



Amended and Restated Port of Inola Project Plan

A PROJECT PLAN UNDER THE OKLAHOMA LOCAL
DEVELOPMENT ACT, 62 O.S. §§ 850-869

Prepared by:

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AMENDED AND RESTATED PORT OF INOLA PROJECT PLAN

I. Description of Project

This Amended and Restated Project Plan (“Amended Project Plan”), adopted pursuant to the Local Development Act, 62 O.S. § 850, *et seq.* (“Act”), amends and replaces in its entirety the Port of Inola Project Plan (“Original Project Plan”) originally adopted by the Town of Inola (“Town”) by the passage of Ordinance No. 23-03 on October 4, 2023. The Amended Project Plan retains the same general goal and intention as the Original Project Plan: to provide a funding structure and mechanism that will enable the construction of needed public improvements and public facilities to support the development of the Port of Inola and to assist local community partners address impacts associated with that development. Additionally, the Amended Project Plan adds some necessary support mechanisms to facilitate private development at the Port. The Port of Inola is the newer of two primary port facilities along the McClellan-Kerr Arkansas River Navigation System managed and operated by the Town of Tulsa–Rogers County Port Authority (“Tulsa Ports”), a public body corporate and politic jointly created pursuant to 82 O.S. § 1101, *et seq.*, by the City of Tulsa and Rogers County. The Port of Inola is located in the southwestern-most reaches of the Town’s corporate boundaries, and to date remains largely undeveloped. Using the tools of the Act, and specifically the termination of Increment District No. 1, Town of Inola, and the creation of three new increment districts, as described in this Amended Project Plan, the Town aims to assist Tulsa Ports to accelerate the development of the Port of Inola and to provide resources for other area taxing entities to confront the growth that comes with such accelerated development.

II. Project Area and Increment District Boundaries

- A. The Project Area is the area where increment revenue is authorized to be expended, and it can be generally described as a 66.9 square-mile geographic area covering the Town and a portion of unincorporated Rogers County within a boundary originating at the intersection of E 570 Road and S 4250 Road, extending 8 miles south along S 4250 Road to the intersection of S 4250 Road and E 650 Road, extending 6.5 miles west to the Rogers County boundary within the Verdigris River, extending north-north west along the serpentine route of the Rogers County boundary within the Verdigris River to a point generally located at 36.1189547° -95.613840°, and then 8 miles east along the section line/E 570 Road to the point of origin.
- B. Increment District No. 1, Town of Inola (“TIF 1”) was the area delineated in the Original Project Plan where ad valorem increment revenue would have been collected, and was generally described as that parcel of land approximately 348.6 acres in size located at the northwestern quadrant of the Port of Inola, west of S 4190 Road and north of E 620 Road. This Amended Project Plan aims to terminate TIF 1.
- C. Increment District “A”, Town of Inola (“TIF A”) is the area where ad valorem tax increment revenue will be collected. Increment District “B”, Town of Inola (“TIF B”) is the area where sales tax increment revenue will be collected. Increment District “C”, Town of Inola (“TIF C”) is the area where franchise fee increment revenue will be collected. TIF A, TIF B, and TIF C will share the same boundaries, which can generally be described as the area

immediately north of E 620 Road and primarily west of S 4190 Road, but with some area extending to the east of S 4190 Road.

- D. Illustrations and more detailed description of the boundaries of the Project Area, TIF 1, TIF A, TIF B, and TIF C are included in Exhibit A to this Amended Project Plan.

III. Eligibility

The Project Area and all increment districts qualify as “reinvestment areas,” as defined by Section 853, paragraph 17, of the Act, due to the public improvements required to serve as a catalyst to attract major investment. A “reinvestment area” is any area requiring public improvements to reverse economic stagnation or decline, to serve as a catalyst for retaining or expanding employment, to attract major investment in the area, to preserve or enhance the tax base, or where fifty percent (50%) or more of the structures in the area are aged 35 years or more. Such areas are detrimental to the public health, safety, morals, and welfare, and are at risk of becoming a blighted area if they are not already a blighted area.

The infrastructure needs at the Port of Inola site include the construction of i) Barge loading, fleeting, and conveyance infrastructure, ii) raw water intake system, iii.) rail line extension, iv.) wastewater collection systems, and v.) access road improvements. By providing public utility systems and transportation infrastructure at industrial scales, these components are paramount in the reinvestment area in order to attract the major investments that are necessary to reverse economic stagnation or decline. What follows is a description of the infrastructure needs at Port of Inola, the severity of the need, and rough cost estimates.

- Barge area improvements are public infrastructure that include engineering, maintenance and construction within the existing barge slip and fleeting area (former recreation area) to include the development of dredging, mooring, fleeting, loading, unloading, and conveyance infrastructure at the two separate locations. These projects are intertwined as necessary components to support the inbound and outbound shipment of raw and finished goods to support operations of the Port of Inola and its industrial tenants. The general locations of the barge slip and fleeting area are at 36.118950°, -95.567956° and 36.128992°, -95.567439°, respectively. The estimated costs of these projects is approximately \$54,500,000.
- Potable water enhancements will add an additional option water supply as well as upgrade the availability of capacity and pressure of potable water for the Inola community, including the Town and the Port . It will be inclusive of, but not limited to a new 18” water supply line from The Mayes and Rogers County border line to the north side of Inola , a 3 MGD storage facility at a high-elevation point within the community, an 18” supply line from the water storage facility installed along 590 road and 4190 road to the Port, and up to 10 fire hydrants along that line. The approximate cost for this project is \$25,000,000.
- Raw water intake system: This public utility infrastructure is needed to support the complex industrial production processes of industrial facilities within the Port of Inola. This infrastructure will require the engineering and construction of an approximately 24-inch CS pipe that will extend from a point generally located at 36.122326°, -95.569027° and extend east and south approximately 2,300 feet to a point generally located at 36.119409°, -

95.565363°, concrete thrust block, structural steel framing, electrical work, pump systems, structure to house the systems, and approximately 2,300 feet of conveyance piping. The estimated cost to construct the raw water intake system is \$10,500,000.

- Wastewater collection system: This public utility infrastructure is needed to support the collection, conveyance, and treatment of domestic, industrial, and cooling wastewaters that will originate at the industrial facilities located within the Port of Inola and to be directed to the wastewater treatment plant (WWTP) within the Port of Inola industrial park. This infrastructure will require the engineering and construction of 2 separate collection and piping systems along an approximate 1.25-mile route within the Port of Inola between a point generally located at 36.122139° -95.546930° and the Port of Inola WWTP for domestic wastewater and from a point generally located at 36.105889° -95.538411° and the Port of Inola WWTP for industrial and cooling wastewaters including but not limited to conveyance piping, lift and influent pumping stations for conveyance, collection and offspec tankage, and headworks connections. The estimated cost to construct the wastewater collection system is \$11,500,000.
- Rail line extension: The rail line extension project is public infrastructure to support the shipment of raw and finished products for companies located within the Port of Inola. This infrastructure will require the engineering and construction of approximately 1,200 track-feet of rail with a rail switch, at least one road crossing, and possibly 1,200 additional track-feet for railcar storage. The project begins at a point generally located at 36.120272°, -95.540609° and continues for approximately 1,200 feet to the west at 36.119880°, -95.543670°. The estimated cost to engineer and construct this project is approximately \$450,000.
- Access road improvements: The access road improvements project is public infrastructure to support the transportation of freight, workforce traffic, as well as construction traffic inbound and outbound from the Port of Inola. This infrastructure will require engineering and construction of approximately 4.75 miles of industrial 2-lane roads with 12-foot lanes and 10-foot shoulders. This project begins at the intersection of US-412 highway and 4190 road, extends south to 620 road inside the Port of Inola and then extends west to the barge slip located on the Verdigris River. The approximate cost for this project is \$11,500,000.

