

**CHICKASHA AIRPORT INDUSTRIAL PARK
ECONOMIC DEVELOPMENT PROJECT PLAN**

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CHICKASHA AIRPORT INDUSTRIAL PARK ECONOMIC DEVELOPMENT PROJECT PLAN

I. DESCRIPTION OF PROJECT

This Chickasha Airport Industrial Park Economic Development Project Plan (the “**Project Plan**”) describes an economic development project of the City of Chickasha, Oklahoma (the “**City**”), that brings transformative industrial and commercial development to the undeveloped area located immediately west of the Chickasha Municipal Airport located along the west side of U.S. Highway 81 north of the Washita River. The Project Plan contemplates the creation of a tax increment financing district pursuant to the Local Development Act, 62 O.S. §850, *et seq* (the “**Local Development Act**”), as authorized pursuant to Article 10, §6C of the Oklahoma Constitution. The purpose of the Increment District (as described herein) is to encourage economic development in the City by facilitating the payment of the costs of essential infrastructure improvements and remedial costs necessary to make certain property viable for development and/or redevelopment (collectively and as more thoroughly discussed herein, referred to as the “**Project**” or “**Airport Industrial Park Project**”).

The City has identified potential development interests (individually and collectively referred to as the “**Developers**”) that propose to entice small and medium sized industrial and commercial businesses to relocate from outside the State of Oklahoma to the Chickasha Airport Industrial Park area. The City recognizes the difficulty in development of the area due to significant costs necessary to correct current conditions at the planned Project site, including specifically the significant infrastructure and utility improvements necessary to support the development project. The goal of the Increment District (as defined herein) is to promote economic development in the City by incentivizing capital investment in undeveloped property in order to enhance the tax base and create employment opportunities within the City. The City has identified an aggregate total of \$69.8 million in costs associated with the infrastructure improvements and economic incentives (collectively referred to herein as the “**TIF Projects**”). The costs of the infrastructure improvements to serve the entirety of the Project Area, inclusive of the Increment District (each as defined herein) are estimated to be \$26 million (collectively, the “**Infrastructure Costs**”). Certain economic incentives are proposed in the estimated amount of \$43.8 million in support of the Project (the “**Incentive Costs**”). The associated costs of the TIF Projects (inclusive of the Infrastructure Costs and the Incentive Costs), along with the Organizational Costs and the Debt Service Costs (each as further defined herein) are collectively referred to herein as the “**Project Costs**”, and total the aggregate amount of \$93,100,000. The City expects to phase the expenditure of Project Costs in coordination with specific development projects, and intends to apply other available funds as appropriate to offset the costs of the Increment District.

Pursuant to the terms of one or more development agreements between the City and the Developers (as required by the Local Development Act defined herein), the TIF Revenues generated by virtue of the construction sales and use tax and ad valorem tax levies by the City and the County shall be utilized as a revenue source to fund the costs of the TIF Projects. The TIF

Revenues (as defined herein) will be used to pay the costs of the TIF Projects, reimburse the Organizational Costs, and/or pay the Debt Service Costs on obligations issued to pay the same.

Based solely on the preliminary projections prepared by the City based on potential development opportunities, the commercial development within the Increment District could result in a potential total capital investment in excess of \$550.3 million, with a potential total taxable capital investment of approximately \$475.2 million (net taxable value subject to ad valorem taxes) and generate approximately \$237.6 million in one-time taxable construction sales over the term of the Increment District. Please see Exhibit “E” for a more detailed description of projected development within the Increment District. Please see Exhibit “F” for a Preliminary Site Development Plan for certain development projects proposed as part of the Airport Industrial Park Project.

II. PROJECT AREA AND INCREMENT DISTRICT BOUNDARIES

The Project Area is the area within which all project activities, including construction of the supporting public improvements, will take place (referred to herein as the “**Project Area**”). A map showing the Project Area is attached as Exhibit “A”. The legal description of the Project Area is set forth in Exhibit “B”. The Increment District is the specific geographic area within which the identified tax increments will be generated and utilized as set forth in this Project Plan (referred to herein as the “**Increment District**”). The Increment District is located entirely within the Project Area. Most of the contemplated project activities will occur within the boundaries of the Increment District, however certain project activities may occur outside the boundaries of the Increment District but within the Project Area. A Map showing the boundaries for the proposed Increment District is attached as Exhibit “C”. The legal description of the Increment District is set forth in Exhibit “D”. The increment district is labeled “C” in these Exhibits, and will be assigned a number (*i.e.*, “Increment District No. 3”) in the order by which it becomes effective by action of the Chickasha City Council as described in Section VI(B) herein, and as required by Section 856(B)(3) of the Local Development Act (as defined herein). Increment District “C” is associated with the Airport Industrial Park Project.

III. ELIGIBILITY OF PROJECT

The Increment District is undeveloped and/or underdeveloped within the meaning of and the Local Development Act. The Project Area (including the Increment District) is located in a reinvestment area (as defined in Section 853(17) of the Local Development Act) and is therefore eligible for assistance under the Local Development Act. Additionally, the area comprising Increment District “C” is contained within a designated enterprise zone (Tract 40051000802) and therefore constitutes an enterprise area (as defined in Section 853(5) of the Local Development Act). Additionally, the Project, because it will be located within an enterprise zone, represents an eligible project as defined under the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. §840, *et seq.* (the “**Leverage Act**”), and therefore may qualify for certain

incentive matching payments made by the State of Oklahoma based on construction sales and use tax increments dedicated to the Increment District.

The Increment District comprises an area where investment, development and economic growth have not occurred, and which require significant public infrastructure improvements to serve as a catalyst to expand employment opportunities, to attract major investment in the area, and to enhance the tax base.

IV. OBJECTIVES

The purpose of the Project and the Increment District is to support the achievement of the economic development objectives of the City in order to:

- A. Create significant developments within the City that will act as a catalyst for additional development within the community;
- B. Attract major investment in the area;
- C. Serve as a catalyst for retaining and expanding employment in the area;
- D. Promote economic development to increase tax revenues, raise property values, and improve economic stability;
- E. Preserve and enhance the tax base; and
- F. Make possible investment, development and economic growth which would otherwise be difficult or impossible without the TIF Projects and the apportionment of ad valorem taxes and construction sales and use taxes from within the Increment District.

V. FINANCIAL IMPACTS

The proposed private development will generate tax increments necessary to pay all or a portion of the authorized costs of the TIF Projects. Without the creation of the proposed Increment District, significant development within the Project Area would be unlikely and as a result, any significant increases in ad valorem taxes and construction sales and use taxes would be extremely improbable.

The proposed development project does not create a significant increase in demand for services or costs to the affected taxing entities other than the City, whose public sector costs will be offset by apportioned tax increments as provided in this Project Plan.

The affected ad valorem taxing jurisdictions are Grady County, the Grady County Health Department, Independent School District No. 1 of Grady County (Chickasha Public Schools, and referred to herein as the “**School District**”), Canadian Valley Technology Center Vo-Tech District

No. 6, and Grady County EMS. The general and intangible impacts on the affected taxing jurisdictions from implementation of this Project Plan are positive and include the achievement of the objectives set forth in Section IV of this Project Plan.

The creation of the Increment District will allow the City to apportion the incremental increase in ad valorem tax revenues generated through construction and operation of the commercial and industrial developments within the Increment District for the purpose of paying Project Costs, either through direct payment and/or reimbursement and/or paying debt service on tax apportionment bonds or notes (collectively, the “**TIF Bonds**”), which may be issued in one or more series by a public trust created under Title 60, Oklahoma Statutes 2021, Section 176 *et seq.*, and including any interest, capitalized interest and other related financing costs. The proceeds of any such TIF Bonds (if issued) shall be utilized for the Project Costs.

It is anticipated that a successful development will result in significant long-term benefits to the affected ad valorem taxing jurisdictions without causing significant (if any) negative impact on the existing tax base during the term of the Increment District. The formation of an Increment District should result in no net loss in existing ad valorem tax revenue to each of the affected ad valorem taxing jurisdictions. The formation of the Increment District will cause the affected ad valorem taxing jurisdictions to forgo any new incremental ad valorem tax revenue generated from real and personal property values during the term of the Increment District, but will not affect the existing ad valorem tax base within the Increment District. During the term of the Increment District, the 25.0% of Ad Valorem Increment Revenues (as defined herein) apportioned to the affected ad valorem taxing jurisdictions as a specific revenue source are estimated to be approximately \$24.3 million (ranging from \$170,000 to \$1,262,000 per year and based on the proposed development of the Project), and which will be apportioned directly to the affected taxing jurisdictions. Pursuant to the State of Oklahoma School Funding Formula (the “**Funding Formula**”), certain ad valorem taxes received by the School District would be considered chargeable obligations under the Funding Formula and would serve to reduce the amount of State Aid Revenue paid to the School District annually (herein, the “**Chargeables**”). Any portion of the TIF Revenues allocated to the School District shall be for the purpose of providing a specific revenue source to address the impacts of the Project on the School District, and shall be excluded in calculating chargeable income under the Funding Formula. Based on the projections of Ad Valorem Increment Revenues, the School District is expected to receive approximately \$17.0 million in net new taxing revenues over the term of the Increment District. Upon expiration of the Increment District, the affected ad valorem taxing jurisdictions could see an aggregate net gain in annual ad valorem tax revenues of approximately \$4.88 million (based on an aggregate taxable capital investment of approximately \$475.2 million), although it is reasonably expected that the impact of Chargeables under the Funding Formula may reduce the net benefit of such aggregate net gain for the School District following expiration of the Increment District.

