

The City of Muskogee encourages participation from all its citizens in public meetings. If participation is not possible due to a disability, notify the City Clerk, in writing, at least forty-eight hours prior to the scheduled meeting and necessary accommodations will be made (ADA 28 CFR/36).

POSTING DATE: APRIL 4, 2024

**SPECIAL CALL
AGENDA
MUSKOGEE CITY COUNCIL
APRIL 8, 2024**

TO: ALL MEMBERS OF THE MUSKOGEE CITY COUNCIL

Official action can only be taken on items which appear on the agenda. The public body may adopt, approve, ratify, deny, defer, recommend, amend, strike, or continue any agenda item.

When more information is needed to act on an item, the public body may refer the matter to Staff or back to Committee or the recommending body.

Under certain circumstances, items are deferred to a specific date or stricken from the agenda entirely.

By virtue of the authority vested in me as Mayor of the City of Muskogee, Oklahoma, I do hereby issue a call for a Special Call Meeting of the Muskogee City Council to convene:

DATE: APRIL 8, 2024
TIME: 5:30 P.M.
**PLACE: COUNCIL CHAMBERS, THIRD FLOOR
MUNICIPAL BUILDING, 229 W. OKMULGEE,
MUSKOGEE, OKLAHOMA**

**ROLL CALL
PURPOSE:**

1. Receive presentation relating to the proposed Tax Increment Districts of the City of Muskogee and Muskogee County, and take other necessary action. (Mike Miller)
2. Hold a Public Hearing regarding the proposed creation of Increment District No. 6, City of Muskogee and the Southside Industrial Park Economic Development Project Plan, or take other necessary action. (Mike Miller)
3. Hold a Public Hearing regarding the proposed creation of Increment District No. 2, Muskogee County and the John T. Griffin Industrial Park Economic Development Project Plan, or take other necessary action. (Mike Miller)

4. Hold a Public Hearing and consider approval of the proposed termination of Increment District No. 1, Muskogee County and the Project Plan Relating to Increment District No. 1, Muskogee County, Oklahoma (Project Faith Increment District), or take other necessary action. (Mike Miller)
5. Consider approval of Resolution No. 2982, applying for and accepting grant funds in the amount of \$125,000.00 from the Oklahoma Office of the Attorney General Opioid Abatement Board, to finance Police Department response and abatement activities, and authorize the City Manager, or his designee, to sign all documents relating to the Oklahoma Opioid Abatement Award, or take other necessary action. (Johnny Teehee)
6. Discuss and provide direction to Staff on a potential future General Obligation Bond Program 2024, or take other necessary action. (Mike Miller)
7. Consider approval to purchase a 2024 ALTEC Articulating Overcenter Aerial Lift Truck for the Forestry Division of the Parks & Recreation Department for the amount of \$223,952.00, utilizing cooperative purchase pricing under Sourcewell Contract #110421-ALT, or take other necessary action. (Mark Wilkerson)
8. Discuss and provide direction to staff regarding the revised Industrial Development Contract with the Port of Muskogee for fiscal year 2024-2025, and take other necessary action. (Mayor Marlon J. Coleman)
9. Discuss human trafficking and the dropping off of homeless people in Muskogee, and consider establishing a committee to address these issues, and provide further direction to staff, or take other necessary action. (Mayor Marlon J. Coleman)
10. Discuss assisting residents who are descendants of those interred in the Historic Black Cemetery, cleaning the cemetery, and consider establishing a committee, or take other necessary action. (Mayor Marlon J. Coleman)
11. Discuss and give possible direction to staff on dedicating a portion of future special project funds for museum operations, or take other necessary action. (Mayor Marlon Coleman)
12. Consider approval of the appointment of Deputy Mayor Derrick Reed to the Eastern Oklahoma Development District Board (EODD) to fill the unexpired term of Councilor Perline Boyattia-Craig, beginning April 1, 2024, and expiring on June 30, 2025, or take other necessary action. (Mayor Marlon J. Coleman)

The City Clerk is hereby authorized to give each member of the Muskogee City Council notice of this Special Call Meeting as provided by the Charter of the City of Muskogee, Oklahoma.

ADJOURN

Special City Council

1.

Meeting Date: 04/08/2024
Submitted For: Mike Miller, City Manager
Initiator: Judy Villalobos, Executive Assistant
Department: City Manager
Staff Information Source:

Information

AGENDA ITEM TITLE:

Receive presentation relating to the proposed Tax Increment Districts of the City of Muskogee and Muskogee County, and take other necessary action. (Mike Miller)

BACKGROUND:

Port Muskogee, working with City and County officials have identified prospective industrial development opportunities that will create new jobs and bring economic benefits to the City of Muskogee and Muskogee County. However, certain critical infrastructure improvements to roads, utilities, and rail access are necessary to allow the development to move forward. On October 9, 2023, the City Council voted 8-0 to appoint a TIF review committee to make findings and a recommendation on the proposed project. The Council designated Mayor Coleman as chair of the TIF committee. Since then the Committee has met three times, the most recent of which was March 15.

The City proposes to create a tax increment district within the Southside Industrial Park (Increment District No. 6, City of Muskogee), and the County proposed to create a tax increment district within the John T. Griffin Industrial Park (Increment District No. 2, Muskogee County), that will provide a mechanism to capture a portion of the new ad valorem and construction sales tax revenues generated as a result of the projects. The revenues will be used to fund the critical infrastructure improvements. Additionally, the County proposes to terminate its existing Increment District No. 1 within the John T. Griffin Industrial Park, as it pertains to a project that never came to fruition. The termination will allow other potential economic development projects to continue to move forward.

This item and the ones that follow will review the projects and the TIF committee recommendations.

RECOMMENDED ACTION:

receive presentation.

Fiscal Impact

Attachments

- Muskogee City TIF 6 Public Hearing Notice
- Muskogee County TIF 2 Public Hearing Notice
- Muskogee County TIF 1 Termination Public Hearing Notice
- Southside Industrial Park Economic Development Project Plan

John T. Griffin Industrial Park (Project Bifrost) Economic Development Project Plan

Res 2983

Muskogee County TIF Review Committee Resolution (TIF #2)

Muskogee County TIF Review Committee Resolution (TIF #1)

*Publish: Muskogee Phoenix
Sunday, March 24, 2024*

NOTICE OF PUBLIC HEARINGS

REGARDING THE ADOPTION OF A TAX INCREMENT DISTRICT: INCREMENT DISTRICT NO. 6, CITY OF MUSKOGEE

SOUTHSIDE INDUSTRIAL PARK ECONOMIC DEVELOPMENT PROJECT IN MUSKOGEE, OKLAHOMA

5:30 PM MONDAY, APRIL 8, 2024

5:30 PM MONDAY, APRIL 22, 2024

TO ALL INTERESTED INDIVIDUALS:

The City of Muskogee, Oklahoma (the “City”) invites and encourages all interested citizens and other interested parties to attend two public hearings scheduled for Monday, April 8, 2024, at 5:30 P.M. (during the scheduled meeting of the City Council of the City of Muskogee, Oklahoma), and Monday, April 22, 2024, at 5:30 P.M. (during the scheduled meeting of the City Council of the City of Muskogee, Oklahoma), both hearings to be held in the Third Floor Council Chambers located at the City of Muskogee Municipal Building, 229 West Okmulgee, Muskogee, Oklahoma 74401.

The purpose of the first hearing shall be for information and questions, and the second hearing shall be for persons to have an opportunity to be heard concerning the proposed creation of a tax increment financing district within the City of Muskogee (referred to herein as the “Increment District”) on the following described tracts, and the Southside Industrial Park Economic Development Project Plan (the “Project Plan”).

Increment District No. 6, City of Muskogee

The boundaries of the Increment District contain an area comprising the Southside Industrial Park within the City of Muskogee, located on the east and west sides of U.S. 64 just south of W. 53rd Street S. The legal description of the three parcels comprising the Increment District is as follows:

Tract I (Parcel ID #510028605):

T14N R18E S22 S½ NE NE &; NW NE NE LESS .94 ACRES HIGHWAY &; N10 ACRES S½
NE E OF RIGHT OF WAY

Tract II (Parcel ID #510028604):

T14N R18E S22 ALL THAT PART S½ NE LYING E RAILROAD LESS N10 ACRES LESS .60
ACRES HIGHWAY

Tract III (Parcel ID #510044598):

T14N R18E S23 NW LESS 5.52 ACRES HIGHWAY &; LESS COMM @ NW/C SEC 23,
THENCE N88°33'16"E 115 TO P.O.B. THENCE S1°44'27"E 1088.57 N88°33'16"E 410.17
N1°44'27"W 1088.57 S88°33'16"W 410.17 TO P.O.B.

Project Area

The boundaries of the Project Area associated with the Increment District contain an area comprising Sections 9-11, 14-16, and 21-23, Township Fourteen (14) North, Range Eighteen (18) East of the Indian Meridian, Muskogee County, State of Oklahoma. The Project Area is bordered on the south by Davis Field Road, on the east by Gulick Street, on the north by OK Highway 165 (W 33rd Street S), and on the west by S 40th Street W. The legal description of the Project Area is as follows:

An area located entirely in Muskogee County, Oklahoma, more particularly described as follows:

Sections Nine (9), Ten (10), Eleven (11), Fourteen (14), Fifteen (15), Sixteen (16), Twenty-one (21), Twenty-two (22), and Twenty-three (23), Township Fourteen (14) North, Range Eighteen (18) East of the Indian Meridian, Muskogee County, State of Oklahoma.

Maps of the proposed Increment District boundaries and Project Area boundaries are provided below. The proposed Increment District is the areas within which Ad Valorem Increment Revenues and Sales Tax Increment Revenues (collectively, the “TIF Revenues”) may be captured and utilized for the payment of Project Costs as described in the Project Plan. The proposed Project Area is the broader area within which project activities, including construction of the supporting public improvements, will take place.

A draft of the Project Plan, which includes an analysis of the project eligibility and financial impacts, may be reviewed by any person interested, in the Office of the City Clerk at the Muskogee Municipal Building, 229 W. Okmulgee, Muskogee, Oklahoma 74401, during normal business hours from 9:00 a.m. to 5:00 p.m., Monday through Friday, and at the following web address: www.muskogeeonline.org.

The Southside Industrial Park Economic Development Project Plan contemplates the creation of a tax increment district that brings significant industrial development to the underdeveloped area comprising the Southside Industrial Park. Southside Industrial Park West, encompassing approximately 82 acres, is under consideration for Project Heart, the development of a facility capable of refining up to 50,000 metric tons of lithium carbonate per year, which would be one of the largest battery-grade lithium refineries in the United States, with a capital investment of approximately \$1.13 billion and creating hundreds of new jobs. Southside Industrial Park East, encompassing approximately 144 acres, is under consideration for construction of Project Structure, a new fabrication facility for an existing Muskogee business looking to expand, with a capital investment of approximately \$20 million and increasing the local workforce by 15-20 positions, as well as possible expansion of Project Heart, and/or creating up to 6 additional shovel-ready industrial sites. The City recognizes the difficulty in development of the area due to significant costs necessary to upgrade the current infrastructure within and near the Southside Industrial Park in order to support the development of the Project. Preliminary projections based on the proposed Project Heart and Project Structure provide a reasonable expectation for the City that collectively, approximately \$1.15 billion (\$655.87 million net taxable value subject to ad valorem taxes, including projected depreciation and annual capital expenditures) could be invested, and generate approximately \$166.3 million in taxable construction material sales over the term of the Increment District. The City has identified certain costs associated with the infrastructure improvements in connection with establishing the Increment District (the “TIF Projects”), including specifically the costs of industrial road and utility improvements, and rail infrastructure improvements necessary to allow development of the Project Area to occur. The proposed Project Costs (as described in the Project Plan) total an aggregate amount not-to-exceed \$24,320,873 construction of improvements, plus an estimated \$280,000 for organizational and administration costs related to the Increment District, plus potential debt service costs not-to-exceed \$27,146,030. The City expects to phase the expenditure of Project Costs in coordination with the project, and intends to apply other available funds as appropriate to offset the costs of the Increment District, including proceeds of a separate proposed Muskogee County tax increment district to be located within the Project Area (John T. Griffin Industrial Park (Project Bifrost) Economic Development Project Plan). The Increment District will capture a portion of the incremental ad valorem tax revenue and the construction sales and use tax revenue generated within the Increment District over the approximately seventeen (17) year term of the Increment District (expiring not later than December 31, 2041). Based on the preliminary development projections, it is anticipated that approximately \$61.24 million in ad valorem tax TIF Revenues will be generated during the term of the Increment District, with approximately \$30.62 million available for the payment of Project Costs, and the balance of approximately \$30.62 million apportioned to Hilldale Public Schools, Muskogee County, Muskogee County Health Department, Muskogee County EMS District, Eastern Oklahoma District Library System, and Indian Capital Technology Center. It is anticipated that approximately \$6.65 million in one-time City construction sales and use tax TIF Revenues and \$1.08 million in one-time Muskogee County

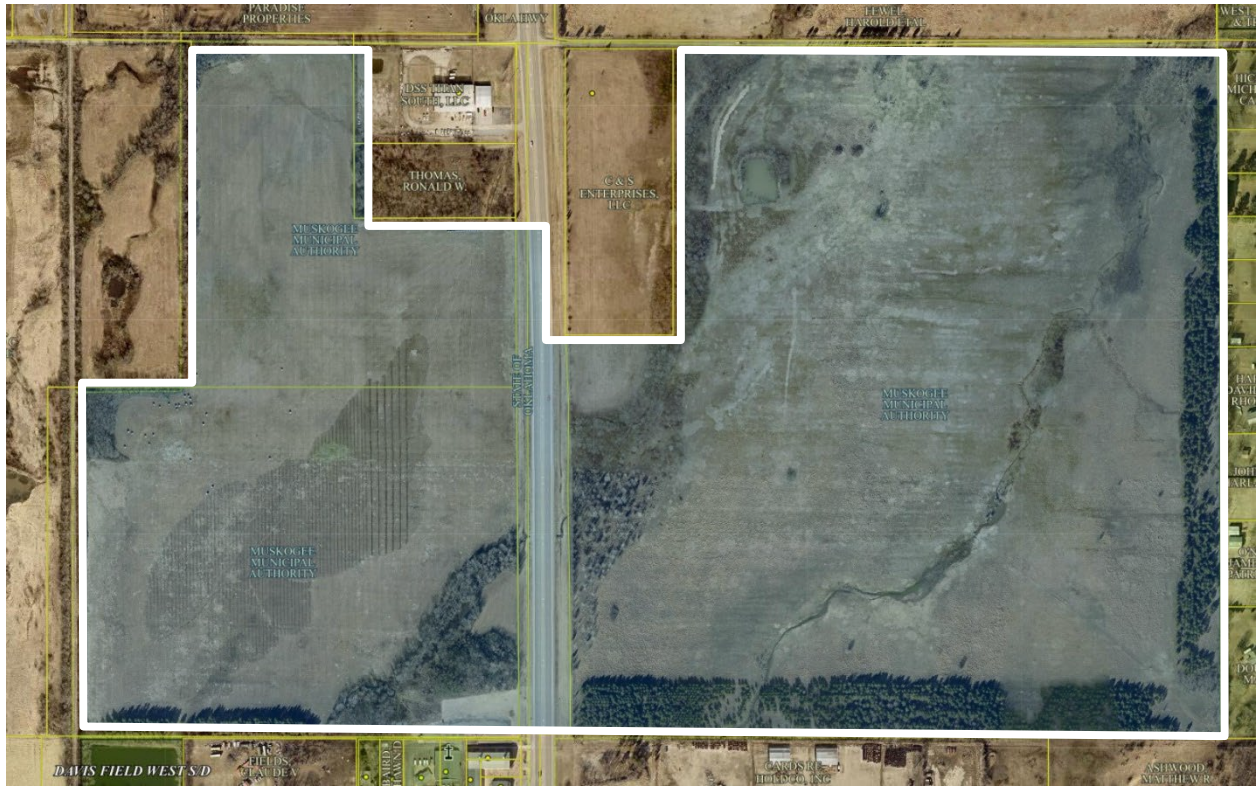
construction sales and use tax TIF Revenues will be generated during the term of the Increment District, with approximately \$3.86 million available for the payment of Project Costs, and the balance of approximately \$3.32 million apportioned to the City and \$540,600 apportioned to the County. Additionally, the Increment District may be eligible to collect certain State of Oklahoma matching funds pursuant to the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. §840, *et seq.*, preliminarily estimated at up to \$3.86 million)

With respect to the City sales tax TIF Revenues, the Project Plan contemplates the capture of one-half (50%) of the incremental revenues (equal to a two percent (2.0%) sales tax out of the currently levied 4.0% City sales tax) during the term of the Increment District. With respect to the County sales tax TIF Revenues, the Project Plan contemplates the capture of one-half (50%) of the incremental revenues (equal to a 0.325% sales tax out of the currently levied 0.65% County sales tax) during the term of the Increment District. With respect to the ad valorem tax TIF Revenues, the Project Plan contemplates the capture of 100% of such revenues during the term of the Increment District, but 50.0% of such revenues will be apportioned to the affected taxing entities, and 50.0% will be utilized for the payment of Project Costs. The Increment District shall commence upon the adoption of the City's TIF Ordinance, and continue for a term of approximately 17 years (expiring December 31, 2041), or the payment of all Project Costs, which ever occurs first.

Incremental increases in ad valorem tax revenue and sales and use tax revenue that are generated within the boundaries of the Increment District will serve as the revenue source for financing the proposed Project Costs, including interest and other costs associated with financing said Project Costs. Said revenues are the public revenues directly attributable to the Project resulting from establishment of the Increment District.

Tammy Tracy, City Clerk
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MAP OF INCREMENT DISTRICT NO. 6 BOUNDARIES



MAP OF PROJECT AREA BOUNDARIES



*Publish: Muskogee Phoenix
Sunday, March 24, 2024*

NOTICE OF PUBLIC HEARINGS

REGARDING THE ADOPTION OF A TAX INCREMENT DISTRICT: INCREMENT DISTRICT NO. 2, MUSKOGEE COUNTY

JOHN T. GRIFFIN INDUSTRIAL PARK ECONOMIC DEVELOPMENT PROJECT IN MUSKOGEE COUNTY, OKLAHOMA

5:30 PM MONDAY, APRIL 8, 2024

5:30 PM MONDAY, APRIL 22, 2024

TO ALL INTERESTED INDIVIDUALS:

Muskogee County, Oklahoma (the “County”) invites and encourages all interested citizens and other interested parties to attend two public hearings scheduled for Monday, April 8, 2024, at 5:30 P.M. (during the scheduled meeting of the City Council of the City of Muskogee, Oklahoma), and Monday, April 22, 2024, at 5:30 P.M. (during the scheduled meeting of the City Council of the City of Muskogee, Oklahoma), both hearings to be held in the Third Floor Council Chambers located at the City of Muskogee Municipal Building, 229 West Okmulgee, Muskogee, Oklahoma 74401.

The purpose of the first hearing shall be for information and questions, and the second hearing shall be for persons to have an opportunity to be heard concerning the proposed creation of a tax increment financing district within Muskogee County (referred to herein as the “Increment District”) on the following described tracts, and the John T. Griffin Industrial Park (Project Bifrost) Economic Development Project Plan (the “Project Plan”).

Increment District No. 2, Muskogee County

The boundaries of the Increment District contain an area comprising a portion of the John T. Griffin Industrial Park in Muskogee County, located along the east side of S 24th Street W, south of W. 43rd Street S. and north of W. 53rd Street S. The legal description of the Increment District is as follows:

An area located entirely in Muskogee County, Oklahoma, more particularly described as follows:

The Northwest Quarter (NW/4) of the Southwest Quarter (SW/4 of Section Fifteen (15), Township Fourteen (14) North, Range Eighteen (18) East of the Indian Meridian, Muskogee County, State of Oklahoma.

Project Area

The boundaries of the Project Area associated with the Increment District contain an area comprising Sections 9-11, 14-16, and 21-23, Township Fourteen (14) North, Range Eighteen (18) East of the Indian Meridian, Muskogee County, State of Oklahoma. The Project Area is bordered on the south by Davis Field Road, on the east by Gulick Street, on the north by OK Highway 165 (W 33rd Street S), and on the west by S 40th Street W. The legal description of the Project Area is as follows:

An area located entirely in Muskogee County, Oklahoma, more particularly described as follows:

Sections Nine (9), Ten (10), Eleven (11), Fourteen (14), Fifteen (15), Sixteen (16), Twenty-one (21), Twenty-two (22), and Twenty-three (23), Township Fourteen (14) North, Range Eighteen (18) East of the Indian Meridian, Muskogee County, State of Oklahoma.

Maps of the proposed Increment District boundaries and Project Area boundaries are provided below. The proposed Increment District is the areas within which Ad Valorem Increment Revenues and Sales Tax

Increment Revenues (collectively, the “TIF Revenues”) may be captured and utilized for the payment of Project Costs as described in the Project Plan. The proposed Project Area is the broader area within which project activities, including construction of the supporting public improvements, will take place.

A draft of the Project Plan, which includes an analysis of the project eligibility and financial impacts, may be reviewed by any person interested, in the Office of the County Clerk at the Muskogee County Administration Building, 400 West Broadway Street, Muskogee, Oklahoma 74401, during normal business hours from 9:00 a.m. to 5:00 p.m., Monday through Friday, and at the following web address: www.muskogee.okcounties.org.

The John T. Griffin Industrial Park (Project Bifrost) Economic Development Project Plan contemplates the creation of a tax increment district that brings significant industrial development to an underdeveloped area comprising a portion of the Griffin Industrial Park, specifically Project Bifrost, an approximately 40 acre site owned by the Polaris Technology, Inc., who proposes to develop a digital asset self-mining facility (bitcoin mining) with an initial capital investment of approximately \$200 million, and the potential for further expansion. The County recognizes the difficulty in development of the area due to significant costs necessary to upgrade the current infrastructure within and near the Griffin Industrial Park in order to support the development of the Project. Preliminary projections based on the proposed Project Bifrost provide a reasonable expectation for the County that collectively, approximately \$200 million (\$120 million net taxable value subject to ad valorem taxes, including projected depreciation and annual capital expenditures) could be invested, and generate approximately \$18 million in taxable construction material sales over the term of the Increment District. The County has identified certain costs associated with the infrastructure improvements in connection with establishing the Increment District (the “TIF Projects”), including specifically the costs of industrial road and utility improvements, and rail infrastructure improvements necessary to allow development of the Project Area to occur. The proposed Project Costs (as described in the Project Plan) total an aggregate amount not-to-exceed \$24,320,873 construction of improvements, plus an estimated \$260,000 for organizational and administration costs related to the Increment District, plus potential debt service costs not-to-exceed \$27,146,030. The County expects to phase the expenditure of Project Costs in coordination with the project, and intends to apply other available funds as appropriate to offset the costs of the Increment District, including proceeds of a separate proposed City of Muskogee tax increment district to be located within the Project Area (Southside Industrial Park Economic Development Project Plan). The Increment District will capture a portion of the incremental ad valorem tax revenue and the construction sales and use tax revenue generated within the Increment District over the approximately fifteen (15) year term of the Increment District (expiring not later than December 31, 2039). Based on the preliminary development projections, it is anticipated that approximately \$9.54 million in ad valorem tax TIF Revenues will be generated during the term of the Increment District, with approximately \$4.77 million available for the payment of Project Costs, and the balance of approximately \$4.77 million apportioned to Muskogee Public Schools, Muskogee County, Muskogee County Health Department, Muskogee County EMS District, Eastern Oklahoma District Library System, and Indian Capital Technology Center. It is anticipated that approximately \$117,000 in one-time Muskogee County construction sales and use tax TIF Revenues will be generated during the term of the Increment District, with approximately \$58,500 available for the payment of Project Costs, and the balance of approximately \$58,500 apportioned to the County. Additionally, the Increment District may be eligible to collect certain State of Oklahoma matching funds pursuant to the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. §840, *et seq.*, preliminarily estimated at up to \$58,500)

With respect to the County sales tax TIF Revenues, the Project Plan contemplates the capture of one-half (50%) of the incremental revenues (equal to a 0.325% sales tax out of the currently levied 0.65% County sales tax) during the term of the Increment District. With respect to the ad valorem tax TIF Revenues, the Project Plan contemplates the capture of 100% of such revenues during the term of the Increment District, but 50.0% of such revenues will be apportioned to the affected taxing entities, and 50.0% will be utilized for the payment of Project Costs. The Increment District shall commence upon the adoption of the County’s

TIF Resolution, and continue for a term of approximately 15 years (expiring December 31, 2039), or the payment of all Project Costs, which ever occurs first.

Incremental increases in ad valorem tax revenue and sales and use tax revenue that are generated within the boundaries of the Increment District will serve as the revenue source for financing the proposed Project Costs, including interest and other costs associated with financing said Project Costs. Said revenues are the public revenues directly attributable to the Project resulting from establishment of the Increment District.

Polly Irving, County Clerk
Muskogee County, Oklahoma
400 W. Broadway
P.O. Box 1008 (74402)
Muskogee, Oklahoma 74401
Phone: (918) 682-2169
Email: Polly.clerk@gmail.com

MAP OF INCREMENT DISTRICT NO. 2 BOUNDARIES



MAP OF PROJECT AREA BOUNDARIES



*Publish: Muskogee Phoenix
Sunday, March 24, 2024*

NOTICE OF PUBLIC HEARINGS

REGARDING THE TERMINATION OF A TAX INCREMENT DISTRICT: INCREMENT DISTRICT NO. 1, MUSKOGEE COUNTY

PROJECT PLAN RELATING TO INCREMENT DISTRICT NUMBER ONE, MUSKOGEE COUNTY, OKLAHOMA (PROJECT FAITH INCREMENT DISTRICT) IN MUSKOGEE COUNTY, OKLAHOMA

**5:30 PM MONDAY, APRIL 8, 2024
5:30 PM MONDAY, APRIL 22, 2024**

TO ALL INTERESTED INDIVIDUALS:

Muskogee County, Oklahoma (the “County”) invites and encourages all interested citizens and other interested parties to attend two public hearings scheduled for Monday, April 8, 2024, at 5:30 P.M. (during the scheduled meeting of the City Council of the City of Muskogee, Oklahoma), and Monday, April 22, 2024, at 5:30 P.M. (during the scheduled meeting of the City Council of the City of Muskogee, Oklahoma), both hearings to be held in the Third Floor Council Chambers located at the City of Muskogee Municipal Building, 229 West Okmulgee, Muskogee, Oklahoma 74401.

The purpose of the first hearing shall be for information and questions, and the second hearing shall be for persons to have an opportunity to be heard concerning the proposed termination of Increment District No. 1, Muskogee County (referred to herein as the “Increment District”), and the Project Plan Relating to Increment District Number One, Muskogee County, Oklahoma (Project Faith Increment District) (the “Project Plan”). The Increment District was originally established by Resolution of the County Commissioners (the “TIF #1 Resolution”).

Increment District No. 1

The legal description of the boundaries of Increment District No. 1 (as provided in the Project Plan) is that part of the Northeast Quarter (NE/4) and that part of the Northwest Quarter (NW/4), lying east of the Railroad Right-of-Way in Section Sixteen (16), Township Fourteen (14) North, Range Eighteen (18) East of the Indian Base & Meridian, Muskogee County, State of Oklahoma. The property address for the location of the Increment District is 2500 West 43rd Street/Smith Ferry Road, Muskogee, Oklahoma.

