

**BARTLESVILLE RETIREMENT COMMUNITY
ECONOMIC DEVELOPMENT PROJECT PLAN**

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CITY OF BARTLESVILLE, OKLAHOMA

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**BARTLESVILLE RETIREMENT COMMUNITY
ECONOMIC DEVELOPMENT PROJECT PLAN**

I. DESCRIPTION OF PROJECT

This Bartlesville Retirement Community Economic Development Project Plan (the “**Project Plan**”) describes a retirement community development project that contemplates the construction of senior housing designed to serve a spectrum of level of care and amenities. FWR LLC (together with any successors or assigns, referred to herein as the “**Developer**”) proposes to invest approximately \$53.1 million within the City of Bartlesville, Oklahoma (the “**City**”) to construct senior housing ranging from executive homes and apartments designed for independent living to assisted living facilities, to specialty memory care units. The purpose of the Increment District (as defined herein) is to stimulate the construction of such senior residential structures to meet an underserved demand in the City by facilitating the payment of certain infrastructure costs necessary to make certain property viable for development (collectively, and as more thoroughly discussed herein, referred to as the “**Project**”).

The Developer owns the location described in this Project Plan and such location has been identified in conjunction with discussions between the Developer and City as a potential location for the Developer’s development project, but without incentives to offset the significant costs of site development, the property will not be a viable location for the Developer’s proposed development project. The proposed Project is located on a 20 acre tract south of SE Nowata Road, between Silverlake Road and U.S. Highway 75, just east of Wesleyan Christian School.

The City recognizes the difficulty in development of new senior housing in the community, and desires to combat the attrition of its senior citizens to other communities. The City’s willingness to encourage the Project by providing a mechanism for the payment of certain costs associated with the Project will help to strengthen the Developer’s position in securing the private financing necessary to complete the Project. The Developer and the City have identified certain public infrastructure improvements that are required to serve the Project site, specifically traffic, utility, and drainage improvements (collectively, and as more specifically addressed herein, referred to as the “**Public Improvement Costs**”), and these improvements are estimated to cost approximately \$4.5 million. The Project Plan provides that pursuant to the terms of a development financing assistance agreement(s) between the City and the Developer (as required by the Local Development Act defined herein), up to \$4.5 million of said Public Improvement Costs will be eligible for payment from the TIF Revenues (as defined herein) derived from the Increment District in order to defray all or part of the public infrastructure costs of this development. The TIF Revenues will be used to reimburse said public infrastructure costs and/or pay debt service on obligations issued to pay these costs. The Developer projects construction of the initial phase of the Project to be fully completed by December 2019, with an initial capital investment of approximately \$37.5 million (estimated taxable value of approximately \$33.8 million). Additional phases will progress when and if merited, and contemplate additional capital investment in the approximate amount of \$15.5 million (estimated taxable value of approximately \$14.0 million).

Please see Exhibit “E” for a more detailed description of projected development within the Increment District (as defined herein). Please see Exhibit “F” for a Preliminary Site Development Plan.

II. PROJECT AREA AND INCREMENT DISTRICT BOUNDARIES

The Project Area is an area within which project activities, including construction of the supporting publicly financed improvements, will take place (referred to herein as the “**Project Area**”). The Increment District is the specific area located within the Project Area within which the tax increment will be generated (referred to herein as the “**Increment District**”). A map showing the Increment District is attached as Exhibit “A”. The legal description of the Increment District is set forth in Exhibit “B”. A map showing the Project Area is attached as Exhibit “C”. The legal description of the Project Area is set forth in Exhibit “D”.

III. ELIGIBILITY OF PROJECT

The Project Area (including the Increment District) is undeveloped and/or underdeveloped within the meaning of Article 10, §6C of the Oklahoma Constitution and the Local Development Act, 62 O.S. §850, *et seq* (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.

