

WESTERN GATEWAY PROJECT PLAN
(THE PROJECT PLAN FOR THE WHEELER DEVELOPMENT DISTRICT)



AND SUPPORTING INCREMENT DISTRICTS,
CITY OF OKLAHOMA CITY

January 31, 2017

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I. DESCRIPTION OF PROJECT

The City of Oklahoma City (“City”) established a vision for the Oklahoma River to “be at the center of an urban renaissance that will breathe new life and vitality into the heart of Oklahoma City.” The North Canadian River Corridor Strategic Action and Development Plan (now commonly referred to as the “Oklahoma River Master Plan”), completed by the City in 2004 and implemented through City Council’s adoption in 2007 of the Scenic River Overlay District Ordinance, includes specific goals and guiding principles for the development of the Western Gateway, including:

- The long-term redevelopment of the Downtown Airpark as a premier riverfront, mixed-use neighborhood.
- Encourage a range of housing types, including townhomes, single-family and small lot single-family homes at residential densities between six and fifteen dwellings per acre.
- Create a series of gathering spaces within the neighborhood to promote interaction with the river and to encourage pedestrian activity.
- Integrate with existing neighborhoods to the west, by extending S.W. 15th Street through to Western Avenue, and interconnect a grid of walkable blocks linking directly to existing neighborhoods.

The recommendations collectively seek to establish the Western Gateway as a complete urban district that supplements the higher-density housing located near the City’s Central Business District (“CBD”) with a range of housing in a mixed-use neighborhood setting. While the mixture of recreational, entertainment and commercial uses along the corridor are important, the plan notes that “housing is the key to success,” as it is the addition of new residents that “creates market opportunities for other activities — restaurants, shopping, and recreation.”

The Wheeler District (“District”) is a 150+ acre urban development site located on the south bank of the Oklahoma River, within the Western Gateway District. The site is 1.4 miles south of the CBD, with a quarter mile of river frontage and a half mile of frontage framing both sides of Western Avenue, a major arterial, with direct access to Interstate 40. The Wheeler District is an effort to fulfill the City’s vision for the area, first expressed in the Oklahoma River Master Plan, to create “a vibrant, mixed-use neighborhood, with a variety of housing options, neighborhood retail, and office uses” south of the Oklahoma River. Its planned layout encourages walking or riding to school, work, church, dining, the park, the river, the Ferris Wheel, and beyond.

The Western Gateway Project Plan (“Project Plan”) seeks to provide an economic structure and funding mechanism under the Local Development Act, 62 O.S. § 850, *et seq.* (“Act”), for a substantial portion of the local public investment required to support the Project’s development and to generate additional, related private investment in the surrounding area. The public investments planned are limited to development financing assistance for approved public infrastructure and support for public education. Funding for the public investments is expected to be generated by the implementation of tax increment districts (discussed below).

II. BOUNDARIES OF PROJECT AREA AND INCREMENT DISTRICTS

The Project Area is the area in which activities defined in the Project Plan will take place, and the Increment Districts are the two areas in which the increments will be generated. The Project Area and Increment Districts are depicted on “Exhibit A.”

The Project Area can be generally described as the area east of South Blackwelder Avenue and Exchange Avenue and west of South Walker Avenue, in between the BNSF/Stillwater Central Railroad right of way on the south and the Oklahoma River (including the 100 feet immediately north of the river’s northern bank) on the north. The legal description of the Project Area is provided in the attached “Exhibit B.”

There shall be two Increment Districts, as identified in Exhibit A and temporarily designated herein as Increment District “A” and Increment District “B”. Increment District “A” and Increment District “B” will be numbered and shall be designated in the form “Increment District No. ___, City of Oklahoma City” (“Increment District”) at the time the Increment Districts are officially created by the City in accordance with the provisions § 856 of the Act. The boundaries of Increment District “A” are generally located between South Douglas Avenue and South Western Avenue, south of the Oklahoma River and north of Twin Creek. Increment District “B” is generally located east of South Western Avenue in between the Oklahoma River and Twin Creek. The legal descriptions of the Increment Districts are provided in the attached “Exhibit C.”

In accordance with the legislative guideline found in Section 852(2) of the Act, areas where investment, development, and economic growth would occur anyway have been excluded.

III. ELIGIBILITY OF PROJECT AREA

The Project Area qualifies as a “reinvestment area” and as an “enterprise area” under the Act.