The Project Plan and TIF #1 Resolution, along with the findings of the County’s TIF Review Committee, may be reviewed by any person interested, in the Office of the County Clerk at the Muskogee County Administration Building, 400 West Broadway Street, Muskogee, Oklahoma 74401, during normal business hours from 9:00 a.m. to 5:00 p.m., Monday through Friday, and at the following web address: www.muskogee.okcounties.org.

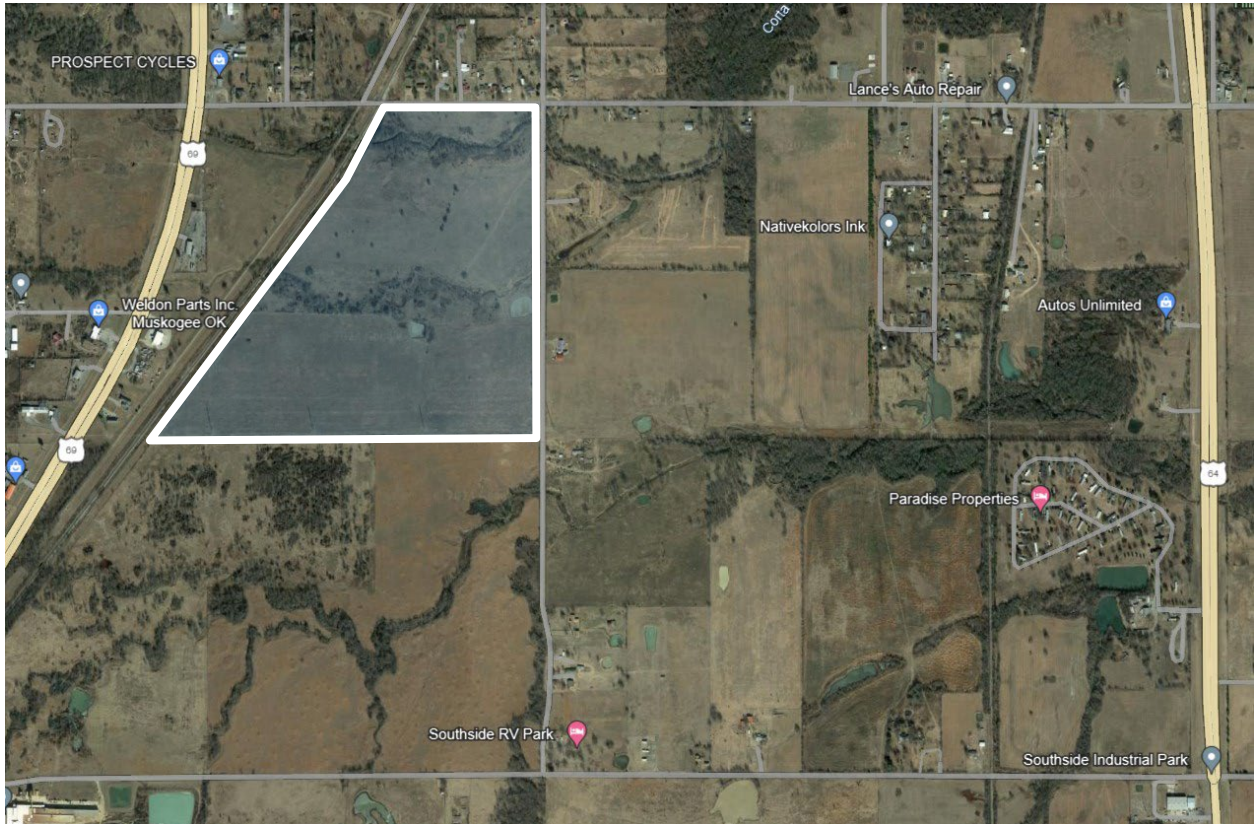
The Increment District was established in 2015 and expires in 2038. Ad Valorem Increment Revenues are allocated 100% to Project Costs until July 1, 2023, and thereafter only approximately 22.8% of Ad Valorem Increment Revenues are allocated to Project Costs (excluding the levies allocable to Hilldale Public Schools and Indian Capital Vo-Tech). The Increment District has not collected any Ad Valorem Increment Revenues to date. The Project Plan authorizes total Project Costs in the amount of \$10.93 million. The contemplated project did not come to fruition, and the property is owned by Port Muskogee.

The County has determined that the parameters of the existing Increment District will no longer support the proposed economic development contemplated in the Project Plan, and said project will not be undertaken in the foreseeable future without the provision of adequate infrastructure improvements to

support development within the Increment District. The termination of the Increment District will permit any increased valuation (above the baseline value established for the Increment District) to accrue to the benefit of the taxing jurisdictions within the Increment District, and will facilitate the provision of other economic development incentives (where appropriate), including the creation of future tax increment districts.

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Email: Polly.clerk@gmail.com

MAP OF INCREMENT DISTRICT NO. 1 BOUNDARIES



**SOUTHSIDE INDUSTRIAL PARK
ECONOMIC DEVELOPMENT PROJECT PLAN**

Prepared by:

CITY OF MUSKOGEE, OKLAHOMA

**MAYOR AND CITY COUNCIL
MARLON J. COLEMAN, MAYOR
DEPUTY MAYOR DERRICK A. REED, WARD 3
SHIRLEY HILTON-FLANARY, WARD 1
PATRICK CALE, WARD 1
JAIME STOUT, WARD 2
ALEX REYNOLDS, WARD 2
PERLINE BOYATTIA-CRAIG, WARD 3
DR. TRACY HOOS, WARD 4
TRACI MCGEE, WARD 4**

MIKE MILLER, CITY MANAGER

**THE PUBLIC FINANCE LAW GROUP PLLC
5657 N. CLASSEN BOULEVARD, SUITE 100
OKLAHOMA CITY, OKLAHOMA 73118
(405) 235-3413**

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AND INCREMENT DISTRICT
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- EXHIBIT “G” EXISTING USES AND CONDITIONS OF REAL PROPERTY

SOUTHSIDE INDUSTRIAL PARK**ECONOMIC DEVELOPMENT PROJECT PLAN****I. DESCRIPTION OF PROJECT**

This Southside Industrial Park Economic Development Project Plan (the “**Project Plan**”) describes an economic development project of the City of Muskogee, Oklahoma (the “**City**”) that brings a significant industrial development to the City. The Project Plan contemplates the creation of a tax increment financing district pursuant to the Local Development Act, 62 O.S. §850, *et seq.* (the “**Local Development Act**”), as authorized pursuant to Article 10, §6C of the Oklahoma Constitution. The purpose of the Increment District (as described herein) is to encourage the prospective development of available parcels within the Muskogee Municipal Authority owned Southside Industrial Park (the “**Southside Industrial Park**”), located along U.S. 64 just south of W. 53rd Street S. Southside Industrial Park West, encompassing approximately 82 acres, is under consideration for the development of a facility capable of refining up to 50,000 metric tons of lithium carbonate per year, which would be one of the largest battery-grade lithium refineries in the United States, with a capital investment of approximately \$1.13 billion and creating approximately 850-1,000 new jobs (“**Project Heart**”). Southside Industrial Park East, encompassing approximately 144 acres, is under consideration for construction of a new fabrication facility for an existing Muskogee business looking to expand, with a capital investment of approximately \$20 million and increasing the local workforce by 15-20 positions (“**Project Structure**”), as well as possible expansion of Project Heart, and/or creating up to 6 additional shovel-ready industrial sites. Project Heart, Project Structure, and other potential industrial development projects are collectively referred to as the “**Project**”.

The City recognizes the difficulty in development of the area due to significant costs necessary to upgrade the current infrastructure within and near the Southside Industrial Park in order to support the development of the Project. The goal of the Increment District (as defined herein) is to promote economic development in the City by incentivizing capital investment in undeveloped property in order to enhance the tax base and create employment opportunities within the City. The City proposes to complete (or cause to be completed) certain industrial access road improvements, rail improvements, and/or utility extensions (collectively referred to herein as the “**TIF Projects**”), that will provide service to the Southside Industrial Park, as well as the nearby Port Muskogee John T. Griffin Industrial Park (the “**Griffin Industrial Park**”). Muskogee County, Oklahoma (the “**County**”) has under separate consideration the creation of a county tax increment financing district (the “**Muskogee County TIF**”) to encourage development within the Griffin Industrial Park. Many of the TIF Projects will support development in the Muskogee County TIF, as well as contemplated herein, and the County and the City both recognize the inherent economic benefits in the form of capital investment, job creation, and overall economic impact of development in the Southside Industrial Park and the Griffin Industrial Park. The City has identified an aggregate total of not-to-exceed \$24,360,873.00 in costs associated with the TIF Projects in connection with establishing the Increment District (as defined herein). The associated costs of the TIF Projects, along with the Organizational Costs and the Debt Service Costs (each as further defined herein) are collectively referred to herein as the “**Project Costs**”. Many of the

Project Costs will support development within the Increment District and the Muskogee County TIF, and as such, any of the Project Costs shall be deemed to be authorized Project Costs of both the Increment District and the Muskogee County TIF. The City expects to phase the expenditure of Project Costs in coordination with specific development projects, and intends to apply other available funds as appropriate to offset the costs to the Increment District.

Pursuant to the terms of a development agreement(s) between the City and the prospective developer(s) (as required by the Local Development Act defined herein), the TIF Revenues generated by virtue of the construction sales and use tax, and ad valorem tax levies shall be utilized as a revenue source to fund the costs of the TIF Projects. The TIF Revenues (as defined herein) will be used to pay the costs of the TIF Projects, reimburse the Organizational Costs, and/or pay the Debt Service Costs on obligations issued to pay the same.

Based solely on the proposed Project Heart and Project Structure, the development within the Increment District could result in a potential total initial capital investment of approximately \$1.15 billion (\$655.87 million net taxable value subject to ad valorem taxes, including projected depreciation and annual capital expenditures) and generate approximately \$166.3 million in taxable construction material sales over the term of the Increment District. Please see Exhibit “E” for a more detailed description of projected development within the Increment District. Please see Exhibit “F” for a Preliminary Site Development Plan for the Southside Industrial Park Projects.

II. PROJECT AREA AND INCREMENT DISTRICT BOUNDARIES

The Increment District is the specific geographic area within which the identified tax increments, which may include City Sales Tax Increment Revenues, County Sales Tax Increment Revenues, and Ad Valorem Increment Revenues, and may also include certain Leverage Act Increment Revenues, each as are defined in Section VII herein, will be generated and utilized as set forth in this Project Plan (referred to herein as the “**Increment District**”). The Project Area is the area within which all project activities, including construction of the supporting public improvements, will take place (referred to herein as the “**Project Area**”). The Increment District is located entirely within the Project Area. Most of the contemplated project activities will occur within the boundaries of the Increment District, however certain project activities may occur outside the boundaries of the Increment District but within the Project Area. A map showing the Increment District is attached as Exhibit “A”. The legal description of the Increment District is set forth in Exhibit “B”. A map showing the Project Area is attached as Exhibit “C”. The legal description of the Project Area is set forth in Exhibit “D”.

III. ELIGIBILITY OF PROJECT

The Increment District is undeveloped and/or underdeveloped within the meaning of the Local Development Act. The Project Area (including the Increment District) is located within an area identified by the Oklahoma Department of Commerce as an enterprise zone (Tract ID: 40101000600). Consequently, the Increment District is located in an enterprise area (as defined

in Section 853(5) of the Local Development Act) and is therefore eligible for assistance under the Local Development Act. Additionally, the Project, because it will be located within an enterprise zone, represents an eligible project as defined under the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. §840, *et seq.* (the “**Leverage Act**”), and therefore may qualify for certain incentive matching payments made by the State of Oklahoma based on sales and use tax increments dedicated to the Increment District.

The Increment District comprises an area where investment, development and economic growth have not occurred, and which requires significant public infrastructure improvements to serve as a catalyst to expand employment opportunities, to attract major investment in the area, and to enhance the tax base.

IV. OBJECTIVES

The purpose of the Project and the Increment District is to support the achievement of the economic development objectives of the City in order to:

- A. Create a significant industrial development within the City that will act as a catalyst for additional development within the community;
- B. Attract major investment in the area;
- C. Serve as a catalyst for retaining and expanding employment in the area;
- D. Promote economic development to increase tax revenues, raise property values, and improve economic stability;
- E. Preserve and enhance the tax base; and
- F. Make possible investment, development and economic growth which would otherwise be difficult or impossible without the TIF Projects and the apportionment of ad valorem taxes from within the Increment District.

V. FINANCIAL IMPACTS

The proposed private development will generate tax increments necessary to pay all or a portion of the authorized costs of the TIF Projects. Without the creation of the proposed Increment District, significant development within the Increment District would be unlikely and as a result, any significant increases in construction sales and use taxes and ad valorem taxes would be extremely improbable.

The proposed development project does not create a significant increase in demand for services or costs to the affected taxing entities other than the City and Muskogee County,

Oklahoma, whose public sector costs will be offset by apportioned tax increments as provided in this Project Plan.

The affected ad valorem taxing jurisdictions are Muskogee County, the Muskogee County Health Department, the City of Muskogee, Oklahoma, Eastern Oklahoma District Library System, Muskogee County EMS District, Indian Capital Technology Center Vo-Tech District No. 4, and Independent School District No. 29 of Muskogee County, Oklahoma (Hilldale Public Schools, and referred to herein as the “**School District**”). The general and intangible impacts on the affected taxing jurisdictions from implementation of this Project Plan are positive and include the achievement of the objectives set forth in Section IV of this Project Plan.

The creation of the Increment District will allow the City to apportion the incremental increase in ad valorem tax revenues and construction sales and use tax revenues generated through construction and operation of the industrial developments within the Increment District for the purpose of paying Project Costs, either through direct payment and/or reimbursement and/or paying debt service on tax apportionment bonds or notes (collectively, the “**TIF Bonds**”), which may be issued in one or more series by a public trust created under Title 60, Oklahoma Statutes 2021, Section 176 *et seq.*, for the benefit of the City and/or the County, and including any interest, capitalized interest and other related financing costs. The proceeds of any such TIF Bonds (if issued) shall be utilized for the Project Costs.

It is anticipated that a successful development will result in significant long-term benefits to the affected ad valorem taxing jurisdictions without causing significant (if any) negative impact on the existing tax base during the term of the Increment District. The formation of an Increment District should result in no net loss in existing ad valorem tax revenue to each of the affected ad valorem taxing jurisdictions. The formation of the Increment District will cause the affected ad valorem taxing jurisdictions to forgo a portion of any new incremental ad valorem tax revenue generated from real and personal property values during the term of the Increment District, but will not affect the existing ad valorem tax base within the Increment District. During the term of the Increment District, the 50.0% of Ad Valorem Increment Revenues (as defined herein) apportioned to the affected ad valorem taxing jurisdictions as a specific revenue source are estimated to be approximately \$30.62 million (ranging from \$1.46 million to \$3.06 million per year and based on the proposed development of the Project), and which will be apportioned directly to the affected taxing jurisdictions. Upon expiration of the Increment District, the affected ad valorem taxing jurisdictions could see an aggregate net gain in annual ad valorem tax revenues of approximately \$3.84 million (based on an aggregate taxable property value of approximately \$319.79 million). It is anticipated that the job creation component of the Project may result in a net increase in the total student population for the School District. To offset the potential increase in student population, the Ad Valorem Increment Revenues allocated to the School District are classified as a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the School District. Based on the projections of Ad Valorem Increment Revenues, the School District is expected to receive approximately \$21.59 million in net new taxing revenues over the term of the Increment District.

Potential impacts on the ad valorem taxing jurisdictions include population growth and the demand for services created thereby. The direct impact on each ad valorem taxing jurisdiction is the loss of a portion of the new ad valorem tax increment revenues during the period of

apportionment. An additional impact on the School District is that the valuation of the Increment District will not count for, and will therefore limit, the bonding capacity of the School District. However, the School District does realize additional revenue from other sources on a per pupil basis. These impacts may be mitigated by any increase in valuation of property outside the Increment District (for example, successful development enhances the property values surrounding the Increment District), and by any increase in new housing outside the Increment District (for example, successful development results in net population gain to the City creating demand for new housing).

The formation of an Increment District should result in new, one-time construction sales and use tax collections to the City and the County, as the affected sales tax jurisdictions. Fifty percent (50%) of the construction sales or use taxes will be captured pursuant to this Project Plan. As of the date of this Project Plan, the City levies a 4.0% sales and use tax, and the County levies a 0.65% sales tax. Assuming completion of the proposed Project and no change in the respective tax levies, the City and the County expect to realize approximately \$3,327,100 (City) and \$540,600 (County), respectively, in new, one-time sales and use tax from the Project, based on the assumption that 60% of the cost of real property taxable capital investment represents construction materials subject to sales or use tax. Additionally, the City and the County may realize significant indirect sales and use tax gains outside the Increment District, due to short term construction and long-term employment opportunities. These impacts may be mitigated by any increased costs of providing City and/or County services to the development (police, fire, etc.).

The proposed Project will create an increase in demand for utility services from the City, however the City has sufficient capacity to handle such demand, and the proposed development within the Increment District should generate increases in annual water and sewer utility revenues. Any increase in public sector costs should be more than offset by apportioned tax increments as provided in this Project Plan.

VI. STATEMENT OF PRINCIPAL ACTIONS

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

A. Site preparation, planning and construction of public improvements necessary to support the development project;

B. Acquisition by private developers of any additional property interests necessary for the development project including connecting public easements;

C. Negotiation, preparation, execution, and implementation of development agreements, including agreements for financing, demolition, and construction by private developers, as authorized by the Local Development Act. Such agreements may include the granting of incentives for private developers to complete certain improvements within the Project Area;

D. Issuance of tax apportionment bonds or other debt issuance necessary to provide funds for Project Costs;

E. All other actions necessary and appropriate to carry out the development project as authorized by the Local Development Act.

VII. ESTABLISHMENT OF INCREMENT DISTRICT NO. 6, CITY OF MUSKOGEE

Increment District No. 6, City of Muskogee shall commence as of the date determined by the City Council of the City in accordance with Section 856(B)(2) of the Local Development Act (the “**Commencement Date**”); provided however, the Commencement Date shall not be later than ten (10) years following adoption of this Project Plan. In accordance with the provisions of the Local Development Act, the following incremental revenues shall be apportioned and used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan. The apportionment of the Ad Valorem Increment Revenues, the City Sales Tax Increment Revenues, the County Sales Tax Increment Revenues, and the Leverage Act Increment Revenues (each as defined herein, and collectively referred to as the “**TIF Revenues**”) shall continue for that period required for the payment of the Project Costs, or a period not to exceed approximately seventeen (17) years following the Commencement Date (expected to end December 31, 2041, and referred to as the “**Expiration Date**”), whichever is less:

A. One hundred percent (100.0%) of the total equalized assessed value of real and personal property within the boundaries of the Increment District. The base assessed value (as described in Section 862 of the Local Development Act) of the Increment District shall be calculated as an amount equal to one hundred percent (100.0%) of the initial equalized assessed value of real and personal property within the boundaries of the Increment District. In accordance with the provisions of the Local Development Act, one hundred percent (100%) of the increments of real and personal property ad valorem taxes generated within the Increment District (inclusive of any amounts received from the State of Oklahoma’s Ad Valorem Reimbursement Fund pursuant to Title 62, Section 193 of the Oklahoma Statutes, as reimbursement for exemptions for “qualified manufacturing concerns” pursuant to Article X, Section 6B of the Oklahoma Constitution), in excess of the real and personal property ad valorem taxes generated from the base assessed value of the Increment District, as such increments are determined and defined pursuant to the Local Development Act (collectively, the “**Ad Valorem Increment Revenues**”, and said amount representing one hundred percent (100.0%) of the total new ad valorem tax revenues generated within the boundaries of the Increment District, as determined annually by the Muskogee County Assessor), shall be apportioned as follows: (i) one-half (50.0%) of the Ad Valorem Increment Revenues shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan; and (ii) one-half (50.0%) of the Ad Valorem Increment Revenues shall be apportioned to the affecting taxing jurisdictions in proportion to the allocation that the taxing jurisdictions would ordinarily receive from the increased assessed values, in the absence of the Increment District (as set forth in Sections 853(9), 853(14)(i) and 854(4) of the Local Development Act; provided that any portion of the TIF Revenues allocated to the School District shall be for the purpose of

providing a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the School District; and

B. Fifty percent (50%) of the incremental City sales and use tax revenue derived from the construction of the Project (representing an amount equivalent to a two percent (2.0%) sales and use tax based on a total of 4.0% sales and use tax levied by the City as of the date of this Project Plan pursuant to Chapter 74, Article II, Section 74-19 *et seq.*, of the Muskogee Code of Ordinances (the “**Code of Ordinances**”), as such Code of Ordinances may be amended, replaced, extended, superseded, terminated, or otherwise modified from time to time, including with regards to the total amount of applicable City sales and use tax rate (referred to as the “**City Sales Tax Increment Revenues**”); provided that all such City Sales Tax Increment Revenues shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan; provided, however, the City Sales Tax Increment Revenues shall only pertain to construction and other capital investment related expenditures within the boundaries of the Increment District, and shall not include any sales and use tax derived from retail sales. The remaining unapportioned fifty percent (50%) incremental sales and use tax (representing an amount equivalent to a two percent (2.0%) sales and use tax based on a total of 4.0% sales and use tax levied by the City as of the date of this Project Plan) shall be retained by the City and utilized on a pro rata basis for any lawful purpose consistent with the aforementioned Code of Ordinances.

C. Fifty percent (50%) of the incremental County sales and use tax revenue derived from the construction of the Project (representing an amount equivalent to a 0.325% sales and use tax based on a total of 0.65% sales and use tax levied by the County as of the date of this Project Plan pursuant to Resolutions of the County dated September 6, 2005, and April 10, 2017 (collectively, the “**County Sales Tax Resolution**”), as such County Sales Tax Resolution may be amended, replaced, extended, superseded, terminated, or otherwise modified from time to time, including with regards to the total amount of applicable County sales tax rate (referred to as the “**County Sales Tax Increment Revenues**”); provided that all such County Sales Tax Increment Revenues shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan; provided, however, the County Sales Tax Increment Revenues shall only pertain to construction and other capital investment related expenditures within the boundaries of the Increment District, and shall not include any sales and use tax derived from retail sales. Provided further, the County shall grant its specific consent as required by Section 861(A)(2)(c) of the Local Development Act prior to the capture of any County Sales Tax Increment Revenue derived from the levy of sales and use tax by the County. The remaining unapportioned fifty percent (50%) incremental sales and use tax (representing an amount equivalent to a 0.325% sales and use tax based on a total of 0.65% sales and use tax levied by the County as of the date of this Project Plan) shall be retained by the County and utilized on a pro rata basis for any lawful purpose consistent with the aforementioned County Sales Tax Resolution.

D. One hundred percent (100%) of the incentive matching payments made by the State of Oklahoma pursuant to the Leverage Act, based on sales and use tax increments dedicated to the Increment District, as such amounts are hereinafter determined and defined (collectively, and as more specifically defined in Section X herein, the “**Leverage Act Increment Revenues**”); provided that all of the generated increment shall be pledged as security for the

payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan.

VIII. PROJECT AND INCREMENT DISTRICT AUTHORIZATIONS

A. Upon adoption of an Ordinance of the City Council of the City approving this Project Plan, the City is hereby designated and authorized as the public entity to carry out and administer the provisions of this Project Plan and to exercise all powers necessary or appropriate thereto, including, without limitation, those powers described in Section 854 of the Local Development Act.

B. The City may create a new public trust with the City named as its beneficiary, and/or designate an existing public trust with the City and/or the County named as its beneficiary (said public trust referred to herein as the “**Authority**”), and said Authority shall be the public entity designated by the City to assist in carrying out and administering the provisions of this Project Plan and authorized to exercise all powers necessary or appropriate thereto pursuant to Title 62, Section 854 of the 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 that section, which powers shall be reserved to the City.

C. The person in charge of implementation of this Project Plan in accordance with the provisions, authorizations and respective delegations of responsibilities contained herein is Mr. Mike Miller, City Manager. Mr. Miller, or his successor as City Manager, is authorized to empower one or more designees to exercise responsibilities in connection with project implementation.

IX. BUDGET OF ESTIMATED PROJECT COSTS TO BE FINANCED FROM INCREMENT DISTRICT NO. 6

Project Costs to be financed by the apportionment of tax increments from the Increment District include the planning, design, acquisition, site preparation and/or construction of the TIF Projects in an aggregate total amount of \$24,360,873. Certain Project Costs may be funded through the payment of assistance in development financing (as authorized by Section 853(14)(o) of the Local Development Act) to a third party as reimbursement for the payment of such Project Costs. Additional amounts will be financed by the apportionment of tax increments from the Increment District including the following items related to Project Costs in excess of the amounts specifically identified for TIF Project Costs: (a) the direct or incidental administrative costs incurred or to be incurred by or on behalf of the City, the Authority, or other public entities (all as contemplated in Title 62, Section 853(14)(e) of the Local Development Act) in organizing, supervising, implementing and administering this Project Plan, including, but not limited to, payment and/or reimbursement of costs advanced in connection with the preparation and approval of this Project Plan, administrative costs, organizational costs, professional service costs, including those incurred for architectural, planning, engineering, legal and financial advisors and services, and

costs for determining or re-determining the base assessed value of the Increment District (the “**Organizational Costs**”), and (b) interest and other financing costs and fees, including principal, interest (including capitalized interest), associated costs of issuance, reasonably required reserves, and prepayment premium paid on debt service and/or any reimbursement obligation (the “**Debt Service Costs**”). The Organizational Costs associated with the initial creation and implementation of the Increment District are preliminarily estimated to be approximately \$100,000, and the ongoing Organizational Costs are estimated to be \$10,000 per year. The Debt Service Costs associated with the Project Costs are preliminarily estimated to be on the order of \$27,146,030, but depending on available cost sharing opportunities, could be significantly less, as described in Exhibit “E” attached hereto..

The total estimate of Project Costs that may be made available for improvements from apportioned tax revenues shall be \$24,320,873 (including all engineering, construction, planning, and contingency costs). Apportioned tax revenues in excess of the amounts needed for Project Costs may be utilized as necessary to pay the Organizational Costs and the Debt Service Costs, and could total approximately \$27,426,030. The estimated combined total of all eligible Project Costs is \$51,746,903.

X. METHODS OF FINANCING PROJECT COSTS, EXPECTED SOURCES OF REVENUES, AND TIME WHEN COSTS OR MONETARY OBLIGATIONS ARE TO BE INCURRED

It is hereby determined that the proposed Project Costs will generally benefit and support development throughout the Project Area, inclusive of the Increment District and the Muskogee County TIF. It is further determined that (i) the TIF Revenues derived from the Increment District may properly be utilized to pay any and all Project Costs within the Project Area; and (ii) it is proper and may be appropriate (at the discretion of the City) to pledge TIF Revenues from the Increment District to the repayment of TIF Bonds. Therefore, with respect to the Increment District:

A. Methods of Financing. It is expected that the Project Costs will be paid from proceeds of the Authority’s TIF Bonds. Payment of principal and interest due on the TIF Bonds will be paid from available TIF Revenues. Certain Project Costs may be directly paid by a third party developer or the City and reimbursed from proceeds of the TIF Bonds. Alternately, certain Project Costs may also be directly paid by a third party developer or the City and reimbursed from TIF Revenues in excess of those needed for debt service on the TIF Bonds. Certain other costs of the Project may be paid from such other funds of the City or the Authority as may be lawfully used for the purposes hereinabove stated, including proceeds of certain debt obligations issued by the Authority and secured by a pledge of general sales tax, utility, or other available revenues.