Potential impacts on the ad valorem taxing jurisdictions include population growth and the demand for services created thereby. The direct impact on each ad valorem taxing jurisdiction is the loss of a portion of the new ad valorem tax increment revenues during the period of apportionment. An additional impact on the School District is that the valuation of the Increment District will not count for, and will therefore limit, the bonding capacity of the School District. However, the School District does realize additional revenue from other sources on a per pupil basis. These impacts may be mitigated by any increase in valuation of property outside the

Increment District (for example, successful development enhances the property values surrounding the Increment District), and by any increase in new housing outside the Increment District (for example, successful development results in net population gain to the City creating demand for new housing).

The proposed Project will create an increase in demand for utility services from the City, however the City reasonably expects to have sufficient capacity to handle such demand, and the proposed development within the Increment District should generate significant increases in annual water and sewer utility revenues. Any increase in public sector costs should be more than offset by apportioned tax increments as provided in this Project Plan.

The formation of an Increment District should result in new, one-time construction sales and use tax collections to the City and the County, as the affected sales tax jurisdictions. One-hundred percent (100%) of the City's construction sales or use taxes will be captured pursuant to this Project Plan. As of the date of this Project Plan, the City levies a 4.25% sales and use tax, and the County levies a 0.75% sales tax. Assuming completion of the proposed Project and no change in the respective tax levies, the City expects to contribute approximately \$10.1 million to the payment of Project Costs, which contribution may be eligible for incentive matching payments from the State (i.e., Leverage Act Increment Revenues), and the County may reasonably expect to realize approximately \$1.78 million in new, one-time sales and use tax from the Project, based on the assumption that 50% of the cost of taxable capital investment represents construction materials subject to sales or use tax. Additionally, the City and the County may realize significant indirect sales and use tax gains outside the Increment District, due to short term construction and long-term employment opportunities. These impacts may be mitigated by any increased costs of providing City and/or County services to the development (police, fire, etc.).

VI. STATEMENT OF PRINCIPAL ACTIONS

Implementation actions for the project, including all necessary, appropriate and supportive steps, will consist of any of the following:

- A. Site preparation, planning and construction of public improvements necessary to support the development project;
- B. Acquisition by private developers of any additional property interests necessary for the development project including connecting public easements;
- C. Negotiation, preparation, execution, and implementation of development agreements, including agreements for financing, demolition, and construction by private developers, as authorized by the Local Development Act. Such agreements may include the granting of incentives for private developers to complete certain improvements within the Project Area;
- D. Issuance of tax apportionment bonds or other debt issuance necessary to provide funds for Project Costs;

E. All other actions necessary and appropriate to carry out the development project as authorized by the Local Development Act.

VII. ESTABLISHMENT OF CITY OF CHICKASHA INCREMENT DISTRICT

This Project Plan, upon adoption by Ordinance of the City of Chickasha, Oklahoma, creates the new Increment District. 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, such Commencement Date shall not be later than ten (10) years following adoption of this Project Plan. The Increment District shall be comprised of the area shown and described in Exhibits “C” and “D”. In accordance with the provisions of the Local Development Act, the following incremental revenues shall be apportioned and used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan. The apportionment of the Ad Valorem Increment Revenues (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 (referred to as the “**Expiration Date**”), whichever is less:

A. One hundred percent (100.0%) of the total equalized assessed value of real and personal property within the boundaries of the Increment District. The base assessed value (as described in Section 862 of the Local Development Act) of the Increment District shall be calculated as an amount equal to one hundred percent (100.0%) of the initial equalized assessed value of real and personal property within the boundaries of the Increment District. 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**”, and said amount representing one hundred percent (100.0%) of the total new ad valorem tax revenues generated within the boundaries of the Increment District, as determined annually by the Grady County Assessor), shall be apportioned as follows: (i) three-quarters (75.0%) 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) one-quarter (25.0%) 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 to address the impacts of the Project on the School District, and shall be excluded in calculating chargeable income under the Funding Formula; and

B. One hundred percent (100%) of the incremental sales and use tax revenue derived from the construction of the Project (representing an amount equivalent to a four and one-quarter percent (4.25%) sales and use tax based on a total of 4.25% sales and use tax levied by the City

as of the date of this Project Plan) pursuant to Ordinance Nos. 827, 1137, 1671, and 2023-20, as codified in the Chickasha 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 (collectively, the “**Sales Tax Increment Revenues**”); provided that all such Sales Tax 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; provided, however, the Sales Tax Increment Revenues shall only pertain to construction and other capital investment related expenditures within the boundaries of the Increment District, and shall not include any sales and use tax derived from retail sales; and

C. One hundred percent (100%) of the incentive matching payments made by the State of Oklahoma pursuant to the Leverage Act, based on construction sales and use tax increments dedicated to the Increment District, as such amounts are hereinafter determined and defined (collectively, and as more specifically defined in Section X herein, the “**Leverage Act Increment Revenues**”); 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 this Project Plan.

VIII. PROJECT AND INCREMENT DISTRICT AUTHORIZATIONS

A. Upon adoption of an Ordinance of the City Council of the City approving this Project Plan, the City is hereby designated and authorized as the public entity to carry out and administer the provisions of this 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.

B. The City may create a new public trust with the City named as its beneficiary, and/or designate an existing public trust with the City named as its beneficiary and/or designate an alternate public trust with Grady County, Oklahoma, named as its beneficiary (said public trust referred to herein as the “**Authority**”), and said Authority shall be the public entity designated by the City to assist in carrying out and administering the provisions of this Project Plan and authorized to exercise all powers necessary or appropriate thereto pursuant to Title 62, Section 854 of the Local Development Act, except for approval of this 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.

C. The person in charge of implementation of this Project Plan in accordance with the provisions, authorizations and respective delegations of responsibilities contained herein is Mr. Jim Crosby, City Manager. Mr. Crosby, or his successor as City Manager, is authorized to empower one or more designees to exercise responsibilities in connection with project implementation.

IX. BUDGET OF ESTIMATED PROJECT COSTS TO BE FINANCED BY TAXES APPORTIONED FROM INCREMENT DISTRICT

Project Costs to be financed by the apportionment of tax increments from the Increment District include the planning, design, acquisition, site preparation and/or construction of the TIF Projects in an aggregate total amount of \$93,100,000. Certain Project Costs may be funded through the payment of assistance in development financing (as authorized by Section 853(14)(o) of the Local Development Act) to a third party as reimbursement for the payment of such Project Costs. Additional amounts will be financed by the apportionment of tax increments from the Increment District including the following items related to Project Costs in excess of the amounts specifically identified for TIF Project Costs: (a) the direct or incidental administrative costs incurred or to be incurred by or on behalf of the City, the Authority, or other public entities (all as contemplated in Title 62, Section 853(14)(e) of the Local Development Act) in organizing, supervising, implementing and administering this Project Plan, including, but not limited to, payment and/or reimbursement of costs advanced in connection with the preparation and approval of this Project Plan, administrative costs, organizational costs, professional service costs, including those incurred for architectural, planning, engineering, legal and financial advisors and services, and costs for determining or re-determining the base assessed value of the Increment District (the “**Organizational Costs**”), and (b) interest and other financing costs and fees, including principal, interest (including capitalized interest), associated costs of issuance, reasonably required reserves, and prepayment premium paid on debt service and/or any reimbursement obligation (the “**Debt Service Costs**”). The Organizational Costs associated with the initial creation and implementation of the Increment District are preliminarily estimated to be approximately \$150,000, and the ongoing Organizational Costs are estimated to be \$10,000 per year. The Debt Service Costs associated with the Project Costs are preliminarily estimated to be on the order of not-in excess of \$23 million.