IV. OBJECTIVES

The Project and Project Plan hopes to address the following objectives:

- A. To facilitate the development of the District and initiate a catalytic effect for surrounding or nearby neighborhoods in South Oklahoma City.

- B. To provide a funding mechanism for a substantial portion of the local public investment required to fund a portion of the public infrastructure for that development.
- C. To 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 tax revenues.
- D. To stimulate private commitments to invest and reinvest in the Project Area.
- E. To create residential opportunities and commercial activities in the area.

V. STATEMENT OF PRINCIPAL ACTIONS

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

- A. Leveraging private residential and mixed-use development pursuant to one or more development agreements with The City and/or the Oklahoma City Economic Development Trust, a public trust (“OCEDT”) and/or another public trust designated by The City.
- B. Financing, development, construction, and/or repair of public improvements and infrastructure, including but not limited to: sidewalks; bike paths and trails; streets and alleys; parks and plazas; security infrastructure; common area and open space; street furniture and lighting; wayfinding and street signage; on- and off-street parking; structured parking; playgrounds and equipment; grading and drainage; bank improvements and docks; trees and landscaping; including engineering, planning, design, and related soft costs.
- C. Negotiation of development agreements and other contracts under which private development commitments will be secured in exchange for the public investments.
- D. Provision of assistance in development financing for private construction of public improvements.
- E. Assisting public education by Oklahoma City Public Schools (Independent School District No. 89) (“I-89”) and providing for development of public school facilities to be financed in whole or in part by apportioned ad valorem tax increments from Increment Districts “A” and Increment District “B,” and otherwise assisting public education by apportioning specific revenue streams to I-89 and/or distribution of a portion of the ad valorem revenue increment to I-89, an affected taxing entity.

VI. ESTABLISHMENT OF THE INCREMENT DISTRICTS

- A. This Project Plan creates Increment District “A” and Increment District “B,” both of which are ad valorem tax increment districts, and defers the determination of

the start date of the Increment Districts until a later date to be determined by the City. Increment District “A” shall commence as of the date determined by the City Council for that district in accordance with §856(B)(2) of the Act, but in any event no later than January 1, 2018. Increment District “B” shall commence as of January 1, 2026, or an alternate date determined by the City Council for that district in accordance with §856(B)(2) of the Act, but in any event no later than ten years after the date of approval of this Project Plan. The increment of ad valorem revenue from each Increment District is the ad valorem revenue in excess of the revenue generated by the base assessed value of each respective Increment District. The increment may be apportioned to pay Project Costs, as authorized by Sections VII and VIII of this Project Plan, for a period not to exceed 25 fiscal years for each Increment District or the period required for the payment of such authorized Project Costs, whichever is less.

- B. 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 Oklahoma City Economic Development Trust, a public trust (“OCEDT”), 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. OCEDT 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 864 of the Act. OCEDT, or another public entity designated by the City, is 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 Act, subject to approval of the governing body of The City of Oklahoma City (“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. As a public entity designated by the City, OCEDT (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.

- B. The City Manager of The City of Oklahoma City, James Couch, his successor in office, or his designee shall be the person in charge of implementation and administration 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 THE INCREMENT DISTRICTS.

- A. Project Costs.

The Project Costs will be financed by the apportionment of tax increments from the Increment Districts. Project Costs are expected to be incurred throughout the Project Area in these categories:

Tier 1 Obligations:

Assistance in Development Financing \$ 60,000,000

Public Education

Western Gateway Elementary School \$ 20,000,000

Tier 2 Obligations:

Public Education

I-89 Middle and/or High School \$ 40,000,000

TOTAL PROJECT COSTS \$ 120,000,000

plus financing costs, costs of issuance, necessary or appropriate reserves, and interest on repayment of Project Costs, including interest on assistance in development financing (estimated to be an amount between \$30 million and \$60 million, depending on interest rates and the timing of repayment), and, in addition, general administrative and implementation costs of the City and other public entities charged with implementation of the Project Plan, in an amount up to 5% of the annual tax increment revenues.

The Western Gateway Elementary School shall be established in accordance with the recommendations of the Dual Immersion Ad Hoc Steering Committee reflected in its Memorandum of Understanding, agreed upon February 1, 2016, and located at S.W. 15th Street and South Douglas Avenue.

The I-89 Middle and/or High School shall be established at the direction of the Oklahoma City Public Schools (OKCPS), at any location within its jurisdictional boundaries, but serving at least some children from the Project Area. In the event that I-89 funds the construction of the intended Middle and/or High School from other sources, then the \$40,000,000 in tax increment revenues budgeted for that Project Cost shall be apportioned to I-89 as a specific revenue source to be used in its discretion for any lawful purpose.

