

SAPULPA DEVELOPMENT AUTHORITY MEETING
CITY HALL - 425 EAST DEWEY AVENUE
COUNCIL CHAMBERS, 2ND FLOOR
7:00 P.M., MONDAY, MARCH 4, 2019

Notice is hereby given that the Mayor and Development Authority of the City of Sapulpa, Oklahoma, will meet in regular session at 7:00 p.m. on the 4th day of March, 2018 in the Council Chambers, Sapulpa City Hall, 425 E. Dewey Avenue, Sapulpa, Oklahoma, with the agenda for said meeting as follows:

- AGENDA -

1. **CALL TO ORDER.**
2. **ROLL CALL.**
3. **MINUTES.**
 - A. Consider approving the minutes of the June 18, 2018, Sapulpa Development Authority meeting.
4. **APPOINTMENTS, AWARDS, PRESENTATIONS, AND PROCLAMATIONS.**
5. **CONSENT ITEMS:** All matters under “Consent” are considered by the Development Authority to be routine and will be enacted by one motion. Any Development Authority member may, however, remove an item from consent by request.
6. **PUBLIC HEARINGS.**
7. **ADMINISTRATION.**
 - A. Discuss and possible action regarding a Resolution of the City of Sapulpa, Oklahoma, and the Sapulpa Development Authority, Sapulpa, Oklahoma amending the FY 2018-2019 annual budget by increasing revenues and appropriations in the Sapulpa Development Authority Fund by \$5,000.00 to recognize reimbursement revenue to provide funding for legal services related to TIF District #5.
 - B. Consider ratifying Ordinance #2811 adopting project plan related to Tax Increment District Number 5 and any other nessecary related documents.
8. **NEW BUSINESS.** (Items that were not known about at the time of posting the agenda.)

9. **INFORMATIONAL ITEMS FROM MAYOR, DEVELOPMENT
AUTHORITY, CITY MANAGER, OR CITY ATTORNEY.**

10. **ADJOURNMENT.**

Posted this 28th day of February, 2018 at or before 5:00 o'clock p.m., at the Sapulpa City Hall, 425 East Dewey, Sapulpa, Oklahoma.

Name: Mikaila Stepp

Title: *Administrative Assistant*



AGENDA ITEM

Sapulpa Development Authority

3.A.

Meeting Date: 03/04/2019

Submitted By: Shirley Burzio, City Clerk

Department: City Clerk

Presented By:

SUBJECT:

Consider approving the minutes of the June 18, 2018, Sapulpa Development Authority meeting.

BACKGROUND:

RECOMMENDATION:

Attachments

minutes.06-18-2018 sda

SAPULPA DEVELOPMENT AUTHORITY MEETING
TRUST PROCEEDINGS
Meeting of June 18, 2018

The Board of Trustees of the Sapulpa Development Authority met in regular session Monday, June 18, 2018, at 7:00 o'clock P.M. in the City Hall Council Chambers, 425 East Dewey Avenue, Sapulpa, Oklahoma.

Present: Reg Green, Chairman
Louis Martin, Jr., Vice-Chairman
John Anderson, Trustee
Bruce Bledsoe, Trustee
Marty Cummins, Trustee
Wes Galloway, Trustee
Hugo Naifeh, Trustee

Absent: Craig Henderson, Trustee
Charles Stephens, Trustee
Carla Stinnett, Trustee

Staff Present: Joan Riley, Trust Manager; Rick Rumsey, Assistant Trust Manager; Pam Vann, Trust Treasurer; David Widdoes, Trust Attorney; Shirley Burzio, Secretary

1. MINUTES AND ADMINISTRATION.

Motion was made by Vice-Chairman Louis Martin, seconded by Trustee Hugo Naifeh, to approve the following items of business:

- A.** Approve the minutes of the June 5, 2017, Sapulpa Development Authority meeting;
- B.** Approve the adoption of a Resolution of the Board of Trustees of the Sapulpa Development Authority, Sapulpa, Oklahoma, adopting and appending a budget for the Sapulpa Development Authority, Sapulpa, Oklahoma, for the year beginning July 1, 2018, and ending June 30, 2019. (Resolution No. 4535);
- C.** Approve the adoption of a resolution of the Sapulpa Development Authority, Sapulpa, Oklahoma, amending the FY 2017-2018 annual budget by increasing revenues and appropriations by \$5,000.00 to recognize reimbursement revenue to provide funding for legal services. (Resolution No. 4536);

- D. Approve an agreement for legal services with Hilborne and Weidman, P.C., as special counsel to assist creating a Tax Increment Financing District for the SeneGence International Midwest Business Park.

ROLL CALL: AYE-John Anderson, Bruce Bledsoe, Marty Cummins, Wes Galloway, Reg Green, Louis Martin, Hugo Naifeh. NAY-None. Motion carried 7-0.

2. **ADJOURNMENT.**

There being no further business to consider, motion was made by Vice-Chairman Louis Martin, seconded by Trustee John Anderson, to adjourn the meeting. Motion carried unanimously.

Chairman

Attest:

Secretary



AGENDA ITEM

Sapulpa Development Authority

5.

Meeting Date: 03/04/2019

Submitted By: Mikaila Stepp, Administrative Assistant

Department: City Manager

Presented By:

SUBJECT:

CONSENT ITEMS: All matters under "Consent" are considered by the Development Authority to be routine and will be enacted by one motion. Any Development Authority member may, however, remove an item from consent by request.

BACKGROUND:

RECOMMENDATION:



AGENDA ITEM

Sapulpa Development Authority

7.A.

Meeting Date: 03/04/2019

Submitted By: Pam Vann, Finance Director

Department: Finance

Presented By: Pam Vann

SUBJECT:

Discuss and possible action regarding a Resolution of the City of Sapulpa, Oklahoma, and the Sapulpa Development Authority, Sapulpa, Oklahoma amending the FY 2018-2019 annual budget by increasing revenues and appropriations in the Sapulpa Development Authority Fund by \$5,000.00 to recognize reimbursement revenue to provide funding for legal services related to TIF District #5.

BACKGROUND:

The Sapulpa Development Authority entered into a contract in the amount of \$40,000.00 with Hilborne & Weidman, P.C. to serve as Special Counsel in the forming of TIF District #5. This contract had a provision for the reimbursement of reasonable expenses incurred. Costs in the amount of \$5,000.00 were incurred for the financial calculations which results in a shortfall.

RECOMMENDATION:

Staff recommends approval of the Resolution.

Attachments

Sapulpa Development Authority Resolution 030419

Sapulpa Development Authority Budget Adjustment - 030419

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF SAPULPA, OKLAHOMA, AND THE SAPULPA DEVELOPMENT AUTHORITY, SAPULPA, OKLAHOMA AMENDING THE FY 2018-2019 ANNUAL BUDGET BY INCREASING REVENUES AND APPROPRIATIONS IN THE SAPULPA DEVELOPMENT AUTHORITY FUND BY \$5,000.00 TO RECOGNIZE REIMBURSEMENT REVENUE TO PROVIDE FUNDING FOR LEGAL SERVICES RELATING TO CREATION OF TIF DISTRICT #5.

WHEREAS, the Sapulpa Development Authority entered into a contract in the amount of \$40,000.00 with Hilborne & Weidman, P.C. to serve as Special Counsel in the forming of TIF District #5; and

WHEREAS, the contract had a provision for the reimbursement of reasonable expenses incurred by counsel which amounted to \$5,000.00 for financial calculations; and

WHEREAS, the Sapulpa Development Authority will be reimbursed for said costs by the developer,

WHEREAS, the reimbursement of expenses will result in a shortfall of \$5,000.00,

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Sapulpa, Oklahoma, and the Board of Trustees of the Sapulpa Development Authority, Sapulpa, Oklahoma, that the following budget amendments be made:

SAPULPA DEVELOPMENT AUTHORITY FUND

(Increase)	15-4086 Reimbursement Revenue	<u>\$5,000.00</u>
	Total Revenues Increase:	\$5,000.00
(Increase)	15-515-311 Professional Services	<u>\$5,000.00</u>
	Total Appropriations Increase:	\$5,000.00

PASSED BY THE CITY COUCIL FOR THE CITY OF SAPULPA AND SAPULPA DEVELOPMENT AUTHORITY, SAPULPA, OKLAHOMA and signed by the Mayor/Chairman this 4th day March 2019.

Reg Green, Mayor/Chairman

ATTEST:

Shirley Burzio, City Clerk/Trust Secretary

David Widdoes, City/Trust Attorney



AGENDA ITEM

Sapulpa Development Authority

7.B.

Meeting Date: 03/04/2019

Submitted By: Mikaila Stepp, Administrative Assistant

Department: City Manager

Presented By:

SUBJECT:

Consider ratifying Ordinance #2811 adopting project plan related to Tax Increment District Number 5 and any other nessecary related documents.