IV. Objectives

The principal objectives of this Amended Project Plan are:

- A. To support the accelerated growth and development of the Port of Inola.
- B. To attract industrial businesses to locate at the Port of Inola.
- C. To provide funding through apportioned tax increments and other sources toward facilitating private investments and public improvements in the Project Area, including public improvements, facilities, and resources necessary to accommodate anticipated demands on taxing jurisdictions.

V. Statement of Principal Actions

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

- A. Project planning, design, and approval.
- B. Construction of public infrastructure improvements necessary to service the Project.
- C. Construction of public facilities and provision of financial resources needed to accommodate increased demands on services of affecting taxing jurisdictions.
- D. Provision of direct assistance for private improvements necessary to construct the Project.

These implementation actions and supportive steps will be taken by the Inola Industrial Authority (a public trust having the Town as its beneficiary; referred to in this Amended Project Plan as “*IIA*”), the Town, Tulsa Ports, and any other entity designated by the Town in this Amended Project Plan or by future designation by the Town’s Board of Trustees.

VI. Establishment of Increment District

- A. The Original Project Plan created TIF 1, an ad valorem increment district, and called for ad valorem increment generated within TIF 1 to be apportioned to pay authorized Project Costs for period of 20 years or until all such authorized costs are paid, whichever is less. TIF 1 will be terminated as of the adoption of this Amended Project Plan.
- B. This Amended Project Plan creates TIF A, an ad valorem increment district. The ad valorem increment from TIF A shall be those ad valorem taxes generated from real and personal property valuation within TIF A in excess of the base assessed value of real and personal property within TIF A, as determined by the Rogers County Assessor in accordance with Section 862 of the Act. The increment of ad valorem taxes from TIF A shall be apportioned to pay Project Costs and Specific Revenue Source payments (as described in Section VIII of this Amended Project Plan) for a period not to exceed 25 fiscal years or the period required for the payment of such authorized Project Costs and Specific Revenue Source payments, whichever is less.
- C. This Amended Project Plan creates TIF B, a sales tax increment district. The sales tax increment shall be a portion of the Town’s and, with the written consent of the Rogers County Board of County Commissioners as required by Section 861, paragraph A, subparagraph 2.c., of the Act, Rogers County’s sales and use taxes generated by sales and deliveries within TIF B, including sales and use taxes generated by investment, construction, and development that takes place within TIF B. The sales tax increment shall be six percent (6.0%) of the gross proceeds or gross receipts derived from within TIF B that are taxable under the sales and use tax codes of Oklahoma, including all four and one-half percent (4.5%) of the Town’s sales and use taxes and all one and one-half percent (1.5%) of Rogers County’s sales and use taxes generated within TIF B. The increment of sales taxes from TIF B shall be apportioned to pay Project Costs and Specific Revenue Source payments (as described in Section VIII of this Amended Project Plan for a period not to exceed 7 fiscal

years or the period required for the payment of such authorized Project Costs and Specific Revenue Source payments, whichever is less.

- D. This Amended Project Plan creates TIF C, a franchise fee increment district. The franchise fee increment shall be a portion of the Town's franchise fees generated by electricity use and charges within TIF C. The franchise fee increment shall be all franchise fees (currently, two percent (2.0%) of the gross receipts derived from amounts billed to and collected from users of electricity) received from electricity users within TIF C. The increment of franchise fees from TIF C shall be apportioned to pay Project Costs and Specific Revenue Source payments (as described in Section VIII of this Amended Project Plan) for a period not to exceed 25 fiscal years or the period required for the payment of such authorized Project Costs and Specific Revenue Source payments, whichever is less. It is understood that the current franchise fee imposed by the Town is set to expire in March 2044. It is the intent that if the franchise fee is renewed, extended, increased, or altered after a successful election for such purposes beyond that date, that any such franchise fees collected within TIF C after that date will also be franchise fee increment.
- E. TIF A, TIF B, and TIF C shall commence as of the dates determined for each respective district by the Town's Board of Trustees in accordance with Section 856, paragraph B, subparagraph 2, of the Act. Each increment district shall be comprised of the area for that particular increment district shown and described on Exhibit A, and shall be assigned consecutive numerical names at the time each district is commenced, in accordance with Section 856, paragraph B, subparagraph 3, of the Act.
- F. During the period of apportionment, the apportionment fund or funds for TIF A, TIF B, and TIF C:
 - 1. Shall be available to pay Project Costs and Specific Revenue Source payments under Section VIII;
 - 2. Shall constitute special funds of *IIA*.
 - 3. Shall not be subject to annual appropriation as a part of the general fund or any special fund of the Town.

VII. Project and Increment District Authorizations

- A. *IIA* is designated and authorized as the principal public entity to carry out and administer the provisions of this Amended Project Plan and exercise all powers necessary or appropriate thereto pursuant to Section 854 of the Act, except for those powers indicated in Section 854, paragraphs 1, 4, and 7, of the Act, which are reserved to the Town.
- B. The Town is designated and authorized as an additional public entity to assist with carrying out and administering the provisions of this Amended Project Plan and to exercise any powers necessary or appropriate thereto, including those powers reserved by the Town as indicated in paragraph A above, as provided in Section 854 of the Act.

- C. *IIA* is also authorized to: (1) incur Project Costs pursuant to Section VIII.A.1 of this Amended Project Plan; (2) issue tax apportionment bonds or notes, or both; (3) incur the cost of issuance of bonds for payment of such costs and to accumulate appropriate reserves, if any, in connection with them; (4) make multiyear contractual commitments of increment revenue toward payment of Project Costs; and (5) pledge revenues from current and future fiscal years to repayment of tax apportionment bonds or notes, or both.
- D. Tulsa Ports, acting either directly or through its public trust, the Tulsa's Port of Catoosa Facilities Authority ("Facilities Authority") is authorized to: (1) incur Project Costs pursuant to Section VIII.A.1 of this Amended Project Plan; (2) issue tax apportionment bonds or notes, or both; (3) incur the cost of issuance of bonds for payment of such costs and to accumulate appropriate reserves, if any, in connection with them; (4) make multiyear contractual commitments of increment revenue toward payment of Project Costs; and (5) pledge revenues from current and future fiscal years to repayment of tax apportionment bonds or notes, or both.
- E. The Rogers County Industrial Development Authority ("RCIDA") is authorized to: (1) incur Project Costs pursuant to Section VIII of this Amended Project Plan; (2) provide funds to or reimburse the Town or any other affected taxing jurisdiction for the payment of Project Costs and other costs incurred in support of the implementation of the Project; (3) issue tax apportionment bonds or notes, or both; (4) incur the cost of issuance of bonds for payment of such costs and to accumulate appropriate reserves, if any, in connection with them; (5) make multiyear contractual commitments of increment revenue toward payment of Project Costs; and (6) pledge revenues from current and future fiscal years to repayment of tax apportionment bonds or notes, or both.
- F. The Town may designate and authorize additional public entities to assist with carrying out and administering the provisions of this Amended Project Plan and to exercise any powers it believes necessary or appropriate thereto, including any powers described in Section 854 of the Act, except for those powers indicated in Section 854, paragraphs, 1, 4, and 7, of the Act, which are reserved to the Town.
- G. Town Administrator Scott Devers, his successor in office, or his designee by the Town's Board of Trustees shall be the person in charge of implementation of this Amended Project Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained in this Amended Project Plan. Town Administrator Scott Devers, his successor in office, or his designee is authorized to empower one or more designees to exercise responsibilities in connection with Project implementation.