The total estimate of Project Costs that may be made available for improvements from apportioned tax revenues shall be \$69,800,000 (including all engineering, construction, planning, and contingency costs), which shall be a not-to-exceed amount. The City reserves the right to reallocate the costs described above to accommodate any cost differentials from the preliminary projections. The City anticipates that certain other funds may be available to supplement and/or offset all or a portion of certain Project Costs. The City expects to phase the expenditure of Project Costs in coordination with specific development projects. Apportioned tax revenues in excess of the amounts needed for Project Costs may be utilized as necessary to pay the Organizational Costs and the Debt Service Costs, and could total approximately \$23,300,000. The estimated combined total of all eligible Project Costs is \$93,100,000.

X. METHODS OF FINANCING PROJECT COSTS, EXPECTED SOURCES OF REVENUES, AND TIME WHEN COSTS OR MONETARY OBLIGATIONS ARE TO BE INCURRED

It is hereby determined that the proposed Project Costs, specifically including but not limited to the Infrastructure Costs, will generally benefit and support development throughout the Project Area, inclusive of the Increment District. It is further determined that (i) the TIF

Revenues derived from the Increment District may properly be utilized to pay any and all Project Costs within the Project Area; and (ii) it is proper and may be appropriate (at the discretion of the City) to pledge TIF Revenues from the Increment District to the repayment of TIF Bonds. Therefore, with respect to the Increment District:

A. Methods of Financing. It is expected that the Project Costs will be paid from proceeds of the Authority's TIF Bonds. Payment of principal and interest due on the TIF Bonds will be paid from available TIF Revenues. Certain Project Costs may be directly paid by a third party developer (including the Developers) or the City and reimbursed from proceeds of the TIF Bonds. Alternately, certain Project Costs may also be directly paid by a third party developer or the City and reimbursed from TIF Revenues in excess of those needed for debt service on the TIF Bonds. Certain other costs of the Project may be paid from such other funds of the City or the Authority as may be lawfully used for the purposes hereinabove stated, including proceeds of certain debt obligations issued by the Authority and secured by a pledge of general sales tax, utility, or other available revenues.

B. Expected Sources of Revenues. The payment or reimbursement of Project Costs, including any interest component on reimbursed funds and any principal, interest, and premium on any TIF Bonds, will be made from one or more of the following sources of revenues:

- (i) *Ad Valorem Increment Revenues.* In accordance with the provisions of the Local Development Act, 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:
 - (a) 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);
 - (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
 - (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects;
 - (d) 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 a third party developer, constitute an interest component on sums that were actually paid; and
 - (e) 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 apportioned hereunder shall be transferred by the Grady County Treasurer to a special fund to be known

as the “Increment District No. [] - Apportionment Fund” (hereinafter, 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). No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All Ad Valorem Increment Revenues so collected shall be apportioned as follows: (i) three-quarters (75.0%) 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) one-quarter (25.0%) 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 to address the impacts of the Project on the School District, and shall be excluded in calculating chargeable income under the Funding Formula.

The apportionment of ad valorem taxes 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 this 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.

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 reimbursement under a development agreement between the City and the Company, 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.

(ii) *Sales Tax Increment Revenues.* In accordance with the provisions of the Local Development Act, the Sales Tax Increment Revenues are to be apportioned and set aside from all other sales and use taxes levied within the Increment District, to be used exclusively for:

- (a) 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);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects; and

(d) 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.

For purposes of determining the incremental portion of the sales and use taxes generated within or sourced to the Increment District, the City Sales Tax Increment Revenues shall only pertain to construction and other capital investment related expenditures within the boundaries of the Increment District, and shall not include any sales and use tax derived from retail sales. One hundred percent (100%) 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. 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. No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All Sales Tax Increment Revenues so collected 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, including any interest component (pursuant to a development agreement with the City and/or the Authority).

The apportionment of sales and use taxes 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 this 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.

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 reimbursement under a development agreement between the City and the Company, 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.

(iii) *Leverage Act Increment Revenues.* In accordance with the provisions of the Local Development Act, the Leverage Act Increment Revenues are to be apportioned and set aside from all other revenues generated within the Increment District, to be used exclusively for:

- (a) 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);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects; and
- (d) 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 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. No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All Leverage Act Increment Revenues so collected 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, including any interest component (pursuant to a development agreement with the City and/or the Authority).

The apportionment of matching incentive funds 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 this 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.

In the event that any Project Costs remain unpaid, or any portion of the principal or interest on the TIF Bonds, issued in connection herewith, or any amount due and owing for reimbursement to the City or the Authority or pursuant to a development agreement

between the City and the Developers, 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.

C. Time When Costs Or Monetary Obligations Are To Be Incurred. It is estimated that the time frame for incurring most of the Project Costs will be within ten to twelve years from the date of approval of this Project Plan; however, certain Project Costs will not be incurred until appropriate development projects within the Increment District are identified by the City. It is anticipated that most Project Costs will be paid from proceeds of TIF Bonds issued by the Authority, provided however, certain Project Costs may be directly paid or reimbursed from apportioned TIF Revenues.

D. Flow of Funds; Excess Revenues.

During the term of the Increment District, TIF Revenues shall be utilized as follows:

- FIRST: The payment of principal, accrued interest, and premium, if any, due on the TIF Bonds;
- SECOND: 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;
- THIRD: The payment and/or reimbursement of authorized Project Costs (including any interest component pursuant to a development agreement);
- FOURTH: If applicable, the prepayment of principal on any TIF Bonds until such time as all TIF Bonds are retired; and
- FIFTH: 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 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 or sales and use 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.

XI. FINANCING REVENUE SOURCES

The TIF Revenues are expected to finance all or a portion of the Project Costs authorized by Section IX. Based on the initial projections of Ad Valorem Increment Revenues for the Airport Industrial Park Project, it is estimated that approximately \$97.18 million could be generated by the incremental increase in ad valorem tax revenue during the term of the Increment District, with approximately \$72.89 million available to be utilized for Project Costs and approximately \$24.29 million apportioned to the affected ad valorem taxing jurisdictions. The initial projections of Ad Valorem Increment Revenues are based upon an estimated \$475.2 million initial taxable capital investment, an 11% assessment rate for real property, an 11% assessment rate for business personal property, an approximately 10.202% millage levy within the Increment District (based on the 2025 levy rates), and assuming no annual appreciation in the taxable property values.

Based on the initial projections of Sales Tax Increment Revenues for the Airport Industrial Park Project, it is estimated that approximately \$10.1 million could be generated by the incremental increase in sales and use tax revenue during the term of the Increment District, with the entire approximately \$10.1 million available for allocation to Project Costs. The initial projections of incremental sales and use tax revenue are based upon the projected revenues generated within the Increment District from the levy of an aggregate total of four and one-quarter percent (4.25%) sales and use tax on new construction within the Increment District, and 50% of the total capital investment representing construction materials subject to sales and use tax.

Additional TIF Revenues may be realized through state matching incentive payments made pursuant to the Leverage Act, as set forth in Section X(B)(iv) above (i.e. the Leverage Act Increment Revenues). Based on the initial projections of revenue and the level of apportionment of construction sales and use tax to Project Costs, state matching payments could make available up to an additional \$10.1 million for Project Costs, although it is expected that only a portion of the taxable transactions may qualify for state matching incentive payments.

The calculation of projected TIF Revenues will be refined based upon (i) the actual effective ad valorem tax rate and base assessed valuation, as determined from time to time by the Grady County Assessor and subject to change by voters of the applicable taxing jurisdiction at an election(s) held for such purpose, (ii) the total net capital investment resulting from development within the Increment District, and (iii) the timing of the development.

The realization of the TIF Revenues is directly dependent on the City's ability to attract development proposals on a magnitude necessary to fully develop the area within the Increment District during the term of the Increment District. The Airport Industrial Park Project assumptions represent the initial estimations of the City and the developing property owner of potential development opportunities. The anticipated development, including specifically the Airport Industrial Park Project, along with the necessary Infrastructure Costs, is more fully discussed in Exhibit "E". Preliminary site development plans for certain development projects proposed as part of the Airport Industrial Park Project are included as Exhibit "F". As appropriate, the Authority and/or the City may enter into economic development agreements with developers as required by the Local Development Act.

Certain TIF Projects may be designed and/or constructed by the City. Authorized Project Costs, or the payment of debt service on TIF Bonds issued to pay Project Costs, will be paid from TIF Revenues by the City or the Authority, and may include (i) reimbursement of the City or the Authority for certain public improvements constructed from other available funds, and (ii) assistance in development financing (as authorized by the Local Development Act) to a third party developer(s) for certain public infrastructure and/or other site improvements constructed on behalf of the City in furtherance of the purposes of this Project Plan. The financing of the projected private development in the area may be provided by private equity and private mortgage financing, secured by the private developments.