B. Expected Sources of Revenues. The payment or reimbursement of Project Costs, including any interest component on reimbursed funds and any principal, interest, and premium on any TIF Bonds, will be made from one or more of the following sources of revenues:

(i) *Ad Valorem Increment Revenues.* In accordance with the provisions of the Local Development Act, the Ad Valorem Increment Revenues are to be apportioned and set aside from all other ad valorem taxes levied within the Increment District, to be used exclusively for:

- (a) the payment of principal, interest and premium, if any, on any TIF Bonds issued pursuant to Section 863 of the Local Development Act (including pledging as security for such payments);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects;
- (d) the reimbursement of a third party developer (pursuant to a development agreement with the City or the Authority), the City, or any agency thereof (including the Authority), which has paid Project Costs from funds which were not increments derived from the Increment District, but only to the extent that such sums were actually paid or, in the case of reimbursement of a third party developer, constitute an interest component on sums that were actually paid; and
- (e) the establishment and payment of a specific revenue source for affected taxing entities pursuant to Sections 853(9), 853(14)(i), and 854(4) of the Local Development Act.

Pursuant to the Local Development Act, the Ad Valorem Increment Revenues apportioned hereunder shall be transferred by the Muskogee County Treasurer to a special fund to be known as the “Increment District No. 6 - Apportionment Fund” (hereinafter, the “**Apportionment Fund**”), which fund will be held by and be the property of the City (except that such fund may also be held by the Authority or a trustee acting on behalf of the Authority). No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All Ad Valorem Increment Revenues so collected shall be apportioned as follows: (i) one-half (50.0%) of the Ad Valorem Increment Revenues shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan; and (ii) one-half (50.0%) of the Ad Valorem Increment Revenues shall be apportioned to the affecting taxing jurisdictions in proportion to the allocation that the taxing jurisdictions would ordinarily receive from the increased assessed values, in the absence of the Increment District (as set forth in Sections 853(9), 853(14)(i) and 854(4) of the Local Development Act; provided that any portion of the TIF Revenues allocated to the School District shall be for the purpose of providing a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the School District.

The apportionment of ad valorem taxes pursuant to this section shall terminate upon the final payment of, or reimbursement for, all project costs incurred in connection with the

projects listed in this Project Plan, and the payment of all outstanding principal, accrued interest, and premium due on the TIF Bonds; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond the Expiration Date.

In the event that any Project Costs remain unpaid, or any portion of the principal of or interest on the TIF Bonds, issued in connection herewith, or any amount due and owing for reimbursement to the City or the Authority or pursuant to a development agreement between the City and a Developer, remains unpaid as of the Expiration Date, then the Increment District shall not terminate until the increment apportioned during the term of the Increment District is actually received by the Apportionment Fund, even if the receipt of such revenues occurs subsequent to the Expiration Date.

(ii) *City Sales Tax Increment Revenues.* In accordance with the provisions of the Local Development Act, the City Sales Tax Increment Revenues are to be apportioned and set aside from all other sales and use taxes levied within the Increment District, to be used exclusively for:

- (a) the payment of principal, interest and premium, if any, on any TIF Bonds issued pursuant to Section 863 of the Local Development Act (including pledging as security for such payments);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects; and
- (d) the reimbursement of a third party developer, including any interest component (pursuant to a development agreement with the City and/or the Authority), the City, or any agency thereof (including the Authority), which has paid Project Costs from funds which were not increments derived from the Increment District, but only to the extent that such sums were actually paid or, in the case of reimbursement of a third party developer, constitute an interest component on sums that were actually paid.

Provided, however, the remaining unapportioned incremental sales and use tax revenues derived from the Increment District, as of the date of this Project Plan representing the equivalent of 2.0% of the total 4.0% sales and use tax levied by the City, shall be retained by the City and utilized on a pro rata basis for any lawful purpose consistent with the aforementioned Code of Ordinances. For purposes of determining the incremental portion of the sales and use taxes generated within or sourced to the Increment District, the City Sales Tax Increment Revenues shall only pertain to construction and other capital investment related expenditures within the boundaries of the Increment District, and shall not include any sales and use tax derived from retail sales. Fifty percent (50%) of the incremental City sales and use tax revenue derived from the construction of the Project shall be considered to be the “increment” subject to apportionment by this section. The City shall establish procedures related to the calculation and determination of

construction related sales and use tax revenue qualifying as City Sales Tax Increment Revenues. Such procedures shall stipulate that construction related City Sales Tax Increment Revenues be derived only from new construction activities occurring within the Increment District. The City shall be entitled to rely on certifications of actual construction costs provided by a third party developer(s) or related parties in connection with determining any applicable City Sales Tax Increment Revenues.

Pursuant to the Local Development Act, the City Sales Tax Increment Revenues apportioned hereunder and so collected shall be placed into the Apportionment Fund. No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All City Sales Tax Increment Revenues so collected shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan, including any interest component (pursuant to a development agreement with the City and/or the Authority).

The apportionment of sales and use taxes pursuant to this section shall terminate upon the final payment of, or reimbursement for, all Project Costs incurred in connection with the projects listed in this Project Plan, and the payment of all outstanding principal, accrued interest, and premium due on the TIF Bonds; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond the Expiration Date.

In the event that any Project Costs remain unpaid, or any portion of the principal or interest on the TIF Bonds, issued in connection herewith, or any amount due and owing for reimbursement to the City or the Authority or pursuant to a development agreement between the City and the Developer, remains unpaid as of the Expiration Date, then the Increment District shall not terminate until the increment apportioned during the term of the Increment District is actually received by the Apportionment Fund, even if the receipt of such revenues occurs subsequent to the Expiration Date.

(iii) *County Sales Tax Increment Revenues.* In accordance with the provisions of the Local Development Act, the County Sales Tax Increment Revenues are to be apportioned and set aside from all other sales taxes levied within the Increment District, to be used exclusively for:

- (a) the payment of principal, interest and premium, if any, on any TIF Bonds issued pursuant to Section 863 of the Local Development Act (including pledging as security for such payments);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects; and
- (d) the reimbursement of a third party developer, including any interest component (pursuant to a development agreement with the City and/or the Authority),

the City, or any agency thereof (including the Authority), which has paid Project Costs from funds which were not increments derived from the Increment District, but only to the extent that such sums were actually paid or, in the case of reimbursement of a third party developer, constitute an interest component on sums that were actually paid.

Provided, however, the remaining unapportioned incremental sales and use tax revenues derived from the Increment District, as of the date of this Project Plan representing the equivalent of 0.325% of the total 0.65% sales and use tax levied by the County, shall be retained by the County and utilized on a pro rata basis for any lawful purpose consistent with the aforementioned County Sales Tax Resolution. For purposes of determining the incremental portion of the sales and use taxes generated within or sourced to the Increment District, the County Sales Tax Increment Revenues shall only pertain to construction and other capital investment related expenditures within the boundaries of the Increment District, and shall not include any sales and use tax derived from retail sales. Fifty percent (50%) of the incremental County sales and use tax revenue derived from the construction of the Project shall be considered to be the “increment” subject to apportionment by this section. The County shall establish procedures related to the calculation and determination of construction related sales tax revenue qualifying as County Sales Tax Increment Revenues. Such procedures shall stipulate that construction related County Sales Tax Increment Revenues be derived only from new construction activities occurring within the Increment District. The County shall be entitled to rely on certifications of actual construction costs provided by a third party developer(s) or related parties in connection with determining any applicable County Sales Tax Increment Revenues.

Pursuant to the Local Development Act, the County Sales Tax Increment Revenues apportioned hereunder and so collected shall be transferred to the City for deposit to the Apportionment Fund. No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All County Sales Tax Increment Revenues so collected shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan, including any interest component (pursuant to a development agreement with the City and/or the Authority).

The apportionment of sales taxes pursuant to this section shall terminate upon the final payment of, or reimbursement for, all Project Costs incurred in connection with the projects listed in this Project Plan, and the payment of all outstanding principal, accrued interest, and premium due on the TIF Bonds; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond the Expiration Date.

In the event that any Project Costs remain unpaid, or any portion of the principal or interest on the TIF Bonds, issued in connection herewith, or any amount due and owing for reimbursement to the City or the Authority or pursuant to a development agreement between the City and the Developer, remains unpaid as of the Expiration Date, then the Increment District shall not terminate until the increment apportioned during the term of

the Increment District is actually received by the Apportionment Fund, even if the receipt of such revenues occurs subsequent to the Expiration Date.

(iv) *Leverage Act Increment Revenues.* In accordance with the provisions of the Local Development Act, the Leverage Act Increment Revenues are to be apportioned and set aside from all other revenues generated within the Increment District, to be used exclusively for:

- (a) the payment of principal, interest and premium, if any, on any TIF Bonds issued pursuant to Section 863 of the Local Development Act (including pledging as security for such payments);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects; and
- (d) the reimbursement of a third party developer (pursuant to a development agreement with the City or the Authority), including any interest component (pursuant to a development agreement with the City and/or the Authority), the City, or any agency thereof (including the Authority), which has paid Project Costs from funds which were not increments derived from the Increment District, but only to the extent that such sums were actually paid or, in the case of reimbursement of a third party developer, constitute an interest component on sums that were actually paid.

The City shall establish procedures related to application under the Leverage Act for sales and use tax matching funds. It is hereby recognized that any Leverage Act Increment Revenues represent a substantial economic benefit to the City and the development of the Project, and the City and the Authority shall take all reasonable actions necessary to maximize the Leverage Act Increment Revenues.

Pursuant to the Local Development Act, the Leverage Act Increment Revenues apportioned hereunder and so collected shall be placed into the Apportionment Fund. No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All Leverage Act Increment Revenues so collected shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan, including any interest component (pursuant to a development agreement with the City and/or the Authority).

The apportionment of matching incentive funds pursuant to this section shall terminate upon the final payment of, or reimbursement for, all Project Costs incurred in connection with the projects listed in this Project Plan, and the payment of all outstanding principal, accrued interest, and premium due on the TIF Bonds; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond the Expiration Date.

In the event that any Project Costs remain unpaid, or any portion of the principal of or interest on the TIF Bonds, issued in connection herewith, or any amount due and owing for reimbursement to the City or the Authority or pursuant to a development agreement between the City and the Developer, remains unpaid as of the Expiration Date, then the Increment District shall not terminate until the increment apportioned during the term of the Increment District is actually received by the Apportionment Fund, even if the receipt of such revenues occurs subsequent to the Expiration Date.

C. Time When Costs Or Monetary Obligations Are To Be Incurred. It is estimated that the time frame for incurring most of the Project Costs will be within three to five years from the date of approval of this Project Plan; however, certain Project Costs will not be incurred until appropriate development projects within the Increment District are identified by the City. It is anticipated that most Project Costs will be paid from proceeds of TIF Bonds issued by the Authority, provided however, certain Project Costs may be directly paid or reimbursed from apportioned TIF Revenues.

D. Flow of Funds; Excess Revenues.

During the term of the Increment District, TIF Revenues shall be utilized as follows:

- FIRST: The payment of principal, accrued interest, and premium, if any, due on the TIF Bonds;
- SECOND: If applicable, transfers to any debt service reserve established in connection with the TIF Bonds in such amounts as may be necessary to restore the reserve to its prescribed levels;
- THIRD: The payment and/or reimbursement of authorized Project Costs (including any interest component pursuant to a development agreement);
- FOURTH: If applicable, the prepayment of principal on any TIF Bonds until such time as all TIF Bonds are retired; and
- FIFTH: Upon retirement of all TIF Bonds (if any) and payment of all Project Costs (including any interest component pursuant to a development agreement), (a) any remaining Ad Valorem Increment Revenues shall be transferred to the various ad valorem taxing jurisdictions, in the same percentages as originally collected, as determined by reference to the millage levied by each of the various ad valorem taxing jurisdictions for the related tax year, excluding sinking fund levies, (b) any remaining City Sales Tax Increment Revenues shall be transferred to the City for deposit into the General Fund or to the appropriate special fund, and (c) any remaining County Sales Tax Increment Revenues shall be transferred to the County for deposit into the General Fund or to the appropriate special fund, in each case consistent with the provisions of the Local Development Act. Any remaining Leverage Act Increment Revenues shall be treated appropriately as sales and use tax revenue, and shall be transferred as set

forth in (b) and (c) herein, or, if required by the Leverage Act, shall be returned to the State of Oklahoma.

XI. FINANCING REVENUE SOURCES

The TIF Revenues are expected to finance all or a portion of the Project Costs authorized by Section IX. Based on the initial projections of Ad Valorem Increment Revenues for the Project, it is estimated that approximately \$61.24 million could be generated by the incremental increase in ad valorem tax revenue during the term of the Increment District, with approximately \$30.62 million available for allocation to Project Costs and approximately \$30.62 million apportioned to the affected ad valorem taxing jurisdictions. The initial projections of Ad Valorem Increment Revenues are based upon an estimated \$655.87 million aggregate taxable capital investment (including projected depreciation and annual capital expenditures), an 11% assessment rate for real property, a 12% assessment rate for business personal property, and an approximately 10.549% millage levy within the Increment District (based on the 2023 levy rate for property located within School District).

Based on the initial projections of City Sales Tax Increment Revenues for the Project, it is estimated that approximately \$6.654 million could be generated by the incremental increase in sales and use tax revenue during the term of the Increment District, with approximately \$3.327 million available for allocation to Project Costs and approximately \$3.327 million retained by the City. Based on the initial projections of County Sales Tax Increment Revenues for the Project, it is estimated that approximately \$1.081 million could be generated by the incremental increase in sales tax revenue during the term of the Increment District, with approximately \$540,660 available for allocation to Project Costs and approximately \$540,660 retained by the County. The initial projections of incremental sales and use tax revenue are based upon the projected revenues generated within the Increment District from the levy of an aggregate total of four percent (4.0%) City and sixty-five hundredths of one percent (0.65%) County sales tax on new construction within the Increment District generating approximately \$166.35 million in gross taxable sales during the term of the Increment District.

Additional TIF Revenues may be realized through state matching incentive payments made pursuant to the Leverage Act, as set forth in Section X(B)(iv) above (i.e. the Leverage Act Increment Revenues). Based on the initial projections of revenue and the level of apportionment of sales and use tax to Project Costs, state matching payments could make available up to an additional \$3.86 million for Project Costs, although it is possible that only a portion of the taxable transactions may qualify for state matching incentive payments.

The calculation of projected TIF Revenues will be refined based upon (i) the actual effective ad valorem tax rate and base assessed valuation, as determined from time to time by the Muskogee County Assessor and subject to change by voters of the applicable taxing jurisdiction at an election(s) held for such purpose, (ii) the total net capital investment resulting from development within the Increment District, and (iii) the timing of the development.

The realization of the TIF Revenues is directly dependent on the City's ability to attract development proposals on a magnitude contemplated by this Project Plan within the Increment District during the term of the Increment District. The Authority and/or the City may enter into economic development agreements with the prospective Southside Industrial Park tenants or any other parties as required by the Local Development Act.

Certain TIF Projects may be designed and/or constructed by the City. Authorized Project Costs, or the payment of debt service on TIF Bonds issued to pay Project Costs, will be paid from TIF Revenues by the City or the Authority, and may include (i) reimbursement of the City or the Authority for certain public improvements constructed from other available funds, and (ii) assistance in development financing (as authorized by the Local Development Act) to the Developer for certain public infrastructure and/or other site improvements constructed on behalf of the City in furtherance of the purposes of this Project Plan. The financing of the projected private development in the area may be provided by private equity and private mortgage financing, secured by the private developments.

XII. PUBLIC REVENUE ESTIMATED TO ACCRUE FROM THE PROJECT AND OTHER ECONOMIC IMPACTS

The Ad Valorem Increment Revenues, the City Sales Tax Increment Revenues, the County Sales Tax Increment Revenues, and the Leverage Act Increment Revenues (estimated at a total of approximately \$38.35 million over the term of the Increment District based on the Project, including potential Leverage Act matching incentive funds from the State), of which portions will serve as all or a portion of the revenue source for financing the Project Costs authorized by Section IX of this Project Plan, are the public revenues directly attributable to the project defined by establishment of the Increment District. Additionally, the various taxing jurisdictions may realize additional ad valorem tax revenue and/or sales and use tax revenue from additional development outside the boundaries of the Increment District.

Construction of the improvements and subsequent development should have a positive impact on total employment in the City's metropolitan area, including temporary construction jobs and permanent positions at the facilities related to the Project. Indirect impacts (associated with the employment and income which result from the provision of inputs in support of the primary activity), and induced impacts (associated with the wages and jobs resulting from changes in household expenditures which come about through direct and indirect employment) will also result in additional growth in the City's metropolitan area.

This Project Plan includes certain projections and estimates, which are based on the current expectations or beliefs of third party developer(s) and are subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained herein due to changes in economic conditions, market demand and other factors affecting the development of the Project.

XIII. PRIVATE AND PUBLIC INVESTMENTS EXPECTED FOR THE PROJECT

The publicly financed Project Costs in the amount of \$24,320,873, as authorized by this Project Plan, represent approximately 2.07% of the projected total public and private investment for the Project, which including anticipated expenditures by or on behalf of commercial or governmental entities within the Increment District, could exceed \$1.17 billion.

XIV. MISCELLANEOUS PROVISIONS

A. Zoning Conditions. The property within the boundaries of the Increment District is primarily zoned for light industrial development. No changes in the ordinances of the City (other than minor zoning adjustments to accommodate the proposed Project) are contemplated under this Project Plan. Development is anticipated to occur in accordance with current zoning requirements, with appropriate adjustments as approved by the City. The proposed project conforms to the comprehensive plan for the City, as amended. A map showing the existing uses and conditions of the real property is included as Exhibit “G”.

B. Annual Reports. In accordance with Sections 860 and 867 of the Local Development Act, within ninety (90) days following the end of each fiscal year, the City shall prepare and submit a report to the Oklahoma Department of Commerce and to chief executive officer of each taxing entity that levies ad valorem taxes on property within each Increment District. At the time of submitting the report, the City shall also publish a notice and summary of the report in a newspaper of general circulation.

EXHIBIT "A"

MAP OF INCREMENT DISTRICT NO. 6

The boundaries of Increment District No. 6, City of Muskogee contain an area comprising the Southside Industrial Park within the City of Muskogee, located on the east and west sides of U.S. 64 just south of W. 53rd Street S.



* Increment District boundaries contained within white border and shaded blue.

EXHIBIT "B"

INCREMENT DISTRICT LEGAL DESCRIPTION

INCREMENT DISTRICT NO. 6

The composite legal description for the Increment District is as follows:

[TO BE PROVIDED]

The following Tracts I-III are approximately representative of the Increment District boundaries shown on the map in Exhibit "A".

Tract I (Parcel ID #510028605):

T14N R18E S22 S½ NE NE &; NW NE NE LESS .94 ACRES HIGHWAY &;
N10 ACRES S½ NE E OF RIGHT OF WAY

Tract II (Parcel ID #510028604):

T14N R18E S22 ALL THAT PART S½ NE LYING E RAILROAD LESS N10
ACRES LESS .60 ACRES HIGHWAY

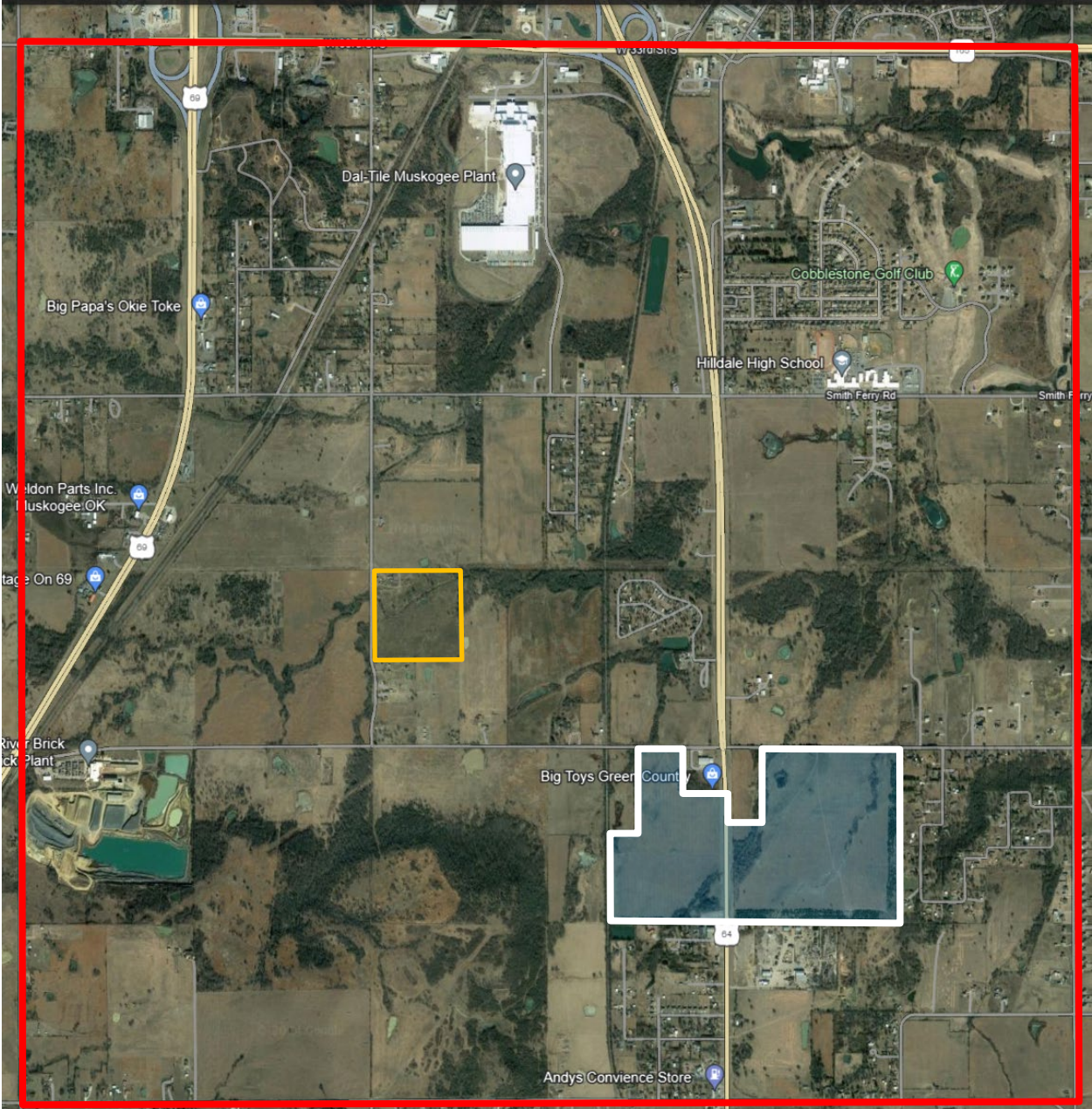
Tract III (Parcel ID #510044598):

T14N R18E S23 NW LESS 5.52 ACRES HIGHWAY &; LESS COMM @ NW/C
SEC 23, THENCE N88°33'16"E 115 TO P.O.B. THENCE S1°44'27"E 1088.57
N88°33'16"E 410.17 N1°44'27"W 1088.57 S88°33'16"W 410.17 TO P.O.B.

EXHIBIT “C”

MAP OF ECONOMIC DEVELOPMENT PROJECT AREA

The boundaries of the Project Area associated with Increment District No. 6, City of Muskogee contain an area comprising Sections 9-11, 14-16, and 21-23, Township Fourteen (14) North, Range Eighteen (18) East of the Indian Meridian, Muskogee County, State of Oklahoma. The Project Area is bordered on the south by Davis Field Road, on the east by Gulick Street, on the north by OK Highway 165 (W 33rd Street S), and on the west by S 40th Street W.



* Project Area is outlined by red border. Increment District boundaries contained within white border and shaded blue. Muskogee County TIF boundaries shown in orange for reference purposes only.

EXHIBIT “D”

PROJECT AREA LEGAL DESCRIPTION

INCREMENT DISTRICT NO. 6 PROJECT AREA

An area located entirely in Muskogee County, Oklahoma, more particularly described as follows:

Sections Nine (9), Ten (10), Eleven (11), Fourteen (14), Fifteen (15), Sixteen (16), Twenty-one (21), Twenty-two (22), and Twenty-three (23), Township Fourteen (14) North, Range Eighteen (18) East of the Indian Meridian, Muskogee County, State of Oklahoma.

EXHIBIT “E”**PROPOSED DEVELOPMENT IN THE PROJECT AREA
AND INCREMENT DISTRICT**

This Southside Industrial Park Economic Development Project Plan describes an economic development project of the City of Muskogee, Oklahoma, that brings a significant industrial development to the City. The Project Plan contemplates the creation of a tax increment financing district pursuant to the Local Development Act. The purpose of the Increment District is to encourage the prospective development of available parcels within the Muskogee Municipal Authority owned Southside Industrial Park, located along U.S. 64 just south of W. 53rd Street S. Southside Industrial Park West, encompassing approximately 82 acres, is under consideration for Project Heart, the development of a facility capable of refining up to 50,000 metric tons of lithium carbonate per year, which would be one of the largest battery-grade lithium refineries in the United States, with a capital investment of approximately \$1.13 billion and creating approximately 850-1,000 new jobs. Southside Industrial Park East, encompassing approximately 144 acres, is under consideration for construction of Project Structure, a new fabrication facility for an existing Muskogee business looking to expand, with a capital investment of approximately \$20 million and increasing the local workforce by 15-20 positions, as well as possible expansion of Project Heart, and/or creating up to 6 additional shovel-ready industrial sites.

The City recognizes the difficulty in development of the area due to significant costs necessary to upgrade the current infrastructure within and near the Southside Industrial Park in order to support the development of the Project. The goal of the Increment District is to promote economic development in the City by incentivizing capital investment in undeveloped property in order to enhance the tax base and create employment opportunities within the City. The City proposes to complete (or cause to be completed) certain industrial access road improvements, rail improvements, and/or utility extensions that will provide service to the Southside Industrial Park, as well as the nearby Port Muskogee John T. Griffin Industrial Park. Muskogee County, Oklahoma has under separate consideration the creation of a county tax increment financing district to encourage development within the Griffin Industrial Park. Many of the TIF Projects will support development in the Muskogee County TIF, as well as contemplated herein, and the County and the City both recognize the inherent economic benefits in the form of capital investment, job creation, and overall economic impact of development in the Southside Industrial Park and the Griffin Industrial Park. The City has identified an aggregate total of not-to-exceed \$24,320,873 in costs associated with the TIF Projects in connection with establishing the Increment District (as defined herein). The associated costs of the TIF Projects, along with the Organizational Costs and the Debt Service Costs (each as further defined herein) are collectively referred to herein as the “**Project Costs**”. Many of the Project Costs will support development within the Increment District and the Muskogee County TIF, and as such, any of the Project Costs shall be deemed to be authorized Project Costs of both the Increment District and the Muskogee County TIF. The City expects to phase the expenditure of Project Costs in coordination with specific development projects, and intends to apply other available funds as appropriate to offset the costs to the Increment District.

Pursuant to the terms of a development agreement(s) between the City and the prospective developer(s) (as required by the Local Development Act defined herein), the TIF Revenues

generated by virtue of the construction sales and use tax, and the ad valorem tax levies shall be utilized as a revenue source to fund the costs of the TIF Projects. The TIF Revenues will be used to pay the costs of the TIF Projects, reimburse the Organizational Costs, and/or pay the Debt Service Costs on obligations issued to pay the same.

Based solely on the proposed Project Heart and Project Structure, the development within the Increment District could result in a potential total initial capital investment of approximately \$1.15 billion (\$655.87 million net taxable value subject to ad valorem taxes, including projected depreciation and annual capital expenditures) and generate approximately \$166.3 million in taxable construction material sales over the term of the Increment District. Please see Exhibit “F” for a Preliminary Site Development Plan for the Project.

