



AGENDA FOR THE CITY OF MIDWEST CITY

LOCAL DEVELOPMENT ACT REVIEW COMMITTEE

Titan Room, Harroz Community Center,
200 N. Midwest Boulevard,
Midwest City, OK 73110

July 19, 2023 – 3:00 PM

- A. CALL TO ORDER.
- B. DISCUSSION ITEMS.
 - 1. Discussion and consideration, including any amendment, of approving the minutes of the May 19, 2022 special meeting.
 - 2. Presentation, Discussion and Consideration, Including Any Possible Amendment, on the First Amendment to the Project Plan Relating to Increment District Number Three, City of Midwest City, Oklahoma (North Side Improvement Increment District).
 - 3. Discussion and Possible Action Regarding A Resolution Adopting Recommendations and Findings, Including Any Possible Amendment, in Regard to the Amending of Increment District Number Three, City of Midwest City, Oklahoma (North Side Increment District) and Its Related Project Plan; and Containing Other Provisions Relating Thereto.
- C. ADJOURNMENT.



Economic Development Department
100 N. Midwest Boulevard
Midwest City, OK 73110
Office: (405) 739-1218
rcoleman@MidwestCityOK.org

MEMORANDUM

TO: Chairman Byrne and Local Development Act Review Committee Members

FROM: Robert Coleman, Director of Economic Development

DATE: July 19, 2023

SUBJECT: Discussion and consideration, including any amendment, of approving the minutes of the May 19, 2022 Special meeting.

Notice for this special meeting was filed with the City Clerk of Midwest City at least 48 hours prior to the meeting. Public notice of this agenda was accessible at least 24 hours before this meeting at City Hall and on the Midwest City website (www.midwestcityok.org).

**Local Development Act Review Committee Minutes
Special Meeting**

May 19, 2022

This meeting was held in the Titan Room at the Harroz Community Center, 200 N Midwest Blvd, Midwest City, County of Oklahoma, State of Oklahoma.

Chairman Pat Byrne called the meeting to order at 1:30 PM with following members present: **Aaron Collins, Charisse Dye, Butch Freeman, *Dr. Kent Lashley, Melvin Perry, Russell Smith, Jason Constable, and Shane Willard. Staff: Economic Development Director Robert Coleman, Acting Secretary Susan Mullendore, and Legal Counsel Dan McMahan. Brandt Sterling, Chief Legal Counsel with OKC/County Health Department was in attendance.

Absent: Scott Randall and Dr. Patrick McGough

DISCUSSION ITEM.

1. Discussion and consideration, including any amendment, of approving the minutes of the May 12, 2022 special meeting.

Perry made a motion to approve the minutes, seconded by Constable. Voting Aye: Bouldin, Collins, Constable, Dye, Freeman, Perry, Smith, Willard, and Byrne. Nay: none. Absent: Randall and McGough. Motion Carried.

Absent: Lashley

2. Presentation, Discussion and Consideration, Including Any Possible Amendment, on the Proposed Project Plan Relating to Increment District Number Three, City of Midwest City, Oklahoma (North Side Improvement Increment District).

R. Coleman and D. McMahan addressed committee. No action needed.

*Lashley arrived at 1:44 PM.

3. Presentation, Discussion and Possible Action Regarding A Resolution of Findings, Including Any Possible Amendment, in Regard to the Formation of Increment District Number Three, City of Midwest City, Oklahoma (North Side Increment District) and Its Related Project Plan; and Containing Other Provisions Relating Thereto.

D. McMahan presented information and discussion was had.

**Collins left at 2:35 PM.

Constable made a motion to approve the Resolution of Findings, seconded by Perry. Voting Aye: Bouldin, Constable, Dye, Freeman, Lashley, Perry, Smith, Willard, and Byrne. Nay: none. Absent: Collins, McGough, and Randall. Motion Carried.

4. Discussion and consideration, including any possible amendment, on the selection of future meeting date(s).

No action taken.

ADJOURNMENT.

There being no further business, Chairman Byrne adjourned the meeting at 2:55 PM.

ATTEST:

PAT BYRNE, Chairman

SUSAN MULLENDORE, Acting Secretary



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MEMORANDUM

TO: Chairman Byrne and Local Development Act Review Committee Members

FROM: Robert Coleman, Director of Economic Development

DATE: July 19, 2023

SUBJECT: Presentation, Discussion and Consideration, Including Any Possible Amendment, on a Resolution Adopting Recommendations & Findings In Regard to the Amendment of Increment District Number Three, City of Midwest City, Oklahoma (North Side Improvement District) and Its Related First Amendment to Project Plan; and Containing Other Provisions Relating Thereto. (Economic Development – R. Coleman)

The original Project Plan for the North Side Improvement District (City of Midwest City TIF #3) was approved via LDARC Resolution 2022-01 on May 15, 2022. It contained development financing assistance for Global Turbine Services (“GTS”) and Centrillum Protein (“Centrillum”). GTS abandoned its project in late 2022 on claims a lack of work from Tinker AFB disrupted its expansion plans. Fortunately, we successfully recruited American Glass, Inc. (“AGI”) to the former GTS site in the Soldier Creek Industrial Park (“SCIP”).

Centrillum remains committed to hiring over 100 workers at wages that meet the requirements of the Oklahoma Quality Jobs Act. In addition, it has increased its projected investment in the Midwest City facility by approximately \$15 million as it has chosen to expand the plant’s footprint. While the plant has grown, so have costs associated with the water, sanitary sewer and railroad improvements necessary for the project.

In the original Project Plan, public improvement costs for the Centrillum and GTS projects were estimated at a combined total of \$5.45 million. Engineers are now estimating these costs at nearly \$9 million and the projects have yet to bid. These increases were attributed to a major change to construction plans as well as hyperinflated material costs.

AGI forecasts a minimum total investment of \$10 million in its new headquarters and glass wall assembly facility in SCIP. Thereafter, it plans to hire nearly 70 employees and contractors with an estimated annual payroll of over \$5 million. This project requires a comparatively small amount of development finance assistance, but we will also need to bring rail service to the park

at an estimated cost of over \$2 million. On the other hand, we were estimating Development Financing Assistance for GTS at \$1.5 million while our commitment to AGI is only \$450,000.

The overall cost of the Project Plan, once projected at a total of \$8.745 million, is now estimated at \$11 million. Thus, the term of Increment District #3 is now proposed to be extended by eight (8) additional years for a total maximum term of 20 years.

We will provide additional details regarding the AGI proposal at the meeting. In the meantime, please contact my office at (405) 739-1218 with any question.

A handwritten signature in black ink, appearing to read "R. Coleman", written in a cursive style.

Robert Coleman
Director of Economic Development

Enc: Proposed First Amendment to the Project Plan

**FIRST AMENDMENT TO PROJECT PLAN RELATING TO
INCREMENT DISTRICT NUMBER THREE,
CITY OF MIDWEST CITY, OKLAHOMA
(NORTH SIDE IMPROVEMENT DISTRICT)**

Submitted By The

CITY OF MIDWEST CITY, OKLAHOMA

And The

MIDWEST CITY ECONOMIC DEVELOPMENT AUTHORITY

DATED: July 1, 2023

INTRODUCTION

Over the years, proposals have been developed which called for public improvements along Northeast 23rd Street from North Air Depot Road to North Post Road. These proposals have pointed to the need for utility extensions, better transportation and pedestrian access, and enhanced streetscaping along the Northeast 23rd Street corridor. In addition, several industrial concerns have expressed interest in locating new commercial facilities along and north of this corridor; however, these firms would require an agreement by the City's economic development authorities to provide some level of development assistance before these location decisions can be finalized. (The financing of these improvements, along with the provision for development financing assistance, are hereinafter referred to as the "Project").

Due to the magnitude of the Project, and the significant public benefits which would accrue from the Project, the City of Midwest City, Oklahoma (hereinafter, the "City") and the Midwest City Economic Development Authority (hereinafter, the "Authority") proposed the use of a "tax increment district" to provide a portion of the needed financing assistance in connection with the Project. Under the City and the Authority's proposal, financing assistance generated through this tax increment district would be used to defray part of the extensive infrastructure, site development and development costs required by the Project.

On December 14, 2021, the City Council of the City adopted Resolution No. 2021-48, authorizing and directing the Midwest City Local Development Act Review Committee to analyze the City's proposal and to determine whether the area described in the proposal would qualify as an "increment district" pursuant to the provisions of the Oklahoma Local Development Act, Title 62, Sections 850 et seq. of the Oklahoma Statutes (hereinafter, the "Local Development Act"), and to make other recommendations and findings as required by the Local Development Act.

Following the meetings of the City's Local Development Act Review Committee, and the adoption by the committee of a recommendation for the approval of such district, the City Council of the City, on August 23, 2022, adopted and approved Ordinance No. 3488 (the "Ordinance"), and that certain "Project Plan Relating to Increment Number Three, City of Midwest City, Oklahoma (North Side Improvement District Project)" (the "Project Plan"), which Ordinance and Project Plan established "Increment District Number Three, City of Midwest City, Oklahoma" (the "North Side Improvement District").

Among other purposes, the Project Plan approved and adopted by the Ordinance provided for development financing assistance to be provided to Global Turbine Systems ("GTS") relating to GTS' proposal to locate a testing and manufacturing facility within the Soldier Creek Industrial Park. Unfortunately, GTS ultimately decided not to locate its new facility at that site. Thereafter, the City continued to market the GTS site and has successfully recruited a new industrial prospect, American Glass, Inc., an Oklahoma corporation (hereinafter, "AGI"), with the result being that the Authority and the Midwest City Utilities Authority have now approved that certain "Economic Development Financing Assistance Agreement" dated June 27, 2023 (hereinafter, the "AGI Financing Assistance Agreement"), with AGI.

