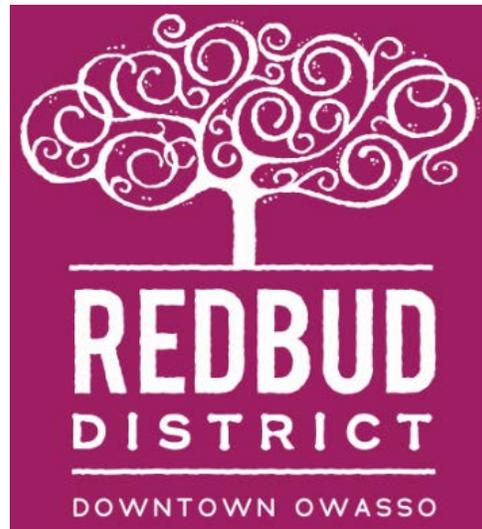


Adopted December 20, 2016

**OWASSO REDBUD DISTRICT PROJECT PLAN**  
**INCREMENT DISTRICT NO. 1, CITY OF OWASSO**

PREPARED BY:

**THE CITY OF OWASSO, OKLAHOMA**



WITH THE ASSISTANCE OF:

**CENTER FOR ECONOMIC DEVELOPMENT LAW**  
301 North Harvey, Suite 100  
Oklahoma City, Oklahoma 73102  
(405) 232-4606  
econlaw@econlaw.com

# **OWASSO REDBUD DISTRICT PROJECT PLAN**

## **I. INTRODUCTION**

The Owasso Redbud District Project Plan is a project plan as defined under the Oklahoma Local Development Act, 62 O.S. §850, *et seq.*, and is referred to here as the “Project Plan.” The project is being undertaken by the City of Owasso, Oklahoma (“City”) to develop the area surrounding Main Street, known as the Redbud District, achieve the City’s development objectives, improve the quality of life for its citizens, stimulate private investment, and enhance the tax base. At the heart of this project is the creation of the Redbud District as a special and unique place within Owasso, a place to live, work, shop, and play. Beginning with the Downtown Master Plan in 2001, the City has prioritized the revival of its Main Street and surrounding area. Since that time, through several planning documents, including approval of the Downtown Overlay District promoting smart development in the area, and robust branding, the Redbud District is ripe for its transformation. The City, through this Project Plan, is continuing its effort to revive its downtown and make the Redbud District a destination area for residents and visitors.

The effort to create such a place requires public assistance to stimulate private development. This Project Plan is a critical element in fostering public-private partnerships to create the type of development that the City seeks but can achieve only by means of the financing tools available under the Oklahoma Local Development Act, including tax increment financing. An increment district provides funding for public sector costs to stimulate private development and provide improvements to and beautification of the area to create the dense, high-quality development that the City contemplates. The project will be financed from a combination of public and private sources, including apportionment of ad valorem and sales tax increments from Increment District No. 1, City of Owasso.

## **II. BOUNDARIES OF PROJECT AREA AND INCREMENT DISTRICT**

The Project Area is the area in which project activities will take place and is generally located within the following boundaries: beginning at the western terminus of North Carlsbad Street, east along West 3rd Street to the east side of North Atlanta Street, north one lot, then east one lot, then north to West 4th Street, then east along West 4th Street to North Main Street, south to one lot north of West 3rd Street, then east along West 3rd Street to one lot before Cedar Street, south to East 2nd Street, then east along East 2nd Street to the west Owasso Expressway service road, then south along Owasso Expressway to East 71st Street, west generally along East 71st Street to South Main Street, north to West 5th Avenue, west to North Mingo Road, north along Mingo Road to West 2nd Avenue (E 76th St N), east along West 2nd Avenue to the western side of the Owasso Sertoma Center, north to the railroad tracks, then across the railroad tracks back to North Carlsbad Street and West 3rd Street.