The estimated \$655.87 million taxable capital investment is based on the following assumptions:

- Project Heart
 - Land Acquisition in 2024 with capital investment of \$1.66 million.
 - Construction of Back-end facility completed by end of 2027 consisting of a \$463.2 million capital investment, consisting of \$229.6 million real property (\$117.13 million projected taxable value) and \$233.6 million equipment (\$119.22 million projected taxable value, depreciated over approximately ten years to a minimum value of 20% of original assessed value). Construction material sales based on 60% of real property taxable investment.
 - Construction of Front-end facility completed by end of 2028 to accommodate 25 ktpa production capacity, consisting of a \$213.17 million capital investment, consisting of \$57.39 million real property (\$29.8 million projected taxable value) and \$155.78 million equipment (\$79.48 million projected taxable value, depreciated over approximately ten years to a minimum value of 20% of original assessed value). Construction material sales based on 60% of real property taxable investment
 - Annual capital expenditure (primarily equipment replacement) beginning in 2033 totaling \$6.9 million in year one (\$5.52 million net taxable value), and escalated by 1% each year.
 - Construction of Front-end facility completed by end of 2031 to accommodate additional 25 ktpa production capacity, consisting of a \$450.94 million capital investment, consisting of \$61.49 million real property (\$31.37 million projected taxable value) and \$389.44 million equipment (\$198.70 million projected taxable value, depreciated over approximately ten years to a minimum value of 20% of original assessed value). Construction material sales based on 60% of real property taxable investment.

- Additional annual capital expenditure (primarily equipment replacement) beginning in 2035 totaling \$4.6 million in year one (\$3.68 million net taxable value), and escalated by 1% each year.
- Project Structure
 - Construction completed by end of 2027 consisting of a \$20 million capital investment, consisting of \$20 million real property (assessed based on 70% of cost). Construction material sales based on 60% of real property taxable investment.

The City has identified TIF Projects totaling \$24,320,873 that will ultimately be necessary in order to service the proposed development within the Increment District. The Project Costs identified in connection with the proposed development of the Increment District are as follows:

- Industrial Road and Utility Improvements (\$18,251,068)
 - \$13,468,400 53rd Street Improvements from U.S. 69 to U.S. 64
 - \$4,582,668 Southside Industrial Park East Loop Road, with related utility improvements
 - \$200,000 Shell Pit Road to provide construction access to 53rd Street
- Rail Infrastructure Improvements (\$6,069,805)
 - \$3,144,509 Rail line rehabilitation
 - \$2,925,296 Trestle Bridge replacement

Other costs relating to the Increment District, in addition to the costs of the above described TIF Projects, include the following items:

- \$100,000 Organizational Costs of establishing the Increment District
- \$180,000 Estimated administration costs (Organizational Costs) of the Increment District (\$10,000 per year)
- \$27,146,030 Debt Service Costs – Estimated interest and financing costs (assuming approximately 17 year financing at 7% with first 2 years of capitalized interest)

Portions of the above Project Costs may be paid from revenues derived from the creation of the Muskogee County TIF. The Muskogee City-County Port Authority has been awarded a grant in the amount of \$1,200,000 applicable to the Trestle Bridge replacement project. The Port Authority is also actively pursuing approximately \$5,450,000 in Oklahoma Department of Transportation resurfacing funding and approximately \$2,000,000 in State of Oklahoma P3 Program funding that would all be applied to the 53rd Street Improvements. Project Heart also has a right of first refusal on the southern portion of Southside Industrial Park East, which may reduce the scope of the SSIP East Loop Road project to approximately \$1,637,376. Additional project funding sources may become available to offset additional portions of certain Project Costs. It is also anticipated that the incremental revenues derived from the Muskogee County TIF will provide additional funds to

support the Project Costs. The preliminary estimates of Muskogee County TIF incremental revenues apportioned for the payment of Project Costs include \$4.77 million in incremental ad valorem revenues, \$58,500 in incremental construction sales and use tax revenues, and \$58,500 in potential incremental Leverage Act matching revenues. These estimates are based on an estimated \$200 million capital investment (\$120 million taxable value) generating \$18 million in construction-related taxable sales.

Assuming the known cost sharing elements are successfully obtained, the total Project Costs are expected to be reduced to \$15,670,873, plus the Organizational Costs (\$280,000) and estimated Debt Service Costs (\$11,872,730), with a projected payoff of approximately 11 years. Further assuming the reduced scope of the Loop Road project, the total Project Costs would be reduced to \$12,725,581, plus the Organizational Costs (\$280,000) and estimated Debt Service Costs (\$8,331,245), with a projected payoff of approximately 9 years.

EXHIBIT "F"

PRELIMINARY SITE DEVELOPMENT PLAN*

SOUTHSIDE INDUSTRIAL PARK PROJECTS

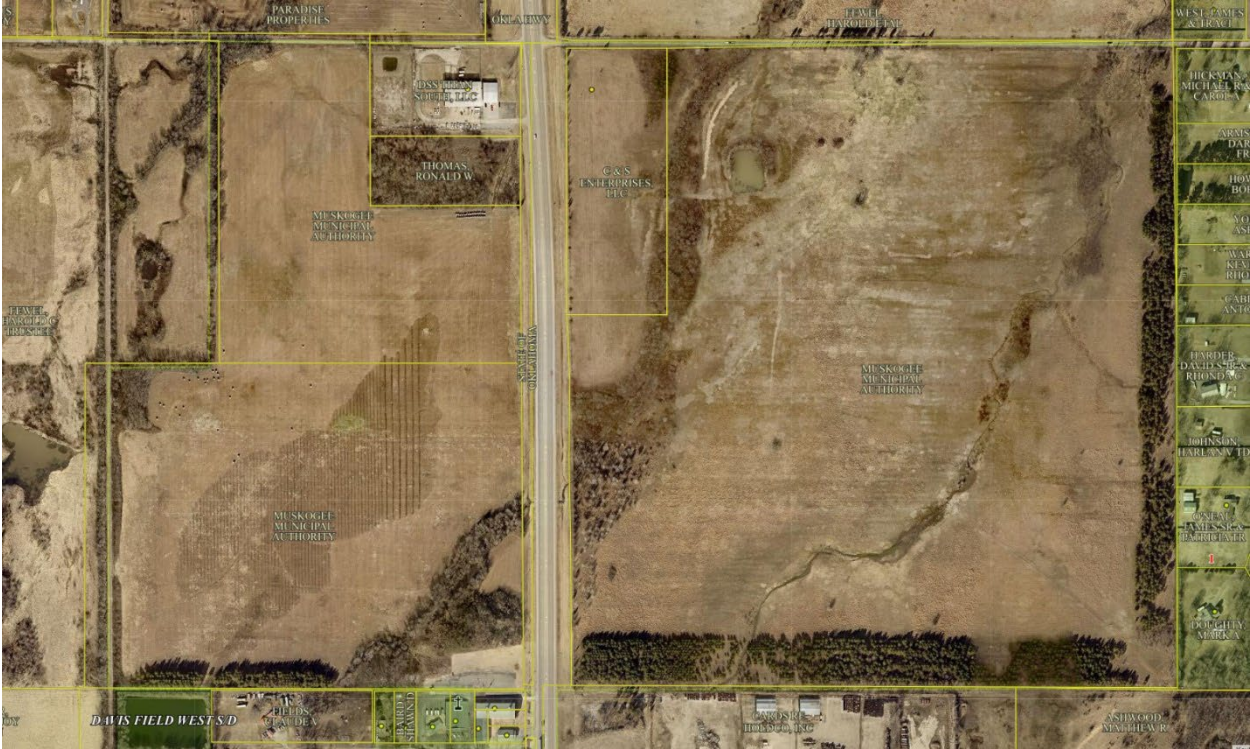


* Project Heart has the property on the west side of US 64 (yellow line) under contract. Project Heart also has a first right of refusal to purchase the south portion of the 144 acres of Southside Industrial Park East. See following page for Preliminary Layout, which contemplates the full scope of the Loop Road improvements, and is subject to change.



EXHIBIT "G"

EXISTING USES AND CONDITIONS OF REAL PROPERTY



See following page for the City of Muskogee Land Use Plan. Source: City of Muskogee Comprehensive Plan adopted June 4, 2012 pursuant to Resolution No. 2404 of the City of Muskogee, Oklahoma.

**JOHN T. GRIFFIN INDUSTRIAL PARK (PROJECT BIFROST)
ECONOMIC DEVELOPMENT PROJECT PLAN**

Prepared by:

MUSKOGEE COUNTY, OKLAHOMA

**BOARD OF COUNTY COMMISSIONERS
KEN DOKE, COMMISSIONERS DISTRICT 1
KEITH HYSLOP, COMMISSIONERS DISTRICT 2
KENNY PAYNE, COMMISSIONERS DISTRICT 3**

POLLY IRVING, COUNTY CLERK

**THE PUBLIC FINANCE LAW GROUP PLLC
5657 N. CLASSEN BOULEVARD, SUITE 100
OKLAHOMA CITY, OKLAHOMA 73118
(405) 235-3413**

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JOHN T. GRIFFIN INDUSTRIAL PARK (PROJECT BIFROST)**ECONOMIC DEVELOPMENT PROJECT PLAN****I. DESCRIPTION OF PROJECT**

This John T. Griffin Industrial Park (Project Bifrost) Economic Development Project Plan (the “**Project Plan**”) describes an economic development project of Muskogee County, Oklahoma (the “**County**”) that brings a significant industrial development to the County. The Project Plan contemplates the creation of a tax increment financing district pursuant to the Local Development Act, 62 O.S. §850, *et seq.* (the “**Local Development Act**”), as authorized pursuant to Article 10, §6C of the Oklahoma Constitution. The purpose of the Increment District (as described herein) is to encourage the prospective development of available parcels within the Port Muskogee owned John T. Griffin Industrial Park (the “**Griffin Industrial Park**”), located north of W. 53rd Street S between U.S. 64 and U.S. 69. Lot 8 within Griffin Industrial Park, encompassing approximately 40 acres, is under consideration for the development of a digital asset self-mining facility (bitcoin mining) with an initial capital investment of approximately \$200 million, and the potential for further expansion (“**Project Bifrost**”). Project Bifrost and other potential industrial development projects are collectively referred to as the “**Project**”.

The County recognizes the difficulty in development of the area due to significant costs necessary to upgrade the current infrastructure within and near the Griffin Industrial Park in order to support the development of the Project. The goal of the Increment District (as defined herein) is to promote economic development in the County by incentivizing capital investment in undeveloped property in order to enhance the tax base and create employment opportunities within the County. The County proposes to complete (or cause to be completed) certain industrial access road improvements, rail improvements, and/or utility extensions (collectively referred to herein as the “**TIF Projects**”), that will provide service to the Griffin Industrial Park, as well as the nearby City of Muskogee Southside Industrial Park (the “**Southside Industrial Park**”). The City of Muskogee, Oklahoma (the “**City**”) has under separate consideration the creation of a county tax increment financing district (the “**Muskogee City TIF**”) to encourage development within the Southside Industrial Park. Many of the TIF Projects will support development in the Muskogee City TIF, as well as contemplated herein, and the County and the City both recognize the inherent economic benefits in the form of capital investment, job creation, and overall economic impact of development in the Southside Industrial Park and the Griffin Industrial Park. The County has identified an aggregate total of not-to-exceed \$24,360,873.00 in costs associated with the TIF Projects in connection with establishing the Increment District (as defined herein). The associated costs of the TIF Projects, along with the Organizational Costs and the Debt Service Costs (each as further defined herein) are collectively referred to herein as the “**Project Costs**”. Many of the Project Costs will support development within the Increment District and the Muskogee County TIF, and as such, any of the Project Costs shall be deemed to be authorized Project Costs of both the Increment District and the Muskogee County TIF. The County expects to phase the expenditure of Project Costs in coordination with specific development projects, and intends to apply other available funds as appropriate to offset the costs to the Increment District.

Pursuant to the terms of a development agreement(s) between the County and the prospective developer(s) (as required by the Local Development Act defined herein), the TIF Revenues generated by virtue of the construction sales and use tax, and ad valorem tax levies shall be utilized as a revenue source to fund the costs of the TIF Projects. The TIF Revenues (as defined herein) will be used to pay the costs of the TIF Projects, reimburse the Organizational Costs, and/or pay the Debt Service Costs on obligations issued to pay the same.

Based solely on the proposed Project Bifrost, the development within the Increment District could result in a potential total initial capital investment of approximately \$200 million (\$120 million net taxable value subject to ad valorem taxes, including projected depreciation and annual capital expenditures) and generate approximately \$18 million in taxable construction material sales over the term of the Increment District. Please see Exhibit “E” for a more detailed description of projected development within the Increment District. Please see Exhibit “F” for a Preliminary Site Development Plan for the Griffin Industrial Park Projects.

II. PROJECT AREA AND INCREMENT DISTRICT BOUNDARIES

The Increment District is the specific geographic area within which the identified tax increments, which may include County Sales Tax Increment Revenues, and Ad Valorem Increment Revenues, and may also include certain Leverage Act Increment Revenues, each as are defined in Section VII herein, will be generated and utilized as set forth in this Project Plan (referred to herein as the “**Increment District**”). The Project Area is the area within which all project activities, including construction of the supporting public improvements, will take place (referred to herein as the “**Project Area**”). The Increment District is located entirely within the Project Area. Most of the contemplated project activities will occur within the boundaries of the Increment District, however certain project activities may occur outside the boundaries of the Increment District but within the Project Area. A map showing the Increment District is attached as Exhibit “A”. The legal description of the Increment District is set forth in Exhibit “B”. A map showing the Project Area is attached as Exhibit “C”. The legal description of the Project Area is set forth in Exhibit “D”.

III. ELIGIBILITY OF PROJECT

The Increment District is undeveloped and/or underdeveloped within the meaning of the Local Development Act. The Project Area (including the Increment District) is located within an area identified by the Oklahoma Department of Commerce as an enterprise zone (Tract ID: 40101000600). Consequently, the Increment District is located in an enterprise area (as defined in Section 853(5) of the Local Development Act) and is therefore eligible for assistance under the Local Development Act. Additionally, the Project, because it will be located within an enterprise zone, represents an eligible project as defined under the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. §840, *et seq.* (the “**Leverage Act**”), and therefore may qualify for certain incentive matching payments made by the State of Oklahoma based on sales and use tax increments dedicated to the Increment District.

The Increment District comprises an area where investment, development and economic growth have not occurred, and which requires significant public infrastructure improvements to serve as a catalyst to expand employment opportunities, to attract major investment in the area, and to enhance the tax base.

IV. OBJECTIVES

The purpose of the Project and the Increment District is to support the achievement of the economic development objectives of the County in order to:

- A. Create a significant industrial development within the County that will act as a catalyst for additional development within the community;
- B. Attract major investment in the area;
- C. Serve as a catalyst for retaining and expanding employment in the area;
- D. Promote economic development to increase tax revenues, raise property values, and improve economic stability;
- E. Preserve and enhance the tax base; and
- F. Make possible investment, development and economic growth which would otherwise be difficult or impossible without the TIF Projects and the apportionment of ad valorem taxes from within the Increment District.

V. FINANCIAL IMPACTS

The proposed private development will generate tax increments necessary to pay all or a portion of the authorized costs of the TIF Projects. Without the creation of the proposed Increment District, significant development within the Increment District would be unlikely and as a result, any significant increases in construction sales and use taxes and ad valorem taxes would be extremely improbable.

The proposed development project does not create a significant increase in demand for services or costs to the affected taxing entities other than the County, whose public sector costs will be offset by apportioned tax increments as provided in this Project Plan.

The affected ad valorem taxing jurisdictions are Muskogee County, the Muskogee County Health Department, Eastern Oklahoma District Library System, Muskogee County EMS District, Indian Capital Technology Center Vo-Tech District No. 4, and Independent School District No. 20 of Muskogee County, Oklahoma (Muskogee Public Schools, and referred to herein as the “**School District**”). The general and intangible impacts on the affected taxing jurisdictions from

implementation of this Project Plan are positive and include the achievement of the objectives set forth in Section IV of this Project Plan.

The creation of the Increment District will allow the County to apportion the incremental increase in ad valorem tax revenues and construction sales and use tax revenues generated through construction and operation of the industrial developments within the Increment District for the purpose of paying Project Costs, either through direct payment and/or reimbursement and/or paying debt service on tax apportionment bonds or notes (collectively, the “**TIF Bonds**”), which may be issued in one or more series by a public trust created under Title 60, Oklahoma Statutes 2021, Section 176 *et seq.*, for the benefit of the County and/or the City, and including any interest, capitalized interest and other related financing costs. The proceeds of any such TIF Bonds (if issued) shall be utilized for the Project Costs.

It is anticipated that a successful development will result in significant long-term benefits to the affected ad valorem taxing jurisdictions without causing significant (if any) negative impact on the existing tax base during the term of the Increment District. The formation of an Increment District should result in no net loss in existing ad valorem tax revenue to each of the affected ad valorem taxing jurisdictions. The formation of the Increment District will cause the affected ad valorem taxing jurisdictions to forgo a portion of any new incremental ad valorem tax revenue generated from real and personal property values during the term of the Increment District, but will not affect the existing ad valorem tax base within the Increment District. During the term of the Increment District, the 50.0% of Ad Valorem Increment Revenues (as defined herein) apportioned to the affected ad valorem taxing jurisdictions as a specific revenue source are estimated to be approximately \$4.77 million (ranging from \$276,200 to \$492,000 per year and based on the proposed development of the Project), and which will be apportioned directly to the affected taxing jurisdictions. Upon expiration of the Increment District, the affected ad valorem taxing jurisdictions could see an aggregate net gain in annual ad valorem tax revenues of approximately \$552,500 (based on an aggregate taxable property value of approximately \$120 million). It is anticipated that the job creation component of the Project may result in a net increase in the total student population for the School District. To offset the potential increase in student population, the Ad Valorem Increment Revenues allocated to the School District are classified as a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the School District. Based on the projections of Ad Valorem Increment Revenues, the School District is expected to receive approximately \$3.36 million in net new taxing revenues over the term of the Increment District.

Potential impacts on the ad valorem taxing jurisdictions include population growth and the demand for services created thereby. The direct impact on each ad valorem taxing jurisdiction is the loss of a portion of the new ad valorem tax increment revenues during the period of apportionment. An additional impact on the School District is that the valuation of the Increment District will not count for, and will therefore limit, the bonding capacity of the School District. However, the School District does realize additional revenue from other sources on a per pupil basis. These impacts may be mitigated by any increase in valuation of property outside the Increment District (for example, successful development enhances the property values surrounding the Increment District), and by any increase in new housing outside the Increment District (for example, successful development results in net population gain to the County creating demand for new housing).

The formation of an Increment District should result in new, one-time construction sales and use tax collections to the County, as the affected sales tax jurisdictions. Fifty percent (50%) of the construction sales or use taxes will be captured pursuant to this Project Plan. As of the date of this Project Plan, the County levies a 0.65% sales tax. Assuming completion of the proposed Project and no change in the respective tax levies, the County expect to realize approximately \$58,500 in new, one-time sales and use tax from the Project, based on the assumption that 60% of the cost of real property taxable capital investment represents construction materials subject to sales or use tax. Additionally, the County may realize significant indirect sales and use tax gains outside the Increment District, due to short term construction and long-term employment opportunities. These impacts may be mitigated by any increased costs of providing County services to the development (law enforcement, fire, etc.).

VI. STATEMENT OF PRINCIPAL ACTIONS

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

A. Site preparation, planning and construction of public improvements necessary to support the development project;

B. Acquisition by private developers of any additional property interests necessary for the development project including connecting public easements;

C. Negotiation, preparation, execution, and implementation of development agreements, including agreements for financing, demolition, and construction by private developers, as authorized by the Local Development Act. Such agreements may include the granting of incentives for private developers to complete certain improvements within the Project Area;

D. Issuance of tax apportionment bonds or other debt issuance necessary to provide funds for Project Costs;

E. All other actions necessary and appropriate to carry out the development project as authorized by the Local Development Act.

VII. ESTABLISHMENT OF INCREMENT DISTRICT NO. 2, MUSKOGEE COUNTY

Increment District No. 2, Muskogee County shall commence as of the date determined by the Board of County Commissioners in accordance with Section 856(B)(2) of the Local Development Act (the “**Commencement Date**”); provided however, the Commencement Date shall not be later than ten (10) years following adoption of this Project Plan. In accordance with the provisions of the Local Development Act, the following incremental revenues shall be apportioned and used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan. The apportionment of the Ad Valorem Increment Revenues, the

County Sales Tax Increment Revenues, and the Leverage Act Increment Revenues (each as defined herein, and collectively referred to as the “**TIF Revenues**”) shall continue for that period required for the payment of the Project Costs, or a period not to exceed approximately fifteen (15) years following the Commencement Date (expected to end December 31, 2039, and referred to as the “**Expiration Date**”), whichever is less:

A. One hundred percent (100.0%) of the total equalized assessed value of real and personal property within the boundaries of the Increment District. The base assessed value (as described in Section 862 of the Local Development Act) of the Increment District shall be calculated as an amount equal to one hundred percent (100.0%) of the initial equalized assessed value of real and personal property within the boundaries of the Increment District. In accordance with the provisions of the Local Development Act, one hundred percent (100%) of the increments of real and personal property ad valorem taxes generated within the Increment District (inclusive of any amounts received from the State of Oklahoma’s Ad Valorem Reimbursement Fund pursuant to Title 62, Section 193 of the Oklahoma Statutes, as reimbursement for exemptions for “qualified manufacturing concerns” pursuant to Article X, Section 6B of the Oklahoma Constitution), in excess of the real and personal property ad valorem taxes generated from the base assessed value of the Increment District, as such increments are determined and defined pursuant to the Local Development Act (collectively, the “**Ad Valorem Increment Revenues**”, and said amount representing one hundred percent (100.0%) of the total new ad valorem tax revenues generated within the boundaries of the Increment District, as determined annually by the Muskogee County Assessor), shall be apportioned as follows: (i) one-half (50.0%) of the Ad Valorem Increment Revenues shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan; and (ii) one-half (50.0%) of the Ad Valorem Increment Revenues shall be apportioned to the affecting taxing jurisdictions in proportion to the allocation that the taxing jurisdictions would ordinarily receive from the increased assessed values, in the absence of the Increment District (as set forth in Sections 853(9), 853(14)(i) and 854(4) of the Local Development Act; provided that any portion of the TIF Revenues allocated to the School District shall be for the purpose of providing a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the School District; and

B. Fifty percent (50%) of the incremental County sales and use tax revenue derived from the construction of the Project (representing an amount equivalent to a 0.325% sales and use tax based on a total of 0.65% sales and use tax levied by the County as of the date of this Project Plan pursuant to Resolutions of the County dated September 6, 2005, and April 10, 2017 (collectively, the “**County Sales Tax Resolution**”), as such County Sales Tax Resolution may be amended, replaced, extended, superseded, terminated, or otherwise modified from time to time, including with regards to the total amount of applicable County sales tax rate (referred to as the “**County Sales Tax Increment Revenues**”); provided that all such County Sales Tax Increment Revenues shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan; provided, however, the County Sales Tax Increment Revenues shall only pertain to construction and other capital investment related expenditures within the boundaries of the Increment District, and shall not include any sales and use tax derived from retail sales. Provided further, the County shall grant its specific consent as required by Section 861(A)(2)(c) of the Local Development Act prior to the capture of any County Sales Tax Increment Revenue derived from the

levy of sales and use tax by the County. The remaining unapportioned fifty percent (50%) incremental sales and use tax (representing an amount equivalent to a 0.325% sales and use tax based on a total of 0.65% sales and use tax levied by the County as of the date of this Project Plan) shall be retained by the County and utilized on a pro rata basis for any lawful purpose consistent with the aforementioned County Sales Tax Resolution.

C. One hundred percent (100%) of the incentive matching payments made by the State of Oklahoma pursuant to the Leverage Act, based on sales and use tax increments dedicated to the Increment District, as such amounts are hereinafter determined and defined (collectively, and as more specifically defined in Section X herein, the “**Leverage Act Increment Revenues**”); provided that all of the generated increment shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan.

VIII. PROJECT AND INCREMENT DISTRICT AUTHORIZATIONS

A. Upon adoption of a Resolution of the Board of County Commissioners approving this Project Plan, the County is hereby designated and authorized as the public entity to carry out and administer the provisions of this Project Plan and to exercise all powers necessary or appropriate thereto, including, without limitation, those powers described in Section 854 of the Local Development Act.

B. The County may create a new public trust with the County named as its beneficiary, and/or designate an existing public trust with the County and/or the City named as its beneficiary (said public trust referred to herein as the “**Authority**”), and said Authority shall be the public entity designated by the County to assist in carrying out and administering the provisions of this Project Plan and authorized to exercise all powers necessary or appropriate thereto pursuant to Title 62, Section 854 of the 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 that section, which powers shall be reserved to the County.

C. The person in charge of implementation of this Project Plan in accordance with the provisions, authorizations and respective delegations of responsibilities contained herein is Mr. Ken Doke, Chairman, Board of County Commissioners. Mr. Doke, or his successor as Chairman, is authorized to empower one or more designees to exercise responsibilities in connection with project implementation.

IX. BUDGET OF ESTIMATED PROJECT COSTS TO BE FINANCED FROM INCREMENT DISTRICT NO. 2

Project Costs to be financed by the apportionment of tax increments from the Increment District include the planning, design, acquisition, site preparation and/or construction of the TIF Projects in an aggregate total amount of \$24,360,873. Certain Project Costs may be funded through the payment of assistance in development financing (as authorized by Section 853(14)(o) of the

Local Development Act) to a third party as reimbursement for the payment of such Project Costs. Additional amounts will be financed by the apportionment of tax increments from the Increment District including the following items related to Project Costs in excess of the amounts specifically identified for TIF Project Costs: (a) the direct or incidental administrative costs incurred or to be incurred by or on behalf of the County, the Authority, or other public entities (all as contemplated in Title 62, Section 853(14)(e) of the Local Development Act) in organizing, supervising, implementing and administering this Project Plan, including, but not limited to, payment and/or reimbursement of costs advanced in connection with the preparation and approval of this Project Plan, administrative costs, organizational costs, professional service costs, including those incurred for architectural, planning, engineering, legal and financial advisors and services, and costs for determining or re-determining the base assessed value of the Increment District (the “**Organizational Costs**”), and (b) interest and other financing costs and fees, including principal, interest (including capitalized interest), associated costs of issuance, reasonably required reserves, and prepayment premium paid on debt service and/or any reimbursement obligation (the “**Debt Service Costs**”). The Organizational Costs associated with the initial creation and implementation of the Increment District are preliminarily estimated to be approximately \$100,000, and the ongoing Organizational Costs are estimated to be \$10,000 per year. The Debt Service Costs associated with the Project Costs are preliminarily estimated to be on the order of \$27,146,030, but depending on available cost sharing opportunities, could be significantly less, as described in Exhibit “E” attached hereto..

The total estimate of Project Costs that may be made available for improvements from apportioned tax revenues shall be \$24,320,873 (including all engineering, construction, planning, and contingency costs). Apportioned tax revenues in excess of the amounts needed for Project Costs may be utilized as necessary to pay the Organizational Costs and the Debt Service Costs, and could total approximately \$27,406,030. The estimated combined total of all eligible Project Costs is \$51,726,903.

