**WOODLAND HILLS**

**ECONOMIC DEVELOPMENT PROJECT PLAN**

**PREPARED BY:**

**THE CITY OF TULSA, OKLAHOMA**

**AND**

**THE TULSA AUTHORITY FOR ECONOMIC OPPORTUNITY**

**WITH THE ASSISTANCE OF:**

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# DESCRIPTION OF PROJECT

The Woodland Hills Economic Development 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 Tulsa, Oklahoma (“City”) in order to redevelop a portion of the Woodland Hills Mall and surrounding commercial areas. By redeveloping a portion of the mall into a regional destination, the Project is hopeful to stave off potentially blighting influences and reinvigorate an important commercial corridor in the City, which will help achieve some of 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 renovation and redevelopment of a vacant anchor tenant space into a new-to-market regional sporting goods and retail operation. This Project Plan is a critical element in fostering public-private partnerships to make that redevelopment happen and provide for general improvements to the surrounding commercial corridor (“Project”), and can be achieved only by means of the financing tools available under the Oklahoma Local Development Act (“Act”).

An increment district provides funding for public sector costs to stimulate the private commercial redevelopment and provide public improvements to and beautification of the surrounding area. The Project will be financed from a combination of public and private sources, including apportionment of sales tax increments from an increment district to be established pursuant to the authorizations in this Project Plan. The new private investments are anticipated to be more than $65,000,000 and provide for more than 150 full-time (or equivalent) jobs.

# BOUNDARIES OF PROJECT AREA AND INCREMENT DISTRICT

The Project Area is the area in which Project activities will take place and Project expenditures may be made, and can be generally described as the area focused on the westernmost anchor tenant space for Woodland Hills Mall, located just northeast of the intersection of South Memorial Drive and East 71st Street, and then including adjacent quarter sections of property along East 71st Street from approximately one-half mile west of Woodland Hills Mall and extending east to the intersection of East 71st Street and U.S. Highway 64.

The increment district is the area in which increment revenues will be collected. It has been temporarily identified for purposes of this Project Plan as “Increment District A,” and will be assigned a number (*e.g.*, Increment District No. \_\_\_\_\_) when it becomes effective by action of the Tulsa City Council as described in Section VI below and as required by § 856(B)(3) of the Act. Increment District A, as established in Section VI below, can be generally described as the parcel containing the westernmost tenant space of Woodland Hills Mall. Legal descriptions of the Project Area and Increment District A are provided on Exhibit A, and the boundaries of each are illustrated on Exhibit B.

# ELIGIBILITY OF PROJECT AREA

In order to establish a tax increment district, Section 856(B)(4)(a) of the Act requires the City to find that the proposed Project Area or Increment District meets one of the following criteria:

1. Is a reinvestment area,
2. Is a historic preservation area,
3. Is an enterprise area, or
4. Is a combination of the areas specified in divisions (1), (2) and (3) of this subparagraph.

All of Increment District A and a majority of the Project Area lie within a state-designated enterprise zone, and therefore qualifies as an enterprise area. Additionally, the Project Area qualifies as a reinvestment area. Section 853(17) of the Act defines “reinvestment area” as:

any area located within the limits of a city, town or county requiring public improvements, including but not limited to transportation-related projects identified by any transportation authority pursuant to Section 1370.7 of Title 68 of the Oklahoma Statutes, to reverse economic stagnation or decline, to serve as a catalyst for retaining or expanding employment, to attract major investment in the area or to preserve or enhance the tax base or in which fifty percent (50%) or more of the structures in the area have an age of thirty-five (35) years or more. Such an area is detrimental to the public health, safety, morals or welfare. Such an area may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. Such an area includes a blighted area as defined in Section 38-101 of Title 11 of the Oklahoma Statutes at the time of approval of the project plan.

The Project Area will require public improvements to support and serve the Project, which will in turn serve as a catalyst to retain and expand employment and new investment in the surrounding area and community. The primary structure comprising Increment District A is over thirty-five (35) years in age, and have experienced increasing levels of vacancies and depreciation over the last several years. Accordingly, the proposed Project Area and Increment District qualify as a reinvestment area under the Act.