AGI, a glass and glazing contractor involved in the manufacturing and installation of glass wall systems, intends to develop, construct, equip and operate a new headquarters facility for its operations within the Soldier Creek Industrial Park (hereinafter, the "AGI Facilities"). Under the

terms of the AGI Financing Assistance Agreement, the Authority and the Midwest City Utilities Authority, have agreed to make certain incentives available to AGI to assist in their construction and operation of the AGI Facilities. The City now desires to update the terms of the Project Plan to reflect the development financing assistance to AGI.

In addition, the second economic development project identified in the Project Plan as “Project Oscar” has continued to progress with construction of new industrial facilities to begin in the second half of 2023. While the timeline for Project Oscar has been somewhat delayed, the facilities being proposed have increased in size from 53,000 square feet to 102,000 square feet. This is expected to increase the public revenues which will accrue from Project Oscar.

This amendment to the Project Plan (hereinafter, the “First Amendment to Project Plan” was prepared to allow for the incentivization of a different economic development project within the North Side Improvement District, and to reflect changes to a second economic development project.

The First Amendment to Project Plan was prepared by the staff of the City, with the assistance of consultants retained by the Authority, to present the information required by the Local Development Act in relation to the establishment and continued administration of the North Side Improvement District. Any statements contained herein or in the appendices and exhibits hereto, involving matters of opinion, estimates or projections, whether expressly so stated, are intended as such and not as representations of fact. Summaries of documents referred to herein do not purport to be complete or definitive, and all references made to such documents are qualified in their entirety by reference to the complete document. The information contained herein has been compiled from sources believed to be reliable, as of the date hereof. Such information is subject to change and/or correction, at any time prior to the adoption of this Project Plan by the City.

SECTION 1. Article II of the Project Plan, captioned “PROPOSED PUBLIC WORKS OR IMPROVEMENT, ANTICIPATED PRIVATE IMPROVEMENT, AND ESTIMATED PUBLIC REVENUES” is hereby amended to read in its entirety, as follows:

“II. PROPOSED PUBLIC WORKS OR IMPROVEMENTS, ANTICIPATED PRIVATE IMPROVEMENTS, AND ESTIMATED PUBLIC REVENUES

A. Listing of Type and Location of Public Works or Improvements

The public work or improvements being proposed are, as follows:

(1) DEVELOPMENT FINANCING ASSISTANCE - The public works or improvements authorized under this Project Plan will include the payment or reimbursement of a portion of the costs incurred by American Glass, Inc. (or its affiliate) (hereinafter, “AGI”) for improvements related to a new headquarters and manufacturing facility for its operations being constructed by AGI (hereinafter, the “AGI Facilities”). Development financing assistance for these improvements will be provided to AGI pursuant to the terms of an a “Economic Development Financing Assistance Agreement” (hereinafter, the “AGI Financing Assistance Agreement”), with AGI which agreement will provide for the

payment or reimbursement of a portion of the costs associated with these improvements in an amount not to exceed \$450,000.

(2) UTILITY IMPROVEMENTS - Certain public works or improvements authorized under this Project Plan will consist of utility improvements and will be necessitated by the construction of the food processing and warehousing facilities to serve Project Oscar (hereinafter, the “Project Oscar Facilities”), as well as to serve the AGI Facilities. Such utility improvements will include the following:

(i) Sanitary Sewer Extensions – The infrastructure improvements will include the construction of a sanitary sewer main and branch extensions to serve the Project Oscar Facilities. Project costs under this category include the actual costs of the acquisition, demolition, alteration, remodeling, repair, construction and/or reconstruction of new or existing structures and fixtures, including sewers, similar public improvements, related common utility or service facilities, related landscaping, clearing and grading of the project site and any environmental remediation related thereto; utility relocation costs; and professional service costs, including those incurred for architectural, planning, engineering and legal. Project costs under this category are estimated to be \$2,000,000, with such improvements to be constructed by the City or one of its related public trust authorities.

(ii) Water Distribution System Improvements –The infrastructure improvements will include the construction of improvements to the water distribution system within the area of the Project Oscar Facility main line within the Project Area. Project costs under this category include the actual costs of the acquisition, demolition, alteration, remodeling, repair, construction and/or reconstruction of new or existing structures and fixtures, including water distribution and supply systems, similar public improvements, related common utility or service facilities, related landscaping, clearing and grading of the project site and any environmental remediation related thereto; utility relocation costs; professional service costs, including those incurred for architectural, planning, engineering and legal. Project costs under this category are estimated to be \$3,600,000, with such improvements to be constructed by the City or one of its related public trust authorities.

Project costs under this category include the actual costs of the acquisition, demolition, alteration, remodeling, repair, construction and/or reconstruction of new or existing structures and fixtures; new or existing roadways, including curbing, sidewalks and any similar public improvements, common utility or service facilities; traffic signals, utility structures and fixtures; sanitary sewers and similar public improvements, related common utility or service facilities; water distribution and supply systems, landscaping; parking; water detention/retention systems; retaining walls, clearing and grading of the project site and any environmental remediation related thereto; utility relocation costs; new or existing structures and fixtures; and professional service costs, including those incurred for architectural, planning, engineering and legal.

(3) RAIL SYSTEM IMPROVEMENTS - The public works or improvements authorized under this Project Plan will include the payment for the costs of installing a railroad switch

or spur to serve the Project Oscar Facilities and the AGI Facilities. “Project costs” under this category include the actual costs of the acquisition, demolition, alteration, remodeling, repair, construction and/or reconstruction of new or existing tracks, railways, roadbeds or overpasses and/or transportation structures, fixtures, and ancillary public improvements, including bridges, sidewalks and any similar public improvements, common utility or service facilities, landscaping, clearing and grading of the project site and any environmental remediation related thereto; utility relocation costs; and professional service costs, including those incurred for architectural, planning, engineering and legal. Project costs under this category are estimated to be \$3,000,000, with such improvements to be constructed by the City or one of its related public trust authorities.

(4) N.E. 23RD STREET IMPROVEMENTS - The public works or improvements authorized under this Project Plan will include the payment of costs associated with the implementation of the Vision23 Project, which calls for the enhancement and revitalization of N.E. 23rd Street from its intersection with N. Air Depot to its intersection with N. Post Road. This project aims to achieve systemic improvements for the benefit of revitalization of economic development, traffic & pedestrian safety, and to promote better accessibility to commercial businesses. Infrastructure improvements will seek to provide a “pedestrian-friendly environment” through upgraded street lighting and dedicated “safe” crossings at major intersections. Project costs under this category include the actual costs of the acquisition, demolition, alteration, remodeling, repair, construction and/or reconstruction of new or existing structures and fixtures, including streets, bridges and any similar public improvements, common utility or service facilities, related landscaping, parking and water detention/retention systems; the actual cost of the clearing and grading of the project site and any environmental remediation related thereto; utility relocation costs; professional service costs, including those incurred for architectural, planning, engineering and legal. It is estimated that the Project Costs for the Vision23 project will be approximately \$750,000.00, and would be undertaken by the City and the Authority.

(5) FINANCING COSTS. Not all project costs included in this Project Plan are intended by the City to be financed through the Authority. However, the City and the Authority may decide to finance certain of the costs described above in order to facilitate the completion of one or more projects. “Financing costs” will include all or a portion of the interest paid to holders of bonds, notes or other forms of indebtedness issued to pay for project costs (exclusive of capitalized interest), premiums paid over and above the principal amount for redemption prior to maturity; and fees for bond guarantees, letters of credit and bond insurance, if any. While many of these costs cannot be accurately predicted at this stage, it is estimated that the financing costs relating to such indebtedness will not exceed \$800,000.

(6) COSTS OF ISSUANCE. - Costs of issuance includes fees and expenses for bond counsel, financial advisor, printing, trustee bank, underwriters counsel and other similar expenses. It is estimated that costs of issuance will not exceed \$100,000.

(7) ORGANIZATIONAL AND DIRECT ADMINISTRATIVE COSTS – “Organizational costs” include the direct costs of organizing and implementing this Project Plan, including the costs of conducting any environmental studies, the cost of publicizing the consideration

of the project plan, and costs incidental in the creation of the North Side Improvement District for professional services or otherwise. “Direct administrative costs” include reasonable charges for the time spent by employees of the City and the Authority in connection with the supervision and administration of the above-mentioned projects or employees of private entities under contract with a public entity for project planning or implementation; professional service costs, including those incurred for architectural, planning, engineering, legal and financial advice and services. It is estimated that organizational costs will be approximately \$50,000 and direct administrative costs will be approximately \$10,000 per year, totaling \$250,000, over the life of the North Side Improvement District.

B. Anticipated Private Investments

American Glass, Inc.

American Glass, Inc. (“AGI”) has proposed the construction and operation of a new headquarters and manufacturing facility for its manufacturing and installation activities in the fabrication of glass wall systems, consisting of multiple buildings, which aggregate approximately 90,000 square feet to be constructed in two phases (the “AGI”). In the first phase, AGI would construct a 90,000 square foot glass wall assembly factory and company headquarters. This facility would employ approximately 68 people from around central Oklahoma, including the City. The Company estimates that it will begin construction of this phase in August, 2023, with completion estimated by October, 2024.

The second phase of the AGI Facilities will consist of a 80,000 square foot maintenance, repair and manufacturing building. Such facilities would allow AGI to hire an additional 30 persons. Construction of this phase is estimated to begin in January, 2026 and be completed no later than March, 2027.

The total potential investment from both phases is estimated to be between \$10,000,000 and \$12,500,000. The estimated total annual payroll for both is \$5,390,000 based upon 68 full-time equivalent employees earning an average of \$55,000,000 per year.

