

ALVA ARENA ECONOMIC DEVELOPMENT PROJECT PLAN

A JOINT PROJECT OF:

THE CITY OF ALVA
WOODS COUNTY

IN COOPERATION WITH:

ALVA ARENA AUTHORITY
WOODS COUNTY ECONOMIC DEVELOPMENT COMMITTEE

WITH THE ASSISTANCE OF:

SONJA M. WILLIAMS – EXECUTIVE DIRECTOR, WOODS COUNTY ECONOMIC DEVELOPMENT COMMITTEE
TODD HOLDER – TRUSTEE/TREASURER, ALVA ARENA AUTHORITY

AND:



CENTER FOR ECONOMIC
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ALVA ARENA ECONOMIC DEVELOPMENT PROJECT PLAN

I. DESCRIPTION OF PROJECT

The City Council of the City of Alva and the Board of County Commissioners of Woods County seek to promote the development of the Alva Regional Multi-Purpose Facility (“Arena”) to enhance and recruit business and tourism to the region. The proposed Arena will be designed to host a wide array of shows, events, exhibitions, sporting events, concerts, and meetings, and will consist of an 85,000-sq. ft. arena for main events, a 31,000-sq. ft. exhibition hall, a 35,000-sq. ft. exposition/livestock building, an additional 52,000-sq. ft. covered arena, and a 50,000-sq. ft. stall barn and connector. The goals of the Arena will be to comfortably achieve a permanent seating capacity of 1,100 people along with an additional 900 in potential portable seating and up to 2,500 seating potential on the arena floor.

With a population of approximately 9,000 people, Woods County and its seat, the City of Alva, is located in northwestern Oklahoma adjacent to the Kansas border. No facilities similar to the proposed Arena exist within a close proximity to the City of Alva. A study commissioned by the City of Alva and conducted by Oklahoma State University’s Spears School of Business has shown a high likelihood of a facility like the Arena drawing attendees for certain events from upwards of 100 miles and have significant economic impacts on the community. A key component of ensuring the Arena’s potential success includes fostering ancillary, complementary development nearby and relationships with existing businesses to capitalize on the tourism potential—especially lodging establishments and restaurants. With this project, Woods County and the City of Alva will be able to ensure the Arena is constructed and that the infrastructure and market capacity needs are adequate to support the Arena’s operations.

II. BOUNDARIES OF PROJECT AREA AND INCREMENT DISTRICT

The Project Area is the area in which Project activities will take place and Project Costs will be incurred. The Project Area can be generally described as the area extending roughly 1 mile north and 0.5 mile south of U.S. Highway 64 from Noble Street to about 0.5 mile west of County Road 470, as well as all four quarter sections bordering the intersection of County Road 430 and Harper Road, just to the west/northwest of the Alva Municipal Airport. The legal description of the Project Area is contained on Exhibit A. The Increment District is designated Joint Increment District No. 1, City of Alva and Woods County, and will generate the revenues to assist in paying or financing eligible Project Costs. The Increment District can be generally described as the area extending roughly 1 mile north and 0.5 mile south of U.S. Highway 64 from Noble Street to County Road 470. The legal description of the Increment District is contained on Exhibit B. The boundaries of the Project Area and Increment District are illustrated on Exhibit C. In accordance with the legislative guideline found in 62 O.S. §852(2), areas where investment, development, and economic growth would occur anyway have been excluded.

III. ELIGIBILITY OF PROJECT AREA

The Project Area qualifies as an enterprise area, as defined by 62 O.S. § 853(6), because it lies within an enterprise zone designated by the Oklahoma Department of Commerce.

IV. OBJECTIVES

The principal objectives of the Project and the Increment District are:

- A. To give the Alva Arena Authority (“AAA”) resources that will allow it to finance and secure additional funding for the construction of the Project;
- B. To reverse economic decline, to serve as a catalyst for expanding tourism to the region, to gain employment opportunities, and to attract major investment in the area;
- C. To enhance the tax base and make possible investment, development, and economic growth that would otherwise be difficult without the Project and the apportionment of incremental tax revenues;
- D. To promote economic development, to increase tax revenues, raise property values, and improve economic stability; and
- E. To stimulate private commitments to invest in the Project and elsewhere within the Increment District.

