

Tax Increment District – City of Blanchard Thorpe National Economic Development Project Plan

City of Blanchard Public Hearing #1

Amendment No. 1 to Thorpe National
Economic Development Project Plan

Increment District No. 3, City of Blanchard

December 2, 2024

Increment District No. 3, City of Blanchard

What are the TIF details?

- Created January 30, 2024 by Ordinance No. 803:
 - Increment District No. 3 – Thorpe National Economic Development Project Plan
- Original Term of approximately 25 years full fiscal years (expiring of June 30, 2049)
- Capture 100% of new “incremental” ad valorem and sales tax revenues
 - Existing “baseline” taxes unaffected
 - Capture 100% of new “incremental” ad valorem tax revenues
 - 50% of ad valorem tax apportioned to Project Costs; 50% apportioned to taxing entities
 - Capture 50% of new “incremental” City sales tax revenues
 - Represents 2.5% of total 5.0% City sales tax
 - Excludes businesses that relocate from elsewhere in Blanchard
 - Capture 50% of new “incremental” City hotel tax revenues
 - Represents 2.5% of total 5.0% City hotel tax
 - 100% of any Oklahoma Local Development and Enterprise Zone Incentive Leverage Act incentive payments received from State of Oklahoma

Increment District No. 3, City of Blanchard

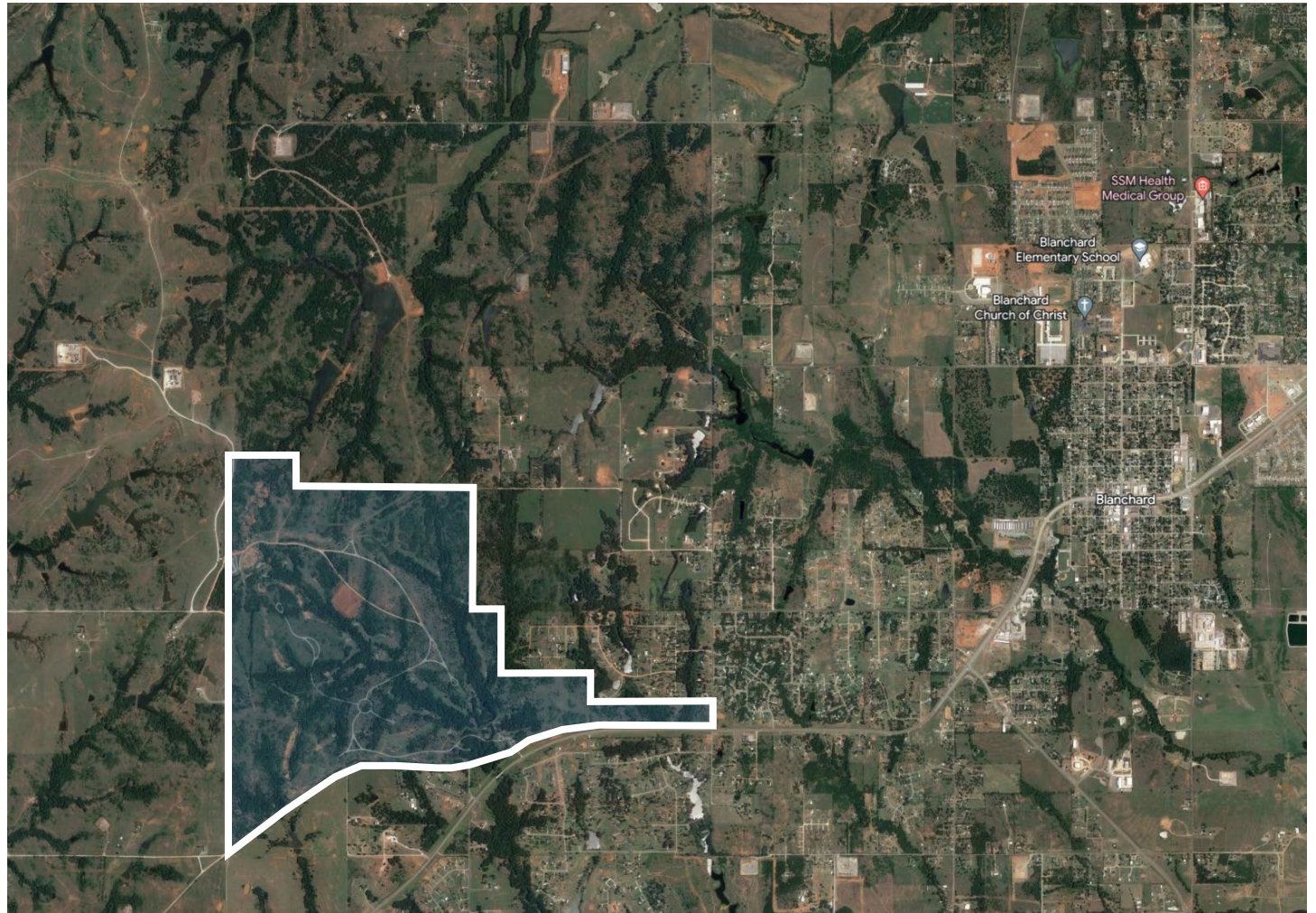
Thorpe National Increment District Boundaries

