

PURSUANT TO THE LEGAL NOTICE AS IS REQUIRED BY THE OKLAHOMA OPEN MEETING ACT INCLUDING THE POSTING OF NOTICE AND AGENDA AS IS REQUIRED BY THE TERMS THEREOF, THE CITY COUNCIL OF THE CITY OF BLANCHARD, OKLAHOMA, MET IN SPECIAL SESSION ON THE 30TH DAY OF JANUARY, 2024, AT 6:00 O'CLOCK P.M.

PRESENT:

ABSENT:

(OTHER PROCEEDINGS)

Thereupon, the following Ordinance was introduced and caused to be read by Title by the City Clerk. Councilmember _____ moved passage of the Ordinance and Councilmember _____ seconded the motion. The motion carrying with it the approval of said Ordinance was approved by the following vote:

AYE:

NAY:

THEREUPON, Councilmember _____ moved that an emergency be declared and that the Ordinance become effective immediately. Councilmember _____ seconded the motion. The motion was adopted by the following vote:

AYE:

NAY:

The Ordinance so approved is as follows:

[Ordinance No. ____ begins on following page]

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF BLANCHARD, OKLAHOMA (THE “CITY”) APPROVING UTILIZATION OF APPORTIONED TAX REVENUES AUTHORIZED BY STATEWIDE VOTE ADOPTING ARTICLE 10, SECTION 6C OF THE OKLAHOMA CONSTITUTION AND IMPLEMENTED BY THE LOCAL DEVELOPMENT ACT, 62 O.S. §850, ET SEQ.; APPROVING AND ADOPTING THE THORPE NATIONAL ECONOMIC DEVELOPMENT PROJECT PLAN AND EXPRESSING INTENT TO CARRY OUT THE PROJECT PLAN; RATIFYING AND CONFIRMING THE ACTIONS, RECOMMENDATIONS AND FINDINGS OF THE REVIEW COMMITTEE AND THE PLANNING COMMISSION; CREATING AND ESTABLISHING INCREMENT DISTRICT NO. 3, CITY OF BLANCHARD; DESIGNATING AND ADOPTING THE INCREMENT DISTRICT BOUNDARIES AND THE PROJECT AREA BOUNDARIES; ADOPTING CERTAIN FINDINGS; RESERVING TO THE CITY THE AUTHORITY TO MAKE MINOR AMENDMENTS TO THE PROJECT PLAN; AUTHORIZING THE CITY COUNCIL OF THE CITY TO CARRY OUT AND ADMINISTER THE PROJECT PLAN; ESTABLISHING A TAX APPORTIONMENT FUND; AUTHORIZING DIRECTIONS FOR PROSPECTIVE APPORTIONMENT OF TAX INCREMENTS; ESTABLISHING AN ALLOCATION OF USE FOR TAX INCREMENTS; DECLARING APPORTIONMENT FUNDS TO BE FUNDS OF THE CITY AND LIMITING THE PLEDGE OF APPORTIONED INCREMENTS TO INCREMENTS ACTUALLY APPORTIONED BY THE CITY; AUTHORIZING THE CITY COUNCIL OF THE CITY, OR A PUBLIC TRUST DESIGNATED THEREBY, TO IMPLEMENT THE PROJECT PLAN UTILIZING APPORTIONED TAX INCREMENTS TO PAY OR REIMBURSE PROJECT COSTS DIRECTLY AND/OR TO ISSUE BONDS OR NOTES, IF FEASIBLE AND DESIRABLE, TO PAY PROJECT COSTS AND TO RETIRE SAID BONDS OR NOTES FROM APPORTIONED TAX INCREMENTS; PROVIDING FOR SEVERABILITY; DECLARING AN EMERGENCY; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

WHEREAS, by statewide vote, the people of the State of Oklahoma adopted Article 10, §6C as an amendment to the Constitution of the State of Oklahoma to allow the Legislature to authorize cities, towns and counties to use local taxes for specific public investments, for assistance in development financing and as a revenue source for other public entities in the area, and to direct the apportionment of local taxes to plan, finance and carry out development of areas determined by the governing body of the city, town or county to be unproductive, undeveloped, underdeveloped or blighted; and