The Increment District comprises an area where investment, development and economic growth have not occurred, and which requires 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 Increment District No. 12, City of Bartlesville, is to support the achievement of the economic development objectives of the City in order to:

- A. Construct a high-quality senior retirement community development within the City that will serve an important unmet demand in the City of Bartlesville
- B. Encourage persons in the existing workforce to live within the community;
- C. Support existing community development efforts to retain and expand 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 project and the apportionment of ad valorem taxes and 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 Project Costs of the Project. Without the creation of the proposed Increment District, the proposed development project would be unlikely and any significant increases in ad valorem 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 Washington County, the Washington County Health Department, the City of Bartlesville, Oklahoma, Tri-County Technology District No. 1, and Bartlesville Independent Public School District No. 30. 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 of the Project within the Increment District for the purpose of paying Project Costs (as defined herein) either through direct payment and/or reimbursement and/or paying debt service on tax apportionment bonds to be issued by a public trust created under Title 60, Oklahoma Statutes 2011, Section 176 *et seq.*, for the benefit of the City. The proceeds of any such bonds 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. Upon expiration of the Increment District, the affected ad valorem taxing jurisdictions could see an aggregate net gain in annual ad valorem tax revenues in excess of approximately \$465,625 (based on an initial total taxable capital investment of approximately \$33.8 million).

Anticipated 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 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 development project does create a significant increase in demand for utility services from the City, however, public sector costs should be more than offset by apportioned tax increments as provided in this Project Plan. The proposed development within the Increment District should generate significant increases in annual water and sewer utility revenues.

VI. STATEMENT OF PRINCIPAL ACTIONS

Implementation actions for the project, including all necessary, appropriate and supportive steps, will consist 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 properties necessary for the development project including connecting public easements;
- C. Negotiation, preparation, execution, and implementation of development agreements, including agreements for financing 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 INCREMENT DISTRICT NO. 12, CITY OF BARTLESVILLE

Increment District No. 12, City of Bartlesville shall be created upon adoption of an Ordinance of the City Council of the City of Bartlesville, Oklahoma approving this Project Plan.

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 incremental revenues shall continue for that period required for the payment of the Project Costs, or a period not to exceed approximately seventeen (17) years (ending December 31, 2034, and referred to as the “**Expiration Date**”), whichever is less:

A. One hundred percent (100%) of the 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, and as otherwise determined pursuant to the Local Development Act (collectively, the “**TIF Revenues**”); provided that all such TIF 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.

B. [Left Blank Intentionally]

VIII. PROJECT AND INCREMENT DISTRICT AUTHORIZATIONS

A. Upon adoption of an Ordinance 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 (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, 4, 7, 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. Ed Gordon, City Manager of the City. Mr. Gordon, 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 FROM INCREMENT DISTRICT NO. 12

Project Costs to be financed by the apportionment of tax increments from the Increment District include: (i) the planning, design, site preparation and construction of the public works or

improvements comprising the Public Improvement Costs in an amount not to exceed \$4.5 million; (ii) 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 Public Improvement Costs; and (iii) the direct or incidental costs incurred or to be incurred by or on behalf of the City or the Authority (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 advices and services, and costs for determining or re-determining the base assessed value of the Increment District, financing costs and fees, and principal, interest (including capitalized interest), and prepayment premium paid on debt service and/or any reimbursement obligation. The organizational costs relating to the creation of the Increment District are estimated to be not to exceed \$50,000.

The Public Improvement Costs are more fully described as follows:

A. *Water Extensions.* These public works or improvements will include the construction of a water main extension from the City's existing 12-inch water line to the project site. The construction cost of the water main line extension is estimated to be \$621,946. 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 water distribution and supply systems, similar public improvements, related common utility or service facilities, related landscaping, clearing and grading of the project site and any environmental remediation related thereto, and utility relocation costs. Also included in this category are professional service costs, including those incurred for architectural, planning, engineering and legal services. The cost of improvements with respect to the initial phase of development is estimated to be \$599,743.

B. *Sanitary Sewer Extensions.* These public works or improvements will include the construction of a sanitary sewer main line connecting the City's existing sewer main to the project site. The construction cost of the sanitary sewer line extension is estimated to be \$443,687. 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 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, and utility relocation costs. Also included in this category are professional service costs, including those incurred for architectural, planning, engineering and legal services. The cost of improvements with respect to the initial phase of development is estimated to be \$427,846.