VIII. Budget of Estimated Project Costs

A. Project Costs. Project Costs shall mean the public costs authorized to be paid by apportioned tax increments pursuant to this Section VIII. The Project Cost categories are as follows:

Port Public Infrastructure and Improvements \$ 89,000,000

Includes: *Barge infrastructure construction*
 Water utility extensions
 Wastewater utility extensions
 Raw water facility and extension construction
 Rail extension
 Road improvements

Town Public Infrastructure Improvements \$ 25,000,000

Includes: *Potable water enhancement project*
 Water and sewer projects
 Public facilities and infrastructure

School Public Facilities \$ 45,000,000

Includes: *School Facilities*

Assistance in Development Financing \$ 270,000,000

Includes: *Site development*
 Onsite electrical/substation
 Onsite infrastructure
 Rail infrastructure
 Facility construction

Subtotal \$ 429,000,000

Plus any financing costs, costs of issuance, necessary or appropriate reserves, and interest.

- B. Specific Revenue Source Apportionments. Throughout the term of TIF A, TIF B, and TIF C, 5.7% of the increment revenue shall be apportioned annually on an ongoing basis as a specific revenue source, as authorized by Article 10, Section 6C, Paragraph B of the Oklahoma Constitution and 62 O.S. § 853(9), to the following taxing jurisdictions in the described amounts for the purposes stated¹:

Taxing Jurisdiction	Allocation	Purpose
1. Inola Public Schools	50%	Assist with operational and capital costs.
2. Town of Inola	20%	Assist with administrative, operational, and capital costs.
3. Northeast Technology Center 4. Rogers County 5. Rogers County Health Department 6. Rogers County Free Fair Board	30%	Offset increased operational and capital costs. Specific allocations to each entity shall be in proportion to each entity's non-sinking fund ad valorem levy.

- C. The maximum tax increment revenues projected to be generated from the increment districts and authorized for payment of Project Costs within the Project Area are as follows:

TIF A	\$ 370,000,000
TIF B	\$ 55,000,000
TIF C	\$ 120,000,000
Total	\$ 545,000,000

- D. Throughout the term of TIF A, TIF B, and TIF C, increment revenues shall be apportioned to pay the Project Costs and Specific Revenue Source apportionments described in paragraphs A and B above.
- E. Additional costs necessary or appropriate to implement this Amended Project Plan that are to be financed by other than apportioned tax increments may be approved by *IIA* or the Town at any time. The provisions of this Section VIII are not a limitation on Project Costs to be financed by other than apportioned tax increments. In the event any project to be funded by tax increments under one of the Project Cost categories listed in paragraph A obtains funding from a non-tax increment source, any tax increment revenue savings not expended on that project may be applied to any other authorized Project Cost category by agreement with *IIA* and other entities authorized to expend or receive increment revenues. It is intended that any such agreements will provide for savings arising out of action of public entities to which specific revenue source payments will be apportioned pursuant to paragraph B above will be provided to those entities as supplemental specific revenue source apportionments, and any saving resulting from actions of Tulsa Ports or any private

¹ Percentage allocations are percentages of the 5.7% of generated increment revenues that will be apportioned as specific revenue source apportionments.

developer within the increment districts will be expended toward the Assistance in Development Financing project cost category.

IX. Financing Plan and Revenue Sources

A. Financing Plan.

The authorized public costs of the Project will be funded by the increment generated from private development within TIF A, TIF B, and TIF C. Project Costs relating to Port Public Infrastructure and Improvements, Town Public Infrastructure Improvements, and School Public Facilities are intended to be funded through debt issued by an entity authorized to do so in Section VII and any subsequent authorizations. Project Costs related to Assistance in Development Financing are intended to be funded through pay-as-you-go contractual arrangements with private companies that will locate and construct improvements within the increment districts.

B. Financing Authorizations.

The implementation of the Amended Project Plan shall be financed in accordance with financial authorizations, including both fund and asset transfers, authorized from time to time by the Town, *IIA*, and/or the entities authorized by Section VII.

C. Financing Revenue Sources.

The revenue sources expected to finance Project Costs and Specific Revenue Source payments authorized by Section VIII are the portion of the increments attributable to investment and development within TIF A, TIF B, and TIF C. Project Costs will be paid by *IIA*, the Town, or other public entities designated by the Town pursuant to Section VII above.

D. Financial Reports and Audits.

The development activities undertaken by *IIA*, the Town, and the other public entities designated pursuant to this Amended Project Plan shall be accounted for and reported by the appropriate and necessary annual fiscal year audits and reports.

E. Other Necessary and Supporting Costs.

IIA, the Town, or any other public entity designated by the Town pursuant to Section VII, is authorized to apply for and obtain grants or financing from other sources for costs incurred or to be incurred in connection with the Project and the construction of improvements in addition to Project Costs to be financed pursuant to Section VIII.

X. Private and Public Investments Expected for the Project, and Associated Financial Impacts

A. Projected Public and Private Investment

The total estimated private investment is expected to be approximately \$2.6 billion over the course of the effective lives of TIF A, TIF B, and TIF C, but may increase to \$3.1 billion in the event of certain contingencies. These investment amounts do not include the estimated public infrastructure improvements and public facilities described in the Project Costs in Section VIII.A. Private investment in the area is expected to consist of the development of a primary metals manufacturing facility representing an investment level between \$2.6 billion and \$3.1 billion.

B. Projected Public Revenues

The estimated incremental increase in tax revenue, which will serve as the revenue source for financing the Project Costs authorized by Section VIII, is the public revenue directly attributable to the Project described herein. The Town will experience increases in tax revenues that are not a part of any of the increment districts. Ad valorem taxing entities will experience additional revenues from increasing values in the area surrounding but outside of the increment districts.

Incremental revenues anticipated from each of TIF A, TIF B, and TIF C are described in Section VIII.B. above.

C. Financial Impacts on Taxing Jurisdictions

Assuming the major industrial developments described above come to fruition, adding private investment closer to \$2.6 billion than \$3.1 billion over the course of the increment districts' effective lives, creating up several thousand new direct and indirect jobs and a corresponding population increase and new housing units, and assuming that the Rogers County assessment ratios and the ad valorem levies remain constant during that period, it is anticipated that affected taxing jurisdictions will experience the following financial impacts:

1. Inola Public Schools

The new jobs resulting from the Project will result in higher student populations, which will cause Inola Public Schools to experience financial impacts. To offset the impacts caused by increased demands for its services, this Amended Project Plan budgets \$45 million towards the costs for construction of new school facilities to serve the new population generated by the Project and provides for a 50% allocation of the 5.7% specific revenue source apportionment generated by each increment district annually. Based on projections, the aggregate amount of these specific revenue source payments could range from \$12-15 million over the lives of the increment districts. In addition, upon completion of the Project and expiration of TIF A, ad valorem taxes will be distributed consistent with standard statutory

procedures, resulting in approximately \$3.7 million in net new non-sinking fund revenue annually from the Project, not accounting for State School Aid revenue offsets and not including the additional tax revenues generated by increased valuation and new construction outside of TIF A.

It is important to note that increment revenues provided to Inola Public Schools will not cause a reduction in the calculation of state school aid. The Oklahoma State School Aid formula specifically excludes any incremental valuation within active increment districts in calculating chargeable income in both Foundation Aid and Salary Incentive Aid. Therefore, these payments are more valuable than revenues subject to school aid efforts.

Furthermore, the anticipated growth in new business, development, and employment outside of TIF A as a result of the Project will create additional tax revenues for Inola Public Schools.

2. Rogers County

A demand for increased services from Rogers County is anticipated to result from the Project, but the specific demand is not quantifiable at present. This Amended Project Plan budgets for Rogers County to receive a share of the 5.7% specific revenue source apportionments as described in Section VIII.B. above. Projections currently show such allocations to the County ranging (in aggregate) from \$3.3-4.1 million over the life of TIFs A, B, and C. Projections also show new revenue to the County upon completion of the Project and expiration of TIF A. Additional ad valorem and sales tax revenues for the County will be generated by the additional residential and commercial development anticipated to be constructed within Rogers County due to demand and increased population resulting from the Project.

