

Adopted _____, 2016

APPROVED BY
REVIEW COMMITTEE

SANTA FE SQUARE ECONOMIC DEVELOPMENT PROJECT PLAN INCREMENT DISTRICT NO. 8, CITY OF TULSA

PREPARED BY:

THE CITY OF TULSA, OKLAHOMA



WITH THE ASSISTANCE OF:

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SANTA FE SQUARE ECONOMIC DEVELOPMENT PROJECT PLAN

I. INTRODUCTION

The Santa Fe Square 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 develop two city blocks in Tulsa’s Blue Dome 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 development of a mixed-use project including a substantial retail component, apartments, Class A office space, a full-service boutique hotel, and over 1,100 structured parking spaces. The central component of the Project Plan is the support of this private development in the heart of downtown Tulsa that provides a significant public benefit and improves the quality of life for the residents of Tulsa. 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.

An increment district provides funding for public sector costs to stimulate private commercial development and provide improvements to and beautification of the area in order 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. 8, City of Tulsa.

II. BOUNDARIES OF PROJECT AREA AND INCREMENT DISTRICT

The Project Area is the area in which project activities will take place. The Project Area is generally located as follows: bounded on the north by Interstate 244; on the east by Highway 75; on the south by East 8th Street; and then on the west irregularly by sequence: South Cincinnati Avenue, East 6th Street, South Boston Avenue, East Fifth Street, South Cincinnati Avenue, mid-block between East 4th Street and East 3rd Street to Boston Avenue, then up Boston Avenue through the plaza fronting the Performing Arts Center, East Second Street, South Cincinnati Avenue again to the Santa Fe Railroad Tracks, then down the railroad right-of-way to North Elgin Avenue, then up North Elgin Avenue to Interstate 244.

The Increment District is designated Increment District No. 8, City of Tulsa, and is the area from which the increment is generated. Increment District No. 8 is the block bounded by Greenwood Avenue, Elgin Avenue, 1st Street, and 2nd Street.

The Project Area and Increment District No. 8 boundaries are depicted on Exhibit A-1 (lot and block base map) and Exhibit A-2 (aerial base map). The Project Area boundaries are described on Exhibit B. Increment District No. 8 boundaries are described on Exhibit C.

III. ELIGIBILITY OF PROJECT AREA

The Project Area is an enterprise area. It lies within an enterprise zone, designated by the Oklahoma Department of Commerce to be in a disadvantaged portion of the City of Tulsa. Investment, development, and economic growth in the area are difficult, but possible if the provisions of the 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. 8 are:

- A. To achieve development goals and objectives for downtown Tulsa contained in The Downtown Area Master Plan, The Downtown Public Investment Master Plan, The City's Economic Development Master Plan, and Tulsa Comprehensive 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 stimulate private commitments to invest in and develop in the Project Area.
- D. To support the creation of an attractive, high-quality, and viable mixed-use development to draw residents and visitors.
- E. To provide a needed public benefit through the construction of a parking structure, in which 400 garage spaces will be allocated to the general public and retail uses.
- F. To restore and rehabilitate the historic Santa Fe Station.
- G. To provide a public benefit through the enhancement of landscaping, streetscaping, and additional on-street parking surrounding the project.

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. Construction of a parking structure with over 1,100 parking spaces.
- C. Landscape and streetscape improvements, including lighting, signage, and sidewalks.
- D. Development of a mixed-use project including substantial retail, residential, and office components, as well as a full-service boutique hotel.

VI. ESTABLISHMENT OF INCREMENT DISTRICT NO. 8, CITY OF TULSA

A. This Project Plan creates Increment District No. 8, City of Tulsa, an ad valorem and sales tax increment district.

B. The sales tax increment is a portion of the City's sales tax attributable to investment and development within Increment District No. 8. The sales tax increment shall be two percent (2%) of the gross proceeds or gross receipts derived from all sales in Increment District No. 8 that are taxable under the sales tax code of Oklahoma (including any and all amendments thereto and revisions thereof), regardless of whether the City modifies its sales tax rates.