# OBJECTIVES

The principal objectives of the Project and Increment District A are, within commercial areas in the Project Area:

* 1. To retain or expand employment, to attract major investment in the area, and reverse economic stagnation.
  2. 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.
  3. To stimulate private commitments to invest and reinvest in the commercial areas.
  4. To provide an avenue to spur community reinvestment in an aging commercial corridor.

# STATEMENT OF PRINCIPAL ACTIONS

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

1. Project planning, design and approval.
2. Construction and/or repair of public improvements, streets, streetscapes, utilities and other public infrastructure and facilities serving commercial areas within the Project Area.
3. Installing appropriate landscape and streetscape improvements, including lighting, signage, and sidewalks serving commercial areas within the Project Area.
4. Redevelopment of an approximately 200,000-square-foot structure into a regional anchor sporting goods store.
5. To support the redevelopment and activation of underutilized or vacant commercial property and support the revitalization of the commercial corridor.

# ESTABLISHMENT OF INCREMENT DISTRICT

1. This Project Plan established Increment District A, a sales tax increment district.
2. The increment of the City’s sales taxes generated by Increment District A is a portion of the City’s non-dedicated sales tax attributable to investment and development within Increment District A. The sales tax increment shall be two percent (2%) of the gross proceeds or gross receipts derived from all sales in Increment District A that are taxable under the sales tax code of Oklahoma (including any and all amendments thereto and revisions thereof). The sales tax increment shall also include two percent (2%) of the gross proceeds or gross receipts generated by investment, construction, and development that is taxable under the sales tax code of Oklahoma, that takes place in Increment District A pursuant to a development or redevelopment agreement under which development financing assistance is provided from sales tax (“Development Assistance Agreement”) and which obligates the developer to provide periodic reporting of sales and use taxes paid in connection with construction projects within Increment District A (increment sales tax from taxable sales and from construction activity, collectively, “Sales Tax Increment”). The Sales Tax Increment may be used to pay Project Costs authorized pursuant to Section IX of this Plan, for a period not to exceed 15 years from the effective date of Increment District A, or the period required for payment of the Project Costs authorized pursuant to Section IX of this Plan, whichever is less.
3. During the period of apportionment, the apportionment fund (1) shall be available to pay Project Costs under Section IX, (2) shall constitute special funds of the City, or, at the direction of the City, funds of TAEO (as defined in Section VIII.B.), and (3) shall not be subject to annual appropriation as a part of the general fund of the City.
4. Project Costs shall mean (1) the costs authorized to be paid by apportioned tax increments pursuant to Section IX of this Plan, and (2) additional costs necessary or appropriate to implementing this Plan authorized by Section IX.B, which may be approved and incurred without amendment to this Plan.
5. Increment District A shall commence as of the date determined by the Tulsa City Council in accordance with Section 856(B)(2) of the Act, which determination shall not occur until an economic development agreement for the Project has been approved.

# OVERSIGHT AND APPROVAL OF INCREMENT REVENUES FOR PROJECT COSTS

1. Oversight Procedures. Prior to expenditure of funds from the Increment District established under this Project Plan, the proposed development and budgetary allocation of increment shall be considered and approved in accordance with the procedures contained in Section VII.
2. Initiation of the Consideration and Approval Process. Initiation of the consideration and approval process for expenditures within the Project Area shall be undertaken by City staff and staff of the Authority, acting under such procedures as each may prescribe from time to time.
3. Recommendation by the Woodland Hills TIF Oversight Committee. The Woodland Hills TIF Oversight Committee shall be chaired by the Mayor, their successor, or an alternative designee from the Mayor, and shall include a representative of the Tulsa Planning Office, the City Councilor from District 7, or an alternative designee from the Councilor, the City Councilor from District 8, or an alternative designee from the Councilor, a representative from the Tulsa Authority for Economic Opportunity, a representative from the City’s Finance Department, and a representative from the City’s Engineering Services department. The Woodland Hills TIF Oversight Committee shall review proposed expenditures in light of:

* Project objectives,
* City development priorities and policies
* Project feasibility, and
* Funding availability.

