Tax Increment District No. 1
City of Weatherford
Red Plains Marketplace Project

Public Hearing #1

Red Plains Marketplace
Economic Development Project Plan

and proposed

Creation of Increment District No. 1

November 30, 2026

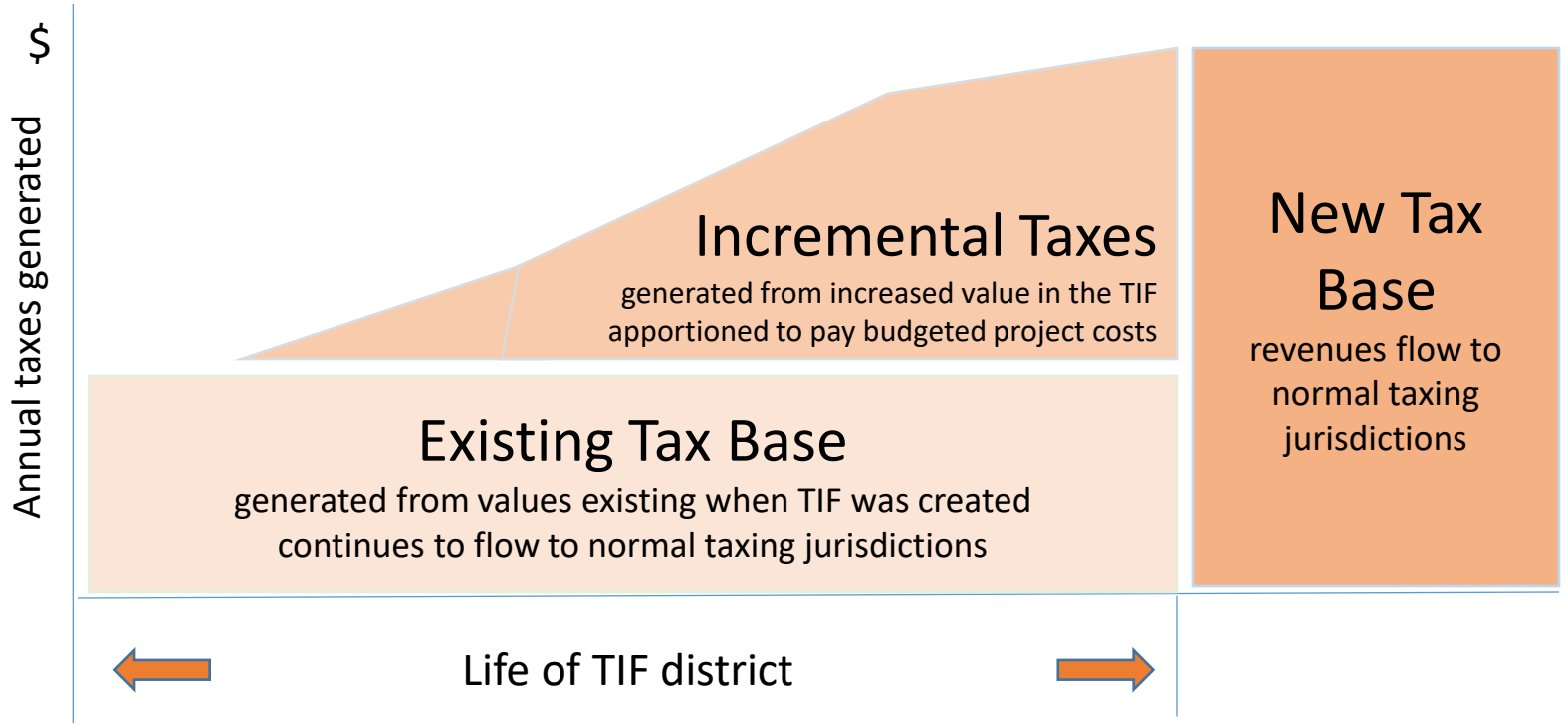
Tax Increment District No. 1 – City of Weatherford

What is a TIF?

