (4);

THENCE South along and with the East line of the Northwest Quarter (NW/4) of said Section Four (4) to a point 330' North of the Southeast (SE) Corner of the Northwest Quarter (NW/4) of said Section Four (4);

THENCE East, parallel to and 330 feet North of the South line of the Northeast Quarter

(NE/4) of said Section Four (4) to a point on the East line of the West Half (W/2) of the Northeast Quarter (NE/4) of said Section Four (4);

THENCE South, along and with the East line of the West Half (W/2) of the Northeast Quarter (NE/4) of said Section Four (4) to the Southeast (SE) Corner of the West Half (W/2) of the Northeast Quarter (NE/4) of said Section Four (4);

THENCE East, along and with the South line of the Northeast Quarter (NE/4) of said Section Four (4) to the POINT OF BEGINNING.

EXHIBIT C

LEGAL DESCRIPTION

Increment District

November 4, 2015

A tract of land being a part of the Northwest Quarter (NW/4) of Section Four (4) Township Nineteen (19) North, Range Fourteen (14) West of the Indian Meridian, City of Tulsa, Tulsa County, Oklahoma, being more particularly described as follows:

COMMENCING at the Southwest (SW) Corner of said Northwest Quarter (NW/4);

THENCE East, along and with the South line of said Northwest Quarter (NW/4) to the Southwest (SW) Corner of the recorded plat COOLEY CREEK CENTER I, said point being the POINT OF BEGINNING;

THENCE North, along and with the West line of the recorded plat COOLEY CREEK CENTER I to the Southwest (SW) Corner of Lot Two (2) Block One (1) as shown on the recorded plat COOLEY CREEK CENTER I;

THENCE East, along and with the South line of Lot Two (2) Block One (1) as shown on the recorded plat COOLEY CREEK CENTER I to the Southeast (SE) Corner of Lot Two (2) Block One (1) as shown on the recorded plat COOLEY CREEK CENTER I;

THENCE North along and with the East line of Lot Two (2) Block One (1) as shown on the recorded plat COOLEY CREEK CENTER I to the Northeast (NE) Corner of Lot Two (2) Block One (1) as shown on the recorded plat COOLEY CREEK CENTER I;

THENCE West along and with the North line of Lot Two (2) Block One (1) as shown on the recorded plat COOLEY CREEK CENTER I to the Northwest (NW) Corner of Lot Two (2) Block One (1) as shown on the recorded plat COOLEY CREEK CENTER I, said point lying on the South right-of-way line of Interstate 44;

THENCE Northeasterly and Easterly, along and with the South right-of-way line of Interstate 44 to the Northwest (NW) Corner of the recorded plat INLAND TRUCK PARTS;

THENCE South, along and with the West line extended of the recorded plat INLAND TRUCK PARTS to a point on the South line of said Northwest Quarter (NW/4);

THENCE West, along and with the South line of said Northwest Quarter (NW/4) to the POINT OF BEGINNING..

AND

A tract of land being a part of the Southeast Quarter (SE/4) of Section Four (4) Township Nineteen (19) North, Range Fourteen (14) West of the Indian Meridian, City of Tulsa, Tulsa County, Oklahoma, being more particularly described as follows:

BEGINNING at the Southeast (SE) Corner of the North Half (N/2) of said Southeast Quarter (SE/4), said point being the POINT OF BEGINNING;

THENCE West, along and with the South line of the North Half (N/2) of said Southeast Quarter (SE/4), to the Southwest (SW) Corner of the East Half (E/2) of the Northwest Quarter (NW/4) of said Southeast Quarter (SE/4);

THENCE North, along and with the West line of the East Half (E/2) of the Northwest Quarter (NW/4) of said Southeast Quarter (SE/4) to the Southeast (SE) corner of the North Half (N/2) of the Northwest Quarter (NW/4) of the Northwest Quarter (NW/4) of said Southeast Quarter (SE/4);

THENCE West, along and with the South Line of the North Half (N/2) of the Northwest Quarter (NW/4) of the Northwest Quarter (NW/4) of said Southeast Quarter (SE/4), to the Southwest (SW) Corner of the North Half (N/2) of the Northwest Quarter (NW/4) of the Northwest Quarter (NW/4) of said Southeast Quarter (SE/4);