BACKGROUND:

RECOMMENDATION:

Attachments

Ordinance #2811

ORDINANCE NO. 2811

AN ORDINANCE APPROVING AND ADOPTING THAT CERTAIN PROJECT PLAN RELATING TO INCREMENT DISTRICT NUMBER FIVE, CITY OF SAPULPA, OKLAHOMA ("SENEGENCE INCREMENT DISTRICT") DATED NOVEMBER 14, 2018; RATIFYING AND CONFIRMING ACTIONS, RECOMMENDATIONS AND FINDINGS; ESTABLISHING "INCREMENT DISTRICT NUMBER FIVE, CITY OF SAPULPA, OKLAHOMA"; DESIGNATING AND ADOPTING PROJECT AREA AND INCREMENT DISTRICT BOUNDARIES; ADOPTING CERTAIN FINDINGS; APPORTIONING INCREMENTAL AD VALOREM REVENUES; CREATING THE SENEGENCE INCREMENT DISTRICT APPORTIONMENT FUND; DESIGNATING THE SAPULPA DEVELOPMENT AUTHORITY AS THE PUBLIC ENTITY TO CARRY OUT AND ADMINISTER THE PROJECT PLAN AND AUTHORIZING THE AUTHORITY TO MAKE MINOR PLAN AMENDMENTS; REPEAL OR MODIFICATION OF ORDINANCE; DESIGNATING THE CHAIRMAN OF THE SAPULPA DEVELOPMENT AUTHORITY AS THE PERSON IN CHARGE OF THE ADMINISTRATION OF THE PLAN; PROVIDING FOR SEVERABILITY; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

WHEREAS, by letter dated May 11, 2018, SGII, Inc. d/b/a SeneGence International (hereinafter the "Developer"), proposed the establishment of a "tax increment district" within the City of Sapulpa, Oklahoma (hereinafter the "City") to provide development financing assistance in connection with the Developer's proposal to construct public infrastructure improvements for the development of approximately 241 acres of land within the City at the interchange of Interstate 44 and SH-33; and

WHEREAS, on May 21, 2018 the City Council of the City adopted Resolution No. 4528, authorizing and directing the City of Sapulpa Local Development Act Review committee to analyze the Developer's proposal and to determine whether the area described in the proposal would qualify as a "tax increment district" pursuant to the provisions of the Oklahoma Local Development Act, Title 62, Sections 850 et seq. Oklahoma Statutes, (Supp 2016) (hereinafter the "Local Development Act"); and

WHEREAS, the Developer's proposal has been incorporated into the terms of that certain Project Plan Relating to Increment District Number Five, City of Sapulpa, Oklahoma (SeneGence Increment District)" dated July 1, 2018 (hereinafter, the "Project Plan"); and

WHEREAS, the Local Development Act Review Committee, representing each of the taxing jurisdictions in which the proposed district is located, as well as the public at large, has reviewed the Project Plan and the proposed increment district in accordance with the criteria specified in the Local Development Act; and

WHEREAS, the Local Development Act Review Committee has also considered the financial impact of the Project Plan on each taxing jurisdiction, and has made its findings as to the financial impact which will result from the adoption of the Project Plan; and

WHEREAS, on November 27, 2018 the City of Sapulpa Metropolitan Area Planning Commission found the Project Plan to be in compliance with the Comprehensive Plan of the City of Sapulpa and voted to recommend approval of the Project Plan to the City Council; and

WHEREAS, all reasonable efforts have been made to allow full public knowledge and participation in the application of the Local Development Act in the review and approval of the proposed Project Plan and related tax increment district; and

WHEREAS, all required notices have been given and all required hearings have been held in connection with the proposed Project Plan, in accordance with the provisions of the Local Development Act, the Oklahoma Open Meetings Act, Title 25, Sections 301 et seq. of the Oklahoma Statutes, and other applicable laws; and

WHEREAS, implementation of the Project Plan will be facilitated by the designation of the Sapulpa Development Authority (hereinafter, the "Authority") as the public entity authorized to carry out and administer the Project Plan and to exercise certain powers necessary thereto; and

WHEREAS, it is in the best interests of the City of Sapulpa and its citizens to approve the Project Plan, to establish the proposed increment district and to authorize the Authority to undertake those programs and projects described therein.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAPULPA, OKLAHOMA, TO-WIT:

SECTION 1. Approving and Adopting the Project Plan Relating to Increment District Number Five, City of Sapulpa, Oklahoma. The Project Plan, as recommended by the Local Development Act Review Committee and the City of Sapulpa Planning Commission, is hereby adopted and approved in the form attached hereto as Exhibit "A".

SECTION 2. Ratifying and Confirming Actions, Recommendations and Findings. All actions taken, recommendations, findings and conclusions made in connection with the Project Plan by the Local Development Act Review Committee and the City of Sapulpa Planning Commission are hereby ratified and confirmed.

SECTION 3. Establishing "Increment District Number Five, City of Sapulpa, Oklahoma". There is hereby established "Increment District Number Five, City of Sapulpa, Oklahoma", in accordance with the provisions of Section 861 and other applicable provisions of the Local Development Act. The district shall be effective as of a February 18, 2019. For identification purposes, Increment District Number Five, City of Sapulpa, Oklahoma may also be referred to herein as the "SeneGence Increment District".

SECTION 4. Designating and Adopting Project Area and Increment District Boundaries. The boundaries of the SeneGence Increment District and the related Project Area (co-extensive) are hereby adopted as set forth in the "Appendix A" of the Project Plan, attached hereto and made a part hereof.

SECTION 5. Adopting Certain Findings. In accordance with the Local Development Act, the City Council hereby finds:

(a) That boundaries of the proposed district are within an area requiring public improvements to serve as a catalyst for retaining or expanding employment, to attract major investment in the area and to preserve or enhance the tax base. Therefore, the proposed district qualifies as a "reinvestment area" pursuant to Section 853 of the Local Development Act, and, therefore, is eligible for designation as a tax increment district.

(b) That contemplated private and public projects within the SeneGence Increment District are likely to enhance the value of other real property, increase ad valorem tax revenues to taxing jurisdictions, and effectuate an increase in employment opportunities within the SeneGence Increment District, as well as promote the general public interest.

(c) That the guidelines specified in Section 852 of the Local Development Act have been and shall be followed in relation to the SeneGence Increment District and the Project Plan relating thereto.

(d) That the aggregate net assessed value of all taxable property in all districts within the City of Sapulpa, as determined pursuant to Section 862 of the Local Development Act, does not exceed thirty-five (35%) of the total net assessed value of taxable property within the City of Sapulpa, Oklahoma.

(e) That the aggregate net assessed value of the taxable property in all districts, as determined pursuant to Section 862 of the Local Development Act, within the City of Sapulpa, Oklahoma, does not exceed twenty-five percent (25%) of the total net assessed value of any school district located within the City of Sapulpa.

(f) That the land area contained within all districts, as determined pursuant to Section 862 of the Local Development Act, within the City of Sapulpa does not and shall not exceed twenty-five percent (25%) of the total land area of the City of Sapulpa, Oklahoma.

(g) That within ninety (90) days of the approval of the Project Plan the County Assessor shall certify the base assessed value for the proposed district pursuant to Section 862 of the Local Development Act, and it shall be the responsibility of the Sapulpa Development Authority to monitor the status of this assessment.

(h) That the Project Plan is feasible and conforms to the Comprehensive Plan of the City of Sapulpa, Oklahoma.

SECTION 6. Apportioning Incremental Ad Valorem Tax Revenues. In accordance with the provisions of the Local Development Act, increments of all ad valorem taxes generated within the SeneGence Increment District, as such increments are determined and defined by the Local Development Act (hereinafter, the "Ad Valorem Increment Revenues"), are hereby apportioned and set aside from all other ad valorem taxes levied within the SeneGence Increment District, to be used exclusively for:

- (a) the payment of "project costs" (as defined in the Local Development Act) incurred in connection with the development or construction of those projects listed in the Project Plan;
- (b) the reimbursement of the City, or any agency thereof which has paid "project costs" from funds which were not increments derived from the SeneGence Increment District, but only to the extent that such sums were actually paid; and
- (c) the payment of principal, interest and premium, if any, on any developer indebtedness as defined in the Project Plan, all or a portion of the proceeds of which are to be used in accordance with clauses (i) or (ii) above.

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 the Project Plan, and the payment of all outstanding principal, accrued interest, and premium due on any developer indebtedness, as defined in the Project Plan, issued hereunder; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond twenty (20) years from the Effective Date, unless such period is modified by subsequent action of the City Council.

SECTION 7. Creating the SeneGence Increment District Apportionment Fund. During the period of apportionment, and subject to the City's right to subsequently repeal, modify or amend this Ordinance, the increments apportioned hereunder shall be transferred by the respective taxing authorities to the "SeneGence Increment District Apportionment Fund" (herein the Apportionment Fund"), which fund shall be held by and be the property of, the Sapulpa Development Authority (except that such fund may also be held by a trustee bank 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 of Sapulpa, Oklahoma.

SECTION 8. Designating the Sapulpa Development Authority As the Public Entity to Carry Out and Administer the Project Plan and Authorizing the Authority to Make Minor Amendments to the Project Plan. The Sapulpa Development Authority shall be and is hereby designated and authorized as the public entity to carry out and administer the provisions of the Project Plan, in accordance with its respective responsibilities, and to exercise all powers deemed necessary and appropriate for public trusts as set forth in the Local Development Act or the Public Trust Act, Title 60, Section 176 et seq. of the Oklahoma Statutes, including the right to make minor amendments to the Project Plan. For these purposes, an amendment shall be considered to be "minor" if: (i) such amendment does not change the character or purpose of the Project Plan; (ii) does not affect more than five percent (5%) of the district's area; or (iii) does not affect more than five percent (5%) of the public costs of the plan to be financed by apportioned tax increments, all as determined on a cumulative basis.

SECTION 9. Appeal or Modification of Ordinance; No Contractual Obligations Past the Fiscal Year. The City, by these provisions, does not waive any right which it has now or may have in the future, to repeal, modify or amend this Ordinance, by subsequent action of the City Council, as provided in Section 856(C) of the Local Development Act. In adopting this Ordinance, the City does not purport to create any contractual obligation extending beyond the City's current or any subsequent fiscal year with regard to the establishment or maintenance of the SeneGence Increment District, or the apportionment of ad valorem increments; provided, however, that the City

may, on a year-to-year basis, agree to transfer to the Apportionment Fund, any apportioned increments which it receives. All developer indebtedness issued pursuant to this section shall state that such bond or note is not a debt, general or special, liability or obligation of the City of Sapulpa or the State of Oklahoma or any other agency or authority of such entities, including the Sapulpa Development Authority. The bond or note shall further state that the issuance of such bond or note does not give rise to a charge against the general credit or taxing powers of the City of Sapulpa, or a claim on the revenues or resources of the State of Oklahoma, and that such bond or note is not an obligation of the Sapulpa Development Authority.


SECTION 10. Designating the Chairman of the Sapulpa Development Authority as the Person In Charge of the Administration of the Plan. The Chairman of the Sapulpa Development Authority, or his or her successor-in-office shall be the person in charge of implementation of the Project Plan.