XII. PUBLIC REVENUE ESTIMATED TO ACCRUE FROM THE PROJECT AND OTHER ECONOMIC IMPACTS

The Ad Valorem Increment Revenues and the Sales Tax Increment Revenues (estimated at a total of approximately \$82.99 million over the term of the Increment District based on the projected development of the Project, but not including potential Leverage Act matching incentive funds from the State), of which portions will serve as all or a portion of the revenue source for financing the Project Costs authorized by Section IX of this Project Plan, are the public revenues directly attributable to the project defined by establishment of the Increment District. Additionally, the various taxing jurisdictions may realize additional ad valorem tax and/or sales and use tax revenue from additional development outside the boundaries of the Increment District.

Construction of the improvements and subsequent development should have a positive impact on total employment in the City's metropolitan area, including temporary construction jobs and permanent positions at the Project facilities. Indirect impacts (associated with the employment and income which result from the provision of inputs in support of the primary activity), and induced impacts (associated with the wages and jobs resulting from changes in household expenditures which come about through direct and indirect employment) will also result in additional growth in the City's metropolitan area.

This Project Plan includes certain projections and estimates, which are based on the current expectations or beliefs of third party developer(s) and are subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained herein due to changes in economic conditions, market demand and other factors affecting the development of the Project.

XIII. PRIVATE AND PUBLIC INVESTMENTS EXPECTED FOR THE PROJECT

The publicly financed Project Costs in the amount of \$69.8 million, as authorized by this Project Plan, represent approximately 11.25% of the projected total public and private investment for the Project, which including anticipated expenditures by or on behalf of commercial or governmental entities within the Increment District, could exceed \$620 million.

XIV. MISCELLANEOUS PROVISIONS

A. Zoning Conditions. The property within the boundaries of Increment District “C” is zoned general commercial (Chickasha Municipal Airport) and heavy industrial (area west of the airport). It is reasonably anticipated that minor zoning changes may be proposed in connection with the Airport Industrial Park Project. Other than zoning adjustments to accommodate the proposed Project, no changes in the ordinances of the City of Chickasha are contemplated under this Project Plan. Development is anticipated to occur in accordance with current zoning requirements, with appropriate adjustments as approved by the City. The proposed project conforms to the comprehensive plan for the City of Chickasha, as amended. A map showing the existing uses and conditions of the real property is included as Exhibit “G”.

B. Annual Reports. In accordance with Section 867 of the Local Development Act, following the end of each fiscal year, the City shall prepare and submit a report to the chief executive officer of each taxing entity that levies ad valorem taxes on property within the Increment District. At the time of submitting the report, the City shall also publish a notice and summary of the report in a newspaper of general circulation.

XV. SEVERABILITY OF INVALID PROVISIONS

If any part, term, or provision of this Project Plan is held by a court of competent jurisdiction to be illegal, in conflict with any law or otherwise invalid, the remaining parts, terms, and/or provisions shall be considered severable and not be affected by such determination, and the rights and obligations of any parties to development agreements (as described herein and pursuant to the Local Development Act) shall be construed and enforced as if the Project Plan did not contain the particular part, term or provision held to be illegal or invalid.

EXHIBIT “B”

PROJECT AREA LEGAL DESCRIPTION

INCREMENT DISTRICT PROJECT AREA

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

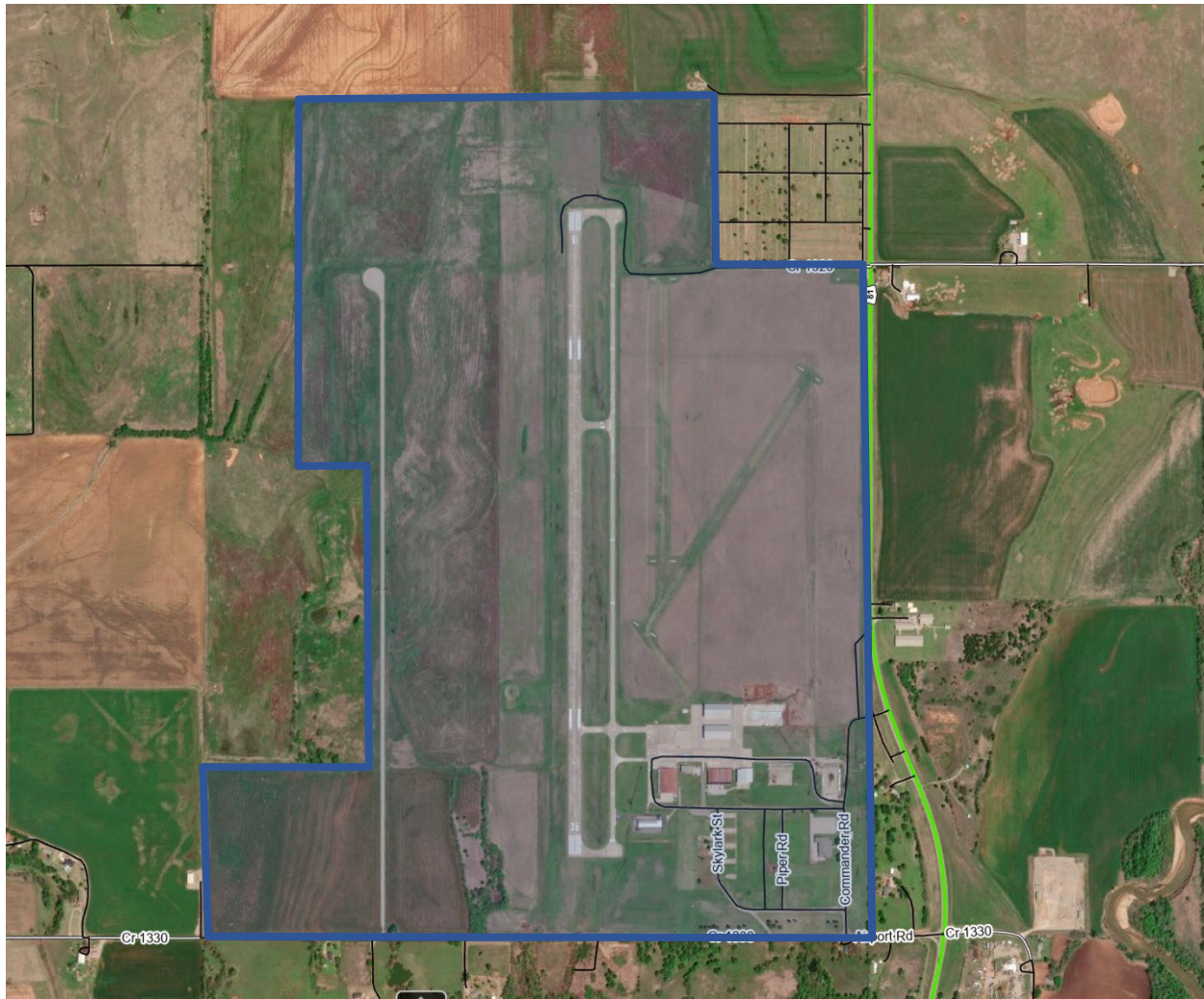
All of Sections 4 through 9, and 16 through 21, Township 7 North, Range 7 West,
Grady County, Oklahoma.

EXHIBIT “C”

MAP OF INCREMENT DISTRICT

INCREMENT DISTRICT “C”

The boundaries of Increment District “C” contain an area generally described as the Chickasha Municipal Airport located along U.S. Highway 81 north of the Washita River, plus a portion of the Chickasha Airport Industrial Park property immediately west of the airport, bounded on the south by Airport Road (E 1330 Road) and on the north by one quarter mile north of E 1320 Road.



* Increment District “C” boundaries contained within the blue border.

EXHIBIT "D"

INCREMENT DISTRICT LEGAL DESCRIPTIONS

INCREMENT DISTRICT "C"

Tract 1

A part of Lot One (1), Block One (1), CHICKASHA AIRPORT INDUSTRIAL PARK, to the City of Chickasha, Grady County, Oklahoma, according to the recorded plat thereof at Book 6 Page 33 at the Office of the Grady County Clerk and a part of the Southeast Quarter (SE/4) of Section Six (6), and a part of the Southeast Quarter (SE/4) of Section Seven (7), and a part of the Northeast Quarter (NE/4) of Section Seven (7), all in Township Seven (7) North, Range Seven (7) West of the Indian Meridian, Grady County, Oklahoma, being more particularly described as follows:

COMMENCING at the southwest corner of the Southeast Quarter (SE/4) of said Section Seven (7);

THENCE North 89°53'56" East along the south line of the Southeast Quarter (SE/4) of said Section Seven (7), a distance of 1400.13 feet;

THENCE North 00°02'27" West a distance of 1321.26 to the point of beginning of said CHICKASHA AIRPORT INDUSTRIAL PARK, also being the POINT OF BEGINNING of subject tract;

THENCE North 00°02'27" West along the west right of way of Stanley Levine Drive as shown within said Lot One (1), Block One (1), CHICKASHA AIRPORT INDUSTRIAL PARK, a distance of 2356.92 feet;

THENCE South 89°54'59" West a distance of 498.96 feet;

THENCE North 00°02'27" West a distance of 2925.00 feet to the north line of said Lot One (1), Block One (1), CHICKASHA AIRPORT INDUSTRIAL PARK;

THENCE North 89°54'59" East a distance of 1450.00 feet, passing at a distance of 1058.96 feet the northeast corner of said Lot One (1), Block One (1), CHICKASHA AIRPORT INDUSTRIAL PARK;

THENCE South 00°01'19" East a distance of 5170.85 feet;

THENCE South 41°25'53" West a distance of 148.36 feet;

THENCE South 89°55'04" West a distance of 851.09 feet, passing at 291.10 feet the southeast corner of said Lot One (1), Block One (1), CHICKASHA AIRPORT INDUSTRIAL PARK, to the POINT OF BEGINNING.

