



## **FRISCO ROAD ECONOMIC DEVELOPMENT PROJECT PLAN**

**PREPARED BY:**

**THE CITY OF YUKON, OKLAHOMA**

**CITY COUNCIL**

**KEN SMITH – MAYOR/AT-LARGE  
NICK GRBA – VICE MAYOR/WARD 1  
JOHN ALBERTS – WARD 2  
DONNA YANDA – WARD 3  
MICHAEL MCEACHERN – WARD 4**

**YUKON ECONOMIC DEVELOPMENT AUTHORITY**

**TRUSTEES**

**RAY WRIGHT, CHAIRMAN  
JOHN NAIL, VICE CHAIRMAN  
JOHN ALBERTS  
MIKE GEERS  
RENA HOLLAND  
TARA PETERS  
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# **FRISCO ROAD ECONOMIC DEVELOPMENT PROJECT PLAN**

## **I. DESCRIPTION OF PROJECT**

The Frisco Road Economic Development Project Plan is a project plan as defined under the Local Development Act, 62 O.S. §850, *et seq.*, and is referred to here as the “Project Plan.” The Project Plan provides the economic structure and funding to support the construction of a four ramp east-west interchange at Frisco Road and I-40, as well as the creation of an attractive viable commercial corridor south of I-40 and east of Frisco Road that is to be anchored by a limited service hotel and various commercial outlets (“Project”). The Project is being undertaken by the City of Yukon (“City” or “Yukon”) in order to achieve its key development objectives, improve the quality of life for its citizens, stimulate private investment, and enhance the tax base. In addition, the Project Plan is a critical element in creating a framework for fostering public-private agreements in order to create community developments and realize economic objectives of the City, including the continuation of the development that has occurred adjacent to the Project Area (“Project Area” is defined in Section II of this Project Plan).

A key component of the Project Plan is the encouragement of developments and amenities that improve the quality of life for the residents of Yukon. Amenities of this sort include but are not limited to a hotel within close proximity to Integris Health Center (“Health Center”) and necessary and appropriate access as well as the proper street design and layout. Support from the City for such developments and amenities can only be achieved through the financing tools and means available under the Local Development Act.

The Project will be financed from a combination of public and private sources, including apportionment of sales, use, and hotel occupancy use tax increment revenues from an increment district to be established in connection with the Project in accordance with the Local Development Act and certain funding provided pursuant to an agreement with the Oklahoma Department of Transportation for the construction the Frisco Road/I-40 interchange.

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

The Project Area is the area in which Project activities will take place. The Increment District is designated Increment District No. 1, City of Yukon (“Increment District No. 1”) and is coextensive with the Project Area. The Project Area and Increment District No. 1 are generally described as an undeveloped area mostly south of I-40, between Garth Brooks Boulevard and Health Center Parkway on the east and Frisco Road on the west, to the city limits on the south (along N.W. 10<sup>th</sup> Street), and extending north of I-40 along Frisco Road, six hundred feet wide, for approximately a quarter of a mile, but not including the Health Center and other developed properties. The boundaries of the Project Area and Increment District are illustrated on Exhibit A and described more specifically on Exhibit B and Exhibit C.

In accordance with the legislative guideline found in 62 O.S. §852(2), areas where investment, development, and economic growth would occur anyway have been excluded.

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

The Project Area is a reinvestment area, as defined in the Oklahoma Local Development Act, 62 O.S. §853(17). A reinvestment area is one which requires public improvements, including but not limited to any transportation-related projects necessary to attract major investment in the area. The Oklahoma Department of Transportation (“ODOT”) has designated and listed the Frisco Road/I-40 interchange project on its Statewide Transportation Improvement Program. A four-ramp east-west interchange providing ingress and egress to and from Frisco Road and I-40 is a significant transportation project that is necessary to improve traffic flow within the City and create a much needed alternative route from the southwest and northwest quadrants of the City to I-40.

In the City’s process of working with ODOT to develop a plan for the Frisco Road/I-40 interchange, the City Manager has identified various traffic generators that will significantly increase the traffic on Frisco Road and require additional transportation-related projects to be located within the Project Area. The Frisco Road/I-40 interchange and other public transportation improvements are critical to the City’s ability to attract major investment in the area and to enhance the tax base.