SECTION 11. Providing for Severability. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional, such portion shall not affect the validity of the remaining portions of this Ordinance.

SECTION 12. Effective Date. This Ordinance shall become effective thirty (30) days following its final adoption, as provided by Oklahoma law.

PASSED by the City Council of the City of Sapulpa, Oklahoma this 18th day of February, 2019.

CITY OF SAPULPA, OKLAHOMA



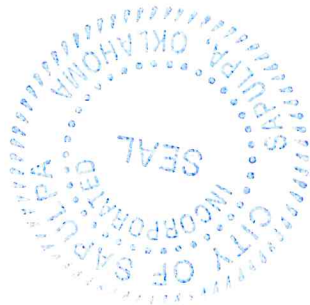
Mayor

ATTEST:





City Clerk

(SEAL)



Approved :



 CITY ATTORNEY

**PROJECT PLAN RELATING TO
INCREMENT DISTRICT NUMBER FIVE, CITY OF SAPULPA, OKLAHOMA
(SENEGENCE INCREMENT DISTRICT)**

Prepared by the:

CITY OF SAPULPA, OKLAHOMA

And the

SAPULPA DEVELOPMENT AUTHORITY

In conjunction with

SENEGENCE, INC.

DATED: November 14, 2018



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APPENDIX B – Description of Proposed Private Improvements

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APPENDIX D – Projected Public Development Costs (Proposed Qualified Project Costs)

APPENDIX E – Description of Current Zoning

APPENDIX F – Impact Analysis

INTRODUCTION

By letter dated May 11, 2018, SGII Inc., d/b/a/ SeneGence International (the "Developer"), proposed the establishment of a "tax increment district" within the City of Sapulpa, Oklahoma (the "City") as necessary to facilitate the Developer's proposal to develop, construct and operate an Industrial Park (the "Project Facilities") to be located along U.S. Highway 33 in the City of Sapulpa, Oklahoma (the "Project"). The assistance provided through such district will be used to reimburse all or a portion of the qualified project costs of extensive public infrastructure required in the development and construction of the Project Facilities.

On May 21, 2018, the governing body of the City (the "City Council") adopted Resolution No. 4528, creating, authorizing and directing the City of Sapulpa Local Development Act Review Committee (the "Review Committee") to analyze the Developer's proposal and to determine whether the area described in the proposal (the "Project Area") will qualify as a "tax increment district" pursuant to the provisions of the Oklahoma Local Development Act, Title 62, Sections 850, *et seq.*, of the Oklahoma Statutes (the "Local Development Act").

Before a "tax increment district" may be established, the Local Development Act, at Sections 855-856, requires that the City shall cause to be prepared, and the Review Committee, City Planning Commission and City Council shall consider and act upon, a project plan that must include the following:

1. A description of the proposed boundaries of the district and the proposed boundaries of the project area, by legal description and by street or other recognizable physical feature accompanied by a sketch clearly delineating the area in detail;
2. A general description of the kind, number and location of the proposed public works or improvements, the anticipated private investments and the estimated public revenues which should accrue from development of the Project;
3. A list of estimated project costs including administrative expenses;
4. A general description of the methods of financing the estimated project costs, the expected sources of revenue to finance or pay project costs, and the general time when the costs or monetary obligations related thereto are to be incurred;
5. A map showing existing uses and conditions of real property in the district and a map showing proposed improvements to and proposed uses of that property;
6. Proposed changes in zoning;
7. Proposed changes in the master plan and city ordinances if required to implement the project plan;
8. The name of the person who shall oversee the implementation of all of the project plans of the district with such name being forwarded to the Oklahoma Department of Commerce; and
9. A designation of any public entity to be authorized to carry out all or part of the project plan.

The Review Committee is required, by the Local Development Act, Section 855, to consider and make its findings and recommendations to the governing body, the City Council in this case, with respect to conditions that establish the eligibility of the proposed district for funding by the apportionment of ad valorem tax increments. In this instance, the City and the Developer propose to use increments from ad valorem taxes levied upon taxable value of the Project Area in excess of the base assessed value to fund eligible "Project Costs," as that term is defined at Section 853(14) of the Act, all in accordance with Section 861 of the Act.

The Local Development Act also requires the Review Committee to prepare an "Impact Analysis" for the purposes of evaluating the positive and/or negative impact of tax increment apportionments pursuant to the Project Plan on the other taxing jurisdictions represented on the Review Committee and considering the impact of the Project on the surrounding community outside the tax increment district (such as enhanced property values; job opportunities; influx to population). (See *Impact Analysis*, Appendix F.)

With respect to the proposed Project, the foregoing requirements will be detailed as, and referred to as, components of the SeneGence Increment District Project Plan (the "Project Plan").

This Project Plan has been prepared by the City, the Sapulpa Development Authority (the "Authority") and legal consultants with direction and assistance from the Developer, to present the information required by the Local Development Act in relation to the establishment of "Increment District Number Five, City of Sapulpa, Oklahoma (SeneGence Increment District)" (the "Increment District")¹.

¹ Any statements contained in this Project Plan or in the appendices involving matters of opinion, estimates or projections and whether or not expressly so stated, are intended as such and are not stated as representations of fact. Summaries of documents referred to herein do not purport to be complete or definitive, and all references made to such documents are qualified in their entirety by reference to the complete document. The information contained herein has been compiled from sources believed to be reliable, as of the date hereof. Such information is subject to change and/or correction at any time prior to adoption of this Project Plan by the City.

I. DESCRIPTION OF THE PROPOSED BOUNDARIES OF THE INCREMENT DISTRICT AND THE PROJECT AREA

A. Boundaries of the Increment District by Legal Description, Street Address and Sketch.

The legal description, such street addresses as have been assigned, and sketch of the Increment District are as provided on **Appendix “A”**.

B. Boundaries of the Project Area by Legal Description, Street Address and Sketch.

The Project Area and the boundaries of the Increment District are co-extensive. Thus, the legal description, street address and sketch of the Project Area are the same as those of the Increment District found in Appendix A.

II. GENERAL DESCRIPTION OF THE KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS OR IMPROVEMENTS, ANTICIPATED PRIVATE IMPROVEMENTS, AND ESTIMATED PUBLIC REVENUES WHICH SHOULD ACCRUE FROM DEVELOPMENT OF THE PROJECT

A. Proposed Public Works or Improvements. The public works or improvements to be authorized and constructed under this Project Plan include: storm water drainage facilities and erosion controls, sanitary sewer and water line extensions and facilities; site development; grading, paving and other improvements to public streets, sidewalks and parking areas, including the acquisition of additional area, lighting, and striping the same; traffic and quality of life improvements, including historical bridge rehabilitation, intersection extensions and improvements, including signalization; improvement and additions to public park and recreational facilities, including sport facilities and pedestrian/ biking trails; public safety improvements including a fire training facility; and any other public improvement reasonably required and/or related to the development and construction of the Project. Financial Assistance for these public works or improvements to be provided to the Developer pursuant to the terms of an “Assistance Agreement”, and this Project Plan includes reimbursement from ad valorem tax of all or a portion of the costs associated with these improvements, in an amount not to exceed \$40,000,000 (or for a period not to exceed the 20-year term of the Increment District, whichever occurs first). Without limitation, the costs for which payment to the Developer may be made shall include only such costs as are included in the definition of "Project Costs" in Section 853 of the Local Development Act. Payment may also be made for qualified Project Costs that have been incurred prior to approval of this Project Plan. The improvements for which financing assistance is to be provided, and the anticipated amount of qualified Projects Costs, are detailed in Section III of this Project Plan.²

B. Anticipated Private Improvements. The private improvements proposed for the Project Area/Increment District include 7 Phases of construction of infrastructure and improvements, comprised of a distribution center, office buildings, maintenance buildings, and manufacturing buildings. A detailed description of proposed private improvements and costs can be found in **Appendix “B”**, attached hereto. Although the Developer is not at liberty to disclose any proprietary or confidential information regarding the proposal for this site, the Developer can represent that there is a reasonable certainty that the transaction will be concluded favorably if the Project Plan is adopted by the City Council.

² Please see Appendix B for a graphic depiction of the completed development, including public works to be installed on the site and the proposed additional construction of structures and amenities by private investment for commercial/warehouse and office mixed uses.

C. **Estimated Public Revenues.** The City estimates that the public works or improvements described in this Project Plan, together with the private development, will result in ad valorem increments that are conservatively stated on Appendix C. These public revenues are estimated to accrue, as follows:

1. **Ad Valorem Taxes.**

(a) **Real Property Taxes.** The estimates regarding incremental ad valorem taxes on Project Area property are based upon an assessment ratio of twelve percent (12%) for real property and an estimated tax rate of 105 mils, in the interest of attaining conservative revenue projections. Ad valorem taxable value generated by the construction of all phases of the Project will increase by as much as \$113,400 in the first year of taxation (year 2021 based on construction of Phase 1 commencing early 2019). If all anticipated Phases (1-7) are completed during their expected time frame, it is projected that the average annual increment tax revenue will be approximately \$2,205,000. This is expected to generate approximately \$47,404,473 in new ad valorem revenues over the term of the Increment District. See Appendix C for a detailed projection of Ad Valorem Tax Increment Calculations.

(b) **Personal Property Taxes.** Ad valorem revenues generated from the installation of personal property within the SeneGence Increment District is expected to generate new increment revenues over the term of the district. As it is difficult to know at this time the value of the personal property that will be installed in the Project, we cannot project the amount of revenue it will generate with any certainty. However, there will certainly be business personal property, and personal property tax will be levied at the same rate as real property.

The aggregate of ad valorem increments eligible for reimbursement to the Developer of qualified Projects Costs is also shown Appendix C.

III. ESTIMATED PROJECT COSTS, INCLUDING ADMINISTRATIVE EXPENSES

A. **Sanitary Sewer Line Extensions.** Infrastructure improvements will include the construction of a sanitary sewer main line within the Project Area and extensions throughout the Project Area. While costs cannot accurately be predicted at this stage with precision, it is estimated that the costs relating to this component of the Project will be approximately \$7,500,000.