The Increment District is designated Increment District No. 1, City of Owasso, and is the area from which the increment is generated. Increment District No. 1 is the same area as the Project Area. The Project Area and Increment District No. 1 boundaries are depicted on Exhibit A. The Project Area and Increment District No. 1 boundaries are described on Exhibit B.

### **III. ELIGIBILITY OF PROJECT AREA**

Most of the Project Area is an enterprise area, as defined by the Oklahoma Local Development Act. It lies within an enterprise zone, designated by the Oklahoma Department of Commerce to be a disadvantaged portion of the City of Owasso. All of the Project Area is a reinvestment area, as defined by the Oklahoma Local Development Act. Public improvements are required to reverse economic stagnation or decline, to serve as a catalyst for expanding employment, to attract investment, and to preserve and enhance the tax base.

Investment, development, and economic growth in the area are difficult, but possible if the provisions of the Oklahoma Local Development Act are used. The Project Area is unproductive, undeveloped, underdeveloped, or blighted within the meaning of Article 10, §6C of the Oklahoma Constitution, and suffers from conditions inhibiting development.

### **IV. OBJECTIVES**

The principal objectives of the project and Increment District No. 1 are:

- A. To achieve development goals and objectives for the Redbud District contained in the Downtown Master Plan, the Downtown Overlay District Plan, and the GrOwasso 2030 Land Use Master Plan.
- B. To preserve and enhance the tax base and make possible investment, development, and economic growth that would otherwise be difficult without the project and the apportionment of incremental ad valorem and sales tax revenues.
- C. To support the creation of attractive, high-quality, and viable mixed-use developments to draw residents and visitors.
- D. Where appropriate, to support the development, improvement, and/or expansion of light industry to increase employment.
- E. To encourage existing property and business owners in the Redbud District to invest and to attract new investment and business to the Project Area.
- F. To provide start-up and incubator space to new and expanding businesses and to promote small-business-friendly opportunities for innovation and collaboration in the Project Area.
- G. To stimulate and promote the Redbud District as a walkable, vibrant destination.
- H. To provide a public benefit through the construction of public infrastructure and improvements to allow for the development of the area.

### **V. STATEMENT OF PRINCIPAL ACTIONS**

Implementation actions for the project, including all necessary, appropriate and supportive steps, will consist principally of the following:

- A. Project planning, design and approval.
- B. Public infrastructure improvements.
- C. Development of mixed-use projects, as well as retail, restaurant, residential, and office projects.
- D. Enhancement of existing businesses and encouragement of new businesses.
- E. Creation of start-up and incubator spaces for new and expanding businesses.

**VI. ESTABLISHMENT OF INCREMENT DISTRICT NO. 1, CITY OF OWASSO**

A. This Project Plan creates Increment District No. 1, City of Owasso, an ad valorem and sales tax increment district.

B. The sales tax increment is a portion of the City's sales taxes generated within Increment District No. 1, to be determined by a formula to be approved by resolution of the Owasso City Council in accordance with the Oklahoma Local Development Act.

C. The ad valorem increment is the ad valorem revenue in excess of the revenue generated by the base assessed value of Increment District No. 1 (as determined by the Tulsa County Assessor in accordance with the Oklahoma Local Development Act), i.e., the new revenue attributable to increases in the value of property within Increment District No. 1.

D. The ad valorem and sales tax increment may be used to pay Project Costs authorized by Section VIII of this Project Plan for a period not to exceed twenty-five (25) fiscal years from the effective date of Increment District No. 1, as provided by law, or the period required for payment of the Project Costs authorized by Section VIII, whichever is less. During the period of apportionment, the tax apportionment fund (1) shall be available to pay Project Costs under Section VIII, (2) shall constitute special funds of the City, or, at the direction of the City, the Owasso Public Works Authority, a public trust, or another public entity designated by the City, and (3) shall not be subject to annual appropriation as a part of the general fund of the City.

