

ORDINANCE NO. 3407

AN ORDINANCE APPROVING AND ADOPTING THE STILLWATER (RE)INVESTMENT PLAN (A STILLWATER DOWNTOWN/CAMPUS LINK PROJECT PLAN) PURSUANT TO THE OKLAHOMA LOCAL DEVELOPMENT ACT; DESIGNATING AND ADOPTING PROJECT AREA AND INCREMENT DISTRICT BOUNDARIES; ESTABLISHING A DATE FOR THE CREATION OF INCREMENT DISTRICT NO. 3, CITY OF STILLWATER; ADOPTING CERTAIN FINDINGS; AUTHORIZING THE CITY OF STILLWATER TO CARRY OUT AND ADMINISTER THE PROJECT PLAN; ESTABLISHING A TAX APPORTIONMENT FUND; DECLARING APPORTIONED FUNDS TO BE SPECIAL FUNDS OF THE CITY OF STILLWATER OR THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY; AUTHORIZING THE USE OF INCREMENT REVENUES FOR THE FINANCING OR PAYMENT OF CERTAIN PROJECT COSTS; AUTHORIZING THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY TO CARRY OUT CERTAIN PROVISIONS OF THE PROJECT PLAN; RATIFYING AND CONFIRMING THE ACTIONS, RECOMMENDATIONS AND FINDINGS OF THE REVIEW COMMITTEE AND THE STILLWATER PLANNING COMMISSION; DIRECTING CONTINUING APPORTIONMENT; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY

WHEREAS, the City of Stillwater, Oklahoma (“City”) has prepared the proposed Stillwater (Re)Investment Plan (A Stillwater Downtown/Campus Link Project Plan) (“Project Plan”) in accordance with the Oklahoma Local Development Act, 62 O.S. §850, *et seq.* (“Act”); and

WHEREAS, the purpose of the Project Plan is to help the City achieve its development objectives by authorizing the appropriate and necessary public support and assistance for the development and enhancement of downtown Stillwater and the Corridor Redevelopment Area, as a special and unique place within Stillwater to live, work, shop, and play (“Project”); and

WHEREAS, the Project Plan supports the City’s efforts to achieve its development objectives, improve the quality of life for its citizens, stimulate private investment, and enhance the tax base, thereby making possible investment that would be difficult without the adoption of the Project Plan and the apportionment of incremental ad valorem and sales tax revenues; and

WHEREAS, the Stillwater Downtown/Campus Link Project Plan Review Committee (“Review Committee”), comprised of a representative of the City, a representative of the Stillwater Planning Commission (“Planning Commission”), representatives of each of the affected taxing jurisdictions (including Payne County, Stillwater Planning Commission, Stillwater Public Schools, Payne County Health Department, and Meridian Technology Center) and three members of the public at large, one of whom is a representative of the business community in the City of Stillwater, has reviewed the Project Plan; and

WHEREAS, the Review Committee has reviewed the proposed Project Area and the proposed ad valorem and sales tax Increment District No. 3, the City of Stillwater (as defined in Section 6 of this ordinance) (“Increment District No. 3”), in accordance with the criteria specified in the Act and has determined that Increment District No. 3 is eligible for designation as an increment district and for development under the Act and that the financial impacts on the affected taxing jurisdictions and business activities from implementation of the Project Plan are positive; and

WHEREAS, the Review Committee has adopted its findings and recommends to the City Council the approval of the Project Plan, including Increment District No. 3; and

WHEREAS, the Planning Commission has determined that the Project Plan conforms to the Comprehensive Plan and is desirable; and

WHEREAS, the Planning Commission has adopted a resolution recommending to the City Council the approval of the Project Plan, including Increment District No. 3; and

WHEREAS, the Project Area and Increment District No. 3, which share the same boundaries, are within a state designated enterprise zone and therefore meet the definition of an enterprise area as defined by the Act; and

WHEREAS, the Project Area and Increment District No. 3, which share the same boundaries, meet the definition of a reinvestment area as defined by the Act; and

WHEREAS, the projected investment and development are difficult, but possible, within the Project Area and Increment District No. 3 if the Project Plan is adopted and implemented; and

WHEREAS, tax increment financing is a necessary component in generating economic development in the Project Area and Increment District No. 3; and

WHEREAS, the apportioned increment revenues derived from Increment District No. 3 will be used to finance eligible project costs contained in Section VIII of the Project Plan; and

WHEREAS, the establishment of the Increment District No. 3 will work in conjunction with existing programs and other locally implemented economic development efforts in order to encourage economic development in the Project Area; and

