

An architectural rendering of the Sunset Amphitheater at night. The amphitheater is a large, modern structure with a curved, tiered seating area and a large stage. It is illuminated with warm lights, and fireworks are exploding in the sky above it. The surrounding area includes a parking lot, a walkway, and some landscaping.

Tax Increment District No. 5 City of Broken Arrow Sunset at Broken Arrow Amphitheater Project

City of Broken Arrow Public Hearing #1

Sunset at Broken Arrow
Economic Development Project Plan

and proposed

Creation of Increment District No. 5

January 2, 2024

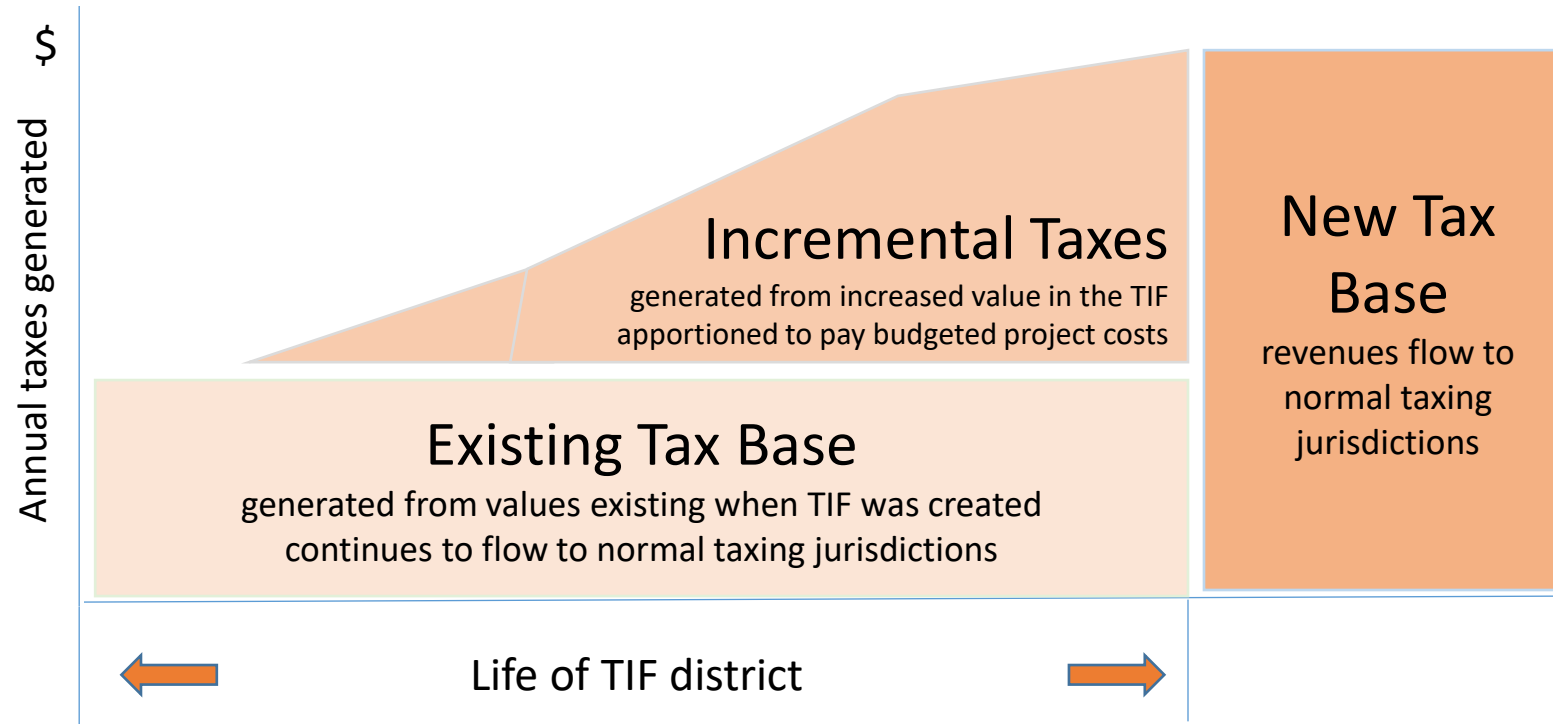
Tax Increment District No. 5 – City of Broken Arrow

What is a TIF?

