

Proposed Increment District No. 2, City of Broken Arrow

Public Hearing regarding
Creek 51 Business Park Economic Development Project Plan
July 16, 2019

Broken Arrow TIF #2 – Creek 51 Business Park

- Tax Increment District pursuant to Local Development Act, Title 62, Oklahoma Statutes, Section 850 *et seq.*
- Economic Development tool used to incentivize capital investment in undeveloped or underdeveloped property in order to enhance the tax base and create employment opportunities within the City.
- Created by City Ordinance
- Previously utilized in 2010 to create TIF #1 – Broken Arrow FlightSafety and Downtown Economic Development Project Plan

Broken Arrow TIF #2 – Creek 51 Business Park

- Development of Project Plan
 - Duration (up to 25 years)
 - Capture of TIF Revenues (up to 100% of local tax revenues)
 - Boundaries
 - Increment District – area where tax revenues are captured
 - Project Area – area where project related activities may occur
 - Proposed Project and related Infrastructure Improvements
 - Proposed Allocation of TIF Revenues
- Project Plan Reviewed by statutory TIF Review Committee
 - Comprised of representatives of City Council, Planning Commission, affected taxing jurisdictions and other at-large community members
- Project Plan Reviewed by City Planning Commission
- Two Public Hearings

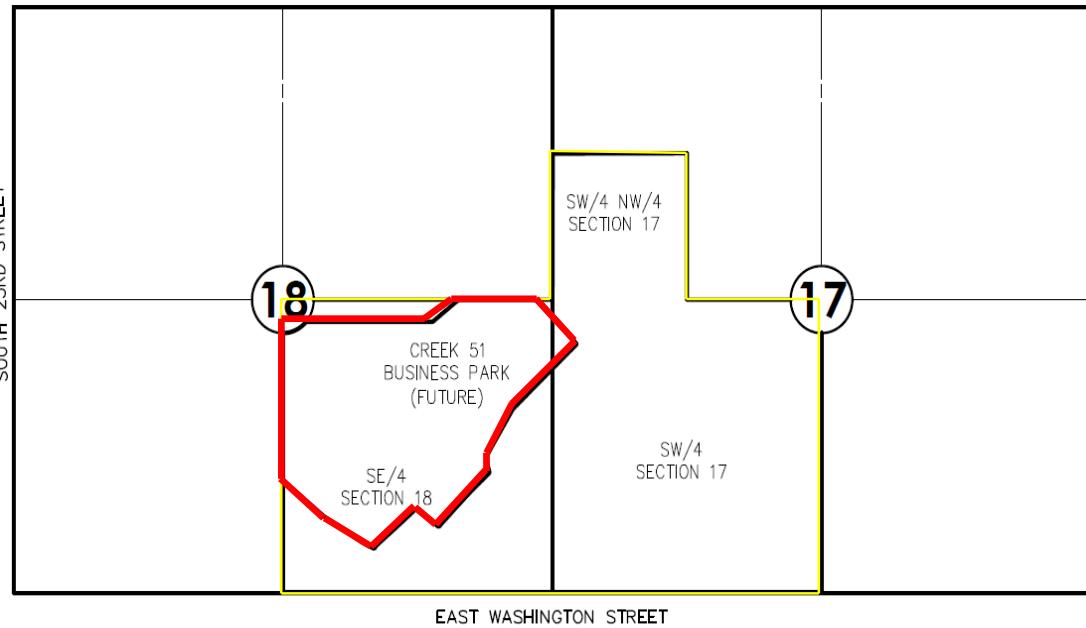
Broken Arrow TIF #2 – Creek 51 Business Park

- Affected ad valorem taxing jurisdictions
 - Broken Arrow Schools (ISD No. 3 of Tulsa County)
 - Tulsa Technology Center (Vo-Tech District No. 18)
 - Wagoner County
 - Wagoner County Health Department
 - City of Broken Arrow

TIF #2 Boundaries

Increment District Boundaries Project Area Boundaries

Creek 51
Project Area
Sections 17 & 18
Township 18 North, Range 15 East
EAST HOUSTON STREET



Broken Arrow TIF #2 – Creek 51 Business Park

- Developer – Creek 51 Business Park, LLC
 - 97.2 acres west of interchange of Creek Turnpike and State Highway 51
 - Projected taxable investment of \$73.1 million
 - Construction of estimated 812,700 square feet of business and industrial space for lease and/or sale to interested business concerns
 - Projected expenditure of \$5.4 million for site acquisition and development costs, including industrial boulevard and utility/drainage improvements