**VII. PROJECT AND INCREMENT DISTRICT AUTHORIZATIONS**

A. The City is designated and authorized as the principal public entity to carry out and administer the provisions of this Project Plan and to exercise all powers necessary or appropriate thereto as provided in the Oklahoma Local Development Act, 62 O.S. §854.

B. The Owasso Public Works Authority (OPWA), or another public entity designated by the City pursuant to Section VI, is authorized and designated to carry out implementation actions for the project, including all necessary, appropriate, and supportive steps pursuant to development agreements with private developers. Such public entity is also authorized and designated to carry out those provisions of the project related to issuance of bonds or notes as provided in Sections 854(B) and 863 of the Oklahoma Local Development Act, subject to approval of the governing body of the City of any

specific notes or bonds. OPWA is authorized to assist in carrying out this Project Plan and to exercise all powers necessary or appropriate thereto pursuant to Section 854 of the Oklahoma Local Development Act, except for approval of this Project Plan and those powers enumerated in paragraphs 1, 2, 3, 4, 7, 13 and 16 of Section 854. As a public entity designated by the City, OPWA or another public entity designated by the City is authorized 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 this 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; and (5) incur the cost of issuance of bonds for payment of such costs and to accumulate appropriate reserves, if any, in connection with them. Project Costs shall mean (a) the public costs authorized to be paid pursuant to Section VIII of this Project Plan, and (b) costs necessary or appropriate to implement this Project Plan other than costs authorized by Section VIII, which may be authorized without amendment to this Project Plan.

C. The City Manager, Warren Lehr, 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 this Project Plan.

**VIII. BUDGET OF ESTIMATED PROJECT COSTS TO BE FINANCED BY TAXES APPORTIONED FROM INCREMENT DISTRICT NO. 1, CITY OF OWASSO**

A. The Project Costs will be financed by the apportionment of ad valorem and sales tax increments from Increment District No. 1. The Project Costs categories are:

Assistance in Development Financing	\$ 13,800,000.00
Public Infrastructure, Facilities, and Improvements	\$ 3,000,000.00
Implementation and Administration	\$ 200,000.00
<b>TOTAL Project Costs</b>	<b>\$ 17,000,000.00</b>

Plus any financing costs, costs of issuance, necessary or appropriate reserves, and interest on repayment of Project Costs.

B. Additional costs necessary or appropriate to implement this Project Plan that are to be financed by other than apportioned tax increments may be approved by the City at any time. The provisions of this Section VIII are not a limitation on Project Costs to be financed by other than apportioned tax increments.

C. Assistance in Development Financing will be provided only for projects that are determined, in the City's and/or OPWA's discretion: (1) to meet the City's approved development goals and objectives for the Project Area, as expressed from time to time in the City's plans and policies, and (2) to provide adequate consideration and public benefit in return for the public investment.

**IX. FINANCING PLAN AND REVENUE SOURCES**

A. Financing Plan.

Some public improvements, in anticipation of private investment, will be funded by the City from sources other than apportioned tax increments, which may be reimbursed once increment is generated by the development within Increment District No. 1.

Private developers within the Project Area may be required to construct the necessary improvements for specific projects at their initial expense. The financing of private developments will be provided by private equity and private financing. Most Project Costs incurred in connection with the implementation of the Project Plan will be financed on a pay-as-you-go basis.

B. Financing Authorizations.

Without assistance, development of this type and on this scale within the Project Area would not occur. The implementation of the Project Plan shall be financed in accordance with financial authorizations, authorized from time to time by the City.

C. Financing Revenue Sources.

The revenue sources expected to finance Project Costs authorized by Section VIII are the incremental ad valorem and sales tax revenues attributable to investment and development within Increment District No. 1.

D. Financial Reports and Audits.

The development activities undertaken by the City, pursuant to this Project Plan, shall be accounted for and reported by the appropriate and necessary annual fiscal year audits and reports.