Project Oscar

Project Oscar refers to the City’s initiative to assist Centrillum Proteins, LLC, an Oklahoma limited liability company (hereinafter, “Centrillum”) to develop, construct and operate new industrial facilities within the North Side Improvement District. Pursuant to that certain “Economic Development Assistance Agreement”, dated as of August 8, 2022 (hereinafter, the “Centrillum Financing Assistance Agreement”), by and among the Authority, Centrillum, and MTG Property Holdings, LLC (hereinafter, “MTG”), the Authority agreed to provide development financing assistance to the Company in connection with Centrillum’s plans to develop, construct and equip an advanced no-kill meat processing plant within the North Side Improvement District, and to operate such facilities to serve its customers.

Pursuant to the terms of the Centrillum Financing Assistance Agreement, and that certain “Agreement for Purchase and Sale of Real Estate”, dated as of May 26, 2022, by and between the

Authority and MTG, the Authority has agreed to sell real property owned by the Authority to MTG, on behalf of Centrillium. The Authority and MTG have now closed on the the real property identified in the Real Property Agreement, and Centrillium expects to begin construction during the third quarter of 2023, with completion estimated for September, 2024. Increases in the cost of building materials have increased the estimated construction cost of the Centrillium facilities to \$70,000,000.

Centrillium now anticipates that its new facility will consist of a 93,000 square foot food processing facility. Such a facility would employ at least 90 employees and grow over time to employ a total of 150 people. Average wages for employees are expected to total \$52,000 per year.

Vision23

The City anticipates that the improvements it will make to N.E. 23rd Street in connection with the Vision23 project will attract new private investment from both current and future business owners along the N.E. 23rd Street corridor. While no estimate can be made as to the amount of private investment that will be made in the next five-to-ten-year period, the City believes that this new private investment will range between \$1 to \$10 million dollars within the boundaries of the North Side Improvement District in the coming years.

C. Estimated Public Revenues

The City estimates that the public works or improvements described herein will result in increases in not only municipal sales taxes collected within the North Side Improvement District, but in other types of tax revenues as well, such as ad valorem taxes. These public revenues are estimated to accrue, as follows:

(1) Ad Valorem Taxes - The estimates regarding increases in ad valorem taxes are based upon the following assumptions:

Real Property Taxes. Based upon an assessment ratio of eleven percent (11%) for real property, and an average tax rate of \$120 dollars per thousand (120 mills), it is estimated that real property ad valorem revenues generated by the new investment within the North Side Improvement District will increase by between \$881,100 to \$1,307,775 per year. These increases in new real property ad valorem revenues are expected to total approximately \$19,836,549 over the twenty (20) year expected term of the North Side Improvement District.

Personal Property Taxes. Based upon an assessment ratio of thirteen and three-quarters percent (13.75%) for business personal property, and an average tax rate of \$120.00 dollars per thousand (120 mills), it is estimated that ad valorem revenues generated from the installation of personal property within the North Side Improvement District will increase by between \$1,000 to \$15,000 per year. These increases in new business personal ad valorem revenues are expected to total

approximately \$120,000 over the twenty (20) year expected term of the North Side Improvement District.

(2) City Sales and Use Taxes - The City currently levies sales and use taxes in the amount of four and 60/100 cents (\$0.046) per dollar of taxable sales. The City estimates that, based upon the current City sales and use tax rates, economic activity within the North Side Improvement District will generate an annual increase in City sales and use tax revenue of between \$1,000 to \$5,000 per year, and is expected to generate approximately \$60,000 in new sales and use tax revenues for the City over the twenty (20) year term of the North Side Improvement District. **(Note: This Project Plan does not authorize or contemplate the apportionment of City sales and use taxes revenues generated within the North Side Improvement District for the payment of any project costs described herein.)**

SECTION 2. Article III of the Project Plan, captioned "LISTING OF ESTIMATED PROJECT COSTS" is hereby amended to read in its entirety, as follows:

**"III. LISTING OF ESTIMATED PROJECT COSTS
AND ADMINISTRATIVE EXPENSES**

1. Development Financing Assistance -	\$ 450,000
2. Utility Improvements:	
Sanitary Sewer Improvements	2,000,000
Water Distribution System Improvements	3,600,000
3. Rail System Improvements	3,000,000
4. N.E. 23rd Street Improvements	750,000
5. Financing Costs	800,000
6. Costs of Issuance	100,000
7. Organizational and Direct Administrative Costs	<u>300,000</u>
Total	\$11,000,000

SECTION 3. Article IV of the Project Plan, captioned "METHODS OF FINANCING PROJECT COSTS, EXPECTED SOURCES OF REVENUES, AND TIME WHEN COSTS OR MONETARY OBLIGATIONS ARE TO BE INCURRED" is hereby amended to read in its entirety, as follows:

**"IV. METHODS OF FINANCING PROJECT COSTS, EXPECTED
SOURCES OF REVENUES, AND TIME WHEN COSTS OR
MONETARY OBLIGATIONS ARE TO BE INCURRED**

A. Methods of Financing

It is expected that all project costs described above (except for principal, uncanceled interest payments and redemption premiums, if any, paid on any tax apportionment bonds or notes) will be paid from one of the following sources:

- (i) from increment revenues generated within the North Side Improvement District;
- (ii) from such other funds of the City or the Authority as may be lawfully used for the purposes hereinabove stated; and/or
- (ii) from proceeds from the “Midwest City Economic Development Authority Tax Apportionment Note, Series 20xx (North Side Improvement District Project)” (hereinafter, the “Series 20xx Note”).”

B. Expected Sources of Revenues

The payment or reimbursement of project costs will be made from following source(s) of revenues:

(1) Ad Valorem Taxes - In accordance with the provisions of the Local Development Act, increments of ad valorem taxes generated within the North Side Improvement District, as such increments are determined and defined by the Local Development Act, are to be apportioned and set aside from all other ad valorem taxes levied within the North Side Improvement District, to be used exclusively for:

- (i) the payment of “project costs” incurred in connection with the development or construction of those projects listed in this Project Plan;
- (ii) the reimbursement of the City, or any agency thereof (including the Authority), which has paid “project costs” from funds which were not increments derived from the North Side Improvement District, but only to the extent that such sums were actually paid; and
- (iii) the payment of principal, interest and premium, if any, on the Series 20xx Note, issued pursuant to Section 863 of the Local Development Act.

(Such revenues being hereinafter referred to as the “Ad Valorem Increment Revenues”).

The apportionment of Ad Valorem Increment Revenues pursuant to this section shall terminate upon the final payment of, or reimbursement for, all “project costs” incurred in connection with the projects listed in this Project Plan, and the payment of all outstanding principal and accrued interest due on any “tax apportionment bonds or notes” issued hereunder; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond twenty (20) years from the Effective Date (hereinafter defined) of the North Side Improvement District.

In the event that a portion of the principal of or interest on any “tax apportionment bonds or notes” issued in connection herewith, remains unpaid as of the twentieth (20th) anniversary of the Effective Date of this Project Plan, then, the North Side Improvement District shall not terminate until the Ad Valorem Increment Revenues apportioned during the twentieth (20th) year are actually received by the Apportionment Fund, even if the

receipt of such revenues occurs subsequent to the twentieth (20th) anniversary of the Effective Date of this district.

Pursuant to the Local Development Act, the Ad Valorem Increment Revenues apportioned hereunder shall be transferred by the respective taxing authorities to a special fund to be known as the “North Side Improvement District Apportionment Fund” (hereinafter, the “Apportionment Fund”), which fund will be held by and be the property of, the Midwest City Economic Development Authority (the “Authority”) (except that such fund may also be held by a trustee acting on behalf of the Authority). No portion of such revenues and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All Ad Valorem Increment Revenues so collected shall be placed into a separate account created within the Apportionment Fund and used to pay “project costs” described herein. Such account may also be pledged as security for the payment of the Series 20xx Note, if issued. (Such account being hereinafter referred to as the “Ad Valorem Increment Revenue Account”).

(2) State of Oklahoma Reimbursement Fund Revenues. To the extent that: (a) one or more private entities located within the North Side Improvement District applies for and receives an exemption from the payment of ad valorem taxes pursuant to Article X, Section 6B of the Oklahoma Constitution relating to exemptions for “qualified manufacturing concerns”; (b) an application is made for reimbursement of ad valorem tax revenues lost by virtue of such exemption from the State of Oklahoma’s Ad Valorem Reimbursement Fund, pursuant to Title 62, Section 193 of the Oklahoma Statutes; and (c) such application is approved by the Oklahoma Tax Commission, then, in that event, revenues received from the Ad Valorem Reimbursement Fund (hereinafter, the “Reimbursement Revenues”), are also to be apportioned and set aside from other revenues, and, pursuant to the provisions of Title 62, Section 193 of the Oklahoma Statutes, used to the same extent and in the same manner as other ad valorem taxes which are collected within the North Side Improvement District for:

- (i) the payment of “project costs” incurred in connection with the development or construction of those projects listed in this Project Plan; and
- (ii) the reimbursement of the City, or any agency thereof (including the Authority), which has paid “project costs” from funds which were not increments derived from the North Side Improvement District, but only to the extent that such sums were actually paid.
- (iii) the payment of principal, interest and premium, if any, on the Series 20xx Note, issued pursuant to Section 863 of the Local Development Act.

The apportionment of Reimbursement Revenues pursuant to this section shall terminate upon the final payment of, or reimbursement for, all “project costs” incurred in connection with the projects listed in this Project Plan, and the payment of all outstanding principal and accrued interest due on any “tax apportionment bonds or notes” issued hereunder; provided, however, that in no case shall the apportionment of revenues pursuant hereto

extend beyond twenty (20) years from the Effective Date (hereinafter defined) of the North Side Improvement District.

