

ORDINANCE NO. 1297

AN ORDINANCE APPROVING AND ADOPTING THE FRISCO ROAD ECONOMIC DEVELOPMENT PROJECT PLAN; DESIGNATING AND ADOPTING THE PROJECT AREA AND INCREMENT DISTRICT BOUNDARIES; ESTABLISHING A DATE FOR THE CREATION OF INCREMENT DISTRICT NO. ONE (1), CITY OF YUKON; AUTHORIZING THE CITY OF YUKON AS THE PRINCIPAL ENTITY TO CARRY OUT AND ADMINISTER THE PROJECT PLAN; ESTABLISHING A TAX APPORTIONMENT FUND; DECLARING APPORTIONED FUNDS TO BE FUNDS OF THE CITY OF YUKON; AUTHORIZING THE USE OF SALES, USE, AND HOTEL OCCUPANCY TAX INCREMENT REVENUES FOR THE PAYMENT OR FINANCING OF CERTAIN PROJECT COSTS; AUTHORIZING THE USE OF OTHER RESOURCES TO PAY FOR OR FINANCE PROJECT COSTS; AUTHORIZING THE YUKON ECONOMIC DEVELOPMENT AUTHORITY TO ISSUE BONDS AND CARRY OUT CERTAIN PROVISIONS OF THE PROJECT PLAN; RATIFYING AND CONFIRMING THE ACTIONS, RECOMMENDATIONS AND FINDINGS OF THE REVIEW COMMITTEE AND THE PLANNING COMMISSION; PROVIDING FOR SEVERABILITY AND DECLARING AN EMERGENCY.

WHEREAS, the primary purpose of the Frisco Road Economic Development Project Plan (the “Project Plan”) is to improve the quality of life for citizens of the City of Yukon (the “City”) by authorizing the appropriate and necessary public support and assistance for the construction of an interchange at Frisco Road and Interstate 40, as well as the creation of an attractive viable commercial corridor south of Interstate 40 on and east of Frisco Road, all of which will stimulate private investment and development, attract new businesses, create new employment, and enhance the tax base (collectively, the “Project”); and

WHEREAS, the Project supports the economic development objectives of the City and makes possible investment, development and economic growth that would be difficult or impossible without the Project and the apportionment of sales tax revenues from within the increment district; and

WHEREAS, the Project Plan is an eligible project plan under the Oklahoma Local Development Act, Title 62, Oklahoma Statutes, Section 850, *et seq.*, as amended (the “Local Development Act”); and

WHEREAS, the Frisco Road Economic Development Review Committee (the “Review Committee”), comprised of representatives the City, the City of Yukon Planning Commission (“Planning Commission”), Canadian County (“County”), and the public at large, has considered the financial impacts of the Project on the taxing jurisdiction and has found that the development anticipated to be stimulated by the Project Plan may result in some increase in demand for services by or in costs to the City, but its public sector costs will be substantially defrayed by the benefits of the new development, and has adopted a resolution recommending the approval of the

proposed Project Plan, including proposed Increment District No. 1, City of Yukon (“Increment District No. 1”), to the City Council; and

WHEREAS, the Planning Commission has determined that the Project Plan conforms with the Comprehensive (Master) Plan of the City and recommends to the City Council approval of the Project Plan; and

WHEREAS, the Review Committee has reviewed the proposed Project Area and Increment District No. 1 in accordance with the criteria specified in the Local Development Act and has determined that Increment District No. 1 is eligible for designation as an increment district and for economic development under the Local Development Act; and

WHEREAS, investment, development, and economic growth are difficult, but possible, within the proposed Project Area, as defined in Section 6 of this ordinance, and Increment District No. 1, as defined in Section 7, if the Project Plan is adopted; and

WHEREAS, tax apportionment financing is a necessary component in generating economic development in the proposed Project Area and Increment District No. 1; and

WHEREAS, the apportioned sales, use, and hotel occupancy tax increment revenues derived from Increment District No. 1 shall be used to finance eligible project costs contained in Section VIII of the Project Plan; and

WHEREAS, the establishment of the proposed Increment District No. 1 may be used in conjunction with existing programs and other locally implemented economic development efforts in order to encourage economic development in the proposed Project Area; and

WHEREAS, the Project is expected to stimulate new private investment of approximately \$75 Million within the Project Area and will generate additional indirect economic benefits outside the Project Area; 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 proposed Increment District No. 1 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 Local Development Act in the review and approval of the Project Plan, including Increment District No. 1; and

WHEREAS, all required notices have been given and all required hearings have been held in connection with the proposed Project Plan, as prescribed by the Local Development Act, the Oklahoma Open Meetings Act, Title 25, Oklahoma Statutes, Section 302, *et seq.*, and other applicable law; and

WHEREAS, implementation of the Project Plan will be carried out by the City of Yukon, with the assistance of the Yukon Economic Development Authority, which is designated to assist in carrying out the Plan and to exercise certain powers pursuant to Local Development Act; and

WHEREAS, implementation of the Project Plan will be facilitated by authorizing the Yukon Economic Development Authority to issue tax apportionment bonds or notes and to incur project costs, as defined by the Project Plan, and to incur the costs of issuance of such bonds or notes and to accumulate appropriate reserves, if any, in connection therewith; and