E. Other Necessary and Supporting Costs.

OPWA or another public entity designated by the City pursuant to Section VI, is authorized to issue bonds and notes and to apply for and obtain grants from other sources for costs incurred or to be incurred in connection with the project and the construction of improvements therein in addition to Project Costs to be financed pursuant to Section VIII.

**X. PRIVATE AND PUBLIC INVESTMENTS EXPECTED FOR THE PROJECT**

A. Private and Public Investments Expected from the project and Increment District No. 1.

The total private investment in the Project Area if fully realized is estimated to exceed \$100,000,000.00. Private investment in Increment District No. 1 is expected to consist of new mixed-use developments, expansion of existing businesses, creation of new businesses, development of new retail, restaurant, residential, and office projects, and light industrial development (where appropriate). Public investment will include public infrastructure improvements and assistance in development financing to support private investment and enhance new and existing businesses.

B. Public Revenue Estimated to Accrue from the Project and Increment District No. 1.

The estimated incremental increases in tax revenue, which will serve as the revenue source for financing the Project Costs authorized by Section VIII, is the public revenue directly attributable to the project described herein. Both the City and the State will experience increases in tax revenues that are not a part of Increment District No. 1. Ad valorem taxing entities will experience additional revenues from increasing values within the surrounding area but outside of Increment District No. 1.

Incremental sales tax revenues are estimated to range between \$35,000 and \$75,000 annually. Incremental ad valorem revenues are estimated to range between \$280,000 and \$1,350,000 annually. Total incremental revenues estimated to be generated over the 25-year lifespan of Increment District No. 1 range between \$18,000,000 and \$25,000,000.

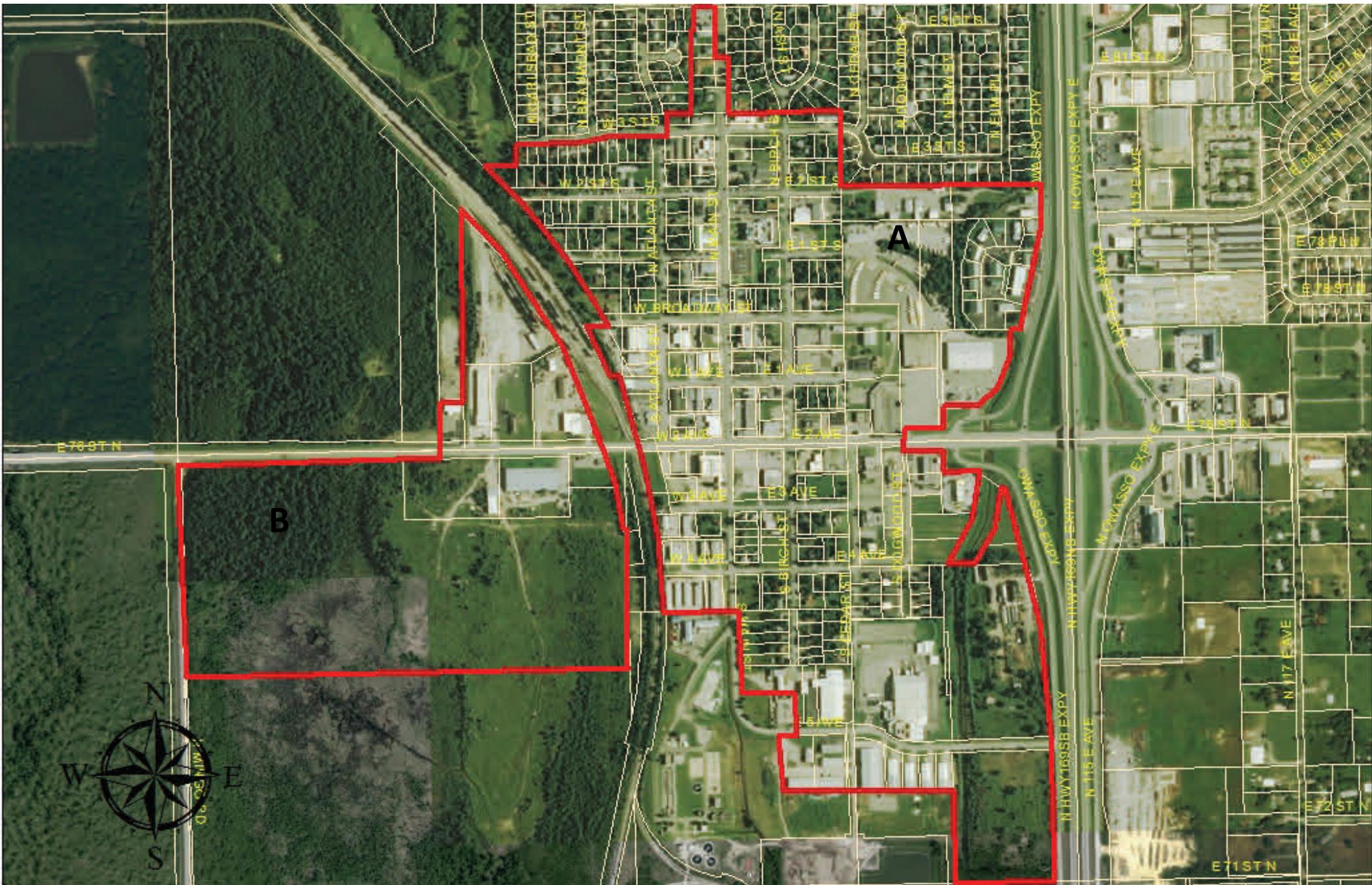
The developments anticipated by the project will not result in a measurable increase in demand for services by or in costs to the affected taxing entities. The economic benefits of the project for the affected taxing jurisdictions indicate positive financial impacts for the entire community. The aggregate impacts from implementation of the Project Plan are positive and include the achievement of the objectives set forth in Section IV.