V. STATEMENT OF PRINCIPAL ACTIONS

Implementation actions for the Project, including all necessary, appropriate and supportive steps will consist principally of the following, to be undertaken primarily by the AAA:

- A. Project planning, design, and approval;
- B. Coordination and cooperation between the City of Alva (“City”), Woods County (“County”), and the appropriate private foundations for joint and/or coordinated endeavors under this Project Plan, including through appropriate interlocal agreements;
- C. Public infrastructure improvements;
- D. Preparation of development sites, including by grading, constructing building pads, and providing utilities and infrastructure; and
- E. Negotiation of development agreements, leases, and other contracts under which development commitments will be secured in exchange for the public investments.

VI. ESTABLISHMENT OF THE INCREMENT DISTRICTS

- A. This Project Plan creates Joint Increment District No. 1, City of Alva and Woods County, an ad valorem and sales tax increment district (“Increment District”).
- B. The ad valorem increment is the portion of ad valorem taxes in excess of the amount of that portion of the ad valorem taxes produced by the levy at the rate fixed each year by or for each ad valorem taxing entity upon the base assessed value of the Increment District.
- C. The sales tax increment is a portion of the City’s sales taxes collected each year that are generated by the Project, as reasonably determined by a formula to be approved by the Alva City Council.

D. The ad valorem and sales tax increment may be apportioned to pay Project Costs authorized by Section VIII of this Project Plan for a period not to exceed twenty-five (25) fiscal years from the effective date of the Increment District, as provided by law, or the period required for payment of the Project Costs authorized by Section VIII, whichever is less.

E. During the period of apportionment, the apportionment fund: (1) shall be available to pay Project Costs under Section VIII; (2) shall constitute special funds of AAA; and (3) shall not be subject to annual appropriation as a part of the general funds of the City or County.

VII. PROJECT AND INCREMENT DISTRICT AUTHORIZATIONS

A. AAA is designated and authorized as the principal public entity to carry out and administer the provisions of this Project Plan and to exercise all powers necessary or appropriate thereto as provided in the Local Development Act, 62 O.S. § 854. AAA, or another public entity designated by the City and County, is authorized and designated to carry out those provisions of the Project related to issuance of bonds or notes as provided in 62 O.S. §§ 854(B) and 863 of the Local Development Act, subject to approval of the governing body of the City and County of any specific notes or bonds. Such public entity of the City and County is authorized to assist in carrying out this Project Plan and to exercise all powers necessary or appropriate thereto pursuant to Sections 854, Title 62 of the Oklahoma Statutes, except for approval of this Project Plan and those powers enumerated in paragraphs 1, 2, 3, 4, 7, 13 and 16 of Section 854, Title 62. As a public entity designated by the City and County, AAA, or another public entity designated by the City and County, is authorized to: (1) issue tax apportionment bonds or notes, or both; (2) incur Project Costs, pursuant to Section VIII of this Project Plan; (3) provide funds to or reimburse the City or the County for the payment of Project Costs and other costs incurred in support of the implementation of the Project; and (4) incur the cost of issuance of bonds for payment of such costs and to accumulate appropriate reserves, if any, in connection with them. Project Costs shall mean (a) the public costs authorized to be paid by apportioned tax increments pursuant to Section VIII of this Project Plan, and (b) costs necessary or appropriate to implement this Project Plan other than costs authorized by Section VIII, which may be authorized without amendment to this Project Plan.

B. Both the City and the County are authorized and designated as additional public entities to assist in carrying out the provisions of this Project Plan and to incur Project Costs with respect to Project improvements. Any Project Costs incurred by the City or the County will be reimbursed by AAA.

C. The Chairman of AAA, Gregg Glass, his successor in office, or his designee shall be the person in charge of implementation of the Project Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained in this Project Plan. The Chairman of AAA, his successor in office, or his designee is authorized to empower one or more designees to exercise responsibilities in connection with Project implementation.

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

A. Project Costs.

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

Public Improvements and Infrastructure	\$	1,500,000
Development Financing Assistance	\$	10,000,000
Project Implementation and Contingency	\$	<u>500,000</u>
TOTAL	\$	12,000,000

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

B. Specific Revenue Source for Ad Valorem Taxing Jurisdictions.

Twenty percent (20%) of the ad valorem increment from the Increment District shall be apportioned to the ad valorem taxing jurisdictions on an ongoing basis as a specific revenue source for public entities in the area, in accordance with Article X, § 6C of the Oklahoma Constitution and 62 O.S. § 853(9) of the Act, in proportion to each taxing entity's operational mill levy.