- Tax Increment District (TIF)
  - Authorized by Article X, Section 6C of Oklahoma Constitution
  - Established pursuant to Local Development Act, Title 62, Oklahoma Statutes, Section 850 *et seq.*
  - Apportions the "increment" of new tax revenue generated within the TIF to finance certain identified project costs
- A TIF is an economic development tool used to incentivize capital investment in undeveloped or underdeveloped property in order to enhance the tax base and create employment opportunities within the City.
- Created by City Ordinance after completion of the TIF Process

Tax Increment District No. 1 – City of Weatherford

What is a TIF?



Basic TIF Model – Value Generation and Capture

Tax Increment District No. 1 – City of Weatherford

What is a TIF?

- Reasons to Create a TIF District
  - Attract Major Investment to the Area
  - Serve as a Catalyst for creating new jobs and retain existing jobs
  - Promote economic development to increase tax revenues, raise property values and improve economic stability
  - Make possible investment and economic development and growth which would otherwise be difficult or impossible without the assistance provided by the TIF
  - The “But For” Test – a litmus test for creating the TIF is whether the development would occur, to the same degree, in the same manner, without the creation of the TIF district

Tax Increment District No. 1 – City of Weatherford

What is the TIF Process?

- Determination of Eligibility
  - Enterprise Area; Historic Preservation Area; Reinvestment Area
- Development of Project Plan
  - Duration (up to 25 full fiscal years from Commencement Date)
  - Capture of TIF Revenues (up to 100% of local tax revenues – ad valorem tax, sales tax, hotel tax, etc.)
    - Does not affect the tax rate; does not forgive the obligation to pay taxes
  - Boundaries
    - Increment District – area where new tax revenues are captured
    - Project Area – area where project related activities may occur
  - Proposed Project and related Infrastructure Improvements
  - Proposed Allocation of TIF Revenues
- Statutory TIF Review Committee
  - Comprised of representatives of City Council, City Planning and Zoning Commission, affected taxing jurisdictions and other at-large community members

Tax Increment District No. 1 – City of Weatherford

What is the TIF Process?

- Affected taxing jurisdictions represented on TIF Review Committee
  - Custer County
  - Custer County Health Department
  - Western Technology Center No. 12
  - Western Plains Library System
  - Weatherford Independent School District No. 26 of Custer County
- Project Plan Reviewed by TIF Review Committee
  - Make findings of eligibility and financial impacts on taxing jurisdictions and business activities
  - Make recommendation to City regarding approval of Project Plan
- Project Plan Reviewed by City's Planning and Zoning Commission
  - Make recommendation to City regarding approval of Project Plan
- Hold two Public Hearings
- City Council considers an Ordinance approving Project Plan and creating TIF

Tax Increment District No. 1 – City of Weatherford

What is the TIF Process?

- Other Considerations
  - Structure the Project Plan to share some of the incremental revenues with the other taxing jurisdictions, especially the School District
  - Carefully develop the Increment District boundaries to make sure they include properties that will increase in value
  - The Project Area can be larger than the Increment District – TIF revenues can be spent anywhere within the Project Area
  - The Project Plan can include more than one Increment District; each Increment District can be initiated at different dates but must be activated within 10 years of adoption of the Project Plan
  - Projects located within a designated enterprise zone may be eligible for State matching funds pursuant to the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act (Title 62, Oklahoma Statutes, Section 840 *et seq.*)

Increment District No. 1, City of Weatherford

What are the proposed new TIF details?

