

# FINANCIAL IMPACT ANALYSIS OF THE PROPOSED AMENDED AND RESTATED DOWNTOWN/MAPS ECONOMIC DEVELOPMENT PROJECT PLAN AND INCREMENT DISTRICTS

## **Purpose of the Proposed Amendment to the Amended and Restated Downtown/MAPS Economic Development Project Plan (“Project Plan”):**

Approve Project Plan provisions and authorize tax increment support for creation of commercial development to enhance and contribute to the success and quality of the AICCM.

**Impact in Base Assessed Values:** The proposed amendment will have no impact on the Base Assessed Values of other Increment Districts.

## **Changes to Project Plan Budget Amounts:**

- Creation of Sales Tax Increment #14 and Increment District A (Ad Valorem)  
Budget Totals \$128 Million
- Creation of Increment District B (Ad Valorem)  
Budget Totals \$22 Million

Total Public Investment \$150 Million

## **Description of Impact**

Projected investment and economic impacts based on Destination 2016 Project Concept provided by the American Indian Cultural Center Foundation (values updated to 2018) which is not an approved plan and is intended to assess the potential of a critical mass attraction.

### **Sales Tax Increment #14 and Increment District A (Ad Valorem)**

- Projected Phase 1 Private Investment: \$400 Million (AICCM site)
- Projected Phase 2 Private Investment: \$200 Million (south of railroad tracks)

### **Increment District B (Ad Valorem)**

- Projected Private Investment: \$150 Million (east of AICCM site)

Total Projected Private Investment \$750 Million

### **Projected Tax Revenues:**

- Ad Valorem Increments: \$2.6 Million Annually
- Sales Tax Increments: \$3.2 Million Annually

**Summary of Impact on Taxing Jurisdictions**

**Oklahoma City Public Schools and Crooked Oak Schools Impact**

The investment in the AICCM and supporting commercial development is unlikely to generate any measurable increased demand upon services of Oklahoma City Public Schools or the Crooked Oak Schools. The growth in the number of jobs, investment and taxable values will have positive economic impacts outside the Increment Districts. The Local Development Act specifically provides that, for purposes of calculating state school aid, only the base assessed value shall be used and increases above the base assessed value must be disregarded. Therefore, the increase in assessed values in the Increment Districts should not negatively impact Oklahoma City Public Schools or Crooked Oak Schools.

**Oklahoma County Impact**

No specific measurable demand for increased services upon Oklahoma County is anticipated as a result from the project plan amendment.

**Oklahoma City/County Health Impact**

The Oklahoma City County Health Department is negatively impacted by the existence of unemployment and underemployment. The projected new employment opportunities that will spin off from the increased project budgets can create only positive impacts upon this taxing jurisdiction. The proposed amendment is projected to generate new employment opportunities.

**Metro Tech Impact**

The nature of the project plan amendment makes it likely to create some increased demand for training by Metro Tech. Any increased demand for job training occasions by the Project is likely to be complementary in its impact upon Metro Tech.

**Metropolitan Library Impact**

No specific measurable demand for increased services upon Metropolitan Library System is anticipated as a result from the project plan amendment.

**Business Community**

No appreciable adverse impact is likely to result from the amendment for the business community within the Project Area.

**Conclusion:**

The investment of \$150 Million in tax increment within the increment area will result in an estimated \$750 Million in private taxable investment. Construction and development of economics impacts stimulated by private and public development as a result of the proposed amendments are estimated as follows:

<u>Construction Impacts</u>	<u>Overnight Visitors</u>	<u>Full-time jobs</u>	<u>Fiscal Impacts</u>
\$396,000,000	234,000	910	\$286.6 Million annually

Clearly the projected developments that will result from the amendment to the Project Plan will have a very strong positive long-term benefit for the whole community and for the State of Oklahoma. The gross direct spending that is projected to result from construction and development of the AICCM and supporting commercial development will exceed \$164 million annually. Correspondingly, no appreciable adverse impact is likely to result from the amendment for the taxing jurisdictions or business activities within the Project Area.