**XI. LAND USE**

Existing uses and conditions of real property in Increment District No. 1 are shown on the attached Exhibit C. A map showing the proposed improvements to and proposed uses of the real property in Increment District No. 1 is attached Exhibit D. Implementation of the Project Plan requires no changes to the GrOwasso 2030 Land Use Master Plan or zoning. The Project Plan complies with the objectives and priorities of the GrOwasso 2030 Land Use Master Plan.

# Exhibit A

## Project Area and Increment District No.1 Boundaries



## **Exhibit B**

### **Project Area and Increment District No. 1 Boundaries Legal Description**

#### **Section A**

Beginning at the southeast corner of Lot 6, Block 1 of the Owasso Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west along said south lot line a distance of 57 feet, thence north along said lot line a distance of 283 feet, Thence west along south lot of said lot a distance of 490 feet, Thence north along said lot line a distance of 24 feet, Thence west along said lot line a distance of 41 feet, Thence north along said lot line a distance of 240.2 feet to the northwest corner of said Lot 6, Thence to a point 17.45 feet north and 50.26 feet west of northwest corner of said Lot 6, Thence west a distance of 393.5 feet to a point 149.63 feet south of the southwest corner of Lot 1, Block 1 of Owasso Industrial Parks Phase IV, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence north a distance of 332.1 feet to the Northwest corner of said Lot 1, Block 1, Thence east a distance of 87.7 feet to a point on the north lot line of said Lot 1, Block 1, Thence north a distance of 255 feet to a point 165 feet south and 310 feet east of the southwest corner of Lot 5, Block 1 of Ivadel, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west a distance of 310 feet to a point 165 feet south of said Lot 5, Block 1, Thence north a distance of 495 feet to the northwest corner of Lot 1, Block 1, of Ivadel, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west a distance of 457.07 feet to the southwest corner of Lot 4, Block 34, Owasso Original Town, a subdivision in the City of Owasso, Tulsa County, Oklahoma, also a point on the east right-of-way line of the Southern Kansas Oklahoma Railroad right-of-way, Thence north along said railroad right-of way a distance of 994.2 feet, Thence continuing north along said railroad right-of-way a distance of 385.2 feet, Thence north a distance of 55 feet along the quarter section line to a point on the east right-of-way of said railroad, thence northwest along said railroad right-of-way a distance of 95.2 feet, Thence west a distance of 35.7 feet along said railroad right-of-way, Thence northwest along said railroad right-of-way a distance of 331.4 feet, Thence east a distance of 141.8 feet to a point on the east right-of-way of said railroad, also a point on the south right-of-way of West Broadway Street, Thence northwest along said railroad right-of-way a distance of 1213.8 feet to the to the northwest corner of Lot 11, Block 8, of Greenlees, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence east along said north line of said subdivision a distance of 202.94 feet to the southwest corner of Lot 10, Block 5, of Starlane, a subdivision in the City of Owasso, Tulsa county, Oklahoma, Thence north along the west line of said Lot 10 a distance of 125 feet to the northwest corner of said Lot 10, also a point on the south right-of-way of West Third Street North, a street in the City of Owasso, Thence east along said right-of-way a distance of 885.1 feet to the northwest corner of Lot 4, Block 6, Owasso Original Town, a subdivision in the City of