### **IV. OBJECTIVES**

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

- A. The construction the Frisco Road/I-40 interchange to serve as a catalyst for retaining or expanding employment, to attract major investment in the area, and reverse economic stagnation.
- 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 sales tax revenues.
- C. To stimulate private commitments to invest and reinvest in the Project Area.
- D. To create an attractive viable commercial center, including retail and hotel uses, to attract residents and visitors.

### **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. Coordination with the Oklahoma Department of Transportation for the planning, funding, and construction of Frisco Road/I-40 interchange.

- C. Construction and/or repair of public improvements, streets, streetscapes, utilities and other public infrastructure and facilities.
- D. Installing appropriate landscape and streetscape improvements, including lighting, signage, and sidewalks.

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

- A. This Project Plan creates Increment District No. 1, the City of Yukon, a sales, use, and hotel occupancy tax increment district.
- B. The increment of the City's sales taxes generated by Increment District No. 1 is a portion of the City's non-dedicated sales tax attributable to investment and development within Increment District No. 1. The sales tax increment shall be 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. Regardless of whether the City raises its sales, use, or hotel tax rates, the incremental tax rate shall remain the same for the purposes of calculating the sales tax increment generated by Increment District No. 1 may be used to pay Project Costs authorized pursuant to Section VIII of this Plan, for a period not to exceed 25 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 pursuant to Section VIII of this Plan, whichever is less.
- C. During the period of apportionment, the 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, funds of the Authority, and (3) shall not be subject to annual appropriation as a part of the general fund of the City.
- D. Project Costs shall mean (1) the costs authorized to be paid by apportioned tax increments pursuant to Section VIII of this Plan and (2) additional costs necessary or appropriate to implementing this Plan authorized by Section VIII.B, which may be approved and incurred without amendment to this Plan.

**VII. PROJECT AND INCREMENT DISTRICT AUTHORIZATIONS**

- A. The City of Yukon 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 Local Development Act, 62 O.S. § 854.

B. The Yukon Economic Development Authority, a public trust (“Authority”), or another public entity designated by the City pursuant to Section VI, is authorized and designated to carry out those provisions of the Project related to issuance of bonds or notes as provided in 62 O.S. §§ 854(B) and 863 of the Local Development Act, subject to approval of the governing body of the City of any specific notes or bonds. Such public entity of the City is authorized to assist in carrying out this Project Plan and to exercise all powers necessary or appropriate thereto pursuant to Sections 854, Title 62 of the Oklahoma Statutes, except for approval of this Project Plan and those powers enumerated in paragraphs 1, 2, 3, 4, 7, 13 and 16 of Section 854, Title 62. As a public entity designated by the City, the Authority, or another public entity designated by the City is authorized to: (1) issue tax apportionment bonds or notes, or both; (2) incur Project Costs, pursuant to Section VIII of this Project Plan; (3) 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 (4) 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 by apportioned tax increments 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 Executive Director of the Yukon Economic Development Authority, Larry Mitchell, his successor in office, or his designee 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. The Executive Director, his successor in office, or his designee is authorized to empower one or more designees to exercise responsibilities in connection with Project implementation.

[TEXT CONTINUES ON NEXT PAGE]

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

A. The Project Costs will be financed by the apportionment of sales, use, and hotel occupancy tax increments from Increment District No. 1, the City of Yukon. The Project Costs categories are:

**PROJECT COSTS**

**PUBLIC IMPROVEMENTS** **\$25,000,000**

Including specifically but not limited to:

**Transportation Improvements**

(e.g., the local share of the I-40 interchange at Frisco Road, widening Frisco Road, extending Health Center Parkway, constructing other roads within the Project Area, etc.)

**Other Infrastructure Improvements,**

(e.g., water system, sanitary sewer, storm drainage, sidewalks, utility relocation, etc.)

**Public Amenities**

(e.g., streetscapes, landscaping, lighting, water features, parks and other public spaces, etc.)

