

CITY OF CUSHING  
ORDINANCE NO. 3-19-18-02

AN ORDINANCE CREATING INCREMENT DISTRICT NO. 1, CITY OF CUSHING; ESTABLISHING BOUNDARIES OF THE DISTRICT AND APPROVING THE PROJECT PLAN AS RECOMMENDED BY THE LOCAL REVIEW COMMITTEE; PROVIDING FOR INCREASES IN THE AD VALOREM AND BUSINESS PERSONAL PROPERTY TAXES OVER THE CURRENT BASE AMOUNT AS CERTIFIED BY THE PAYNE COUNTY ASSESSORS OFFICE TO BE USED FOR PERIOD NOT TO EXCEED TWENTY-FIVE YEARS FOR FINANCING SAID IMPROVEMENTS; AND, DECLARING AN EMERGENCY.

WHEREAS, pursuant to the provisions of the Local Development Act, 62 O.S., 850 et seq. ("the Act"), the City Commission for the City of Cushing, Oklahoma ("Governing Body"), approved proceeding with the steps necessary for the creation of Increment District No. 1 ("TIF District") and the formation of a Local Review Committee to review and make recommendations concerning the Tax Increment District Project Plan ("Initial Project Plan") pursuant to Resolution No. 55-2017 passed and approved December 18, 2017; and

WHEREAS, the membership of the Local Review Committee is comprised of the following individuals: a representative of the Governing Body, a representative of the Planning Commission of the City of Cushing, Oklahoma, representatives of each taxing jurisdiction within the proposed district such being Cushing Public Schools, Central Technology Center, and Payne County, whose taxes might be impacted according to the Project Plan, and three representatives of the public at large, all as required pursuant to 62 O.S. § 855(A); and

WHEREAS, the Local Review Committee has the statutory duty to consider and make its findings and recommendations to the Governing Body with respect to the conditions establishing the eligibility of the proposed TIF District and the appropriateness of the approval of the Initial Project Plan, as well-as to report its findings to the Governing Body in regard to the financial impact on the taxing jurisdictions within which the proposed TIF District is located; and

WHEREAS, Article 10, Section 6(C) of the Oklahoma Constitution and its enabling legislation, known as the Local Development Act, provides that the Governing Body may specifically use local taxes, in whole or in part, for specific public and private investments and improvements for reinvestment areas that are unproductive, undeveloped, underdeveloped or blighted; and

WHEREAS, the City of Cushing, Oklahoma, presented to the Review Committee an Initial Project Plan for the creation of the TIF District, and said Local Review Committee has made recommendations to establish the TIF District boundaries as presented in the project plan and as more particularly described in Exhibit "A" attached hereto (City of Cushing Tax Increment District No. 1, Cushing Downtown "Project Plan"), wherein certain projects, as recommended by the Local Review Committee, are contemplated to be financed from public sources, including apportionment of ad valorem and business personal property tax increments from the TIF District, to be established in connection with the Project; and finding that the TIF Project Area is located within a "Reinvestment Area" as defined in 62 O.S. § 853 (17) in that the proposed public improvements would serve as a catalyst for retaining or expanding employment, would attract major investment in the area or preserve or enhance the tax base; and

WHEREAS, the Local Review Committee considered the financial impacts of the Project Plan on each taxing jurisdiction and has found that no adverse impact will result from the adoption of the Project Plan, and with the addition of electrical utilities to the reimbursement categories recommended approval of the project plan described therein, and identified the economic benefits of the development for such jurisdictions and the community as a whole; and

WHEREAS, the District supports the achievement of the development and redevelopment objectives of the City of Cushing, Oklahoma, to attract major investment in the area, preserve and enhance the tax base and make possible investment, development, and economic growth which would otherwise be difficult; and

WHEREAS, the improvements in the District area are likely to enhance the value of other real property in the area and promote the general interest; and

WHEREAS, the TIF District and the Project Plan is in conformance with the objectives and intent of the Cushing Zoning Code and Comprehensive Plan as reviewed and recommended by the Cushing, Oklahoma, Planning Commission on February 18, 2018; and,