Project Costs under this category include the actual costs of the acquisition, demolition, alteration, construction and/or reconstruction of new or existing structures and facilities including fixtures, including sanitary and storm water sewers, and similar public improvements, related common utility or service facilities, related grounds clearing and rehabilitation, any environmental remediation related thereto; utility relocation costs; and professional service costs, including those incurred for architectural, planning, engineering and legal services.

B. **Roadway, Route 66 Bridge, Floodway and Destination Park Improvements.** Infrastructure improvements will include signals at the Highway 33 and Senegence entrance intersections, Route 66 bridge rehabilitation improvement, and the acquiring, constructing, improving, equipping, renovating and beautifying adjacent public park lands and floodway improvements. Although costs cannot accurately be predicted at this stage with precision, it is estimated that the costs relating to this component of the Project will be approximately \$4,000,000.

Project Costs under this category include the actual costs of the acquisition, alteration, demolition, construction and/or reconstruction of new or existing streets, bridges, roadway improvements, structures and facilities and related common utility or service facilities, related grounds clearing, floodway improvements and rehabilitation, any environmental remediation related thereto; utility relocation costs; and professional service costs, including those incurred for architectural, planning, engineering and legal services.

C. SH-66 Roadway Rehabilitation and Improvements. Roadway and site access infrastructure improvements will include construction of innovative traffic control designs at the intersection of 117A and SH-66 that will provide access to original Route 66 and benefit all users of SH-66, SH-117A and Route 66. Although costs cannot accurately be predicted at this stage with precision, it is estimated that the costs relating to this component of the Project will be approximately \$1,000,000.

Project Costs under this category include the actual costs of the acquisition, demolition, alteration, construction and/or reconstruction of new or existing streets, bridges, roadway improvement structures and facilities including fixtures, including sanitary and storm water sewers, water distribution, fire suppression and similar public improvements, related common utility or service facilities, related grounds clearing and rehabilitation, any environmental remediation related thereto; utility relocation costs; and professional service costs, including those incurred for architectural, planning, engineering and legal services.

D. P&R Trails & School-Youth Sport Facility Improvements. Infrastructure improvements will include acquiring, improving, constructing, remodeling and beautifying public park lands, including public bike and pedestrian trails and parkways and sport facilities. Although costs cannot accurately be predicted at this stage with precision, it is estimated that the costs relating to this component of the Project will be approximately \$3,500,000.

Project Costs under this category include the actual costs of the acquisition, demolition, alteration, construction and/or reconstruction of new or existing structures and facilities including fixtures, including sports facilities and trails, related common utility or service facilities, related grounds clearing and rehabilitation, any environmental remediation related thereto; utility relocation costs; and professional service costs, including those incurred for architectural, planning, engineering and legal services.

E. Historic Downtown Restoration Improvements. Improvements will include the construction, reconstruction, alteration, remodeling and beautifying of hardscaping, landscaping, lighting, building façades, sidewalks and other similar downtown aesthetics. Although costs cannot accurately be predicted at this stage with precision, it is estimated that the costs relating to this component of the Project will be approximately \$1,500,000.

Project Costs under this category include the actual costs of the acquisition, demolition, alteration, construction and/or reconstruction of new or existing utility or service facilities, related grounds clearing and rehabilitation, any environmental remediation related thereto; utility relocation costs; and professional service costs, including those incurred for architectural, planning, engineering and legal services.

F. Creek County Schools, STEM Endowment Fund. Although costs cannot accurately be predicted at this stage with precision, it is estimated that the costs relating to this component of the Project will be approximately \$1,500,000.

Project Costs under this category include the creation of a fund to be used to promote and develop educational advances in science, technology, engineering, and mathematics within Creek County; including the actual costs of facilities, equipment, operational costs and supplies that support STEM education.

G. Creek County Head Start Endowment Fund. Although costs cannot accurately be predicted at this stage with precision, it is estimated that the costs relating to this component of the Project will be approximately \$500,000.

Project Costs under this category include the creation of a fund to be used to promote and develop a Head Start Program within Creek County; including the actual costs of facilities, equipment, operational costs and supplies that support Head Start education.

H. Route 66 Fire Training Facility Improvement. Infrastructure improvements will include acquiring, improving, constructing, remodeling and repairing public safety facilities. Although costs cannot accurately be predicted at this stage with precision, it is estimated that the costs relating to this component of the Project will be approximately \$2,000,000.

Project Costs under this category include the actual costs of the acquisition, demolition, alteration, construction and/or reconstruction of new or existing structures and fixtures, including sanitary and storm water sewers, water distribution, fire suppression and similar public improvements, related common utility or service facilities, related grounds clearing and rehabilitation, any environmental remediation related thereto; utility relocation costs; and professional service costs, including those incurred for architectural, planning, engineering and legal services.

I. Financing Costs. "Financing costs" includes all or a portion of the interest paid to holders of bonds, notes or other forms of indebtedness issued by the City, one of the City's political subdivisions, or the Developer to pay for project costs, before and during construction, premiums paid over and above the principal amount for redemption prior to maturity, costs of issuance, necessary or appropriate reserves; and fees for bond guarantees, letters of credit and bond insurance, if any. Financing costs also include Developer Financing Assistance as necessary. While many of these costs cannot be accurately predicted at this stage, it is estimated that the interest costs over the term of the indebtedness incurred in connection with the project costs will not exceed \$17,765,000. Payments of costs associated with Developer indebtedness will only be paid on interest incurred during construction of the projects listed above, and after completion thereof.

Additional costs necessary or appropriate to implement this Project Plan that are to be financed by other than apportioned tax increments may be approved by the City at any time. The provisions of this section I. are not a limitation on project related costs to be financed by sources other than the apportioned tax increments.

J. Professional Fees; Legal Costs of Establishing District; Administrative Costs and Financing Costs/Interest Expense. "Organizational Costs" include the legal and clerical charges for time spent drafting the Project Plan, coordinating exhibits, contacting and organizing the Review Committee and drafting contracts to implement the Project Plan. Such costs are expected to be a single expense of \$35,000. "Administrative Costs" include reasonable charges for the time spent by employees of the City and the Authority, or employees of private entities under contract with either public entity for planning and implementation of the Project Plan, including professional service costs incurred for architectural, planning, engineering, legal, financial and bond counsel's advice and services; and costs for determining or re-determining the base assessed value of the Increment District. It is estimated that such administrative costs will not exceed \$35,000 per year, for a total of \$700,000 over the 20-year term of the Increment District. Financing and interest costs on debt incurred by the Developer for the initial costs of funding all the foregoing is expected to total \$17,765,000. This item J. comes to an aggregate sum of \$18,500,000.

Summation:

Project Development/Construction Costs	\$21,500,000
Organizational Costs	\$35,000
Administrative Costs (\$35,000/year for twenty years)	\$700,000
Financing Costs/Interest	\$17,765,000
<hr/>	
TOTAL OF ESTIMATED QUALIFIED PROJECT COSTS	<u>\$40,000,000</u>

IV. GENERAL DESCRIPTION OF METHODS OF FINANCING ESTIMATED PROJECT COSTS, EXPECTED SOURCES OF REVENUE TO FINANCE OR PAY PROJECT COSTS, AND GENERAL TIME WHEN COSTS OR MONETARY OBLIGATIONS ARE TO BE INCURRED

A. Methods of Financing Project Costs. It is expected that all qualified Project Costs described above will be paid from a combination of debt incurred by the Authority, the Developer and the Developer's equity, including Developer Financing Assistance. Prospective investors in the Project have represented that it would be infeasible for them to finance the Project without the assistance offered under the Local Development Act. A project financing plan, proceeds from one or more notes or other evidences of indebtedness obtained by the Developer, and the schedule for payment of Project Costs over the term of the District will be provided to the Authority if and when such a financing plan materializes.

B. Expected Sources of Revenues. As provided by Section 861 of the Local Development Act, reimbursement for the Developer's payment of equity funds and principal and interest costs on the redemption of the Authority's tax apportionment bonds or notes on the Developer's debt that have been expended on qualified Project Costs will be made from the ad valorem tax revenue increments over tax collected on the base assessed value up to a maximum of \$40,000,000, as set forth on Appendix C, or until expiration of the 20-year term of the Increment District, whichever occurs sooner. After the first three of the foregoing qualified Project Costs are fully reimbursed and paid for by the ad valorem tax revenue increments, any subsequent qualified Project Costs shall be reimbursed by 90% of ad valorem tax increments over tax collected on the based assessed value, with the remaining 10% to be distributed to the taxing jurisdictions according to their millage. (Such revenues are referred to as the "Tax Increment Revenues").

In accordance with the provisions of the Local Development Act, increments of ad valorem taxes generated within the Increment District, as such increments are determined and defined by the Local Development Act, are to be apportioned and set aside from all other ad valorem taxes levied within the SeneGence Increment District to be used exclusively for:

- (i) the payment of "project costs" (as defined in the Local Development Act) incurred in connection with the development or construction of those projects listed in this Project Plan;
- (ii) the reimbursement of the City, or any agency thereof, which has paid "project costs" from funds which were not increments derived from the SeneGence Increment District, but only to the extent that such sums were actually paid; and
- (iii) the payment of principal, interest and premium, if any on any Developer Indebtedness all or a portion of the proceeds of which are to be used in accordance with clauses (i) or (ii) above.

(Such revenues being hereinafter referred to as the "Ad Valorem Increment Revenues").

The apportionment of ad valorem tax increments pursuant to this Section IV shall terminate upon the reimbursement for all qualified Project Costs incurred in connection with the this Project Plan up to a maximum of \$40,000,000; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond 20 years from the effective date of the Increment District established in the ordinance of the governing body adopting this Project Plan, unless such period is modified by subsequent action of the City Council.