WHEREAS, the Project is expected to generate substantial new investment within Increment District No. 3 and to stimulate additional indirect economic benefits outside of Increment District No. 3 which would not occur without the Project; and

WHEREAS, the Project Plan provides tools which will supplement and not supplant or replace normal public functions and services; and

WHEREAS, the boundaries of the Increment District No. 3 do not dissect any similar area nor create an unfair competitive advantage; and

WHEREAS, maximum effort has been made to allow full public knowledge and participation in the application of the Act in the review and approval of the Project Plan; and

WHEREAS, all required notices have been given and all required hearings have been held in connection with the Project Plan, as prescribed by the Act, the Oklahoma Open Meetings Act, 25 O.S. §301, *et seq.*, and other applicable law; and

WHEREAS, pursuant to said notice, all persons present were given an opportunity to be heard for and against the Project Plan; and

WHEREAS, the City retains the right, pursuant to the Act, to make minor amendments to the Project Plan; and

WHEREAS, implementation of the Project Plan will be facilitated by authorizing the Stillwater Economic Development Authority, a public trust, or other entity designated by the City, to issue tax apportionment notes and to incur project costs as defined by the Project Plan, to be reimbursed for such costs, and to incur the costs of issuance of such bonds and to accumulate appropriate reserves, if any, in connection therewith; and

WHEREAS, the City deems it appropriate and desirable and in the best interest of the City and its citizens to adopt and approve the Project Plan, including the establishment of Increment District No. 3.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF STILLWATER, OKLAHOMA THAT TO WIT:

SECTION 1. In order to develop the eligible Project Area, the City elects to utilize Article 10, Section 6C of the Constitution of the State of Oklahoma and the Act, which authorize the use of local taxes for specific public investments and assistance in development financing, and which provide for the direction of apportionment of local taxes to plan, finance, and carry out development of unproductive, undeveloped, underdeveloped, or blighted areas as determined by the governing body of a city, town or county.

SECTION 2. The Project Plan is hereby adopted and approved, as recommended by the Stillwater Planning Commission and the Review Committee. As used herein “Stillwater (Re)Investment Plan (A Stillwater Downtown/Campus Link Project Plan” or “Project Plan” shall mean the document dated March 15, 2018, and comprised of one cover sheet, sixteen pages of text, four exhibits labeled Exhibits A, B, C, and D, and titled “Stillwater (Re)Investment Plan (A Stillwater Downtown/Campus Link Project Plan).”

SECTION 3. All actions taken and all recommendations and findings made in connection with the Project Plan by the Planning Commission and the Review Committee are hereby ratified and confirmed, including, but not limited to, designation and selection of representatives to the Review Committee from the City, the Planning Commission, and the public at large, recommendations for approval, findings of conformance with the Comprehensive

Plan, eligibility of Increment District No. 3, and financial impacts upon the affected taxing jurisdictions.

SECTION 4. For identification purposes, the name of the increment district, which is an ad valorem and sales tax increment district, shall be Increment District No. 3, City of Stillwater.

SECTION 5. Increment District No. 3 is hereby created as of the date of the adoption of this ordinance.

SECTION 6. The boundaries of the Project Area and the boundaries of Increment District No. 3 are the same and are shown on Exhibit A of the Project Plan and are hereby designated and adopted as follows:

Project Area and Increment District No. 3
Legal Description

BEGINNING at the intersection of the centerlines of West University Avenue and South Washington Street; THENCE east along the centerline of West University Avenue to the centerline of South Knoblock Street; THENCE north along the centerline of South Knoblock Street to the centerline of West Mathews Avenue; THENCE east along the centerline of West Mathews Avenue to the centerline of North Duck Street; THENCE north along the centerline of North Duck Street to the centerline of West Hall of Fame Avenue; THENCE east along the centerline of West Hall of Fame Avenue to the centerline of North Main Street; THENCE south along the centerline of North Main Street approximately 670 feet; THENCE east approximately 300 feet to a point being the north property line of property addressed as 217 North Main Street; THENCE south approximately 281 feet to a point being the southeast corner of property addressed as 215 North Main Street; THENCE west approximately 75 feet to a point being the northeast corner of property addressed as 207 North Main Street; THENCE south approximately 320 feet to a point being the southeast corner of Lot 2, Block 2, Weaver Addition; THENCE west 23 feet to a point being the southwest corner of Lot 23, Block 2, Weaver Addition; THENCE south approximately 426 feet to the centerline of East Elm Avenue; THENCE continuing south along the centerline of an alley approximately 565 feet to a point in the centerline of East Maple Avenue; THENCE south along the centerline of an alley approximately 615 feet to a point in the centerline of East 3rd Avenue; THENCE east to the intersection of the centerlines of East 3rd Avenue and South Lewis Street; THENCE south along the centerline of South Lewis Street to the intersection of the centerlines of South Lewis Street and East 4th Avenue; THENCE east along the centerline of East 4th Avenue to the intersection of the centerlines of East 4th Avenue and South Lowry Street; THENCE south along the centerline of South Lowry Street to the intersection of the centerlines of South Lowry Street and East 10th Avenue; THENCE west along the centerline of East 10th Avenue to the intersection of the centerlines of East 10th Avenue and South Lewis Street; THENCE south along the centerline of South Lewis Street to the intersection of centerlines of South Lewis Street and East 11th Avenue; THENCE west approximately 200 feet to the centerline of East 11th Avenue; THENCE south along the centerline of the alley approximately 1,500 feet to a point adjacent to Lot 7, Block 8, Barnes Addition; THENCE west approximately 410 feet to the centerline of the alley adjacent to Lot 6, Block 9, Barnes Addition; THENCE north approximately 720 feet to a point in the

centerline of West 13th Avenue; THENCE west along the centerline of West 13th Avenue to the intersection of the centerlines of West 13th Avenue and South Husband Street; THENCE north along the centerline of South Husband Street approximately 320 feet to the centerline of West 12th Avenue; THENCE west along the centerline of West 12th Avenue to the intersection of the centerlines of West 12th Avenue and South Duck Street; THENCE north along the centerline of South Duck Street to a point in the centerline of South Duck Street approximately 118 feet north of the intersection of the centerlines of South Duck Street and West 6th Avenue; THENCE west approximately 402 feet to the centerline of South West Street; THENCE north along the centerline of South West Street approximately 45 feet; THENCE west approximately 187 feet to the centerline of the alley adjacent to Lots 7 & 8, Block 25, College Addition; THENCE north along the centerline of said alley approximately 82 feet to a point adjacent to Lots 21-24, Block 25 College Addition; THENCE west approximately 212 feet to the centerline of South Knoblock Street; THENCE south along the centerline of South Knoblock Street approximately 135 feet; THENCE west approximately 188 feet to the centerline of an alley adjacent to Lot 10, Block 24, College Addition; THENCE north along the centerline of the alley approximately 105 feet to a point in the alley adjacent to Lots 20 & 21, Block 24, College Addition; THENCE west to the centerline of South Hester Street; THENCE south along the centerline of South Hester Street approximately 109 feet; THENCE west approximately 202 feet to a point in the south property line of property addressed as 520 South Hester Street and part of Lot 1, Berry's Block; THENCE north approximately 88 feet to a point; THENCE west approximately 180 feet to a point in the centerline of South Ramsey Street; THENCE north along the centerline of South Ramsey Street approximately 45 feet; THENCE west approximately 368 feet to the centerline of South Washington Street; THENCE west approximately 187 feet to a point on the west property line of property addressed as 514 South Washington Street and Lot 1, Block 16 West College Addition; THENCE north approximately 313 feet to a point at the northwest corner of property addressed as 412 South Washington Street and part of Lots 19-24, Block 9 Tinkers Subdivision West College; THENCE east approximately 50 feet; THENCE north approximately 542 feet to the centerline of West 3rd Avenue; THENCE east along the centerline of West 3rd Avenue to the intersection of West 3rd Avenue and South Washington Street; THENCE north along the centerline of South Washington Street to the POINT OF BEGINNING.

SECTION 7. The City Council hereby finds and determines:

- A. That all of the Project Area, including Increment District No. 3, is within an enterprise area as defined by the Act;
- B. That the Project Area, including Increment District No. 3, is a reinvestment area as defined by the Act;
- C. That the financial impacts of the Project Plan and Project on the affected taxing jurisdictions and business activities within Increment District No. 3 are positive and that the economic benefits for the community as a whole offset any adverse impacts;
- D. That the improvement of the Project Area is likely to enhance the value of other real property in the area and to promote the general public interest;
- E. That the Project Plan complies with the guidelines of 62 O.S. §852;

- F. That the aggregate net assessed value of the taxable property in all increment districts within the City, as determined pursuant to the Act, does not exceed 35% of the total net assessed value of the taxable property within the City;
- G. That the aggregate net assessed value of the taxable property in all increment districts within the City, as determined pursuant to the Act, does not exceed 25% of the total net assessed value of any affected school districts located within the City;
- H. That the land within all increment districts within the City does not exceed 25% of the total land area of the City; and
- I. That the Project Plan is feasible and conforms to the City's 2030 C3 Comprehensive Plan.