WHEREAS, the Legislature has enacted the Local Development Act, 62 Okla. Stat. §850, *et seq.* (the “Local Development Act”), for purpose of furthering the provisions of Article 10, §6C of the Oklahoma Constitution; and

WHEREAS, the Thorpe National Economic Development Project Plan (the “Project Plan”) supports the achievement of the economic development objectives of the City of Blanchard,

Oklahoma (the “City”) in accordance with previously approved strategies and plans to incentivize capital investment in facilities to serve as a catalyst for expanding employment in the area, attract major investment in the area, preserve and enhance the tax base and make possible investment, development, and economic growth that would be difficult or impossible without the project and the apportionment of ad valorem and sales and use taxes from within the Increment District; and

WHEREAS, the Project Plan calls for the creation of Increment District No. 3, City of Blanchard (the “Increment District”); and

WHEREAS, the Tax Increment District Review Committee (the “Review Committee”), comprised of individuals representing each of the taxing jurisdictions in which the proposed increment district is located, as well as the public at large, has considered the financial impacts of the proposed Project Plan on each such taxing jurisdiction and has found that the proposed project will have a positive financial impact on the affected taxing entities and existing business activities within the Increment District; and

WHEREAS, the affected taxing entities comprising the Review Committee include the City; and

WHEREAS, the Review Committee has reviewed the proposed Increment District in accordance with the criteria specified in the Local Development Act, and has found that the proposed Increment District is undeveloped within the meaning of Article 10, §6C of the Oklahoma Constitution and the Local Development Act, and is located in a reinvestment area (as defined in Section 853(17) of the Act) and is therefore eligible for assistance under the Local Development Act; and

WHEREAS, the Review Committee has found that approval of the Project Plan is appropriate and has recommended its approval to the City Council of the City, evidenced by its Resolution (attached hereto as Exhibit “E”), with the condition that Blanchard School District and the Developers (as defined in the Project Plan) will work to find alternate funding sources that will decrease the amount of authorized Project Costs allocable to Blanchard School District Infrastructure (as described in the Project Plan); and

WHEREAS, the Planning Commission of the City (the “Planning Commission”) has adopted its Resolution (attached hereto as Exhibit “D”) declaring that the Project Plan is in compliance with the Comprehensive Plan of the City and recommending the approval of the Project Plan to the City Council of the City, with the condition that the Blanchard School District Infrastructure Project Cost component be reduced from \$10 million to \$3 million (to be used for High School classroom addition with safe room) and the \$7 million be reallocated to the Water and Sewer Infrastructure and Traffic Infrastructure Project Cost components (all as described in the Project Plan); and

WHEREAS, the City, based on the recommendations of the Review Committee and the Planning Commission, and public comments received as two public hearings held on January 22, 2024, and January 30, 2024, has made certain technical corrections to the original draft Project Plan dated December 27, 2023, all as shown in the draft markup (attached hereto as Exhibit “F”); and

WHEREAS, tax apportionment financing is a necessary component in generating economic development in the proposed project area and the Increment District; and

WHEREAS, investment, development and economic growth will be difficult within the proposed project area and proposed Increment District, but possible if the Project Plan is adopted; and

WHEREAS, the Project Plan will use the tools provided by the Local Development Act only in an area where investment, development and economic growth would not otherwise occur; and

WHEREAS, the Project Plan provides tools that will supplement and not supplant or replace nominal public functions and services; and

WHEREAS, the establishment of the Increment District will be used in conjunction with existing programs and other locally implemented economic development efforts in order to encourage economic development in the proposed project area; and

WHEREAS, the boundaries of the Increment District do not dissect any similar area or create an unfair competitive advantage; and

WHEREAS, the City Council of the City recognizes the need for residential and neighborhood treatment as well as commercial/industrial development; and

WHEREAS, maximum effort has been made to allow full public knowledge and participation in the application of the Local Development Act in the review and approval of the Project Plan, including creation of the Increment District; and

WHEREAS, all required notices have been given and all required hearings have been held in connection with the proposed Project Plan, as prescribed in the Local Development Act, the Oklahoma Open Meeting Act, 25 Okla. Stat. §301 *et seq.*, and other applicable law; and