B. Generation of Revenue.

The tax increment revenues expected to be generated from the Increment Districts and authorized for payment of Project Costs within the Project Area are as follows:

Increment District A	\$ 65,000,000
Increment District B	\$ 55,000,000
	<hr/>
TOTAL REVENUE	\$ 120,000,000

plus financing costs, costs of issuance, necessary or appropriate reserves, and interest on repayment of Project Costs, including interest on assistance in development financing (estimated to be an amount between \$30 million and \$60 million, depending on interest rates and the timing of repayment), and, in addition, general administrative and implementation costs of the City and other public entities charged with implementation of the Project Plan, in an amount up to 5% of the annual tax increment revenues.

The combined, aggregate authorized increment collections for both proposed Increment Districts shall be limited to the amount necessary to pay all authorized Project Costs under Section VIII(A). Project Costs remaining unpaid upon the expiration of an Increment District may be paid from increments of the remaining Increment District.

C. Tier 1 and Tier 2 Obligations.

OCEDT shall pledge all incremental revenues as follows:

Tier 1: 75%-25% split between Assistance in Development Financing (including both principal and interest) and the Western Gateway Elementary School, until all Tier 1 obligations have been paid in full, then

Tier 2: 100% to Oklahoma City Public Schools as a specific revenue source for a public entity in the area, pursuant to Article

10, Section 6C of the Oklahoma Constitution and Sections 853(9) and 854(4) of the Act.

D. Additional Costs.

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.

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 OCEDT.

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 the Increment Districts. Project Costs will be paid by the City and/or OCEDT.

C. Financial Reports and Audits.

The development activities undertaken by OCEDT, 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.

OCEDT, or another public entity designated by the City, 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 Projects and Increment Districts.

The total estimated private investment is approximately \$576 Million, in addition to the \$60 Million in public investment, not including the investment in public schools. Private investment in the area is expected to consist of residential, commercial, and mixed-use development. Public investment will include development financing assistance for approved infrastructure improvements in support of the private development.

B. Public Revenue Estimated to Accrue from the Projects and Increment Districts.

The tax increment revenues that will serve as the revenue source for financing the Project Costs, authorized by Section VIII, are the public revenues directly attributable to the Project defined by establishment of the Increment Districts. 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 tax revenues are estimated to range between \$50,000 annually in the near term and \$11,000,000 annually in the later years of the Increment Districts. The anticipated development will not result in a measurable increase in demand for services by or in costs to the affected taxing entities other than the Oklahoma City Public Schools, which will experience increased demand due to the increase in residents to that area, which demand will be mitigated by the development of public school facilities to be financed in whole or in part by apportioned ad valorem tax increments. The public revenue anticipated includes increased tax revenue both inside and outside the Increment Districts. The economic benefits of the Project Plan for the City, Oklahoma City Public Schools, and the other affected taxing jurisdiction indicate positive financial impacts for the community as a whole. The aggregate impacts on the City and Oklahoma County 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 developments will generate tax increments necessary to pay authorized public costs of the Project.

XII. 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 in Exhibit “D.”

XIII. MISCELLANEOUS PROVISIONS

This Project Plan complies with the objectives and priorities of the Comprehensive Plan of the City. The area within Increment District “A” has been rezoned by the City as PUD 1611 for purposes of the project; the same zoning is intended to be extended to Increment District “B” for the project.