North of State Highway 62

East of County N2960 Rd
(extended)

South of County E1295 Rd
(Extended)

Mostly west of County N2970
Rd/Sara Road (extended)



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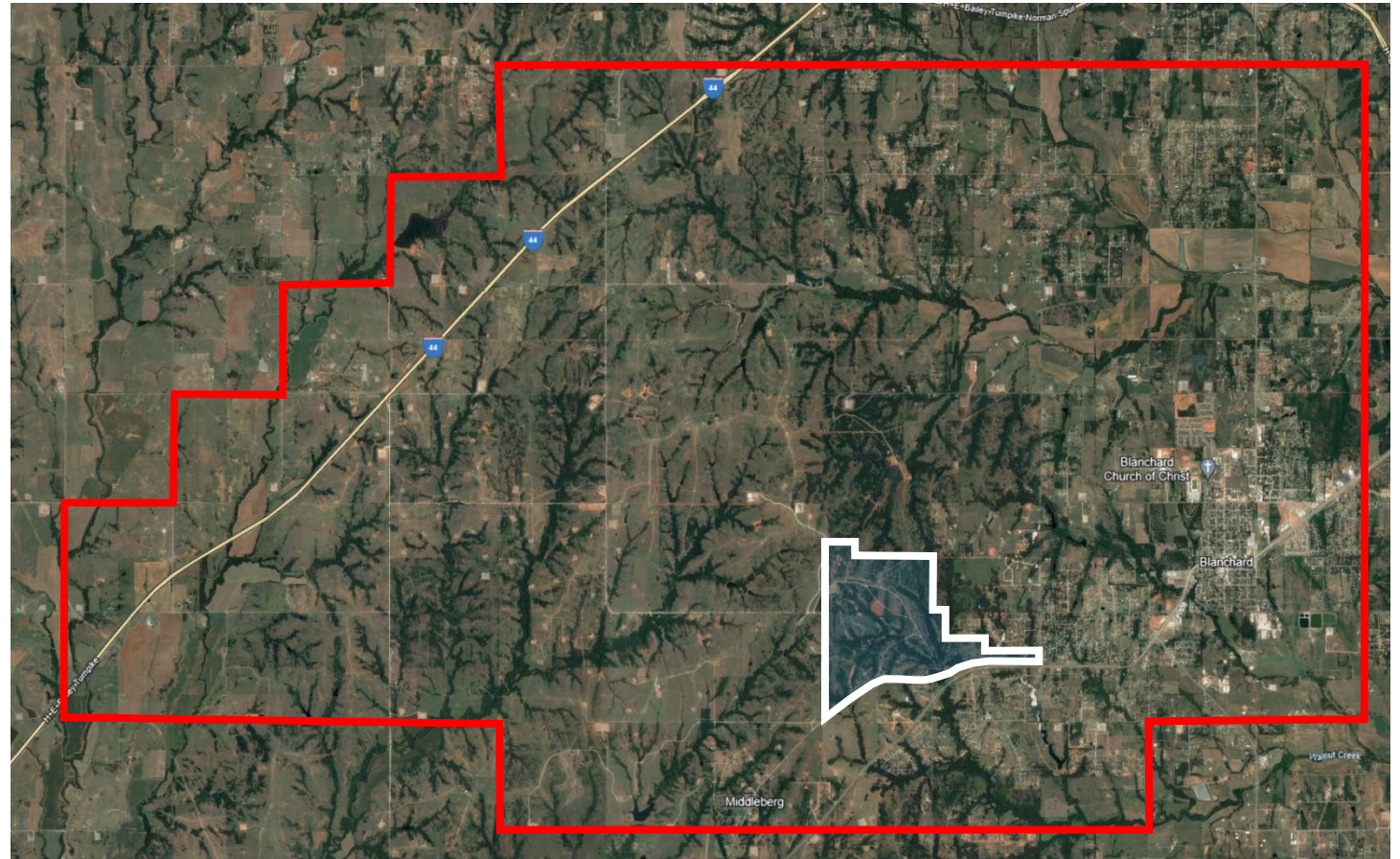
Thorpe National Project Area Boundaries