Containing 6,472,747 square feet or 148.594 acres, more or less.

Tract 2

All of the East 400 feet of the South Half (S/2) of the Southeast Quarter (SE/4) of Section Six (6), and all of the East 400 feet of the Northeast Quarter (NE/4) and the North Half (N/2) of the Southeast Quarter (SE/4) of Section 7, all in Township Seven (7) North, Range Seven (7) West of the Indian Meridian, Grady County, Oklahoma, less and except that portion contained within Tract 1.

Tract 3

Southwest Quarter (SW/4) of the Southwest Quarter (SW/4) of Section 5, Township Seven (7) North, Range Seven (7) West of the Indian Meridian, Grady County, Oklahoma.

Tract 4

South Half (S/2) of the Southeast Quarter (SE/4) Section Seven (7), Township Seven (7) North, Range Seven (7) West of the Indian Meridian, Grady County, Oklahoma.

Tract 5

West Half (W/2) of Section 8, Township Seven (7) North, Range Seven (7) West of the Indian Meridian, Grady County, Oklahoma.

The following Parcels 1-9 are approximately representative of the Increment District "C" boundaries shown on the map in Exhibit "C".

[See following page]

INCREMENT DISTRICT AREA "C"

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

102.02 mills
2025 Market Value
2025 Assessed Value
Estimated 2025 Taxes

Parcel ID	Shorthand Legal Description	Record Owner	Acres	Notes	Value	Taxes
1	0000-07-07N-07W-4-001-00 07-07-07-00250 S/2 SE/4 LESS HWY & LESS TR BG SE/4 SE/4 TH N 1320' TH W 400' TH S 1320' TH E 400' TO POB. 66.81 Acres	SMITH, THAD III & MELINDA M SMITH TRUST	66.81	Within Tract 4	12,209	1,343
2	0000-07-07N-07W-1-002-00 07-07N-07W LOT 1 BLOCK 1 CHICKASHA AIRPORT INDUSTRIAL PARK AND COMM SE/4 SE/4 TH S 89DEG 53'56"W 690.10'; TH N 00DEG 02'27"W 1321.08' TO SW/C LOT 1 BLOCK 1 CHICKASHA AIRPORT INDUSTRIAL PARK BEING POB; TH N 00DEG 02'27"W 5281.93'; TH N 89DEG 54'59"E 391.05'; TH S 00DEG 01'19"E 5170.85'; TH S 41DEG 25'53"W 149.36'; TH S 89DEG 55'04"W 291.10' TO POB. 215.50 Acres	OH HITT CORP	215.50	Within Tract 1 - Partial (excluding western portion) - total included acreage of 148.59 combined	98,936	10,883
3	0000-06-07N-07W-4-003-00 06-07N-07W COMM SE/4 TH S 89DEG 53'56"W 690.10'; TH N 00DEG 02'27"W 1321.08' TO SW/C LOT 1 BLOCK 1 CHICKASHA AIRPORT INDUSTRIAL PARK BEING POB; TH N 00DEG 02'27"W 5281.93'; TH N 89DEG 54'59"E 391.05'; TH S 00DEG 01'19"E 5170.85'; TH S 41DEG 25'53"W 149.36'; TH S 89DEG 55'04"W 291.10' TO POB. 71.65 Acres	OH HITT CORP	71.65	Within Tract 1 - Partial (excluding western portion) - total included acreage of 148.59 combined	33,836	3,722
4	0000-06-07N-07W-4-002-00 06-07-07-00850 S/2 SE/4 LESS OFF COMM SE/4 TH S 89DEG 53'56"W 690.10'; TH N 00DEG 02'27"W 1321.08' TO SW/C LOT 1 BLOCK 1 CHICKASHA AIRPORT INDUSTRIAL PARK BEING POB; TH N 00DEG 02'27"W 5281.93'; TH N 89DEG 54'59"E 391.05'; TH S 00DEG 01'19"E 5170.85'; TH S 41DEG 25'53"W 149.36'; TH S 89DEG 55'04"W 291.10' TO POB. 8.35 Acres	CHICKASHA MUNICIPAL AIRPORT AUTHORITY	8.35	Within Tract 2	-	-
5	0000-07-07N-07W-1-001-00 07-07-07-00050 NE/4 & N/2 SE/4 LESS COMM SE/4 SE/4 TH S 89DEG 53'56"W 690.10'; TH N 00DEG 02'27"W 1321.08' TO SW/C LOT 1 BLOCK 1 CHICKASHA AIRPORT INDUSTRIAL PARK BEING POB; TH N 00DEG 02'27"W 5281.93'; TH N 89DEG 54'59"E 391.05'; TH S 00DEG 01'19"E 5170.85'; TH S 41DEG 25'53"W 149.36'; TH S 89DEG 55'04"W 291.10' TO POB. 24.50 Acres	CHICKASHA MUNICIPAL AIRPORT AUTHORITY	24.50	Within Tract 2	-	-
6	0000-07-07N-07W-4-002-00 07-07-07-00260 BG SE/4 TH N 1320' W 400' TH S 1320' TH E 400' TO POB. 12.12 Acres	CITY OF CHICKASHA	12.12	Within Tract 4	-	-
7	0000-05-07N-07W-3-003-00 05-07-07-00650 SW/4 SW/4 (19 & 23) & SE/4 SW/4 LESS 1.52 AC SEE FILE 78.48 Acres	CITY OF CHICKASHA	78.48	Within Tract 3 - Partial (excluding Cemetery) - total parcel acreage of approximately 40	-	-
8	0000-08-07N-07W-2-001-00 08-07-07-00150 W/2 LESS HWY & 3.98 AC (AIRPORT M.H.P.) LESS - COMM. AT SE/C SW/4 SAID POINT BEING IN THE CENTERLINE OF AIRPORT RD R/O/W TH S 90 00'00"W ALONG THE S LINE OF SW/4 & ALONG THE CENTERLINE OF AIRPORT RD R/O/W 240' TO A POINT; N 00 00'00"W 50' TO A POINT ON THE PRESENT N R/O/W LINE AIRPORT RD SAID POINT BEING THE PLACE OR POB. TH S 90 00' 00"W ALONG THE N R/O/W LINE 9 30' N 00 00'00"W 450', N 90 00'00"E 930', S 00 00'00"E 450' BACK TO THE PLACE OR POB. 305.94 Acres	CITY OF CHICKASHA	305.94	Within Tract 5	-	-
9	0000-08-07N-07W-3-001-00 08-07N-07W COMM. AT SE/C SW/4 SAID POINT BEING IN THE CENTERLINE OF AIRPORT ROAD R/O/W TH S 90 00'00"W ALONG THE S LINE OF SAID S W/4 & ALONG THE CENTER - LINE OF AIRPORT ROAD R/O/W 240', N 00 00'00"W 50' TO A POINT ON THE PRESENT N R/O/W LINE OF AIRPORT ROAD, SAID POINT THE PLACE OR POB. TH S 90 00'00"W ALONG SAID N R/O/W LINE 930', N 00 00'00"W 450', N 90 00'00"E 930', S 00 0 0'00"E 450' BACK TO THE PLACE OR POB. 9.60 Acres	CITY OF CHICKASHA MUNICIPAL CORPORATION	9.60	Within Tract 5	-	-
10						
TOTALS:			792.95		144,982	15,948
					NAV	TIF %

Chickasha Schools	148,834,209	
TIF A	3,386,703	2.275%
TIF B	656,888	0.441%
TIF C	15,948	0.011%

City of Chickasha	127,709,654	
TIF A	3,386,703	2.652%
TIF B	656,888	0.514%
TIF C	15,948	0.012%

City of Chickasha	14,383.00	
TIF A	92.70	0.645%
TIF B	749.24	5.209%
TIF C	792.95	5.513%

EXHIBIT “E”

PROPOSED DEVELOPMENT IN THE PROJECT AREA AND INCREMENT DISTRICT

This Chickasha Airport Industrial Park Economic Development Project Plan describes an economic development project of the City of Chickasha, Oklahoma, that brings transformative industrial and commercial development to the undeveloped area located immediately west of the Chickasha Municipal Airport located along the west side of U.S. Highway 81 north of the Washita River. The purpose of the Increment District (as described herein) is to encourage economic development in the City by facilitating the payment of the costs of essential infrastructure improvements and remedial costs necessary to make certain property viable for development and/or redevelopment.