EXHIBIT A

Illustration of Project Area
and Increment Districts

LEGEND A

Western Gateway Project
Area Boundary

Increment District Boundary

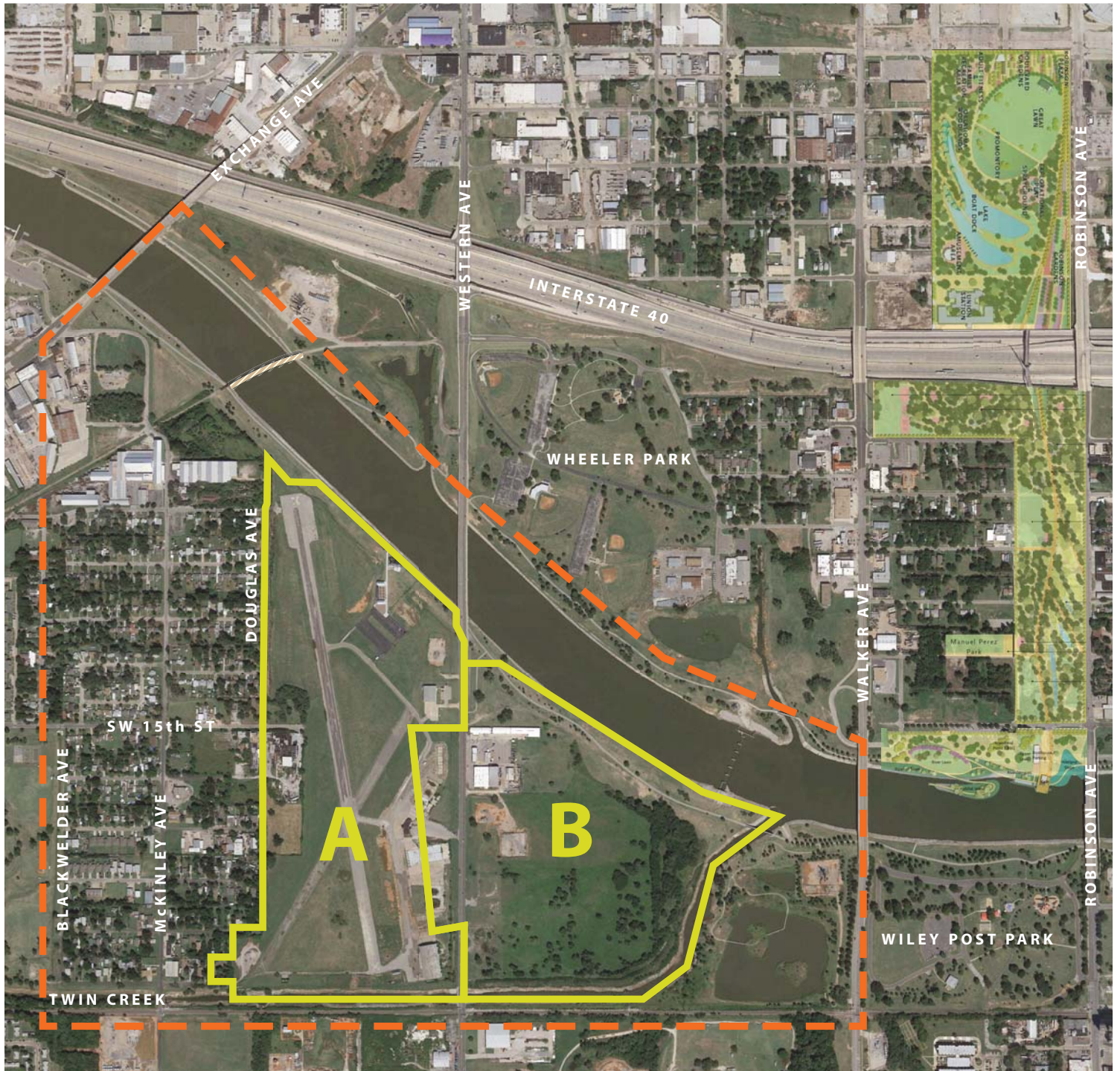


EXHIBIT B

Legal Descriptions of Project Area and Increment Districts

PROJECT AREA

A strip, piece or parcel of land lying in part of the SE ¼ of Section 5, NE ¼ of Section 8, the NW ¼ of Section 9, and the SW ¼ of Section 4, T11N, R3W in Oklahoma County, Oklahoma. Said parcel of land also being described by metes and bounds as follows:

Commencing from the SE Corner of said NE ¼, thence N00°11'48" W along the East line of said NE ¼ a distance of 748.50 feet to a Point of Beginning on the center of the railroad, thence S89°49'24"W along the railroad centerline distance of 2,813.30 feet to a point on the Blackwelder Avenue centerline, thence N00°01'10"W along the Blackwelder centerline a distance of 4,478.96 feet to a point on the centerline of Exchange Avenue, thence N45°24'38" E a distance of 1,139.66 feet to a point 100 feet north of the Oklahoma River water's edge, thence S46°45'54"E a distance of 3,669.18 feet to a point 100 feet north of the Oklahoma River water's edge, thence on a curve to the left having a central angle of 32°59'42", a radius of 3,900 feet, and an arc length of 2,245.89 feet and whose long chord length bears S63°15'45"E a distance of 2,214.99 feet to a point on the East line of said NW ¼ and 100 feet north of the Oklahoma River water's edge, thence S00°29'38"W along the East line of said NW ¼ a distance of 1,752.41 feet to a point in the center of the railroad, thence S89°49'24"W along the center of the railroad a distance of 2,633.06 feet to the Point of Beginning.