Pursuant to the Local Development Act, the Ad Valorem Tax Increment Revenues apportioned hereunder shall be transferred by the respective taxing authorities to a special fund to be known as the "Increment District Apportionment Fund" (the "Apportionment Fund"), which fund will be held by and be the property 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 Tax Increment Revenues so collected shall be placed into a separate account created within the Apportionment Fund and pledged as security for the payment of the authorized reimbursements to the Developer. (Such account shall be designated as the "Tax Increment Revenue Account").

C. Time When Costs or Monetary Obligations Are to Be Incurred. All qualified Project Costs described herein (except for annual finance and administrative costs) will be incurred no later than 15 years past the commencement date of the District, in substantial conformance to the expenditure schedule of private improvements at Appendix B. Financing costs and annual administrative costs will be incurred during the remaining term of the district.

D. Compliance with Allowable Term of TIF District. Pursuant to the anticipated ordinance of the governing body establishing the Increment District, its effective date is expected to be February 18, 2019, in coordination with the construction schedule. This date is set in accordance with the way ad valorem taxes are assessed and collected. Assuming no improvements are completed and generating revenue until 2020, they would not appear on the assessments until January 2021. Incremental increases in the property value during 2021 through 2029 due to on-going construction will be reflected in adjustments to the base assessed value. Apportionment of tax increment revenues for twenty (20) years from the effective date of the ordinance adopting this Project Plan will remain within the twenty-five (25) year maximum time period allowed for apportionment of such revenues pursuant to the Local Development Act.

E. Return of Excess Revenues. The City estimates that the total of all Ad Valorem Increment Revenues, will not likely exceed the amount of principal, interest, and redemption premium due to be paid on the Project Costs and Developer Indebtedness, and any such shortfall is expected to be paid by the Developer. However, in the unlikely event that Ad Valorem Increment Revenues exceed the repayment of any such Project Costs and Developer Indebtedness, then all excess Ad Valorem Increment Revenues will be returned to those taxing jurisdictions which originally levied such taxes.

V. MAP SHOWING EXISTING USES AND CONDITIONS; AND MAP SHOWING PROPOSED IMPROVEMENTS AND USES

See Appendix A for a map showing the existing uses and conditions of the Project Area within the proposed Increment District. See Appendix D for a map showing the proposed improvements and uses as discussed in Section III above.

VI. PROPOSED CHANGES IN ZONING

By Resolution 2016-77, dated August 23, 2016, attached hereto in Appendix E, zoning of the Project Area was changed from A-1 Agricultural District to I-2 General Industrial District. Therefore, no further changes in zoning are required in the execution of this Project Plan.

VII. PROPOSED CHANGES IN THE MASTER PLAN AND CITY ORDINANCES IF REQUIRED TO IMPLEMENT THE PROJECT PLAN

Section 854.13 of the Local Development Act confers the power to the City to, “[a]dopt ordinances or resolutions or repeal or modify such ordinances or resolutions or establish exceptions to existing ordinances and resolutions regulating the design, construction, and use of buildings.” Though no modifications or exceptions are anticipated at this time, the City Council may find it necessary or convenient to exercise this power during the term of the SeneGence Increment District and reserves the right to do so.

VIII. NAME OF PERSON OVERSEEING IMPLEMENTATION OF THE PROJECT PLAN OF THE DISTRICT

The Chairman of the Authority, Reg Green or his successor(s), shall be the person in charge of the implementation of this Project Plan in accordance with the provisions, authorization, and respective delegations of responsibilities contained herein and in the proposed ordinance to be adopted by the governing body.

IX. DESIGNATION OF PUBLIC ENTITY AUTHORIZED TO CARRY OUT ALL OR A PART OF THE PROJECT PLAN

The Sapulpa Development Authority is designated and authorized as the public entity to carry out and administer the provisions of this Project Plan and to exercise all powers deemed necessary and appropriate for public trusts as set forth in the Local Development Act, including the right to make minor amendments to the Project Plan. For these purposes, an amendment shall be considered to be "minor" if: (i) such amendment does not change the character or purpose of the Project Plan; (ii) does not add more than five percent (5%) to the Increment District's area; or (iii) does not add more than five percent (5%) to the public costs of the Plan to be financed by apportioned tax increments, all as determined on a cumulative basis. The Sapulpa Development Authority is further authorized and designated to carry out those provisions of this Project Plan related to issuance of “tax apportionment bonds or notes” as provided in Section 863 of the Local Development Act, subject to approval of the governing body of the City of any specific notes or bonds.

APPENDIX A

LEGAL DESCRIPTION, STREET ADDRESS AND SKETCH OF THE BOUNDARIES OF THE INCREMENT DISTRICT AND PROJECT AREA (CO-EXTENSIVE)

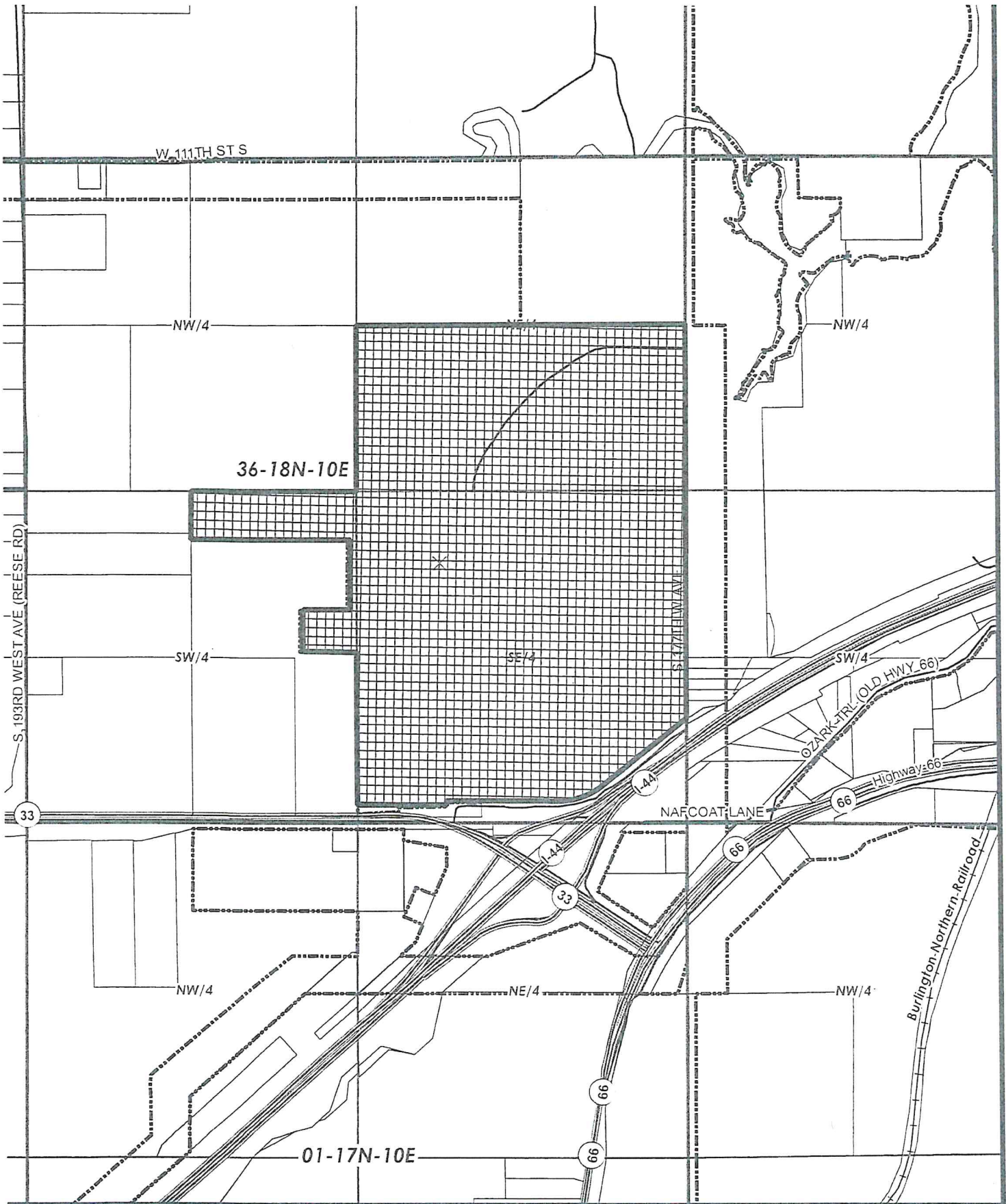
TIF Boundary Description

A TRACT OF LAND THAT IS THE SOUTH HALF OF THE NORTHEAST QUARTER (S/2 NE/4) AND A PART OF THE SOUTHEAST QUARTER (SE/4) OF SECTION THIRTY-SIX (36), TOWNSHIP EIGHTEEN (18) NORTH, RANGE TEN (10) EAST OF THE INDIAN BASE AND MERIDIAN, CREEK COUNTY, STATE OF OKLAHOMA, ACCORDING TO THE U.S. GOVERNMENT SURVEY THEREOF AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF THE SE/4 OF SAID SECTION 36; THENCE NORTH TO THE PRESENT RIGHT OF WAY LINE AND THE POINT OF BEGINNING; THENCE CONTINUING NORTH 01°01'19" WEST ALONG THE WEST LINE OF THE SE/4 A DISTANCE OF 2514.03 FEET TO THE CENTER OF SECTION 36; THENCE CONTINUING NORTH 01°01'19" WEST ALONG THE WEST LINE OF THE NE/4 A DISTANCE OF 1325.12 FEET TO THE NORTHWEST CORNER OF THE S/2 OF THE NE/4 OF SECTION 36; THENCE NORTH 89°01'33" EAST ALONG THE NORTH LINE OF THE S/2 OF THE SE/4 A DISTANCE OF 2648.11 FEET TO THE EAST LINE OF THE NE/4; THENCE SOUTH 01°02'01" EAST ALONG THE EAST LINE OF THE NE/4 A DISTANCE OF 1325.22 FEET TO THE EAST 1/4 CORNER OF SECTION 36; THENCE SOUTH 01°00'27" EAST ALONG THE EAST LINE OF THE SE/4 A DISTANCE OF 1812.37 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF HIGHWAY 33; THENCE SOUTH AND WESTERLY ALONG SAID NORTHERLY RIGHT OF WAY LINE THE FOLLOWING CALLS: SOUTH 50°09'02" WEST A DISTANCE OF 877.54 FEET TO A POINT OF CURVATURE; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 539.96 FEET, AN ARC LENGTH OF 365.81 FEET, A CHORD BEARING OF SOUTH WEST AND A CHORD DISTANCE OF FEET; THENCE SOUTH 89°02'31" WEST A DISTANCE OF 905.33 FEET; THENCE SOUTH 00°57'19" EAST A DISTANCE OF 32.08 FEET; THENCE SOUTH 89°02'29" WEST A DISTANCE OF 720.33 FEET TO THE POINT OF BEGINNING