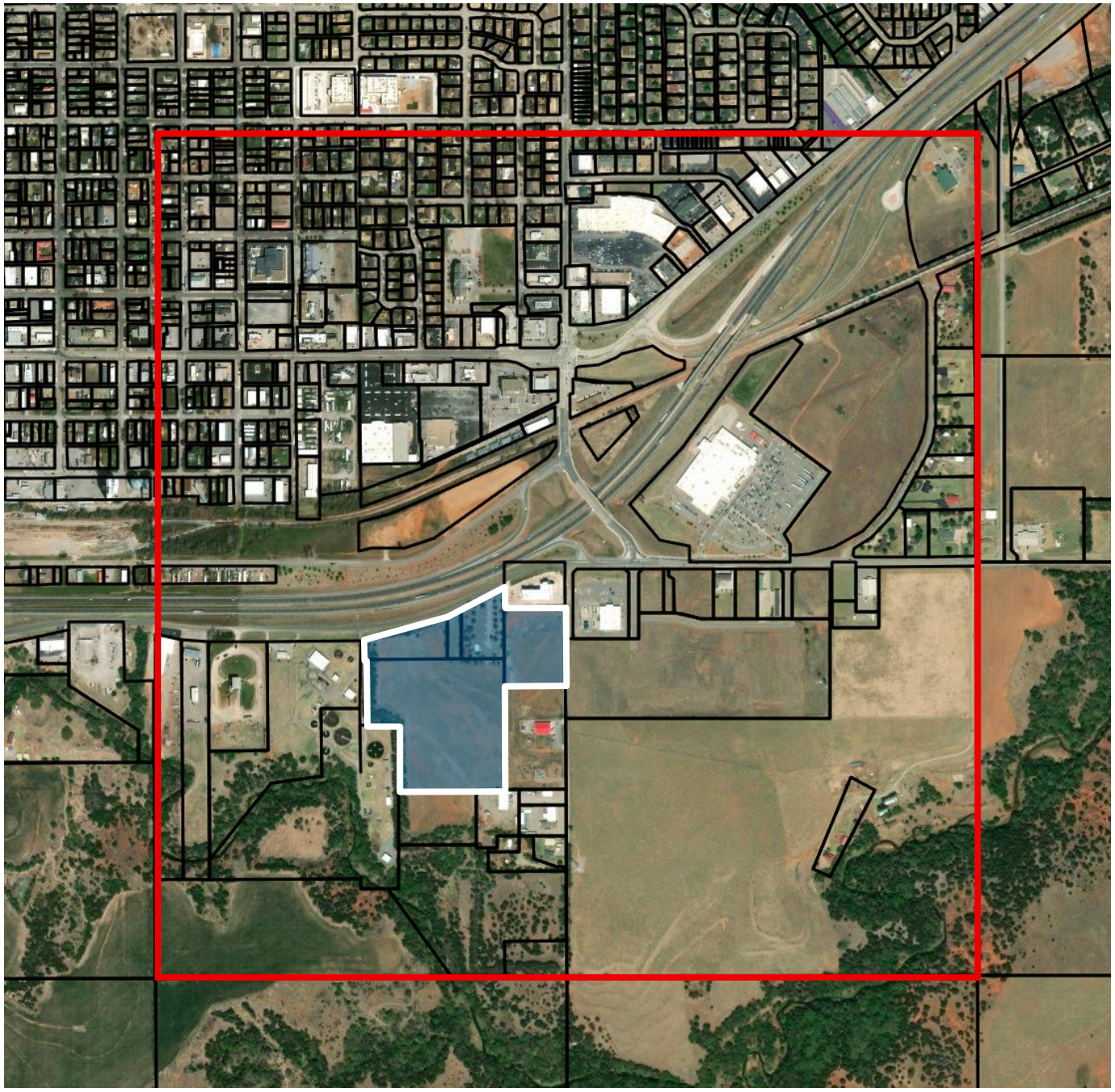
- Creation of a new sales tax and ad valorem tax TIF area
  - Property along the frontage road south of Interstate 40 at Exit 82 (Washington Ave./E. Main Street), bordered on the west by the City of Weatherford Wastewater Treatment Plant, on the east by N 2410 Road, and extending approximately one-quarter mile south of the Interstate frontage road
  - Development of a large inline retail center, with additional retail and restaurants sites
  - Significant infrastructure, utility, and site improvements are necessary to support the development project
- Original Term of approximately 12 years (expiring December 31, 2038)
- Capture a portion of new “incremental” sales tax and ad valorem tax revenues
  - Existing “baseline” taxes unaffected
  - Capture 50.0% of new “incremental” City sales tax revenues (2.25% of 4.5% sales tax)
    - Captures 75% of 3.0% general purpose tax; 1.5% dedicated purpose tax not affected
    - Excludes businesses that relocate from elsewhere in Weatherford
  - Capture 50.0% of new “incremental” ad valorem tax revenues
    - Balance allocated to affected ad valorem taxing entities

Increment District No. 1, City of Weatherford

Increment District Boundaries

Project Area Boundaries





Increment District No. 1, City of Weatherford

What are the Identified TIF Project Costs?