Containing 18,896,904 sq. ft. or 433.81 acres, more or less.

INCREMENT DISTRICT "A"

A strip, piece or parcel of land lying in part of the SE ¼ of Section 5 and the NE ¼ of Section 8, T11N, R3W in Oklahoma County, Oklahoma. Said parcel of land also being described by metes and bounds as follows:

Commencing from the SE Corner of said NE ¼, thence N00°11'48"W along the East line of said NE ¼ a distance of 838.40 feet to a Point of Beginning, thence S89°48'12"W along the center of Twin Creek a distance of 1,534.70, thence N00°11'48"W a distance of 125.00 feet to a point on the North line of SW 20th Street right-of-way, thence S89°48'12"W along the South Line of Lots 35 through 42 of Block 19 of Jones Grove Addition a distance of 175.00 feet, thence N00°11'48"W along the West Line of Lot 35 a distance of 142.50 feet, thence N89°48'12"E a distance of 150.00 feet, thence N00°11'48"W a distance of 167.50 feet, thence N89°48'12"E a distance of 230.00 feet, thence N00°11'48"W along the vacated centerline of S. Douglas Avenue a distance of 1,315.00 to the North line of said NE ¼, thence N01°39'58"E along the centerline of South Douglas Avenue a distance of 206.11 feet, thence N00°11'48"W along the centerline of South Douglas Avenue a distance of 1,270.00 feet, thence N89°48'12"E a distance of 30.00 feet to a point on the east right-of-way line of South Douglas Avenue, thence N00°11'48"W along the East right-of-way line of South Douglas Avenue a distance of 321.91 feet, thence S47°04'41"E a distance of 188.63 feet, thence N 79°43'45" E a distance of 116.17 feet, thence S48°43'23"E a distance of 531.98 feet, thence S46°29'15"E a distance of 784.33 feet, thence S00°13'34"E a distance of 137.33 feet, thence S47°04'41"E a distance of 102.80 feet to a point on the East line of said SE ¼, thence S00°13'34"E along the East line of said SE ¼ a distance of 554.42 feet to the Section corner, thence S89°48'12"W along the South line of said SE ¼ a distance of 319.14 feet, thence S05°15'13"E a distance of 1,356.79 feet, thence N79°41'47"E a distance of 202.69 feet to a point on the East line of said NE ¼, thence S00°11'48"E along the East line of said NE ¼ a distance of 467.06 feet to the Point of Beginning.

Containing 3,828,367.89 sq. ft. or 87.8872 acres, more or less.

INCREMENT DISTRICT "B"

A strip, piece or parcel of land lying in part of the NE ¼ of Section 8, the NW ¼ of Section 9, and the SW ¼ of Section 4, T11N, R3W in Oklahoma County, Oklahoma. Said parcel of land also being described by metes and bounds as follows:

Commencing from the SE Corner of said NE ¼, thence N00°11'48"W along the East line of said NE ¼ a distance of 838.40 feet to a Point of Beginning, thence N00°11'48"W along the East line of said NE ¼ a distance of 467.06 feet, thence S79°41'47"W a distance of 202.69 feet, thence N05°15'13"W a distance of 1356.79 feet to a point on the North line of said NE ¼, thence N89°48'12"E along the North line of the said NE ¼ a distance of 319.14 feet to the Section line corner, thence N00°13'34"W along the West line of the said SW ¼ a distance of 447.74 feet, thence N90°00'00"E a distance of 256.46 feet, thence S46°42'24"E a distance of 276.38 feet, thence S52°44'24"E a distance of 490.61 feet, thence S59°43'11"E a distance of 883.93 feet, thence S75°22'26"E a distance of 462.93 feet to the center of Twin Creek, thence S53°42'34"W a distance of 458.78 feet, thence S18°40'22"W a distance of 702.61 feet, thence S49°26'54"W a distance of 369.71 feet, thence S89°48'12"W along the center of Twin Creek a distance of 1175.83 feet to the Point of Beginning.

Containing 3,241,654.18 sq. ft. or 74.418 acres, more or less.