The City has identified potential development interests (i.e., the Developers) that propose to entice small and medium sized industrial and commercial businesses to relocate from outside the State of Oklahoma to the Chickasha Airport Industrial Park area. The City recognizes the difficulty in development of the area due to significant costs necessary to correct current conditions at the planned Project site, including specifically the significant infrastructure and utility improvements necessary to support the development project. The goal of the Increment District (as defined herein) is to promote economic development in the City by incentivizing capital investment in undeveloped property in order to enhance the tax base and create employment opportunities within the City. The City has identified an aggregate total of \$69.8 million in costs associated with the infrastructure improvements and economic incentives (i.e., the TIF Projects). The costs of the infrastructure improvements to serve the Increment District (each as defined herein) are estimated to be \$26 million (i.e., the Infrastructure Costs). Certain economic incentives are proposed in the estimated amount of \$43.8 million in support of the Project (i.e., the Incentive Costs). The associated costs of the TIF Projects (inclusive of the Infrastructure Costs and the Incentive Costs), along with the Organizational Costs and the Debt Service Costs, represent the Project Costs. The City expects to phase the expenditure of Project Costs in coordination with specific development projects, and intends to apply other available funds as appropriate to offset the costs of the Increment District.

The following specific Infrastructure Costs have been identified by the City as necessary to support the full development of the Project. Project costs may include the actual costs of the acquisition, demolition, alteration, remodeling, repair, construction and/or reconstruction of new or existing structures and fixtures, including streets, bridges, drainage facilities, and any similar public improvements, common utility or service facilities, related landscaping; the actual cost of the clearing and grading of the streets within the Project Area and any environmental remediation related thereto; utility relocation costs; professional service costs, including those incurred for architectural, planning, engineering and legal.

- A. **Water System Improvements:** Installation and extension of the City’s water distribution system within the Project Area to serve the various project features within the Airport Industrial Park Project. Project costs under this category include assistance in the financing of the actual material and labor costs

associated with the acquisition of land and the installation, relocation, reconstruction and/or removal of new or existing water lines, and distribution structures and fixtures, similar public improvements, related common utility or service facilities, related landscaping; utility relocation costs; and professional service costs, including those incurred for architectural, planning, engineering and legal.

\$4,000,000

- B. **Sanitary Sewer Improvements:** Relocation or modification of one or more sanitary sewer lines, lift stations, and wastewater treatment plant facilities within the Project Area. Project costs under this category include the actual costs of the acquisition of land and the acquisition, demolition, alteration, remodeling, repair, construction and/or reconstruction of new or existing structures and fixtures, including sanitary sewers, similar public improvements, related common utility or service facilities, related landscaping, clearing and grading of the project site and any environmental remediation related thereto; utility relocation costs; and professional service costs, including those incurred for architectural, planning, engineering and legal.

\$6,000,000

- C. **Airpark Improvements:** Installation of street and road infrastructure within the Project Area to accommodate the heavy traffic flows generated by this project along with airport security enhancements, taxiway construction, and runway extension. Project costs under this category may include assistance in the financing of the costs of these street and roadway improvements. Project costs under this category include the actual costs of the acquisition, demolition, alteration, remodeling, repair, construction and/or reconstruction of new or existing structures and fixtures, including streets, bridges and any similar public improvements, common utility or service facilities, related landscaping; the actual cost of the clearing and grading of the streets and runways within the Project Area and any environmental remediation related thereto; utility relocation costs; stormwater drainage improvements, professional service costs, including those incurred for architectural, planning, engineering and legal .

\$10,000,000

- D. **Contingency:** Approximately thirty percent (30%) contingency to reflect probable inflationary costs for the above listed projects over the next decade.

\$6,000,000

The Incentive Costs are estimated to be \$43.8 million and will be used for the purpose of providing assistance in development financing (as authorized by Section 853(14)(o) of the Local Development Act) necessary to accomplish the Project. Said assistance in development financing will be approved by the City Council pursuant to an economic development agreement with the

prospective development that sets forth appropriate performance requirements to qualify for the incentive(s). Certain of the Infrastructure Costs, along with additional infrastructure improvements, may also be accomplished through the use of assistance in development financing.

Additional amounts will be financed by the apportionment of tax increments from the Increment District including the Organizational Costs and the Debt Service Costs, all related to Project Costs in excess of the amounts specifically identified as Incentive Costs and City Infrastructure Project Costs. The Organizational Costs associated with the initial creation and implementation of the Increment District are preliminarily estimated to be approximately \$150,000, and the ongoing Organizational Costs are estimated to be \$10,000 per year over the term of the Increment District. The Debt Service Costs associated with the Project Costs are preliminarily estimated to be not in excess of approximately \$23 million.

The total estimate of Infrastructure Costs and Incentive Costs that may be made available for improvements and assistance in development financing from apportioned tax revenues shall be \$69.8 million (including all engineering, construction, planning, and contingency costs), which shall be a not-to-exceed amount. The City reserves the right to reallocate the costs described above to accommodate any cost differentials from the preliminary projections. The City anticipates that certain other funds may be available to supplement and/or offset all or a portion of certain Project Costs. The City expects to phase the expenditure of certain Project Costs in coordination with specific development projects. Apportioned tax revenues may be utilized as necessary to pay the Organizational Costs and the Debt Service Costs, and could total approximately \$23.3 million. The estimated combined total of all Project Costs is \$93,100,000.

The estimated \$550.3 million capital investment (\$475.2 million in net taxable value) and \$237.6 million in total taxable construction sales over the term of the Increment District is based on the following preliminary assumptions:

- Airport Industrial Park Project (Increment District “C”)
 - Approximately 2,157,000 square foot of industrial and commercial office space at an average buildout cost of \$225 per square foot, with an estimated \$500.26 million in real property project investment (\$425.22 million taxable value), with initial building completion(s) by the end of 2027 and continuing through 2036
 - Approximately \$50.02 million in business personal property investment (based on an average factor of 10% of the real property investment for each building (\$50.02 million taxable value)
 - Taxable value of real property is estimated at 85% of project investment, with future value held steady
 - Taxable value of business personal property is estimated at 100% of project investment, depreciated over 10 years to an average residual value of 20%
 - Construction sales tax is estimated based on 50% of the combined real property and personal property investment.

Draft Project Plan Dated: 11/26/2025

Revised and Adopted: 01/26/2026

Please see Exhibit “F” for a Preliminary Site Development Plans for certain development projects proposed as part of the Airport Industrial Park Project.

EXHIBIT “F”

PRELIMINARY SITE DEVELOPMENT PLANS*

AIRPORT INDUSTRIAL PARK PROJECT

* See following pages for Preliminary Conceptual Layout, which is subject to change.

BEING A REPLAT OF A PORTION OF LOT ONE (1), BLOCK ONE (1), CHICKASHA AIRPORT INDUSTRIAL PARK
AND BEING A PART OF THE SE/4 OF SEC. 6 AND NE/4 & SE/4 OF SEC. 7, T.7N., R.7W., I.M.
CITY OF CHICKASHA, GRADY COUNTY, OKLAHOMA



SECTION TWO (2) CONTAINS:
THIRTY-FOUR (34) LOTS IN TWO (2) BLOCKS
2,205,831 SF (50,639 ACRES)
EXISTING RW 140,757 SF (3.231 ACRES)
RW DESIGNATED BY PLAT 145,359 SF (3.337 ACRES)
ZONING H-2

SECTION THREE (3) CONTAINS:
TWENTY-FIVE (25) LOTS IN FOUR (4) BLOCKS
1,345,330 SF (30,908 ACRES)
EXISTING RAW 84,981 SF (1,951 ACRES)
RW DEDICATED BY PLAT 136,666 SF (3.137 ACRES)
ZONING: I-2

SECTION FOUR (4) CONTAINS:
TWENTY-THREE (23) LOTS IN TWO (2) BLOCKS
1,721,164 SF (39,512 ACRES)
EXISTING RW 9,905 SF (0.227 ACRES)
RW DEDICATED BY PLAT 164,619 SF (3.779 ACRES)
ZONING: L-2

SECTION FIVE (5) CONTAINS:
TWENTY-THREE (23) LOTS IN TWO (2) BLOCKS
1,199,424 SF (27,535 ACRES)
RW/DEDICATED BY PLAT 139,750 SF (3,208 ACRES)
ZONING I-2

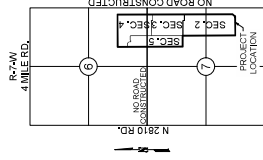
- ALL PROPOSED WATERWAYS TO BE 6" MIN. PVC
- ALL PROPOSED SEWER MAINS TO BE 8" MIN. PVC
- ALL PROPOSED STORM LINES TO BE 18" MIN. RCP
- NO PUBLIC SIDEWALKS PROPOSED
- SUBJECT PROPERTY LIES WHOLLY WITHIN ZONE X. AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODING PER FEMA FORM MAP 40501 C0308E. HAVING AN EFFECTIVE DATE OF APRIL 3, 2022.
- ROAD RIGHTS OF WAY TO BE 60 FEET.
- ROADWAY WIDTH TO BE 32 FEET BACK OF CURB TO BACK OF CURB. PREPARE EXHIBITS FOR FIN SECTION DETAILS AND WIDTHS.

