



CITY OF JENKS

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To: Mayor Vreeland and Council Members

cc: Mike Tinker

Randy Ewing

Josh McCorkle

From: S. Oakley *SO*

Date: January 11, 2011

Re: Ordinance amending provisions of TIF District No. 2

On October 4, 2010, Council approved certain proposed amendments to Ordinance No. 1212 which created TIF District No. 2 as prepared by staff, and forwarded the same to the Planning Commission for review and comment. The Planning Commission approved the same on October 7, 2010, and the same were forwarded to the TIF Local Review Committee. The Local Review Committee met on October 26th and November 18th, and approved the proposed amendments with certain modifications suggested by members of the Review Committee. The Council held a public hearing on these proposed amendments on January 3, 2011. After the public hearing scheduled this evening, Council can consider approval of proposed Ordinance No. 1293 which embodies the original proposed amendments as modified by the Local review Committee.

Staff recommends approval.

ORDINANCE NO. 1293

AN ORDINANCE AMENDING CITY OF JENKS ORDINANCE NO. 1212 WHICH HAD CREATED CITY OF JENKS TAX INCREMENT DISTRICT NO. 2 BY EXTENDING THE LIFE OF TAX INCREMENT DISTRICT NO. 2 FROM EIGHTEEN YEARS TO TWENTY-FIVE YEARS; PROVIDING FOR CERTAIN SALES TAX REVENUES BE USED TO FUND DISTRICT PROJECTS; PROVIDING FOR TWENTY-FIVE PERCENT OF AD VALOREM REVENUES COLLECTED BE DISBURSED TO THE PUBLIC TAXING ENTITIES; PROVIDING THAT SEVENTY-FIVE PERCENT OF THE AD VALOREM REVENUES BE COLLECTED FOR IMPROVEMENTS AND RELATED EXPENSES WITHIN THE DISTRICT; PROVIDING THAT THE TOTAL AMOUNT OF AD VALOREM REVENUES TO BE COLLECTED FOR IMPROVEMENTS AND RELATED EXPENSES AND DISBURSEMENTS TO THE PUBLIC TAXING ENTITIES NOT EXCEED \$113,304,526.93; PROVIDING FOR GENERALIZED PROJECT CATEGORIES AND EXPENSES TO BE ADJUSTED AMONG CATEGORIES TO REFLECT ACTUAL COSTS INCURRED IN A CATEGORY AND LIMITING THE TOTAL COSTS OF SAME; PROVIDING THAT THE PROJECT AREA INCLUDE ANY AREA WITHIN THE DISTRICT; PROVIDING FOR LIMITATIONS ON FUTURE FUNDING SOURCES IN CASE OF FUTURE INCREASE IN IMPROVEMENT COSTS; AND, DECLARING AN EMERGENCY.

WHEREAS, on December 17, 2007, City of Jenks Ordinance No. 1212 was passed by the Jenks City Council creating City of Jenks Tax Increment District No. 2;

WHEREAS, as a result of the economic downturn and new lending restraints, the reduction in the scope and projected estimated costs of the build out of the proposed River District, and that the proposed development would occur in phases, the total of reimbursable qualified expenses or repayment of advance funded infrastructure expenses should be reduced, but the time duration of City of Jenks Tax Increment District No. 2 should be extended to adequately fund the same, and, accordingly Ordinance No. 1212 needs to be amended to reflect such changes; and,

WHEREAS, the project plan elements and projected expenses needed to be generalized; and,

WHEREAS, by increasing the time duration of Tax Increment District No. 2, the taxing entities would be foregoing ad valorem receipts for a longer period and a more equitable division of ad valorem receipts between the Tax Increment District and the public taxing entities needed to be developed; and,

WHEREAS, the Jenks City Council reviewed proposed amendments to Ordinance No. 1212 on October 4, 2010, to address these issues and forwarded the proposed amendments to the Jenks Planning Commission for review and comment; and,

WHEREAS, the Jenks Planning Commission reviewed and approved the proposed amendments on October 7, 2010, and submitted the same to the Local Review Committee of Tax Increment District No. 2 for review, comment and recommendations to be forwarded to the Jenks City Council prior to adoption of said proposed amendments; and,

WHEREAS, the Local Review Committee composed as required by 62 O.S. §855 met on October 26, 2010, and again on November 18, 2010, and considered the proposed amendments as well as modifications to the same submitted by Local Review Committee members; and,

