

Adopted _____, 2024



**PROJECT ANTHEM
ECONOMIC DEVELOPMENT PROJECT PLAN
AND SUPPORTING INCENTIVE DISTRICT,
CITY OF TULSA**

PREPARED BY:



THE CITY OF TULSA, OKLAHOMA

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PROJECT ANTHEM

ECONOMIC DEVELOPMENT PROJECT PLAN

I. INTRODUCTION

The Project Anthem Economic Development Project Plan is a project plan as defined under the Oklahoma Local Development Act, 62 O.S. § 850, *et seq.* (“Act”), and is referred to here as the “Project Plan.” The project is being undertaken by the City of Tulsa, Oklahoma (“City”) in order to develop approximately 340 acres of land in the eastern-most portion of the City’s corporate boundaries, and to 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 development of a data center meeting U.S. Industry Number 518210 of the North American Industry Classification System (NAICS) Manual, 2017 revision, known as “Project Anthem.” The central component of the Project Plan is the support of this major private development.

This Project Plan is a critical element in fostering public-private partnerships to create the type of development that the City seeks under its Tulsa Regional Advanced Mobility (“TRAM”) project, an advanced mobility industry cluster throughout east Tulsa and surrounding areas focused on advancing aerial mobility, advanced batteries, and electrification of ground mobility and ancillary development supporting such industries, but can achieve only by means of the financing tools available under the Act. The Project Plan is a financing tool necessary for the successful implementation of the City’s economic development objectives. An incentive district provides the tax exemptions necessary to stimulate the development of Project Anthem. The tax exemptions to be provided will be applicable to a portion of the ad valorem taxes and ad valorem special assessments imposed on Project Anthem from taxing entities maintaining jurisdiction over the proposed Incentive District, tentatively described as Incentive District “A,” City of Tulsa (“Incentive District A”), until it becomes effective and is commenced as described in Sections II and VI of this Project Plan.

II. BOUNDARIES OF PROJECT AREA AND INCENTIVE DISTRICT

The Project Area is the area in which the activities described in this Project Plan will take place. The Incentive District is the area from which the tax exemptions described in this Project Plan will be applicable. The Incentive District is coextensive and congruous with the Project Area boundaries. The Project Area and Incentive District boundaries are generally located between East 11th Street and southern boundary of Section 8, Township 19 North, Range 15 East of the Indian Meridian, and immediately west of the Creek Turnpike.

The Project Area and Incentive District boundaries are depicted on Exhibit A. The Project Area and Incentive District legal description is set forth on Exhibit B.

The Incentive District will be assigned a number and an official designation when it becomes effective by action of the Tulsa City Council within 10 years of the adoption of this Project Plan, as required by Section 856(B)(2) of the Act.

III. ELIGIBILITY OF PROJECT AREA

The Project Area is a reinvestment area, as defined by the Act. Public improvements are required 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 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 purpose of the Project Plan and Incentive District is to make possible Project Anthem and support other public initiatives of the City. The tax exemptions to be provided within the Incentive District will be used to support the following objectives:

- A. To facilitate the development of Project Anthem.
- B. To support public education and public school districts impacted by the development in the Project Area.
- C. To support other governmental entities and services organizations dependent on ad valorem revenues for regular operations.
- D. To repurpose and activate vacant and underutilized property.
- E. To enhance the tax base and make possible investment, development, and economic growth that would otherwise be difficult without the Project Plan and the provision of tax exemptions.

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. Leveraging the development of Project Anthem pursuant to a development agreement with the Tulsa Authority for Economic Opportunity, a public trust (“Authority”), and the City.
- C. Maintaining of a portion of the ad valorem taxes outside of the tax exemption granted pursuant to this Project Plan to ensure they continue to be received by impacted taxing jurisdictions within the Incentive District.