C. The ad valorem increment shall be those ad valorem taxes in excess of the base assessed value, as determined by the Tulsa County Assessor in accordance with the Oklahoma Local Development Act, 62 O.S. §862.

D. The increment of the taxes generated by Increment District No. 8 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. 8, 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 Tulsa Industrial 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 Tulsa Industrial Authority (TIA), 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 one or more development agreements with one or more 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. TIA 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, TIA 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, Jim Twombly, 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 City Manager, his successor in office, or his designee is authorized to empower one or more designees to exercise responsibilities in connection with project implementation.

VIII. BUDGET OF ESTIMATED PROJECT COSTS TO BE FINANCED BY TAXES APPORTIONED FROM INCREMENT DISTRICT NO. 8, CITY OF TULSA

A. The Project Costs will be financed by the apportionment of ad valorem and sales tax increments from Increment District No. 8. The Project Costs categories are:

Assistance in Development Financing	\$36,000,000.00
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Assistance in Development Financing consists of public support provided to a private developer pursuant to a legally enforceable Development Agreement to ensure the delivery of the project, or specific portions thereof.

Implementation and Administration	\$ 200,000.00
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TOTAL Project Costs	\$36,200,000.00
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Plus 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 TIA'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.

Private developers within the Project Area will be required to construct the necessary improvements for the project at their initial expense. It is anticipated that these costs will be incurred within two to three years after approval of the Project Plan. The tax increments generated within

Increment District No. 8 will pay authorized Project Costs after they are incurred by the developer(s). Without the proposed project and assistance in development financing, development of this type and on this scale within the Project Area would not occur. Increments generated by Increment District No. 8 will provide the funding of Project Costs to be paid by the City and/or TIA. The financing of the projected private development in Increment District No. 8 will be provided by private equity and private financing, secured by the private development.

B. 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.

C. 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. 8. Project Costs will be paid by the City and/or TIA.

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.

TIA 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. 8.

The total estimated private investment for the project is approximately \$160,000,000.00. Private investment in Increment District No. 8 is expected to consist of the new mixed-use development. Public investment will include a parking structure and landscape and streetscape improvements.

B. Public Revenue Estimated to Accrue from the Project and Increment District No. 8.

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. 8. Ad valorem taxing entities will experience additional revenues from increasing values within the Project Area but outside of Increment District No. 8.

Incremental sales tax revenues are estimated to range between \$500,000.00 and \$650,000.00 annually. Incremental ad valorem revenues are estimated to range between \$2,000,000.00 and \$2,350,000.00. Total incremental revenues estimated to be generated over the 25-year lifespan of Increment District No. 8 range between \$59,700,000.00 and \$68,000,000.00.

The development 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 community as a whole. 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. 8 are shown on the attached Exhibit D. A map showing the proposed improvements to and proposed uses of the real property in Increment District No. 8 are shown on the attached Exhibit E. Implementation of the Project Plan requires no changes to the Tulsa Comprehensive Plan. The Project Plan complies with the objectives and priorities of the Tulsa Comprehensive Plan.

LEGEND

 Project Area Boundary

Exhibit A-2

PROJECT AREA AND INCREMENT DISTRICT

LEGEND

- Increment District Boundary
- Project Area Boundary



EXHIBIT B

Legal Description of Project Area Boundaries

February 11, 2016

A tract of land being a part of the Northwest Quarter (NW/4), Northeast Quarter (NE/4), Southeast Quarter (SE/4) and Southwest Quarter (SW/4) of Section One (1), Township Nineteen (19) North, Range Twelve (12) East of the Indian Base and Meridian, City of Tulsa, Tulsa County, Oklahoma, being more particularly described as follows:

Beginning at a POINT OF BEGINNING (P.O.B.) at the intersection of the western North Elgin Avenue Right-of-Way line with the northern Oklahoma State Department of Transportation Right-of-Way line;