The Woodland Hills TIF Oversight Committee shall submit its recommendation to the Authority within 60 days after its final proposal from staff.

# PROJECT AND INCREMENT DISTRICT AUTHORIZATIONS

1. The City of Tulsa 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 Act, 62 O.S. § 854.
2. The Tulsa Authority for Economic Opportunity, a public trust (“TAEO”), or another public entity designated by the City pursuant to Section VIII, is authorized and designated to carry out those provisions of the Project related to issuance of bonds or notes as provided in Section 863 of the 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 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, which are reserved by the City. As a public entity designated by the City, TAEO, 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 IX 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 IX of this Project Plan, and (b) costs necessary or appropriate to implement this Project Plan other than costs authorized by Section IX, which may be authorized without amendment to this Project Plan.
3. The Executive Director of TAEO, Kian Kamas, her successor in office, or her 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 or TAEO, her successor in office, or her designee is authorized to empower one or more designees to exercise responsibilities in connection with Project implementation.

# BUDGET OF ESTIMATED PROJECT COSTS TO BE FINANCED BY TAXES APPORTIONED FROM THE INCREMENT DISTRICT

1. The Project Costs will be financed by the apportionment of sales tax increments from Increment District A are:

ACQUISITION, CLEARANCE, AND PUBLIC IMPROVEMENTS $ 10,000,000

Including specifically but not limited to: site acquisition, environmental remediation, demolition and clearance of acquired property for uses consistent with this Plan, transportation improvements (*e.g.*, road construction and widening, etc.); infrastructure improvements (*e.g.*, water system, sanitary sewer, storm drainage, sidewalks, utility relocation, etc.); and public amenities (*e.g.*, streetscapes, landscaping, lighting, water features, parks and other public spaces, etc.).

DEVELOPMENT FINANCING ASSISTANCE $ 18,800,000

Including specifically but not limited to: acquisition of right-of-way or other land for uses consistent with this Plan, assistance for business location, relocation, expansion, or private owner or tenant improvements, and job creation.

ADMINISTRATION—4% of revenues, not to exceed $ 1,200,000

**TOTAL PROJECT COSTS $ 30,000,000**

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

1. Additional Project Costs. Additional costs necessary or appropriate to implement this Project Plan that are to be financed by other than apportioned Sales Tax Increment may be approved by the City at any time. The provisions of this Section IX are not a limitation on Project Costs to be financed by other than apportioned sales tax increments.
2. Budget Reallocation. TAEO is authorized to reallocate budget category funds between the Public Improvements and Development Financing Assistance Project Cost categories as necessary to implement this Project Plan, provided that total Project Costs do not exceed $30,000,000, exclusive of financing costs, costs of issuance, necessary or appropriate reserves, and interest on repayment of Project Costs.

# FINANCING PLAN AND REVENUE SOURCES

1. Financing Plan. The proposed private development will generate tax increments necessary to pay authorized public costs of the Project. The financing of the projected private development in the area will be provided by private equity and private debt financing secured by the private development.
2. 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.
3. Financing Revenue Sources. The revenue sources expected to finance Project Costs authorized by Section IX are the portion of the increments attributable to investment and development within Increment District A. Project Costs will be paid by the City and/or the Authority.
4. 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.
5. Other Necessary and Supporting Costs. The Authority, or another public entity designated by the City pursuant to Section VIII, 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 IX.