C. *Storm Water Drainage Facilities and Earthwork.* The infrastructure improvements will include stormwater drainage improvements, detention facilities and site leveling. The construction cost of these improvements is estimated to be \$498,435. 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 curbing, sidewalks, and any similar public improvements, related common utility or service facilities, related landscaping, parking, and water detention/retention systems, retaining walls, the actual cost of the clearing and

grading of the project site and any environmental remediation related thereto, and utility relocation costs. Also included in this category are professional service costs, including those incurred for architectural, planning, engineering and legal services. The cost of improvements with respect to the initial phase of development is estimated to be \$480,645.

D. *Streets.* The infrastructure improvements will include the construction of a public road connecting Nowata Road to the project site. The construction cost of this street and adjacent improvements is estimated to be \$2,897,923. 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, related common utility or service facilities, related landscaping, parking, and water detention/retention systems, retaining walls, the actual cost of the clearing and grading of the project site and any environmental remediation related thereto, and utility relocation costs. Also included in this category are professional service costs, including those incurred for architectural, planning, engineering and legal services. The cost of improvements with respect to the initial phase of development is estimated to be \$1,454,850, which includes approximately \$450,000 for construction of the streets, and approximately \$1 million to relocate soil to build up the approach for the connecting road.

<u>BUDGET ITEMS</u>		
PROJECT CONSTRUCTION RELATED COSTS	LINE ITEM COST	SUBTOTAL
Public Improvement Costs		\$4,500,000.00
Water System Improvements	621,946.00	
Sanitary Sewer System Improvements	443,687.00	
Storm Sewer System Improvements	498,435.00	
Street Improvement	2,897,923.00	
Contingency	38,009.00	
Organizational Costs		\$50,000.00
<u>TOTAL AUTHORIZED PROJECT COSTS*</u>		\$4,550,000.00

* NOTE: Individual line-item amounts are estimated and subject to final determination, however, subject to the following paragraph, the Total Authorized Project Costs is a fixed, not to exceed amount (plus any amounts necessary to pay interest, capitalized interest, costs of issuance, and establish reserve funds in connection with the issuance of TIF Bonds and any amounts necessary to pay or reimburse the costs incurred or to be incurred by or on behalf of the City or the

Authority in implementing and administering this Project Plan (as contemplated in Title 62, Section 853(14)(e) of the Local Development Act), including any interest component pursuant to a reimbursement obligation).

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

A. Methods of Financing. It is expected that the Public Improvement Costs, the Financing Costs, and the Organizational Costs (collectively referred to as the “**Project Costs**”) will be paid from proceeds of the Authority’s tax apportionment bonds or notes, to be issued in one or more series (collectively, the “**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 the Developer or the City and reimbursed from proceeds of the TIF Bonds. Alternately, certain Project Costs may also be directly paid by the 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 of Project Costs, including principal, interest and any premium on the redemption of any TIF Bonds, will be made from one or more of the following sources of revenues:

(i) *TIF Revenues.* 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 (i.e., the TIF 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 the TIF Bonds, issued pursuant to Section 863 of the Local Development Act;

(b) to make payments, if required, to satisfy or replenish any reserve requirement established with respect to the TIF Bonds;

(c) the payment of Project Costs incurred in connection with the development or construction of those projects listed in this Project Plan; and

(d) the reimbursement of the Developer, including any interest component (pursuant to a development agreement with the City), 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.

Pursuant to the Local Development Act, the TIF Revenues apportioned hereunder shall be transferred by the Washington County Treasurer to a special fund to be known as the “Increment District No. 12 - 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 TIF Revenues so collected shall be placed into the Apportionment Fund and shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs.

