



Downtown Atoka TIF Policy Guide

A policy for the Implementation of the Downtown Atoka Project Plan and
Increment District No. 1, City of Atoka

Prepared by the Atoka City Industrial Development Authority

AS ADOPTED

11.11.2021

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INTRODUCTION

This Policy Guide outlines the goals and objectives of the Downtown Atoka Project Plan (“Project Plan”) and Increment District No. 1, City of Atoka (“Increment District”). This Guide describes generally how public improvements and assistance in development financing may be provided using tax increment revenues. Nothing contained in this Policy Guide binds or obligates the City of Atoka (“City”) or the Atoka City Industrial Development Authority (“ACIDA”). Should the provisions of a development agreement or contract approved by the City Council or ACIDA differ from the provisions of the Policy Guide, the development agreement or contract will control. Staff will review the TIF Policy Guide and current TIF agreements with the City Council and ACIDA trustees regularly.

PRIORITIES FOR ALLOCATION OF TIF RESOURCES

Listed below are the activities that the City believes will help serve as catalyst activities to drive growth and development downtown. As the City moves forward to determine what development projects it considers assisting with TIF resources, the list below will help determine what some of the priorities will be in those considerations. This list has been derived from the discussions that took place in creating and adopting the Project Plan, from the City’s current planning efforts, and from successful practices of other cities. The City’s overall goal is to create a vibrant, enjoyable environment that becomes a significant economic center to our community.

REHABILITATION AND PRESERVATION ACTIVITIES

- Promoting the preservation of historic building stock through adaptive reuse and rehabilitation.
- Special consideration will be made for rehabilitation projects that bring vacant or underutilized buildings back to economic productivity.

RETAIL AND COMMERCIAL ACTIVITIES

- Grow retail sales of merchandise, restaurants, and commercial activities to build a strong sales tax and economic base in the core of the City. New to market retail activity is preferred. This should strengthen the both daytime and evening activity downtown.

OFFICE DEVELOPMENT

- Increase the square footage of office space available for employment opportunities downtown and for the community. Interested in commitments from businesses without an existing presence in the City. This will strengthen the daytime activity downtown.

PROMOTE NEW AND IMPROVE EXISTING PUBLIC SPACES

- Promote walkability by making public right-of-way attractive, safe, and connective for pedestrians to access all development activities the City promotes downtown.
- Seek opportunities to add additional gathering spaces connected with new development.

TOURISM

- Work to attract people to the City from outside the local community, whether through unique experiences or expanding convention or meeting capacity.

NOTE: Meeting eligibility criteria does not guaranty approval of nor entitle any applicant to assistance. The City and ACIDA maintain discretion on approval of assistance to projects.

GENERAL PROCEDURE FOR TIF ASSISTANCE

STEP 1: DISCUSSION AND SUBMISSION OF INFORMATION TO ACIDA STAFF

Developers, landowners, or business owners seeking TIF assistance must discuss their proposed project and submit information to ACIDA that shows the basic parameters for their proposed project and contains sufficient information necessary to qualify for a specific type of assistance. ACIDA may adopt application forms for each type of assistance to ensure the submission of sufficient information to allow reviewing parties to conduct an analysis of the direct and indirect impacts of proposed development projects.

STEP 2: REVIEW OF INFORMATION

(a) Initial Staff Review

Staff (ACIDA Director and City Manager) will conduct an initial review of the information submitted using the guidelines set forth in this Policy Guide, general City and ACIDA policies, and may include the following:

- Compatibility with the Project Plan, TIF Policy Guide and eligibility criteria;
- Evaluation of the qualifications of the applicant, including financial capacity and experience; and
- Economic viability of the proposed development project.

If, after review, staff determines the project to be beneficial to the City and aligned with these guidelines and policies, the ACIDA Director shall forward the proposed project information to the TIF Advisory Board for review, along with a brief summary report of staff's initial review.

(b) TIF Advisory Board

The TIF Advisory Board will review submitted information about proposed projects forwarded from the ACIDA Director, using the guidelines and criteria set forth in the Policy Guide and other applicable City goals and objectives, and shall provide a recommendation on whether and how much assistance a project merits, and provide any general performance parameters and requirements deemed appropriate to ensure the City receives an appropriate public benefit for any provided assistance.