WHEREAS, implementation of the Project Plan will be facilitated by designation of a public trust with the City as its beneficiary (referred to herein as the “Authority”), to assist the City in carrying out and administering the Project Plan and exercising all powers necessary thereto except those powers reserved by the City herein; and

WHEREAS, implementation of the Project Plan will be facilitated by reserving to the City the authority to make minor amendments to the Project Plan, as provided in the Local Development Act; and

WHEREAS, implementation of the Project Plan will be facilitated by authorizing the Authority to pay or reimburse authorized Project Costs pursuant to Section IX of the Project Plan from apportioned tax increments, and/or issue its tax apportionment notes or bonds (referred to herein as the “TIF Bonds”) payable from apportioned tax increments; and

WHEREAS, it is in the best interests of the City and its citizens to approve the Project Plan, including the establishment of the Increment District.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BLANCHARD, OKLAHOMA:

Section 1. Utilization of Local Development Act. In order to undertake redevelopment of an undeveloped or underdeveloped area within the City, the City elects to utilize Article 10, §6C of the Constitution of the State of Oklahoma, adopted by statewide vote and implemented by the Local Development Act, which authorizes the use of local taxes for specific public investments, assistance in development financing and as a revenue source for other public entities in the area and which provides for the direction of apportionment of local taxes to plan, finance, and carry out development of unproductive, undeveloped, underdeveloped, or blighted areas as determined by the governing body of a city, town, or county.

Section 2. Project Plan Approval. The Project Plan is hereby approved and adopted as recommended by the Planning Commission and the Review Committee. As used in this Ordinance, “Thorpe National Economic Development Project Plan” or “Project Plan” shall mean the document entitled “Thorpe National Economic Development Project Plan” dated December 27, 2023, revised and adopted this January 30, 2024, and attached hereto as Exhibit “A”. It is the intent of the City to carry out the Project Plan as provided by this Ordinance. A markup of the original December 27, 2023, draft Project Plan is attached hereto as Exhibit “F”.

Section 3. Ratification of Actions. All actions, findings and recommendations made or taken in connection with the Project Plan by the Planning Commission and the Review Committee are hereby ratified and confirmed, including, but not limited to, the designation and selection of representatives to the Review Committee from the taxing jurisdictions and the public at large, recommendations for approval, and the findings of conformance with the Comprehensive Plan, eligibility of the Increment District and financial impact upon the taxing jurisdictions.

Section 4. Increment District Creation. There is hereby created an Increment District. For identification purposes, the name of the Increment District shall be “Increment District No. 3, City of Blanchard”. The Increment District shall commence as of the date determined by the City Council of the City in accordance with Section 856(B)(2) of the Local Development Act (the “Commencement Date”); provided however, the Commencement Date shall not be later than ten (10) years following adoption of the Project Plan and this Ordinance. The City Council will evidence the Commencement Date, designation, and naming of the Increment District by adoption of its Resolution at such time as shall be determined by the City Council of the City.

Section 5. Increment District and Project Area Boundaries. The boundaries of Increment District No. 3, City of Blanchard contain an area generally described as the property north of State Highway 62, east of County N2960 Rd (extended), south of County E1295 Rd (Extended), and mostly west of County N2970 Rd/Sara Road (extended), all within the City of Blanchard, Oklahoma, and the specific Increment District legal description is hereby designated and adopted as described in Exhibit “B”. The boundaries of the Project Area (the area within which project activities will take place, including construction of the supporting public improvements) contain an area comprising 68 square miles, roughly bordered on the south by E 1320 Rd, on the west by the H.E. Bailey Turnpike (I-44), on the north by E 1250 Rd (Sandrock Road), and on the east by N. Rockwell Ave, and the specific Project Area legal description is hereby designated and adopted as described in Exhibit “C”.

Section 6. Findings. The City Council hereby finds that:

- (a) The Increment District is located within a reinvestment area as defined by the Local Development Act;
- (b) The proposed improvements and incentives (as set forth in the Project Plan) within the Increment District are likely to enhance the value of other real property in the area and to promote the general public interest;
- (c) The guidelines of paragraphs 1 and 2 of Section 852 of the Local Development Act shall be followed;
- (d) The aggregate net assessed value of the taxable property in all increment districts within the City, as determined pursuant to Section 862 of the Local Development Act, does not exceed 35% of the total net assessed value of taxable property within the City;
- (e) The aggregate net assessed value of the taxable property in all increment districts within the City, as determined pursuant to Section 862 of the Local Development Act, does not exceed 25% of the total assessed net value of any affected school districts located within the City;
- (f) The land area of all increment districts within the City does not exceed 25% of the total land area of the City; and
- (g) The Project Plan is feasible and conforms to the Comprehensive Plan of the City, as amended.