-AND-

THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER (NE/4 SW/4) AND THE EAST 15 ACRES OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER (SE/4 SW/4) LESS AND EXCEPT THAT PART ALONG THE SOUTH SIDE OF THE PROPERTY FOR THE HIGHWAY, IN SECTION THIRTY-SIX (36), EIGHTEEN (18) NORTH, RANGE TEN (10) EAST OF THE INDIAN BASE AND MERIDIAN, CREEK COUNTY, STATE OF OKLAHOMA, ACCORDING TO THE U. S. GOVERNMENT SURVEY THEREOF. AND LESS AND EXCEPT PART OF THE EAST HALF OF THE SOUTHWEST QUARTER (E/2 SW/4) OF SECTION THIRTY-SIX (36), TOWNSHIP EIGHTEEN (18) NORTH, RANGE TEN (10) EAST OF THE INDIAN BASE AND MERIDIAN, CREEK COUNTY, STATE OF OKLAHOMA, ACCORDING TO THE U. S. GOVERNMENT SURVEY THEREOF, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT A "X" IN CONCRETE MARKING THE SOUTHEAST CORNER OF THE SE/4 SW/4; THENCE ALONG THE EAST LINE OF SAID FORTY, N01°01'25"W 134.01 FEET TO A 1/2 INCH SET REBAR WITH CAP ON THE NORTH RIGHT OF WAY LINE OF OKLAHOMA STATE HIGHWAY 33 AND THE POINT OF BEGINNING; THENCE LEAVING SAID EAST LINE AND ALONG SAID NORTH RIGHT OF WAY LINE, S89°05'53"W 493.49 FEET TO A 1/2 INCH SET REBAR WITH CAP; THENCE LEAVING SAID NORTH RIGHT OF WAY LINE, N01°01'25"W 1189.56 FEET TO A 1/2 INCH SET REBAR WITH CAP ON THE SOUTH LINE OF THE NE/4 SW/4; THENCE ALONG THE SOUTH LINE OF SAID FORTY, S89°02'16"W 830.41 FEET TO A 1/2 INCH EXISTING REBAR MARKING THE SOUTHWEST CORNER OF THE NE/4 SW/4; THENCE ALONG THE WEST LINE OF SAID FORTY, N01°01'52"W 941.54 FEET TO A 1/2 INCH SET REBAR WITH CAP; THENCE LEAVING SAID WEST LINE, N89°01'27"E 1274.02 FEET TO A 1/2 INCH SET REBAR WITH CAP; THENCE S01°01'25"E 557.13 FEET TO A 1/2 INCH SET REBAR WITH CAP; THENCE S89°02'12"W 379.40 FEET TO A 1/2 INCH SET REBAR WITH CAP; THENCE S00°57'48"E 334.69 FEET TO A 1/2 INCH SET REBAR WITH CAP; THENCE N89°02'12"E 429.75 FEET TO A 1/2 INCH SET REBAR WITH CAP ON THE EAST LINE OF THE E/2 SW/4; THENCE ALONG THE EAST LINE OF SAID E/2, S01°01'25"E 1240.10 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH EASEMENT RIGHTS FOR ACCESS, PEDESTRIAN AND VEHICULAR, OVER AND ACROSS THE PROPERTY MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT A "X" IN CONCRETE MARKING THE SOUTHEAST CORNER OF THE SE/4 SW/4; THENCE ALONG THE EAST LINE OF SAID FORTY, N01°01'25"W 134.01 FEET TO A 1/2 INCH SET REBAR WITH CAP ON THE NORTH RIGHT OF WAY LINE OF OKLAHOMA STATE HIGHWAY 33 AND THE POINT OF BEGINNING; THENCE LEAVING SAID EAST LINE AND ALONG SAID NORTH RIGHT OF WAY LINE, S89°05'53"W 50.00 FEET; THENCE LEAVING SAID NORTH RIGHT OF WAY LINE, N01°01'25"W 1240.05 FEET; THENCE N89°02'12"E 50.00 FEET TO A 1/2 INCH SET REBAR WITH CAP ON THE EAST LINE OF THREE/4 SW/4; THENCE ALONG THE EAST LINE OF SAID E/2, S01°01'25"E 1240.10 FEET TO THE POINT OF BEGINNING.



City of Sapulpa, Oklahoma
 Tax Increment District No. 5
 Senegence Increment Dist.)



Map Prepared by
 City of Sapulpa
 Date: 8/30/2018

Source Data:
 Creek County Assessors
 City of Sapulpa, Incog

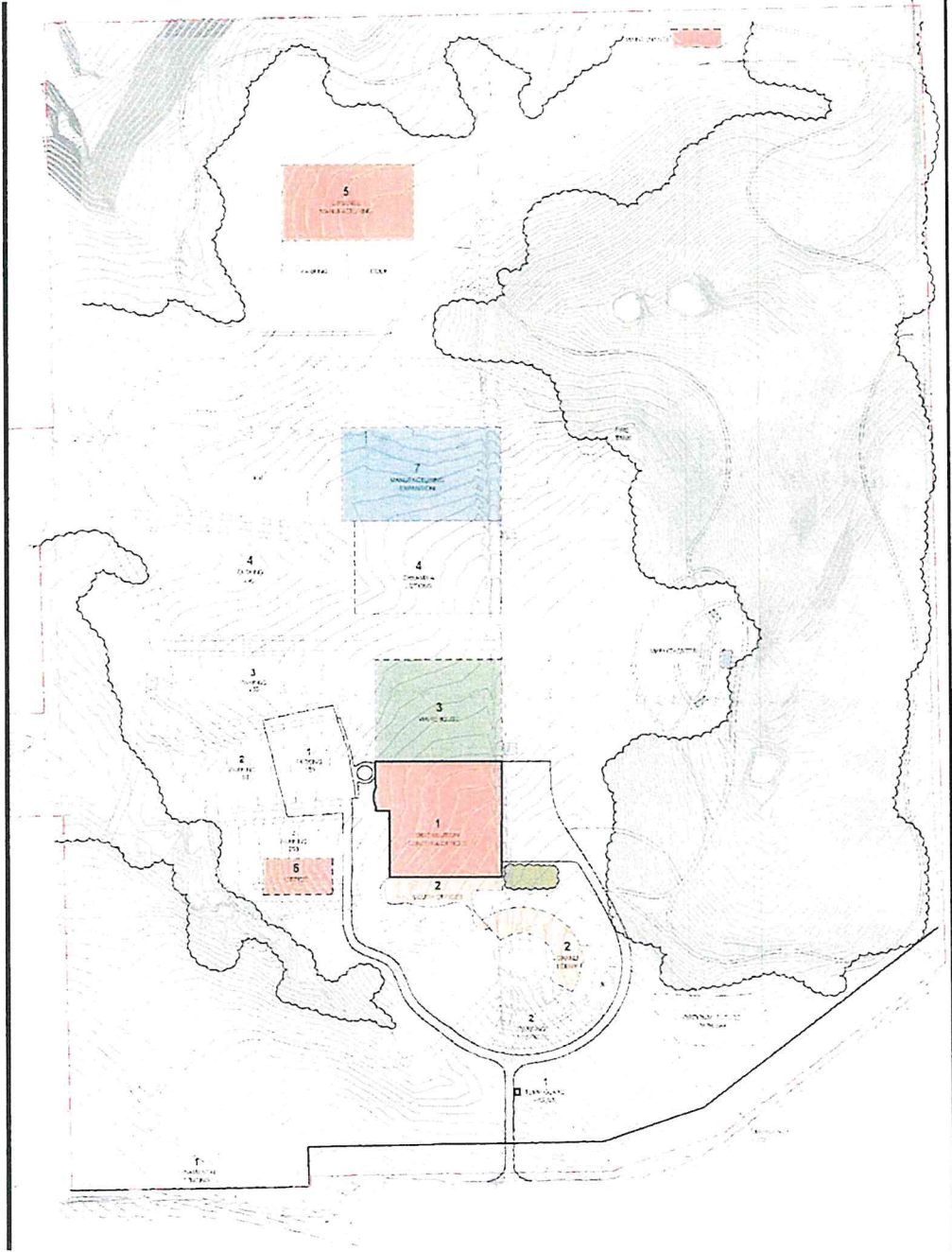
Legend	
	Tax Increment District No. 5
	Parcels
	Quarters
	Sections
	Sapulpa City Limits
	Highways
	Streets