STEP 3: NEGOTIATION OF AGREEMENT

Upon favorable TIF Advisory Board recommendation, by a vote of the majority, a term sheet outlining proposed terms of assistance will be presented to the applicant. If the applicant agrees to the terms, an agreement between the applicant and ACIDA will be presented to the applicant. The agreement will obligate the applicant to construct the development project consistent with the submitted information, this Policy Guide, applicable City regulations, and the TIF Advisory Board's recommendation. The agreement will detail the distribution of

revenues available to pay the TIF assistance, set specific performance standards on which such payments are conditioned, and set the timeline upon which they will be paid, subject to availability.

STEP 4: CONSIDERATION FOR APPROVAL

Upon review and discussion regarding the terms of the agreement, the agreement will be provided to ACIDA Board of Trustees for its consideration.

STEP 5: PAYMENT OF TIF ASSISTANCE

Upon approval by ACIDA of the agreement, TIF assistance will be provided as detailed in the agreement and as described below.

TIF ASSISTANCE

There are two eligible categories of TIF assistance for development projects within the Increment District: (A) Public Improvements Assistance and (B) Assistance in Development Financing. Generally, unless described otherwise in this section, any TIF assistance will be limited to amounts generated by the specific development project being assisted.

PUBLIC IMPROVEMENTS ASSISTANCE

Public Improvements Assistance may be available for development projects having a legitimate need for public improvements or infrastructure to serve the development project or the surrounding vicinity.

ELIGIBILITY

Public Improvements Assistance may be available to fund or reimburse costs of providing public improvements or infrastructure necessary to serve a development project or surrounding areas.

Staff will evaluate the need and the public purpose served by the proposed public improvements or infrastructure using the following criteria:

- The nature and scope of the public improvements and infrastructure to be constructed by or at the expense of the developer;
- The need for the public improvements or infrastructure for both the proposed development project and the Project Area as a whole;
- The location and external impacts of proposed public improvements and infrastructure;
- The size of the capital investment involved and available funding sources to fund that investment; and
- The comparative cost effectiveness of providing Public Improvements Assistance to the developer to construct needed public improvements and infrastructure versus ACIDA or the City directly constructing the needed public improvements and infrastructure.
- ***NOTE: Meeting eligibility criteria does not guaranty approval of nor entitle any applicant to assistance. The City and ACIDA maintain discretion on approval of assistance to projects.***

ASSISTANCE IN DEVELOPMENT FINANCING

Assistance in Development Financing may be available to a developer proposing to develop on vacant property within the Increment District or *significantly* rehabilitate or redevelop a building or site within the Increment District.

ELIGIBILITY

General Criteria. The following criteria will be used to evaluate whether a particular development project may qualify for incentives:

- (i) The specific development project for which assistance is requested must involve an investment of at least \$500,000 in hard construction costs.
- (ii) The developer seeking assistance must either own or have a long-term ground lease for the property that it is seeking to develop or rehabilitate.
- (iii) Development projects must follow all design and density standards as adopted by the City in its Code of Ordinances.
- (iv) ***NOTE: Meeting eligibility criteria does not guaranty approval of nor entitle any applicant to assistance. The City and ACIDA maintain discretion on approval of assistance to projects.***

TOTAL TIF ASSISTANCE AMOUNT

Total TIF Assistance available for a given project (including both Public Improvements Assistance and Assistance in Development Financing) shall be determined in the agreement as a reimbursement of a percentage of ad valorem or sales tax increment (or both) a development project will generate for a specific period of years, capped at an amount equal to a percentage of the project's hard construction costs based on when that development project is completed. The issuance of a Certificate of Occupancy by the City shall determine the development project's completion.

Development Project Completed By:	June 30, 2024	June 30, 2028	June 30, 2032	End of Increment District
Percentage of Construction Cost Assistance Cap:	12%	10%	8%	6%

The hard costs of the construction of improvements on a development project will be determined and verified by staff prior to the payment of any TIF Assistance. The receipt of TIF Assistance is conditioned upon the developer's payment of taxes on its property and upon an increase in taxable value of the property.

Amounts available for TIF Assistance for a development project are also limited based on the amount of unobligated incremental revenues generated by Increment District and the cumulative Project Cost category limitations described in the Project Plan. TIF Assistance, generally, will not be available until the development project is completed and incremental revenues generated by the development project are received. There is no guarantee of the availability and timing of funds for TIF Assistance. In certain circumstances and subject to availability, Public Improvements Assistance may also be provided from other municipal sources, with any such funds advanced budgeted in the agreement to be reimbursed from incremental revenues.