C. Additional Costs.

Additional costs necessary or appropriate to implement this Project Plan that are to be financed by other than apportioned tax increments may be approved by AAA, the City, or the County at any time. The provisions of this Section VIII are not a limitation on Project Costs to be financed by other than apportioned tax increments.

IX. FINANCING REVENUE SOURCES

A. Financing Authorizations.

The implementation of the Project Plan shall be financed in accordance with financial authorizations, including both fund and asset transfers, authorized from time to time by AAA.

B. Financing Revenue Sources.

The revenue sources expected to finance Project Costs authorized by Section VIII are the portion of the increments attributable to investment and development within the Increment District. Project Costs will be paid by AAA, the City, and/or the County.

C. Financial Reports and Audits.

The development activities undertaken by AAA pursuant to this Project Plan shall be accounted for and reported by the appropriate and necessary annual fiscal year audits and reports.

D. Other Necessary and Supporting Costs.

AAA, or another public entity designated by the City and County pursuant to Section VII, is authorized to issue bonds and notes and to apply for and obtain grants from other sources for costs incurred or to be incurred in connection with the project and the construction of improvements therein in addition to Project Costs to be financed pursuant to Section VIII.

X. PRIVATE AND PUBLIC INVESTMENTS EXPECTED FOR THE PROJECT

A. Private and Public Investments Expected from the Project.

The total estimated private investment is approximately \$30 million, in addition to an estimated \$20 million in aggregate public investment. Private investment in the area is expected to consist of business and commercial development. Public investment will include the Arena, infrastructure improvements, and development financing assistance on appropriate private projects.

B. Public Revenue Estimated to Accrue from the Project.

The estimated increase in tax increment revenues—including ad valorem and sales tax increment revenues—which will serve as the revenue source for financing the Project Costs authorized by Section VIII, is the public revenue directly attributable to the Project defined by establishment of the Increment District. The City, the County, and the State will experience increases in tax revenues that are not a part of the increment. Ad valorem taxing entities will experience additional revenues from increasing values near and adjacent to the Project.

Incremental tax revenues are estimated to range between \$148,000 annually in the near term and \$500,000 annually over the longer term. The anticipated development will not result in a measurable increase in demand for services by or in costs to the affected taxing entities, aside from ongoing operational and maintenance costs for the Arena. The public revenue anticipated includes increased tax revenue both inside and outside the Increment District. The economic benefits of the Project Plan for the City, Woods County and the other affected taxing jurisdictions indicate positive financial impacts for the community as a whole. The aggregate impacts on the City and the County from implementation of the Project Plan are positive and include the achievement of the objectives set forth in Section IV.

XI. FINANCING PLAN

The proposed public and private developments will generate tax increments necessary to pay authorized public costs of the Project.

XII. LAND USE

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

XIII. MISCELLANEOUS PROVISIONS

No changes in zoning are anticipated to be necessary to accommodate this Project. This Project Plan complies with the objectives and priorities of the City's Comprehensive Plan and the general objectives and priorities of the County.

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EXHIBIT A:
PROJECT AREA LEGAL DESCRIPTION

All of Section 19 Township 27 North Range 13 West; and the Northwest Quarter (NW 1/4) of Section 20 Township 27 North Range 13 West; and the Northwest Quarter (NW 1/4) of Section 29 Township 27 North Range 13 West; and the North Half (N 1/2) of Section 30 Township 27 North Range 13 West; and the East Half (E 1/2) of Section 24 Township 27 North Range 14 West; and the Northeast Quarter (NE 1/4) of Section 25 Township 27 North Range 14 West; and the Southwest Quarter (SW 1/4) of Section 26 Township 27 North Range 14 West; and the Southeast Quarter (SE 1/4) of Section 27 Township 27 North Range 14 West; and the Northeast Quarter (NE 1/4) of Section 34 Township 27 North Range 14 West; and the Northwest Quarter (NW 1/4) of Section 35 Township 27 North Range 14 West.