In the event that a portion of the principal of or interest on any “tax apportionment bonds or notes” issued in connection herewith, remains unpaid as of the twentieth (20th) anniversary of the Effective Date of this Project Plan, then, the North Side Improvement District shall not terminate until the Reimbursement Revenues apportioned during the twentieth (20th) year are actually received by the Apportionment Fund, even if the receipt of such revenues occurs subsequent to the twentieth (20th) anniversary of the Effective Date of this district.

Pursuant to the Local Development Act, the Reimbursement Revenues apportioned hereunder shall be transferred by the respective taxing authorities to the Apportionment Fund. No portion of such revenues and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All Ad Valorem Increment Revenues so collected shall be placed into a separate account created within the Apportionment Fund and used to pay “project costs” described herein. Such account may also be pledged as security for the payment of the Series 20xx Note, if issued. (Such account being hereinafter referred to as the “Reimbursement Revenue Account”).”

C. Time When Costs Or Monetary Obligations Are To Be Incurred.

Except as otherwise provided, all costs associated with the projects described herein (with the exception of financing costs) will be incurred within thirty-six (36) months of the Effective Date of the North Side Improvement District. Financing costs, if any, will be incurred during the remaining term of the North Side Improvement District.”

D. Distribution of Revenues.

During the term of the North Side Improvement District, all Ad Valorem Increment Revenues and Reimbursement Revenues (hereinafter, collectively, the “Apportioned Revenues”) will be used, as follows:

FIRST, to pay principal and interest next due on the Series 20xx Note, if issued;

SECOND, to pay “project costs” as described herein;

THIRD, to pay any unreimbursed “project costs” which were not otherwise financed through the Series 20xx Note, and which had been previously incurred by the Authority or the City; and

FOURTH, the balance shall be used to prepay the principal outstanding under the Series 20xx Note prior to its scheduled maturity.”

All other provision of the Project Plan not modified herein shall remain as originally contained in the Project Plan as adopted by the Ordinance.



Economic Development Department
100 N. Midwest Boulevard
Midwest City, OK 73110
Office: (405) 739-1218
rcoleman@MidwestCityOK.org

MEMORANDUM

TO: Chairman Byrne and Local Development Act Review Committee Members

FROM: Robert Coleman, Director of Economic Development

DATE: July 19, 2023

SUBJECT: Discussion and Possible Action Regarding A Resolution Adopting Recommendations and Findings, Including Any Possible Amendment, in Regard to the Amending of Increment District Number Three, City of Midwest City, Oklahoma (North Side Increment District) and Its Related Project Plan; and Containing Other Provisions Relating Thereto.

The Review Committee has the statutory duty to consider and make its findings and recommendations to the Midwest City Council with respect to the conditions establishing the eligibility of the proposed North Side Increment District and the appropriateness of the approval of the proposed plan and project, as well as to report its findings to City Council in regard to the financial impact on the taxing jurisdictions within the proposed district and the business activities within the proposed district.

The attached resolution meets statutory requirements.

A handwritten signature in black ink that reads "Robert Coleman".

Robert Coleman
Director of Economic Development

Enc: Findings Resolution (Resolution #2023 – 1)

RESOLUTION 2023-1

A RESOLUTION ADOPTING RECOMMENDATIONS & FINDINGS IN REGARD TO THE ESTABLISHMENT OF INCREMENT DISTRICT NUMBER THREE, CITY OF MIDWEST CITY, OKLAHOMA (NORTH SIDE IMPROVEMENT DISTRICT) AND ITS RELATED PROJECT PLAN AS AMENDED BY THE FIRST AMENDMENT TO PROJECT PLAN; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

WHEREAS, Article X, Section 6C of the Oklahoma Constitution and the provisions of the Oklahoma Local Development Act, Sections 851 *et seq.* of Title 62 of the Oklahoma Statutes, as amended (the “Local Development Act”), provide that the governing body of a city, town or county may use local taxes and local fees, in whole or in part, for specific public investments, assistance in development financing, or as a specific revenue source for other public entities in the area in which the improvements take place and may direct the apportionment of the taxes and fees for historic preservation, reinvestment, or enterprise areas that are exhibiting economic stagnation or decline; and

WHEREAS, on December 14, 2021, the City Council (the “Governing Body”) of the City of Midwest City, Oklahoma (the “City”) adopted Resolution No. 2021-48, declaring the Governing Body’s intent: (i) to consider designating a portion of the City as a statutory “reinvestment area” pursuant to the provisions of the Oklahoma Local Development Act, Title 62, Sections 850 *et seq.* of the Oklahoma Statutes (the “Local Development Act”), and (ii) to consider the creation of a tax increment district relating to such area; and

WHEREAS, Resolution No. 2021-48 also authorized the activation of the “Midwest City Local Development Act Review Committee” (hereinafter, the “Review Committee”), authorizing and directing the Review Committee to analyze the City’s proposal and to determine whether the area described in the proposal would qualify as an “increment district

WHEREAS, the membership of this Review Committee is comprised of the following individuals: a representative of the Governing Body, a representative of the planning commission having jurisdiction of the proposed project, representatives of each taxing jurisdiction within the proposed district whose taxes might be impacted according to the project plan, and three representatives of the public at large, all as required pursuant to Section 855.A of the Local Development Act; and

WHEREAS, the Review Committee has the statutory duty to consider and make its findings and recommendations to the Governing Body with respect to the conditions establishing the eligibility of the proposed district, as well as to report its findings in regard to the financial impact on the taxing jurisdictions and the business activities within the proposed district; and

WHEREAS, the Review Committee’s statutory recommendations must also include: the analysis used to project revenues over the life of the project plan; the effect on the taxing entities; and the appropriateness of the approval of the proposed plan and project, and

WHEREAS, on May 19, 2022, the Review Committee approved that certain “Project Plan Relating to Increment District Number Three, City of Midwest City, Oklahoma (North Side Improvement District)”, dated as of June 1, 2022 (the “Project Plan”), providing, *inter alia*, for the creation of Increment District Number Three, City of Midwest City, Oklahoma (hereinafter, the “North Side Improvement District”); and

WHEREAS, on August 23, 2022, the City Council of the City approved Ordinance No. 3488 approving and adopting the Project Plan relating to the North Side Improvement District, establishing the North Side Improvement District, and containing other provisions relating thereto; and

WHEREAS, since the adoption of Ordinance No. 3488 by the City Council of the City, amendments to the Project Plan have been proposed by the City as a result of the decision of one of the industrial prospects described in the Project Plan to not locate within the North Side Improvement District and the willingness on the part of another industrial prospect to locate in the same area; and

WHEREAS, under the Oklahoma Local Development Act, Title 62, Sections 850 et seq. of the Oklahoma Statutes, an amendment to the Project Plan must be first presented to the Review Committee for its consideration and recommendation if such amendment: (i) changes the character or purpose of the plan, (ii) adds more than five percent (5%) to the district’s area, or (iii) adds more than five percent (5%) to the public costs of the plan to be financed by apportioned tax increments; and

WHEREAS, this proposed change has necessitated a change in the projected project costs described in the amendments to the Project Plan in an amount greater than five percent (5%) of the total project costs described in the Project Plan; and

WHEREAS, the Review Committee has been presented with that certain “First Amendment to Project Plan Relating to Increment District Number Three, City of Midwest City, Oklahoma (North Side Improvement District)”, dated as of July 1, 2023 (the “First Amendment to Project Plan”), providing, *inter alia*, for the amendment of the Project Plan creating the North Side Improvement District; and

WHEREAS, the North Side Improvement District, as amended, **[is][is not]** eligible for designation as an increment district by virtue of being located within a Reinvestment Area, as defined and set forth in Title 62, Section 853(17) of the Oklahoma Statutes; and

WHEREAS, the Project Plan, as amended, **[does][does not]** contemplate the funding of essential public improvements; and

WHEREAS, it is more likely than not that the private investments referenced in the Project Plan, as amended, **[will][will not]** occur within the proposed North Side Improvement District without the public improvements and development financing assistance specified in such plan.

NOW, THEREFORE, BE IT RESOLVED BY THE REVIEW COMMITTEE THAT THE FOLLOWING RECOMMENDATIONS AND FINDINGS BE MADE TO THE CITY COUNCIL OF THE CITY OF MIDWEST CITY, OKLAHOMA, IN REGARD TO THE PROPOSED INCREMENT DISTRICT NUMBER THREE, CITY OF MIDWEST CITY, OKLAHOMA, AND THE PROJECT PLAN, AS AMENDED BY THE FIRST AMENDMENT TO PROJECT PLAN RELATING THERETO:

SECTION I. FINDINGS AND RECOMMENDATIONS WITH RESPECT TO THE CONDITIONS ESTABLISHING THE ELIGIBILITY OF THE NORTH SIDE IMPROVEMENT DISTRICT AND THE PROJECT PLAN. The Review Committee hereby finds that that no portion of the North Side Improvement District, as set forth in Exhibit “A” attached hereto, is to be changed by the First Amendment to Project Plan, and that such area **[does][does not]** still qualify as a “Reinvestment Area” as defined in Section 853.17 of the Local Development Act due to the fact that it is an area requiring public improvements to reverse economic stagnation or decline, to serve as a catalyst for retaining or expanding employment, to attract major investment in the area, or to preserve or enhance the tax base or in which fifty percent (50%) or more of the structures in the area have an age of thirty-five (35) years or more. Therefore, the Review Committee finds that the North Side Improvement District **[does remain][does not remain]** eligible for designation as a tax increment district.

SECTION II. FINDINGS AND RECOMMENDATIONS WITH RESPECT TO THE APPROPRIATENESS OF THE APPROVAL OF THE PROPOSED PLAN AND PROJECT.