ENGINEER/SURVEYOR:

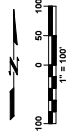
WALLACE DESIGN COLLECTIVE
410 N. WALNUT ST., SUITE 200
OKLAHOMA CITY, OK 73104
patrick.altendorf@wallace.design
405-536-2026
LEE MARTIN, LS
lee.martin@wallace.design
405-536-2016

PRELIMINARY PLAT
CHICKASHA AIRPORT INDUSTRIAL PARK
SECTIONS 2, 3, 4, & 5

BEING A REPLAT OF A PORTION OF LOT ONE (1), BLOCK ONE (1), CHICKASHA AIRPORT INDUSTRIAL PARK
AND BEING A PART OF THE SECTIONS 2, 3, 4, 5 AND SECTIONS 7, 17N., R.7W., 10E.
CITY OF CHICKASHA, GRADY COUNTY, OKLAHOMA

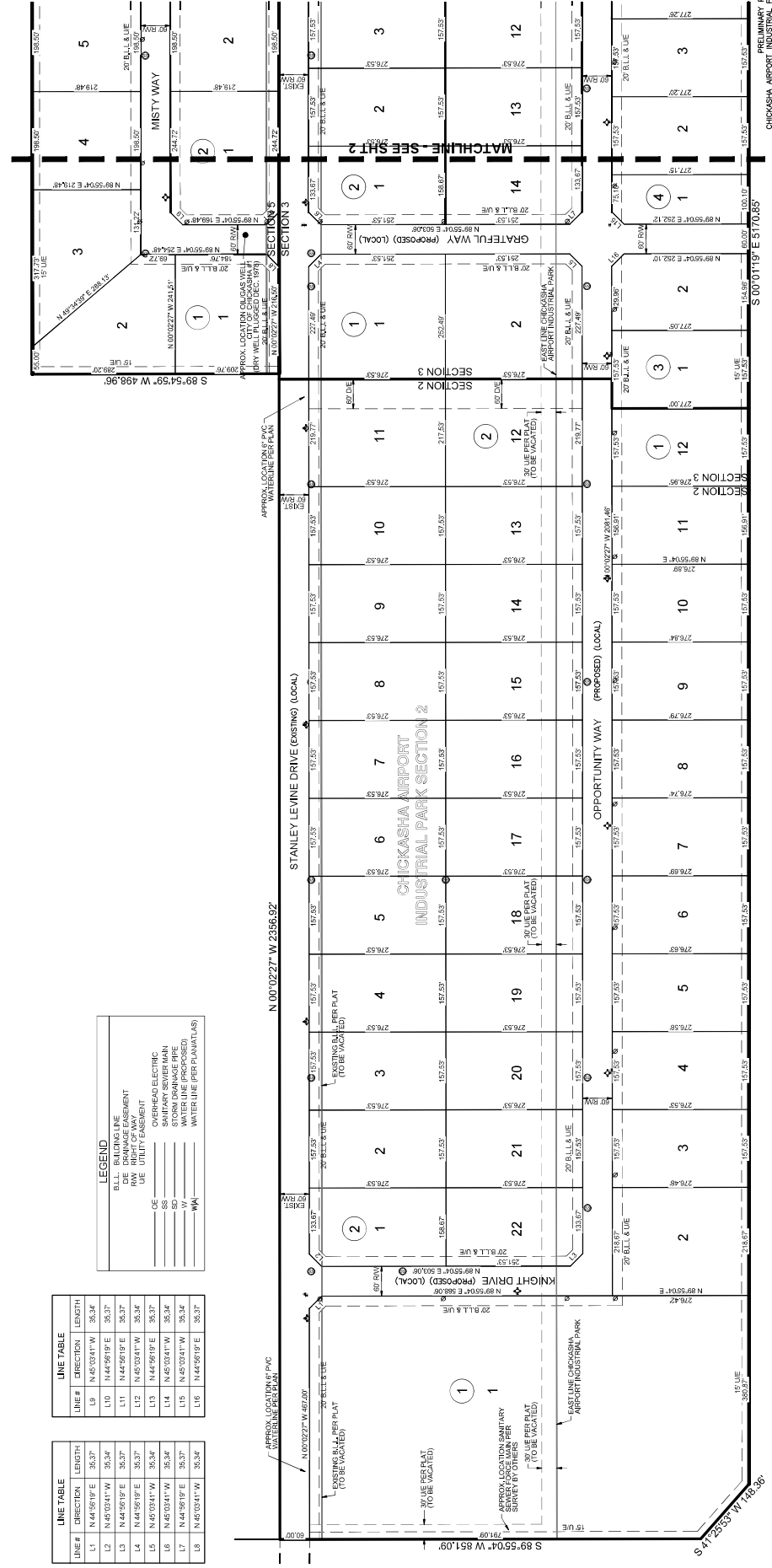


PRELIMINARY
FOR REVIEW ONLY



LINE TABLE		
LINE#	DIRECTION	LENGTH
L1	N 44°59'19" E	35.37
L2	N 45°03'41" W	35.34
L3	N 44°59'19" E	35.37
L4	N 44°59'19" E	35.37
L5	N 44°59'19" E	35.37
L6	N 45°03'41" W	35.34
L7	N 44°59'19" E	35.37
L8	N 44°59'19" E	35.34

LEGEND		
B.L.L.	BUILDING LINE	
D.E.	DRAINAGE EASEMENT	
U.E.	UTILITY EASEMENT	
OE	OVERHEAD ELECTRIC	
SS	SANITARY SEWER MAIN	
W	WATER MAIN	
WV	WATER VALVE	
WPA	WATER PER PLANT (AS)	



PRELIMINARY PLAT
CHICKASHA AIRPORT INDUSTRIAL PARK
SECTIONS 2, 3, 4, & 5
OCTOBER 17, 2025
PAGE 2 OF 2

PRELIMINARY PLAT
CHICKASHA AIRPORT INDUSTRIAL PARK
SECTIONS 2, 3, 4 & 5

BEING A REPLAT OF A PORTION OF LOT ONE (1), BLOCK ONE (1), CHICKASHA AIRPORT INDUSTRIAL PARK
AND BEING A PART OF THE SEASONS AND BELLS SEC. 7, 17N., R. 7W., 1M.
CITY OF CHICKASHA, GRADY COUNTY, OKLAHOMA

LINE TABLE		
LINE #	DIRECTION	LENGTH
L1	N 44° 59' 19" E	35.37
L2	N 45° 03' 41" W	35.34
L3	N 44° 59' 19" E	35.37
L4	N 44° 59' 19" E	35.37
L5	N 45° 03' 41" W	35.34
L6	N 44° 59' 19" E	35.37
L7	N 44° 59' 19" E	35.37
L8	N 44° 59' 19" E	35.37

LINE TABLE		
LINE #	DIRECTION	LENGTH
L9	N 45° 03' 41" W	35.34
L10	N 44° 59' 19" E	35.37
L11	N 44° 59' 19" E	35.37
L12	N 45° 03' 41" W	35.34
L13	N 44° 59' 19" E	35.37
L14	N 45° 03' 41" W	35.34
L15	N 45° 03' 41" W	35.34
L16	N 44° 59' 19" E	35.37

LEGEND	
BL.L.	BUILDING LINE
BL.L.	RIGHT OF WAY
BL.L.	UTILITY EASEMENT
BL.L.	SECTION LINE
BL.L.	SE
BL.L.	SS
BL.L.	STORM DRAINAGE PIPE
BL.L.	WATER LINE PROPOSED
BL.L.	WATER LINE PER PLAT (U.S.)