North of E 1320 Rd

East of the H.E. Bailey
Turnpike (I-44)

South of E 1250 Rd
(Sandrock Road)

West of N. Rockwell Ave.



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What has happened since TIF adoption?

- Developer has proceeded to commence preliminary construction on a vibrant destination resort golf course with upscale residential and commercial amenities to attract visitors and long-term residents alike to Blanchard
 - Projected completion date for Phase 1 in February 2026
- Oklahoma Department of Commerce has qualified the project for State matching funds through the Leverage Act
 - ODOC has determined a net benefit to the State of Oklahoma of \$95.5 million
 - Matching funds limited to 50% of total project costs
 - ODOC has encouraged the City to identify additional project costs to take advantage of available matching funds
- City (through Blanchard Municipal Improvement Authority) has made available funding for initial water and wastewater infrastructure improvements
 - Part of BMIA's \$8,910,000 Series 2024 Promissory Note to OWRB dated June 7, 2024

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What does proposed Amendment No. 1 accomplish?

- Update the authorized Project Costs for infrastructure improvements
 - ~10% increase to water, wastewater, and traffic improvements for inflation
- Additional authorized Project Costs to take advantage of approved Leverage Act matching funds
 - Adds \$5.28 million for a new SW fire station (including design and contingencies)
 - Adds \$10 million contribution to a future Middleberg High School facility
 - Adds \$40 million for Investment Incentives
 - \$9,438,000 for Quality of Life Infrastructure and Amenities
 - Contemplated as improvements constructed by Developer, and reimbursed from future TIF revenues
 - \$30,562,000 for Leverage Act Incentives
 - Contemplated as performance-based sales tax rebate payments payable from future TIF revenues

Increment District No. 3, City of Blanchard

What does proposed Amendment No. 1 accomplish?

- Total authorized Project Costs increase from \$42,668,000 to \$101,575,000, plus applicable administrative, interest, and financing costs in an amount not to exceed \$83,844,000
- Grand Total of Authorized Project Costs is \$185,419,000
- Total Investment Incentives (\$40 million), including allocable interest and financing costs, is \$53,771,000, which is less than the projected \$95.5 million in available Leverage Act matching funds

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What are the updated TIF Project Costs?

Estimated Project Costs (Infrastructure) totaling not-to-exceed \$61,450,000

- Water and Sewer Infrastructure Project Costs (\$17,615,000)
 - Waterline extension to Middleberg School District (\$2,265,000), waterline extension to Increment District (\$805,000), sanitary sewer system line extension and treatment facility improvements to serve Increment District and surrounding area (\$14,545,000)
- Traffic Infrastructure Project Costs (\$14,635,000)
 - Old U.S. 62 improvements (\$5,200,000), U.S. 62/Morgan Road intersection modification, signalization, drainage (\$1,160,000); Traffic Impact Analysis (\$25,000), Sara Road extension and improvements to Interstate 44 (\$8,250,000)
- Public Safety Infrastructure (\$4,000,000)
 - New fire station serving southwest areas of Blanchard (\$4,000,000)
- Related Project Costs (\$11,600,000)
 - Contingency for above projects (15% - \$5,437,500), project engineering (12% - \$4,350,000), inspection/testing/advertising (5% - \$1,812,500)
- Blanchard School District Infrastructure (\$3,000,000)
 - Designated for Classroom addition with safe room (\$3,000,000)
- Middleberg School District Infrastructure (\$10,000,000)
 - Designated for High School Facility with safe room (\$10,000,000)
- McClain Grady EMS District Capital Expenditures (\$600,000)

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What are the updated TIF Project Costs?