Owasso, Tulsa County, Oklahoma, Thence north along the east right-of-way of North Atlanta Street West a distance of 138.1 feet to the northwest corner of Lot 2, Block 3 of the said subdivision, Thence east a distance of 162.1 feet to the southeast corner of Lot 16, Block 2, of Crestview Estates, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence north a distance of 150 feet to a point on the east line of Lot 14, Block 2 of said subdivision, Thence east 5 feet to a point on the east line of Lot 14, Block 2 of said subdivision, Thence north 340.4 feet to the northeast corner of Lot 9, Block 2 of said subdivision, Thence east 18.73 feet to the southeast corner of Lot 1, Block 2 of said subdivision, Thence north along the east line of said Lot 1 a distance of 139.07 feet to the northeast corner of said lot, also a point on the south right-of-way line of West Fourth Street North, a street in the City of Owasso, Thence east along said south right-of-way line a distance of 121.2 to a point on the west right-of-way line of North Main Street, a street in the City of Owasso, Thence south along said west right-of-way line a distance of 305 feet, Thence east a distance of 75 feet to a point on the east right-of-way line of North Main Street, a street in the City of Owasso, Thence south along the said east right-of-way line a distance of 5 feet, Thence west 75 feet to a point on the west right-of-way of said street, Thence south along the said west right-of-way a distance of 95 feet, Thence east along said west right-of-way a distance of 5 feet, Thence south along said west right-of-way a distance of 80.38 feet, Thence east a distance of 70 feet to a point on the said east right-of-way line, Thence south along said east right-of-way a distance of 150 feet, also a point on the north line of Lot 2, Block 2, of Owasso Original Town, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence east a distance 653.2 feet to the northeast corner of Lot 1, Block 1 of said subdivision, Thence south a distance of 453.85 feet to the southwest corner of Lot 13, Block 6, of Wilawood, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence east a distance of 1,190.2 feet to the southeast corner of Lot 15, Block 5 of said subdivision, also a point on the west right-of-way of the Mingo Valley Expressway, Thence south along said right-of-way a distance of 210 feet to northeast corner of Lot 1, Block 1, Forrest Drive Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south along east line of said Lot 1 a distance of 75.5 feet, Thence southwest a distance of 604.82 feet to the southeast corner of Lot 6, Block 1, of Forrest Drive Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence west along the south line of said Lot 6, a distance of 47.58 feet, Thence south along the right-of-way of Mingo Valley Expressway a distance of 161.4 feet, thence southwest along said right-of-way a distance of 235.4 feet, thence southwest along said right-of-way a distance 159.1 feet, Thence west along said right-of-way a distance of 208.3 feet, Thence south along said right-of-way a distance of 113.2 feet, Thence west 247.8 feet along said right-of-way to the southwest corner of Safeway, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south 110.56 feet to the northeast corner of Lot 1, Block 1, Dogwood Center, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south along said lot east line a distance of 37.5 feet, Thence east a distance of 257 feet to the