- Tax Increment District (TIF)
 - Authorized by Article X, Section 6C of Oklahoma Constitution
 - Established pursuant to Local Development Act, Title 62, Oklahoma Statutes, Section 850 *et seq.*
 - Apportions the “increment” of new tax revenue generated within the TIF to finance certain identified project costs
- A TIF is an 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 after completion of the TIF Process

Tax Increment District No. 5 – City of Broken Arrow

What is a TIF?



Basic TIF Model – Value Generation and Capture

Tax Increment District No. 5 – City of Broken Arrow

What is the TIF Process?

- Determination of Eligibility
 - Enterprise Area; Historic Preservation Area; Reinvestment Area
- Development of Project Plan
 - Duration (up to 25 full fiscal years from Commencement Date)
 - Capture of TIF Revenues (up to 100% of local tax revenues – ad valorem tax, sales tax, hotel tax, etc.)
 - Boundaries
 - Increment District – area where new tax revenues are captured
 - Project Area – area where project related activities may occur
 - Proposed Project and related Infrastructure Improvements
 - Proposed Allocation of TIF Revenues
- Statutory TIF Review Committee
 - Comprised of representatives of City Council, City Planning Commission, affected taxing jurisdictions and other at-large community members

Tax Increment District No. 5 – City of Broken Arrow

What is the TIF Process?

- Affected sales/hotel taxing jurisdictions represented on TIF Review Committee
 - Wagoner County
 - City of Broken Arrow
- Proposed TIF #5 does not capture ad valorem tax
- Project Plan Reviewed by TIF Review Committee
 - Make findings of eligibility and financial impacts on taxing jurisdictions and business activities
 - Make recommendation to City regarding approval of Project Plan
- Project Plan Reviewed by City's Planning Commission
 - Make recommendation to City regarding approval of Project Plan
- Hold two Public Hearings
- City Council considers an Ordinance approving Project Plan and creating TIF

Increment District No. 5, City of Broken Arrow

What are the proposed new TIF details?

- Creation of a new sales tax and hotel tax TIF area including Broken Arrow Events Park (21101 E 101st Street just east of Creek Turnpike) and surrounding non-residential property to support development of:
 - Sunset at Broken Arrow Amphitheater Project
 - Additional Development Project
 - Anticipated additional commercial development (restaurants, hotels) along surrounding arterial roads
- Original Term of approximately 25 years (expiring June 30, 2049)
- Capture a portion of new “incremental” sales and hotel tax revenues
 - Existing “baseline” taxes unaffected
 - Capture 100% of new “incremental” City sales tax revenues from Amphitheater Project
 - Capture 50% of new “incremental” City sales tax revenues from Additional Development
 - Excludes businesses that relocate from elsewhere in Broken Arrow
 - Capture 100% of new “incremental” City hotel tax revenues
 - Represents all of total 4.0% City hotel tax
 - Capture a portion of new “incremental” Wagoner County sales tax revenues
 - 100% in calendar years 2024-2027; 75% in 2028-2029; 50% in 2030-2031; and 25% in 2032-2033
 - 100% of any Oklahoma Local Development and Enterprise Zone Incentive Leverage Act incentive payments received from State of Oklahoma

Proposed Increment District No. 5

What is the Sunset Amphitheater Project?