VI. ESTABLISHMENT OF INCENTIVE DISTRICT

A. This Project Plan establishes the Incentive District, an ad valorem incentive district. The Incentive District shall commence as of the date determined by the Tulsa City Council in accordance with Section 856(B)(2) of the Act.

B. The ad valorem incentive within the Incentive District shall be an exemption of 85% of the ad valorem taxes and ad valorem special assessments levied against new real and personal property investments made by Project Anthem by the following taxing entities: (1) City of Tulsa, (2) Wagoner County; (3) Catoosa Public Schools (Independent School District No. 2 of Rogers County); (4) Tulsa Technology Centers (School District No. 18 of Tulsa County); (5) Wagoner County Health Department; and (6) Rolling Hills Fire District (Rolling Hills Fire Protection District No. 1). Each of these taxing entities have previously consented to the inclusion of their levies in the incentive described above by executing an agreement with the City.

C. The incentive described in paragraph "B." above shall be applicable to new real and personal property investments made by Project Anthem within the Incentive District for a period not to exceed twenty-five (25) fiscal years from the commencement date of the Incentive District, as provided by law, due to Project Anthem meeting the definition of U.S. Industry Number 518210 of the North American Industry Classification System (NAICS) Manual, 2017 revision.

VII. PROJECT AND INCENTIVE 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 Section 854 of the Act.

B. The Authority is authorized and designated to carry out implementation actions for the project, including all necessary, appropriate, and supportive steps pursuant to one or more agreements with developers to provide the tax exemption described in Article VI above consistent with the provisions of such agreements and this Project Plan. The Authority is also authorized to assist in carrying out this Project Plan and to exercise all powers necessary or appropriate thereto pursuant to Section 854 of the 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.

C. The Executive Director of the Authority or another designee of the Executive Director 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

A. No Project Costs are anticipated to be funded by this Project Plan. Any Project Costs will be financed by private developers at no cost to the City, the Authority, or other public entities.

B. In the event additional public costs become necessary or appropriate to implement this Project Plan, the City or Authority may approve such costs at any time, subject to availability of funding and subject to constitutional and statutory restrictions.

IX. FINANCING PLAN AND AUTHORIZATIONS

A. Financing Plan and Authorizations. Any authorized public costs will be funded by the private development within the Incentive District unless separately approved and authorized by the City or Authority pursuant to relevant law, as provided in Section VIII.B. above.

B. Financial Reports and Audits. The activities undertaken by the City or the Authority pursuant to this Project Plan shall be accounted for and reported by the appropriate and necessary annual fiscal year audits and reports.

C. Other Necessary and Supporting Costs. The City and the Authority are authorized to apply for and obtain grants from other sources for any public costs incurred or to be incurred in connection with Project Anthem and the construction of improvements related thereto.

X. PRIVATE AND PUBLIC INVESTMENTS EXPECTED FOR THE PROJECT, AND ASSOCIATED FINANCIAL IMPACTS

A. Projected Public and Private Investment. The total estimated private investment is expected to be approximately \$800,000,000 over the course of the Incentive District's effective life. No public investment is anticipated or projected for Project Anthem.

B. Projected Public Revenues. The estimated increase in tax revenue is the 15% portion of the ad valorem taxes and special assessments not included in the tax exemption to be provided in the Incentive District. That 15% of ad valorem revenues from real property is estimated to be approximately \$728,000 per year at the outset of Project Anthem's operational period, and the revenues from personal property within the Incentive District is estimated to range between \$1,000,000 and \$320,000 annually based on depreciation and a 5-year reinvestment schedule. Total ad valorem revenues estimated that could be generated over the twenty-five (25) year lifespan of the Incentive District are just over \$36,000,000.