Section 7. Right to Amend Project Plan. The City reserves to itself the authority to make minor amendments to the Project Plan in accordance with the definition provided in Section 858(D) of the Local Development Act. Notwithstanding the foregoing, the Review Committee may be reconvened at the direction of the City Council at any time following adoption of this Ordinance to consider and recommend any appropriate amendments to the Project Plan.

Section 8. City and Authority the Designated Public Entities. The City Council of the City is hereby designated and authorized as the public entity to carry out and administer the provisions of the Project Plan and to exercise all powers necessary or appropriate thereto, including, without limitation, those powers described in Section 854 of the Local Development Act. Upon designation by the City Council of the City, the Authority shall assist in carrying out and administering the provisions of the Project Plan and shall be authorized to exercise all powers necessary or appropriate thereto pursuant to Section 854 of the Local Development Act, except for approval of the Project Plan and those powers enumerated in paragraphs 1, 2, 3, 4, 7, 13, and 16 of that section, which powers shall be reserved to the City Council of the City.

Section 9. Tax Apportionment Fund. There is hereby created a fund called the “Increment District No. 3, City of Blanchard, Tax Apportionment Fund” (referred to herein as the “Apportionment Fund”), which fund will be held by and be the property of the City (except that such fund may also be held by the Authority or a trustee acting on behalf of the Authority). All monies apportioned pursuant to Section 10 shall be deposited in the Apportionment Fund. No

portion of the TIF Revenues described in Section 10 and no portion of the Apportionment Fund shall constitute a part of the general fund of the City.

Section 10. Apportionment of Tax Increments.

(a) The apportionment of the Ad Valorem Increment Revenues, the Sales Tax Increment Revenues, the Hotel Tax Increment Revenues, and the Leverage Act Increment Revenues (each as defined herein, and collectively referred to as the “TIF Revenues”) shall continue for that period required for the payment of the Project Costs, or a period not to exceed twenty-five (25) full fiscal years following the respective Commencement Date (each referred to as the “Expiration Date”), whichever is less..

(b) The apportionment of the TIF Revenues 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 the TIF Bonds; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond the Expiration Date.

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

(d) *Ad Valorem Increment Revenues (TIF Revenues).* In accordance with the provisions of the Local Development Act, one hundred percent (100%) of the increments of real and personal property ad valorem taxes generated within the Increment District, in excess of the real and personal property ad valorem taxes generated from the base assessed value of the Increment District, as such increments are determined and defined pursuant to the Local Development Act (collectively, the “Ad Valorem Increment Revenues”), are to be apportioned and set aside from all other ad valorem taxes levied within the Increment District, to be used exclusively for:

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

sums were actually paid or, in the case of reimbursement of third party developer, constitute an interest component on sums that were actually paid; and

(v) the establishment and payment of a specific revenue source for affected taxing entities pursuant to Sections 853(9), 853(14)(i), and 854(4) of the Local Development Act.

Pursuant to the Local Development Act, the Ad Valorem Increment Revenues (as determined annually by the Grady County Assessor) apportioned hereunder and so collected shall be placed into the Apportionment Fund. All Ad Valorem Increment Revenues so collected shall be apportioned as follows: (i) fifty percent (50.0%) of the Ad Valorem Increment Revenues shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan; and (ii) fifty percent (50.0%) of the Ad Valorem Increment Revenues shall be apportioned to the affecting taxing jurisdictions in proportion to the allocation that the taxing jurisdictions would ordinarily receive from the increased assessed values, in the absence of the Increment District (as set forth in Sections 853(9), 853(14)(i) and 854(4) of the Local Development Act; provided that any portion of the TIF Revenues allocated to the School District shall be for the purpose of providing a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the School District.