WHEREAS, it is in the best interest of the City of Yukon and its citizens to approve the Project Plan, including the establishment of Increment District No. 1.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the City Council of the City of Yukon:

SECTION 1. In order to develop the eligible Project Area, the City of Yukon (the “City”) elects to utilize Article 10, Section 6C of the Constitution of the State of Oklahoma and the Local Development Act, which authorize the use of local taxes for specific public investments, assistance in development financing and as a revenue source for other public entities in the area, 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 Planning Commission and Frisco Road Economic Development Review Committee. As used herein “Frisco Road Economic Development Project Plan” or “Project Plan” shall mean the document approved by the Review Committee January 23, 2014, comprised of one cover sheet, eight pages of text, five exhibits, and titled “Frisco Road Economic Development Project Plan.”

SECTION 3. The membership of the Review Committee and all actions taken and all recommendations and findings made in connection with the Project Plan by the Review Committee and the Planning Commission are hereby ratified.

SECTION 4. For identification purposes, the name of the increment district shall be Increment District No. 1, City of Yukon.

SECTION 5. Increment District No. 1, City of Yukon, is hereby created as of the date of the adoption of this ordinance.

SECTION 6. The boundaries of the Frisco Road Economic Development Project Area are hereby designated and adopted as follows:

Beginning at the intersection of the west jurisdictional boundary the City of Yukon and the north boundary of the southwest quarter (SW ¼) of Section 19 of Township 12 North, Range 5 West, **Point of Beginning**; thence east along the north boundary line of the southwest quarter (SW ¼)

of Section 19 of Township 12 North, Range 5 West a distance of six hundred feet, (600') to a point; thence south (S 0° 00'00" E) to the north right-of-way of Interstate 40: thence easterly along the north right-of-way of Interstate 40 to the intersection of the east right-of-way of Garth Brooks Boulevard; thence southerly along the east right-of-way of Garth Brooks Boulevard to the intersection of the south jurisdictional boundary of the City of Yukon; thence westerly along the south jurisdictional boundary of the City of Yukon to the intersection of the west jurisdictional boundary of the City of Yukon; thence northerly along the west jurisdictional boundary of the City of Yukon to the intersection of the south jurisdictional boundary of the City of Yukon; thence westerly along the south jurisdictional boundary of the City of Yukon to the intersection of the west jurisdictional boundary of the City of Yukon; thence north along the west jurisdictional boundary of the City of Yukon to the **Point of Beginning**.

Less and Except, Lots 1, 2-A, 2-C, and 3 of Block 1 of the plat of Yukon Parkway West subdivision recorded among the land records maintained by the Office of the Canadian County Clerk in Plat Book 8, Page 228; and

Less and Except, Lots 1, 2-A2, 3, 5, and 6 of Block 1 of the plat of Yukon Village subdivision recorded among the land records maintained by the Office of the Canadian County Clerk in Plat Book 9, Pages 203 and 204; and

Less and Except, Lots 2, and 3 of Block 1 of the plat of Yukon Parkway West Phase IV subdivision recorded among the land records maintained by the Office of the Canadian County Clerk in Plat Book 8, Page 339; and

Less and Except, Lot 3 of the plat of Yukon Parkway West Phase III subdivision recorded among the land records maintained by the Office of the Canadian County Clerk in Plat Book 8, Page 316.

SECTION 7. The boundaries of the Increment District No. 1, City of Yukon (a sales, use, and hotel occupancy tax increment district), are hereby designated and adopted as follows:

Increment District No. 1 is exactly the same as the Project Area and is described as beginning at the intersection of the west jurisdictional boundary the City of Yukon and the north boundary of the southwest quarter (SW ¼) of Section 19 of Township 12 North, Range 5 West, **Point of Beginning**; thence east along the north boundary line of the southwest quarter (SW ¼) of Section 19 of Township 12 North, Range 5 West a distance of six hundred feet, (600') to a point; thence south (S 0° 00' 00" E) to the north right-of-way of Interstate 40: thence easterly along the north right-of-way of Interstate 40 to the intersection of the east right-of-way of Garth Brooks Boulevard; thence southerly along the east right-of-way of Garth Brooks Boulevard to the intersection of the south jurisdictional boundary of the City of Yukon; thence westerly along the south jurisdictional boundary of the City of Yukon to the intersection of the west jurisdictional boundary of the City of Yukon; thence northerly along the west jurisdictional boundary of the City of Yukon to the intersection of the south jurisdictional boundary of the City of Yukon; thence westerly along the south jurisdictional boundary of the City of Yukon to the intersection of the west jurisdictional boundary of the City of Yukon; thence north along the west jurisdictional boundary of the City of Yukon to the **Point of Beginning**.