A. The Review Committee has considered the Project Plan, as amended by the First Amendment to Project Plan, and hereby finds that the provisions of the Project Plan, as amended, **[do] [do not]** meet the following legislative guidelines set forth in Section 852 of the Local Development Act:

1. Investment, development and economic growth are difficult within the boundaries of the North Side Improvement District, but possible if the tax increment financing provisions of the Local Development Act are available.
2. That the North Side Improvement District does not encompass an area where investment, development and economic growth would occur without the assistance of public funds.
3. That the undertaking of the projects described in the Project Plan will not supplant or replace normal public functions and services.
4. That the purposes set forth in the Project Plan for the North Side Improvement District work in conjunction with the governing body’s locally implemented economic development plans.
5. That the North Side Improvement District does not have boundaries that dissect a similar area and does not create an unfair competitive advantage.

6. That the project contemplates the need for residential and neighborhood treatments, and capital improvements to neighborhood public schools, as well as commercial/industrial development.

7. That where possible, partial credits or credits that do not utilize the full time-frame allowed be pursued.

8. That the maximum effort has been made to allow full public knowledge and participation in the use of the Local Development Act in connection with the preparation and adoption of the Project Plan, as amended.

9. That the Project Plan, as amended, contemplates the conservation, preservation, and rehabilitation of existing improvements within the North Side Improvement District; that demolition, clearance and relocation is minimized except for structures necessary for the undertaking of the projects referenced in the Project Plan, as amended.

10. That the Project Plan, as amended, upon adoption by the Governing Body, develops and applies clear standards, criteria and threshold limits that are applicable to all similar property and areas that the Project Plan, as amended, contains protection against nearby relocations to utilize incentives.

B. The Review Committee further finds that contemplated private and public projects described in the Project Plan, as amended, **[will] [will not]** enhance the value of other real property located within the North Side Improvement District as well as effectuating the increase of employment opportunities within said district.

C. The Review Committee further finds that the aggregate net assessed value of all taxable property in all increment districts, as determined pursuant to Section 856(B)(4)(d) of the Local Development Act, within City of Midwest City, **[does][does not]** exceed 25% of the total net assessed value of taxable property within City of Midwest City, Oklahoma.

D. The Review Committee further finds that the aggregate net assessed value of the taxable property in all increment districts, as determined pursuant to Section 856(B)(4)(f) of the Local Development Act, within the City of Midwest City **[does][does not]** not exceed 25% of the total assessed net value of any affected school districts located within the City of Midwest City.

E. The Review Committee further finds that the land area of all increment districts within the City of Midwest City **[does][does not]** exceed 25% of the total land area of the City of Midwest City.

F. Based on the foregoing, the Review Committee finds that the Project Plan, as amended, and the projects therein are appropriate under the provisions of the Local Development Act, and the approval of the Project Plan, as amended, by the Governing Body is hereby recommended.

F. Based on the foregoing, the Review Committee finds that the Project Plan, as amended, and the projects therein **[are][are not]** appropriate under the provisions of the Local Development

Act, and the approval of the Project Plan by the Governing Body is hereby **[recommended][not recommended]** **[recommended with the following conditions:**

- 1.** _____
- 2.** _____
- 3.** _____].

SECTION III. REPORT OF FINANCIAL IMPACT.

A. The Review Committee has reviewed estimates of the incremental ad valorem (real and business personal) taxes which will likely result from the establishment of the North Side Improvement District. The analysis used to project revenues over the life of the Project Plan, as amended, and the impact of the North Side Improvement District on the taxing entities are attached hereto as Exhibits “C” and “D”, respectively.

B. The Review Committee finds that the current property tax revenues collected within the North Side Improvement District will continue to be apportioned to the taxing entities. The Committee also finds that dedicating ad valorem taxes to the North Side Improvement District apportionment fund for twenty (20) years **[is][is not]** desirable to serve as a catalyst for retaining or expanding employment, or to attract major investment in the area or to preserve or enhance the tax base as it **[will][will not]** benefit the proposed North Side Improvement District and thereby eventually **[will][will not]** result in substantial increased ad valorem tax revenues to the taxing jurisdictions at the completion of the Project Plan, as amended,.

C. The Review Committee analyzed the financial impact to each taxing entity by reference to the individual taxing districts established by the County, which are located within the North Side Improvement District, to-wit: Taxing District No. 74, Taxing District No. 89, Taxing District No. 274, Taxing District No. 589 and Taxing District No. 674. However, the Review Committee finds that property located within Taxing District Nos. 89, 274 and 674 will likely not be impacted by the Projects described in the Project Plan, as amended. The Review Committee further finds the financial impact on each of the taxing jurisdictions within the North Side Improvement District to be as follows:

1. **CITY OF MIDWEST CITY, OKLAHOMA.** Within Taxing Districts Nos. 74, 89, 274, 589 and 674, the City of Midwest City, Oklahoma (the “City”) currently levies ad valorem taxes at varying rates from year to year, to pay principal and interest on the City’s outstanding General Obligation indebtedness (within this section, the “Sinking Fund Revenues”).

Sinking Fund Revenues: The establishment of the proposed North Side Improvement District does not alter the City’s legal obligation under its General Obligation Bonds, and will likely not affect the City’s ability to raise sufficient Sinking Fund Revenues to repay such debt. Thus, no adverse financial impact on City’s Sinking Fund Revenues is expected.

2. OKLAHOMA COUNTY, OKLAHOMA: Within Taxing Districts Nos. 74, 89, 274, 589 and 674, Oklahoma County, Oklahoma (the “County”) currently levies: (a) ad valorem taxes (at varying rates from year to year) to pay principal and interest on the County’s outstanding General Obligation indebtedness (within this section, the “Sinking Fund Revenues); and (b) ad valorem taxes equal to 10.35 mills to support general county government (within this section, the “General Fund Revenues”).

Sinking Fund Revenues: The amendment of the North Side Improvement District does not alter the County’s legal obligation under its General Obligation Bonds, and will likely not affect the County’s ability to raise sufficient Sinking Fund Revenues to repay such debt. Thus, no adverse financial impact on the Sinking Fund Revenues is expected.

General Fund Revenues. As all of the General Fund Revenues that are currently being generated within the proposed North Side Improvement District will continue to accrue to the County, no diminishment of the County’s General Fund Revenues will likely result from the establishment of the proposed North Side Improvement District. With regard to future General Fund Revenues, the maximum annual and total incremental revenues generated from the County’s 10.35 mill levy and used to pay “project costs” are estimated to be \$111,740 and \$1,059,337, respectively. However, because substantially all of the incremental General Fund Revenues generated from new private investment, **[would] [would not]** have accrued without the construction of the projects listed in the Project Plan, as amended, **[no significant][significant]** adverse financial impact on the County General Fund Revenue is expected.

3. OKLAHOMA CITY/COUNTY HEALTH DEPARTMENT: Within Taxing Districts Nos. 74, 89, 274, 589 and 674, the Oklahoma City/County Health Department (“OCCHD”) currently levies ad valorem taxes equal to 2.59 mills to support the operational activities of the OCCHD (within this section, the “General Fund Revenues”).

General Fund Revenues. As all of the General Fund Revenues that are currently being generated within the proposed North Side Improvement District will continue to accrue to OCCHD, no diminishment of OCCHD’s General Fund Revenues will likely result from the amendment of the North Side Improvement District. With regard to future General Fund Revenues, the maximum annual and total incremental revenues generated from OCCHD’s 2.59 mill levy and used to pay “project costs” are estimated to be \$27,962 and \$265,090, respectively. However, because substantially all of the incremental General Fund Revenues generated from new private investment **[would] [would not]** have accrued without the construction of the projects listed in the Project Plan, as amended, **[no significant][significant]** adverse financial impact on OCCHD’s General Fund Revenue is expected.

4. METROPOLITAN LIBRARY SYSTEM. Within Taxing Districts Nos. 74, 89, 274, 589 and 674, the Metropolitan Library System (“MLS”) currently levies ad valorem taxes

equal to 5.20 mills to support general county government (within this section, the “General Fund Revenues”).

General Fund Revenues. As all of the General Fund Revenues that are currently being generated within the North Side Improvement District will continue to accrue to MLS, no diminishment of MLS’ General Fund Revenues will likely result from the amendment of the North Side Improvement District. With regard to future General Fund Revenues, the maximum annual and total incremental revenues generated from MLS’ 5.20 mill levy and used to pay “project costs” are estimated to be \$56,140 and \$532,227, respectively. However, because substantially all of the incremental General Fund Revenues generated from new private investment **[would] [would not]** have accrued without the construction of the projects listed in the Project Plan, as amended, **[no significant][significant]** adverse financial impact on MLS’ General Fund is expected.

5. ROSE STATE COLLEGE/TECHNICAL AREA EDUCATION DISTRICT. Within Taxing Districts Nos. 589 and 674, the Rose State College/Technical Area Education District (“RSD”) currently levies: (a) ad valorem taxes (at varying rates from year to year) to pay principal and interest on RSD’s outstanding General Obligation indebtedness (within this section, the “Sinking Fund Revenues); (b) ad valorem taxes equal to 5.17 mills to finance a portion of the capital needs of RSD (the “Building Fund Revenues”); and (c) ad valorem taxes equal to 10.34 mills to support the operational activities of RSD’s college and technical education programs (within this section, the “General Fund Revenues”).

Sinking Fund Revenues: The amendment of the North Side Improvement District does not alter RSD’s legal obligation under its General Obligation Bonds, and will likely not affect RSD’s ability to raise sufficient Sinking Fund Revenues to repay such debt. Thus, no adverse financial impact on the Sinking Fund Revenues is expected.