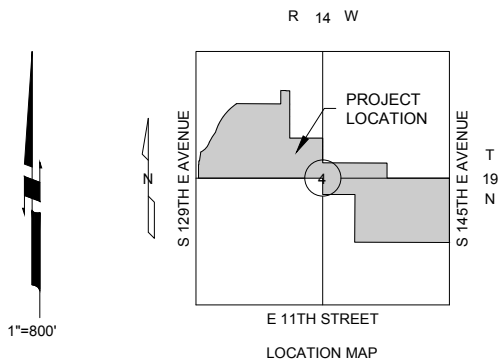
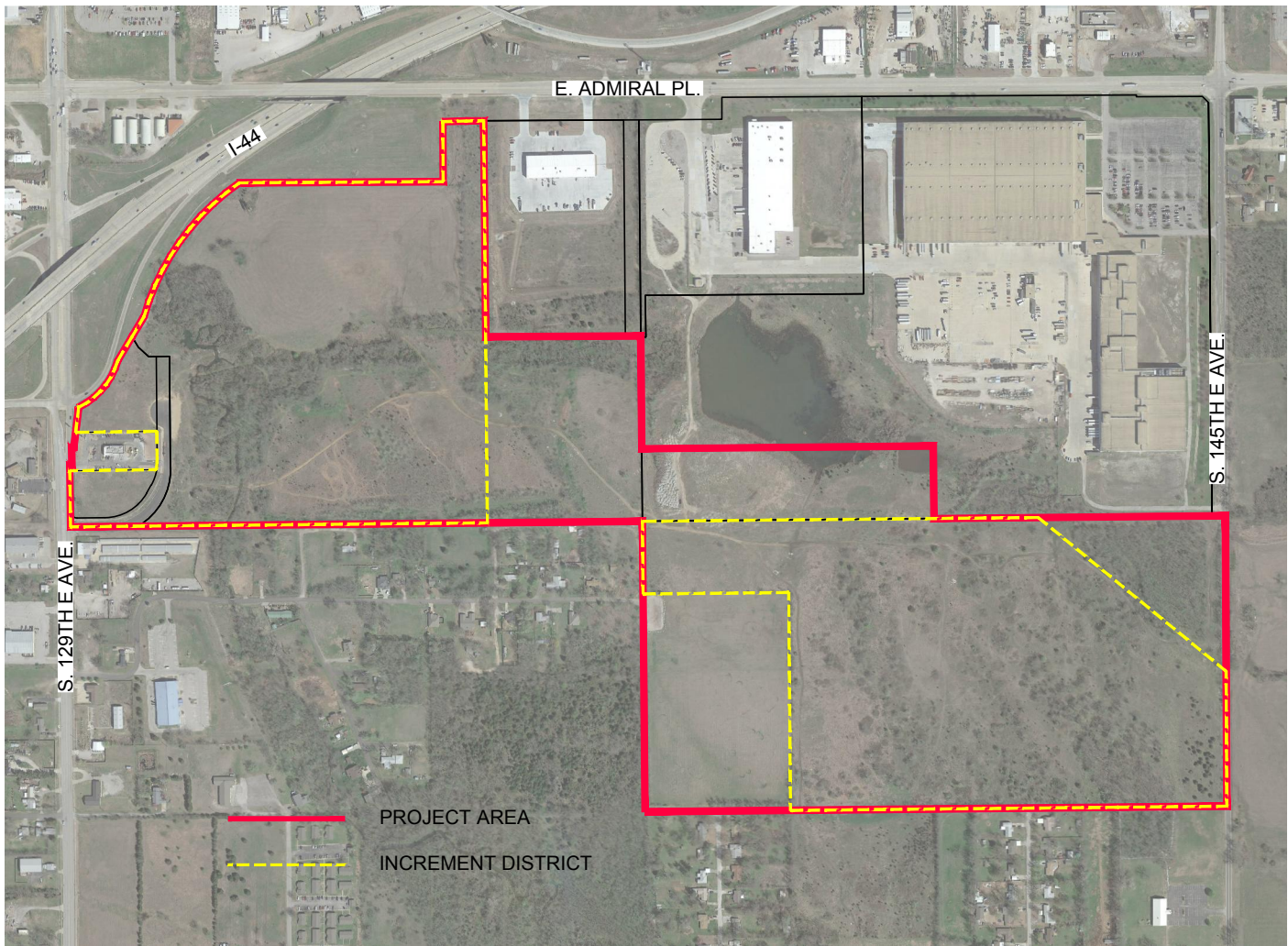
THENCE North along and with the West line of said Southeast Quarter (SE/4), to the Northwest (NW) Corner of said Southeast Quarter (SE/4);

THENCE East, along and with the North line of said Southeast Quarter (SE/4), to a point 850 feet West of the Northeast (NE) Corner of said Southeast Quarter (SE/4);

THENCE Southeasterly to a point on the East line of said Southeast Quarter (SE/4), said point being 613 feet North of the Southeast (SE) Corner of the North Half (N/2) of said Southeast Quarter (SE/4);

THENCE South along and with the East line of said Southeast Quarter (SE/4) a distance of 613 feet to the POINT OF BEGINNING.

EXHIBIT D: EXISTING USES AND CONDITIONS



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EXHIBIT
TULSA, TULSA COUNTY, OKLAHOMA



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Certificate of Authorization #1484 Exp. Date: 06-30-2017
• ENGINEERS • SURVEYORS • PLANNERS •

ADMIRAL CENTER DEVELOPMENT THE OUTLET SHOPPES AT TULSA



1. Retail Shops
2. Mid Service Hotel
3. Restaurant
4. Restaurant

REV	DATE
PROJECT NO. 1300200	
DATE 05-08-13	
SHEET LP-1	