# ESTIMATED PRIVATE AND PUBLIC INVESTMENTS STIMULATED BY the PROJECT, AND ASSOCIATED FINANCIAL IMPACTS

1. Estimated Private and Public Investment. The total estimated private investment is over $65,000,000, not including the estimated $30,000,000 in aggregate public investment. Private investment in the area is expected to consist of the Project and other various new retail, office, commercial, or hotel development, and other new business development. Public investment will include infrastructure improvements, landscape and streetscape improvements, site acquisition, clearance, and environmental remediation.
2. Estimated Public Revenue. The Sales Tax Increment, which will serve as the revenue source for financing the Project Costs authorized by Section IX, is the public revenue directly attributable to the Project defined by establishment of Increment District A. Both the City and the State will experience increases in sales tax revenues that are not a part of the Sales Tax Increment. Ad valorem taxing entities will experience additional revenues from increasing values from the Project and near and adjacent to the Project.

Sales Tax Increment revenues anticipated to be collected and apportioned pursuant to this Project Plan are estimated to average $2,000,000 annually. The development anticipated by the Development Assistance Agreement will not result in a measurable increase in demand for services by or in costs to the City, whose public sector costs will be substantially defrayed from apportioned Sales Tax Increment and non-apportioned new sales tax revenue. The public revenue anticipated includes increased tax revenue both inside and outside Increment District A. 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.

1. Financial Impacts on Taxing Jurisdictions.
   1. *Generally*. Under the Project Plan, all Sales Tax Increment revenues will be apportioned to the apportionment fund for use by the City, or another public entity designated by the City, to pay for authorized project costs. Once Increment District A terminates, the increment shall be distributed pursuant to sales and use tax statutes. The Project Plan only captures a portion of the City’s non-dedicated sales taxes collected within Increment District A. Currently the City receives no sales taxes within Increment District A, the existing commercial space lies vacant. With the development of the Project Area, the City can expect increased sales tax revenues as businesses begin to occupy Increment District A and sales taxes begin to be collected, with a portion of the City’s sales taxes provided to fund Project Costs and the remainder flowing to the City. The benefits of the Project will be significant for the affected taxing jurisdictions and for the greater community. The actual increase in demand for services, if any, will be limited for those taxing jurisdictions, with potential increases in demand discussed in Section XI.C.2 below.
   2. *Special Effects from the Potential $65 Million in Private Investment*. The Project exclusively impacts the City, as it only captures a portion of the City’s sales taxes. The City will become responsible for maintenance of all new public infrastructure to be built, in addition to providing general municipal services to serve the Project (i.e., police, fire protection, utilities). To offset those increased service demands, the Project’s additional employment and retail opportunities within the City will generate new sales tax revenues for the City. Increment District A is proposed to be a sales tax increment district, with the City including 100% of its undedicated sales tax revenues (2.0% effective rate) generated by the Project as increment, so the City will forego significant revenue until Increment District A terminates. Ad valorem taxing jurisdictions will receive the benefit of increased property values and resulting increases in revenue from ad valorem taxes.
2. Impacts of Business Activities. Isolating the specific impacts of Project on the greater community is difficult, but through correlation of demands for commercial space within Increment District A, a meaningful calculation of effects on business activities is possible. Commercial developments reflect corresponding growth in economic demands for a spectrum of business activities in retail, commercial, office, and industrial categories. The following analysis is based on a projected private investment of $65 million and does not include indirectly stimulated economic impacts.

As public and private development occurs, construction will result in temporary jobs and completion of development projects will result in permanent jobs, particularly in commercial, industrial, and mixed-use developments.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *Projected Development* | *Construction-Related Employment[[1]](#footnote-1)* | *Construction-Related Labor Income1* | *Construction-Related Value Added1* | *Construction-Related Output1* |
| $65,000,000 | up to 809 | $45,035,164 | $56,963,932 | $113,532,012 |

Once construction of the primary redevelopment project wraps up, long-term employment and other impacts will result:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *Projected Development* | *Long-Term Employment[[2]](#footnote-2)* | *Annual Labor Income2* | *Annual Value Added2* | *Annual Output2* |
| $65,000,000 | up to 205 | $6,462,245 | $9,848,520 | $18,727,386 |

The increased presence of individuals working in the Project Area will further stimulate demand for development and increase the opportunity of potential customers for new businesses in the Project Area.