3. Rogers County Health Department

Demand for increased services from the Rogers County Health Department is anticipated to result from the Project are not quantifiable at present, but some may be anticipated. This Amended Project Plan budgets for the Health Department to receive a share of the 5.7% specific revenue source apportionments as described in Section VIII.B. above. Projections currently show such allocation to the Health Department totaling between \$500,000-\$620,000 to over the life of TIFs A, B, and C. Projections also show that Rogers County Health Department should anticipate receiving additional operational ad valorem revenue annually approximating \$140,000 upon the Project's completion, not including the ad valorem revenue growth from new residential and commercial construction in Rogers County that will occur outside of the Project.

4. Rogers County Fair Board

Minimal increases in demand are anticipated for the Rogers County Fair Board from the Project. This Amended Project Plan budgets for the Fair Board to receive a share of the 5.7% specific revenue source apportionments as described in Section VIII.B.

above. Projections currently show such allocation to the Fair Board totaling between \$75,000-\$93,000 over the life of TIFs A, B, and C. Upon the Project's completion and TIF A's termination, new annual revenues of approximately \$21,000, not including the ad valorem revenue growth from new residential and commercial construction in Rogers County that will occur outside of the Project.

5. Northeast Technology Center

Northeast Technology Center is likely to experience impacts from the Project. Demand for services is likely to increase. Opportunities for complementary job training programs (including, but not limited to, construction and engineering-related trades) may be utilized through the public and private construction projects anticipated. This Amended Project Plan budgets for Northeast Tech to receive a share of the 5.7% specific revenue source apportionments as described in Section VIII.B. above. Projections currently show such allocations to Northeast Tech ranging (in aggregate) from \$3.3-4.2 million over the life of TIFs A, B, and C. Northeast Technology Centers should anticipate receiving additional operational ad valorem revenue annually approximating \$930,000 upon the Project's completion, not including additional ad valorem revenue growth from new residential and commercial construction within Northeast Technology Centers' service area that will occur outside of the Project.

6. Town of Inola

The Town is likely to experience impacts from the Project. In addition to the public infrastructure and facilities projects accounted for in this Amended Project Plan's budget of authorized Project Costs, the Town is slated to receive 20% of generated increment to help offset some of its administrative and capital costs associated with the Project. Projections currently show such allocation to the Town totaling between \$4.8-\$6 million over the life of TIFs A, B, and C. The employment to be generated by the Project will indirectly generate new sales taxes and franchise fee revenues for the Town and other area municipalities, but without knowing the specific breakdown of where employees will live or shop, a concrete projection cannot be made at this time. Additional residential and commercial construction within the Town limits may also provide additional impacts—positive and negative—on the Town and demand for municipal services.

D. Impacts on Business Activities

Measuring the specific impacts of the Project on business activities within the Project Area and the greater community is difficult. An economic analysis conducted by ADP for the Project indicates that the Project will generate 1,000 new direct jobs by the end of 2029, with starting salaries averaging more than \$80,000 plus benefits. Total direct payroll from these jobs are anticipated to be approximately \$83.2 million in 2029, and increasing thereafter. These direct impacts are anticipated to support over 6,000 jobs during the Project's construction period and over 2,800 permanent jobs upon completion, with a combined

payroll supported of over \$3 billion through the first 10 years of the Project's operations. Additionally, the Project is anticipated to generated over \$250 billion in new state taxes and over \$327 billion in new local taxes over the first 10 years of the Project's operations. A copy of ADP's economic impact analysis of the Project is attached to this Amended Project Plan as Exhibit D.

XI. Miscellaneous Provisions

Current land uses and conditions of real property in the Project Area are described on Exhibit B, "Existing Uses and Conditions," along with a reference to the map provided of the Project Area in Exhibit A. The proposed improvements to and the proposed uses of the real property in the Project Area are described on Exhibit C, "Proposed Improvements and Uses," along with a reference to the map of the Increment Districts provided in Exhibit A.

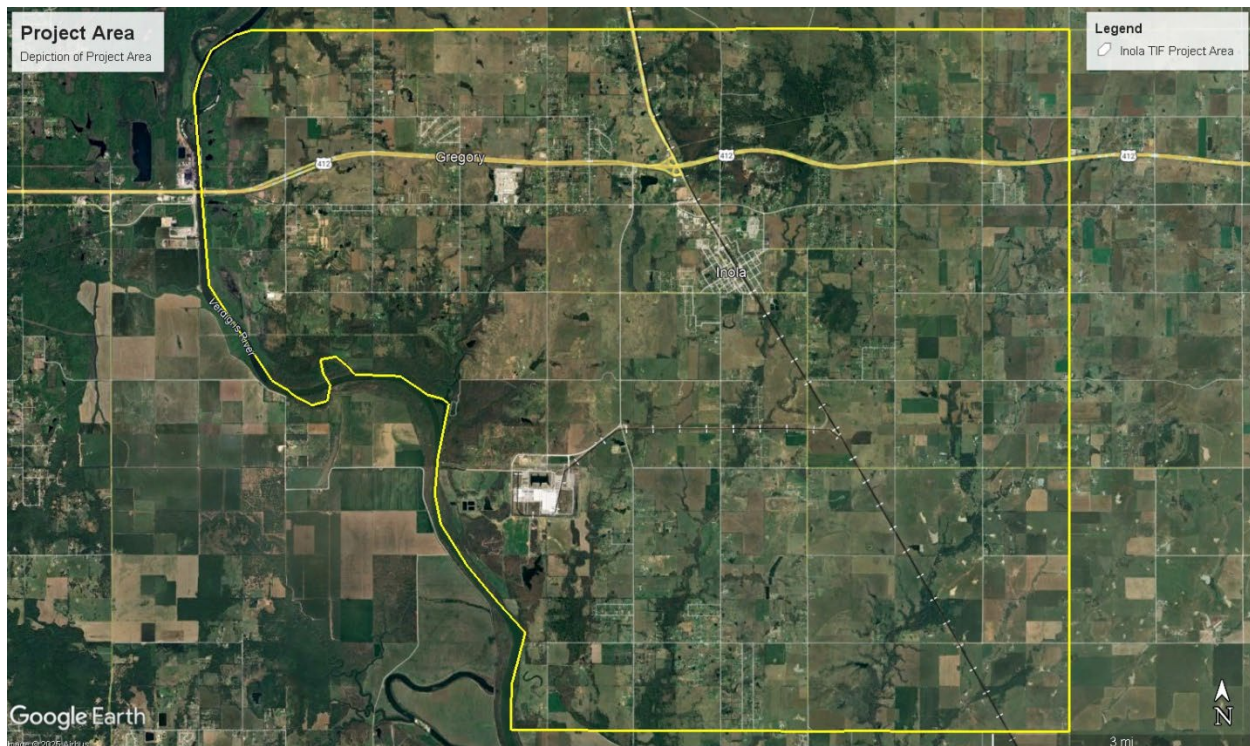
Exhibit A: Project Area and Increment District Boundaries

Project Area

Boundary Description

The project area illustrated and described herein encompasses a 66.9 square-mile geographic area within Rogers County. The project area is represented as the geographic area to exist within a boundary originating at the intersection of E 570 Road and S 4250 Road, extending 8 miles south along S 4250 Road to the intersection of S 4250 Road and E 650 Road, extending 6.5 miles west to the Rogers County boundary within the Verdigris River, extending north-north west along the serpentine route of the Rogers County boundary within the Verdigris River to a point generally located at 36.1189547° -95.613840° , and then 8 miles east along the section line/E 570 Road to the point of origin.