C. Economic Impacts and Impacts on Business Activities. Project Anthem will have a modest economic impact and impacts on business activities within the Project Area and the greater Tulsa community, region, and state, primarily due to the relatively low number of permanent employees anticipated. However, the impact on affected taxing jurisdictions will be overwhelmingly positive for the same reason. Project Anthem is anticipated to employ 50 people, with an average employee annual wage of \$63,000. This represents slightly more than \$3,000,000 in total annual payroll for completely new employment to the State and region. In addition to employment, an IMPLAN analysis of Project Anthem's economic effects indicates better economic impacts than its low direct employment-related impacts would suggest—up to \$50,000,000 in annual directly and indirectly generated economic activity will be spurred by Project Anthem's operations. This new economic activity will produce positive economic

impacts in east Tulsa and will help spur additional interest in TRAM-related economic development efforts.

ECONOMIC IMPACTS: IMPLAN ANALYSIS

| Impact Type | Employment | Labor Income | Total Value Added | Output |
|---------------------|-------------------|----------------------|--------------------------|----------------------|
| Direct Effect | 50 | \$ 3,157,710 | \$ 5,901,323 | \$ 25,492,496 |
| Indirect Effect | 116 | \$ 6,034,716 | \$ 9,014,409 | \$ 18,012,275 |
| Induced Effect | 40 | \$ 1,981,397 | \$ 3,629,148 | \$ 6,729,574 |
| Total Effect | 206 | \$ 11,173,824 | \$ 18,544,880 | \$ 50,234,345 |

The \$50,000,000 in new economic activity does not account for the construction impacts, which on their own are significant, given the amount of investment involved. An additional \$3.3 billion in new generated economic activity will be generated from the three-year construction period for Project Anthem, based on estimated construction costs of \$800,000,000.

CONSTRUCTION PERIOD IMPACTS: IMPLAN ANALYSIS

| Impact Type | Employment | Labor Income | Total Value Added | Output |
|---------------------|-------------------|-----------------------|--------------------------|-----------------------|
| Direct Effect | 3,393 | \$ 185,187,927 | \$ 188,087,582 | \$ 391,559,621 |
| Indirect Effect | 625 | \$ 41,222,601 | \$ 67,449,762 | \$ 147,437,095 |
| Induced Effect | 989 | \$ 48,491,084 | \$ 88,832,316 | \$ 164,710,586 |
| Total Effect | 5,007 | \$ 274,901,612 | \$ 344,369,659 | \$ 703,707,302 |

D. Financial Impacts on Taxing Jurisdictions.

1. Catoosa Public Schools.

Catoosa Public Schools may experience a small amount of growth in enrollment as a result of the Project Anthem’s employment and the ancillary economic impacts from the Project. However, the negative financial impacts of this enrollment growth will be mitigated by receipt of 15% of the ad valorem taxes generated by Project Anthem. The goal of such revenue sharing will be to offset any increasing costs due to increased enrollment. Catoosa Public Schools should see approximately \$371,000 to \$627,000 in non-sinking fund revenues annually (depending on depreciation rates and reinvestment schedules for business personal property) during the life of the Incentive District, and upon termination of the Incentive District, an increase in non-sinking fund revenue of approximately \$3,800,000 annually (not accounting for State School Aid revenue offsets).

2. Wagoner County.

Wagoner County may experience a small amount of population growth from Project Anthem's employees moving to the area. Wagoner County should see approximately \$93,000 to \$158,000 in non-sinking fund revenues annually (depending on depreciation rates and reinvestment schedules for business personal property) during the life of the Incentive District. Upon termination of the Incentive District, projections estimate that Wagoner County will experience an increase of approximately \$950,000 in ad valorem revenue annually from Project Anthem.

3. Wagoner County Health Department.

There may be a miniscule demand for services from the Wagoner County Health Department anticipated to result from Project Anthem. The Wagoner County Health Department should see approximately \$23,000 to \$39,000 in non-sinking fund revenues annually (depending on depreciation rates and reinvestment schedules for business personal property) during the life of the Incentive District. Once the Incentive District terminates, the Health Department should anticipate receiving approximately \$239,000 in ad valorem revenue per year from Project investments.