1. Conclusions. The Project will have a positive long-term financial benefit for the community, affected taxing jurisdictions, and business activities. Correspondingly, no appreciable adverse impact is likely to result from the Project for the taxing jurisdictions or business activities within the Project Area. The impact of anticipated development on the provision of governmental services is balanced by the project costs and revenue allocations authorized by the Project Plan, which addresses public costs associated with the Project and minimizes the burden of providing additional government services.

# LAND USE

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

# MISCELLANEOUS PROVISIONS

No changes in zoning are necessary to accommodate this Project at this time. This Project Plan complies with the objectives and priorities of PLANiTULSA, the City’s Comprehensive Plan.

**EXHIBIT A**

**PROJECT AREA AND INCREMENT DISTRICT LEGAL DESCRIPTIONS**

Project Area

The Northern Half (N/2) of the Northwest Quarter (NW/4) of Section 7, Township 18 North, Range 14 East of the Indian Meridian; and

The Southwest Quarter (SW/4) of Section 6, Township 18 North, Range 14 East of the Indian Meridian; and

The South Half (S/2) of Section 1, Township 18 North, Range 13 East of the Indian Meridian; and

The North Half (N/2) of Section 12, Township 18 North, Range 13 East of the Indian Meridian; and

The Southeast Quarter (SE/4) of Section 2, Township 18 North, Range 13 East of the Indian Meridian; and

The Northeast Quarter (NE/4) of Section 11, Township 18 North, Range 13 East of the Indian Meridian.

Increment District A

A parcel of land lying in the Southwest Quarter of Section 1, Township 18 North, Range 13 East of the Indian Base and Meridian.

Beginning at a point 864.04 feet North and 60.93 feet East of the Southwest Corner of Section 1, Township 18 North, Range 13 East, said point being 60.00 feet East of the West Line of Section 1, Township 18 North, Range 13 East; thence N.00°03’42”E., along a line 60.00 feet from and parallel to the West Line of Section 1, Township 18 North, Range 13 East, a distance of 100.00 feet; thence along a curve to the left, said curve having a radius of 50.00 feet, and center of said curve being located 994.00 feet North and 100.07 feet East of the Southwest Corner of Section 1, Township 18 North, Range 13 East, a distance of46.42 feet; thence due East, a distance of 190.95 feet; thence N.00°03’42”E., a distance of 179.53 feet to a point of tangency with a curve; thence along a curve to the right, said curve having a radius of 139.00 feet, a distance of 148.14 feet; thence N.61 °07’30”E., a distance of 357.32 feet; thence S.30°00’00”E., a distance of 332.15 feet; thence due East, a distance of 65.00 feet; thence S.30°00’00”E., a distance of 51.89 feet; thence due South, a distance of 343.06 feet; thence due West, a distance of 26.28 feet; thence S.30°00’00”W., a distance of 121.24 feet; thence due West, a distance of 66.97 feet; thence S.30°00’00”W., a distance of 391.39 feet; thence along a curve to the right, said curve having a radius of 364.00 feet, and center of said curve being located 655.00 feet North and 655.71 feet East of the Southwest Corner of Section 1, Township 18 North, Range 13 East, a distance of 500.42 feet; thence N.00°03’42”E., a distance of 228.61 feet; thence due West, a distance of 191.05 feet to a point of tangency with a curve, thence along a curve to the left, a distance of 46.31 feet, said curve having a radius of 50.00 feet to a point 864.04 feet North and 60.93 feet East of the Southwest Corner of Section 1, Township 18 North, Range 13 East, the point of beginning.

Map

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1. Includes direct construction jobs, indirect jobs, and induced jobs, and associated impacts, based on IMPLAN Economic Indicator Study. [↑](#footnote-ref-1)
2. Includes direct jobs from the primary redevelopment project (the regional anchor sporting goods store), indirect jobs, and induced jobs, and associated impacts based on IMPLAN Economic Indicator Study. [↑](#footnote-ref-2)