Depiction



Increment District No. 1

Boundary Description

A TRACT OF LAND THAT IS THE SOUTH HALF (S/2) OF SECTION THIRTEEN (13) AND PART OF THE NORTH HALF OF THE NORTH HALF (N/2 N/2) OF SECTION TWENTY-FOUR (24), ALL IN TOWNSHIP NINETEEN (19) NORTH, RANGE SIXTEEN (16) EAST OF THE INDIAN BASE AND MERIDIAN, ROGERS COUNTY, STATE OF OKLAHOMA, ACCORDING TO THE UNITED STATES GOVERNMENT SURVEY THERE, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

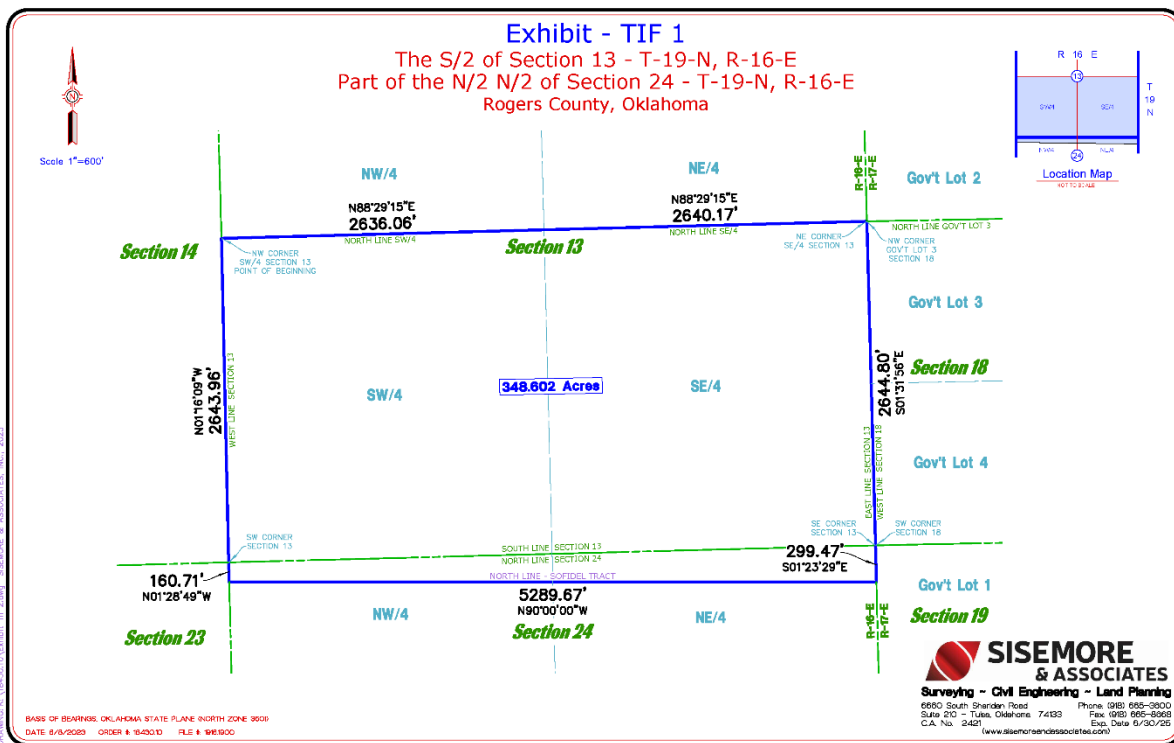
**AS RECOMMENDED BY REVIEW COMMITTEE
04-18-25**

BEGINNING AT THE NORTHWEST CORNER OF THE SW/4 OF SAID SECTION 13; THENCE NORTH 88°29'15" EAST ALONG THE NORTHERLY LINE OF SAID SW/4 FOR 2636.06 FEET TO THE NORTHEAST CORNER OF SAID SW/4; THENCE CONTINUING NORTH 88°29'15" EAST ALONG THE NORTHERLY LINE OF THE SE/4 OF SAID SECTION 13 FOR 2640.17 FEET TO THE NORTHEAST CORNER OF SAID SE/4; THENCE SOUTH 01°31'56" EAST ALONG THE EASTERLY LINE OF SAID SE/4 FOR 2644.80 FEET TO THE SOUTHEAST CORNER OF SAID SE/4; THENCE SOUTH 01°23'29" EAST ALONG THE EASTERLY LINE OF SAID SECTION 24 FOR 299.47 FEET; THENCE DUE WEST FOR 5289.67 FEET TO A POINT ON THE WESTERLY LINE OF SAID SECTION 24; THENCE NORTH 01°28'49" WEST FOR 160.71 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 13; THENCE NORTH 01°16'09" WEST ALONG THE WESTERLY LINE OF SAID SECTION 13 FOR 2643.96 FEET TO THE POINT OF BEGINNING OF SAID TRACT OF LAND.

SAID TRACT CONTAINING 348.602 ACRES, MORE OR LESS.

BASIS OF BEARINGS: OKLAHOMA STATE PLANE (NORTH ZONE 3501)

Depiction



AS RECOMMENDED BY REVIEW COMMITTEE
 04-18-25

Increment Districts “A”, “B,” and “C”

TIF A, TIF B, and TIF C all share the same boundaries, which are reflected below:

Boundary Description

A TRACT OF LAND THAT IS THE SOUTH HALF (S/2) AND PART OF THE SOUTH HALF OF THE NORTH HALF (S/2 N/2) OF SECTION THIRTEEN (13) AND PART OF THE NORTH HALF OF THE NORTH HALF (N/2 N/2) OF SECTION TWENTY-FOUR (24), TOWNSHIP NINETEEN (19) NORTH, RANGE SIXTEEN (16) EAST AND GOVERNMENT LOTS THREE (3) AND FOUR (4) AND PART OF GOVERNMENT LOT TWO (2), IN SECTION EIGHTEEN (18) AND PART OF GOVERNMENT LOT ONE (1), IN SECTION NINETEEN (19), TOWNSHIP NINETEEN (19) NORTH, RANGE SEVENTEEN (17) EAST OF THE INDIAN BASE AND MERIDIAN, ROGERS COUNTY, STATE OF OKLAHOMA, ACCORDING TO THE UNITED STATES GOVERNMENT SURVEY THERE, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SW/4 OF SAID SECTION 13; THENCE NORTH $01^{\circ}38'04''$ WEST ALONG THE WESTERLY LINE OF THE NW/4 OF SECTION 13, T-19-N, R-16-E FOR 859.32 FEET; THENCE NORTH $88^{\circ}21'56''$ EAST FOR 5277.77 FEET TO A POINT ON THE WESTERLY LINE OF GOVERNMENT LOT 2 IN SECTION 18, T-19-N, R-17-E, SAID POINT BEING 870.57 FEET NORTHERLY OF THE SOUTHWEST CORNER THEREOF; THENCE SOUTH $59^{\circ}52'03''$ EAST FOR 1489.15 FEET TO A POINT ON THE EASTERLY LINE OF SAID GOVERNMENT LOT 2, SAID POINT BEING 99.73 FEET NORTHERLY OF THE SOUTHEAST CORNER THEREOF; THENCE SOUTH $01^{\circ}34'34''$ EAST ALONG THE EASTERLY LINE OF GOVERNMENT LOTS 2, 3 AND 4 FOR 2741.86 FEET TO A POINT THAT IS THE SOUTHEAST CORNER OF SAID GOVERNMENT LOT 4; THENCE SOUTH $01^{\circ}37'09''$ EAST ALONG THE EASTERLY LINE OF GOVERNMENT LOT 1 IN SECTION 19, T-19-N, R-17-E FOR 325.24 FEET; THENCE NORTH $90^{\circ}00'00''$ WEST FOR 1271.25 FEET TO A POINT ON THE WESTERLY LINE OF SAID GOVERNMENT LOT 1, SAID POINT BEING 299.47 FEET SOUTHERLY OF THE NORTHEAST CORNER THEREOF; THENCE CONTINUING NORTH $90^{\circ}00'00''$ WEST FOR 5289.67 FEET TO A POINT ON THE WESTERLY LINE OF SECTION 24, T-19-N, R-16-E, SAID POINT BEING 160.71 FEET SOUTHERLY OF THE NORTHWEST CORNER THEREOF; THENCE NORTH $01^{\circ}28'49''$ WEST ALONG SAID WESTERLY LINE FOR 160.71 FEET TO THE NORTHWEST CORNER OF SAID SECTION 24; THENCE NORTH $01^{\circ}16'09''$ WEST ALONG THE WESTERLY LINE OF SECTION 13, T-19-N, R-16-E FOR 2643.96 FEET TO THE POINT OF BEGINNING OF SAID TRACT OF LAND.