northeast corner of Lot 1, Block 2, Owasso Business Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence south along the east line of said lot a distance of 125 feet, Thence east along the north line of said lot a distance of 200 feet to the northeast corner of said Lot 1, Thence southwest a distance of 247.06 feet to the southeast corner of said Lot 1, Thence continuing southwest a distance of 42.94 feet to a point on the east line of Lot 4, Block 2, of said subdivision, Thence southwest a distance of 303.51 feet to the southeast corner of Lot 5, Block 2 of said subdivision, Thence east a distance of 163.68 feet to the southwest corner of Lot 2, Block 3, of said subdivision, Thence northeast a distance of 246.55 feet to a point on the west line of Lot 1, Block 3, of said subdivision, Thence north a distance of 250.56 feet to the northwest corner of said Lot 1, Thence southeast a distance of 35.49 feet to the northeast corner of said Lot 1, Thence southeast a distance of 455.7 feet to the southeast corner of Lot 2, Block 3 of said subdivision, also a point on the west right-of-way line of Mingo Valley Expressway, Thence southeast along the west right-of-way of Mingo Valley Expressway a distance of 93.2 feet, Thence southeast along the west right-of-way of Mingo Valley Expressway a distance of 225.1 feet, Thence south along west right-of-way of Mingo Valley Expressway a distance of 796.9 feet to a point on the south right-of-way line of Fifth Avenue, a street in the City of Owasso, Thence south along the west right-of-way of Mingo Valley Expressway a distance of 786.60 feet, Thence west a distance of 586.68 feet to the southeast corner of Lot 6, Block 1, Owasso Industrial Park, a subdivision in the City of Owasso, Tulsa County, Oklahoma, the Point of Beginning, containing 207 acres, more or less.