(e) *Sales Tax Increment Revenues (TIF Revenues)*. In accordance with the provisions of the Local Development Act, fifty percent (50%) of the incremental sales and use tax revenue (representing an amount equivalent to a two and one-half percent (2.5%) sales and use tax based on a total of 5.0% sales and use tax levied by the City as of the date of this Ordinance pursuant to Chapter 1, Article 5, Section 1-75 *et seq.*, of the Blanchard Code of Ordinances (the “Code of Ordinances”), as such Code of Ordinances may be amended, replaced, extended, superseded, terminated, or otherwise modified from time to time, including with regards to the total amount of applicable City sales and use tax rate) generated within the Increment District, as such increments are determined and defined pursuant to the Local Development Act (collectively, the “Sales Tax Increment Revenues”), are to be apportioned and set aside from all other sales and use taxes levied within the Increment District; provided, however, the Sales Tax Increment Revenues shall be reduced by the amount of sales tax revenues generated by any existing businesses (currently located within the City, but outside the boundaries of the Increment District) that cease operations at their existing location and relocate to within the Increment District, but provided further, said reduction shall not be applied to any existing businesses that open an additional location within the Increment District for so long as all other existing location(s) remain open for business. Said amount of reduction (collectively, the “Transfer Adjustment”) shall be calculated based on the sales tax collections during the twelve month period prior to closing the previous location. The Sales Tax Increment Revenues are to be used exclusively for:

(i) the payment of principal, interest and premium, if any, on any TIF Bonds issued pursuant to Section 863 of the Local Development Act (including pledging as security for such payments);

- (ii) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (iii) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects; and
- (iv) the reimbursement of a third party developer (pursuant to a development agreement with the City or the Authority), including any interest component (pursuant to a development agreement with the City and/or the Authority), the City, or any agency thereof (including the Authority), which has paid Project Costs from funds which were not increments derived from the Increment District, but only to the extent that such sums were actually paid or, in the case of reimbursement of a third party developer, constitute an interest component on sums that were actually paid.

Provided, however, the remaining unapportioned incremental sales and use tax revenues derived from the Increment District, as of the date of this Ordinance representing the equivalent of 2.5% of the total 5.0% sales and use tax levied by the City, shall be retained by the City and utilized for any lawful purpose consistent with the aforementioned Code of Ordinances. For purposes of determining the incremental portion of the sales and use taxes generated within or sourced to the Increment District, the Mayor of the City shall certify as the “base sales tax amount” the annual sales taxes received by the City that were generated within the area comprising the Increment District during the calendar year immediately preceding the Commencement Date of the Increment District. Fifty percent (50%) of the sales and use tax generated within or sourced to the Increment District and received by the City which are in excess of such base amount, net of any Transfer Adjustment, shall be considered to be the “increment” subject to apportionment by this section. In addition to sales and use tax generated from retail sales, the Sales Tax Increment Revenues shall include sales and use tax generated from actual construction occurring within the Increment District. The City shall establish procedures related to the calculation and determination of construction related sales and use tax revenue qualifying as Sales Tax Increment Revenues. Such procedures shall stipulate that construction related Sales Tax Increment Revenues be derived only from new construction activities occurring within the Increment District. The City shall be entitled to rely on certifications of actual construction costs provided by a third party developer(s) or related parties in connection with determining any applicable Sales Tax Increment Revenues.

Pursuant to the Local Development Act, the Sales Tax Increment Revenues apportioned hereunder and so collected shall be placed into the Apportionment Fund and shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of the Project Plan, including any interest component (pursuant to a development agreement with the City and/or the Authority).

(f) *Hotel Tax Increment Revenues (TIF Revenues)*. In accordance with the provisions of the Local Development Act, fifty percent (50%) of the incremental hotel/motel tax revenues (representing an amount equivalent to a two and one-half percent (2.5%) hotel/motel tax based on a total of 5.0% hotel/motel tax levied by the City as of the

date of this Ordinance pursuant to Ordinance No. 776 of the City adopted March 28, 2023 (the “Hotel Tax Ordinance”), as such Hotel Tax Ordinance may be amended, replaced, extended, superseded, terminated, or otherwise modified from time to time, including with regards to the total amount of applicable City hotel/motel tax rate) generated within the Increment District, as such increments are determined and defined pursuant to the Local Development Act (collectively, the “Hotel Tax Increment Revenues”) are to be apportioned and set aside from all other hotel/motel taxes levied within the Increment District; provided that all of the generated increment shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of the Project Plan. The Hotel Tax Increment Revenues are to be used exclusively for:

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

Provided, however, the remaining unapportioned incremental hotel/motel tax revenues derived from the Increment District, as of the date of this Project Plan representing the equivalent of 2.5% of the total 5.0% hotel/motel tax levied by the City, shall be retained by the City and utilized on a pro rata basis for any lawful purpose consistent with the aforementioned Hotel Tax Ordinance. For purposes of determining the incremental portion of the hotel/motel taxes generated within or sourced to the Increment District, the Mayor of the City shall certify as the “base lodging tax amount” the annual hotel/motel taxes received by the City that were generated within the area comprising the Increment District during the calendar year immediately preceding the Commencement Date of the Increment District. All hotel/motel tax revenue generated within the Increment District and received by the City which are in excess of such base amount, shall be considered to be the “increment” subject to apportionment by this section.

(g) *Leverage Act Increment Revenues (TIF Revenues)*. In accordance with the provisions of the Local Development Act, one hundred percent (100%) of the incentive matching payments made by the State of Oklahoma pursuant to the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. §840, *et seq.* (the

“Leverage Act”), based on sales and use tax and hotel/motel tax increments dedicated to the Increment District, as such amounts are hereinafter determined and defined (collectively, the “Leverage Act Increment Revenues”), are to be apportioned and set aside from all other hotel/motel taxes levied within the Increment District. The Leverage Act Increment Revenues are to be used exclusively for:

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

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

Pursuant to the Local Development Act, the Leverage Act Increment Revenues apportioned hereunder and so collected shall be placed into the Apportionment Fund and shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of the Project Plan, including any interest component (pursuant to a development agreement with the City and/or the Authority).

(h) *Use of TIF Revenues.* During the term of the Increment District, TIF Revenues (excluding such portions allocated to affected taxing entities) shall be utilized as follows:

- (i) The payment of principal, accrued interest, and premium, if any, due on the TIF Bonds;
- (ii) If applicable, transfers to any debt service reserve established in connection with the TIF Bonds in such amounts as may be necessary to restore the reserve to its prescribed levels;

- (iii) The payment and/or reimbursement of authorized Project Costs (including any interest component pursuant to a development agreement);
- (iv) If applicable, the prepayment of principal on any TIF Bonds until such time as all TIF Bonds are retired; and
- (v) Upon retirement of all TIF Bonds (if any) and payment of all Project Costs (including any interest component pursuant to a development agreement), (a) any remaining Ad Valorem Increment Revenues shall be transferred to the various ad valorem taxing jurisdictions, in the same percentages as originally collected, as determined by reference to the millage levied by each of the various ad valorem taxing jurisdictions for the related tax year, excluding sinking fund levies, and (b) any remaining Sales Tax Increment Revenues and/or Hotel Tax Increment Revenues shall be transferred to the City for deposit into the General Fund or to the appropriate special fund, in each case consistent with the provisions of the Local Development Act. Any remaining Leverage Act Increment Revenues either shall be treated appropriately as ad valorem tax revenue, sales and use tax revenue, or hotel/motel tax revenue, and shall be transferred as set forth in (a) and (b) herein, or, if required by the Leverage Act, shall be returned to the State of Oklahoma.

Section 11. Increments Constitute City Funds; Uses. From and after apportionment, the apportioned increments shall constitute funds of the City (except that such funds may also be held by the Authority or a trustee acting on behalf of the Authority). Apportioned increments may be used for the payment of Project Costs; provided, however, the pledge of apportioned increments toward payment of such Project Costs shall be limited to increments actually apportioned by the City and any security instruments shall provide that except as provided for in this Ordinance, the City has no legal obligation or promise to apportion additional increments in future years. The City and the Authority (as and when designated by the City) shall have the authorization to carry out certain provisions of the Project Plan, as authorized in Section VIII of the Project Plan, to incur and pay or reimburse Project Costs (including any interest, capitalized interest, and other related financing costs) pursuant to Section IX of the Project Plan and also, if feasible and desirable, to issue tax apportionment bonds or notes, incur the costs of issuance of such bonds, and accumulate appropriate reserves, if any, in connection with such bonds, and to retire said bonds or notes from apportioned tax increments, all in accordance with the provisions of the Project Plan. The Authority may (upon designation by the City) also be authorized to irrevocably pledge all or any part of the apportioned TIF Revenues and/or other available revenue for the payment of the TIF Bonds, or for the payment (or reimbursement) of Project Costs. In authorizing the irrevocable pledging of such TIF Revenues, it is the express intention of the City Council that the Increment District will remain in place until all of the outstanding principal, accrued interest and premium, if any, on any such TIF Bonds have been paid in full. Notwithstanding such intention, 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 Increment District, or the apportionment of the TIF Revenues; provided, however, that the City may, on a year-to-year basis, agree to transfer