Less and Except, Lots 1, 2-A, 2-C, and 3 of Block 1 of the plat of Yukon Parkway West subdivision recorded among the land records maintained by the Office of the Canadian County Clerk in Plat Book 8, Page 228; and

Less and Except, Lots 1, 2-A2, 3, 5, and 6 of Block 1 of the plat of the Yukon Village recorded among the land recorders maintained by the Office of the Canadian County Clerk in Plat Book 9, Pages 203 and 204; and

Less and Except, Lots 2, and 3 of Block 1 of the plat of Yukon Parkway West Phase IV subdivision recorded among the land records maintained by the Office of the Canadian County Clerk in Plat Book 8, Page 339; and

Less and Except, Lot 3 of the plat of Yukon Parkway West Phase III subdivision recorded among the land records maintained by the Office of the Canadian County Clerk in Plat Book 8, Page 316.

SECTION 8. The City Council hereby finds:

(a) that the Project Area, including Increment District No. 1, is a reinvestment area as defined by the Local Development Act;

(b) 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;

(c) that the guidelines of paragraphs 1 and 2 of 62 O.S. § 852 shall be followed;

(d) that the aggregate net assessed value of the taxable property in all increment districts within the City, as determined pursuant to the Local Development Act, 62 O.S. § 862, does not exceed 35% of the total net assessed value of the taxable property within the City;

(e) that the aggregate net assessed value of the taxable property in all increment districts within the City, as determined pursuant to the Local Development Act, 62 O.S. § 862, does not exceed 25% of the total assessed net value of any affected school district located within the City;

(f) that the land within all increment districts within the City does not exceed 25% of the total land area of the City;

(g) that the Frisco Road Economic Development Project Plan is feasible and conforms to the Comprehensive (Master) Plan of the City.

SECTION 9. The City 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 Local Development Act; and the City reserves the power to make minor amendments to the Project Plan in accordance with the Local Development Act, 62 O.S. § 858(D).

SECTION 10. The Yukon Economic Development Authority shall have the authority to carry out certain provisions of the Project Plan, including the authority to issue tax apportionment bonds and notes, other bonds or notes, or both; incur project costs pursuant to Section VIII of the Project Plan; provide funds to or reimburse the City for the acquisition of redevelopment Project property, payment of project costs and other costs incurred in support of the implementation of the Project; and incur the costs of issuance of bonds and accumulate appropriate reserves, if any, in connection with them.

SECTION 11. The sales tax increment is a portion of the City's non-dedicated sales tax attributable to investment and development within the Increment District. The sales tax increment shall be the ninety percent (90%) of the City's two percent (2%) non-dedicated sales tax revenues (resulting in a one and eight-tenths percent (1.8%) effective incremental tax rate), ninety percent (90%) of the City's two percent (2%) non-dedicated use tax (also resulting in a one and eight-tenths percent (1.8%) effective incremental tax rate), and ninety percent (90%) of the City's five percent (5%) hotel occupancy tax (resulting in a four and a half percent (4.5%) effective incremental tax rate) generated by commercial transactions in Increment District No. 1.

SECTION 12. The increment of sales taxes generated by Increment District No. 1 may be used to pay or finance eligible project costs authorized pursuant to Section VIII of the Project Plan for a period not to exceed twenty-five (25) years, as provided by law, or the period required for the payment of up to \$37 Million of project costs authorized pursuant to Section VIII of the Project Plan, whichever is less.

SECTION 13. Pursuant to Section 6C of Article X of the Constitution of the State of Oklahoma and the Local Development 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 discharge of indebtedness that may be incurred by the Yukon Economic Development Authority or other public entities authorized by Section VII of the Project Plan, whichever is less.

SECTION 14. During the period of apportionment, the sales 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 of Yukon, or, at the direction of the City, the Yukon Economic Development Authority, a public trust, or another public entity designated by the City, and (c) shall not be subject to annual appropriation as a part of the general fund of the City of Yukon.

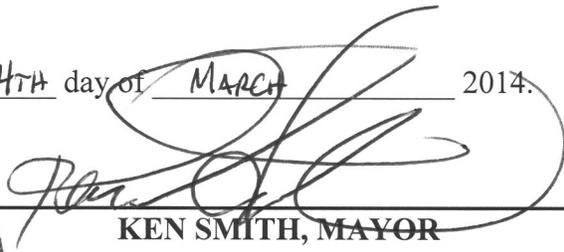
SECTION 15. SEVERABILITY. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional, such portion shall not affect the validity of the remaining portions of this ordinance.

SECTION 16. EMERGENCY. WHEREAS, it being necessary for the preservation of the peace, health, safety, and public good of The City of Yukon and the inhabitants thereof, an emergency is hereby declared to exist, and by reason whereof, this ordinance shall take full force from and after its passage, as provided by law.

INTRODUCED and CONSIDERED in open meeting of the City Council of the City of Yukon on this 4TH day of MARCH 2014.

PASSED by the City Council of the City of Yukon this 4TH day of MARCH 2014.

SIGNED by the Mayor of Yukon on the 4TH day of MARCH 2014.



KEN SMITH, MAYOR

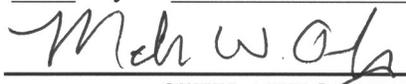
ATTEST:



CITY CLERK



APPROVED as to form and legality this 4TH day of MARCH 2014.



CITY ATTORNEY