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 entered into by the City, 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) [Left Blank Intentionally]

C. Time When Costs Or Monetary Obligations Are To Be Incurred. It is estimated that the time frame for incurring the Project Costs in connection with the initial phase of development will be within one and one-half years from the date of approval of this Project Plan. Additional Project Costs (if appropriate) would be projected to be incurred between three and five years following approval of this Project Plan. It is anticipated that all 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 shall be utilized as follows:

FIRST: The payment of principal, accrued interest, and premium, if any, due on the TIF Bonds;

SECOND: Transfer 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: All amounts remaining shall thereafter be utilized for (i) payment and/or reimbursement of authorized Project Costs (including any interest component pursuant to a development agreement); or (ii) pre-payment of principal on the TIF Bonds until such time as all TIF Bonds are retired; and
- FOURTH: Upon retirement of all TIF Bonds and payment of all Project Costs, 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, consistent with the provisions of the Local Development Act.

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 incremental ad valorem tax revenue, it is estimated that approximately \$6.83 million could be generated by the incremental increase in ad valorem tax revenue during the term of the Increment District. The initial projections of ad valorem Financing Revenue Sources are based upon an estimated \$33.8 million initial total net taxable capital investment, a 12.0% assessment rate for real property and a 15.0% assessment rate for personal property, and an approximately 0.11481% millage levy within the Increment District. Subsequent phases of development could generate an additional \$2.66 million in incremental ad valorem tax revenue, based on an estimated \$14 million in additional net taxable capital investment.

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 Washington County Assessor and subject to change by voters of the applicable taxing jurisdictions 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 Developer's ability to complete the construction of buildings associated with the proposed development within a certain identified timeframe contemplated by this Project Plan, but no later than December 31, 2019 for the initial phase of improvements. The anticipated development and construction schedule are more fully discussed in Exhibit "E". Please see Exhibit "F" for a Preliminary Site Development Plan. The Authority and/or the City may enter into economic development agreements with the Developer or any other parties as required by the Local Development Act.

Certain publicly financed improvements 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 the Developer 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 increase in ad valorem tax revenues, of which portions will serve as 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. Over the approximately seventeen (17) year duration of the Increment District, and assuming full development of the Project, the incremental ad valorem tax revenue is projected to total approximately \$9.49 million, and be allocated to Project Costs. Additionally, the various taxing jurisdictions may realize additional ad valorem tax revenues from any additional development outside the boundaries of the Increment District.

This Project Plan includes certain projections and estimates, which are based on the Developer's current expectations or beliefs 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 aggregate total amount of not to exceed \$4.55 million, as authorized by this Project Plan, represent approximately 8.57% of the projected total public and private investment for the Project, which including anticipated expenditures by or on behalf of commercial, or governmental entities locating within the Increment District, is projected to exceed \$53.1 million upon full buildout. Please see Exhibit "E" and Exhibit "F" for a more detailed description of the projected development within the Increment District.

XIV. MISCELLANEOUS PROVISIONS

The property within the Increment District is currently undeveloped. Development is anticipated to occur in accordance with current zoning requirements. The proposed project conforms to the comprehensive plan for the City, as amended. No changes in the ordinances (other than minor zoning adjustments, if any) of the City are contemplated under this Project Plan.

EXHIBIT "A"

MAP OF INCREMENT DISTRICT NO. 12

The boundaries of Increment District No. 12, City of Bartlesville contain an area south of SE Nowata Road, between Silverlake Road and U.S. Highway 75, just east of Wesleyan Christian School. Please see Exhibit "B" for a legal boundary description of Increment District No. 12.

AERIAL VIEW:



NOTE: Approximate Increment District Boundary shown in red

STREET VIEW:

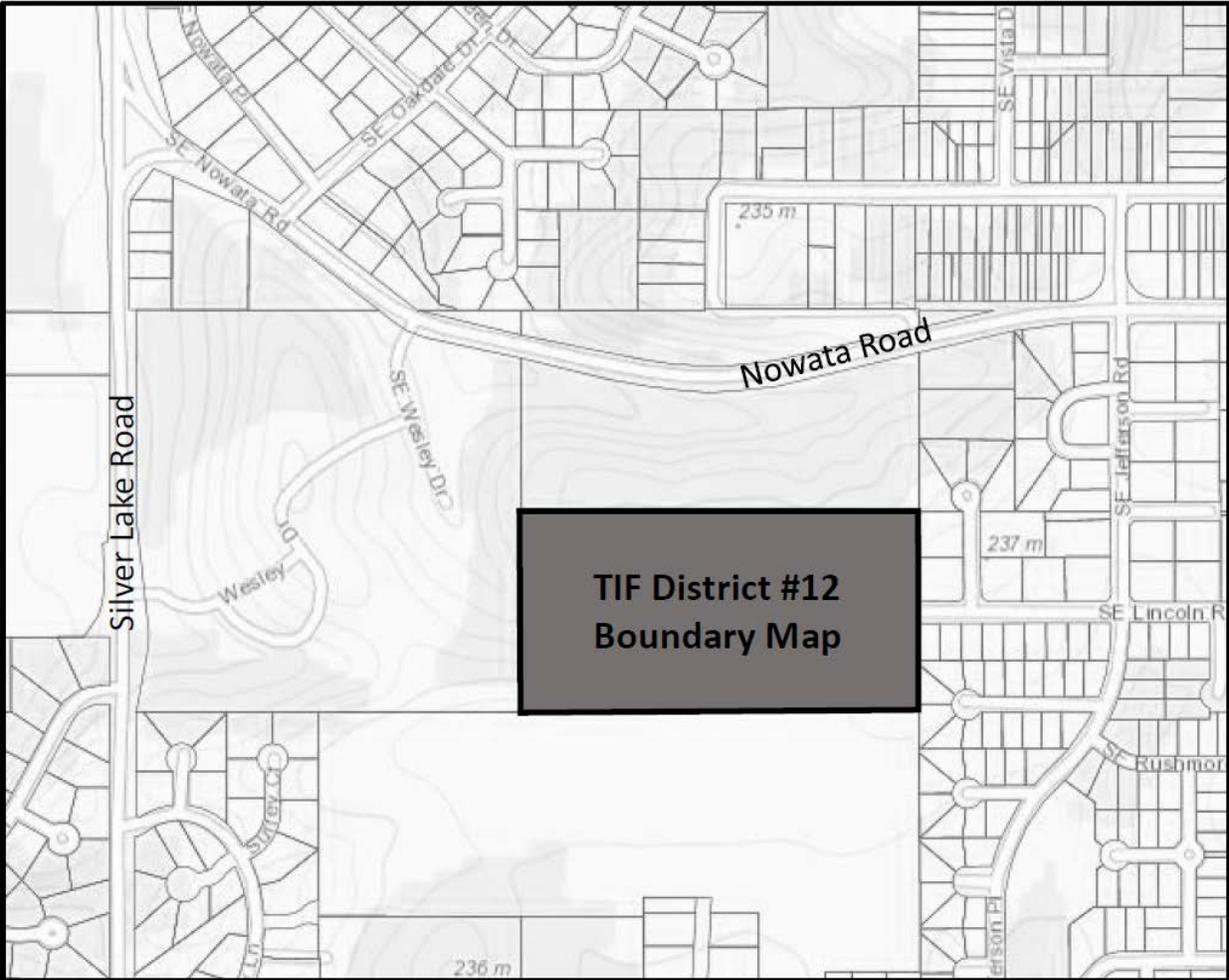


EXHIBIT "B"

INCREMENT DISTRICT LEGAL DESCRIPTION

INCREMENT DISTRICT NO. 12

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

THE SOUTH HALF (S/2) OF THE NORTHEAST QUARTER (NE/4) OF THE NORTHWEST QUARTER (NW/4) OF SECTION TWENTY (20), IN TOWNSHIP TWENTY-SIX NORTH (T26N), RANGE THIRTEEN EAST (R13E) OF THE INDIAN MERIDIAN.