X. METHODS OF FINANCING PROJECT COSTS, EXPECTED SOURCES OF REVENUES, AND TIME WHEN COSTS OR MONETARY OBLIGATIONS ARE TO BE INCURRED

It is hereby determined that the proposed Project Costs will generally benefit and support development throughout the Project Area, inclusive of the Increment District and the Muskogee County TIF. It is further determined that (i) the TIF Revenues derived from the Increment District may properly be utilized to pay any and all Project Costs within the Project Area; and (ii) it is proper and may be appropriate (at the discretion of the County) to pledge TIF Revenues from the Increment District to the repayment of TIF Bonds. Therefore, with respect to the Increment District:

A. Methods of Financing. It is expected that the Project Costs will be paid from proceeds of the Authority’s TIF Bonds. Payment of principal and interest due on the TIF Bonds will be paid from available TIF Revenues. Certain Project Costs may be directly paid by a third party developer or the County and reimbursed from proceeds of the TIF Bonds. Alternately, certain Project Costs may also be directly paid by a third party developer or the County and

reimbursed from TIF Revenues in excess of those needed for debt service on the TIF Bonds. Certain other costs of the Project may be paid from such other funds of the County or the Authority as may be lawfully used for the purposes hereinabove stated, including proceeds of certain debt obligations issued by the Authority and secured by a pledge of general sales tax, utility, or other available revenues.

B. Expected Sources of Revenues. The payment or reimbursement of Project Costs, including any interest component on reimbursed funds and any principal, interest, and premium on any TIF Bonds, will be made from one or more of the following sources of revenues:

(i) *Ad Valorem Increment Revenues.* In accordance with the provisions of the Local Development Act, the Ad Valorem Increment Revenues are to be apportioned and set aside from all other ad valorem taxes levied within the Increment District, to be used exclusively for:

- (a) the payment of principal, interest and premium, if any, on any TIF Bonds issued pursuant to Section 863 of the Local Development Act (including pledging as security for such payments);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects;
- (d) the reimbursement of a third party developer (pursuant to a development agreement with the County or the Authority), the County, or any agency thereof (including the Authority), which has paid Project Costs from funds which were not increments derived from the Increment District, but only to the extent that such sums were actually paid or, in the case of reimbursement of a third party developer, constitute an interest component on sums that were actually paid; and
- (e) the establishment and payment of a specific revenue source for affected taxing entities pursuant to Sections 853(9), 853(14)(i), and 854(4) of the Local Development Act.

Pursuant to the Local Development Act, the Ad Valorem Increment Revenues apportioned hereunder shall be transferred by the Muskogee County Treasurer to a special fund to be known as the “Increment District No. 2 - Apportionment Fund” (hereinafter, the “**Apportionment Fund**”), which fund will be held by and be the property of the County (except that such fund may also be held by the Authority or a trustee acting on behalf of the Authority). No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the County. All Ad Valorem Increment Revenues so collected shall be apportioned as follows: (i) one-half (50.0%) of the Ad Valorem Increment Revenues shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan; and (ii) one-half (50.0%) of the Ad Valorem

Increment Revenues shall be apportioned to the affecting taxing jurisdictions in proportion to the allocation that the taxing jurisdictions would ordinarily receive from the increased assessed values, in the absence of the Increment District (as set forth in Sections 853(9), 853(14)(i) and 854(4) of the Local Development Act; provided that any portion of the TIF Revenues allocated to the School District shall be for the purpose of providing a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the School District.

The apportionment of ad valorem taxes pursuant to this section shall terminate upon the final payment of, or reimbursement for, all project costs incurred in connection with the projects listed in this Project Plan, and the payment of all outstanding principal, accrued interest, and premium due on the TIF Bonds; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond the Expiration Date.

In the event that any Project Costs remain unpaid, or any portion of the principal or interest on the TIF Bonds, issued in connection herewith, or any amount due and owing for reimbursement to the County or the Authority or pursuant to a development agreement between the County and a Developer, remains unpaid as of the Expiration Date, then the Increment District shall not terminate until the increment apportioned during the term of the Increment District is actually received by the Apportionment Fund, even if the receipt of such revenues occurs subsequent to the Expiration Date.

(ii) *County Sales Tax Increment Revenues.* In accordance with the provisions of the Local Development Act, the County Sales Tax Increment Revenues are to be apportioned and set aside from all other sales taxes levied within the Increment District, to be used exclusively for:

- (a) the payment of principal, interest and premium, if any, on any TIF Bonds issued pursuant to Section 863 of the Local Development Act (including pledging as security for such payments);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects; and
- (d) the reimbursement of a third party developer, including any interest component (pursuant to a development agreement with the County and/or the Authority), the County, or any agency thereof (including the Authority), which has paid Project Costs from funds which were not increments derived from the Increment District, but only to the extent that such sums were actually paid or, in the case of reimbursement of a third party developer, constitute an interest component on sums that were actually paid.

Provided, however, the remaining unapportioned incremental sales and use tax revenues derived from the Increment District, as of the date of this Project Plan representing the

equivalent of 0.325% of the total 0.65% sales and use tax levied by the County, shall be retained by the County and utilized on a pro rata basis for any lawful purpose consistent with the aforementioned County Sales Tax Resolution. For purposes of determining the incremental portion of the sales and use taxes generated within or sourced to the Increment District, the County Sales Tax Increment Revenues shall only pertain to construction and other capital investment related expenditures within the boundaries of the Increment District, and shall not include any sales and use tax derived from retail sales. Fifty percent (50%) of the incremental County sales and use tax revenue derived from the construction of the Project shall be considered to be the “increment” subject to apportionment by this section. The County shall establish procedures related to the calculation and determination of construction related sales tax revenue qualifying as County Sales Tax Increment Revenues. Such procedures shall stipulate that construction related County Sales Tax Increment Revenues be derived only from new construction activities occurring within the Increment District. The County shall be entitled to rely on certifications of actual construction costs provided by a third party developer(s) or related parties in connection with determining any applicable County Sales Tax Increment Revenues.

Pursuant to the Local Development Act, the County Sales Tax Increment Revenues apportioned hereunder and so collected shall be transferred for deposit to the Apportionment Fund. No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the County. All County Sales Tax Increment Revenues so collected shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan, including any interest component (pursuant to a development agreement with the County and/or the Authority).

The apportionment of sales taxes pursuant to this section shall terminate upon the final payment of, or reimbursement for, all Project Costs incurred in connection with the projects listed in this Project Plan, and the payment of all outstanding principal, accrued interest, and premium due on the TIF Bonds; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond the Expiration Date.

In the event that any Project Costs remain unpaid, or any portion of the principal or interest on the TIF Bonds, issued in connection herewith, or any amount due and owing for reimbursement to the County or the Authority or pursuant to a development agreement between the County and the Developer, remains unpaid as of the Expiration Date, then the Increment District shall not terminate until the increment apportioned during the term of the Increment District is actually received by the Apportionment Fund, even if the receipt of such revenues occurs subsequent to the Expiration Date.

(iii) *Leverage Act Increment Revenues.* In accordance with the provisions of the Local Development Act, the Leverage Act Increment Revenues are to be apportioned and set aside from all other revenues generated within the Increment District, to be used exclusively for:

- (a) the payment of principal, interest and premium, if any, on any TIF Bonds issued pursuant to Section 863 of the Local Development Act (including pledging as security for such payments);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects; and
- (d) the reimbursement of a third party developer (pursuant to a development agreement with the County or the Authority), including any interest component (pursuant to a development agreement with the County and/or the Authority), the County, or any agency thereof (including the Authority), which has paid Project Costs from funds which were not increments derived from the Increment District, but only to the extent that such sums were actually paid or, in the case of reimbursement of a third party developer, constitute an interest component on sums that were actually paid.

The County shall establish procedures related to application under the Leverage Act for sales and use tax matching funds. It is hereby recognized that any Leverage Act Increment Revenues represent a substantial economic benefit to the County and the development of the Project, and the County and the Authority shall take all reasonable actions necessary to maximize the Leverage Act Increment Revenues.

Pursuant to the Local Development Act, the Leverage Act Increment Revenues apportioned hereunder and so collected shall be placed into the Apportionment Fund. No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the County. All Leverage Act Increment Revenues so collected shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan, including any interest component (pursuant to a development agreement with the County and/or the Authority).

The apportionment of matching incentive funds pursuant to this section shall terminate upon the final payment of, or reimbursement for, all Project Costs incurred in connection with the projects listed in this Project Plan, and the payment of all outstanding principal, accrued interest, and premium due on the TIF Bonds; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond the Expiration Date.

In the event that any Project Costs remain unpaid, or any portion of the principal of or interest on the TIF Bonds, issued in connection herewith, or any amount due and owing for reimbursement to the County or the Authority or pursuant to a development agreement between the County and the Developer, remains unpaid as of the Expiration Date, then the Increment District shall not terminate until the increment apportioned during the term of the Increment District is actually received by the Apportionment Fund, even if the receipt of such revenues occurs subsequent to the Expiration Date.

C. Time When Costs Or Monetary Obligations Are To Be Incurred. It is estimated that the time frame for incurring most of the Project Costs will be within three to five years from the date of approval of this Project Plan; however, certain Project Costs will not be incurred until appropriate development projects within the Increment District are identified by the County. It is anticipated that most Project Costs will be paid from proceeds of TIF Bonds issued by the Authority, provided however, certain Project Costs may be directly paid or reimbursed from apportioned TIF Revenues.

D. Flow of Funds; Excess Revenues.

During the term of the Increment District, TIF Revenues shall be utilized as follows:

- FIRST: The payment of principal, accrued interest, and premium, if any, due on the TIF Bonds;
- SECOND: If applicable, transfers to any debt service reserve established in connection with the TIF Bonds in such amounts as may be necessary to restore the reserve to its prescribed levels;
- THIRD: The payment and/or reimbursement of authorized Project Costs (including any interest component pursuant to a development agreement);
- FOURTH: If applicable, the prepayment of principal on any TIF Bonds until such time as all TIF Bonds are retired; and
- FIFTH: Upon retirement of all TIF Bonds (if any) and payment of all Project Costs (including any interest component pursuant to a development agreement), (a) any remaining Ad Valorem Increment Revenues shall be transferred to the various ad valorem taxing jurisdictions, in the same percentages as originally collected, as determined by reference to the millage levied by each of the various ad valorem taxing jurisdictions for the related tax year, excluding sinking fund levies, and (b) any remaining County Sales Tax Increment Revenues shall be transferred to the County for deposit into the General Fund or to the appropriate special fund, in each case consistent with the provisions of the Local Development Act. Any remaining Leverage Act Increment Revenues shall be treated appropriately as sales and use tax revenue, and shall be transferred as set forth in (b) herein, or, if required by the Leverage Act, shall be returned to the State of Oklahoma.

XI. FINANCING REVENUE SOURCES

The TIF Revenues are expected to finance all or a portion of the Project Costs authorized by Section IX. Based on the initial projections of Ad Valorem Increment Revenues for the Project, it is estimated that approximately \$9.54 million could be generated by the incremental increase in ad valorem tax revenue during the term of the Increment District, with approximately \$4.77 million available for allocation to Project Costs and approximately \$4.77 million apportioned to the

affected ad valorem taxing jurisdictions. The initial projections of Ad Valorem Increment Revenues are based upon an estimated \$120 million aggregate taxable capital investment (including projected depreciation and annual capital expenditures), an 11% assessment rate for real property, a 12% assessment rate for business personal property, and an approximately 10.119% millage levy within the Increment District (based on the 2023 levy rate for property located within School District).

Based on the initial projections of County Sales Tax Increment Revenues for the Project, it is estimated that approximately \$117,000 could be generated by the incremental increase in sales tax revenue during the term of the Increment District, with approximately \$58,500 available for allocation to Project Costs and approximately \$58,500 retained by the County. The initial projections of incremental sales and use tax revenue are based upon the projected revenues generated within the Increment District from the levy of an aggregate total of sixty-five hundredths of one percent (0.65%) County sales tax on new construction within the Increment District generating approximately \$18 million in gross taxable sales during the term of the Increment District.

Additional TIF Revenues may be realized through state matching incentive payments made pursuant to the Leverage Act, as set forth in Section X(B)(iv) above (i.e. the Leverage Act Increment Revenues). Based on the initial projections of revenue and the level of apportionment of sales and use tax to Project Costs, state matching payments could make available up to an additional \$58,500 for Project Costs, although it is possible that only a portion of the taxable transactions may qualify for state matching incentive payments.

The calculation of projected TIF Revenues will be refined based upon (i) the actual effective ad valorem tax rate and base assessed valuation, as determined from time to time by the Muskogee County Assessor and subject to change by voters of the applicable taxing jurisdiction at an election(s) held for such purpose, (ii) the total net capital investment resulting from development within the Increment District, and (iii) the timing of the development.

The realization of the TIF Revenues is directly dependent on the County's ability to attract development proposals on a magnitude contemplated by this Project Plan within the Increment District during the term of the Increment District. The Authority and/or the County may enter into economic development agreements with the prospective Griffin Industrial Park tenants or any other parties as required by the Local Development Act.

Certain TIF Projects may be designed and/or constructed by the County. Authorized Project Costs, or the payment of debt service on TIF Bonds issued to pay Project Costs, will be paid from TIF Revenues by the County or the Authority, and may include (i) reimbursement of the County or the Authority for certain public improvements constructed from other available funds, and (ii) assistance in development financing (as authorized by the Local Development Act) to the Developer for certain public infrastructure and/or other site improvements constructed on behalf of the County in furtherance of the purposes of this Project Plan. The financing of the projected private development in the area may be provided by private equity and private mortgage financing, secured by the private developments.

XII. PUBLIC REVENUE ESTIMATED TO ACCRUE FROM THE PROJECT AND OTHER ECONOMIC IMPACTS

The Ad Valorem Increment Revenues, the County Sales Tax Increment Revenues, and the Leverage Act Increment Revenues (estimated at a total of approximately \$4.88 million over the term of the Increment District based on the Project, including potential Leverage Act matching incentive funds from the State), of which portions will serve as all or a portion of the revenue source for financing the Project Costs authorized by Section IX of this Project Plan, are the public revenues directly attributable to the project defined by establishment of the Increment District. Additionally, the various taxing jurisdictions may realize additional ad valorem tax revenue and/or sales and use tax revenue from additional development outside the boundaries of the Increment District.

Construction of the improvements and subsequent development should have a positive impact on total employment in the County, including temporary construction jobs and permanent positions at the facilities related to the Project. Indirect impacts (associated with the employment and income which result from the provision of inputs in support of the primary activity), and induced impacts (associated with the wages and jobs resulting from changes in household expenditures which come about through direct and indirect employment) will also result in additional growth in the County.

This Project Plan includes certain projections and estimates, which are based on the current expectations or beliefs of third party developer(s) and are subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained herein due to changes in economic conditions, market demand and other factors affecting the development of the Project.

XIII. PRIVATE AND PUBLIC INVESTMENTS EXPECTED FOR THE PROJECT

The publicly financed Project Costs in the amount of \$24,320,873, as authorized by this Project Plan, represent approximately 10.84% of the projected total public and private investment for the Project, which including anticipated expenditures by or on behalf of commercial or governmental entities within the Increment District, could exceed \$200 million.

XIV. MISCELLANEOUS PROVISIONS

A. Zoning Conditions. No changes in zoning are contemplated under this Project Plan. A map showing the existing uses and conditions of the real property is included as Exhibit "G".

B. Annual Reports. In accordance with Sections 860 and 867 of the Local Development Act, within ninety (90) days following the end of each fiscal year, the County shall prepare and submit a report to the Oklahoma Department of Commerce and to chief executive officer of each taxing entity that levies ad valorem taxes on property within each Increment

District. At the time of submitting the report, the County shall also publish a notice and summary of the report in a newspaper of general circulation.

EXHIBIT "A"

MAP OF INCREMENT DISTRICT NO. 2

The boundaries of Increment District No. 2, Muskogee County contain an area within the Griffin Industrial Park in Muskogee County, located along the east side of S 24th Street W, south of W. 43rd Street S. and north of W. 53rd Street S.



* Increment District boundaries contained within white border and shaded blue.

EXHIBIT “B”

INCREMENT DISTRICT LEGAL DESCRIPTION

INCREMENT DISTRICT NO. 2

The composite legal description for the Increment District is as follows:

An area located entirely in Muskogee County, Oklahoma, more particularly described as follows:

The Northwest Quarter (NW/4) of the Southwest Quarter (SW/4 of Section Fifteen (15), Township Fourteen (14) North, Range Eighteen (18) East of the Indian Meridian, Muskogee County, State of Oklahoma.

The following Tracts I is approximately representative of the Increment District boundaries shown on the map in Exhibit “A”.

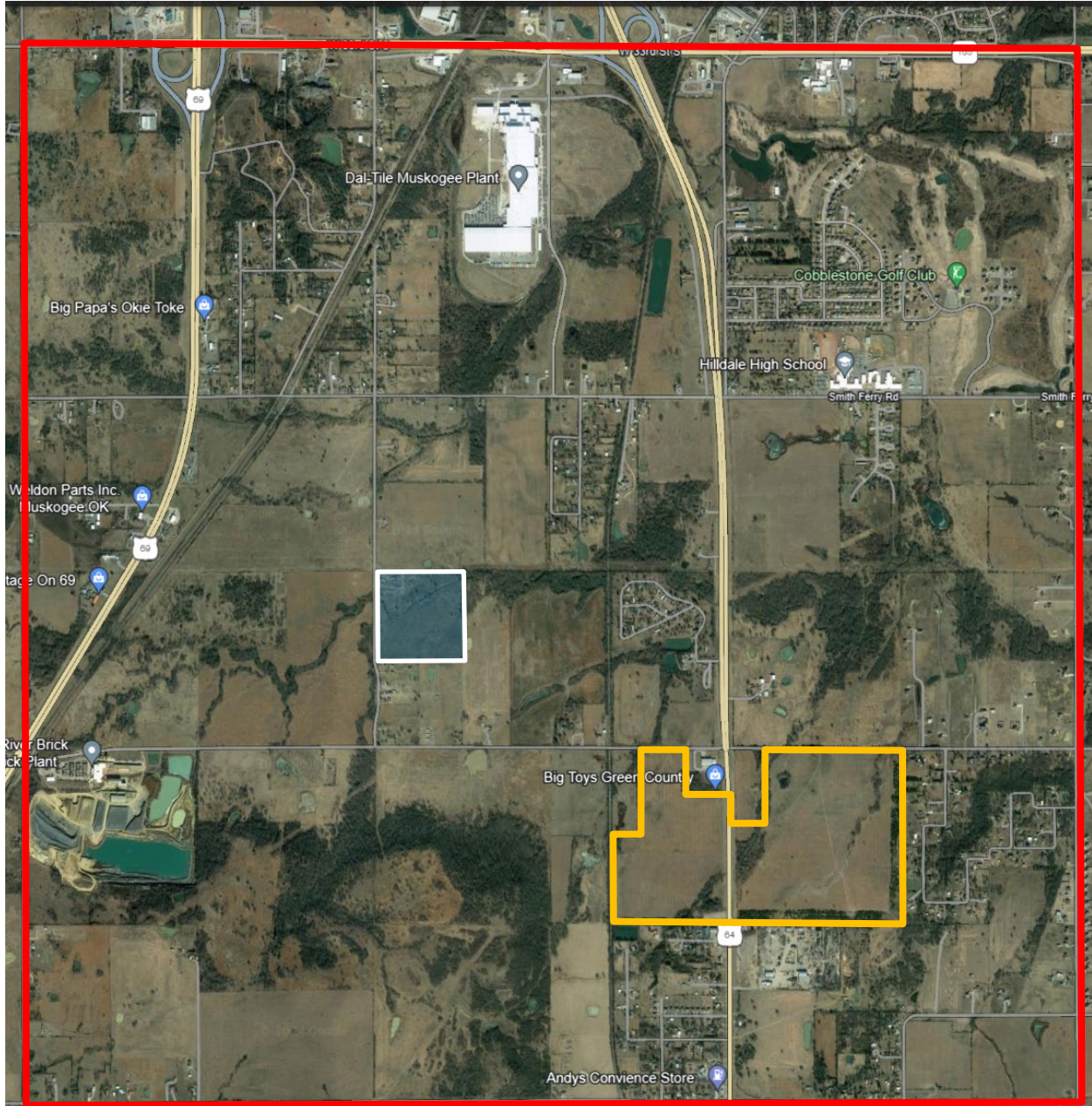
Tract I (Parcel ID #510028508):

T14N R18E S15 NW SW

EXHIBIT “C”

MAP OF ECONOMIC DEVELOPMENT PROJECT AREA

The boundaries of the Project Area associated with Increment District No. 2, Muskogee County contain an area comprising Sections 9-11, 14-16, and 21-23, Township Fourteen (14) North, Range Eighteen (18) East of the Indian Meridian, Muskogee County, State of Oklahoma. The Project Area is bordered on the south by Davis Field Road, on the east by Gulick Street, on the north by OK Highway 165 (W 33rd Street S), and on the west by S 40th Street W.



* Project Area is outlined by red border. Increment District boundaries contained within white border and shaded blue. Muskogee City TIF boundaries shown in orange for reference purposes only.

EXHIBIT “D”

PROJECT AREA LEGAL DESCRIPTION

INCREMENT DISTRICT NO. 2 PROJECT AREA

An area located entirely in Muskogee County, Oklahoma, more particularly described as follows:

Sections Nine (9), Ten (10), Eleven (11), Fourteen (14), Fifteen (15), Sixteen (16), Twenty-one (21), Twenty-two (22), and Twenty-three (23), Township Fourteen (14) North, Range Eighteen (18) East of the Indian Meridian, Muskogee County, State of Oklahoma.

EXHIBIT “E”**PROPOSED DEVELOPMENT IN THE PROJECT AREA
AND INCREMENT DISTRICT**

This John T. Griffin Industrial Park (Project Bifrost) Economic Development Project Plan describes an economic development project of Muskogee County, Oklahoma, that brings a significant industrial development to the County. The Project Plan contemplates the creation of a tax increment financing district pursuant to the Local Development Act. The purpose of the Increment District is to encourage the prospective development of available parcels within the Port Muskogee owned John T. Griffin Industrial Park, located north of W. 53rd Street S between U.S. 64 and U.S. 69. Lot 8 within Griffin Industrial Park, encompassing approximately 40 acres, is under consideration for the development of a digital asset self-mining facility (bitcoin mining) with an initial capital investment of approximately \$200 million, and the potential for further expansion.

The County recognizes the difficulty in development of the area due to significant costs necessary to upgrade the current infrastructure within and near the Griffin Industrial Park in order to support the development of the Project. The goal of the Increment District is to promote economic development in the County by incentivizing capital investment in undeveloped property in order to enhance the tax base and create employment opportunities within the County. The County proposes to complete (or cause to be completed) certain industrial access road improvements, rail improvements, and/or utility extensions that will provide service to the Griffin Industrial Park, as well as the nearby City of Muskogee Southside Industrial Park. The City of Muskogee, Oklahoma has under separate consideration the creation of a city tax increment financing district to encourage development within the Southside Industrial Park. Many of the TIF Projects will support development in the Muskogee City TIF, as well as contemplated herein, and the County and the City both recognize the inherent economic benefits in the form of capital investment, job creation, and overall economic impact of development in the Southside Industrial Park and the Griffin Industrial Park. The County has identified an aggregate total of not-to-exceed \$24,320,873 in costs associated with the TIF Projects in connection with establishing the Increment District (as defined herein). The associated costs of the TIF Projects, along with the Organizational Costs and the Debt Service Costs (each as further defined herein) are collectively referred to herein as the “**Project Costs**”. Many of the Project Costs will support development within the Increment District and the Muskogee City TIF, and as such, any of the Project Costs shall be deemed to be authorized Project Costs of both the Increment District and the Muskogee City TIF. The County expects to phase the expenditure of Project Costs in coordination with specific development projects, and intends to apply other available funds as appropriate to offset the costs to the Increment District.

Pursuant to the terms of a development agreement(s) between the County and the prospective developer(s) (as required by the Local Development Act defined herein), the TIF Revenues generated by virtue of the construction sales and use tax, and the ad valorem tax levies shall be utilized as a revenue source to fund the costs of the TIF Projects. The TIF Revenues will be used to pay the costs of the TIF Projects, reimburse the Organizational Costs, and/or pay the Debt Service Costs on obligations issued to pay the same.

Based solely on the proposed Project Bifrost, the development within the Increment District could result in a potential total initial capital investment of approximately \$200 million (\$120 million net taxable value subject to ad valorem taxes, including projected depreciation and annual capital expenditures) and generate approximately \$18 million in taxable construction material sales over the term of the Increment District. Please see Exhibit “F” for a Preliminary Site Development Plan for the Project.

The estimated \$120 million taxable capital investment is based on the following assumptions:

- Project Bifrost
 - Construction of phase one facilities completed by end of 2024 consisting of a \$115 million capital investment, consisting of \$40 million real property (\$24 million projected taxable value) and \$75 million equipment (\$45 million projected taxable value, depreciated over approximately five years to a minimum value of 20% of original assessed value). Construction material sales based on 60% of real property taxable investment.
 - Construction of phase two facilities completed by end of 2027 consisting of a \$85 million capital investment, consisting of \$10 million real property (\$6 million projected taxable value) and \$75 million equipment (\$45 million projected taxable value, depreciated over approximately five years to a minimum value of 20% of original assessed value). Construction material sales based on 60% of real property taxable investment.

The County has identified TIF Projects totaling \$24,320,873 that will ultimately be necessary in order to service the proposed development within the Increment District. The Project Costs identified in connection with the proposed development of the Increment District are as follows:

- Industrial Road and Utility Improvements (\$18,251,068)
 - \$13,468,400 53rd Street Improvements from U.S. 69 to U.S. 64
 - \$4,582,668 Southside Industrial Park East Loop Road, with related utility improvements
 - \$200,000 Shell Pit Road to provide construction access to 53rd Street
- Rail Infrastructure Improvements (\$6,069,805)
 - \$3,144,509 Rail line rehabilitation
 - \$2,925,296 Trestle Bridge replacement

Other costs relating to the Increment District, in addition to the costs of the above described TIF Projects, include the following items:

- \$100,000 Organizational Costs of establishing the Increment District
- \$160,000 Estimated administration costs (Organizational Costs) of the Increment District (\$10,000 per year)

- \$27,146,030 Debt Service Costs – Estimated interest and financing costs (assuming approximately 17 year financing at 7% with first 2 years of capitalized interest)

Portions of the above Project Costs may be paid from revenues derived from the creation of the Muskogee City TIF. The Muskogee City-County Port Authority has been awarded a grant in the amount of \$1,200,000 applicable to the Trestle Bridge replacement project. The Port Authority is also actively pursuing approximately \$5,450,000 in Oklahoma Department of Transportation resurfacing funding and approximately \$2,000,000 in State of Oklahoma P3 Program funding that would all be applied to the 53rd Street Improvements. Project Heart (an industrial development project contemplated within the Muskogee City TIF) also has a right of first refusal on the southern portion of Southside Industrial Park East, which may reduce the scope of the SSIP East Loop Road project to approximately \$1,637,376. Additional project funding sources may become available to offset additional portions of certain Project Costs. It is also anticipated that the incremental revenues derived from the Muskogee City TIF will provide additional funds to support the Project Costs. The preliminary estimates of Muskogee City TIF incremental revenues apportioned for the payment of Project Costs include \$30.62 million in incremental ad valorem revenues, \$3.867 million in incremental construction sales and use tax revenues, and \$3.867 million in potential incremental Leverage Act matching revenues. These estimates are based on an estimated \$1.15 billion capital investment (\$655.87 million taxable value) generating \$166.3 million in construction-related taxable sales.