**DEVELOPMENT FINANCING ASSISTANCE  
AND LAND ACQUISITION** **\$10,000,000**

Including specifically but not limited to:

Acquisition of right-of-way or other land for public use, assistance for business location, relocation, expansion, or tenant improvements, and job creation

**PROJECT IMPLEMENTATION** **\$ 1,000,000**

Including specifically but not limited to:

Preparation of the Project Plan, implementation, planning, design, market studies, surveys, legal, engineering, direct administrative costs, organizational costs, and annual reporting

**CONTINGENCY** **\$ 1,000,000**

**TOTAL PROJECT COSTS:** **\$37,000,000**

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

A. Additional Project Costs.

Additional costs necessary or appropriate to implement this Project Plan that are to be financed by other than apportioned sales 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 sales tax increments.

B. Public Facilities Project Costs.

The Public Improvements Project Costs include improvements that may be funded in part by assistance in development financing to the redeveloper. The City of Yukon may elect to fund these public improvements through assistance in development financing as a means of ensuring the seamless nature and ease of construction of the entire Project. Upon completion of the construction of these public improvements, they may be purchased by the City of Yukon and title shall be in the name of the City of Yukon.

**IX. FINANCING REVENUE SOURCES**

A. Financing Authorizations.

The implementation of the Project Plan shall be financed in accordance with financial authorizations, including both fund and asset transfers, authorized from time to time by the City Council.

B. Financing Revenue Sources.

The revenue sources expected to finance Project Costs authorized by Section VIII are the portion of the increments attributable to investment and development within Increment District No. 1. Project Costs will be paid by the City and/or the Authority.

C. Financial Reports and Audits.

The redevelopment 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.

D. Other Necessary and Supporting Costs.

The Authority, 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. Estimated Private and Public Investments in the Project and Increment District No. 1.**

The total estimated private investment is approximately \$75 Million, in addition to an estimated \$60 Million in aggregate public investment, including the Federal portion of the interchange construction. Private investment in the area is expected to consist of new retail, office and other commercial development, including hotel, and new business development. Public investment will include infrastructure improvements, landscape and streetscape improvements.

### **B. Estimated Public Revenue from the Project and Increment District No. 1.**

The estimated incremental increases in sales 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 defined by establishment of Increment District No. 1. Both the City and the State will experience increases in sales tax revenues that are not a part of the increment. Ad valorem taxing entities will experience additional revenues from increasing values near and adjacent to the Project.

Incremental sales tax revenues are estimated to range between \$300,000.00 annually in the near term and \$3,000,000.00 annually over the longer term. The development anticipated by the Redevelopment Agreement will not result in a measurable increase in demand for services by or in costs to the City of Yukon, whose public sector costs will be substantially defrayed from apportioned sales tax increments. The public revenue anticipated includes increased tax revenue both inside and outside the Increment District. The economic benefits of the Project Plan for the City as the affected taxing jurisdiction indicate positive financial impacts for the community as a whole. The aggregate impacts on the City from implementation of the Project Plan are positive and include the achievement of the objectives set forth in Section IV.

## **XI. FINANCING PLAN**

The proposed private redevelopment will generate tax increments necessary to pay authorized public costs of the Project. Without the proposed public assistance, significant development within the area would not occur. The establishment of Increment District No. 1 will provide for funding of certain Project Costs to be paid by the City and the Authority. The financing of the projected private redevelopment in the area will be provided by private equity and private mortgage financing, secured by the private redevelopments.

## **XII. LAND USE**

Existing uses and conditions of real property in the Project Area are shown on the map attached as Exhibit D. The proposed improvements to and the proposed uses of the real property in the Project Area are shown on Exhibit E.

### **XIII. MISCELLANEOUS PROVISIONS**

No changes in zoning are required to accommodate this Project. This Project Plan complies with the objectives and priorities of the Comprehensive Plan of the City of Yukon, as amended.



## EXHIBIT B

### Frisco Road/Interstate 40 Interchange Economic Development Project Plan Area Description

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.

## EXHIBIT C

### Frisco Road/Interstate 40 Interchange Economic Development Project Plan Increment District Description "Increment District No. 1"

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.