WHEREAS, the development of roadways, public utilities to include electric, sanitary sewer and water line extensions, the combined elements of retail establishments, office facilities, hospitality facilities, residential and multi-family uses, recreation and entertainment venues, environmental resolutions/mitigations, earthquake damage restoration, streetscapes and aesthetic features as outlined in the TIF Project Plan is necessary for proposed development to take place within the district boundaries and is necessary within the TIF District to accomplish the following objectives:

- (a) provides the area with the stability and market potential necessary for continued development;
- (b) provides the market base for retail, restaurant, and entertainment facilities; and

WHEREAS, without the development of the TIF District the area would continue to decline and thereby producing little or no economic growth value to the City of Cushing, Oklahoma, or taxing entities; and

WHEREAS, investment, development and economic growth would be difficult in the area of the TIF District but is possible with tax apportionment financing for certain improvements within the TIF District; and

WHEREAS, the City Commission has taken care to exclude the use of tax increment financing in those areas where investment, development and economic growth would have occurred anyway; and

WHEREAS, the Local Review Committee has determined that the TIF District does not create boundaries which dissects any similar area or create an unfair competitive advantage; and

WHEREAS, the aggregate net assessed value of the taxable property in all districts as determined pursuant to 62 O.S. §862 within the City of Cushing does not exceed thirty five percent (35%) of the total net assessed value of taxable property within the City of Cushing, nor does it exceed twenty five percent (25%) of the total net assessed value of any affected school district within the City of Cushing, nor does the land area of this district and all other districts within the City of Cushing exceed twenty five percent (25%) of the total land area within the City of Cushing; and

WHEREAS, the Final Project Plan as recommended by the Local Review Committee contemplates a total increase in the ad valorem appraised tax base to the relevant taxing jurisdictions in the approximate amount of \$60,802,424.00 and the business personal property tax base of \$490,362.00 at the end of the proposed twenty-five (25) year deferral of ad valorem and business personal property tax increases in the TIF District; and

WHEREAS, the Final Project Plan contemplates that the aforementioned yearly benefit amount represents an increased ad valorem tax benefit to relevant taxing jurisdictions in an approximate amount of \$369,770.00 and business personal property tax of \$15,552.00 at the end of the life of the TIF District; and

WHEREAS, the City of Cushing has provided published notice and conducted public hearings on the proposed City of Cushing Tax Increment District No. 1 on March 6, 2018, and March 19, 2018, pursuant to the provisions and requirements of the Local Development Act; and

WHEREAS, The Local Review Committee recommended that the governing body approve the TIF Project Plan with the recommendations of the Review Committee and designate and adopt the boundaries as set forth in the project plan as the City of Cushing Tax Increment District No. 1, said designation and approval to be conducted in the manner set forth in the Local Development Act, 62 O.S. § 850 *et seq.*; and

WHEREAS, The Commission of the City of Cushing finds that the recommendations of the Local Review Committee should be followed and that the scope and cost of improvements and TIF Project Plan should conform to such recommendations; and

WHEREAS, it is in the best interest of the City of Cushing and its citizens to approve the Project Plan as amended hereby and to establish the proposed Tax Increment Finance District;

NOW, THEREFORE, BE IT ORDAINED by the Board of Commissioners of the City of Cushing, Oklahoma, as follows:

Section 1. That all of the recitals above are hereby adopted as specific findings of the City Commission.

Section 2. That the guidelines specified in Section 852 of the Local Development Act have been and shall be followed in relation to the City of Cushing Tax Increment District No. 1 and the Project plan (as modified hereby), said modification have been included in Exhibit "A" attached hereto.

Section 3. The Project Plan is hereby adopted and approved, as recommended by the Planning Commission and the Review Committee. As used herein "City of Cushing Tax Increment District No. 1, Cushing Downtown Project Plan" or "Project Plan" shall mean the document dated March 19, 2018, comprised of eleven (11) pages of text, four (4) exhibits labeled Exhibits A, B, C, and D, and titled "City of Cushing Tax Increment District No. 1—Cushing Downtown Project Plan."

Section 4. For identification purposes, the name of the increment district shall be "City of Cushing Increment District No. 1." Any such references to TIF District 1, or Cushing Tax Increment District 1, or Downtown TIF or any other combinations thereof shall refer to City of Cushing Increment District No. 1.