THENCE eastward along the northern Oklahoma State Department of Transportation Right-of-Way line extending to a point of intersection with the southeast corner of Lot 2, Block 48, Original Townsite, City of Tulsa, Tulsa County, Oklahoma;

THENCE northeastward 80 feet +/- to the southwest corner of Lot 2, Block 49, Original Townsite, City of Tulsa, Tulsa County, Oklahoma;

THENCE southward across the Burlington Northern Right-of-Way to the point with the northwestward corner of Lot 5, Block 80, Original Townsite, City of Tulsa, Tulsa County, Oklahoma;

THENCE northeastward along Lots 4 and 5, Block 80, Original Townsite, City of Tulsa, Tulsa County, Oklahoma to the northernmost corner of Lot 4, Block 80, Original Townsite, City of Tulsa, Tulsa County, Oklahoma;

THENCE southeastward along Block 80 and Block 81, Original Townsite, City of Tulsa, Tulsa County, Oklahoma to the northeast corner of Lot 7, Block 81, Original Townsite, City of Tulsa, Tulsa County, Oklahoma;

THENCE southward along the east property lines of Lot 7 and Lot 12, Block 81, Original Townsite, City of Tulsa, Tulsa County, Oklahoma to the point of intersection of the southeast corner of Lot 12, Block 81, Original Townsite, City of Tulsa, Tulsa County, Oklahoma with the northern East First Street Right-of-Way line;

THENCE southward 60 feet +/- across the East First Street Right-of-Way to the point of intersection of the northeast corner of Lot 1, Block 4, Hodge Addition, City of Tulsa, Tulsa County, Oklahoma with the southern East First Street Right-of-Way line;

THENCE southward across the East First Place Right-of-Way to a point of intersection of the southern East First Place Right-of-Way line with the northeastward corner of Lot 1, Block 4, Hodge Addition, City of Tulsa, Tulsa County, Oklahoma;

THENCE east 60 feet +/- across the Lansing Avenue Right-of-Way to a point of intersection with the eastern boundary of South Lansing Avenue Right-of-Way line;

THENCE southward along the East Lansing Avenue Right-of-Way line to a point 41.54 feet +/- east of the northeast corner of Lot 24, Block 7, Burnett Addition, City of Tulsa, Tulsa County, Oklahoma;

THENCE southward across Oklahoma State Department of Transportation Right-of-Way to the eastern corner point of Lot 1, Block 10, Burnett Addition, City of Tulsa, Tulsa County Oklahoma;

THENCE southward along Block 10, Burnett Addition, City of Tulsa, Tulsa County Oklahoma to the southeast corner of Lot 24, Block 10, Burnett Addition, City of Tulsa, Tulsa County, Oklahoma;

THENCE westward to the northern most point of intersection of Lot 1, Block 1, Home Depot North Tulsa Addition, City of Tulsa, Tulsa County, Oklahoma with the southern East Eighth Street Right-of-Way line;

THENCE westward along the southern East Eighth Street Right-of-Way line to the point of intersection with the western South Cincinnati Avenue Right-of-Way line;

THENCE northward along the western South Cincinnati Avenue Right-of-Way line to the point of intersection with the southern East Sixth Street Right-of-Way line;

THENCE westward along the southern East Sixth Street Right-of-Way line to the point of intersection with the eastern South Boston Avenue Right-of-Way line;

THENCE northward along the eastern South Boston Avenue Right-of-Way line to the point of intersection with the southern East Fifth Street Right-of-Way line;

THENCE eastward along the southern East Fifth Street Right-of-Way line to the point of intersection with the western South Cincinnati Avenue Right-of-Way line;

THENCE northward along the western South Cincinnati Avenue Right-of-Way line to the point of intersection with the southeastern corner of Lot 2, Block 118, Original Townsite, City of Tulsa, Tulsa County, Oklahoma;

THENCE westward to the southwestern corner of Lot 7, Block 118, Original Townsite, City of Tulsa, Tulsa County, Oklahoma;

THENCE northward along the eastern South Boston Avenue Right-of-Way line to the point of intersection with the southern East Third Street Right-of-Way line;