S19-T27N-R13W; NW 1/4 S20-T27N-R13W; NW 1/4 S29-T27N-R13W; N 1/2 S30-T27-R13W; E 1/2 S24-T27N-R14W; NE 1/4 S25-T27N-R14W; SE 1/4 S26-T27N-R14W; SE 1/4 S27-T27N-R14W; NE 1/4 S34-T27N-R14W; and NW 1/4 S35-T27N-R14W

EXHIBIT B:
INCREMENT DISTRICT LEGAL DESCRIPTION

Joint Increment District No. 1, City of Alva and Woods County

All of Section 19 Township 27 North Range 13 West; and all of Section 20 Township 27 North Range 13 West; and the North Half (N 1/2) of Section 29 Township 27 North Range 13 West; and the North Half (N 1/2) of Section 30 Township 27 North Range 13 West; and the East Half (E 1/2) of Section 24 Township 27 North Range 14 West; and the Northeast Quarter (NE 1/4) of Section 25 Township 27 North Range 14 West.

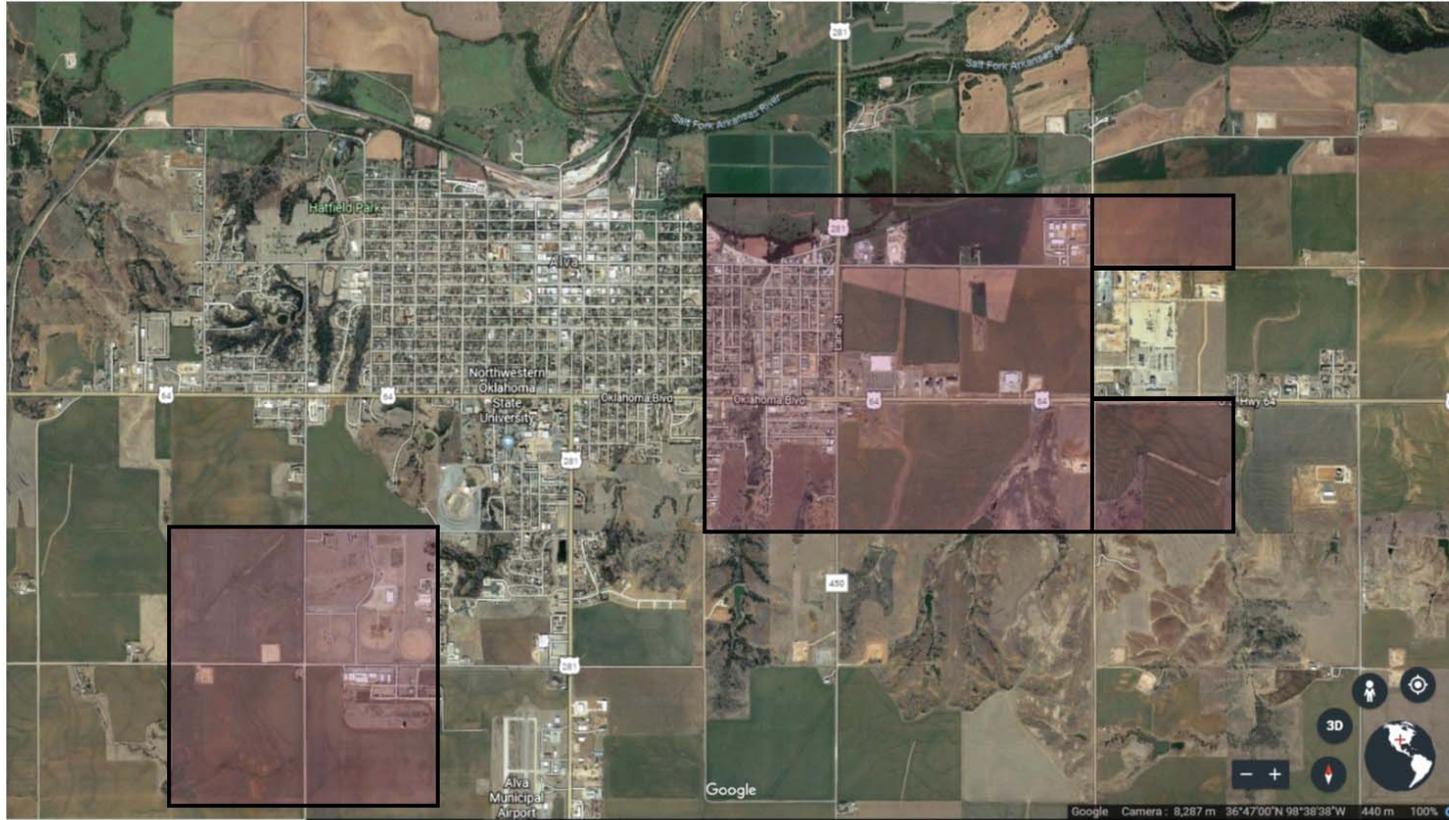
S19-T27N-R13W; S20-T27N-R13W; N 1/2 S29-T27-R13W; N 1/2 S30-T27N-R13W; E 1/2 S24-T27N-R14W; and NE 1/4 S25-T27N-R14W