STREET VIEW:

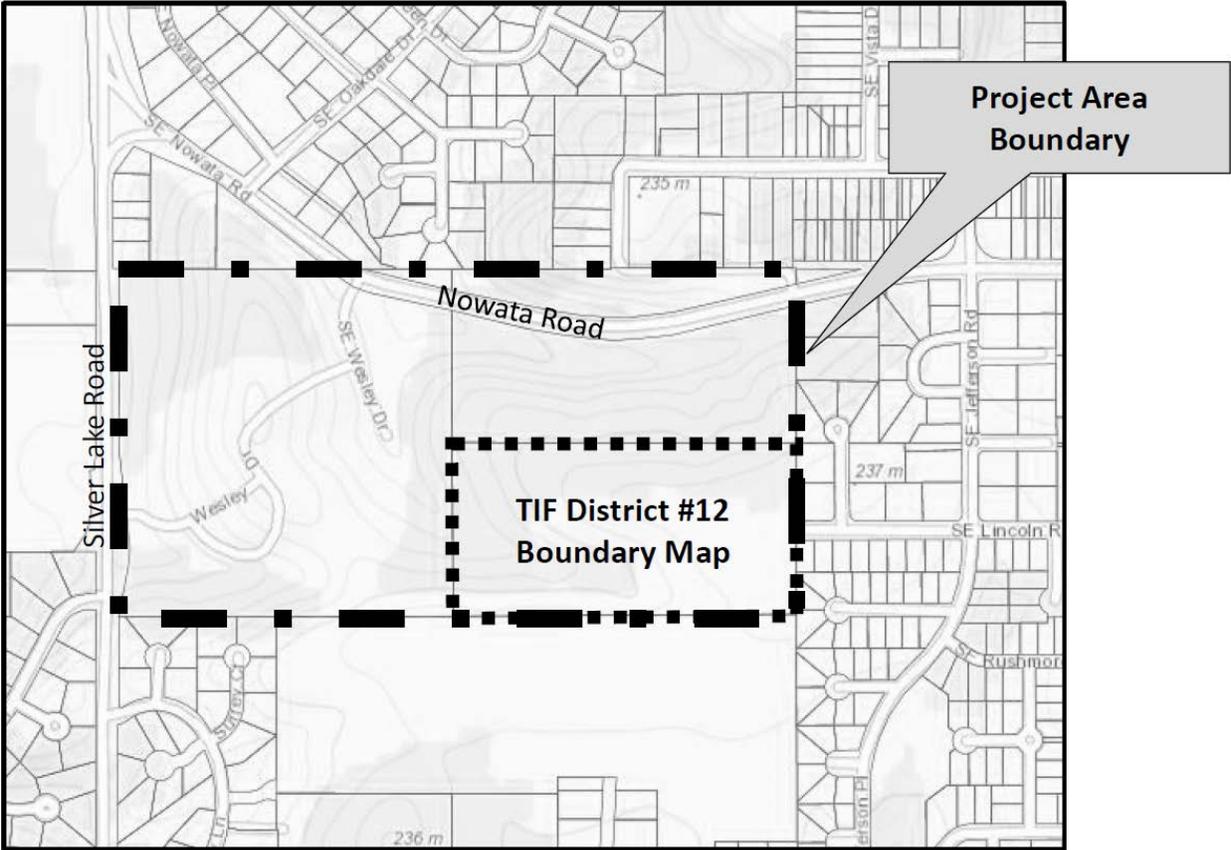


EXHIBIT "D"

PROJECT AREA LEGAL DESCRIPTION

INCREMENT DISTRICT NO. 12 PROJECT AREA

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

THE NORTH HALF (N/2) OF THE NORTHWEST QUARTER (NW/4) OF SECTION TWENTY (20), IN TOWNSHIP TWENTY-SIX NORTH (T26N), RANGE THIRTEEN EAST (R13E) OF THE INDIAN MERIDIAN.

EXHIBIT “E”

**PROPOSED DEVELOPMENT IN THE PROJECT AREA
AND INCREMENT DISTRICT**

The Developer proposes the construction of a senior retirement development on a 20 acre site located in Bartlesville, Oklahoma. The Developer commissioned a market feasibility study for a senior housing community including independent and assisted living with a secure memory care component in the Bartlesville, Oklahoma Primary Market Area. The study was conducted by Senior Market Research Associates, Cleveland, Tennessee, and determined an unmet demand for independent living housing of 419 units in 2019 and 457 units by 2021; and unmet demand for assisted living housing of 463 units in 2019 and 501 units by 2021; and memory care of 218 units in 2019 and 242 units by 2021. The initial phase of the Project calls for the construction of a four story apartment complex consisting of independent living and assisted living facilities, connected to a three story secure memory care unit. The Project will provide approximately 89 apartment units, 51 assisted living units, and 17 memory care units. Subsequent phases of the Project will provide for expansion to approximately 125 apartment units, 60 assisted living units, and 24 memory care units. The Project will have attractive amenities including well-appointed units, four star dining for tenants, an open air bistro with attached playground for visiting children, high-end salon, and exercise facilities and physical therapy services.