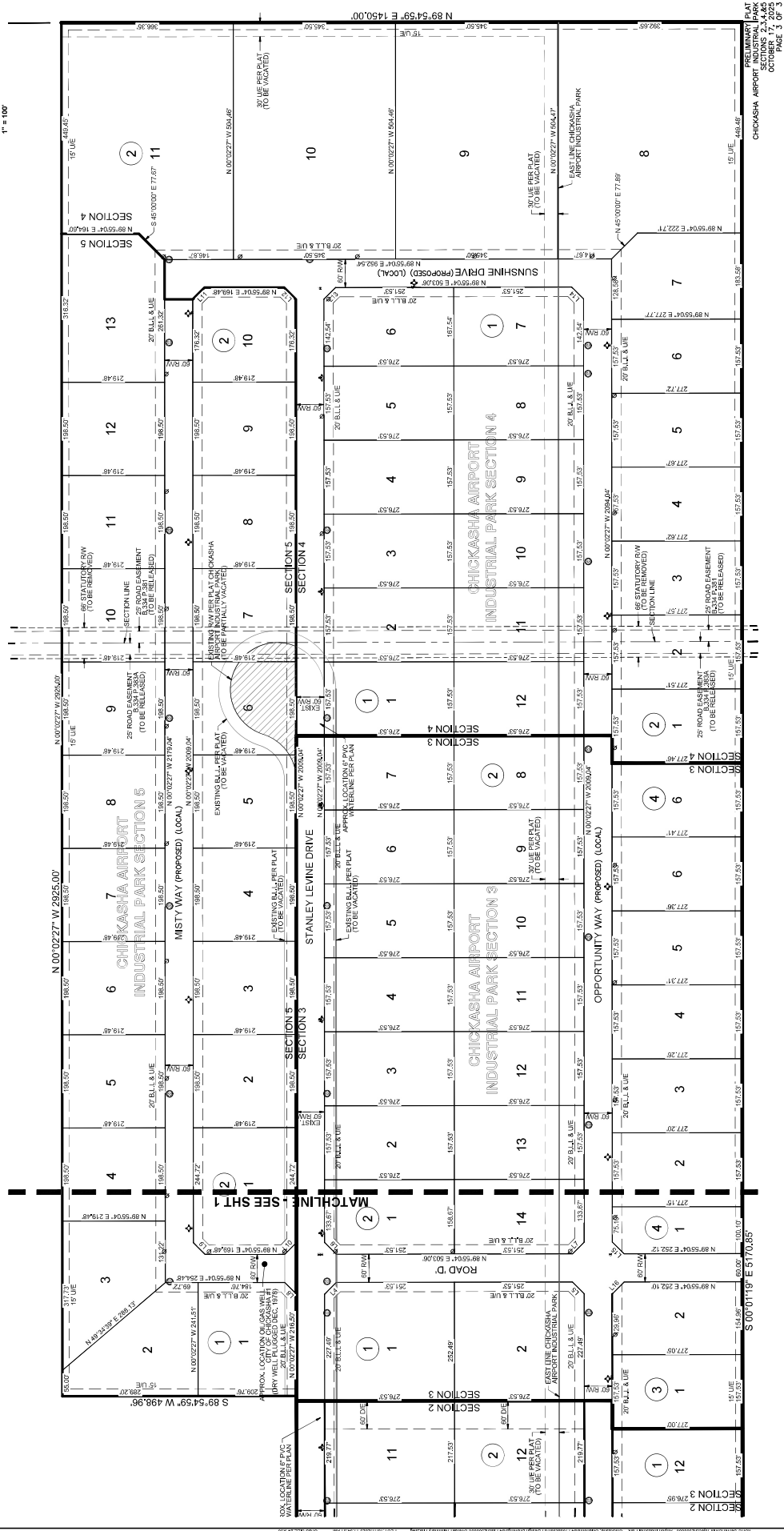
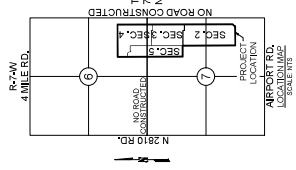


EXHIBIT “G”

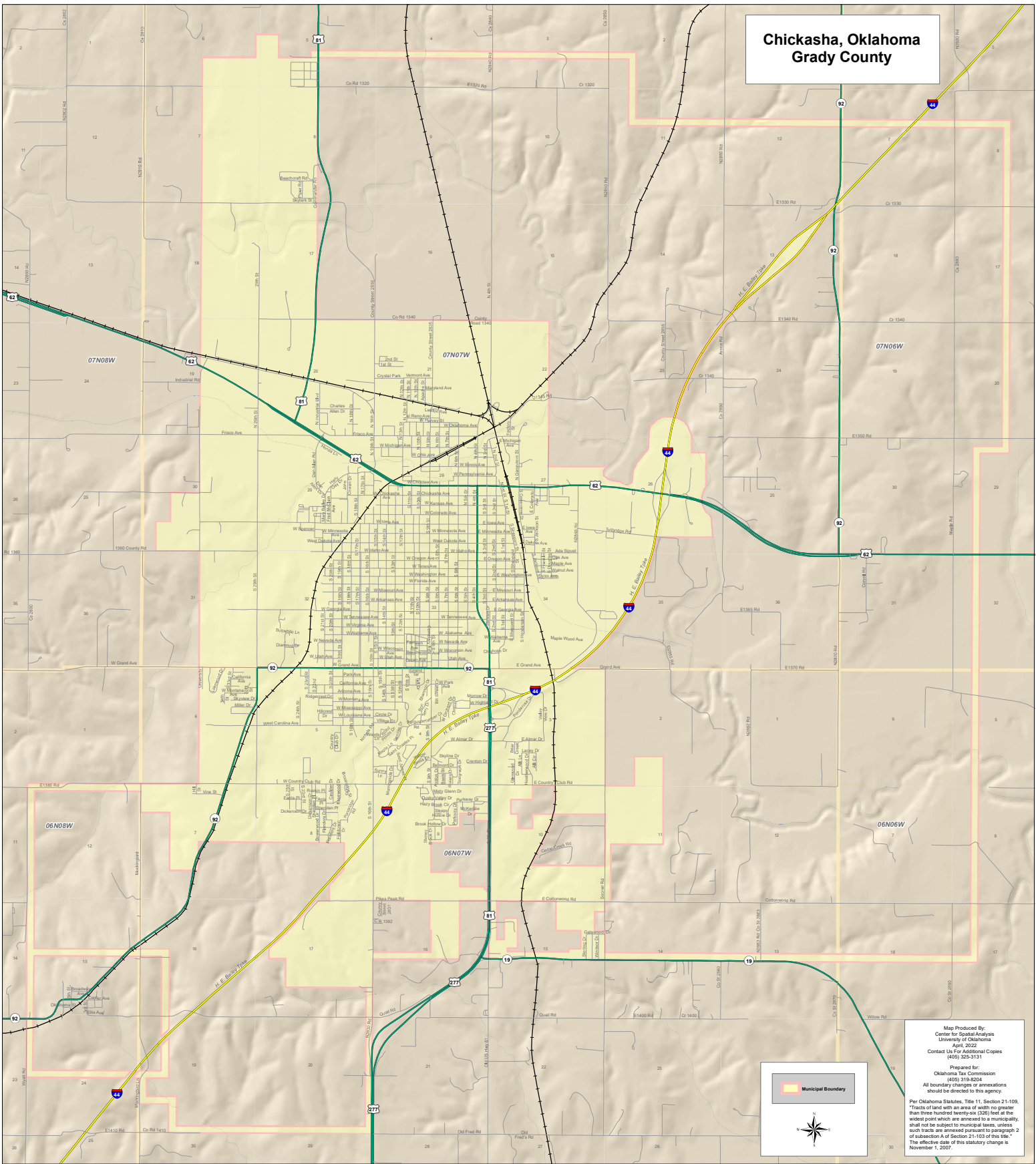
EXISTING USES AND CONDITIONS OF REAL PROPERTY

Aerial view of Increment District area:



The following pages include a municipal boundary map showing the corporate limits of the City, and the most recent city-wide zoning map.

Chickasha, Oklahoma
Grady County



Map Produced By:
Center for Spatial Analysis
University of Oklahoma
April, 2022
Contact Us For Additional Copies
(405) 325-3131

Prepared for:
Oklahoma Tax Commission
(405) 319-8294
All boundary changes or annexations
should be directed to this agency.

Per Oklahoma Statutes, Title 11, Section 21-109,
"Tracts of land with an area of width no greater
than three hundred twenty-five (225) feet at the
widest point which are annexed to a municipality,
shall not be subject to municipal taxes, unless
such tracts are annexed pursuant to paragraph 2
of subsection A of Section 21-103 of this title."
The effective date of this statutory change is
November 1, 2007.