Section 5. City of Cushing Increment District No. 1, is hereby created as of the date of the adoption of this ordinance.

Section 6. That the TIF Project Area as hereinafter set forth is within an area requiring public improvements to reverse economic stagnation or decline, to serve as a catalyst for retaining or expanding employment, to attract major investment in the area or to preserve or enhance the tax base. Therefore, the proposed Project Area qualifies as a "reinvestment area" pursuant to Section 852 of the Local Development Act and is eligible for designation as a tax increment district.

Section 7. All actions taken and recommendations and findings made in connection with the Project Plan by the Planning Commission and Review Committee are hereby ratified and confirmed.

Section 8. That the final Project Plan is feasible and conforms to the Comprehensive Plan of the City of Cushing, Oklahoma.

Section 9. The boundaries of the project and the boundaries of the City of Cushing Increment District No. 1 are shown in Exhibit "A" of the Project Plan and are hereby designated and adopted as follows:

An area Beginning at the NE Corner of Section 4, T17N, R5E of the Indian Base and Meridian, Payne County, Oklahoma thence south approximately 240 feet to the point of beginning said point being located on the SW corner of the intersection of State Highway 33 and State Highway 18 also known as the intersection of the Cushing East Main Street and North Little Street; Thence West along the south boundary of the East Main Street Right of Way and continuing along the West Main Right of Way for approximately total distance of 3927 feet to the west right of way line of North Violet Avenue; Thence south along the west boundary of the North Violet Avenue right of way for 1990 feet to the south right of way boundary of West Cherry Street; Thence Southeasterly along the south boundary of West Cherry Street right of way for 520 feet to a point that Cherry Street turns due east; Thence continuing east along the South boundary of the Cherry Street Right of Way for 3650 feet to the SE Corner of East Cherry Street and South Little Avenue; Thence north along the east boundary of the South Little Avenue Right of Way for 780 feet to the north Right of Way boundary of East Moses Street; Thence east along the north boundary of East Moses Street for 350 feet to the east Right of Way boundary of North Hough Avenue; Thence north along the east Right of Way of North Hough Avenue for 1460 feet to the south boundary of the East Main Street Right of Way; Thence west along the south boundary of the East Main Street Right of Way for 350 feet to the point of beginning.

Section 10. The City is authorized to carry out and administer the provisions of the Project Plan and to exercise all powers necessary or appropriate thereto pursuant to the Local Development AC, 62 O.S. §854; and the City reserves the power to make minor amendments to the Project Plan in accordance with the Local Development AC, 62 O.S. §858 (D). Changes in project costs incurred do not require an amendment.

Section 11. The following Project Plan and City of Cushing Increment District No. 1 authorizations are hereby approved:

- (a) The City of Cushing is designated as the entity principally responsible for implementation and administration of the provisions of the Project Plan, in accordance with the provisions, authorization, and respective delegations of responsibilities contained herein or hereafter authorized pursuant to the Project Plan.
- (b) Terry Brannon, City Manager, his successor in office or the City Manager's designee shall be the person in charge of implementation of the Project Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained in the Project Plan. The City Manager, his successor in office, or the City Manager's designee is authorized to empower one or more designees to exercise responsibilities in connection with project implementation.

Section 12. Pursuant to provisions of the Oklahoma Constitution and the Local Development Act, Increment District No. 1 shall continue for a period of (a) twenty-five years or (b) the total amount of proposed funding is achieved, whichever is first.

Section 13. If any section, subsection, sentence, clause, phrase or portion of this ordinance or Project Plan is for any reason held invalid or unconstitutional, such portion shall not affect the validity of the remaining portions of this ordinance or Project Plan.

Section 14. That for the preservation of the public health, peace and safety, an emergency is hereby declared to exist by reason whereof this ordinance shall be in full force and effect from and after its passage, approval and publication.

PASSED AND APPROVED this 19<sup>th</sup> day of March 2018.

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Don Amon, Chairman  
Board of Commissioners

Attest:

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Tracie Rose, Deputy City Clerk

Approved as to form:

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Jonathan Huseman, City Attorney

Exhibit "A"

**City of Cushing**

**Tax Increment District No. 1  
Cushing Downtown**

**Project Plan**