SAID TRACT CONTAINING 553.592 ACRES, MORE OR LESS.

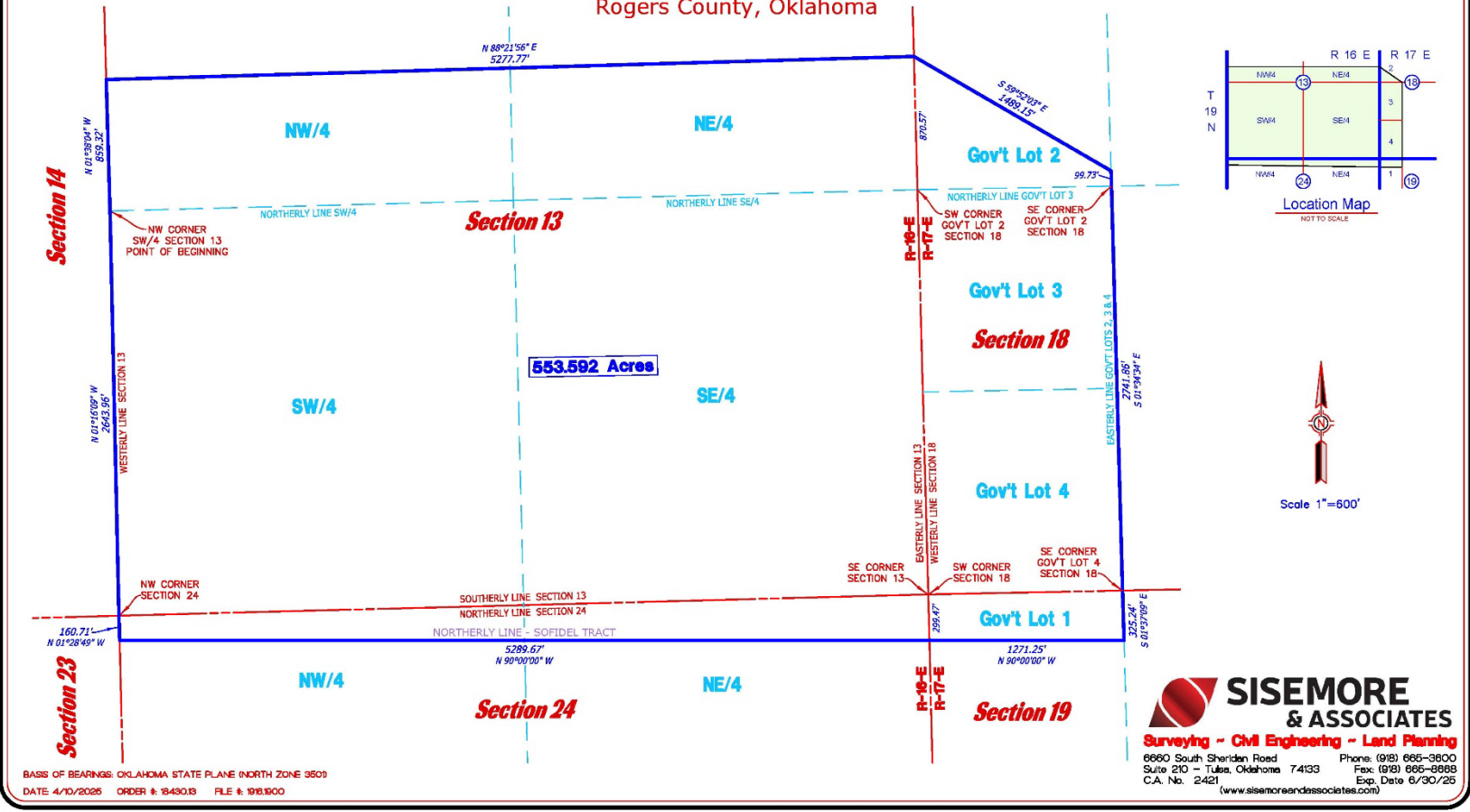
BASIS OF BEARINGS: OKLAHOMA STATE PLANE (NORTH ZONE 3501)

Depiction

[See following page]

Exhibit - TIF District

Part of Sections 13 & 24, T-19-N, R-16-E &
Part of Sections 18 & 19, T-19-N, R-17-E
Rogers County, Oklahoma



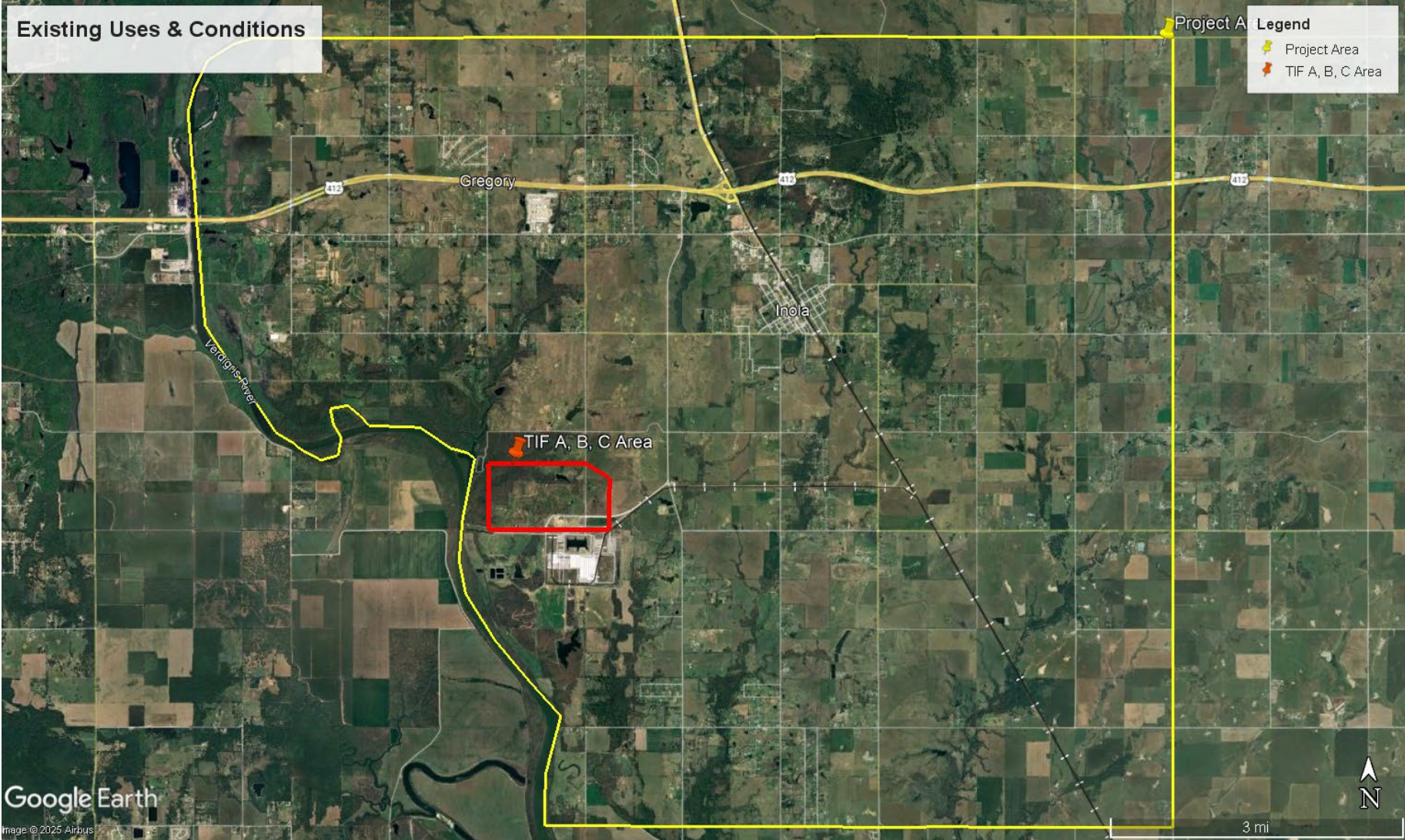
DRAWING: K:\18430.13\Exhibit TIF.dwg SISEMORE & ASSOCIATES, INC., 2023