Assuming the known cost sharing elements are successfully obtained, the total Project Costs are expected to be reduced to \$15,670,873, plus the Organizational Costs (\$260,000) and estimated Debt Service Costs (\$11,872,730), with a projected payoff of approximately 11 years. Further assuming the reduced scope of the Loop Road project, the total Project Costs would be reduced to \$12,725,581, plus the Organizational Costs (\$260,000) and estimated Debt Service Costs (\$8,331,245), with a projected payoff of approximately 8 years.

EXHIBIT “F”

PRELIMINARY SITE DEVELOPMENT PLAN*

GRIFFIN INDUSTRIAL PARK PROJECTS



* Subject to change.

EXHIBIT "G"

EXISTING USES AND CONDITIONS OF REAL PROPERTY*



PURSUANT TO THE LEGAL NOTICE AS IS REQUIRED BY THE OKLAHOMA OPEN MEETING ACT INCLUDING THE POSTING OF NOTICE AND AGENDA AS IS REQUIRED BY THE TERMS THEREOF, THE TAX INCREMENT FINANCE REVIEW COMMITTEE OF THE CITY OF MUSKOGEE, OKLAHOMA, MET IN SPECIAL SESSION AT THE CITY OF MUSKOGEE MUNICIPAL BUILDING, 3RD FLOOR COUNCIL CHAMBERS, LOCATED AT 229 WEST OKMULGEE, MUSKOGEE, OKLAHOMA, 74401, ON THE 15TH DAY OF MARCH, 2024, AT 3:30 O’CLOCK P.M.

PRESENT: Chairman Marlon J. Coleman (City of Muskogee), Kenny Payne (Muskogee County, for Ken Doke), Erik Puckett (Hilldale Public Schools), Tony Pivec (Indian Capital Vo-Tech), Tina Johnson (Muskogee County Health Department), Laurel Havens (Muskogee County EMS), Julie Poor (Eastern Oklahoma Library System), Joyce Deere (At-Large), and Jerri Stoutermire (At-Large)

ABSENT: Russel Saine (Muskogee Planning Commission) and Joy Sloan (At-Large)

(OTHER PROCEEDINGS)

Thereupon, the following resolution was introduced and caused to be read by title by the Chairman. Committee Member Marlon J. Coleman moved passage of the Resolution and Committee Member Kenny Payne seconded the motion. The motion carrying with it the approval of said Resolution was approved by the following vote:

AYE: Chairman Marlon J. Coleman, Kenny Payne, Erik Puckett, Tony Pivec, Tina Johnson, Laurel Havens, Julie Poor, Joyce Deere, and Jerri Stoutermire

NAY: None

The Resolution so approved is as follows:

[RESOLUTION ON FOLLOWING PAGE]

RESOLUTION NO. 2983

A RESOLUTION RECOMMENDING THAT THE CITY OF MUSKOGEE, OKLAHOMA THROUGH ITS CITY COUNCIL CREATE A TAX INCREMENT DISTRICT AND APPROVE THE SOUTHSIDE INDUSTRIAL PARK ECONOMIC DEVELOPMENT PROJECT PLAN; AND MAKING CERTAIN FINDINGS IN REGARDS THERETO.

WHEREAS, pursuant to the provisions of the Local Development Act, 62 O.S. 2011, Section 851 *et seq.* (the “Local Development Act”), as amended, the City Council of the City of Muskogee, Oklahoma (the “City”) appointed the Tax Increment District Review Committee (the “Review Committee”) to review and make recommendations concerning a proposed tax increment district within the City; and

WHEREAS, the membership of this Review Committee is comprised of the following individuals: a representative of the City, a representative of the Planning Commission of the City, representatives of each taxing jurisdiction within the proposed district whose taxes might be impacted by virtue of the adoption of a project plan, and three representatives of the public at large, all as required pursuant to Section 855(A) of the Local Development Act; and

WHEREAS, the Review Committee has the statutory duty to consider and make its findings and recommendations to the City with respect to the conditions establishing the eligibility of the proposed district and the appropriateness of the approval of the proposed plan and project, as well as to report its findings to the City in regard to the financial impact on the taxing jurisdictions within the proposed district; and

WHEREAS, Article 10, Section 6C of the Oklahoma Constitution and its enabling legislation known as the Local Development Act provide that the City may use local taxes and local fees, in whole or in part, for specific public investments, assistance in development financing, or as a specific revenue source for other public entities in the area for which the improvements take place and may direct the apportionment of the taxes and fees for historic preservation, reinvestment, or enterprise areas that are exhibiting economic stagnation or decline; and

WHEREAS, the Review Committee has been presented with the “Southside Industrial Park Economic Development Project Plan” (the “Project Plan”), providing for the creation of Increment District No. 6, City of Muskogee, Oklahoma (the “Increment District”), wherein certain projects are contemplated to be financed from a combination of public and private sources, including apportionment of ad valorem taxes and sales and use derived from the proposed Increment District, to be established in connection with the project; and

WHEREAS, the Project Plan contemplates the funding of essential public improvements and economic incentives; and

WHEREAS, it is more likely than not that the private investment referenced in the Project Plan would not occur within the proposed Increment District without the public improvements and economic incentives specified in such plan.

NOW, THEREFORE, BE IT RESOLVED BY THE REVIEW COMMITTEE THAT THE FOLLOWING RECOMMENDATIONS AND FINDINGS BE MADE TO THE CITY COUNCIL OF THE CITY OF MUSKOGEE, OKLAHOMA, IN REGARD TO THE PROPOSED INCREMENT DISTRICT NO. 6, CITY OF MUSKOGEE, OKLAHOMA, AND THE PROJECT PLAN:

SECTION 1. ELIGIBILITY AND CREATION OF INCREMENT DISTRICT NO. 6, CITY OF MUSKOGEE, OKLAHOMA. The Review Committee hereby finds that the boundaries of the proposed Increment District, as set forth in Exhibit "B" of the Project Plan, are within a reinvestment area (as defined in Section 853(17) of the Local Development Act), and therefore, meets the requirements of Section 856(B)(4)(a)(1) of the Local Development Act. Additionally, the area comprising the Increment District is contained within a designated enterprise zone (Tract ID 40101000600) and therefore constitute an enterprise area (as defined in Section 853(5) of the Local Development Act).

SECTION 2. APPROVAL AND RECOMMENDATIONS IN REGARD TO THE PROJECT PLAN.

(A) The Review Committee has considered the Project Plan, and hereby finds that the provisions of the Project Plan do meet the following legislative guidelines set forth in Section 852 of the Local Development Act:

(1) Investment, development, and economic growth are difficult within the boundaries of the proposed Increment District, but possible if the tax increment financing provisions of the Local Development Act are available;

(2) That the proposed Increment District does not encompass an area where investment, development and economic growth would occur without the assistance of public funds;

(3) That the undertaking of the projects described in the Project Plan will not supplant or replace normal public functions and services;

(4) That the purpose set forth in the Project Plan for the proposed Increment District works in conjunction with the City's locally implemented economic development plans;

(5) That the proposed Increment District does not have boundaries that dissect a similar area and does not create an unfair competitive advantage;

(6) That the project contemplates the need for residential and neighborhood treatments, and capital improvements to neighborhood public schools, as well as commercial/industrial development;

(7) That where possible, partial credits or credits that do not utilize the full time frame allowed have been incorporated into the Project Plan;

(8) That the maximum effort has been made to allow full public knowledge and participation in the use of the Local Development Act in connection with the preparation and adoption of the Project Plan;

(9) That the Project Plan contemplates the conservation, preservation and rehabilitation of existing improvements within the proposed Increment District; that demolition, clearance and relocation is minimized except for structures necessary for the undertaking of the projects referenced in the Project Plan; and

(10) That the Project Plan, upon adoption by the City, develops and applies clear standards, criteria and threshold limits that are applicable to all similar property and areas that the Project Plan contains protection against nearby relocations to utilize incentives.

(B) The Review Committee further finds that contemplated private and public projects described in the Project Plan will likely enhance the value of other real property located within the proposed Increment District and the Project Area and will promote the general public interest.

(C) The Review Committee further finds that the aggregate net assessed value of all taxable property in all increment districts, as determined pursuant to Section 856(B)(4)(d) of the Local Development Act, within the City does not exceed 35% of the total net assessed value of taxable property within the City.

(D) The Review Committee further finds that the aggregate net assessed value of the taxable property in all increment districts, as determined pursuant to Section 856(B)(4)(f) of the Local Development Act, within the City does not exceed 25% of the total assessed net value of any affected school districts located within the City.

(E) The Review Committee further finds that the land area of all increment districts within the City does not exceed 25% of the total land area of the City.

(F) Based on the foregoing, the Review Committee finds that the Project Plan and the projects therein are appropriate under the provisions of the Local Development Act, and the approval of the Project Plan by the City is hereby recommended.

SECTION 3. REPORT OF FINANCIAL IMPACT.

(A) The Review Committee finds that the current ad valorem tax revenues and the current sales and use tax revenues (if any) collected within the proposed Increment District will continue to be apportioned to the taxing entities. The Committee also finds that dedicating incremental ad valorem tax revenues, sales and use tax revenues, and certain Leverage Act revenues (collectively, the “TIF Revenues” as described in the Project Plan) to the Increment District apportionment fund beginning on a date determined by the City Council of the City, in accordance with Section 856(B)(2) of the Local Development Act (the “Commencement Date”) until such time as all project costs are paid or approximately seventeen (17) years following the Commencement Date (referred to as the “Expiration Date”, and preliminarily projected to be December 31, 2041), whichever is less, is desirable to serve as a catalyst for expanding employment, to attract major investment in the area, and to enhance the tax base. These investments will benefit the proposed Increment District and thereby eventually result in

substantial increased ad valorem tax revenues to the taxing jurisdictions through implementation of the Project Plan. Furthermore, the Project Plan provides that excess ad valorem tax revenues and sales and use tax revenues collected within the proposed Increment District that are not required for project costs and/or debt service on the TIF Bonds (as defined in the Project Plan) shall be returned to the respective taxing jurisdictions. As used herein, the phrase “payment of project costs” is deemed to include any interest component of any reimbursement incentive offered pursuant to a development agreement.

(B) The Project as represented to the Review Committee contemplates the prospective development of the Southside Industrial Park (the “Southside Industrial Park”) within the City of Muskogee. Prospective tenants propose to construct or cause to be constructed a battery-grade lithium refinery (“Project Heart”) and a new fabrication facility (“Project Structure”), with additional industrial sites available for expansion and/or other prospective tenants (collectively, the “Project”). Project Heart preliminarily proposes a capital investment of approximately \$1.13 billion and creating 850-1,000 new jobs. Project Structure preliminarily proposes a capital investment of approximately \$20 million and creating 15-20 new jobs. The costs of the proposed TIF Projects (as described in the Project Plan) total approximately \$24,320,873 for the necessary public infrastructure to fully develop the area within the Increment District and the surrounding Project Area. The City expects to phase the expenditure of Project Costs in coordination with specific development projects, and intends apply other available funds as appropriate to offset the costs of the Increment District. Certain Project Costs may be paid all or in part from the incremental ad valorem tax revenues, sales and use tax revenues, and certain Leverage Act revenues derived from the proposed creation of a tax increment financing district by Muskogee County comprising the adjacent Port Muskogee John T. Griffin Industrial Park. The proposed TIF Projects are expected to benefit industrial development in both the proposed City of Muskogee and Muskogee County increment districts, and therefore are proposed to be eligible Project Costs of either increment district. The City also expects to pay Organizational Costs in the amount of approximately \$100,000, interest and related financing costs, in amounts preliminarily determined to be \$27,146,030, along with annual administration costs associated with the Increment District not in excess of \$10,000 per year, all to be paid from available TIF Revenues in addition to the specifically identified Project Costs. Based on the preliminary development projections assuming an estimated \$655.87 million aggregate taxable capital investment (including projected depreciation and annual capital expenditures) within the Increment District, it is anticipated that approximately \$61.24 million in ad valorem tax TIF Revenues will be generated during the term of the Increment District, with approximately \$30.62 million available for the payment of Project Costs, and the balance of approximately \$30.62 million apportioned to the affected taxing entities. With respect to the ad valorem tax TIF Revenues, the Project Plan contemplates the capture of 100% of such revenues during the term of the Increment District, but 50.0% of such revenues will be apportioned to the affected taxing jurisdictions. Additionally, it is projected that approximately \$166.35 million taxable construction sales will generate approximately \$6,654,300 in one-time City sales tax revenues and \$1,081,300 in one-time County sales tax revenues, with 50% of such City and County sales tax apportioned to the payment of Project Costs and the other 50% apportioned to the City (\$3,327,100) and the County (\$540,600), respectively. The apportionment of City and County sales tax is also reasonably expected to qualify for State of Oklahoma matching funds of approximately \$3,867,800, pursuant to the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. §840, *et seq.* (the “Leverage Act”). All revenue projections are based on an estimated \$1.149 billion initial capital investment, an estimated \$655.87 million

aggregate taxable capital investment, an 11.0% assessment rate for real property and a 12.0% assessment rate for personal property, an average 105.49 mill levy within the Increment District, and a four percent (4.0%) City sales tax rate and sixty-five hundredths of one percent (0.65%) County sales tax rate.

(C) The Review Committee hereby finds that the likely financial impact on each of the taxing jurisdictions within the proposed Increment District to be as follows:

(1) CITY OF MUSKOGEE. The City currently levies sales and use taxes equal to four percent (4.0%) pursuant to Chapter 74, Article II, Section 74-19 *et seq.*, of the Muskogee Code of Ordinances (referred to within this subsection as the “Sales Tax Revenues”). The stated purposes of the Sales Tax Revenue under the Muskogee Code of Ordinances are: (i) two percent (2.0%) is designated for general municipal functions of the City; (ii) one-half of one percent (0.5%) of is designated for capital outlay (40%) and for police (60%); (iii) three-quarters of one percent (0.75%) is designated for funding of police, fire, and municipal employees and capital; (iv) one-quarter of one percent (0.25%) is designated for street maintenance and installation; (v) thirty-three hundredths of one percent (0.33%) is designated for street projects, with a stated termination date of September 30, 2025; and (vi) seventeen hundredths of one percent (0.17%) is designated for capital improvement projects, with a stated termination date of September 30, 2025. Furthermore, the City may levy ad valorem taxes (at varying rates from year to year) to pay principal and interest on the City’s outstanding General Obligation indebtedness (if any) and/or judgment rolls (referred to within this subsection as the “Sinking Fund Revenue”)

Sales Tax Revenue. There is currently no Sales Tax Revenue generated within the proposed Increment District. The City reasonably expects that the Project may result in one-time taxable construction expenditures within the Increment District boundaries, and the Project Plan proposes that one-half of the increment sales tax revenues (an amount equivalent to a two percent (2.0%) sales and use tax, representing 50% of the incremental sales and use tax revenue based on a total of 4.0% sales and use tax presently levied by the City), will be captured by the Increment District. With regard to future incremental Sales Tax Revenue, the maximum annual and total incremental revenues which are expected to be generated within the proposed Increment District from the City’s 4.0% sales and use tax levy and apportioned under the Project Plan for project costs and/or debt service on the TIF Bonds are estimated as set forth on Exhibit “A” hereto. Because substantially all of the incremental Sales Tax Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the City’s Sales Tax Revenue is expected.

Sinking Fund Revenue. The establishment of the proposed Increment District does not alter the City’s legal obligation under its General Obligation Bonds and/or judgment rolls, and will likely not affect the City’s ability to raise sufficient Sinking Fund Revenue to repay such obligations. Thus, no adverse financial impact to the City’s Sinking Fund Revenue is expected.

(2) MUSKOGEE COUNTY. Muskogee County, Oklahoma (the “County”) currently levies: (a) ad valorem taxes equal to 10.13 mills to support the general governmental activities of the County (referred to within this subsection as the “General Fund Revenue”), and (b) ad valorem taxes (at varying rates from year to year) to pay principal and interest on the County’s outstanding General Obligation indebtedness, if any (referred to within this subsection as the “Sinking Fund Revenue”). Additionally, the County currently levies sales taxes equal to sixty-five hundredths of one percent (0.65%) pursuant to Resolutions of the County dated September 6, 2005, and April 10, 2017 (referred to within this subsection as the “Sales Tax Revenue”). The stated purposes of the Sales Tax Revenue are: (i) fifteen hundredths of one percent (0.15%) permanent sales tax for the improvement of fire protection emergency response services throughout Muskogee County; and (ii) one half of one percent (0.5%) expiring December 31, 2028 for county roads and bridges (50%) and homeland security, courthouse security, and county law enforcement (50%).

Sales Tax Revenue. There is currently no known Sales Tax Revenue generated within the proposed Increment District. The County reasonably expects that the Project may result in one-time taxable construction expenditures within the Increment District boundaries, and the Project Plan proposes that one-half of the increment sales tax revenues (an amount equivalent to a 0.325% sales and use tax, representing 50% of the incremental sales and use tax revenue based on a total of 0.65% sales and use tax presently levied by the County), will be captured by the Increment District. With regard to future incremental Sales Tax Revenue, the maximum annual and total incremental revenues which are expected to be generated within the proposed Increment District from the County's 0.65% sales and use tax levy and apportioned under the Project Plan for project costs and/or debt service on the TIF Bonds are estimated as set forth on Exhibit “A” hereto. Because substantially all of the incremental Sales Tax Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the County's Sales Tax Revenue is expected.

General Fund Revenue. As all of the existing General Fund Revenue that is currently generated within the proposed Increment District will continue to accrue to the County, no diminishment of the County’s General Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental General Fund Revenue, the maximum annual and total incremental revenues which are expected to be generated within the proposed Increment District from the County’s 10.13 mill levy and apportioned under the Project Plan for (a) payment of project costs and/or debt service on the TIF Bonds or (b) allocated to the County, are estimated as set forth on Exhibit “B” hereto. However, because substantially all of the incremental General Fund Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the County’s General Fund Revenue is expected.

Sinking Fund Revenue. The establishment of the proposed Increment District does not alter the County's legal obligation under its General Obligation Bonds, and will likely not affect the County's ability to raise sufficient Sinking Fund Revenue to repay such debt. Thus, no adverse financial impact to the County's Sinking Fund Revenue is expected.

Other Considerations. The apportionment of the County's portion of the TIF Revenues not required for payment of the Project Costs, represents a significant source of revenue for the duration of the Increment District that will also be available to offset any adverse financial impacts to the County.

(3) INDIAN CAPITAL CENTER VO-TECH. Indian Capital Center Vo-Tech District No. 4 (the "Technology Center") currently levies: (a) ad valorem taxes equal to 8.10 mills to support the educational activities of the Technology Center (referred to within this subsection as the "General Fund Revenue"), (b) ad valorem taxes equal to 2.03 mills to finance a portion of the capital needs of the Technology Center (referred to within this subsection as the "Building Fund Revenue"), and (c) ad valorem taxes (at varying rates from year to year) to pay principal and interest on the Technology Center's outstanding General Obligation indebtedness, if any (referred to within this subsection as the "Sinking Fund Revenue").

General Fund Revenue. As all of the existing General Fund Revenue that is currently being generated within the proposed Increment District will continue to accrue to Technology Center, no diminishment of Technology Center's General Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental General Fund Revenue, the maximum annual and total incremental revenues which are expected to be generated within the proposed Increment District from the Technology Center's 8.10 mill levy and apportioned under the Project Plan for (a) payment of project costs and/or debt service on the TIF Bonds or (b) allocated to the Technology Center, are estimated as set forth on Exhibit "B" hereto. However, because substantially all of the incremental General Fund Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the Technology Center's General Fund Revenue is expected.

Building Fund Revenue: As all of the existing Building Fund Revenue that is currently generated within the proposed Increment District will continue to accrue to Technology Center, no diminishment of Technology Center's Building Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental Building Fund Revenue, the maximum annual and total incremental revenues which are expected to be generated within the proposed Increment District from the Technology Center's 2.03 mill levy and apportioned under the Project Plan for (a) payment of project costs and/or debt service on the TIF Bonds or (b) allocated to the Technology Center, are estimated as set forth on Exhibit "B" hereto. However, because substantially all of the incremental Building Fund Revenue which would be generated from new private

investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the Technology Center's Building Fund Revenue is expected.

Sinking Fund Revenue. The establishment of the proposed Increment District does not alter the Technology Center's legal obligation under its General Obligation Bonds, and will likely not affect the Technology Center's ability to raise sufficient Sinking Fund Revenue to repay such debt. Thus, no adverse financial impact to the Technology Center's Sinking Fund Revenue is expected.

Other Considerations. The apportionment of the Technology Center's portion of the TIF Revenues not required for payment of the Project Costs, represents a significant source of revenue for the duration of the Increment District that will also be available to offset any adverse financial impacts to the Technology Center.

(4) MUSKOGEE COUNTY HEALTH DEPARTMENT. The Muskogee County Health Department (the "Health Department") currently levies ad valorem taxes equal to 2.53 mills to support the operational activities of the Health Department (referred to within this subsection as the "General Fund Revenue").

General Fund Revenue. As all of the existing General Fund Revenue that is currently being generated within the proposed Increment District will continue to accrue to the Health Department, no diminishment of the Health Department's General Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental General Fund Revenue, the maximum annual and total incremental revenues which may be generated within the proposed Increment District from the Health Department's 2.53 mill levy and apportioned under the Project Plan for (a) payment of project costs and/or debt service on the TIF Bonds or (b) allocated to the Health Department, are estimated as set forth on Exhibit "B" hereto. However, because substantially all of the incremental General Fund Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the Health Department's General Fund Revenue is expected.

Other Considerations. The apportionment of the Health Department's portion of the TIF Revenues not required for payment of the Project Costs, represents a significant source of revenue for the duration of the Increment District that will also be available to offset any adverse financial impacts to the Health Department.

(5) MUSKOGEE COUNTY EMS DISTRICT. The Muskogee County Emergency Medical Services District (the "EMS District") currently levies ad valorem taxes equal to 3.04 mills to support the operational activities of the EMS District (referred to within this subsection as the "General Fund Revenue").

General Fund Revenue. As all of the existing General Fund Revenue that is currently being generated within the proposed Increment District will continue to

accrue to EMS District, no diminishment of EMS District's General Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental General Fund Revenue, the maximum annual and total incremental revenues which are expected to be generated within the proposed Increment District from EMS District's 3.04 mill levy and apportioned under the Project Plan for (a) payment of project costs and/or debt service on the TIF Bonds or (b) allocated to the EMS District, are estimated as set forth on Exhibit "B" hereto. However, because substantially all of the incremental General Fund Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the EMS District's General Fund Revenue is expected.

(6) EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM. The Eastern Oklahoma District Library System (the "Library System") currently levies ad valorem taxes equal to 4.05 mills to support the operational activities of the Library System (referred to within this subsection as the "General Fund Revenue").

General Fund Revenue. As all of the existing General Fund Revenue that is currently being generated within the proposed Increment District will continue to accrue to Library System, no diminishment of Library System's General Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental General Fund Revenue, the maximum annual and total incremental revenues which may be generated within the proposed Increment District from Library System's 4.05 mill levy and apportioned under the Project Plan for (a) payment of project costs and/or debt service on the TIF Bonds or (b) allocated to the EMS District, are estimated as set forth on Exhibit "B" hereto. However, because substantially all of the incremental General Fund Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the Library System's General Fund Revenue is expected.

(7) HILLDALE PUBLIC SCHOOLS. The Hilldale Independent School District #29 of Muskogee County, Oklahoma (the "School District") currently levies: (a) ad valorem taxes (at varying rates from year to year) to pay principal and interest on the School District's outstanding General Obligation indebtedness, if any (referred to within this subsection as the "Sinking Fund Revenue"); (b) ad valorem taxes equal to 35.73 mills to support the operational activities of the School District (referred to within this subsection as the "General Fund Revenue"); and (c) ad valorem taxes equal to 5.10 mills to finance a portion of the capital needs of the school district (referred to within this subsection as the "Building Fund Revenue"). Also, additional ad valorem taxes equal to 4.05 mills are levied county-wide to support the operational activities of all public schools within Muskogee County (the School District boundaries are located entirely in Muskogee County), and distributed on the basis of the legal average daily attendance for the preceding school year as certified by the State Board of Education (referred to within this subsection as the "County Levy Revenue").

Sinking Fund Revenue. The establishment of the proposed Increment District does not alter the School District's legal obligation under its General Obligation Bonds, and will likely not affect the School District's ability to raise sufficient Sinking Fund Revenue to repay such debt. Thus, no adverse financial impact to the School District's Sinking Fund Revenue is expected.

Building Fund Revenue. As all of the existing Building Fund Revenue that is currently being generated within the proposed Increment District will continue to accrue to the School District, no diminishment of the School District's Building Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental Building Fund Revenue, the maximum annual and total incremental revenues which may be generated within the proposed Increment District from the School District's 5.10 mill levy and apportioned under the Project Plan for (a) payment of project costs and/or debt service on the TIF Bonds or (b) allocated to the School District, are estimated as set forth on Exhibit "B" hereto. However, because substantially all of the incremental Building Fund Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the School District's Building Fund Revenue is expected.

General Fund Revenue and County Levy Revenue. As all of the existing General Fund Revenue and County Levy Revenue that are currently being generated within the proposed Increment District (and allocated to the School District) will continue to accrue to the School District, no significant diminishment of the School District's General Fund Revenue or County Levy Revenue will likely occur. With regard to future incremental General Fund Revenue, these revenues are predominantly impacted by changes in funding from the State of Oklahoma's "State Aid Fund", as provided in Title 70, Sections 118-101 *et seq.* of the Oklahoma Statutes (such revenues being referred to herein as the "State Aid Revenue"). Under these provisions, increases in the net assessed valuation of a school district are offset by reductions in the amount of State Aid Revenue contributed by the State of Oklahoma. Therefore, the inclusion or omission of the net assessed valuation of the new private investment generated within the Increment District would not substantially increase or decrease the net amount of General Fund Revenue available to the School District. Furthermore, the apportionment of an allocable portion of the TIF Revenue, as described in Other Considerations below, will accrue for purpose of providing a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the School District, and will not be considered an offset against State Aid Revenue. The impacts of State Aid Revenue notwithstanding, the maximum annual and total incremental revenues which may be generated within the proposed Increment District from the School District's 35.73 mill levy and apportioned under the Project Plan for project costs and/or debt service on the TIF Bonds are estimated as set forth on Exhibit "B" hereto.

Moreover, under current provisions of Oklahoma law, if new students are attracted to the School District due to the construction of the projects described in the Project Plan, then the School District will likely receive additional State Aid Revenue and County Levy Revenue by virtue of those students. However, cost increases to service these new students are expected to be commensurate with any additional funding. Therefore, the net impact of these factors yields no adverse or beneficial financial impact on the General Fund Revenue or the County Levy Revenue by virtue of the implementation of the Project Plan.

Other Considerations. The apportionment of the School District's portion of the TIF Revenues not required for payment of the Project Costs, represents a significant source of revenue for the duration of the Increment District that, pursuant to the Project Plan, will be dedicated for the purpose of providing a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the School District.

[Remainder of Page Left Blank Intentionally]

ADOPTED THIS 15TH DAY OF MARCH, 2024.

(SEAL)
ATTEST:

By: _____
Chairman

By: _____
City Clerk

STATE OF OKLAHOMA)
)SS
COUNTY OF MUSKOGEE)

I, the undersigned, City Clerk of the City of Muskogee, Oklahoma, do hereby certify that the above and foregoing is a true, full and correct copy of an excerpt from the minutes of a meeting of the Tax Increment District Review Committee of said City held on the date above stated, all as recorded in the official minutes of such meeting. I further certify that the “Open Meeting Law” was complied with for such meeting.