ALTERNATIVE FORMS OF ASSISTANCE

The City recognizes that all development projects are unique, and that the two categories of TIF assistance laid out in this Policy Guide may not be sufficient for specific projects. Developers meeting the criteria or guidelines for either of the categories described in this Policy Guide may propose their own amount or form of TIF assistance by submitting a memorandum attachment to their proposal that describes the alternative amount or form of assistance desired for the project and presents justification for the alternative. Alternative amounts or forms of assistance must be generated by the specific project for which it is requested. Alternative amounts or forms of assistance must receive a positive recommendation from staff and be agreed to by ACIDA.

EXCEPTIONS

The City recognizes that exceptions in policies for eligibility, types, and amounts of assistance may be required for certain development projects to move forward. The City and/or ACIDA may waive certain policy guidelines if a sufficient case is made to staff and agreed to by ACIDA. Developers desiring an exception or waiver must submit a memorandum documenting the need for an exception or waiver from the guidelines laid out in this Policy, and may be asked to present justification for the request. Exceptions or waivers will be considered in the context of a development project's economic and community impacts.

DIRECT PUBLIC IMPROVEMENTS

Increment revenues will be used to pay authorized project costs of public infrastructure, facilities, and improvements directly undertaken by ACIDA or the City. Such improvements will proceed in accordance with the requirements of the City's capital improvements planning process, and all applicable design standards and regulations.

GLOSSARY OF TERMS

Terms used throughout this Policy Guide are further defined as follows:

Downtown Atoka Project Plan: The document approved by the City Council of the City of Atoka on January 4, 2021, by the adoption of Ordinance No. 571, and that established Increment District No. 1, City of Atoka, pursuant to and consistent with the Oklahoma Local Development Act.

Hard Costs of the Construction of Improvements: The actual and direct construction costs of the material, labor, and improvements associated with a development. Such costs exclude developer's fees and other soft costs, including but not limited to architectural, engineering, financing, and legal fees, and other pre- and post-construction fees and expenses.

Increment District: Increment District No. 1, City of Atoka. This is the area from which increment is generated. The geographic boundaries of the Increment District are described and illustrated in Exhibits A and B of the Project Plan.

Increment: The ad valorem revenue in excess of the revenue generated by the base assessed value of the Increment District (as determined by the Atoka County Assessor in accordance with the Oklahoma Local Development Act), i.e., the new revenue attributable to increases in the value of property within the Increment District.

Oklahoma Local Development Act: The law passed by the Oklahoma Legislature to implement Section 6C of Article X of the Oklahoma Constitution, which empowers the governing bodies of cities, towns, and counties to apportion tax increments to help finance the public costs of economic development. 62 O.S. § 850, et seq.

Project Area: The area within which project activities occur and where increment may be expended. The geographic boundaries of the Project Area are described and illustrated in Exhibits A and B of the Project Plan.

TIF Advisory Board: A board established by the City composed of the following: (1) the Mayor, who shall serve as chair, or his designee from City Council (2) the chairman of the City's Planning Commission, or his designee from Planning Commission and (3) one representative of the public-at-large who resides within the City limits and is appointed by the Mayor. The ACIDA Director and the City Manager (or the City Manager's designee) shall also serve as ex-officio members of the TIF Advisory Board. The TIF Advisory Committee shall be responsible for: (a) reviewing requests for TIF Assistance using the criteria and guidance provided in this Policy, applicable City regulations and objectives, and providing a recommendation, voted on with quorum of majority members of the TIF Advisory Board, to ACIDA on terms of assistance for any private development project requesting assistance; and (b) consideration and development of plans, recommendations, and/or proposals to the City Manager, City Council and/or ACIDA, as appropriate, concerning funding, financing, priority, and scheduling of public improvements projects for the Project Area as non-obligated increment becomes available for such purposes.

TIF Assistance: Public funds provided to a developer pursuant to an approved agreement with ACIDA to assist in a development project. TIF Assistance is provided only for development projects that are determined, in the City's and/or ACIDA's discretion: (1) to meet the City's approved development goals and objectives for the Project Area, as expressed from time to time in the City's plans and policies, and (2) to provide adequate consideration and public benefit in return for the public investment.