WHEREAS, the Local Review Committee after review of an information packet which detailed a generalized listing of the categories of qualified reimbursable infrastructure improvements and related costs in the total maximum amount of \$84,978,395.00, projected ad valorem revenues and business personal property revenues over an extended life of 25 years, projections of revenues during a 25 year life of 25% of ad valorem revenues going to the taxing entities and the other 75% being used to fund the improvements and related costs in TIF No. 2, and a chart showing the amount of projected revenues that would go to the various taxing entities based upon the 2009 County Treasurer's percentage disbursements, found that amendments were needed and approved the submitted proposed amendments with certain modifications and recommended their approval as modified by the Jenks City Council; and,

WHEREAS, notice of two public hearings for consideration of the amendments before the Jenks City Council scheduled for January 3, 2011, and January 17, 2011, was published on December 16, 2010, in the Jenks Journal, a newspaper of general circulation in the City of Jenks, Oklahoma; and,

WHEREAS, the scheduled public hearings were had on the dates, time and place as noted in the published notice; and,

WHEREAS, after hearing public comment on the proposed amendments and the proposed amendments as modified and recommended by the Local Review Committee, the Jenks City Council voted to approve the recommended amendments as submitted by the Local Review Committee.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JENKS, OKLAHOMA, that Ordinance No. 1212 creating City of Jenks Tax Increment District No. 2, be amended as follows, to-wit:

1. That Tax Increment Financing District No. 2 be amended to increase its life from eighteen (18) years to twenty-five (25) years.

2012, that with the ad valorem revenues sent to the City by the Tulsa County Treasurer that the City disburse twenty-five percent (25%) of the ad valorem revenues collected to the various ad valorem taxing entities entitled thereto with the other seventy-five percent (75%) retained by the City of Jenks for reimbursement of qualified City or developer expenses, including interest, and/or repayment of funds and related expenses, including interest, advanced to prefund infrastructure improvements. That the twenty-five percent (25%) of ad valorem revenues collected by the City is to be calculated annually and disbursed to the taxing entities in the proportion that they would be entitled to based upon the most current proration of ad valorem among the taxing entities.

3. That the provision in Ordinance No. 1212 of the City of Jenks authorizing one cent of its three cent sales tax generated in the District to be used as a funding source be deleted. That Ordinance No. 1212 be amended to provide that the City of Jenks will commit a half (1/2) cent of the City's three cent sales tax collected within the TIF No. 2 District to be applied to the retirement (funding) of the TIF District.
4. That the total amount of ad valorem revenues to be collected and forwarded to the City of Jenks for improvements and related expenses be authorized to not exceed \$84,978,395.20. That said sum does not include the twenty-five percent of ad valorem revenues to be collected by the City and disbursed to the taxing entities. That the Ordinance be amended to provide if further infrastructure and development are proposed beyond the scope set forth in this amendment to TIF No. 2, the City of Jenks agrees to provide all funding for such projects, to be funded by city sales tax, it being understood that all other public taxing entities be held harmless from any other increases in funding costs for the life of TIF No. 2.
5. That the list of project categories and estimated costs be modified to a list of generalized project categories and estimated expenses to be adjusted among project categories to reflect actual costs incurred in a category, with the same not to exceed \$84,978,395.20. That the project area includes any area within the TIF No. 2 District. That said categories and estimated expenses are as follows, to-wit:

Water	\$3,000,000
Sanitary Sewer	3,000,000
Bank Stabilization	2,000,000
Grading/Storm Sewer	15,000,000
Pipeline relocations	500,000

Public entertainment	10,000,000
Roads & Bridges	10,000,000
Landscape/Signage	5,000,000
Contingency/Interest	<u>10,978,395</u>
Total	\$84,978,395

- That the total amount of ad valorem, including the twenty-five percent (25%) to be forwarded to the taxing entities and the seventy-five percent (75%) retained for reimbursement of qualified improvements and infrastructure and related costs, and the one-half cent sales tax from sales in the District, shall not exceed the total of \$113,304,526.93.
- That in the event the City of Jenks or a related trust of the City of which the City is the beneficiary advances or prefunds improvements or infrastructure within the District, said advances or prefunding, including interest and related expenses, shall be fully reimbursed from ad valorem receipts and above referenced one-half cent sales tax receipts, as may be available, prior to other developer incurred qualified expenses being reimbursed.

APPROVED this 17th day of January, 2011.

Since the immediate operation of the provisions of the Ordinance is necessary for the preservation of public health, welfare and safety, an emergency is hereby declared to exist and this ordinance shall be in full force and effect from and after its passage by the City Council.

PASSED with the Emergency Clause ruled upon separately this 17th day of January, 2011.

CITY OF JENKS, OKLAHOMA

By: _____
MAYOR OF THE CITY OF JENKS

Attest:

City Clerk

Approved:

City Attorney