to the Apportionment Fund, as appropriate, any apportioned increments which it receives. All TIF Bonds so issued shall state that such bond or note is not a debt, general or special, liability or obligation of the City, Grady County, McClain County, or the State of Oklahoma or any other agency or authority of such entities, other than the Authority. The bond or note shall further state to the effect that:

(a) The issuance of such bond or note does not give rise to a charge against the general credit or taxing powers of the City, or a claim on the revenues or resources of the State of Oklahoma, and

(b) Such bond or note is a special, limited obligation of the Authority, payable solely from the income, revenues and receipts derived or to be derived from the proceeds of certain tax increments paid over to the Authority and the funds and accounts held pursuant to the terms of any indenture or agreement authorizing the issuance of such bonds or notes.

Section 12. Severability. If any term, section, subsection, sentence, clause, phrase or portion of this Ordinance or the Project Plan approved hereby is for any reason held invalid or unconstitutional, such term, section, subsection, sentence, clause, phrase or portion shall not affect the validity of the remaining portions of this Ordinance.

Section 13. Emergency. It is immediately necessary for the preservation of the public health, peace and safety of the City of Blanchard, Oklahoma, and the inhabitants thereof that the provisions of this Ordinance become operative immediately and therefore, an emergency is hereby declared to exist and this Ordinance shall be in full force and effect immediately from and after its passage and approval.

Section 14. Necessary Action. The Mayor or Vice Mayor and City Clerk or Deputy City Clerk be and hereby are authorized and empowered to execute and deliver for and on behalf of the City any and all other documents or instruments reasonably necessary to accomplish the implementation of the Project Plan.

[Remainder of Page Left Blank Intentionally]

PASSED AND APPROVED AND THE EMERGENCY CLAUSE RULED UPON
SEPARATELY THIS 30TH DAY OF JANUARY, 2024.

CITY OF BLANCHARD, OKLAHOMA

(SEAL)

Mayor

ATTEST:

City Clerk

STATE OF OKLAHOMA)
)SS
COUNTY OF MCCLAIN)

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

GIVEN UNDER MY HAND THIS 30TH DAY OF JANUARY, 2024.

(SEAL)

City Clerk

EXHIBIT “A”

**THORPE NATIONAL
ECONOMIC DEVELOPMENT PROJECT PLAN**

[On file with the City Clerk of the City of Blanchard, Oklahoma]

EXHIBIT "B"

INCREMENT DISTRICT LEGAL DESCRIPTION

INCREMENT DISTRICT NO. 3, CITY OF BLANCHARD

A Tract of land located in Sections Thirty-four (34), Twenty-seven (27), and Thirty-five (35), Township Eight (8) North, Range Five (5) West of the Indian Meridian, Grady County, Oklahoma.

COMMENCING at the Southwest Corner of said Section 34, Thence on the West line of the Southwest Quarter (SW4) of said Section 34 as the Basis of Bearing;

Thence N00°12'01"W a distance of 111.88 feet to the North line of the Existing Right of Way of Old Highway 62, 277, 9 and the POINT OF BEGINNING;

Thence continuing, N00°12'01"W a distance of 2534.11 feet to the Southwest Corner of the NW4 of said Section 34;

Thence N00°07'24"W a distance of 2640.23 feet to the Northwest Corner of Section 34 and the Southwest Corner of Section 27;

Thence N00°17'41"W a distance of 2650.75 feet to the Northwest Corner of the SW4 of Section 27;

Thence N00°11'09"W a distance of 570.00 feet;