4. Tulsa Technology Center.

Tulsa Technology Center will experience a modest demand for increased services as a result of Project Anthem. The economic impact from Project Anthem, may also present myriad opportunities for complimentary job training programs (including, but not limited to construction and engineering-related trades) and employment opportunities for graduates. Tulsa Technology Center should see approximately \$119,000 to \$202,000 in non-sinking fund revenues annually (depending on depreciation rates and reinvestment schedules for business personal property) during the life of the Incentive District, and approximately \$1,225,000 upon the termination of the Incentive District.

5. Rolling Hills Fire Protection District.

Project Anthem likely has no negative impacts on the Rolling Hills Fire Protection District. Project Anthem will lie with the City of Tulsa Fire Department's service area, so any of Rolling Hills Fire Protection District's special assessments can or will be used elsewhere. Rolling Hills Fire Protection District should also anticipate receiving approximately \$63,000 to \$107,000 in ad valorem special assessment revenue annually (depending on depreciation rates and reinvestment schedules for business personal property) from Project Anthem during the life of the Incentive District, and approximately \$649,000 annually upon the termination of the Incentive District.

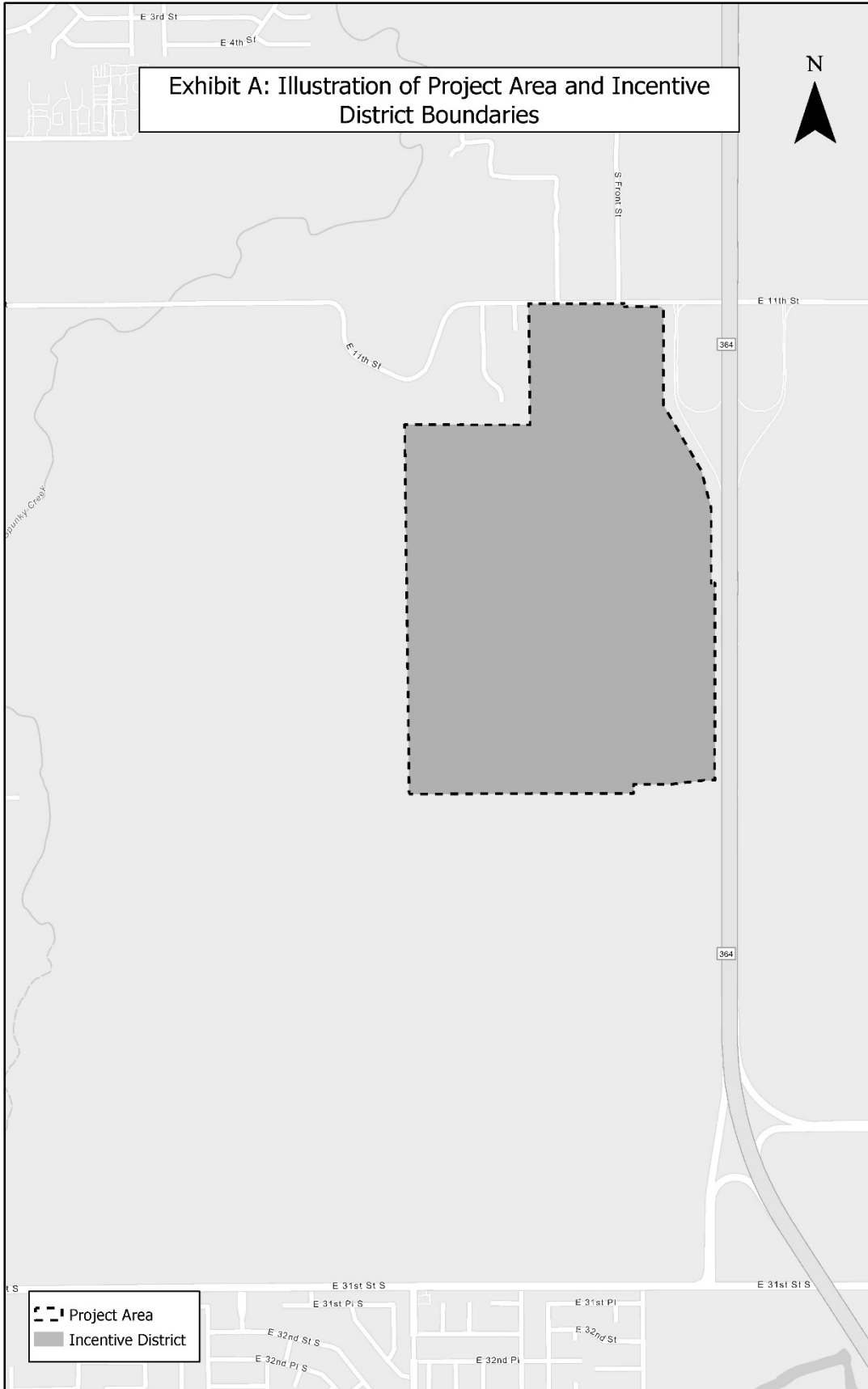
6. City of Tulsa.