EXHIBIT C:
PROJECT AREA AND INCREMENT DISTRICT ILLUSTRATION

[See following pages]

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 Proposed Project Area



 Proposed Increment District

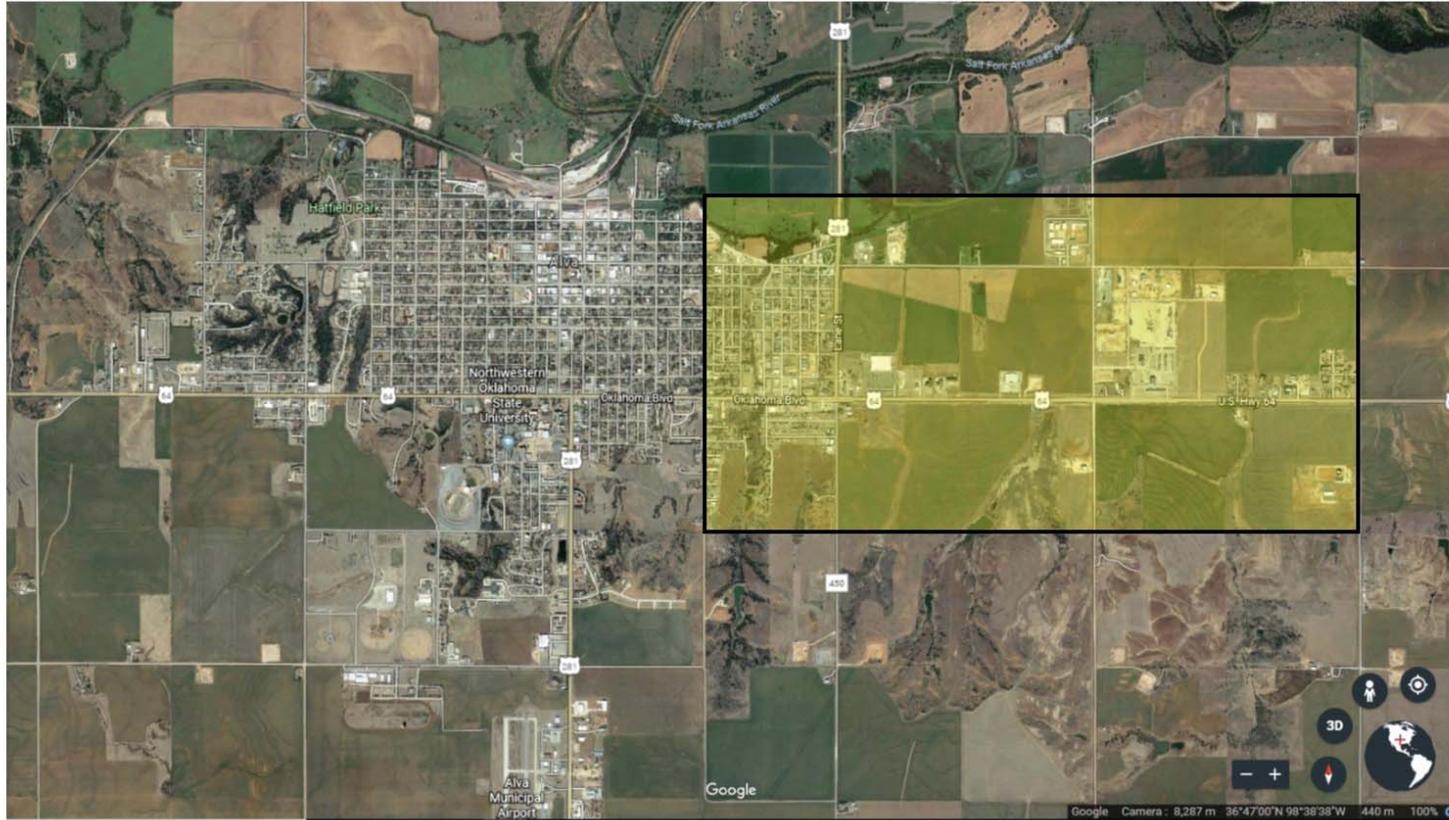


EXHIBIT D:
CURRENT LAND USE ILLUSTRATION

[See following page]