GIVEN UNDER MY HAND THIS 15TH DAY OF MARCH, 2024.

(SEAL)

City Clerk

EXHIBIT A
Estimated Potential Impact on Certain Sales Tax Collections

Taxing Purpose	Tax Rate ⁽¹⁾	TIF Revenues Captured ⁽²⁾				Total Sales Tax Revenue
		Allocation to City ⁽³⁾	Allocation to Project Costs ⁽⁴⁾	Allocation to County ⁽³⁾	Allocation to State	
City of Muskogee Sales Tax	4.000%	3,327,156.00	3,327,156.00	0.00	0.00	6,654,312.00
Muskogee County Sales Tax	0.650%	0.00	540,662.85	540,662.85	0.00	1,081,325.70
State of Oklahoma Sales Tax	4.500%	0.00	0.00	0.00	7,486,101.00	7,486,101.00
TOTALS:	9.150%	3,327,156.00	3,867,818.85	540,662.85	7,486,101.00	15,221,738.70

(1) Assumes continued levy through expiration of Increment District (December 31, 2041)

(2) Based on estimated \$166.357 million in total taxable sales (construction only)

(3) 50% allocation of Sales Tax Increment Revenues allocated to City; 50% of County sales tax allocated to County

(4) 50% allocation of Sales Tax Increment Revenues; excess revenues not needed for Project Costs and related financing costs will be returned to the City and County

EXHIBIT B
Estimated Potential Impact on Certain Ad Valorem Collections (City of Muskogee TIF)

Ad Valorem Taxing Entity	Mill Levy ⁽¹⁾	TIF Revenues Captured ⁽²⁾		Allocation to Taxing Entities ⁽²⁾	
		Maximum Year	17 Year Total	Maximum Year	17 Year Total
Muskogee County - General Fund	10.130	588,105.25	5,880,522.95	294,052.62	2,940,261.47
Muskogee County - 4 Mill School Levy	4.050	235,125.99	2,351,048.17	117,562.99	1,175,524.08
Muskogee County Health Dept. - General Fund	2.530	146,881.17	1,468,679.47	73,440.59	734,339.74
Hilldale ISD #29 - General Fund	35.730	2,074,333.71	20,741,469.38	1,037,166.85	10,370,734.69
Hilldale ISD #29 - Building Fund	5.100	296,084.58	2,960,579.17	148,042.29	1,480,289.59
Hilldale ISD #29 - Sinking Fund	29.530	1,714,387.75	17,142,333.92	857,193.88	8,571,166.96
Indian Capital Technology Center #4 - General Fund	8.100	470,251.97	4,702,096.33	235,125.99	2,351,048.17
Indian Capital Technology Center #4 - Building Fund	2.030	117,853.27	1,178,426.61	58,926.64	589,213.31
Eastern Oklahoma District Library System - Library Fund	4.050	235,125.99	2,351,048.17	117,562.99	1,175,524.08
Muskogee County EMS - EMS Fund	3.040	176,489.63	1,764,737.39	88,244.81	882,368.69
City of Muskogee - Sinking Fund	1.200	69,666.96	696,606.86	34,833.48	348,303.43
TOTALS:	105.490	6,124,306.26	61,237,548.43	3,062,153.13	30,618,774.22

Allocation of TIF Revenues

TIF Projects	50.00%	3,062,153.13	30,618,774.22
Muskogee County	6.72%	411,615.62	4,115,785.56
Muskogee County Health Dept.	1.20%	73,440.59	734,339.74
Hilldale ISD #29	33.35%	2,042,403.02	20,422,191.24
Indian Capital Technology Center #4	4.80%	294,052.62	2,940,261.47
Eastern Oklahoma District Library System	1.92%	117,562.99	1,175,524.08
Muskogee County EMS	1.44%	88,244.81	882,368.69
City of Muskogee	0.57%	34,833.48	348,303.43
TOTAL ALLOCATION	100.00%	6,124,306.26	61,237,548.43

(1) Based on 2023 millage rate (105.49 mills total)

(2) 50.0% of Ad Valorem Tax Increment Revenues allocated to Project Costs; 50.0% allocated to Taxing Entities; excess revenues not needed for Project Costs and related financing costs will be returned to the respective taxing jurisdiction

PURSUANT TO THE LEGAL NOTICE AS IS REQUIRED BY THE OKLAHOMA OPEN MEETING ACT INCLUDING THE POSTING OF NOTICE AND AGENDA AS IS REQUIRED BY THE TERMS THEREOF, THE TAX INCREMENT FINANCE REVIEW COMMITTEE OF MUSKOGEE COUNTY, OKLAHOMA, MET IN SPECIAL SESSION AT THE CITY OF MUSKOGEE MUNICIPAL BUILDING, 3RD FLOOR COUNCIL CHAMBERS, LOCATED AT 229 WEST OKMULGEE, MUSKOGEE, OKLAHOMA, 74401, ON THE 15TH DAY OF MARCH, 2024, AT 3:30 O’CLOCK P.M.

PRESENT: Chairman Kenny Payne (Muskogee County, for Ken Doke), Erik Puckett (Hilldale Public Schools), Tony Pivec (Indian Capital Vo-Tech), Tina Johnson (Muskogee County Health Department), Laurel Havens (Muskogee County EMS), Julie Poor (Eastern Oklahoma Library System), Joyce Deere (At-Large), and Jerri Stoutermire (At-Large)

ABSENT: Joy Sloan (At-Large)

(OTHER PROCEEDINGS)

Thereupon, the following resolution was introduced and caused to be read by title by the Chairman. Committee Member Kenny Payne moved passage of the Resolution and Committee Member Joyce Deere seconded the motion. The motion carrying with it the approval of said Resolution was approved by the following vote:

AYE: Chairman Kenny Payne, Erik Puckett, Tony Pivec, Tina Johnson, Laurel Havens, Julie Poor, Joyce Deere, and Jerri Stoutermire

NAY: None

The Resolution so approved is as follows:

[RESOLUTION ON FOLLOWING PAGE]

RESOLUTION

A RESOLUTION RECOMMENDING THAT MUSKOGEE COUNTY, OKLAHOMA THROUGH ITS BOARD OF COUNTY COMMISSIONERS CREATE A TAX INCREMENT DISTRICT AND APPROVE THE PORT MUSKOGEE JOHN T. GRIFFIN INDUSTRIAL PARK (PROJECT BIFROST) ECONOMIC DEVELOPMENT PROJECT PLAN; AND MAKING CERTAIN FINDINGS IN REGARDS THERETO.

WHEREAS, pursuant to the provisions of the Local Development Act, 62 O.S. 2011, Section 851 *et seq.* (the “Local Development Act”), as amended, the Board of County Commissioners of Muskogee County, Oklahoma (the “County”) appointed the Tax Increment District Review Committee (the “Review Committee”) to review and make recommendations concerning a proposed tax increment district within the County; and

WHEREAS, the membership of this Review Committee is comprised of the following individuals: a representative of the County, representatives of each taxing jurisdiction within the proposed district whose taxes might be impacted by virtue of the adoption of a project plan, and three representatives of the public at large, all as required pursuant to Section 855(A) of the Local Development Act; and

WHEREAS, the Review Committee has the statutory duty to consider and make its findings and recommendations to the County with respect to the conditions establishing the eligibility of the proposed district and the appropriateness of the approval of the proposed plan and project, as well as to report its findings to the County in regard to the financial impact on the taxing jurisdictions within the proposed district; and

WHEREAS, Article 10, Section 6C of the Oklahoma Constitution and its enabling legislation known as the Local Development Act provide that the County may use local taxes and local fees, in whole or in part, for specific public investments, assistance in development financing, or as a specific revenue source for other public entities in the area for which the improvements take place and may direct the apportionment of the taxes and fees for historic preservation, reinvestment, or enterprise areas that are exhibiting economic stagnation or decline; and

WHEREAS, the Review Committee has been presented with the “Port Muskogee John T. Griffin Industrial Park (Project Bifrost) Economic Development Project Plan” (the “Project Plan”), providing for the creation of Increment District No. 2, Muskogee County, Oklahoma (the “Increment District”), wherein certain projects are contemplated to be financed from a combination of public and private sources, including apportionment of ad valorem taxes and sales and use taxes derived from the proposed Increment District, to be established in connection with the project; and

WHEREAS, the Project Plan contemplates the funding of essential public improvements and economic incentives; and

WHEREAS, it is more likely than not that the private investment referenced in the Project Plan would not occur within the proposed Increment District without the public improvements and economic incentives specified in such plan.

NOW, THEREFORE, BE IT RESOLVED BY THE REVIEW COMMITTEE THAT THE FOLLOWING RECOMMENDATIONS AND FINDINGS BE MADE TO THE BOARD OF COUNTY COMMISSIONERS OF MUSKOGEE COUNTY, OKLAHOMA, IN REGARD TO THE PROPOSED INCREMENT DISTRICT NO. 2, MUSKOGEE COUNTY, OKLAHOMA, AND THE PROJECT PLAN:

SECTION 1. ELIGIBILITY AND CREATION OF INCREMENT DISTRICT NO. 2, MUSKOGEE COUNTY, OKLAHOMA. The Review Committee hereby finds that the boundaries of the proposed Increment District, as set forth in Exhibit "B" of the Project Plan, are within a reinvestment area (as defined in Section 853(17) of the Local Development Act), and therefore, meets the requirements of Section 856(B)(4)(a)(1) of the Local Development Act. Additionally, the area comprising the Increment District is contained within a designated enterprise zone (Tract ID 40101000600) and therefore constitute an enterprise area (as defined in Section 853(5) of the Local Development Act).

SECTION 2. APPROVAL AND RECOMMENDATIONS IN REGARD TO THE PROJECT PLAN.

(A) The Review Committee has considered the Project Plan, and hereby finds that the provisions of the Project Plan do meet the following legislative guidelines set forth in Section 852 of the Local Development Act:

(1) Investment, development, and economic growth are difficult within the boundaries of the proposed Increment District, but possible if the tax increment financing provisions of the Local Development Act are available;

(2) That the proposed Increment District does not encompass an area where investment, development and economic growth would occur without the assistance of public funds;

(3) That the undertaking of the projects described in the Project Plan will not supplant or replace normal public functions and services;

(4) That the purpose set forth in the Project Plan for the proposed Increment District works in conjunction with the County's locally implemented economic development plans;

(5) That the proposed Increment District does not have boundaries that dissect a similar area and does not create an unfair competitive advantage;

(6) That the project contemplates the need for residential and neighborhood treatments, and capital improvements to neighborhood public schools, as well as commercial/industrial development;

(7) That where possible, partial credits or credits that do not utilize the full time frame allowed have been incorporated into the Project Plan;

(8) That the maximum effort has been made to allow full public knowledge and participation in the use of the Local Development Act in connection with the preparation and adoption of the Project Plan;

(9) That the Project Plan contemplates the conservation, preservation and rehabilitation of existing improvements within the proposed Increment District; that demolition, clearance and relocation is minimized except for structures necessary for the undertaking of the projects referenced in the Project Plan; and

(10) That the Project Plan, upon adoption by the County, develops and applies clear standards, criteria and threshold limits that are applicable to all similar property and areas that the Project Plan contains protection against nearby relocations to utilize incentives.

(B) The Review Committee further finds that contemplated private and public projects described in the Project Plan will likely enhance the value of other real property located within the proposed Increment District and the Project Area and will promote the general public interest.

(C) The Review Committee further finds that the aggregate net assessed value of all taxable property in all increment districts, as determined pursuant to Section 856(B)(4)(d) of the Local Development Act, within the County does not exceed 15% of the total net assessed value of taxable property within the County.

(D) The Review Committee further finds that the aggregate net assessed value of the taxable property in all increment districts, as determined pursuant to Section 856(B)(4)(f) of the Local Development Act, within the County does not exceed 25% of the total assessed net value of any affected school districts located within the County.

(E) The Review Committee further finds that the land area of all increment districts within the County does not exceed 25% of the total land area of the County.

(F) Based on the foregoing, the Review Committee finds that the Project Plan and the projects therein are appropriate under the provisions of the Local Development Act, and the approval of the Project Plan by the County is hereby recommended.

SECTION 3. REPORT OF FINANCIAL IMPACT.

(A) The Review Committee finds that the current ad valorem tax revenues and the current sales and use tax revenues (if any) collected within the proposed Increment District will continue to be apportioned to the taxing entities. The Committee also finds that dedicating incremental ad valorem tax revenues, sales and use tax revenues, and certain Leverage Act revenues (collectively, the "TIF Revenues" as described in the Project Plan) to the Increment District apportionment fund beginning on a date determined by the Board of County Commissioners, in accordance with Section 856(B)(2) of the Local Development Act (the "Commencement Date") until such time as all project costs are paid or approximately fifteen (15) years following the Commencement Date (referred to as the "Expiration Date", and preliminarily projected to be December 31, 2039), whichever is less, is desirable to serve as a catalyst for expanding employment, to attract major investment in the area, and to enhance the tax base. These

investments will benefit the proposed Increment District and thereby eventually result in substantial increased ad valorem tax revenues to the taxing jurisdictions through implementation of the Project Plan. Furthermore, the Project Plan provides that excess ad valorem tax revenues and sales and use tax revenues collected within the proposed Increment District that are not required for project costs and/or debt service on the TIF Bonds (as defined in the Project Plan) shall be returned to the respective taxing jurisdictions. As used herein, the phrase “payment of project costs” is deemed to include any interest component of any reimbursement incentive offered pursuant to a development agreement.

(B) The Project as represented to the Review Committee contemplates the prospective development of a portion of the Port Muskogee John T. Griffin Industrial Park (the “Griffin Industrial Park”) within Muskogee County. An approximately 40 acre site owned by the Polaris Technology, Inc., who proposes to develop a digital asset self-mining facility (bitcoin mining) with an initial capital investment of approximately \$200 million, and the potential for further expansion. The costs of the proposed TIF Projects (as described in the Project Plan) total approximately \$24,320,873 for the necessary public infrastructure to fully develop the area within the Increment District and the surrounding Project Area. The County expects to phase the expenditure of Project Costs in coordination with specific development projects, and intends apply other available funds as appropriate to offset the costs of the Increment District. Certain Project Costs may be paid all or in part from the incremental ad valorem tax revenues, sales and use tax revenues, and certain Leverage Act revenues derived from the proposed creation of a tax increment financing district by the City of Muskogee comprising the adjacent Southside Industrial Park. The proposed TIF Projects are expected to benefit industrial development in both the proposed City of Muskogee and Muskogee County increment districts, and therefore are proposed to be eligible Project Costs of either increment district. The County also expects to pay Organizational Costs in the amount of approximately \$100,000, interest and related financing costs, in amounts preliminarily determined to be \$27,146,030, along with annual administration costs associated with the Increment District not in excess of \$10,000 per year, all to be paid from available TIF Revenues in addition to the specifically identified Project Costs. Based on the preliminary development projections assuming an estimated \$120 million aggregate taxable capital investment (including projected depreciation) within the Increment District, it is anticipated that approximately \$9.54 million in ad valorem tax TIF Revenues will be generated during the term of the Increment District, with approximately \$4.77 million available for the payment of Project Costs, and the balance of approximately \$4.77 million apportioned to the affected taxing entities. With respect to the ad valorem tax TIF Revenues, the Project Plan contemplates the capture of 100% of such revenues during the term of the Increment District, but 50.0% of such revenues will be apportioned to the affected taxing jurisdictions. Additionally, it is projected that approximately \$18 million taxable construction sales will generate approximately \$117,000 in one-time County sales tax revenues, with 50% of such County sales tax apportioned to the payment of Project Costs and the other 50% apportioned to the County (\$58,500). The apportionment of County sales tax is also reasonably expected to qualify for State of Oklahoma matching funds of approximately \$58,500, pursuant to the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. §840, *et seq.* (the “Leverage Act”). All revenue projections are based on an estimated \$1.15 billion initial capital investment, an estimated \$120 million aggregate taxable capital investment, an 11.0% assessment rate for real property and a 12.0% assessment rate for personal property, an average 101.19 mill levy within the Increment District, and a sixty-five hundredths of one percent (0.65%) County sales tax rate.

(C) The Review Committee hereby finds that the likely financial impact on each of the taxing jurisdictions within the proposed Increment District to be as follows:

(1) MUSKOGEE COUNTY. Muskogee County, Oklahoma (the “County”) currently levies: (a) ad valorem taxes equal to 10.13 mills to support the general governmental activities of the County (referred to within this subsection as the “General Fund Revenue”), and (b) ad valorem taxes (at varying rates from year to year) to pay principal and interest on the County’s outstanding General Obligation indebtedness, if any (referred to within this subsection as the “Sinking Fund Revenue”). Additionally, the County currently levies sales taxes equal to sixty-five hundredths of one percent (0.65%) pursuant to Resolutions of the County dated September 6, 2005, and April 10, 2017 (referred to within this subsection as the “Sales Tax Revenue”). The stated purposes of the Sales Tax Revenue are: (i) fifteen hundredths of one percent (0.15%) permanent sales tax for the improvement of fire protection emergency response services throughout Muskogee County; and (ii) one half of one percent (0.5%) expiring December 31, 2028 for county roads and bridges (50%) and homeland security, courthouse security, and county law enforcement (50%).

Sales Tax Revenue. There is currently no known Sales Tax Revenue generated within the proposed Increment District. The County reasonably expects that the Project may result in one-time taxable construction expenditures within the Increment District boundaries, and the Project Plan proposes that one-half of the increment sales tax revenues (an amount equivalent to a 0.325% sales and use tax, representing 50% of the incremental sales and use tax revenue based on a total of 0.65% sales and use tax presently levied by the County), will be captured by the Increment District. With regard to future incremental Sales Tax Revenue, the maximum annual and total incremental revenues which are expected to be generated within the proposed Increment District from the County's 0.65% sales and use tax levy and apportioned under the Project Plan for project costs and/or debt service on the TIF Bonds are estimated as set forth on Exhibit “A” hereto. Because substantially all of the incremental Sales Tax Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the County's Sales Tax Revenue is expected.

General Fund Revenue. As all of the existing General Fund Revenue that is currently generated within the proposed Increment District will continue to accrue to the County, no diminishment of the County’s General Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental General Fund Revenue, the maximum annual and total incremental revenues which are expected to be generated within the proposed Increment District from the County’s 10.13 mill levy and apportioned under the Project Plan for (a) payment of project costs and/or debt service on the TIF Bonds or (b) allocated to the County, are estimated as set forth on Exhibit “B” hereto. However, because substantially all of the incremental General Fund Revenue which would be generated from new private investment would not have occurred without

the construction of the projects listed in the Project Plan, no adverse financial impact to the County's General Fund Revenue is expected.

Sinking Fund Revenue. The establishment of the proposed Increment District does not alter the County's legal obligation under its General Obligation Bonds, and will likely not affect the County's ability to raise sufficient Sinking Fund Revenue to repay such debt. Thus, no adverse financial impact to the County's Sinking Fund Revenue is expected.

Other Considerations. The apportionment of the County's portion of the TIF Revenues not required for payment of the Project Costs, represents a significant source of revenue for the duration of the Increment District that will also be available to offset any adverse financial impacts to the County.

(2) INDIAN CAPITAL CENTER VO-TECH. Indian Capital Center Vo-Tech District No. 4 (the "Technology Center") currently levies: (a) ad valorem taxes equal to 8.10 mills to support the educational activities of the Technology Center (referred to within this subsection as the "General Fund Revenue"), (b) ad valorem taxes equal to 2.03 mills to finance a portion of the capital needs of the Technology Center (referred to within this subsection as the "Building Fund Revenue"), and (c) ad valorem taxes (at varying rates from year to year) to pay principal and interest on the Technology Center's outstanding General Obligation indebtedness, if any (referred to within this subsection as the "Sinking Fund Revenue").

General Fund Revenue. As all of the existing General Fund Revenue that is currently being generated within the proposed Increment District will continue to accrue to Technology Center, no diminishment of Technology Center's General Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental General Fund Revenue, the maximum annual and total incremental revenues which are expected to be generated within the proposed Increment District from the Technology Center's 8.10 mill levy and apportioned under the Project Plan for (a) payment of project costs and/or debt service on the TIF Bonds or (b) allocated to the Technology Center, are estimated as set forth on Exhibit "B" hereto. However, because substantially all of the incremental General Fund Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the Technology Center's General Fund Revenue is expected.

Building Fund Revenue: As all of the existing Building Fund Revenue that is currently generated within the proposed Increment District will continue to accrue to Technology Center, no diminishment of Technology Center's Building Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental Building Fund Revenue, the maximum annual and total incremental revenues which are expected to be generated within the proposed Increment District from the Technology Center's 2.03 mill levy and apportioned under the Project Plan for (a) payment of project costs and/or debt

service on the TIF Bonds or (b) allocated to the Technology Center, are estimated as set forth on Exhibit “B” hereto. However, because substantially all of the incremental Building Fund Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the Technology Center’s Building Fund Revenue is expected.

Sinking Fund Revenue. The establishment of the proposed Increment District does not alter the Technology Center’s legal obligation under its General Obligation Bonds, and will likely not affect the Technology Center’s ability to raise sufficient Sinking Fund Revenue to repay such debt. Thus, no adverse financial impact to the Technology Center’s Sinking Fund Revenue is expected.

Other Considerations. The apportionment of the Technology Center’s portion of the TIF Revenues not required for payment of the Project Costs, represents a significant source of revenue for the duration of the Increment District that will also be available to offset any adverse financial impacts to the Technology Center.

(3) MUSKOGEE COUNTY HEALTH DEPARTMENT. The Muskogee County Health Department (the “Health Department”) currently levies ad valorem taxes equal to 2.53 mills to support the operational activities of the Health Department (referred to within this subsection as the “General Fund Revenue”).

General Fund Revenue. As all of the existing General Fund Revenue that is currently being generated within the proposed Increment District will continue to accrue to the Health Department, no diminishment of the Health Department’s General Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental General Fund Revenue, the maximum annual and total incremental revenues which may be generated within the proposed Increment District from the Health Department’s 2.53 mill levy and apportioned under the Project Plan for (a) payment of project costs and/or debt service on the TIF Bonds or (b) allocated to the Health Department, are estimated as set forth on Exhibit “B” hereto. However, because substantially all of the incremental General Fund Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the Health Department’s General Fund Revenue is expected.

Other Considerations. The apportionment of the Health Department’s portion of the TIF Revenues not required for payment of the Project Costs, represents a significant source of revenue for the duration of the Increment District that will also be available to offset any adverse financial impacts to the Health Department.

(4) MUSKOGEE COUNTY EMS DISTRICT. The Muskogee County Emergency Medical Services District (the “EMS District”) currently levies ad valorem taxes equal to 3.04 mills to support the operational activities of the EMS District (referred to within this subsection as the “General Fund Revenue”).

General Fund Revenue. As all of the existing General Fund Revenue that is currently being generated within the proposed Increment District will continue to accrue to EMS District, no diminishment of EMS District's General Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental General Fund Revenue, the maximum annual and total incremental revenues which are expected to be generated within the proposed Increment District from EMS District's 3.04 mill levy and apportioned under the Project Plan for (a) payment of project costs and/or debt service on the TIF Bonds or (b) allocated to the EMS District, are estimated as set forth on Exhibit "B" hereto. However, because substantially all of the incremental General Fund Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the EMS District's General Fund Revenue is expected.

(5) EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM. The Eastern Oklahoma District Library System (the "Library System") currently levies ad valorem taxes equal to 4.05 mills to support the operational activities of the Library System (referred to within this subsection as the "General Fund Revenue").

General Fund Revenue. As all of the existing General Fund Revenue that is currently being generated within the proposed Increment District will continue to accrue to Library System, no diminishment of Library System's General Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental General Fund Revenue, the maximum annual and total incremental revenues which may be generated within the proposed Increment District from Library System's 4.05 mill levy and apportioned under the Project Plan for (a) payment of project costs and/or debt service on the TIF Bonds or (b) allocated to the EMS District, are estimated as set forth on Exhibit "B" hereto. However, because substantially all of the incremental General Fund Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the Library System's General Fund Revenue is expected.

(6) MUSKOGEE PUBLIC SCHOOLS. The Muskogee Independent School District #20 of Muskogee County, Oklahoma (the "School District") currently levies: (a) ad valorem taxes (at varying rates from year to year) to pay principal and interest on the School District's outstanding General Obligation indebtedness, if any (referred to within this subsection as the "Sinking Fund Revenue"); (b) ad valorem taxes equal to 35.40 mills to support the operational activities of the School District (referred to within this subsection as the "General Fund Revenue"); and (c) ad valorem taxes equal to 5.06 mills to finance a portion of the capital needs of the school district (referred to within this subsection as the "Building Fund Revenue"). Also, additional ad valorem taxes equal to 4.05 mills are levied county-wide to support the operational activities of all public schools within Muskogee County (the School District boundaries are located entirely in Muskogee County), and distributed on the basis of the legal average daily attendance for the preceding school year as certified by the State Board of Education (referred to within this subsection as the "County Levy Revenue").

Sinking Fund Revenue. The establishment of the proposed Increment District does not alter the School District's legal obligation under its General Obligation Bonds, and will likely not affect the School District's ability to raise sufficient Sinking Fund Revenue to repay such debt. Thus, no adverse financial impact to the School District's Sinking Fund Revenue is expected.

Building Fund Revenue. As all of the existing Building Fund Revenue that is currently being generated within the proposed Increment District will continue to accrue to the School District, no diminishment of the School District's Building Fund Revenue will likely result from the establishment of the proposed Increment District. With regard to future incremental Building Fund Revenue, the maximum annual and total incremental revenues which may be generated within the proposed Increment District from the School District's 5.06 mill levy and apportioned under the Project Plan for (a) payment of project costs and/or debt service on the TIF Bonds or (b) allocated to the School District, are estimated as set forth on Exhibit "B" hereto. However, because substantially all of the incremental Building Fund Revenue which would be generated from new private investment would not have occurred without the construction of the projects listed in the Project Plan, no adverse financial impact to the School District's Building Fund Revenue is expected.

General Fund Revenue and County Levy Revenue. As all of the existing General Fund Revenue and County Levy Revenue that are currently being generated within the proposed Increment District (and allocated to the School District) will continue to accrue to the School District, no significant diminishment of the School District's General Fund Revenue or County Levy Revenue will likely occur. With regard to future incremental General Fund Revenue, these revenues are predominantly impacted by changes in funding from the State of Oklahoma's "State Aid Fund", as provided in Title 70, Sections 118-101 *et seq.* of the Oklahoma Statutes (such revenues being referred to herein as the "State Aid Revenue"). Under these provisions, increases in the net assessed valuation of a school district are offset by reductions in the amount of State Aid Revenue contributed by the State of Oklahoma. Therefore, the inclusion or omission of the net assessed valuation of the new private investment generated within the Increment District would not substantially increase or decrease the net amount of General Fund Revenue available to the School District. Furthermore, the apportionment of an allocable portion of the TIF Revenue, as described in Other Considerations below, will accrue for purpose of providing a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the School District, and will not be considered an offset against State Aid Revenue. The impacts of State Aid Revenue notwithstanding, the maximum annual and total incremental revenues which may be generated within the proposed Increment District from the School District's 35.40 mill levy and apportioned under the Project Plan for project costs and/or debt service on the TIF Bonds are estimated as set forth on Exhibit "B" hereto.

Moreover, under current provisions of Oklahoma law, if new students are attracted to the School District due to the construction of the projects described in the Project Plan, then the School District will likely receive additional State Aid Revenue and County Levy Revenue by virtue of those students. However, cost increases to service these new students are expected to be commensurate with any additional funding. Therefore, the net impact of these factors yields no adverse or beneficial financial impact on the General Fund Revenue or the County Levy Revenue by virtue of the implementation of the Project Plan.