Project Anthem likely has the largest impacts on the City of Tulsa, which will become responsible for maintenance of all new public infrastructure and improvements anticipated to be constructed by Project Anthem, in addition to providing police, fire, and general municipal services to serve Project Anthem.

XII. LAND USE

Existing uses and conditions of, and proposed improvements to, the real property in the Incentive District are shown on the attached Exhibit C. No changes to the Tulsa Comprehensive Plan are necessary to accommodate Project Anthem.

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**EXHIBIT B:
PROJECT AREA AND INCENTIVE DISTRICT LEGAL DESCRIPTION**

The Project Area and Incentive District share the same legal description:

A TRACT OF LAND LOCATED IN SECTION 8, TOWNSHIP 19 NORTH, RANGE 15 EAST OF THE INDIAN BASE AND MERIDIAN, WAGONER COUNTY, STATE OF OKLAHOMA, ACCORDING TO THE UNITED STATES GOVERNMENT SURVEY THEREOF, SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 8; THENCE ON THE WEST LINE OF SAID SECTION 8 FOR THE FOLLOWING TWO (2) DESCRIBED COURSES: (1) ON AN ASSUMED BEARING OF N01°35'51"W, 2640.24 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 8; (2) N01°36'38"W, 1320.45 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER; THENCE ON THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER N88°59'14"E, 1319.08 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER; THENCE ON THE EAST LINE OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER N01°34'23"W, 1320.26 FEET TO A POINT ON THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 8; THENCE ON SAID NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 8 N89°00'04"E, 1066.01 FEET TO THE WEST RIGHT-OF-WAY LINE OF CREEK TURNPIKE; THENCE ON SAID WEST RIGHT-OF-WAY LINE OF CREEK TURNPIKE FOR THE FOLLOWING FOURTEEN (14) DESCRIBED COURSES: (1) S01°00'00"E, 85.34 FEET; (2) N88°58'26"E, 254.82 FEET; (3) N88°58'26"E, 133.21 FEET; (4) S45°58'59"E, 42.41 FEET; (5) S01°03'02"E, 1028.62 FEET; (6) S31°03'21"E, 810.01 FEET; (7) S15°26'06"E, 419.15 FEET; (8) S00°58'35"E, 799.95 FEET; (9) N88°05'44"E, 40.00 FEET; (10) S00°58'34"E, 2115.51 FEET; (11) S89°07'16"W, 113.07 FEET; (12) S82°06'35"W, 375.14 FEET; (13) S89°00'11"W, 384.60 FEET; (14) S00°37'49"E, 70.37 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 8; THENCE ON SAID SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 8 S88°59'43"W, 2427.60 FEET TO THE POINT OF BEGINNING.