- Assistance in Development Financing to Developer in the form of an Investment Incentive (tax rebate) paid from TIF revenues generated within the Increment District, to offset costs necessary to support new development including design, planning, engineering, acquisition, infrastructure, site preparation and construction not to exceed $14,000,000
  - Must complete 100,000 square feet of retail to qualify for $10 million
  - Must complete 150,000 square feet of retail to qualify for $14 million
- Additional potential TIF Costs
  - Organizational Costs ($100,000)
  - Administration Costs ($120,000)
- Developer is responsible for construction of all necessary improvements

Increment District No. 1, City of Weatherford

What are the projected TIF Revenues?

- Estimated $88.79 million aggregate projected Sales Tax Revenues (State, County, and City)
  - ***$21.03 million allocated to TIF Project Costs (2.25% of City Sales Tax)***
  - $21.03 million allocated to the City of Weatherford (2.25% of City Sales Tax)
  - $4.67 million allocated to Custer County (0.50% County Sales Tax)
  - $42.06 million allocated to State of Oklahoma (4.5% State Sales Tax)
- Estimated $6.58 million aggregate projected Ad Valorem tax revenues
  - ***$3.29 million allocated to TIF Project Costs***
  - $3.29 million allocated to affected taxing entities
    - Weatherford Public Schools would receive $2.34 million over 12 years
- Subject to Department of Commerce approval, potential for up to ***$7.11 million*** in Leverage Act revenues
- **Total Projected TIF Revenues: $24.32 million (estimate, excluding Leverage Act)**

Increment District No. 1, City of Weatherford

What is the oversight of the TIF revenues?

- City will apportion TIF revenues pursuant to the respective Project Plan
  - Mayor listed as person in charge of implementation
  - City will approve public agreements with developers as appropriate
- Assistance in Development Financing for Developer(s)
  - Direct incentive representing reimbursement of public infrastructure costs incurred by developer(s) on behalf of City
  - Pursuant to a public development agreement approved by City and/or public trust on behalf of City
  - Separate agreements with individual businesses for investment incentives
- Infrastructure Projects undertaken by City
  - Public construction contracts (subject to competitive bidding), approved by City, subject to City annual auditing

Increment District No. 1, City of Weatherford

What are the expected impacts of the Projects?

- Impacts on Taxing Entities
  - Increase in population and associated needs (capital infrastructure and service demands)
    - Taxing Entity Revenue allocation provides enhanced funding to meet needs
  - Enhanced retail opportunities will attract increased visitors to the City and reduce retail leakage of sales tax dollars to surrounding cities
    - These visitors result in new spending within the City that will enhance tax collections benefiting City's ability to fund other public improvements
  - Ancillary development outside of TIF District may generate additional revenue for taxing entities

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What are the expected impacts of the Projects?

- Impacts on Business Activities
  - New business inside Increment District areas will create short-term and long-term employment opportunities
    - Short-term and long-term payroll will likely result in increased spending within the City benefitting local businesses
  - Enhanced retail opportunities will attract increased visitors to the City
    - These visitors result in new spending within the City that will enhance opportunities for local merchants to provide additional goods and services

Proposed Increment District, City of Weatherford

Remaining Steps

- October 6 – TIF Review Committee Meeting (COMPLETE – RECOMMENDED APPROVAL)
- November 10 – Planning and Zoning Commission Meeting (COMPLETE – RECOMMENDED APPROVAL)
- November 30 – Public Hearing #1 at 5:15pm
  - To be held during Weatherford City Council Meeting, Blair Hall Council Chambers located at the Weatherford Municipal Building, 522 W. Rainey Ave., Weatherford, Oklahoma, 73096
- December 30 – Public Hearing #2 at 4:30pm
  - To be held during Weatherford City Council Meeting, Blair Hall Council Chambers located at the Weatherford Municipal Building, 522 W. Rainey Ave., Weatherford, Oklahoma, 73096
- December 30 – City Council Regular Meeting to consider adoption of TIF Ordinance (creation of Increment District No. 1)