Thence S89°48'17"E a distance of 1320.00 feet;

Thence S00°11'09"E a distance of 570.00 feet;

Thence S89°48'17"E a distance of 3963.33 feet to the Northeast Corner of the SE4 of Section 27;

Thence S00°10'06"E a distance of 2618.84 feet to the Southeast Corner of Section 27;

Thence N89°42'30"E a distance of 659.99 feet to the West Line of Rolling Hills Estates;

Thence on the Border of Rolling Hills Estates for the Next Four (4) Calls located in Section 35, S00°11'07"E a distance of 1320.21 feet;

Thence N89°43'31"E a distance of 1980.05 feet;

Thence S00°11'19"E a distance of 660.39 feet;

Thence N89°43'41"E a distance of 2640.13 feet to the East line of the SE4 of Section 35;

Thence S00°11'47"E a distance of 470.61 feet to the North Right of Way line of Old Highways 62, 277 and 9;

Thence on the North line of said Right of Way for the next Twelve calls, S89°47'00"W a distance of 1775.57 feet;

Thence N86°28'19"W a distance of 253.23 feet;

Thence on a curve turning to the left with an arc length of 1140.02 feet, a radius of 4144.43 feet, a chord bearing of S81°45'01"W, and a chord distance of 1136.42 feet;

Thence S89°39'30"W a distance of 294.21 feet;

Thence on a curve turning to the left with an arc length of 782.72 feet, a radius of 1195.92 feet, a chord bearing of S70°58'31"W, and a chord distance of 768.83 feet;

Thence S52°14'09"W a distance of 72.89 feet;

Thence on a curve turning to the right with an arc length of 526.25 feet, a radius of 1359.90 feet, a chord bearing of S63°19'19"W, and a chord distance of 522.97 feet;

Thence S74°24'29"W a distance of 755.53 feet;

Thence on a curve turning to the right with an arc length of 458.39 feet, a radius of 1405.22 feet, a chord bearing of S83°45'42"W, and a chord distance of 456.36 feet;

Thence N86°54'28"W a distance of 1444.56 feet;

Thence on a curve turning to the left with an arc length of 998.05 feet, a radius of 1482.07 feet, a chord bearing of S73°48'06"W, and a chord distance of 979.30 feet;

Thence S54°33'26"W a distance of 2808.16 feet back to the POINT OF BEGINNING.

This description contains 40,685,873 Square Feet or 934.02 Acres more or less.

EXHIBIT “C”

PROJECT AREA LEGAL DESCRIPTION

INCREMENT DISTRICT NO. 3, CITY OF BLANCHARD PROJECT AREA

An area located in Grady County, Oklahoma, and McClain County, Oklahoma, more particularly described as follows:

All of Sections One (1) through Six (6), Township 7 North, Range 5 West of the Indian Base and Meridian, Grady County, Oklahoma.

All of Sections One (1) through Thirty Six (36), Township 8 North, Range 5 West of the Indian Base and Meridian, Grady County, Oklahoma.

All of Sections Twelve (12) through Fourteen (14), Twenty Two (22) through Twenty Eight (28), and Thirty Three (33) through Thirty Six (36), Township 8 North, Range 6 West of the Indian Base and Meridian, Grady County, Oklahoma.

All of Sections Five (5) through Eight (8), Seventeen (17) through Twenty (20), and Twenty Nine (29) through Thirty Two (32), Township 8 North, Range 4 West of the Indian Base and Meridian, McClain County, Oklahoma.

EXHIBIT “D”

**RESOLUTION OF THE PLANNING COMMISSION
OF THE CITY OF BLANCHARD**

Resolution dated January 11, 2024

[Copy on file with the City Clerk of the City of Blanchard, Oklahoma]

EXHIBIT “E”

RESOLUTION OF THE TAX INCREMENT DISTRICT REVIEW COMMITTEE

Resolution dated January 4, 2024

[Copy on file with the City Clerk of the City of Blanchard, Oklahoma]

EXHIBIT “F”

**THORPE NATIONAL
ECONOMIC DEVELOPMENT PROJECT PLAN**

Mark-up reflecting technical corrections to the December 27, 2023 draft Project Plan

[On file with the City Clerk of the City of Blanchard, Oklahoma]