APPENDIX B

DESCRIPTION OF PROPOSED PRIVATE IMPROVEMENTS


 OKLAHOMA CORPORATE CAMPUS PROJECT PLAN
 as of June 1, 2018

Phase	SF			Construction Schedule Start	Construction Schedule Complete
Phase 1					
Hard Costs / Construction Budget					
Site Earthwork, Infrastructure, & Improvements		Hard Costs	\$ 15,152,176	Sep-18	Apr-20
Distribution Center	134,000	Hard Costs	\$ 16,879,364		
<i>Includes utilities, roads, parking, landscape</i>					
		Total Hard Costs	<u>\$ 32,031,540</u>		
Soft Costs / Owner Budget					
FFE, Professional Services, Geotech, other		Total Soft Costs	\$ 7,046,939		
		Total Phase 1	\$ 39,078,479		
Phase 2					
Hard Costs / Construction Budget					
Grand Lobby, Executive Offices, South Connector	100,000	Hard Costs	\$ 14,515,579	Jan-20	Jan-22
<i>Includes utilities, roads, parking, landscape</i>					
Office South of Distribution	68,321	Hard Costs	\$ 24,747,222	Jan-20	Jan-22
Maintenance Building	10,000	Hard Costs	\$ 771,259	Jan-20	Apr-20
Trail & Amphitheater		Hard Costs	\$ 3,519,997	Apr-21	Jan-22
Site Earthwork, Infrastructure, & Improvements		Hard Costs	\$ 21,317,400	Jan-20	Jan-22
		Total Hard Costs	<u>\$ 94,871,457</u>		
Soft Costs / Owner Budget					
FFE, Professional Services, Geotech, other		Total Soft Costs	\$ 16,063,129		
		Total Phase 2	\$ 110,934,586		
Phase 3					
Hard Costs / Construction Budget					
Warehouse	156,156	Hard Costs	\$ 19,100,488	Jan-22	Oct-22
<i>Includes utilities, roads, parking, landscape</i>					
		Total Hard Costs	<u>\$ 19,100,488</u>		
Soft Costs / Owner Budget					
FFE, Professional Services, Geotech, other		Total Soft Costs	\$ 3,160,192		
		Total Phase 3	\$ 22,260,680		
Phase 4					
Hard Costs / Construction Budget					
Future Office Building	180,000	Hard Costs	\$ 71,723,154	Jan-24	Jun-26
<i>Includes utilities, roads, parking, landscape</i>					
		Total Hard Costs	<u>\$ 71,723,154</u>		
Soft Costs / Owner Budget					
FFE, Professional Services, Geotech, other		Total Soft Costs	\$ 11,941,759		
		Total Phase 4	\$ 83,664,913		
Phase 5					
Hard Costs / Construction Budget					
Manufacturing (Creams & Lotions)	276,092	Hard Costs	\$ 37,398,899	Jun-26	May-27
<i>Includes utilities, roads, parking, landscape</i>					
		Total Hard Costs	<u>\$ 37,398,899</u>		
Soft Costs / Owner Budget					
FFE, Professional Services, Geotech, other		Total Soft Costs	\$ 6,226,841		
		Total Phase 5	\$ 43,625,740		
Phase 6					
Hard Costs / Construction Budget					
LipSense Manufacturing Building	100,000	Hard Costs	\$ 16,710,342	Jun-27	Jun-28
<i>Includes utilities, roads, parking, landscape</i>					
		Total Hard Costs	<u>\$ 16,710,342</u>		
Soft Costs / Owner Budget					
FFE, Professional Services, Geotech, other		Total Soft Costs	\$ 2,782,238		
		Total Phase 6	\$ 19,492,580		
Phase 7					
Hard Costs / Construction Budget					
Future Manufacturing Expansion	100,000	Hard Costs	TBD	TBD	TBD
Soft Costs / Owner Budget					
FFE, Professional Services, Geotech, other		Soft Costs	TBD	TBD	TBD



APPENDIX C

PROJECTED AD VALOREM INCREMENTS AND APPORTIONMENT

YEAR	PHASE I REVENUES	PHASE II REVENUES	PHASE III REVENUES	PHASE IV REVENUES	PHASE V REVENUES	PHASE VI REVENUES	TOTAL TIF REVENUES
					MANUFACTURING	MANUFACTURING	
2021	\$113,400						\$113,400
2022	\$340,200						\$340,200
2023	\$403,597	\$597,690					\$1,001,287
2024	\$403,597	\$1,195,380					\$1,589,977
2025	\$403,597	\$1,195,380	\$240,666				\$1,839,643
2026	\$403,597	\$1,195,380	\$240,666				\$1,839,643
2027	\$403,597	\$1,195,380	\$240,666	\$597,690			\$2,437,333
2028	\$403,597	\$1,195,380	\$240,666	\$750,701			\$2,590,344
2029	\$403,597	\$1,195,380	\$240,666	\$903,712	\$117,807		\$2,861,162
2030	\$403,597	\$1,195,380	\$240,666	\$903,712	\$235,613	\$105,275	\$3,084,243
2031	\$403,597	\$1,195,380	\$240,666	\$903,712	\$235,613	\$105,275	\$3,084,243
2032	\$403,597	\$1,195,380	\$240,666	\$903,712	\$235,613	\$105,275	\$3,084,243
2033	\$403,597	\$1,195,380	\$240,666	\$903,712	\$235,613	\$105,275	\$3,084,243
2034	\$403,597	\$1,195,380	\$240,666	\$903,712	\$471,226	\$105,275	\$3,319,856
2035	\$403,597	\$1,195,380	\$240,666	\$903,712	\$471,226	\$210,550	\$3,425,131
2036	\$403,597	\$1,195,380	\$240,666	\$903,712	\$471,226	\$210,550	\$3,425,131
2037	\$403,597	\$1,195,380	\$240,666	\$903,712	\$471,226	\$210,550	\$3,425,131
2038	\$403,597	\$1,195,380	\$240,666	\$903,712	\$471,226	\$210,550	\$3,425,131
2039	\$403,597	\$1,195,380	\$240,666	\$903,712	\$471,226	\$210,550	\$3,425,131
TOTAL	\$7,314,749	\$19,723,990	\$3,609,990	\$11,289,223	\$3,887,615	\$1,579,126	\$47,404,473

50% MANUFACTURING DISCOUNT FOR FIRST FIVE YEARS

APPENDIX D

PROJECTED DEVELOPMENT COSTS (PROPOSED QUALIFIED PROJECT COSTS)

SeneGence International Midwest Corporate
Campus Qualified Public Project Costs

1.	Storm Water Improvements and Sanitary Sewer System Extension	\$7,500,000
2.	Roadway Signals, Historic Route 66 Bridge Repair,	
3.	Floodway Improvements and Park	\$4,000,000
4.	SH-66 Intersection Improvement	\$1,000,000
5.	P&R Trails & School-Youth Sport Facilities Improvements	\$3,500,000
6.	Historic Downtown Restoration Improvements	\$1,500,000
7.	Creek County Schools, STEM Center Endowment Fund	\$1,500,000
8.	Creek County Head Start Endowment Improvement	\$500,000
9.	Route 66 Fire Training Facility Improvement	\$2,000,000
10.	TIF Legal Fees	\$35,000
11.	TIF Administrative Fees (\$35,000/ year x 20 years)	\$700,000
12.	Interest in Connection with Development Financing Assistance	\$17,765,000
<u>TOTAL</u>		<u>\$40,000,000</u>

APPENDIX E

DESCRIPTION OF CURRENT ZONING

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS
CREEK COUNTY, OKLAHOMA**

2016 - 77

WHEREAS, at a regular meeting held August 23rd, 2016, the Sapulpa Metropolitan Area Planning Commission (SMAPC) voted unanimously recommending APPROVAL to the Creek County Board of Commissioners (CCBOC) of the following; Rezoning request by the Owner/Applicant for real estate described to-wit:

CCZ-1929 | Bob Nale for Creek County Industrial Authority:

The applicant requests approval of rezoning from A-1 General Agricultural District to I-2 General Industrial District on the property located at 18377 West Highway 33, Sapulpa, OK 74066.

1-2016-010525 Book 1047 pg 895
8/30/2016 9:07 AM pgs 895 - 896
Fees: \$0.00 Doc \$0.00

Jennifer Mortazavi
Creek County Clerk
State of Oklahoma



ADDRESS: 18377 W Highway 33, Sapulpa, OK 74066
PARCEL: 0000-36-018-010-0-019-02
STR: Section 36, Township 18 North, Range 10 East

LEGAL: The West Half of the West Half of the Southwest Quarter of the Southeast Quarter (W/2 W/2 SW/4 SE/4) all in Section 36, Township 18 North, Range 10 East of the Indian Base and Meridian, Creek County, State of Oklahoma, according to the U.S. Government Survey thereof, LESS AND EXCEPT .25 acres deeded to Oklahoma Turnpike Authority described as follows: a strip, tract or parcel of land lying in and being part of the W/2 of the W/2 of SW/4 of the SE/4 of Section 36, Township 18 North, Range 10 East and more particularly described as follows: Beginning at the SW corner of said W/2 W/2 SW/4 SE/4; thence Northerly along the West line of said W/2 W/2 SW/4 SE/4 a distance of 75 feet; thence N87°13'56"E a distance of 331.06 feet to a point on the East line of said W/2 W/2 SW/4 SE/4; thence Southerly along said East line a distance of 90.90 feet to the SE corner of said W/2 W/2 SW/4 SE/4; thence Westerly along the South line of said W/2 W/2 SW/4 SE/4 a distance of 330.94 feet to the Point of Beginning; AND The South Half of the Northeast Quarter (S/2 NE/4) of Section 36, Township 18 North, Range 10 East of the Indian Base and Meridian, Creek County, State of Oklahoma, according to the U.S. Government Survey thereof; AND, The Southeast Quarter (SE/4) of Section 36, Township 18 north, Range 10 East of the Indian Base and Meridian, Creek County, State of Oklahoma, LESS AND EXCEPT the West Half of the West Half of the Southwest Quarter of the Southeast Quarter (W/2 W/2 SW/4 SE/4) and LESS AND EXCEPT parcels of land

deeded to the Oklahoma Turnpike Authority and to the State of Oklahoma recorded in Book 632 Page 59, Book 632 Page 61, and Book 266 Page 1717 of the records of the Creek County Clerk LESS AND EXCEPT the North 50 feet & the West 50 feet of the North 1320 Feet.