THENCE westward along southern East Third Street Right-of-Way line to the point of intersection with northeastern corner of Lot 7, Block 119, Original Townsite, City of Tulsa, Tulsa County Oklahoma;

THENCE northward to the point of intersection with the northeastern corner of Lot 7, Block 105, Original Townsite, City of Tulsa, Tulsa County, Oklahoma;

THENCE eastward along the southern Second Street Right-of-Way line to the point of intersection with the western South Cincinnati Avenue Right-of-Way line;

THENCE northward along the western South Cincinnati Avenue Right-of-Way line to the point of intersection with the southeastern corner of Lot 3, Block 58, Original Townsite, City of Tulsa, Tulsa County, Oklahoma;

THENCE eastward along the northern Burlington Northern Santa Fe Frisco (BNSF) Rail Road Right-of-Way line to the point of intersection with southeastern corner of Lot 3, Block 56, Original Townsite, City of Tulsa, Tulsa County, Oklahoma;

THENCE northward along the western North Elgin Avenue Right-of-Way line to the POINT OF BEGINNING (P.O.B.).

The legal description recognizes that the Original Townsite, City of Tulsa, Tulsa County Oklahoma is a grid system that is not on the true north, and therefore eastward, southward, westward and northward is used to indicate the general direction of the designated streets and highway right-of-way lines and southeastern, southwestern, northeastern and northwestern are used to indicate the general location of points of intersection. Said described Project Area boundary includes the area of Increment District No. 8 and includes all street right-of-way, vacated right-of-way, railroad right-of-way, highway right-of-way, and all lots and blocks contained within the described Project Area boundary.

EXHIBIT C

Legal Description of Increment District Boundaries

February 10, 2016

A tract of land being a part of the Northwest Quarter (NW/4), Northeast Quarter (NE/4), Southeast Quarter (SE/4) and Southwest Quarter (SW/4) of Section One (1), Township Nineteen (19) North, Range Twelve (12) East of the Indian Base and Meridian, City of Tulsa, Tulsa County, Oklahoma, being more particularly described as follows:

Beginning at a POINT OF BEGINNING (P.O.B.) at the intersection of the western Elgin Avenue Right-of-Way line with the northern First Street Right-of-Way line;

THENCE eastward along the northern First Street Right-of-Way line a distance of 840 feet +/- to the point of intersection of the northern First Street Right-of-Way line with the eastern Greenwood Avenue Right-of-Way line;

THENCE southward along the eastern Greenwood Avenue Right-of-Way line a distance of 460 feet +/- to the point of intersection of the eastern Greenwood Avenue Right-of-Way line with the southern Second Street Right-of-Way line;

THENCE westward along the southern Second Street Right-of-Way line a distance of 840 feet +/- to the point of intersection of the Second Street Right-of-Way with the western Elgin Avenue Right-of-Way line;

THENCE northward along the western Elgin Avenue Right-of-Way line a distance of 460 feet to the POINT OF BEGINNING.

The legal description recognizes that the Original Townsite, City of Tulsa, Tulsa County Oklahoma is a grid system that is not on the true north, and therefore eastward, southward, westward and northward is used to indicate the general direction of the designated streets right-of-way lines. Said described boundary includes the area of Increment District No. 8 and includes all street right-of-way, vacated right-of-way, and lots and blocks contained therein including Blocks 84 and 85, Original Townsite, City of Tulsa, Tulsa County, Oklahoma.