Building Fund Revenues: As all of the Building Fund Revenues that are currently being generated within the North Side Improvement District will continue to accrue to RSD, no diminishment of RSD’s Building Fund Revenues will likely result from the amendment of the North Side Improvement District. With regard to future Building Fund Revenues, the maximum annual and total incremental revenues generated and apportioned from RSD’s 5.17 mill levy and used to pay “project costs” are estimated to be \$6,766 and \$46,479, respectively. However, because substantially all of the incremental Building Fund Revenues generated from new private investment **[would] [would not]** have accrued without the construction of the projects listed in the Project Plan, as amended, **[no significant][significant]** adverse financial impact on the Building Fund Revenue is expected.

General Fund Revenues. As all of the General Fund Revenues that are currently being generated within the North Side Improvement District will continue to accrue to RSCD, no diminishment of the General Fund Revenues will likely result from the amendment of the North Side Improvement District. With regard to future

General Fund Revenues, the maximum annual and total incremental revenues generated from RSD’s 10.34 mill levy and used to pay “project costs” are estimated to be \$13,531 and \$92,957, respectively. However, because substantially all of the incremental General Fund Revenues generated from new private investment, **[would][would not]** have accrued without the construction of the projects listed in the Project Plan, as amended, **[no significant][significant]** adverse financial impact on the General Fund Revenue is expected.

6. VOCATIONAL-TECHNICAL SCHOOL DISTRICT NO. 22: Within Taxing District No. 89, Vocational-Technical School District No. 22 (“Metro Technology District”) currently levies: (a) ad valorem taxes (at varying rates from year to year) to pay principal and interest on Metro Technology District’s outstanding General Obligation indebtedness (within this section, the “Sinking Fund Revenues); (b) ad valorem taxes equal to 5.15 mills to finance a portion of the capital needs of the Metro Technology District (the “Building Fund Revenues”); and (c) ad valorem taxes equal to 10.30 mills to support the educational activities of the Metro Technology District (the “General Fund Revenues”)

Sinking Fund Revenues: The amendment of the North Side Improvement District does not alter the Metro Technology District’s legal obligation under its General Obligation Bonds, and will likely not affect the Metro Technology District’s ability to raise sufficient Sinking Fund Revenues to repay such debt. Thus, no adverse financial impact on the Sinking Fund Revenues is expected.

Building Fund Revenues: As all of the Building Fund Revenues that are currently being generated within the North Side Improvement District will continue to accrue to the Metro Technology District, no diminishment of the Metro Technology District’s Building Fund Revenues will likely result from the amendment of the proposed North Side Improvement District. With regard to future Building Fund Revenues, the maximum annual and total incremental revenues generated and apportioned from RSD’s 5.15 mill levy and used to pay “project costs” are estimated to be minimal. However, because substantially all of the incremental Building Fund Revenues generated from new private investment **[would][would not]** not have accrued without the construction of the projects listed in the Project Plan, as amended, **[no significant][significant]** adverse financial impact on the Building Fund Revenue is expected.

General Fund Revenues: As all of the General Fund Revenues that are currently being generated within the North Side Improvement District will continue to accrue to Metro Technology District, no diminishment of the Metro Technology District’s General Fund Revenues will likely result from the amendment of the North Side Improvement District. With regard to future General Fund Revenues, the maximum annual and total incremental revenues generated from Metro Technology District’s 10.30 mill levy and used to pay “project costs” are estimated to be minimal. However, because substantially all of the incremental General Fund Revenues generated from new private investment**[would][would not]** have accrued without the construction of the projects listed in the Project Plan, as amended, **[no**

significant][significant] adverse financial impact on the Metro Technology District's General Fund is expected.

7. CRUTCHO PUBLIC SCHOOL DISTRICT: Within Taxing District Nos. 74, 274 and 674, Dependent School District No. 74, Oklahoma County, Oklahoma (the "Crutcho Public School District") currently levies: (a) ad valorem taxes (at varying rates from year to year) to pay principal and interest on the Oklahoma Public School District's outstanding General Obligation indebtedness (within this section, the "Sinking Fund Revenues); (b) ad valorem taxes equal to 5.08 mills to finance a portion of the capital needs of the school district (the "Building Fund Revenues"); and (c) ad valorem taxes equal to 35.54 mills to support the operational activities of the Crutcho Public School District (within this section, the "General Fund Revenues"). Also, additional ad valorem taxes equal to 4.14 mills are levied county-wide to support the operational activities of all public schools in Oklahoma County, and distributed on the basis of the legal average daily attendance for the preceding school year as certified by the State Board of Education (such revenues being referred to herein as the "County Levy Revenues").

Sinking Fund Revenues: The amendment of the North Side Improvement District does not alter the Crutcho Public School District's legal obligation under its General Obligation Bonds, and will likely not affect the Crutcho Public School District's ability to raise sufficient Sinking Fund Revenues to repay such debt. Thus, no adverse financial impact on the Crutcho Public School District's Sinking Fund Revenues is expected.

Building Fund Revenues: As all of the Building Fund Revenues that are currently being generated within the proposed North Side Improvement District will continue to accrue to the Crutcho Public School District, no diminishment of the Crutcho Public School District's Building Fund Revenues will likely result from the amendment of the North Side Improvement District. With regard to future Building Fund Revenues, the maximum annual and total incremental revenues generated and apportioned from the Crutcho Public School District's 5.08 mill levy and used to pay "project costs" are estimated to be \$48,196 and \$474,276, respectively. However, because substantially all of the incremental Building Fund Revenues generated from new private investment **[would][would not]** have accrued without the construction of the projects listed in the Project Plan, as amended, **[no significant][significant]** adverse financial impact on the Crutcho Public School District's Building Fund Revenue is expected.

General Fund Revenues and County Levy Revenues: As all of the General Fund Revenues and County Levy Revenues that are currently being generated within the proposed North Side Improvement District (and allocated to the Crutcho Public School District) will continue to accrue to the Crutcho Public School District, no significant diminishment of the Crutcho Public School District's General Fund Revenues or County Levy Revenues will likely occur. With regard to future General Fund Revenues, the maximum annual and total incremental revenues generated from the Crutcho Public School District's 35.54 mill levy are estimated

to be \$337,185 and \$3,318,062, respectively. However, General Fund Revenues are predominantly impacted by changes in funding from the State of Oklahoma's "State Aid Fund", as provided in Title 70, Sections 18-101 et seq. of the Oklahoma Statutes (such revenues being referred to herein as the "State Aid Revenues"). Under these provisions, increases in the net assessed valuation of a school district are almost entirely offset by reductions in the amount of State Aid Revenue contributed by the State of Oklahoma. Therefore, the inclusion or omission of the net assessed valuation of the new private investment generated within the proposed North Side Improvement District would not substantially increase or decrease the net amount of General Fund Revenues available to the Crutchfield Public School District.

8. OKLAHOMA CITY PUBLIC SCHOOL DISTRICT: Within Taxing District Nos. 89 and 589, Independent School District No. 89, Oklahoma County, Oklahoma (the "Oklahoma City Public School District") currently levies: (a) ad valorem taxes (at varying rates from year to year) to pay principal and interest on the Oklahoma Public School District's outstanding General Obligation indebtedness (within this section, the "Sinking Fund Revenues"); (b) ad valorem taxes equal to 5.14 mills to finance a portion of the capital needs of the school district (the "Building Fund Revenues"); and (c) ad valorem taxes equal to 35.96 mills to support the operational activities of the Oklahoma City Public School District (within this section, the "General Fund Revenues"). Also, additional ad valorem taxes equal to 4.14 mills are levied county-wide to support the operational activities of all public schools in Oklahoma County, and distributed on the basis of the legal average daily attendance for the preceding school year as certified by the State Board of Education (such revenues being referred to herein as the "County Levy Revenues").

Sinking Fund Revenues: The amendment of the North Side Improvement District does not alter the Oklahoma City Public School District's legal obligation under its General Obligation Bonds, and will likely not affect the Oklahoma City Public School District's ability to raise sufficient Sinking Fund Revenues to repay such debt. Thus, no adverse financial impact on the Oklahoma City Public School District's Sinking Fund Revenues is expected.

Building Fund Revenues: As all of the Building Fund Revenues that are currently being generated within the North Side Improvement District will continue to accrue to the Oklahoma City Public School District, no diminishment of the Oklahoma City Public School District's Building Fund Revenues will likely result from the amendment of the North Side Improvement District. With regard to future Building Fund Revenues, the maximum annual and total incremental revenues generated and apportioned from the Oklahoma City Public School District's 5.14 mill levy and used for debt service are estimated to be \$6,726 and \$46,209, respectively. However, because substantially all of the incremental Building Fund Revenues generated from new private investment **[would][would not]** have accrued without the construction of the projects listed in the Project Plan, as amended, **[no significant][significant]** adverse financial impact on the Oklahoma City Public School District's Building Fund Revenue is expected.

General Fund Revenues and County Levy Revenues: As all of the General Fund Revenues and County Levy Revenues that are currently being generated within the North Side Improvement District (and allocated to the Oklahoma City Public School District) will continue to accrue to the Oklahoma City Public School District, no significant diminishment of the Oklahoma City Public School District's General Fund Revenues or County Levy Revenues will likely occur. With regard to future General Fund Revenues, the maximum annual and total incremental revenues generated from the Oklahoma City Public School District's 35.96 mill levy are estimated to be \$47,058 and \$323,283, respectively. However, General Fund Revenues are predominantly impacted by changes in funding from the State of Oklahoma's "State Aid Fund", as provided in Title 70, Sections 18-101 et seq. of the Oklahoma Statutes (such revenues being referred to herein as the "State Aid Revenues"). Under these provisions, increases in the net assessed valuation of a school district are almost entirely offset by reductions in the amount of State Aid Revenue contributed by the State of Oklahoma. Therefore, the inclusion or omission of the net assessed valuation of the new private investment generated within the North Side Improvement North Side Improvement District would not substantially increase or decrease the net amount of General Fund Revenues available to the Oklahoma City Public School District.

