



April 8, 2024

Doug Linehan, Executive Director
Oklahoma Tax Commission
Oklahoma City, OK 73194

Re: Oklahoma Local Development and Enterprise Zone Incentive Leverage Act; (62 O.S. §§ 840-847)

Dear Executive Director Linehan:

Pursuant to the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. §§ 840-847, this letter is submitted to the Oklahoma Tax Commission by the Oklahoma Department of Commerce.

The City of Broken Arrow has filed an application with the Oklahoma Department of Commerce for State local government matching payments under the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act. The city of Broken Arrow created Increment District #5 in Broken Arrow for a tourism destination project called Sunset at Broken Arrow Amphitheater, and the project will result in the development of an outdoor amphitheater and associated hospitality businesses located nearby an Enterprise Zone.

The Oklahoma Department of Commerce has reviewed the information in the Sunset at Broken Arrow Amphitheater Project Plan and certifies that the proposed development and the increment district is located in Wagoner County and Tulsa county, and that the application is in support of a major tourism destination project. The city certifies that the tourism development project will support nearby Enterprise Zones located in the city of Broken Arrow. The Project Area where increment funds may be spent includes Broken Arrow located in both Tulsa county and Wagoner county.

Sunset at Broken Arrow Amphitheater Project Plan will include a 12,500-seat outdoor entertainment venue with outdoor firepits and is expected to be utilized for approximately 60 events annually. The developer plans to spend \$71.5 million for the site development and construction of the facility and projects that the concerts and live events will attract 600,000 people per year. In addition to the amphitheater, the increment district is expected to include the development of restaurants, hotels and a convenience store.

Oklahoma Department of Commerce
900 N. Stiles Ave.
Oklahoma City, OK 73104



The city of Broken Arrow has recognized challenges developing the property to include the lack of sufficient infrastructure, and in order to develop the site for the Sunset at Broken Arrow Amphitheater, the city of Broken Arrow has identified \$28.45 million in infrastructure development. This lack of infrastructure includes stormwater, parking, roads and utilities necessary to develop the site for Sunset at Broken Arrow Amphitheater. The life of the TIF created by Broken Arrow is 25 years, and if the city finances the infrastructure of the full life of the TIF, it is projecting a maximum of \$50.365 million in financing costs associated with the project for a total of \$79.165 million in approved project costs for Increment District No. 5 in Broken Arrow.

It is the understanding of the Oklahoma Department of Commerce that the City of Broken Arrow will utilize increment funding from the TIF adopted on 1/16/2024 in conjunction with state local government matching payment from the **Enterprise Zone Incentive Leverage Act** to fund \$79.165 million in costs associated with the TIF Projects included in the Sunset at Broken Arrow Amphitheater Project Plan.

The Oklahoma Department of Commerce has determined that the Sunset at Broken Arrow Amphitheater is revenue positive to the state through Jun 30, 2049 up to more than \$100 million. However, if the project plan is not amended, and given that the project costs and infrastructure identified by the City of Broken Arrow has a total cost of \$79.165 million, the limit of the state's commitment is \$39,582,500 in state local government matching payments through state sales taxes captured from the development of the property.

If the city of Broken Arrow amends the project plan, it must reapply for project costs greater than \$79.765 million if the city were to request Leverage Act funds greater than \$39,582,500 from state sales taxes captured from the development indicated in the Sunset at Broken Arrow Amphitheater Project Plan.

If you have any questions, please contact Jon Chiappe of this office at 405.815.5210.

Sincerely,

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

Hopper Smith
Executive Director; Oklahoma Department of Commerce

Enclosures

cc: Marie Schuble; Oklahoma Tax Commission
City of Broken Arrow, Wagoner County
Sunset at Broken Arrow Amphitheater, DBA Notes Live, Inc.

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