TIF #2 Project Site Plan

Preliminary site plan:

90.39 acres divided into 8 lots
ranging from 2.35 acres to
37.29 acres (mol)

Site grading

Industrial boulevard

Water, sewer, and drainage
utility improvements

Erosion control

Emergency fire access road



Broken Arrow TIF #2 – Creek 51 Business Park

- Capture 100% of new “incremental” ad valorem tax revenues
 - Existing “baseline” ad valorem taxes unaffected
 - Term of approximately 11.5 years (expiring December 31, 2030)
- TIF Revenues allocated:
 - 50% to Developer as “Investment Incentive”
 - Subject to maximum incentive of \$5,000,000
 - \$355,000 to reimburse City for Traffic Improvements and Organizational Costs
 - Payable \$60,000 per year from first available revenues of the other 50% of TIF Revenues
 - Traffic Improvements include signalizing the intersection of the industrial boulevard with State Highway 51 to provide safe vehicular access to the business park
 - ~50% to Taxing Jurisdictions
 - Less City reimbursement amount until paid

Estimated Potential Impact on Certain Ad Valorem Collections

Ad Valorem Taxing Entity	Mill Levy ⁽¹⁾	TIF Revenues Captured ⁽²⁾		Allocation to Taxing Entities ⁽²⁾	
		Maximum Year	11 Year Total	Maximum Year	11 Year Total
Wagoner County - General Fund	10.310	84,442.85	759,985.67	68,980.16	569,660.51
Wagoner County - Sinking Fund	0.000	0.00	0.00	0.00	0.00
Wagoner County - 4 Mill School Levy	4.130	33,826.28	304,436.55	27,632.21	228,195.72
Wagoner County Health Dept. - General Fund	2.580	21,131.19	190,180.70	17,261.77	142,553.26
Broken Arrow ISD #3 - General Fund	36.150	296,082.36	2,664,741.23	241,865.43	1,997,403.24
Broken Arrow ISD #3 - Building Fund	5.160	42,262.38	380,361.40	34,523.53	285,106.52
Broken Arrow ISD #3 - Sinking Fund	29.730	243,500.10	2,191,500.88	0.00	0.00
Tulsa Technology Center #3 - General Fund	8.130	66,587.82	599,290.35	54,394.63	449,208.53
Tulsa Technology Center #3 - Building Fund	5.080	41,607.15	374,464.33	33,988.28	280,686.26
Tulsa Technology Center #3 - Sinking Fund	0.000	0.00	0.00	0.00	0.00
City of Broken Arrow - Sinking Fund	15.610	127,851.88	1,150,666.96	0.00	0.00
TOTALS:	116.880	957,292.01	8,615,628.09	478,646.01	3,952,814.05

(1) Based on 2018 millage rate (116.88 mills total)

(2) Approximately \$60,000 annually allocated to City to reimburse Traffic Improvements and Organizational Costs, 50% of TIF Revenues allocated to Creek 51, and residual allocated to taxing entities (pro rata excluding sinking fund levies); excess revenues not needed for Project Costs and related financing costs will be returned to the respective taxing entity

Broken Arrow TIF #2 – Creek 51 Business Park

- Summary of estimated total TIF Revenues (\$8,615,628.09):
 - \$355,000.00 to City for reimbursement of traffic improvements and organization
 - \$4,307,814.04 to Developer as incentive
 - 50% of TIF Revenues, subject to \$5 million maximum
 - \$3,952,814.05 to Taxing Jurisdictions (allocated pro rata excluding sinking fund levies)
 - \$797,856.23 to Wagoner County
 - \$142,552.26 to Wagoner County Health Department
 - \$729,894.79 to Tulsa Technology Center
 - \$2,282,509.76 to Broken Arrow Schools

Broken Arrow TIF #2 – Creek 51 Business Park

Completed Steps:

- July 16 – Public Hearing #1
- July 23 – TIF Review Committee Meeting – Voted 8-0 in favor of recommending TIF
- July 25 – Planning Commission Meeting – Voted 3-0 in favor of recommending TIF

Remaining Steps:

- August 6 – Public Hearing #2 (during City Council meeting 6:30pm)
- August 6 – Consideration of TIF Ordinance
- TBD – Approval of Economic Development Agreement with Developer