- Develop a destination entertainment experience that will draw regional and out-of-state traffic to Broken Arrow
 - 12,500 seat outdoor performance and events venue (Notes Live, Inc.)
 - Located on property immediately north of Broken Arrow Events Park
 - Projected opening by December 2025
 - Projected Capital Investment in excess of \$71.5 million
 - Projected \$85.5 million annual retail sales (ticketing, concessions, merchandise)
 - 459 construction jobs (\$39.9M payroll, \$141M economic impact)
 - 240 permanent direct jobs and 393 indirect jobs (\$18.3M annual payroll, \$211.2M annual economic impact)
- Opportunities for significant Additional Development within the Increment District area



NOTES LIVE

SUNSET AMPHITHEATER
Broken Arrow, Oklahoma

BCA-BCA-STUDIOS
ARCHITECTS
GAINESVILLE | ATLANTA





NOTES LIVE

SUNSET AMPHITHEATER
12,500 SEATS

BCA STUDIOS
ARCHITECTS
GAINESVILLE | ATLANTA



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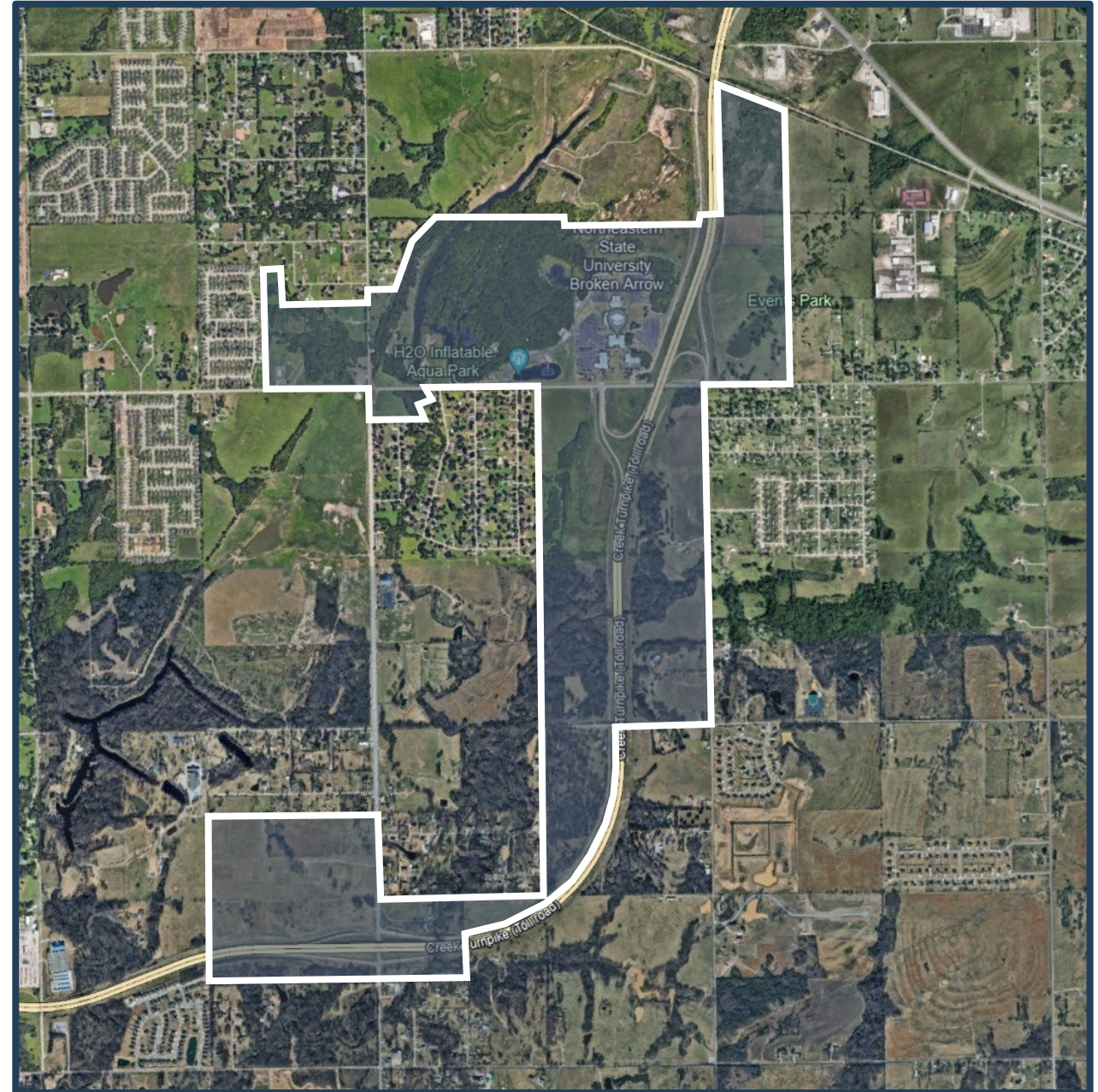
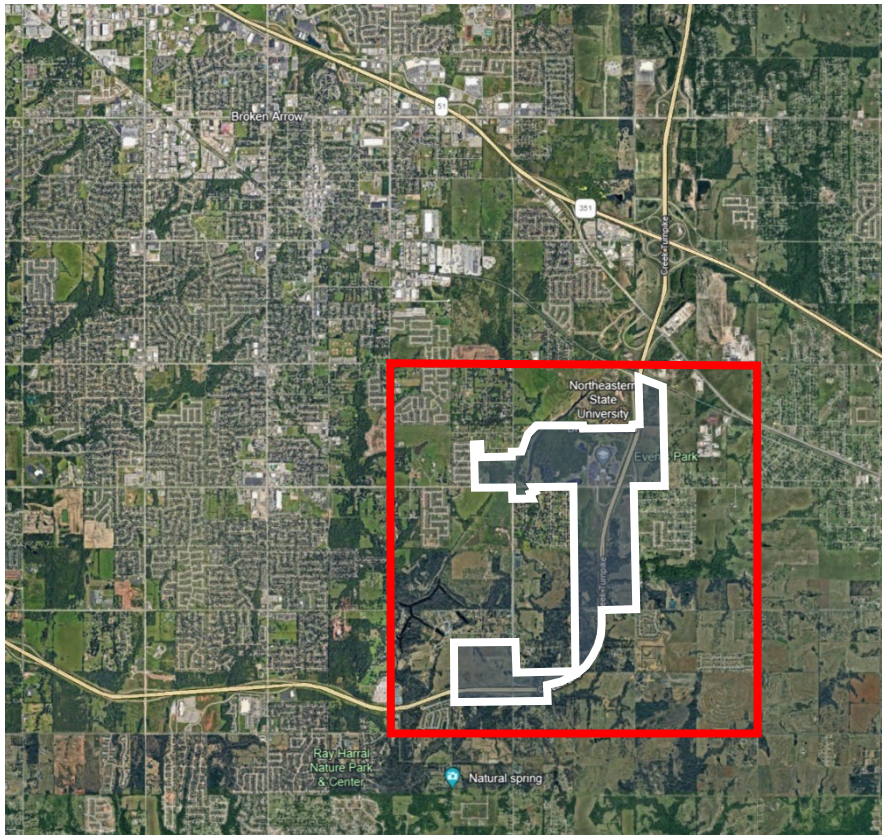
SUNSET AMPHITHEATER
Club Suites