EXHIBIT C

Existing Uses and Conditions

LEGEND C

- ① Downtown Airpark (Vacant)
- ② Wheeler Ferris Wheel
- ③ Ferris Wheel Plaza
- ④ Surface Parking Lot
- ⑤ OKC Police Heliport
- ⑥ Meat Packing Plant (Vacant)
- ⑦ Evan's Enterprises
- ⑧ Terminal Building (Vacant)
- ⑨ Hangar Building (Vacant)
- ⑩ Oil pump

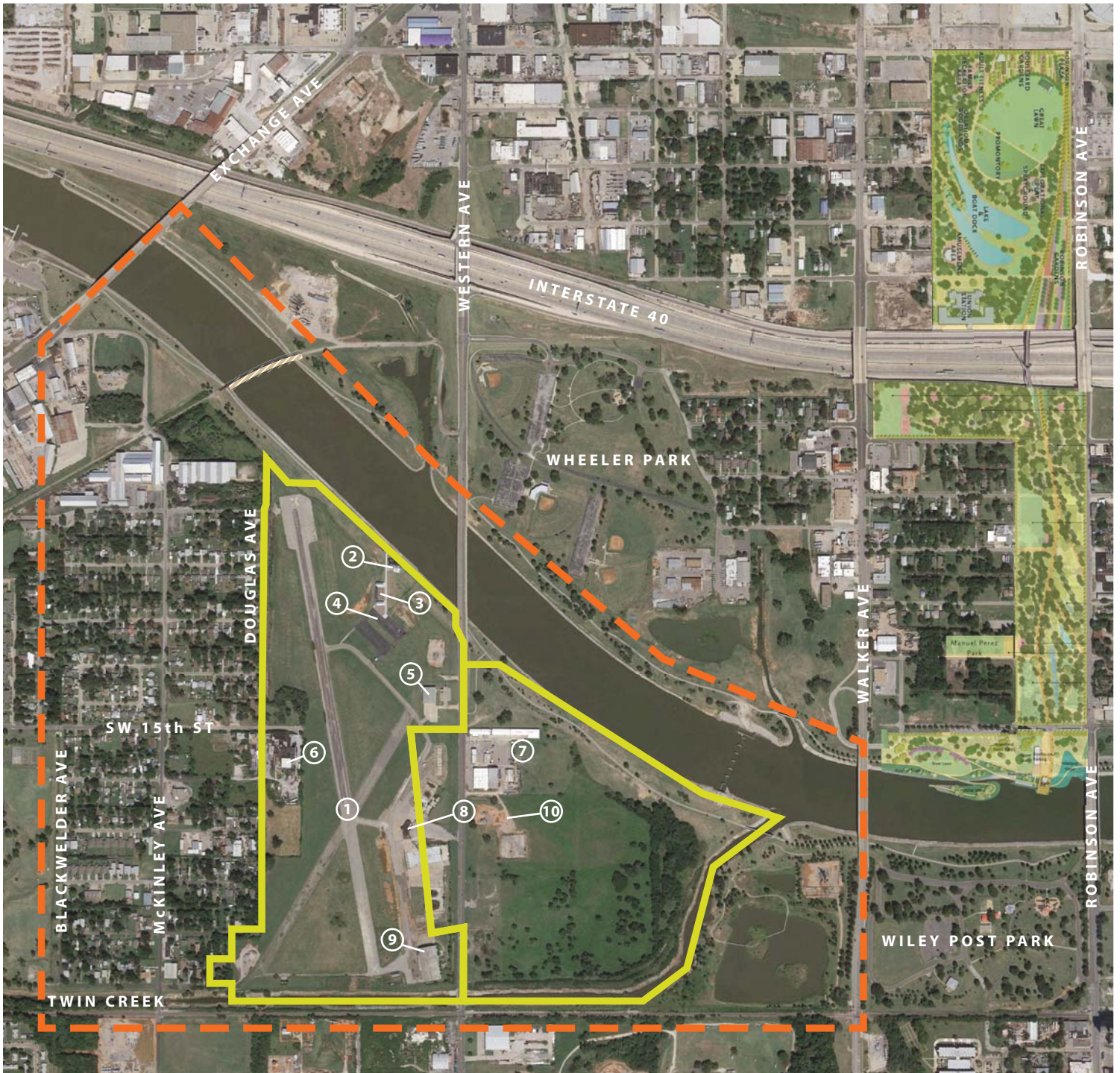


EXHIBIT D

Proposed Improvements

LEGEND D

- ① Mixed Use Development
- ② Wheeler Ferris Wheel
- ③ Ferris Wheel Plaza
- ④ Proposed Boulevard
- ⑤ Proposed Elementary School
- ⑥ Proposed Park
- ⑦ Terminal Building Plaza