The initial phase of the Project also contemplates the construction of up to 12 executive homes available for purchase by senior community residents that desire a private dwelling as opposed to an apartment setting. Subsequent phases contemplate the construction of up to an additional 12 executive homes reserved for senior citizens, as well as the potential for several dozen additional homes that will be available to all ages of the community for purchase.

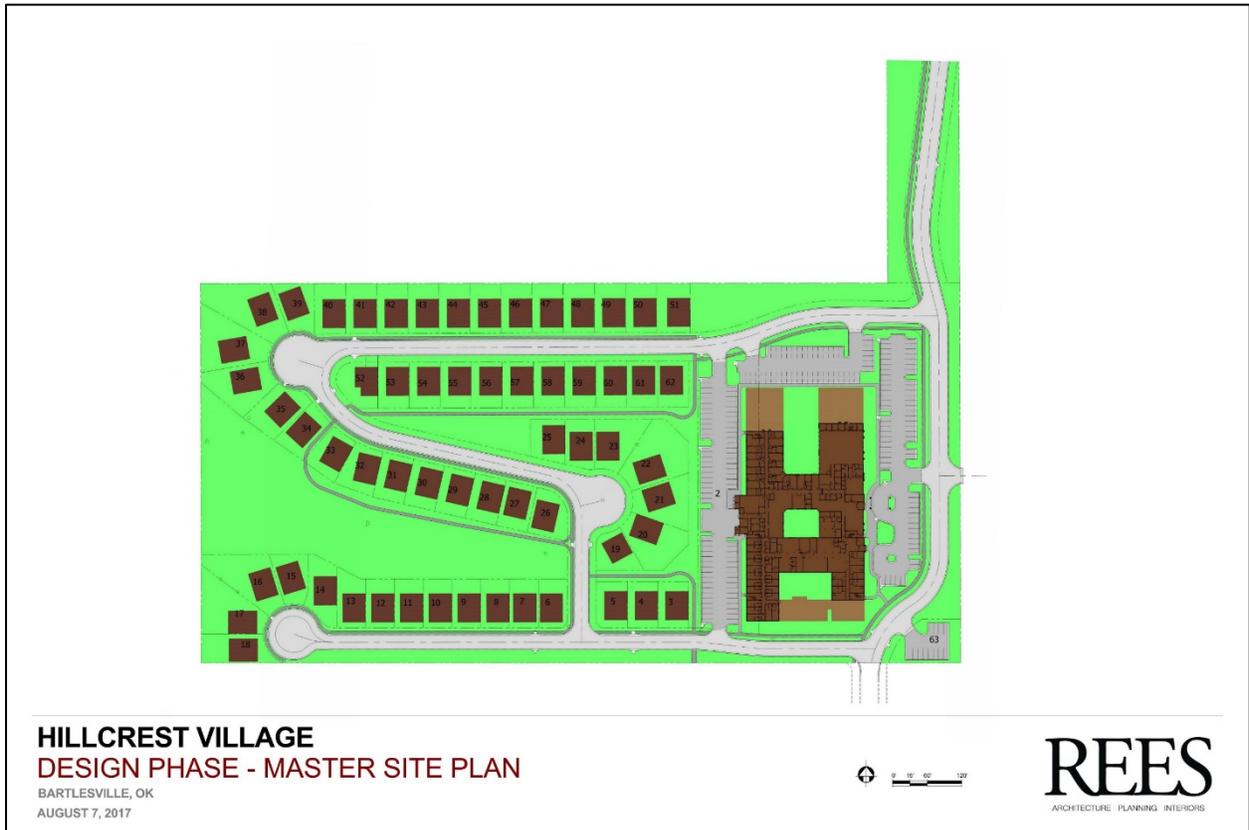
The Project Plan authorizes the payment of up to \$4.5 million in Public Improvement Costs, to be paid from the TIF Revenues. Initially, the Developer proposes to construct the initial phase of the Project at a total development cost of approximately \$37.5 million, resulting in an estimated taxable value of approximately \$33.8 million and annual ad valorem payments of approximately \$465,625 upon completion of the initial phase. Subsequent phases including expansion of the community living complex and additional executive home sites would result in an additional capital investment of approximately \$15.5 million, resulting in estimated taxable value of approximately \$14.0 million and additional annual ad valorem payments of approximately \$236,017 upon completion of the subsequent phases. Further ad valorem value would be realized by the buildout of a single family home component of the development, but such amount has not been characterized for purposes of this Project Plan. The City proposes to enter into a series of development agreement to provide an incentive in the amount of up to \$4.5 million to offset the Public Improvement Costs incurred by the Developer. The City proposes to direct the Authority to issue TIF Bonds for the purpose of funding the Public Improvement Costs and related transactional costs. The City reserves the right, in its sole discretion, to limit the amount of incentive to less than that amount authorized by this Project Plan in connection with specific components of the Project as they are developed.