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**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

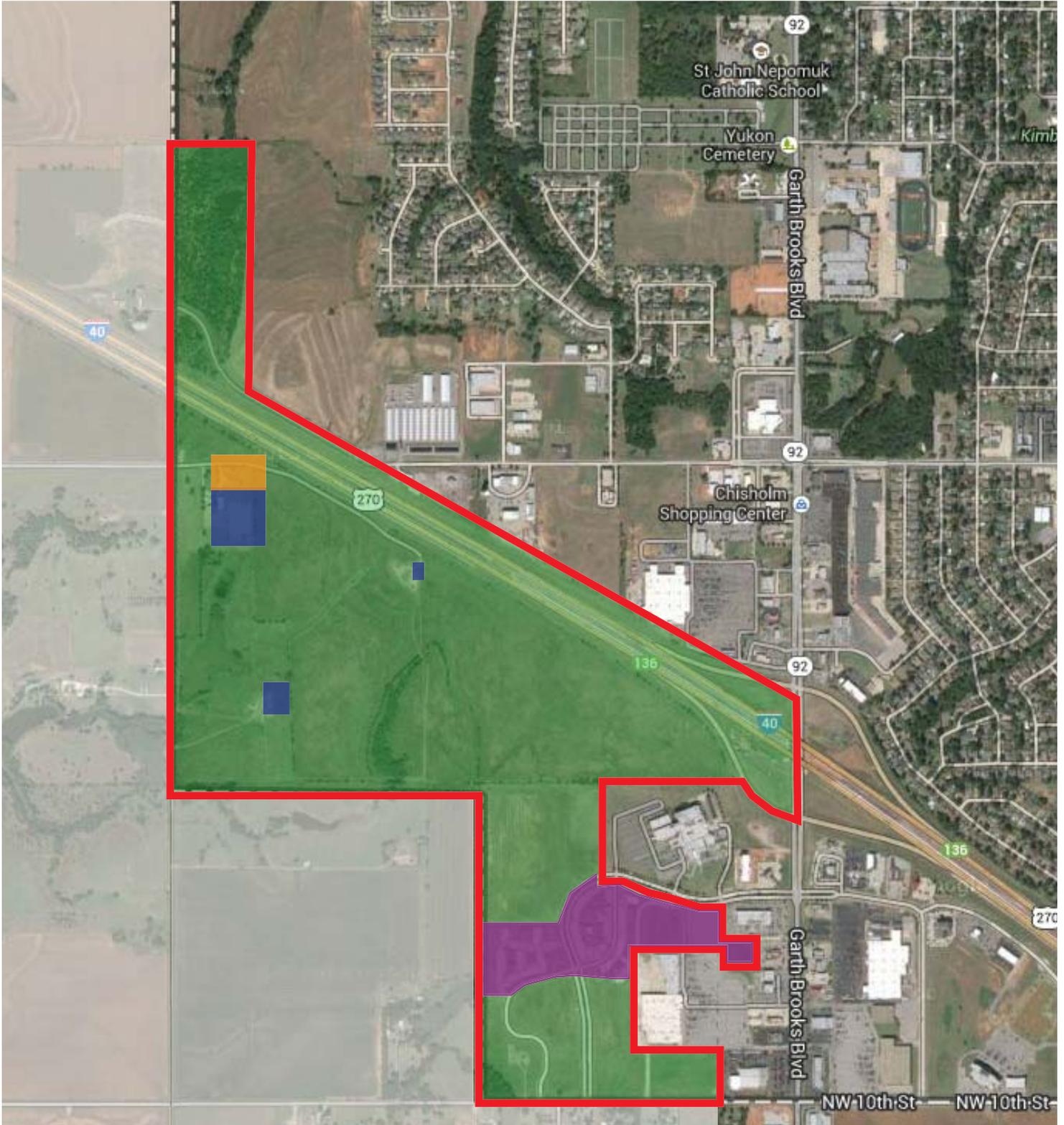
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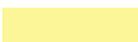
# Exhibit D Existing Uses and Conditions Project Area

- Project Area
- Vacant Property
- Residential
- Industrial
- Commercial



# Exhibit E

## Proposed Improvements and Proposed Uses within Project Area

-  Project Area
-  Retail/Mixed-Used Projects
-  Public Improvements and Amenities