And

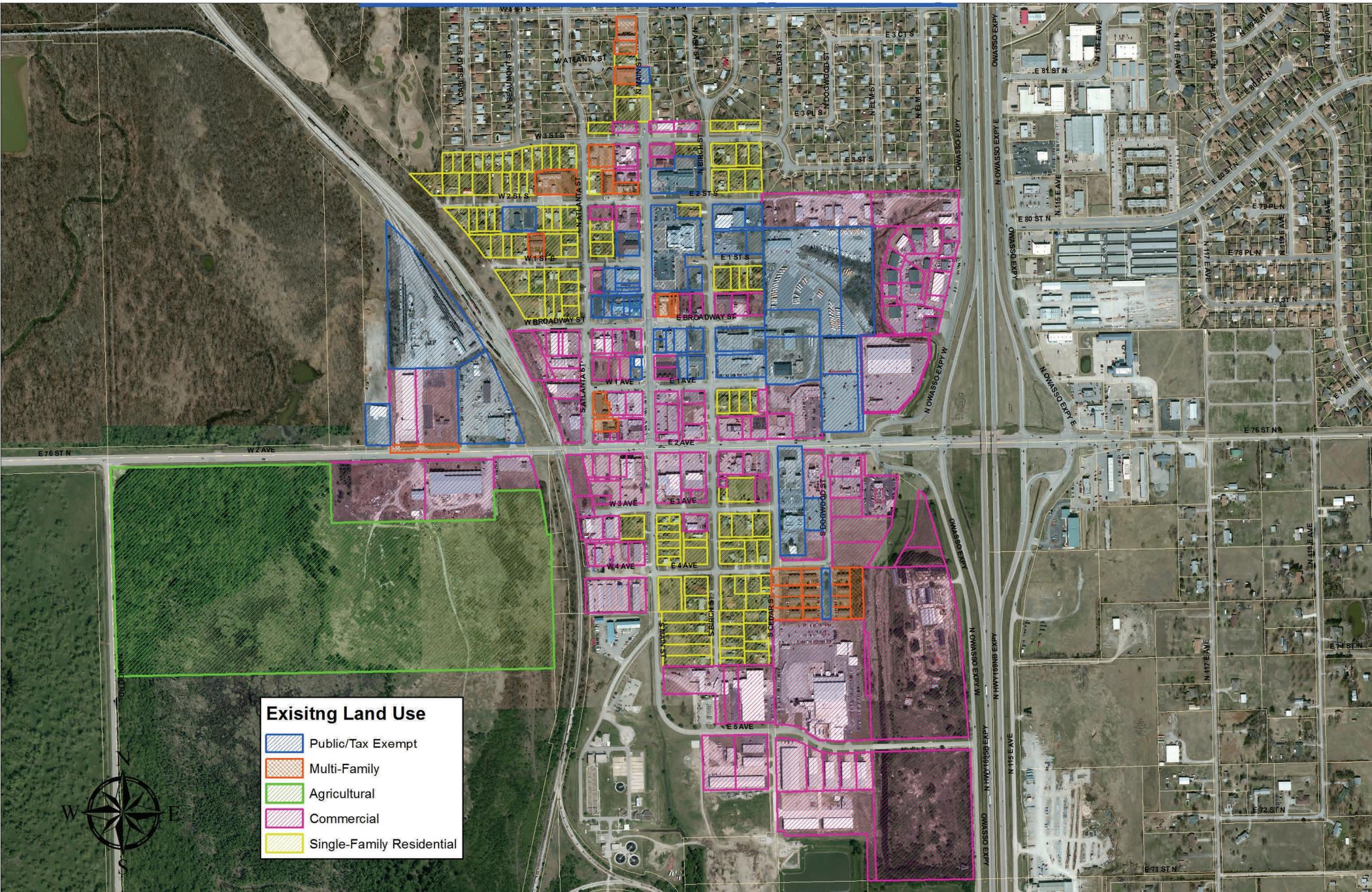
#### Section B

Beginning at the northwest corner of Lot 1, Block 1, Atchison Topeka & Santa Fe, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence southeast along said lot line a distance of 974.78 feet, Thence continuing southeast along the Southern Kansas Oklahoma railroad right-of-way a distance 619.4 feet to a point on the north right-of-way of East 76<sup>th</sup> Street North, a street in the City of Owasso, Thence continuing southeast along the said railroad right-of-way a distance of 88.7 feet to a point on the south right-of-way of East 76<sup>th</sup> Street North, Thence continuing southeast along the said railroad right-of-way a distance of 510.6 feet, thence east along said railroad right-of-way a distance of 19.6 feet to the east line of the N/2 NW/4 of Section 31, T-21-N, R-13-E, Thence south a distance of 785.3 feet to the SE corner of said N/2 NW/4, Thence west along the south line of said N/2 NW/4 a distance of 2,633.6 feet to a point on the east right-of-way of North Mingo Road, a street in Tulsa County, Thence north along said east right-of-way of North Mingo Road a distance of 1261.4 feet to a point on the south right-of-way of East 76<sup>th</sup> Street North, Thence east along said south right-of-way line a distance of 1318.1 feet, Thence north along said south right-of-way line a distance of 10.00 feet, Thence

east along said south right-of-way line a distance of 215.0 feet, Thence north a distance of 300 feet, Thence east a distance of 148 feet to a point on the west line of Lot 1, Block 1, Atchison Topeka & Santa Fe, a subdivision in the City of Owasso, Tulsa County, Oklahoma, Thence north along the west line of said Lot 1 a distance of 1150.6 feet to the northwest corner of Lot 1, Block 1, Atchison Topeka & Santa Fe, the Point of Beginning, containing 94 acres, more or less.

# Exhibit C

## Existing Uses and Conditions



# Exhibit D

## Proposed Improvements and Uses