BCA-BCA-STUDIOS
ARCHITECTS
GAINESVILLE | ATLANTA

Increment District No. 5, City of Broken Arrow

Increment District Boundaries

Project Area Boundaries



Increment District No. 5, City of Broken Arrow

What are the Identified TIF Project Costs?

- Estimated construction Project Costs totaling \$28,450,000
 - Parking Infrastructure (\$7.2 million) in and near BA Events Park
 - Stormwater Infrastructure (\$2.3 million) in and near BA Events Park
 - Traffic Infrastructure (\$10.3 million) including Events Park road improvements and access to arterial roadways
 - Utilities Infrastructure (\$550,000)
 - Land Acquisition (\$2.2 million)
 - Project Engineering and Contingencies (\$6 million)
- Additional potential TIF Costs
 - Organizational Costs (\$100,000)
 - Administration Costs (\$250,000)
 - Financing Costs (\$50.36 million)

Increment District No. 5, City of Broken Arrow

What are the projected TIF revenues?

- Estimated \$258.15 million aggregate projected Sales Tax Revenues (State, County, and City)
 - TIF Revenues: \$97.20 million allocated to TIF Project Costs (\$90.96 million City Sales Tax, \$6.24 million County Sales Tax)
 - \$7.05 million allocated to the City of Broken Arrow (3.55% City Sales Tax)
 - \$29.65 million allocated to Wagoner County (1.3% County Sales Tax)
 - \$124.25 million allocated to State of Oklahoma (4.5% State Sales Tax)
- Estimated \$4.31 million aggregate projected Hotel Tax TIF Revenues
 - \$4.31 million allocated to TIF Project Costs (4.0% City Hotel Tax)
- Estimated \$23.63 million aggregate projected Fee by Agreement TIF Revenues
 - Based on 1.0% taxable sales surcharge levied by Amphitheater Project operator
- Certain Sales and Hotel Tax TIF Revenues may qualify for Leverage Act incentive payments from State of Oklahoma sales tax net benefit
 - All incentive payments allocated to TIF Project Costs (potential up to \$124.33 million)
- **Total Projected TIF Revenues: \$125.15 million (estimate; not including Leverage Act payments)**
- Estimated \$23.67 million aggregate projected Ad Valorem tax revenues
 - No ad valorem taxes allocated to TIF Project Costs
 - \$14.96 million allocated to Broken Arrow Public Schools

Increment District No. 5, City of Broken Arrow

What is the oversight of the TIF revenues?

- City will apportion TIF revenues pursuant to the respective Project Plan
 - City Manager listed as person in charge of implementation
 - City will approve public agreements with developers as appropriate
- Assistance in Development Financing for Developers
 - Direct Incentive representing reimbursement of public infrastructure costs incurred by developer(s) on behalf of City
 - Pursuant to a public development agreement approved by City and/or public trust on behalf of City
- Infrastructure Projects undertaken by City
 - Public construction contracts (subject to competitive bidding), approved by City, subject to City annual auditing

Increment District No. 5, City of Broken Arrow

What are the expected impacts of the Projects?

- Impacts on Taxing Entities
 - Increase in population and associated needs (capital infrastructure and service demands)
 - Destination experiences will attract increased visitors to the City
 - These visitors result in new spending within the City that will enhance sales and hotel tax collections benefiting City's ability to fund other public improvements
 - Ancillary development outside of TIF District may generate additional revenue for taxing entities

Increment District No. 5, City of Broken Arrow

What are the expected impacts of the Projects?

- Impacts on Business Activities
 - New business inside Increment District areas will create short-term and long-term employment opportunities
 - Short-term and long-term payroll will likely result in increased spending within the City benefitting local businesses
 - Destination experiences will attract increased visitors to the City
 - These visitors result in new spending within the City that will enhance opportunities for local merchants to provide additional goods and services

Proposed Increment Districts, City of Broken Arrow

Remaining Steps

- October 3 – BAEDA/City Approval of Economic Development Agreement with Sunset at Broken Arrow LLC (COMPLETE)
- December 7 – TIF Review Committee Meeting (COMPLETE – RECOMMENDED APPROVAL)
- December 14 – Planning Commission Meeting (COMPLETE – RECOMMENDED APPROVAL)
- January 2 – Public Hearing #1 at 6:30pm
 - Held during Broken Arrow City Council Regular Meeting, 220 South 1st Street, Broken Arrow, OK 74012
- January 16 – Public Hearing #2 at 6:30pm
 - To be held during Broken Arrow City Council Regular Meeting, 220 South 1st Street, Broken Arrow, OK 74012
- January 16 – City Council Meeting to consider adoption of TIF Ordinance (creation of Increment District No. 5)