SECTION 8. The following Project and Increment District No. 3 authorizations are hereby approved:

A. The City is designated as the principal entity responsible for implementation and is authorized to carry out and administer the provisions of the Project Plan and to exercise all powers necessary or appropriate thereto pursuant to Section 854 of the Act, and the City reserves the power to make minor amendments to the Project Plan in accordance with Section 858(D) of the Act. Changes in project costs incurred pursuant to Section VIII(B) of the Project Plan (those not to be financed with apportioned tax increments) do not require an amendment; and

B. The Stillwater Economic Development Authority, a public trust with the City as its sole beneficiary, shall have the authority to carry out certain provisions of the Project Plan, including the authority 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 the 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 Plan; (5) provide assistance in development financing to pay any authorized Project Costs assumed by a developer or redeveloper; and (6) incur the cost of issuance of bonds for payment of such costs and to accumulate appropriate reserves, if any, in connection with them; and

C. The City Manager, Norman McNickle, or his successor in office, 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 the Project Plan.

SECTION 9. The sales tax increment is a portion of the City's sales taxes generated within Increment District No. 3, to be determined by a formula and accounting procedures to be approved by resolution of the City Council in accordance with the Act. The ad valorem increment is the ad valorem revenue in excess of the revenue generated by the base assessed value of Increment District No. 3 (as determined by the Payne County Assessor in accordance

with the Act), i.e., the new revenue attributable to increases in the value of property within Increment District No. 3.

SECTION 10. The increment of the taxes generated by Increment District No. 3 may be used to pay project costs authorized by Section VIII of the Project Plan for a period not to exceed twenty-five (25) years from the effective date of Increment District No. 3, as provided by law, or the period required for payment of the project costs authorized by Section VIII of the Project Plan, whichever is less. Specifically included in the authorized project costs is authorization to capitalize and fund a portion of the apportioned increment in the amount of \$2,850,000 in capitalized funds available to the Stillwater Public School District for purchases of equipment, facilities, and land. An additional \$2,850,000 in school facilities funding is authorized as of January 1, 2028, subject to reduction in an amount equal to the result of a calculation, but only if said result is above zero, as follows: (1) the taxable assessed value of the Stillwater Public School District (excluding Increment District No. 3) as of January 1, 2028, minus (2) a projected taxable assessed value of the Stillwater Public School District (excluding the Increment District) based on 5.17% percent average annual growth from the date of implementation to January 1, 2028, multiplied by (3) 27 mils, or 0.027, as provided in the Project Plan.

SECTION 11. During the period of apportionment, the tax apportionment fund (a) shall be available to pay project costs under Section VIII of the Project Plan, (b) shall constitute special funds of the City or, at the direction of the City, the Stillwater Economic Development Authority, a public trust, and (c) shall not be subject to annual appropriation as a part of the general fund of the City.

SECTION 12. Pursuant to Section 6C of Article X of the Constitution of the State of Oklahoma and the Act, the direction of apportionment shall continue beyond the current fiscal year for the duration of Increment District No. 3 or the period required for the payment of project costs authorized by the Project Plan, whichever is less.

SECTION 13. The Project Plan is hereby determined to be desirable and is approved.

SECTION 14. REPEALER. All ordinances or parts of ordinances, in conflict with this ordinance are hereby repealed to the extent of the conflict only.

SECTION 15. SEVERABILITY. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional, such portion shall not affect the validity of the remaining portions of this ordinance.

SECTION 16. EMERGENCY CLAUSE. It being immediately necessary for the preservation of the peace, health, safety, and public good of the City of Stillwater, and the citizens thereof, that the provisions of this ordinance take effect and be put into full force and effect, an emergency is declared to exist by reason whereof this ordinance shall take effect immediately and be put in full force and effect from and after the date of its enactment, as provided by law.

INTRODUCED AND CONSIDERED in an open meeting of the City Council of Stillwater, Oklahoma on the ____ day of June, 2018, with the Emergency Clause voted on and approved separately.

PASSED by the Council of the City of Stillwater this _____ day of June, 2018.

SIGNED by the Mayor of Stillwater on the _____ day of June, 2018.

MAYOR

ATTEST:

CITY CLERK

(SEAL)

APPROVED AS TO FORM AND LEGALITY THIS ____ DAY OF JUNE 2018.

JOHN E. DORMAN, CITY ATTORNEY