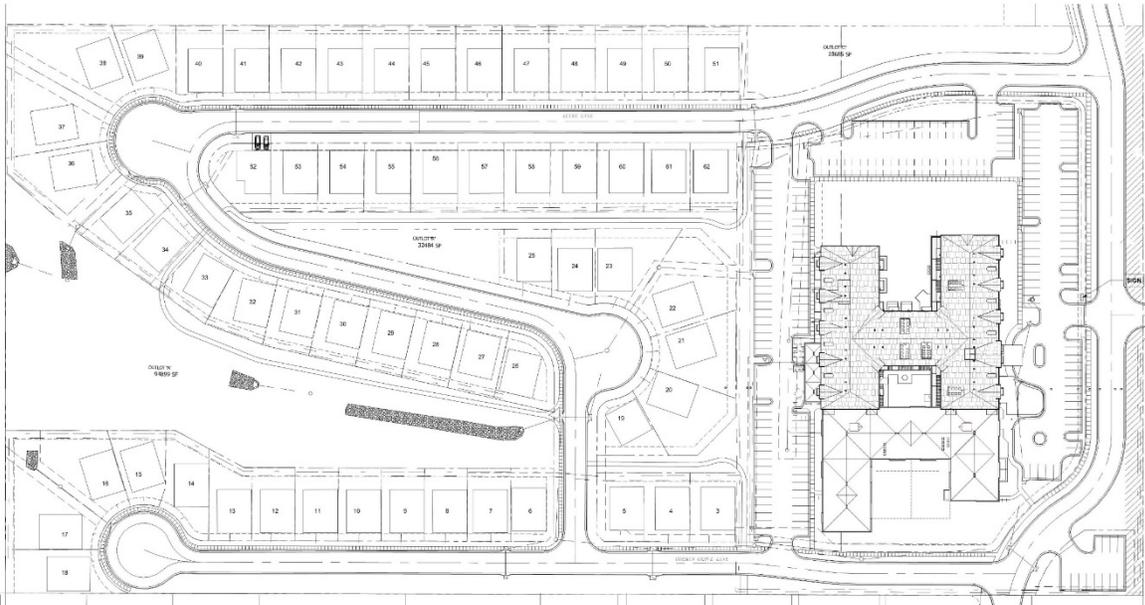
EXHIBIT "F"

PRELIMINARY SITE DEVELOPMENT PLAN*

Illustrations of Concept Site Plan and Elevations on Following Pages

* Preliminary; Subject to Change





HILLCREST VILLAGE
DESIGN PHASE - SITE PLAN
BARTLESVILLE, OK
AUGUST 7, 2017





THE WELLINGTON AT HILLCREST VILLAGE

DESIGN PHASE - EXTERIOR VIEWS

BARTLESVILLE, OK
AUGUST 7, 2017

REES
ARCHITECTURE PLANNING INTERIORS