BASIS OF BEARINGS: OKLAHOMA STATE PLANE (NORTH ZONE 350)
DATE: 4/10/2025 ORDER #: 1843013 FILE #: 198.1000

SISEMORE & ASSOCIATES
 Surveying - Civil Engineering - Land Planning
 6660 South Sheridan Road Phone: (918) 665-3800
 Suite 210 - Tulsa, Oklahoma 74133 Fax: (918) 665-8888
 C.A. No. 2421 Exp. Date 6/30/25
 (www.sisemoreandassociates.com)

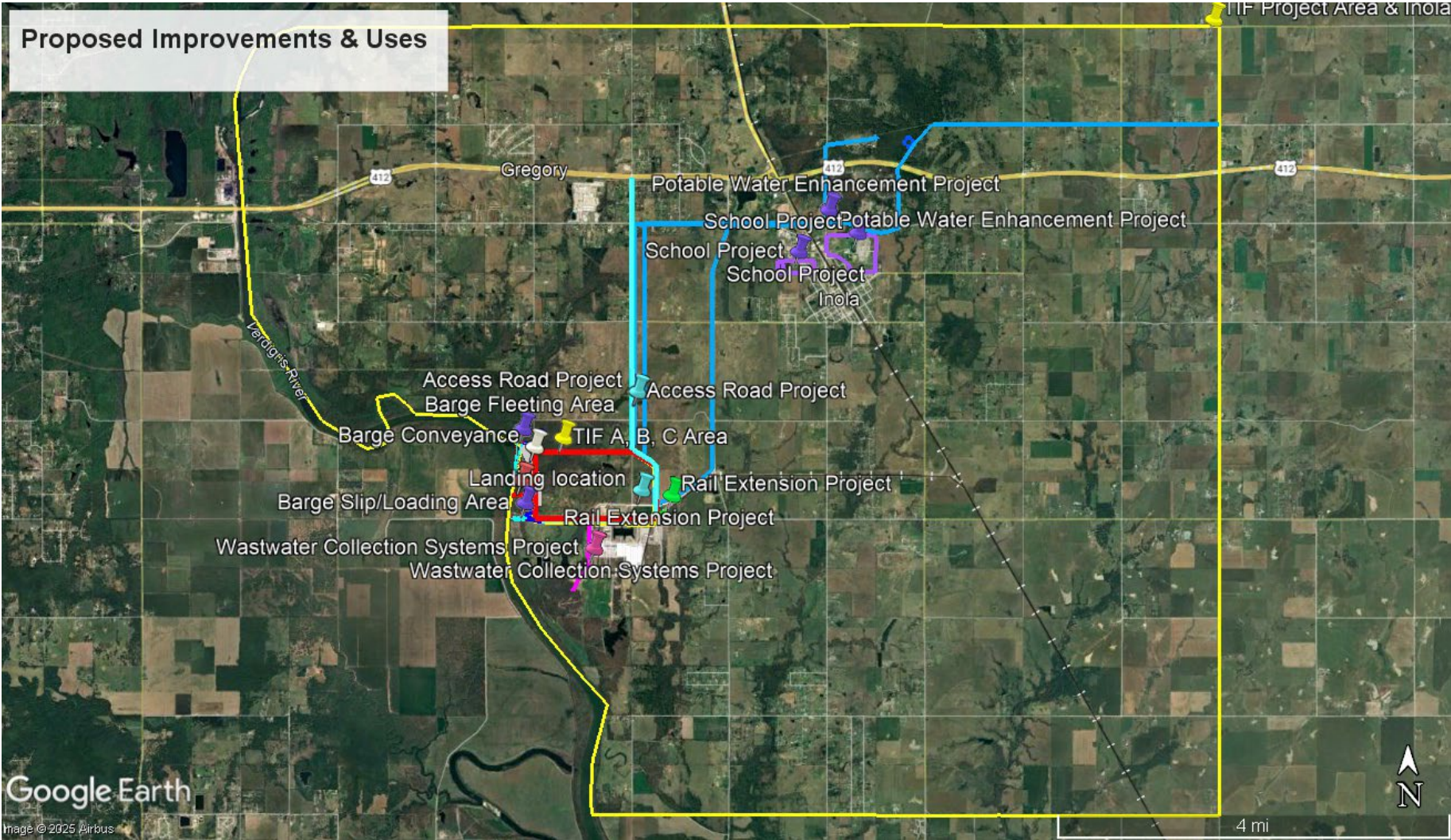
**AS RECOMMENDED BY REVIEW COMMITTEE
04-18-25**

Exhibit B: Existing Uses and Conditions



**AS RECOMMENDED BY REVIEW COMMITTEE
04-18-25**

Exhibit C: Proposed Improvements and Uses



**AS RECOMMENDED BY REVIEW COMMITTEE
04-18-25**

Exhibit D: Economic Impact Analysis

[See following pages]

Project Sunrise Economic Impact Inola, OK

The Project

Project Sunrise is a planned primary metals manufacturing operation in Inola, Oklahoma. The company anticipates investing approximately \$2.6 billion in depreciable assets as defined in Internal Revenue Code, 26 U.S.C., Section 168 including \$517 million for buildings and other real property improvements and \$2.1 billion for M&E and pollution control equipment. Additional expenditures of \$1.3 billion are anticipated. Construction is expected to extend into late 2028. Equipment installation will continue through early 2029. Production ramp-up is expected to start in 2029 and to continue for six to nine months. The company will create 1,000 new jobs by the end of 2029 with an estimated average salary of just over \$80,000 plus benefits. Total payroll in 2029 is expected to be approximately \$83.2 million and is expected to increase by 3% annually thereafter. **It is important to note that the estimated economic impact of the project is based on the preliminary assumptions for project investment, jobs, and wages, and will change as these assumptions are refined.**

Economic Impact Methodology

ADP's economic impact analysis utilizes a proprietary model linked with RIMS II multipliers from the U.S. Bureau of Economic Analysis (BEA). The analysis reflects the unique nature of the project and estimates the direct, indirect and induced impact of the project in terms jobs, employment, and payroll; the model also estimates the direct, indirect and induced state and local tax revenues created by the project.

According to the BEA's RIMS II User's Guide, "The Regional Input-Output Modeling System (RIMS II), a regional economic model, is a tool used by investors, planners, and elected officials to objectively assess the potential economic impacts of various projects. This model produces multipliers that are used in economic impact studies to estimate the total impact of a project on a region.

The idea behind the results of RIMS II is that an initial change in economic activity results in other rounds of spending—for example, building a new road will lead to increased production of asphalt and concrete. The increased production of asphalt and concrete will lead to more mining. Workers benefiting from these increases will spend more, perhaps by eating out at nicer restaurants or splurging more on entertainment."