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Project Area—Current Use

- Agricultural
- Industrial
- Residential
- Commercial

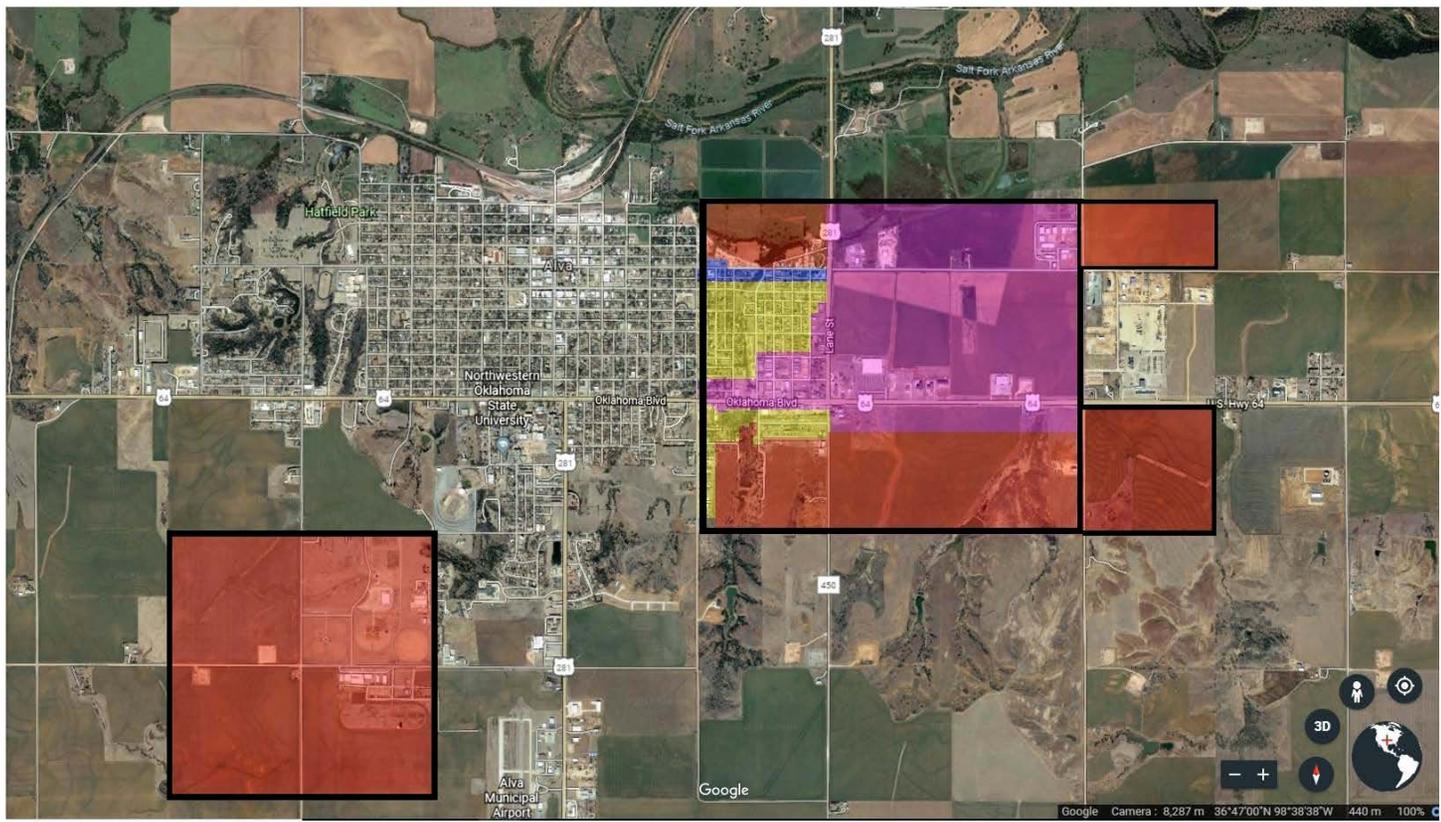


EXHIBIT E:
FUTURE LAND USE ILLUSTRATION

[See following page]

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Project Area—Future Land Use

Multi-Purpose Facility

Future Commercial Development