D. The Review Committee further finds the financial impact on business activities within the North Side Improvement District to be, as follows:

The Review Committee expects the construction of the projects described in the Project Plan, as amended, will enhance business activities within the North Side Improvement District.

ADOPTED this ____ day of July, 2023.

MIDWEST CITY LOCAL DEVELOPMENT ACT
REVIEW COMMITTEE

PAT BYRNE, Chairman

EXHIBIT "A"

LEGAL DESCRIPTION OF
INCREMENT DISTRICT NUMBER THREE,
CITY OF MIDWEST CITY, OKLAHOMA
(NORTH SIDE IMPROVEMENT DISTRICT)

The North Side Improvement District is a tract located in Sections 15, 22, 24, 25, 26 and 27, Township 12 North Range 2 West, more particularly described as follows:

BEGINNING at the Southeast Corner of the Southwest Quarter of Section 15, Township 12 North, Range 2 West of the Indian Meridian; THENCE, north along the East line of the Southwest Quarter to the Northeast Corner of said Southwest Quarter of Section 15; THENCE, west along the North line of said Southwest Quarter a distance of approximately 700 feet; THENCE, Southwesterly to a point on the West line of the East half of said Southwest Quarter that is 1,900 feet north of the Southwest Corner of said Southwest Quarter; THENCE, south along the West line of the East half of the Southwest Quarter to the Southwest Corner of the Southeast Quarter of the Southwest Quarter; THENCE, west along the North line of Section 22 a distance of approximately 290 feet to a point of intersection with the North line of the Railroad Right-of-Way; THENCE, southwesterly along the West line of the Railroad Right-of-Way to a point where the West line of the Railroad Right-of-Way intersects with the East Right-of-Way line of Air Depot Boulevard; THENCE, south along the East Right-of-Way line of Air Depot Boulevard to a point where the East Right-of-Way line intersects with the North line of Section 27; THENCE, south along the East Right-of-Way line of Air Depot Boulevard a distance of 330 feet; THENCE, east and parallel with the North line of said Section 27 a distance of 315 feet to the intersection of such line with the centerline of Crutch Creek; THENCE, south and southeasterly along the centerline of Crutch Creek to a point where the centerline of Crutch Creek intersects with the East line of the East half of Section 27, said intersection being approximately 895 feet south of the North line of Section 27; THENCE, south along the East line of the East half of Section 27 to the Southwest Corner of the Northwest Quarter of Section 27; THENCE, east along the South line of the North half of Section 27 to a point where such line intersects the North line of the Railroad Right-of-Way; THENCE, northeasterly along said North line of the Railroad Right-of-Way to the Southeast Corner of Lot 11, Block 3 in the KANALY'S NORTHEAST 23RD STREET ADDITION; THENCE, north along the West line of said Lot 11, Block 3 to the Northwest Corner of Lot 11, Block 2 of KANALY'S NORTHEAST 23RD STREET ADDITION; THENCE, east along the North line of KANALY'S NORTHEAST 23RD STREET ADDITION to a point which is 427 feet west of the East line of the Northeast Quarter of Section 27; THENCE, north 306 feet along the East line of said Northeast Quarter; THENCE, west and parallel to the South line of said Northeast Quarter a distance of 219 feet; THENCE, north and parallel to the East line of said Northeast Quarter approximately 200 feet to the centerline of Soldier Creek; THENCE, northeasterly along said centerline approximately 678 feet to the East line of Section 27; THENCE, north along the East line of Section 27 to a point which is approximately 413 feet south of the Northeast Corner of

Section 27; THENCE, easterly and parallel to the North line of Section 26 to a point which is 420.1 feet east of the West line of Section 26 and 413 feet south of the North line of Section 26; THENCE, south and parallel to the West line of Section 26 a distance of 213 feet; THENCE, east and parallel to the North line of Section 26 where such line intersects with the West line of Block 4 of the DICKSON HEIGHTS ADDITION; THENCE, south along the West line of the DICKSON HEIGHTS ADDITION to the Southwest Corner of Block 4 of the DICKSON HEIGHTS ADDITION; THENCE, east along the South line of Blocks 4 and 5 of the DICKSON HEIGHTS ADDITION to the Southeast Corner of said Block 5; THENCE, north along the East line of Block 5 of the DICKSON HEIGHTS ADDITION to a point that is 100 feet north of the Southeast corner of Block 2 of the DICKSON HEIGHTS ADDITION; THENCE, east and parallel to the South line of Block 1 of the DICKSON HEIGHTS ADDITION to a point where such line intersects with the East Right-of-Way line of Spencer Rd.; THENCE, south along the East Right-of-Way line of Spencer Rd. a distance of 100 feet; THENCE, east and parallel to the North line of Section 26 to a point which is 515 feet west of the East line of Section 26; THENCE, south and parallel to the East line of Section 26 a distance of 259.75 feet; THENCE, east and parallel to the North line of Section 26 a distance of 465 feet; THENCE, north and parallel to the East line of Section 26 a distance of 85 feet; THENCE, east and parallel to the North line of Section 26 to a point on the East Right-of-Way line of Section 26; THENCE, north along the East line of Section 26 to a point which is 225 feet south of the North line of Douglas Blvd.; THENCE, east and parallel to the North line of Section 26 and Section 25 a distance of 367 feet; THENCE, south and parallel to the West line of Section 25 a distance of 40 feet; THENCE, east and parallel to the North line of Section 25 a distance of 170 feet; THENCE, south and parallel to the West line of Section 25 a distance of 230 feet; THENCE, east and parallel to the North line of Section 25 a distance of 122.36 feet; THENCE, south and parallel to the West line of Section 25 a distance of 165 feet; THENCE, east and parallel to the North line of Section 25 to a point on the West Right-of-Way line of Randolph Ave.; THENCE, north and parallel to the West line of Section 25 a distance of 70 feet; THENCE, east and parallel to the North line of Section 25 to the Southwest Corner of Block 3, Lot 13 of KANALY'S SECOND NORTHEAST 23RD STREET ADDITION; THENCE, east along the South line of said Lot 13 to the Southeast Corner of said Lot 13; THENCE, north along the East line of Lots 13, 12, 11 & 10 of Block 3 of KANALY'S SECOND NORTHEAST 23RD STREET ADDITION to a point on the South line of Lot 5 of Block 3 of KANALY'S SECOND NORTHEAST 23RD STREET ADDITION; THENCE, east along the South line of Lots 5, 4, 3, 2 and 1 to the Southeast Corner of Lot 1 of Block 3 of KANALY'S SECOND NORTHEAST 23RD STREET ADDITION; THENCE, east from the Southeast corner of Block 3, Lot 1 KANALY'S SECOND NORTHEAST 23RD STREET ADDITION a distance of approximately 50 feet to the Southwest Corner of Block 2, Lot 4 of KANALY'S SECOND NORTHEAST 23RD STREET ADDITION; THENCE, east along the South line of Lots 4, 3, 2, and 1 of Block 2 KANALY'S SECOND NORTHEAST 23RD STREET ADDITION to the Southeast Corner of Block 2, Lot 1 of KANALY'S SECOND NORTHEAST 23RD STREET ADDITION; THENCE, east a distance of approximately 50 feet to the Southwest Corner of Block 1, Lot 4 KANALY'S SECOND NORTHEAST 23RD STREET ADDITION; THENCE, south a distance of 75 feet to the Southwest Corner of Lot 5 of Block 1 of KANALY'S SECOND NORTHEAST 23RD STREET

ADDITION; THENCE, east along the South line of Lot 5 of Block 1 of KANALY'S SECOND NORTHEAST 23RD STREET ADDITION to the Southeast corner of said Lot 5; THENCE, east and parallel to the North line of Section 25 to a point on the West line of Block 4 of MINTON'S ORCHARD PARK ADDITION; THENCE, south along the West line of Block 4 of MINTON'S ORCHARD PARK ADDITION to a point which is 475 feet south of the Northwest Corner of said Block 4; THENCE, east and parallel to the North line of Block 4 of MINTON'S ORCHARD PARK ADDITION a distance of 165 feet; THENCE, south and parallel to the West line of Block 4 of MINTON'S ORCHARD PARK ADDITION a distance of 160 feet; THENCE, east and parallel to the North line of Block 4 of MINTON'S ORCHARD PARK ADDITION a distance of 99 feet; THENCE, south to a point on the centerline of N.E. 19th Street; THENCE, east along the centerline of N.E. 19th Street to the Southeast Corner of Block 6 of MINTON'S ORCHARD PARK ADDITION; THENCE, north along the East line of Block 1 of MINTON'S ORCHARD PARK ADDITION a distance of 633.5 feet; THENCE, east and parallel to the North line of Block 2 of MINTON'S ORCHARD PARK ADDITION a distance of 497 feet; THENCE, north and parallel to the East line of Block 2 of MINTON'S ORCHARD PARK ADDITION a distance of 266.5 feet; THENCE, east and parallel to the North line of Blocks 1 and 2 of MINTON'S ORCHARD PARK ADDITION to a point on the East line of said Block 1; THENCE, north along the East line of Block 1 of MINTON'S ORCHARD PARK ADDITION to the Northeast Corner of said Block 1; THENCE, north and parallel to the East line of Section 25 to a point where such line intersects the North line of Section 25; THENCE, west along the North line of Sections 25, 26 and 27 to the Southeast Corner of the Southwest Quarter of the Southwest Quarter of Section 22; THENCE, north along the East line of the Southwest Quarter of the Southwest Quarter of Section 22 to the Northeast Corner of the Southwest Quarter of the Southwest Quarter of Section 22; THENCE, east along the South line of the North Half of the Southwest Quarter of Section 22 to the Southeast Corner of the North Half of the Southwest Quarter of Section 22; THENCE, north along the East line of the West Half of Section 22 to the POINT OF BEGINNING.