LOT SIZE: 225.00 acres m/l

NOW, THEREFORE, be it resolved that the above described real estate be APPROVED for the Rezoning to I-2 General Industrial District as requested; unanimously recommended by the SMAPC; That upon the conclusion of a properly advertised public hearing and meaningful deliberation, the Creek County Board of Commissioners (CCBOC), by unanimous vote, did conditionally APPROVE the above styled application and request, subject to the following numerical conditions:

1. The applicant will comply with all sections of the Creek County Planning and Zoning Regulations, specifically Section 4.12 I-2 General Industrial District.

APPROVED and Done this 29th day of August, 2016:

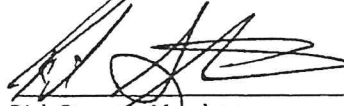
CREEK COUNTY BOARD OF COUNTY COMMISSIONERS:



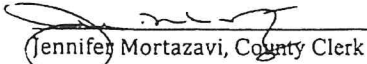
Newt Stephens, Chair



Lane Whitehouse, Vice Chair



Rick Stewart, Member



Jennifer Mortazavi, County Clerk

I-2016-010525 Book 1047 pg 896
8/30/2016 9:07 AM pgs 895 - 896
Fees \$0.00 Doc \$0.00

Jennifer Mortazavi
Creek County Clerk
State of Oklahoma



APPENDIX F

IMPACT ANALYSIS OF INCREMENT DISTRICT NUMBER FIVE, CITY OF SAPULPA, OKLAHOMA (SENEGENCE INCREMENT DISTRICT)

As shown in the Project Plan, the creation of the Increment District No. 5, City of Sapulpa, (herein after, the "District") will have positive financial impacts on the ad valorem taxing jurisdictions that currently levy such taxes within the District's Project Area. Appendix C to the Project Plan sets out in detail the anticipated increase in taxable value of the Project Area over the course of the twenty-year District term. Based on an assessment ratio of twelve percent (12%) for real and personal property and an estimated tax rate of 105 mils, in the interest of attaining conservative revenue projections. It is projected this will result in an aggregate increase in ad valorem taxes totaling \$47,404,473 over the life of the District. After the sanitary sewer line extensions and roadway, Route 66 bridge, floodway and destination park improvements are fully reimbursed and paid for, the taxing jurisdictions will levy taxes on ten percent of the Tax Increment Revenue. At the conclusion of the District term (or upon reimbursement to the Developer for qualified Project Costs, whichever occurs sooner), the taxing jurisdictions will levy taxes on one hundred percent of the enhanced taxable value, which is expected to yield an additional \$3,425,131 annually.

Impacts within the Increment District on Taxing Jurisdictions

The following splits of ad valorem levies are based on FY 2017-18 millage rates, totaling 114.79 mills.

CREEK COUNTY, OKLAHOMA: Creek County, Oklahoma, which includes the Creek County Health Department (the "County"), at the time of this analysis, levied: (a) ad valorem taxes equal to 16.93 mills to support general county government (within this section, the "General Fund Revenues").

General Fund Revenues. As all of the General Fund Revenues that are currently being generated within the district will continue to accrue to the County, no diminishment of the County's General Fund Revenues will likely result from the establishment of the SeneGence Increment District. With regard to future General Fund Revenues, the maximum annual and total incremental revenues generated from the County's 16.93 mill levy and used to pay "project costs" are estimated to be \$505,206.83 and \$6,992,159.77, respectively. However, because substantially all the incremental General Fund Revenues generated from this new private investment would not accrue without the construction of the projects listed in the Project Plan, no significant adverse financial impact on the County General Fund Revenue is expected from the approval and implementation of the Project Plan and the creating of the SeneGence Increment District.

CENTRAL TECHNOLOGY CENTER. The Central Technology Center ("CTC"), at the time of this analysis, levied ad valorem taxes equal to 13.26 mills to support: (a) the educational activities of the Central Technology Center (the "General Fund Revenues"), and (b) to finance a portion of the capital needs of Central Technology Center (the "Building Fund Revenues").

General Fund Revenues and Building Fund Revenues: As all the General Fund Revenues and Building Fund Revenues that are currently being generated within the SeneGence Increment District will continue to accrue to CTC, no diminishment of the CTC's General Fund Revenues and Building Fund Revenues will likely result from the establishment of the SeneGence Increment District. With regard to future General Fund Revenues and Building Fund Revenues, the maximum annual and total incremental revenues generated from CTC's 13.26 mill levy and used to pay "project costs" are estimated to be \$395,602.63 and \$5,475,216.63, respectively. However, because substantially all of the incremental General Fund Revenues and Building Fund Revenues generated from this new private investment would not accrue without the construction of the projects listed in the Project Plan, no significant adverse financial impact on CTC's General Fund or Building Fund is expected from the approval and implementation of the Project Plan and the creating of the SeneGence Increment District.

KELLYVILLE PUBLIC SCHOOLS. Independent Public School District No. 31, Creek County ("KPSD"), at the time of this analysis, levied: (a) ad valorem taxes equal to 16.4 mills to finance the sinking fund of the KPSD (the "Sinking Fund Revenues"); (b) ad valorem taxes equal to 36.15 mills to support the operational activities of the KPSD (the "General Fund Revenues"); and (c) ad valorem taxes equal to 5.16 mills to finance a portion of the capital needs of the School District (the "Building Fund Revenues"). The KPSD also derive significant revenues 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").

Sinking Fund Revenues: As all of the Sinking Fund Revenues that are currently being generated within the SeneGence Increment District will continue to accrue to KPSD, no diminishment of the KPSD's Sinking Fund Revenues will likely result from the establishment of the SeneGence Increment District. With regard to future Sinking Fund Revenues, the maximum annual and total incremental revenues generated from KPSD's 16.4 mill levy and used to pay "project costs" are estimated to be \$442,021 and \$6,117,662, respectively. However, because substantially all of these incremental Sinking Fund Revenues generated from this private investment would not accrue without the construction of the projects listed in the Project Plan, no significant adverse financial impact on KPSD's Sinking Fund is expected from the approval and implementation of the Project Plan and the creating of the SeneGence Increment District.

Building Fund Revenues. As all of the Building Fund Revenues that are currently being generated within the SeneGence Increment District will continue to accrue to KPSD, no diminishment of the TKD's Building Fund Revenues will likely result from the establishment of the SeneGence Increment District. With regard to future Building Fund Revenues, the maximum annual and total incremental revenues generated from KPSD's 5.16 mill levy and used to pay "project costs" are estimated to be \$139,872 and \$1,935,860, respectively. However, because substantially all of these incremental Building Fund Revenues generated from this private investment would not accrue without the construction of the projects listed in the Project Plan, no significant adverse financial impact on KPSD's Building Fund is expected from the approval and implementation of the Project Plan and the creating of the SeneGence Increment District.

General Fund Revenues: As all of the General Fund Revenues and County Levy Revenues that are currently being generated within the district (and allocated to KPSD) will continue to accrue to KPSD, no significant diminishment of KPSD's General Fund Revenues or County Levy Revenues will likely occur. With regard to future General Fund Revenues, the maximum annual and total incremental revenues generated from KPSD's 36.15 mill levy and used to pay "project costs" are estimated to be \$973,972 and \$13,479,959, respectively. 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 Revenues"). Under these provisions, increases in the net assessed valuation of a school district are almost entirely 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 SeneGence Increment District would not substantially increase or decrease the net amount of General Fund Revenues available to the KPSD.

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

CREEK COUNTY EMERGENCY AMBULANCE SERVICE DISTRICT. Creek County Emergency Ambulance Service District ("EASD"), at the time of this analysis, levied ad valorem taxes equal to 3.08 mills to support the operational activities of the Emergency Ambulance Service District (the "General Fund Revenues").

General Fund Revenues: As all of the General Fund Revenues that are currently being generated within the SeneGence Increment District will continue to accrue to EASD, no diminishment of EASD's General Fund Revenues will likely occur. With regard to future General Fund Revenues, the maximum annual and total incremental revenues generated from EASD's 3.08 mill levy and used to pay "project costs" are estimated to be \$91,793.51 and \$1,270,439.88, respectively. However, because substantially all of these incremental General Fund Revenues are generated from new private investment would not accrue without the construction of the projects listed in the Project Plan, no significant adverse financial impact on EASD's General Fund is expected from the approval and implementation of the Project Plan and the creating of the SeneGence Increment District.

CITY OF SAPULPA. ("Sapulpa"), at the time of this analysis, levied ad valorem taxes equal to 14.89 mills to pay principal and interest on Sapulpa's outstanding General Obligation indebtedness (the "Sinking Fund Revenues").

Sinking Fund Revenues: With regard to future Sinking Fund Revenues, the maximum annual and total incremental revenues generated from Sapulpa's 13.45 mill levy and used to pay "project costs" are estimated to be \$401,425.35 and \$5,555,804.24, respectively. However, the establishment of

the District does not alter Sapulpa's legal obligations under its General Obligation bonds and will likely not affect Sapulpa's ability to raise sufficient Sinking Fund Revenues to repay such debt.

Induced Impact Outside the Increment District

The SeneGence “Midwest corporate campus” will include distribution facilities, executive offices, and manufacturing facilities are expected to provide both new Sapulpa residents already employed by SeneGence and new employment opportunities for current, or prospective, Sapulpa residents. It is the hope of the City of Sapulpa, and SeneGence, the Development will attract other major investment by other businesses to the Project area, as well. The induced growth in property values outside of the proposed increment district, as well as increased sales tax receipts due to this influx in population, and revenues derived from new building permits for the City, indicate additional financial benefits to the taxing jurisdictions.

The proposed public projects, outlined in detail in the Project Plan, will enhance several areas within the City that will substantially increase the value of both historical facilities and new community services and facilities. Stimulation of residential development of the neighboring off-site areas is critically linked to the conditions and perception of public facilities and quality of life opportunities that would serve such residential development.

Conclusion

As the SeneGence Development would not occur without the establishment of the District, there is little to no financial impact on the taxing jurisdiction within the District. However, there are financial benefits both with direct revenues to the taxing jurisdictions with for a portion of the District’s term and at the end of the District’s term, and indirect financial benefits (by way of increased population and property values in the City) during the life of the District, from the community improvements that will be created with the District.