Exhibit D

EXISTING USES AND CONDITIONS

LEGEND

-  Increment District Boundary
-  Project Area Boundary
-  Developed, Under Construction or Incubation
-  Vacant, Underdeveloped, or Parking Lots

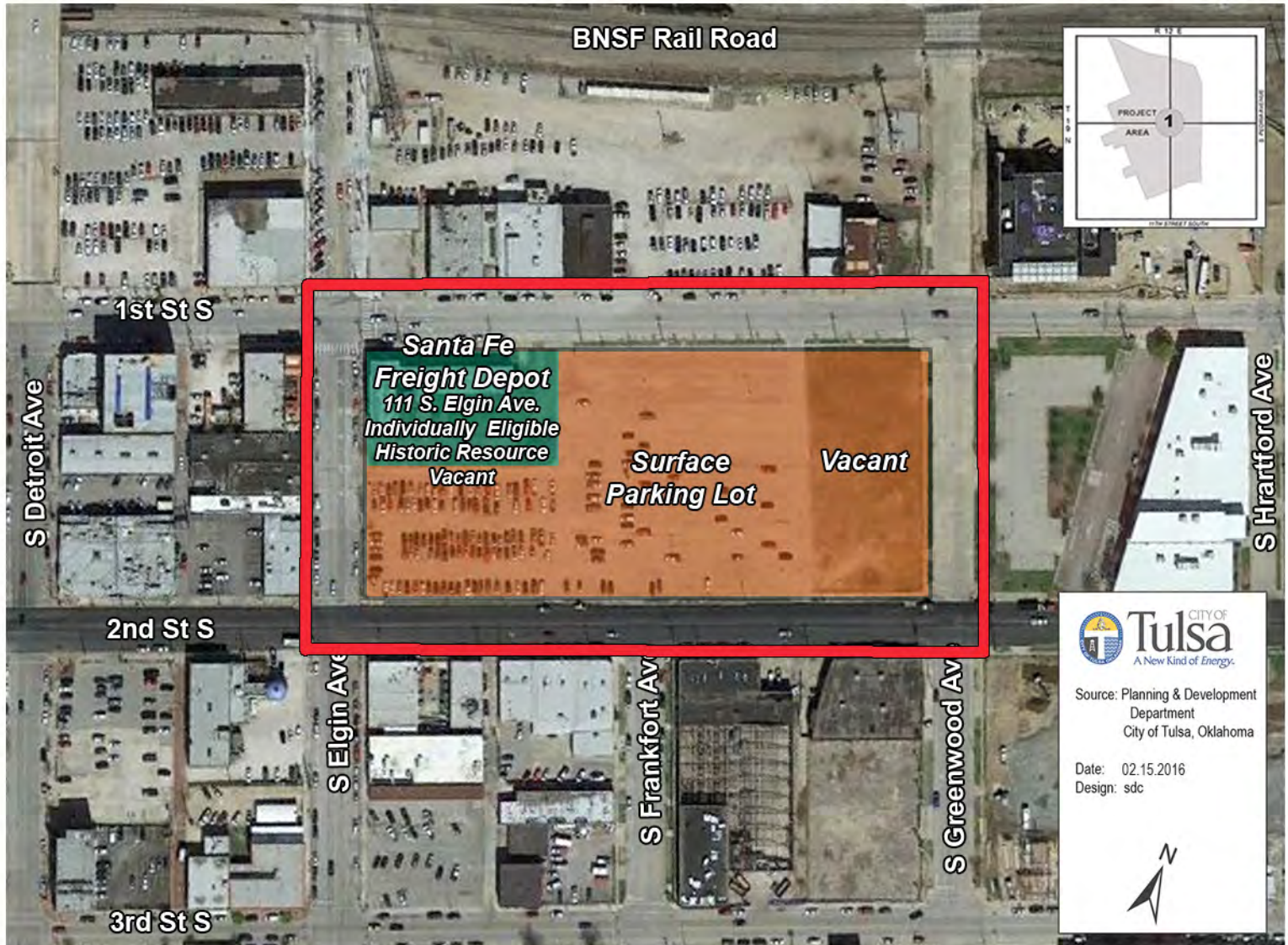