RIMS II is a backward-linkage model. Only backward linkages, also known as upstream effects, are modeled in an input-output analysis. Thus, forward linkages, e.g., how an industry's production is used as an input for other production, also known as **downstream effects, are not modeled. The project is expected to create significant growth in downstream industries with potential for them to locate near the facility. Due to limitations in the methodology, this impact has not been accounted for. Therefore, the actual impact from the project is expected to be much higher than the current estimates'**

The BEA does not endorse any resulting estimates and/or conclusions about the economic impact of a proposed change on an area.

Project Sunrise Economic Impact Summary

<i>Impact includes adjustment for inflation to wages, retail sales, electricity and residential property values.</i>	During Construction (2026 - 2028)	Through 15 Years of Operations (2026 - 2043)	Through 25 Years of Operations (2026 - 2053)	Through 30 Years of Operations (2026 - 2058)
Jobs Created / Supported				
Construction & Equipment Installation	4,304	0	0	0
Project Sunrise	858	1,000	1,000	1,000
Indirect	2,116	850	850	850
Induced	<u>3,236</u>	<u>974</u>	<u>974</u>	<u>974</u>
Total	6,211	2,824	2,824	2,824
Payroll Created (\$000)				
Construction & Equipment Installation	\$590,003	\$619,944	\$619,944	\$619,944
Project Sunrise	\$69,261	\$1,616,696	\$3,102,682	\$4,027,549
Indirect	\$211,422	\$1,153,949	\$2,050,783	\$2,608,966
Induced	<u>\$284,005</u>	<u>\$1,187,121</u>	<u>\$2,042,480</u>	<u>\$2,574,848</u>
Total	\$1,154,691	\$4,577,710	\$7,815,888	\$9,831,306
Taxable Retail Sales Generated (\$000)				
Construction & Equipment Installation	\$74,196	\$77,961	\$77,961	\$77,961
Project Sunrise	\$8,710	\$203,308	\$390,179	\$506,485
Indirect	\$26,587	\$145,112	\$257,892	\$328,086
Induced	<u>\$35,715</u>	<u>\$149,287</u>	<u>\$256,852</u>	<u>\$323,800</u>
Total	\$145,208	\$575,668	\$982,884	\$1,236,332
Tax Revenues Generated / Supported (\$000)				
<u>State</u>				
Corporate Income Taxes	\$0	\$63,800	\$107,800	\$129,800
Personal Income Taxes	\$39,188	\$167,140	\$289,940	\$366,848
Natural Gas Severance Taxes	\$0	\$75,377	\$125,628	\$150,753
Construction Materials Sales Taxes	\$4,516	\$4,516	\$4,516	\$4,516
Sales Taxes on Materials for Equipment Installation	\$23,646	\$26,273	\$26,273	\$26,273
Company Purchases Subject to Sales & Use Taxes	\$0	\$4,185	\$8,203	\$10,704
Personal Retail Sales Taxes	<u>\$6,534</u>	<u>\$25,905</u>	<u>\$44,230</u>	<u>\$55,635</u>
State Subtotal	\$73,883	\$367,195	\$606,589	\$744,529
<u>Local</u>				
Ad Valorem Taxes	\$6,540	\$199,386	\$278,843	\$318,571
Residential Property Taxes	\$892	\$20,980	\$40,271	\$52,278
Construction Materials Sales Taxes	\$6,021	\$6,021	\$6,021	\$6,021
Sales Taxes on Materials for Equipment Installation	\$31,527	\$35,030	\$35,030	\$35,030
Company Purchases Subject to Sales & Use Taxes	\$0	\$5,580	\$10,938	\$14,273
Personal Retail Sales Taxes	\$10,493	\$41,165	\$70,173	\$88,228
City Franchise Fees on Electricity	<u>\$0</u>	<u>\$129,809</u>	<u>\$129,809</u>	<u>\$129,809</u>
Local Subtotal	\$55,473	\$437,971	\$571,085	\$644,209
Total Tax Revenues (\$000)	\$129,357	\$805,166	\$1,177,674	\$1,388,738

Notes:

- (1) RIMS II multipliers for construction and primary metals in OK were utilized to estimate the indirect and induced
- (2) The BEA does not endorse any resulting estimates and/or conclusions about the economic impact of a proposed
- (3) Project employment assumed to start in the year prior to plant commissioning and ramp-up.
- (4) Construction and installation assumed complete at the end of 2028 with the exception of 10% of equipment installation activities extended into 2029. However, no employment impact is shown after 2028. The employment impact during the construction period represents the peak annual employment expected for construction and installation.

Key Assumptions

Construction & Equipment Installation

- The construction labor rate used is based on the most recent data available from the OK Quarterly Census of Employment and Wages. Average wages are assumed to increase 3% annually.
- The sales tax rate applicable in Inola (Rogers County), OK was assumed (4.5% State, 1.5% Rogers County, 4.5% Inola).
- Personal income taxes paid by construction and equipment installation workers. An average construction salary of \$67,028 was assumed in 2026 based on data from OK QCEW with a 3% annual increase thereafter. To account for deductions, an effective income tax rate of just under 3.80% was assumed.
- Sales tax on retail sales expenditures by construction and installation workers. At the local level, 18.5% of wages was assumed to be spent on taxable retail sales. For the state level, 12.6% of wages was assumed to be spent on taxable retail sales. The difference being due to the passage of House Bill 1955, signed into law February 27, 2024, which eliminated Oklahoma's 4.5% state sales tax on food while local sales taxes continue to apply. The expenditure percentages were derived from U.S. Bureau of Labor Statistics 2023 consumer expenditure data.
- City electric franchise fee revenues during construction and equipment installation have not been estimated given insufficient electric load data and related rates from PSO.
- Average salaries for indirect and induced employees were assumed to be the same as those resulting from the estimates for the primary metals industry.

Facility Operations

- Retail sales taxes on estimated taxable company purchases of \$5 million annually, assumed to increase 3% per year.
- Personal income taxes paid by company employees. An average salary of \$80,724 in 2028 was assumed with an annual 3% increase thereafter. To account for deductions, an effective income tax rate of just over 3.90% was assumed.
- Sales tax on retail sales expenditures by company employees. At the local level, 18.5% of wages was assumed to be spent on taxable retail sales. For the state level, 12.6% of wages was assumed to be spent on taxable retail sales. The difference is due to the passage of House Bill 1955, signed into law February 27, 2024, which eliminated Oklahoma's 4.5% state sales tax on food while local sales taxes continue to apply. Expenditure percentages were derived from U.S. Bureau of Labor Statistics 2023 consumer expenditure data.
- The personal income tax and retail sales tax revenues resulting from the indirect and induced job creation and related payroll has also been included. Indirect salaries were estimated to be \$54,075 in 2026 and induced salaries \$44,984 in 2026. Each were increased 3% annually thereafter.
- City electric franchise fee revenues based on a 2% rate through 2043. The most recent rate estimates from PSO for the project's estimated consumption have been utilized to estimate the annual electric amount to which the franchise fee is applicable.
- State natural gas severance taxes resulting from the company's natural gas consumption as well as the estimated incremental consumption by PSO to operate a new 450MW combined cycle gas power plant to support the project. A gas cost of \$3.61 / MMBtu has been assumed along with a

7% natural gas severance tax. 75% of the gas was assumed to be purchased in state. Consumption was reduced by 50% in the first year of plant operation.

- Ad valorem taxes on real and personal property. For real property a valuation adjustment factor of 80% was utilized and no annual appreciation was assumed. For personal property, the depreciation schedule utilized assumed 12-year life based on information in the Oklahoma Tax Commission's 2025 Business Personal Property Valuation Schedule. An 11% assessment ratio and a millage rate of \$81.110 has been assumed.
- Residential property taxes. 100 transferees were assumed of which 50% were assumed to buy homes with a value of \$306,600. Additionally, it was assumed 65.4% of employees would own homes with a value of \$204,400. An 11% assessment ratio and a millage rate of \$81.110 has been assumed. Residential property values were assumed to appreciate 3% per year.