Estimated Project Costs (Investment Incentives) totaling not-to-exceed \$40,000,000

- Quality of Life Infrastructure and Amenities Project Costs (\$9,438,000)
 - Blanchard Visitors Center (\$3,600,000), buffalo preserve/paddock (\$250,000), mountain bike range (\$750,000), archery range (\$50,000), disc golf course (\$150,000), nature trails (\$1,000,000), botanical garden (\$1,200,000), ATV/UTV course (\$150,000), related design and contingency (\$2,288,000)
- Leverage Act Incentives Project Costs (\$30,562,000)
 - Targeted incentives to enhance attractions and amenities within the Increment District. Potential examples include, but are not limited to, a full-service grocery store, full-service hotel, high-end dining establishments, and casual-dining restaurants with table service

Other Estimated Project Costs uses totaling approximately \$83,969,000

- Organizational Costs (\$125,000)
- Debt Service Costs in connection with TIF Project Costs (to be determined; estimated not to exceed \$83,594,000)
- Annual administration costs (not in excess of \$10,000/year for 25 years)

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What are the projected TIF revenues?

- Estimated \$87.45 million aggregate projected Ad Valorem TIF Revenues
 - TIF Revenues: \$43.725 million allocated to TIF Project Costs (1/2 of ad valorem collections)
 - \$43.725 million allocated to affected taxing entities
- Estimated \$279.9 million aggregate projected Sales Tax Revenues (State, County, and City)
 - TIF Revenues: \$71.44 million allocated to TIF Project Costs (1/2 of 5.0% City Sales Tax)
 - \$71.44 million allocated to the City of Blanchard
 - \$21.43 million allocated to Grady County (0.5% County Sales Tax)
 - \$115.59 million allocated to State of Oklahoma (4.5% State Sales Tax) (adjusted for State grocery exemption)
- Estimated \$67.78 million aggregate projected Hotel Tax TIF Revenues
 - TIF Revenues: \$33.89 million allocated to TIF Project Costs (1/2 of 5.0% City Hotel Tax)
 - \$33.89 million allocated to the City of Blanchard
- Leverage Act Increment Revenues (state matching payments based on contributed local Sales and Hotel Tax TIF Revenues)
 - \$95.5 million in potential state match incentive payments
- **Total Projected TIF Revenues: \$244.61 million (estimate; includes Leverage Act payments, but not allocations to taxing entities)**

Increment District No. 3, City of Blanchard

What are the next steps in the development process?

- City is negotiating an Economic Development Agreement with Sunshine Development of Indian Ridge LLC
 - Developer commits to completion of Phase 1 (18 hole golf course with clubhouse, 16 golf villas, site prep for commercial district, street and utility construction to serve Phase 1)
 - City commits to water and sewer system connection improvements necessary to serve Phase 1
 - Establishes framework to structure future development agreements with respect to Investment Incentives, which will require separate City approval

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Remaining Steps for Amendment No. 1

- November 14 – Planning Commission Regular Meeting at 6:00pm
- December 2 – TIF Review Committee Special Meeting at 1:00pm
- December 2 – Public Hearing #1 at 6:00pm
 - Held during Blanchard Economic Trust Authority Regular Meeting, 300 N Main, Blanchard, OK 73010
- December 10 – Public Hearing #2 at 6:00pm
 - Held during Blanchard City Council Regular Meeting, 300 N Main, Blanchard, OK 73010
- December 10 – City Council Regular Meeting to consider adoption of Amendment No. 1 to Increment District No. 3, City of Blanchard