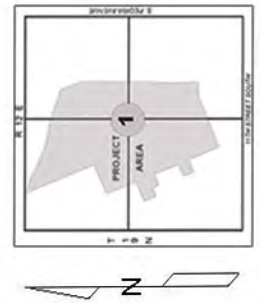
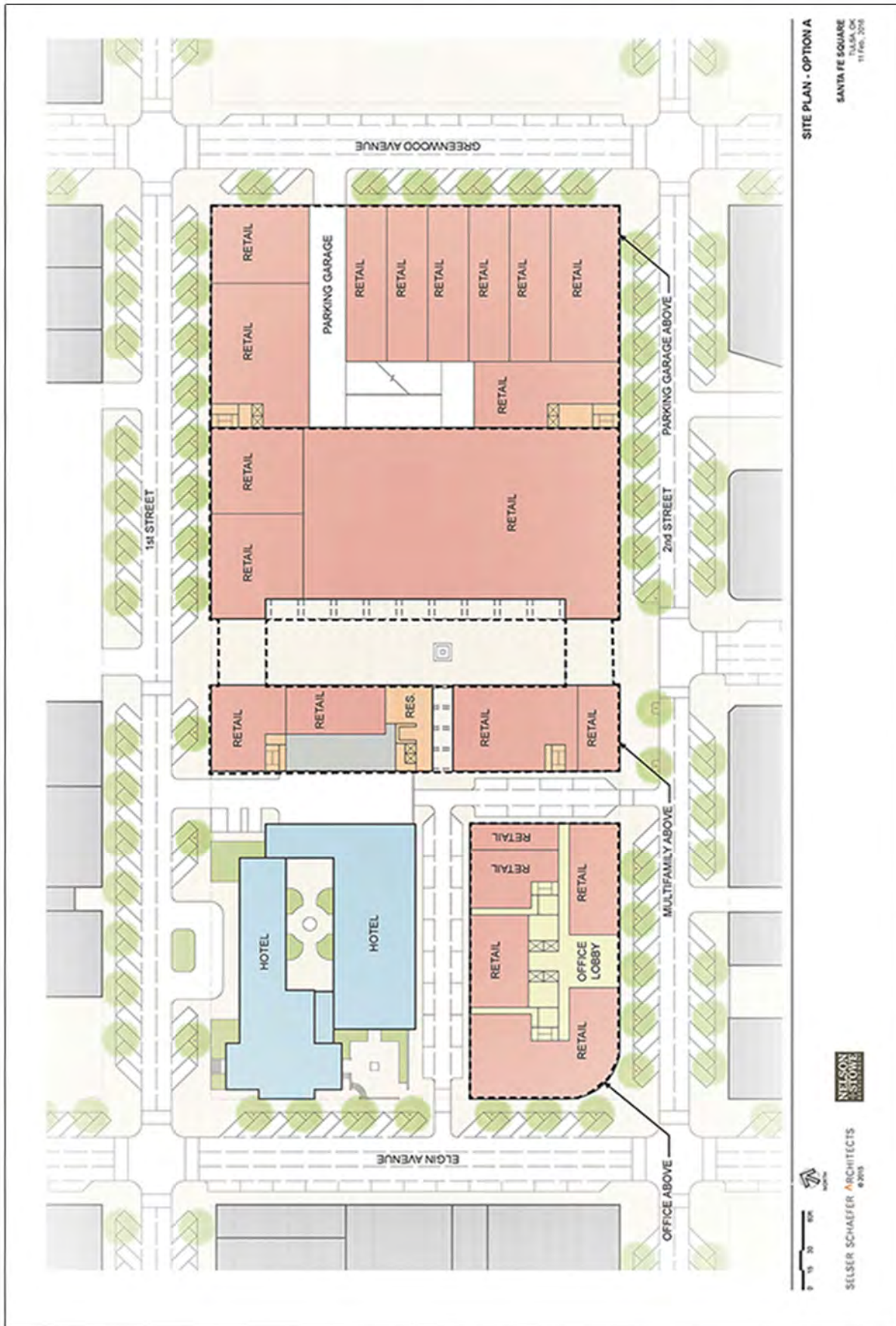


Exhibit E

PROPOSED IMPROVEMENTS AND USES



Source: Planning & Development
Department
City of Tulsa, Oklahoma

Date: 02.15.2016
Design: sdc