EXHIBIT "B"

MAP SHOWING BOUNDARIES OF
 INCREMENT DISTRICT NUMBER THREE,
 CITY OF MIDWEST CITY, OKLAHOMA
(NORTH SIDE IMPROVEMENT DISTRICT)

The following map shows the boundaries of the North Side Improvement District:

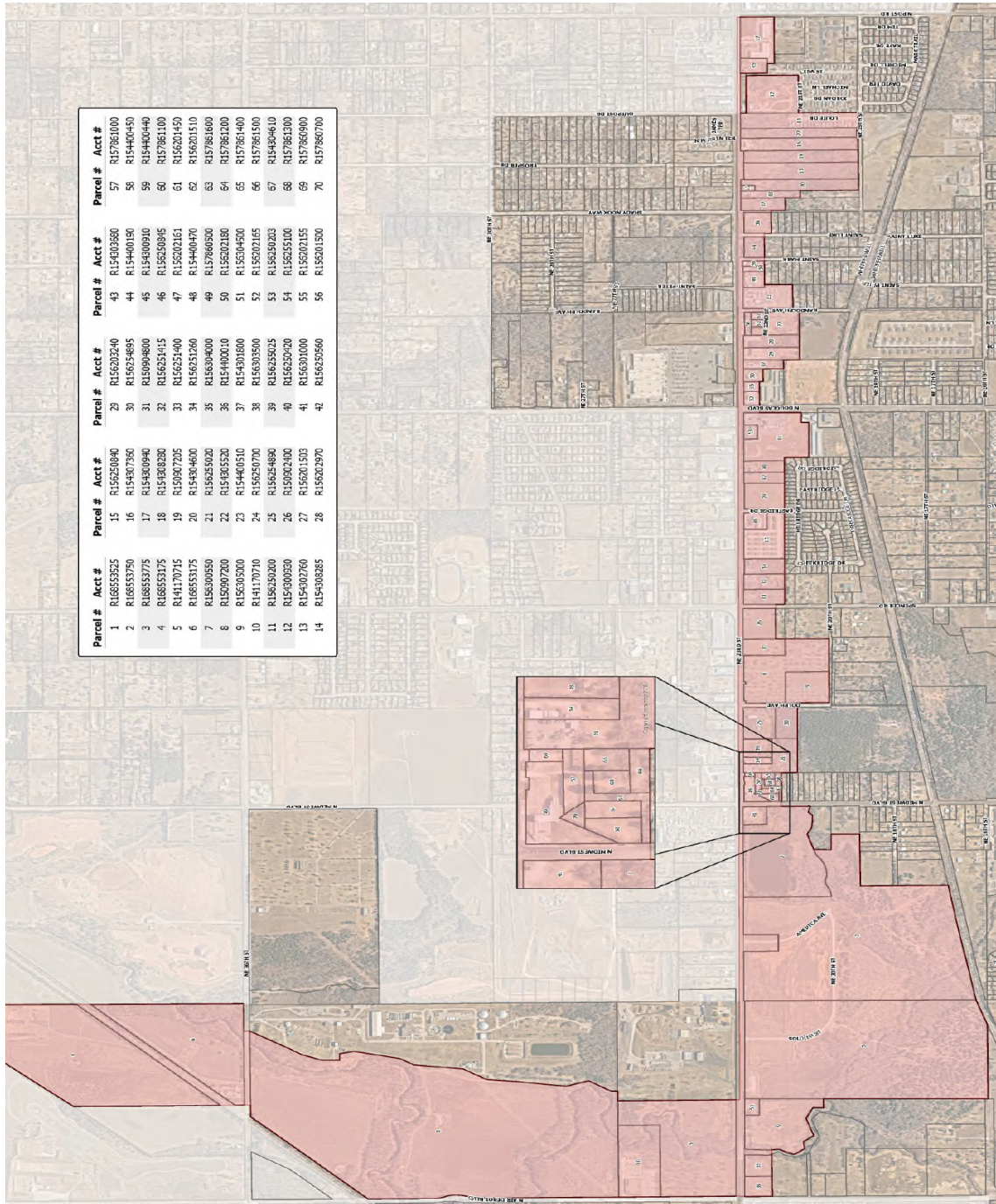


EXHIBIT "C"

ANALYSIS SHOWING PROJECTED INCREMENTAL TAX REVENUES
AND PROJECTED ANNUAL PROJECT COSTS
FOR TAX AND BOND YEARS 2023 THRU 2040
INCREMENT DISTRICT NUMBER THREE, CITY OF MIDWEST CITY, OKLAHOMA
(NORTH SIDE IMPROVEMENT DISTRICT)

EXHIBIT “D”

ANALYSIS OF ESTIMATED FINANCIAL IMPACT ON TAXING ENTITIES
INCREMENT DISTRICT NUMBER THREE, CITY OF MIDWEST CITY, OKLAHOMA
(NORTH SIDE IMPROVEMENT DISTRICT)

EXHIBIT "D"

ANALYSIS OF ESTIMATED FINANCIAL IMPACT ON TAXING ENTITIES

INCREMENT DISTRICT NUMBER THREE, CITY OF MIDWEST CITY, OKLAHOMA
(NORTH SIDE IMPROVEMENT DISTRICT)

(a)	Millage and Percentage By Taxing District						Taxing District No. 74		Taxing District No. 89		Taxing District No. 589		Total of All Taxing Districts	
	Taxing District No. 74	% of Total Levy	Taxing District No. 89	% of Total Levy	Taxing District No. 589	% of Total Levy	Maximum Annual Project Costs	Cumulative Project Costs	Maximum Annual Project Costs	Cumulative Project Costs	Maximum Annual Project Costs	Cumulative Project Costs	Maximum Annual Project Costs	Cumulative Project Costs
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
Project Costs (Includes Annual Share of Administrative Expenses)							\$ 926,642	\$ 9,118,601	\$ -	\$ -	\$ 143,884	\$ 988,459	\$ 1,229,697	\$ 9,940,000
Taxing Entities														
City of Midwest City														
Sinking Fund	9.44	9.665%	9.44	8.398%	9.44	8.586%	\$ 89,562	\$ 881,331	\$ -	\$ -	\$ 12,353	\$ 84,866	\$ 101,915	\$ 966,197
Oklahoma County														
Sinking Fund	0.64	0.655%	0.64	0.569%	0.64	0.582%	\$ 6,072	\$ 59,751	\$ -	\$ -	\$ 838	\$ 5,754	\$ 6,910	\$ 65,505
General Fund	10.35	10.597%	10.35	9.207%	10.35	9.413%	\$ 98,195	\$ 966,290	\$ -	\$ -	\$ 13,544	\$ 93,047	\$ 111,740	\$ 1,059,337
Oklahoma City/County Health Department														
General Fund	2.59	2.652%	2.59	2.304%	2.59	2.356%	\$ 24,573	\$ 241,806	\$ -	\$ -	\$ 3,389	\$ 23,284	\$ 27,962	\$ 265,090
Metropolitan Library System District														
General Fund	5.20	5.324%	5.20	4.626%	5.20	4.729%	\$ 49,335	\$ 485,479	\$ -	\$ -	\$ 6,805	\$ 46,748	\$ 56,140	\$ 532,227
Rose State College Education District														
Sinking Fund					2.67	2.428%					\$ 3,494	\$ 24,004	\$ 3,494	\$ 24,004
Building Fund					5.17	4.702%					\$ 6,766	\$ 46,479	\$ 6,766	\$ 46,479
General Fund					10.34	9.404%					\$ 13,531	\$ 92,957	\$ 13,531	\$ 92,957
Metro Technology District														
Sinking Fund			5.19	4.617%					\$ -	\$ -			\$ -	\$ -
Building Fund			5.15	4.581%					\$ -	\$ -			\$ -	\$ -
General Fund			10.3	9.163%					\$ -	\$ -			\$ -	\$ -
Crutcho Public Schools														
Sinking Fund	24.69	25.279%					\$ 234,246	\$ 2,305,091					\$ 234,246	\$ 2,305,091
Building Fund	5.08	5.201%					\$ 48,196	\$ 474,276					\$ 48,196	\$ 474,276
General Fund	35.54	36.388%					\$ 337,185	\$ 3,318,062					\$ 337,185	\$ 3,318,062
Oklahoma City Public Schools														
Sinking Fund			18.31	16.289%	18.31	16.653%			\$ -	\$ -	\$ 23,961	\$ 164,608	\$ 23,961	\$ 164,608
Building Fund			5.14	4.573%	5.14	4.675%			\$ -	\$ -	\$ 6,726	\$ 46,209	\$ 6,726	\$ 46,209
General Fund			35.96	31.990%	35.96	32.706%			\$ -	\$ -	\$ 47,058	\$ 323,283	\$ 47,058	\$ 323,283
Oklahoma County School Levy	4.14	4.239%	4.14	3.683%	4.14	3.765%	\$ 39,278	\$ 386,516	\$ -	\$ -	\$ 5,418	\$ 37,219	\$ 44,696	\$ 423,735
Totals	97.67	100%	112.41	100%	109.95	100%	\$ 926,642	\$ 9,118,601	\$ -	\$ -	\$ 143,884	\$ 988,459	\$ 1,070,526	\$ 10,107,060