Other Considerations. The apportionment of the School District's portion of the TIF Revenues not required for payment of the Project Costs, represents a significant source of revenue for the duration of the Increment District that, pursuant to the Project Plan, will be dedicated for the purpose of providing a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the School District.

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ADOPTED THIS 15TH DAY OF MARCH, 2024.

(SEAL)
ATTEST:

By: _____
Chairman

By: _____
County Clerk

STATE OF OKLAHOMA)
)SS
COUNTY OF MUSKOGEE)

I, the undersigned, County Clerk of Muskogee County, Oklahoma, do hereby certify that the above and foregoing is a true, full and correct copy of an excerpt from the minutes of a meeting of the Tax Increment District Review Committee of said County held on the date above stated, all as recorded in the official minutes of such meeting. I further certify that the “Open Meeting Law” was complied with for such meeting.

GIVEN UNDER MY HAND THIS 15TH DAY OF MARCH, 2024.

(SEAL)

County Clerk

EXHIBIT A
Estimated Potential Impact on Certain Sales Tax Collections

Taxing Purpose	Tax Rate ⁽¹⁾	TIF Revenues Captured ⁽²⁾				Total Sales Tax Revenue
		Allocation to City ⁽³⁾	Allocation to Project Costs ⁽⁴⁾	Allocation to County ⁽³⁾	Allocation to State	
Muskogee County Sales Tax	0.650%	0.00	58,500.00	58,500.00	0.00	117,000.00
State of Oklahoma Sales Tax	4.500%	0.00	0.00	0.00	810,000.00	810,000.00
TOTALS:	5.150%	0.00	58,500.00	58,500.00	810,000.00	927,000.00

(1) Assumes continued levy through expiration of Increment District (December 31, 2039)

(2) Based on estimated \$18 million in total taxable sales (construction only)

(3) 50% of County sales tax allocated to County

(4) 50% allocation of Sales Tax Increment Revenues; excess revenues not needed for Project Costs and related financing costs will be returned to the County

EXHIBIT B
Estimated Potential Impact on Certain Ad Valorem Collections (Muskogee County TIF)

Ad Valorem Taxing Entity	Mill Levy ⁽¹⁾	TIF Revenues Captured ⁽²⁾		Allocation to Taxing Entities ⁽²⁾	
		Maximum Year	15 Year Total	Maximum Year	15 Year Total
Muskogee County - General Fund	10.130	98,524.38	955,096.92	49,262.19	477,548.46
Muskogee County - 4 Mill School Levy	4.050	39,390.30	381,850.20	19,695.15	190,925.10
Muskogee County Health Dept. - General Fund	2.530	24,606.78	238,538.52	12,303.39	119,269.26
Muskogee ISD #20 - General Fund	35.400	344,300.40	3,337,653.60	172,150.20	1,668,826.80
Muskogee ISD #20 - Building Fund	5.060	49,213.56	477,077.04	24,606.78	238,538.52
Muskogee ISD #20 - Sinking Fund	26.800	260,656.80	2,526,811.20	130,328.40	1,263,405.60
Indian Capital Technology Center #4 - General Fund	8.100	78,780.60	763,700.40	39,390.30	381,850.20
Indian Capital Technology Center #4 - Building Fund	2.030	19,743.78	191,396.52	9,871.89	95,698.26
Eastern Oklahoma District Library System - Library Fund	4.050	39,390.30	381,850.20	19,695.15	190,925.10
Muskogee County EMS - EMS Fund	3.040	29,567.04	286,623.36	14,783.52	143,311.68
TOTALS:	101.190	984,173.94	9,540,597.96	492,086.97	4,770,298.98

Allocation of TIF Revenues

TIF Projects	50.00%	492,086.97	4,770,298.98
Muskogee County	7.01%	68,957.34	668,473.56
Muskogee County Health Dept.	1.25%	12,303.39	119,269.26
Muskogee ISD #20	33.23%	327,085.38	3,170,770.92
Indian Capital Technology Center #4	5.01%	49,262.19	477,548.46
Eastern Oklahoma District Library System	2.00%	19,695.15	190,925.10
Muskogee County EMS	1.50%	14,783.52	143,311.68
TOTAL ALLOCATION	100.00%	984,173.94	9,540,597.96

(1) Based on 2023 millage rate (101.19 mills total)

(2) 50.0% of Ad Valorem Tax Increment Revenues allocated to Project Costs; 50.0% allocated to Taxing Entities; excess revenues not needed for Project Costs and related financing costs will be returned to the respective taxing jurisdiction

PURSUANT TO THE LEGAL NOTICE AS IS REQUIRED BY THE OKLAHOMA OPEN MEETING ACT INCLUDING THE POSTING OF NOTICE AND AGENDA AS IS REQUIRED BY THE TERMS THEREOF, THE TAX INCREMENT FINANCE REVIEW COMMITTEE OF MUSKOGEE COUNTY, OKLAHOMA, MET IN SPECIAL SESSION AT THE CITY OF MUSKOGEE MUNICIPAL BUILDING, 3RD FLOOR COUNCIL CHAMBERS, LOCATED AT 229 WEST OKMULGEE, MUSKOGEE, OKLAHOMA, 74401, ON THE 15TH DAY OF MARCH, 2024, AT 3:30 O’CLOCK P.M.

PRESENT: Chairman Kenny Payne (Muskogee County, for Ken Doke), Erik Puckett (Hilldale Public Schools), Tony Pivec (Indian Capital Vo-Tech), Tina Johnson (Muskogee County Health Department), Laurel Havens (Muskogee County EMS), Julie Poor (Eastern Oklahoma Library System), Joyce Deere (At-Large), and Jerri Stoutermire (At-Large)

ABSENT: Joy Sloan (At-Large)

(OTHER PROCEEDINGS)

Thereupon, the following resolution was introduced and caused to be read by title by the Chairman. Committee Member Tony Pivec moved passage of the Resolution and Committee Member Kenny Payne seconded the motion. The motion carrying with it the approval of said Resolution was approved by the following vote:

AYE: Chairman Kenny Payne, Erik Puckett, Tony Pivec, Tina Johnson, Laurel Havens, Julie Poor, Joyce Deere, and Jerri Stoutermire

NAY: None

The Resolution so approved is as follows:

RESOLUTION

A RESOLUTION RECOMMENDING THAT MUSKOGEE COUNTY, OKLAHOMA, THROUGH ITS BOARD OF COUNTY COMMISSIONERS TERMINATE INCREMENT DISTRICT NO. 1, MUSKOGEE COUNTY (PROJECT FAITH INCREMENT DISTRICT PROJECT PLAN).

WHEREAS, pursuant to the provisions of the Local Development Act, 62 O.S. 2021, Section 851 *et seq.* (the “Local Development Act”), as amended, the Board of County Commissioners of Muskogee County, Oklahoma (the “Couty”) heretofore created Increment District No. 1, Muskogee County (referred to herein as the “Project Faith TIF” or the “Increment District”) pursuant to a Resolution of the County Commissioners, in connection with the adoption of the Project Plan Relating to Increment District Number One, Muskogee County, Oklahoma (Project Faith Increment District) dated July 1, 2015 (the “Project Plan”); and

WHEREAS, due to unforeseen economic factors beyond the control of the County, the economic development project proposed in connection with the Project Faith TIF has not occurred and will not occur in a manner consistent with the Project Plan heretofore adopted by the County; and

WHEREAS, the County in its Resolution dated October 23, 2023, appointed the Tax Increment Financing Review Committee (the “Review Committee”) to review and make recommendations concerning the termination of the Project Faith TIF; and

WHEREAS, the Local Development Act provides that the Project Plan may be amended by the County upon recommendation of Review Committee; and

WHEREAS, the membership of this Review Committee is comprised of the following individuals: a representative of the County, representatives of each taxing jurisdiction within the proposed district whose taxes might be impacted by virtue of the amendment of the Project Plan, and three representatives of the public at large, all as required pursuant to Section 855(A) of the Local Development Act; and

WHEREAS, the Review Committee has the statutory duty to consider and make its findings and recommendations to the County with respect to the appropriateness of the termination of the Increment District and the Project Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE REVIEW COMMITTEE THAT THE FOLLOWING RECOMMENDATION BE MADE TO THE BOARD OF COUNTY COMMISSIONERS OF MUSKOGEE COUNTY, OKLAHOMA, IN REGARD TO THE PROPOSED TERMINATION OF INCREMENT DISTRICT NO. 1, MUSKOGEE COUNTY, OKLAHOMA:

SECTION 1. TERMINATION OF INCREMENT DISTRICT NO. 1, MUSKOGEE COUNTY, OKLAHOMA. The Review Committee hereby recommends that the Project Faith TIF be terminated at the earliest possible time by the County, based on the information that the economic development project contemplated in the Project Plan will not be undertaken in the foreseeable future. The termination of the Project Faith TIF will permit any increased valuation (above the baseline value established for the Increment District) to accrue to the benefit of the taxing jurisdictions within the Increment District, and will facilitate the provision of other economic development incentives (where appropriate), including the creation of future tax increment districts.

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ADOPTED THIS 15TH DAY OF MARCH, 2024.

(SEAL)
ATTEST:

By: _____
Chairman

By: _____
County Clerk

STATE OF OKLAHOMA)
)SS
COUNTY OF MUSKOGEE)

I, the undersigned, County Clerk of Muskogee County, Oklahoma, do hereby certify that the above and foregoing is a true, full and correct copy of an excerpt from the minutes of a meeting of the Tax Increment District Review Committee of said County held on the date above stated, all as recorded in the official minutes of such meeting. I further certify that the “Open Meeting Law” was complied with for such meeting.

GIVEN UNDER MY HAND THIS 15TH DAY OF MARCH, 2024.

(SEAL)

County Clerk

Special City Council

2.

Meeting Date: 04/08/2024
Submitted For: Mike Miller, City Manager
Initiator: Judy Villalobos, Executive Assistant
Department: City Manager
Staff Information Source:

Information

AGENDA ITEM TITLE:

Hold a Public Hearing regarding the proposed creation of Increment District No. 6, City of Muskogee and the Southside Industrial Park Economic Development Project Plan, or take other necessary action. (Mike Miller)

BACKGROUND:

Port Muskogee, working with City and County officials have identified prospective industrial development opportunities that will create new jobs and bring economic benefits to the City of Muskogee and Muskogee County. However, certain critical infrastructure improvements to roads, utilities, and rail access are necessary to allow the development to move forward. On October 9, 2023, the City Council voted 8-0 to appoint a TIF review committee to make findings and a recommendation on the proposed project. The Council designated Mayor Coleman as chair of the TIF committee. Since then the Committee has met three times, the most recent of which was March 15. The City proposes to create a tax increment district within the Southside Industrial Park (Increment District No. 6, City of Muskogee), and the County proposed to create a tax increment district within the John T. Griffin Industrial Park (Increment District No. 2, Muskogee County), that will provide a mechanism to capture a portion of the new ad valorem and construction sales tax revenues generated as a result of the projects. The revenues will be used to fund the critical infrastructure improvements. Additionally, the County proposes to terminate its existing Increment District No. 1 within the John T. Griffin Industrial Park, as it pertains to a project that never came to fruition. The termination will allow other potential economic development projects to continue to move forward. This item and others on this agenda will review the projects and the TIF committee recommendations.

RECOMMENDED ACTION:

Hear from the public.

Fiscal Impact

Attachments

No file(s) attached.

Special City Council

3.

Meeting Date: 04/08/2024
Submitted For: Mike Miller, City Manager
Initiator: Judy Villalobos, Executive Assistant
Department: City Manager
Staff Information Source:

Information

AGENDA ITEM TITLE:

Hold a Public Hearing regarding the proposed creation of Increment District No. 2, Muskogee County and the John T. Griffin Industrial Park Economic Development Project Plan, or take other necessary action. (Mike Miller)

BACKGROUND:

Port Muskogee, working with City and County officials have identified prospective industrial development opportunities that will create new jobs and bring economic benefits to the City of Muskogee and Muskogee County. However, certain critical infrastructure improvements to roads, utilities, and rail access are necessary to allow the development to move forward. On October 9, 2023, the City Council voted 8-0 to appoint a TIF review committee to make findings and a recommendation on the proposed project. The Council designated Mayor Coleman as chair of the TIF committee. Since then the Committee has met three times, the most recent of which was March 15. The City proposes to create a tax increment district within the Southside Industrial Park (Increment District No. 6, City of Muskogee), and the County proposed to create a tax increment district within the John T. Griffin Industrial Park (Increment District No. 2, Muskogee County), that will provide a mechanism to capture a portion of the new ad valorem and construction sales tax revenues generated as a result of the projects. The revenues will be used to fund the critical infrastructure improvements. Additionally, the County proposes to terminate its existing Increment District No. 1 within the John T. Griffin Industrial Park, as it pertains to a project that never came to fruition. The termination will allow other potential economic development projects to continue to move forward. This item and others on this agenda will review the projects and the TIF committee recommendations.

RECOMMENDED ACTION:

Hold a public hearing.

Fiscal Impact

Attachments

No file(s) attached.

Special City Council

4.

Meeting Date: 04/08/2024
Submitted For: Mike Miller, City Manager
Initiator: Judy Villalobos, Executive Assistant
Department: City Manager
Staff Information Source:

Information

AGENDA ITEM TITLE:

Hold a Public Hearing and consider approval of the proposed termination of Increment District No. 1, Muskogee County and the Project Plan Relating to Increment District No. 1, Muskogee County, Oklahoma (Project Faith Increment District), or take other necessary action. (Mike Miller)

BACKGROUND:

Port Muskogee, working with City and County officials have identified prospective industrial development opportunities that will create new jobs and bring economic benefits to the City of Muskogee and Muskogee County. However, certain critical infrastructure improvements to roads, utilities, and rail access are necessary to allow the development to move forward. The City proposes to create a tax increment district within the Southside Industrial Park (Increment District No. 6, City of Muskogee), and the County proposed to create a tax increment district within the John T. Griffin Industrial Park (Increment District No. 2, Muskogee County), that will provide a mechanism to capture a portion of the new ad valorem and construction sales tax revenues generated as a result of the projects. The revenues will be used to fund critical infrastructure improvements. Additionally, the County proposes to terminate its existing Increment District No. 1 within the John T. Griffin Industrial Park, which pertains to a project that never came to fruition. The termination will allow other potential economic development projects to continue to move forward.

RECOMMENDED ACTION:

Approval

Fiscal Impact

Attachments

No file(s) attached.

Special City Council

5.

Meeting Date: 04/08/2024

Submitted For: Johnny Teehee, Police

Initiator: Katrina Bodenhamer, City Attorney

Department: Police

Staff Information Source:

Information

AGENDA ITEM TITLE:

Consider approval of Resolution No. 2982, applying for and accepting grant funds in the amount of \$125,000.00 from the Oklahoma Office of the Attorney General Opioid Abatement Board, to finance Police Department response and abatement activities, and authorize the City Manager, or his designee, to sign all documents relating to the Oklahoma Opioid Abatement Award, or take other necessary action. (Johnny Teehee)

BACKGROUND:

The Oklahoma Attorney General's Office Opioid Abatement Board has made grant funds available to finance opioid response and abatement activities. These funds, if awarded to the City of Muskogee Police Department, would go to address the opioid epidemic in the community.

RECOMMENDED ACTION:

Approve the Resolution.

Fiscal Impact

Attachments

Resolution 2982

RESOLUTION NO 2982.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MUSKOGEE TO APPLY FOR AND ACCEPT GRANT FUNDS FROM THE OPIOID ABATEMENT BOARD OF THE OFFICE OF THE ATTORNEY GENERAL OF THE STATE OF OKLAHOMA TO FINANCE POLICE DEPARTMENT RESPONSE AND ABATEMENT ACTIVITIES. BE IT FURTHER RESOLVED THAT THE CITY COUNCIL OF THE CITY OF MUSKOGEE AUTHORIZES THE CITY MANAGER TO SIGN ALL DOCUMENTS RELATING TO THE AWARD.

WHEREAS, the Opioid Abatement Board of the Office of the Attorney General of Oklahoma has made funds available for Opioid Response and Abatement, and

WHEREAS, the City of Muskogee Police Department will apply for grant funds in the amount of One Hundred Twenty Five Thousand Dollars (\$125,000.00) to be used to finance opioid response and abatement, and

NOW, THEREFORE, it was duly moved and seconded that the following resolution be adopted.

THEREFORE, BE IT RESOLVED that the City of Muskogee, Oklahoma hereby elects to apply for financial assistance from the Office of the Attorney General of Oklahoma Opioid Abatement Board in the amount of One Hundred Twenty Five Thousand Dollars (\$125,000.00), and authorizes the City Manager of the City of Muskogee, or the Manager's designee, to execute any forms required in the acceptance of said funds.

ADOPTED, PASSED AND APPROVED by the Council of the City of Muskogee this _____ day of _____, 2024.

MARLON J. COLEMAN, MAYOR

ATTEST:

(SEAL)

TAMMY L. TRACY, City Clerk

APPROVED as to form and legality this ____ day of _____, 2024.

KATRINA BODENHAMER, City Attorney

Special City Council

6.

Meeting Date: 04/08/2024
Submitted For: Mike Miller, City Manager
Initiator: Judy Villalobos, Executive Assistant
Department: City Manager
Staff Information Source:

Information

AGENDA ITEM TITLE:

Discuss and provide direction to Staff on a potential future General Obligation Bond Program 2024, or take other necessary action. (Mike Miller)

BACKGROUND:

At the City Council Special Call meeting of April 25, 2023, the City Council gave direction to Staff to pursue the option of General Obligation Bonds for future funding of capital needs for the City of Muskogee. City Staff and representatives from The Public Finance Law Group PLLC, presented funding and scheduling options for a potential General Obligation Bond program in Muskogee for the Fall of 2023, at a Special Call Council meeting on May 22, 2023. Later in 2023, Council gave further direction to staff to prepare for an election in 2024. This item will kick off the public input phase of the bond program, preparing the council with information and feedback from the public before Council calls for an election.

RECOMMENDED ACTION:

provide direction to Staff.

Fiscal Impact

Attachments

No file(s) attached.

Special City Council

7.

Meeting Date: 04/08/2024
 Submitted For: Mark Wilkerson, Parks & Recreation
 Initiator: Rick Ewing, Assistant Director Parks & Recreation
 Department: Parks & Recreation
 Staff Information Source:

Information

AGENDA ITEM TITLE:

Consider approval to purchase a 2024 ALTEC Articulating Overcenter Aerial Lift Truck for the Forestry Division of the Parks & Recreation Department for the amount of \$223,952.00, utilizing cooperative purchase pricing under Sourcewell Contract #110421-ALT, or take other necessary action. (Mark Wilkerson)

BACKGROUND:

The current aerial lift truck in use by the Forestry Division of the Parks & Recreation Department was put into service in 1994. For 30 years this ALTEC brand unit has worked admirably in our forestry duties, our Garden of Lights endeavors, and many other unique responsibilities of the department as they arose. But this unit is now having serious operational and safety issues that continue to arise. It is now costing us a significant sum of money and lost man hours in productivity to keep this unit operational and safe. In fiscal 2023-24, a new unit was budgeted but the waiting list for delivery of trucks is between one and two years. A forestry company from Muncie, Indiana canceled an order with ALTEC, who contacted the Parks Department to make them aware of an available unit. This unit (ALTEC model LR8-60E70RM) is the same working height as the existing ALTEC unit used by the Forestry Division. The chassis (Freightliner M2-106) is the same truck currently in service in the Sanitation Division and the Fleet Department already has personnel experienced on these trucks and parts for maintenance & service are already in stock. The unit is offered to the City of Muskogee under Sourcewell Contract #110421-ALT and the purchase has been endorsed by Fleet Director Robert Swepston. The purchase amount is funded in account 213-7520-452.64-10.

RECOMMENDED ACTION:

Recommend approval to purchase this ALTEC Model LR8-60E70RM Articulating Overcenter Aerial Truck from ALTEC Industries, Inc. for the amount of \$223,952.00.

Fiscal Impact

FUNDING SOURCE:

Recommend approval to purchase the ALTEC Model LR8-60E70RM Articulating Overcenter Aerial Truck from ALTEC Industries, Inc. for the amount of \$223,952.00

Attachments

- Bucket Truck Sourcewell Contract
- Bucket Truck #1
- Bucket Truck #2



Quote Number: 1585591
 Opportunity Number: 24101154
 Sourcewell Contract #: 110421-ALT
 Date: 3/19/2024

Quoted for: City of Muskogee
Customer Contact:
Phone: / Email:

Quoted by: James Rizer
Phone: / Email:
Altec Account Manager: Matt Griffin

REFERENCE ALTEC MODEL		Sourcewell Price
LR860-E70	Overcenter Articulating Aerial Device (Insulated)	\$261,298

(A.) SOURCEWELL OPTIONS ON CONTRACT (Unit)

1	LR860E70-US70RM	Overcenter Articulating Aerial Device Rear Mount (ROEC required for this option only)	\$3,572
2	LR860E70-ROEC	Rear outriggers and elevator cage MUST Quote items for US70RM	\$5,286
3	LR860E70-EDC1	Secondary Stowage System	\$1,367
4			

(A1.) SOURCEWELL OPTIONS ON CONTRACT (General)

1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
SOURCEWELL OPTIONS TOTAL:			\$271,523

(B.) OPEN MARKET ITEMS (Customer Requested)

1	UNIT	Lanyard interlock system, Upper & Lower boom out of stow indicators	\$6,846
2	UNIT & HYDRAULIC ACC		\$0
3	BODY	Contract Body	-\$11,145
4	BODY & CHASSIS ACC		\$0
5	ELECTRICAL	Boom out of stow alarm, proximity switches for boom out of stow indicators	\$1,247
6	FINISHING		\$0
7	CHASSIS	2024 M2-106 4x2 chassis	-\$17,754
8	OTHER	Altec model year adjustment	-\$29,488
OPEN MARKET OPTIONS TOTAL:			-\$50,294

SUB-TOTAL FOR UNIT/BODY/CHASSIS: \$221,229.00
Delivery to Customer: \$4,481.00
Extended Warranty:
TOTAL FOR UNIT/BODY/CHASSIS: \$225,710.00

(C.) ADDITIONAL ITEMS (items are not included in total above)

1			
2			
3			
4			

****Pricing valid for 45 days****

NOTES

PRICING: Altec will make every effort to honor this quotation, subject to the following provisions. Prices for equipment with production start dates 12 months and beyond are budgetary only due to irregular cost inflation and market volatility. These prices will be reviewed based on market conditions and confirmed closer to the production date. Quotes and orders with chassis model year beyond the current open order bank, should be considered estimates only. Altec's turn-key pricing is subject to change in accordance with chassis pricing received from the OEM. Chassis model year, specifications and price will be reviewed and confirmed when specific model year information becomes available from the OEM and that chassis price difference will be passed through to the customer.

PAINT COLOR: White to match chassis, unless otherwise specified

WARRANTY: Standard Altec Warranty for Aerials and Derricks - One (1) year parts warranty One (1) year labor warranty Ninety (90) days

TO ORDER: To order, please contact the Altec Account Manager listed above.

CHASSIS: Per Altec Commercial Standard

DELIVERY: No later than _____ months ARO, FOB Customer Location

TERMS: Net 30 days

BEST VALUE: Altec boasts the following "Best Value" features: Altec ISO Grip Controls for Extra Protection, Only Lifetime Warranty on Structural Components in Industry, Largest Service Network in Industry (Domestic and Overseas), Altec SENTRY Web/CD Based Training, Dedicated/Direct Gov't Sales Manager, In-Service Training with Every Order.

TRADE-IN: Please ask your Altec Account Manager for more information

BUILD LOCATION: Creedmoor, NC







Special City Council

8.

Meeting Date: 04/08/2024
Initiator: Katrina Bodenhamer, City Attorney
Department: City Attorney
Staff Information Source:

Information

AGENDA ITEM TITLE:

Discuss and provide direction to staff regarding the revised Industrial Development Contract with the Port of Muskogee for fiscal year 2024-2025, and take other necessary action. (Mayor Marlon J. Coleman)

BACKGROUND:

The current contract with the Port of Muskogee expires on June 30, 2024, and a new contract needs to be negotiated for fiscal year 2024-2025, with direction provided to staff.

RECOMMENDED ACTION:

Discuss and provide direction to staff.

Fiscal Impact

Attachments

No file(s) attached.

Special City Council

9.

Meeting Date: 04/08/2024
Initiator: Katrina Bodenhamer, City Attorney
Department: City Attorney
Staff Information Source:

Information

AGENDA ITEM TITLE:

Discuss human trafficking and the dropping off of homeless people in Muskogee, and consider establishing a committee to address these issues, and provide further direction to staff, or take other necessary action. (Mayor Marlon J. Coleman)

BACKGROUND:

Mayor Coleman would like to discuss with City Council the issues of human trafficking and the dropping off of homeless people in the City of Muskogee. Other cities and persons who drop off homeless people are sometimes involved in the human trafficking of a vulnerable population, and the City of Muskogee needs to address these issues. A committee should be established to investigate this situation, and staff will need to be directed to do further research as to enacting City ordinances that address the issue.

RECOMMENDED ACTION:

Hold a discussion, establish a committee and provide further direction to staff.

Fiscal Impact

Attachments

No file(s) attached.

Special City Council

10.

Meeting Date: 04/08/2024
Submitted For: Katrina Bodenhamer, City Attorney
Initiator: Katrina Bodenhamer, City Attorney
Department: City Attorney
Staff Information Source:

Information

AGENDA ITEM TITLE:

Discuss assisting residents who are descendants of those interred in the Historic Black Cemetery, cleaning the cemetery, and consider establishing a committee, or take other necessary action. (Mayor Marlon J. Coleman)

BACKGROUND:

Mayor Coleman would like to discuss with City Council the establishment of a committee to assist residents who are descendants of those buried in the historic black cemetery, and explore ways to clean the cemetery.

RECOMMENDED ACTION:

Hold a discussion and establish a committee.

Fiscal Impact

Attachments

No file(s) attached.

Special City Council

11.

Meeting Date: 04/08/2024
Submitted For: Katrina Bodenhamer, City Attorney
Initiator: Katrina Bodenhamer, City Attorney
Department: City Attorney
Staff Information Source:

Information

AGENDA ITEM TITLE:

Discuss and give possible direction to staff on dedicating a portion of future special project funds for museum operations, or take other necessary action. (Mayor Marlon Coleman)

BACKGROUND:

Mayor Coleman would like to discuss with council the possibility of giving direction to staff to dedicate future special project funds for museum operations.

RECOMMENDED ACTION:

Approve the funding

Fiscal Impact

Attachments

No file(s) attached.

Special City Council

12.

Meeting Date: 04/08/2024
Initiator: Jennifer Sharp, Admin II
Department: City Clerk
Staff Information Source:

Information

AGENDA ITEM TITLE:

Consider approval of the appointment of Deputy Mayor Derrick Reed to the Eastern Oklahoma Development District Board (EODD) to fill the unexpired term of Councilor Perline Boyattia-Craig, beginning April 1, 2024, and expiring on June 30, 2025, or take other necessary action. (Mayor Marlon J. Coleman)

BACKGROUND:

Councilor Perline Boyattia-Craig served in this position. However, with her departure from Council, it has created a vacancy.

RECOMMENDED ACTION:

Approve the appointment of Deputy Mayor Derrick Reed to the EODD Board.

Fiscal Impact

Attachments

No file(s) attached.
