PLANNING COMMISSION MEETING AGENDA
JULY 16, 2024

723 S. Lewis Street, Room 1122
Stillwater, OK 74074
5:30 PM

Chair Jana Phillips, Vice-Chair Mark Prather, Commissioner Mike Shanahan, Commissioner Riley Williams, and Commissioner David Peters.

1. Call Meeting to Order
2. General Orders

   The board/committee/commission will hear a staff presentation and take action including a vote or series of votes on each item listed as presented or as amended or revised by members of the board/committee/commission unless the agenda entry specifically states no action will be taken. The requested action is indicated in each agenda entry but may be amended or revised prior to action by the board/committee/commission.

a.	Discussion, consideration, possible action to approve Resolution No. PC-2024-1 determining that the Stillwater Data Center Economic Development Project Plan is in conformance with the Stillwater 2030 C3 Comprehensive Plan, as amended from time to time, and recommending to the City of Stillwater approval and adoption of the Stillwater Data Center Economic Development Project Plan.	Brady Moore

3. Public Hearing

   The Planning Commission will hear public comments, discuss, and take action including a vote or series of votes on each item unless otherwise indicated.

a.	**SHORT TERM RENTAL (STR-0169)**, consideration, discussion and possible action, including recommendation approval or denial of an application for a Short Term Rental from Ensign Properties of OK c/o Shannon Bleyl for property addressed as 3227 S. Pioneer Street in the Single Family Small Lot Residential (RSS) district. *(Applicant has requested item be tabled until August 6, 2024.)*	Diana Hood

4. Miscellaneous Items from Staff, Planning Commissioners or City Attorney for Discussion and Possible Action:

a.	Next scheduled meeting is August 6, 2024.

5. Adjourn

On _____ at _____, a true and correct copy of this agenda was posted on the kiosk outside City Hall, 723 S. Lewis Street, Stillwater, OK.

The Planning Commission may take action, including a vote or series of votes on all items listed on the agenda, unless the item specifically indicates that no action will be taken. The City of Stillwater encourages participation from all its citizens. If participation at any public meeting is not possible due to a disability, please notify the Community Development Desk at least 48 hours prior to the meeting by calling 405.742.8220.

- Meetings are televised on AT&T U-verse channel 99 and Optimum channel 14.
- Find meeting agendas and minutes online at Agendas and Minutes
- Official minutes are archived in the Office of Community Development.

Stillwater OKLAHOMA
stillwaterok.gov

REPORT TO:
STILLWATER PLANNING COMMISSION *No.* *AD24-01*

ISSUED BY THE COMMUNITY DEVELOPMENT DEPARTMENT - STILLWATER, OKLAHOMA

Date of Meeting: July 16, 2024

Subject: A Resolution of the Stillwater Planning Commission determining the proposed Stillwater Data Center Economic Development Project Plan to be in conformance with the Comprehensive Plan of the City of Stillwater, as amended from time to time, and recommending approval of the proposed Stillwater Data Center Economic Cevelopment Project Plan.

Purpose of Report: Review and recommendation of the Proposed Stillwater Data Center Economic Development Project Plan.

Background: The City of Stillwater wishes to promote economic growth and development within the city boundaries to attract investment and enhance the tax base which promotes and supports the public good with economic security and prosperity.

The Stillwater Data Center Economic Development Project Plan ("Project Plan") would establish a project area that provides an economic structure and funding mechanism that would create six (6) incentive districts to attract the development of a data center campus in the proposed project area south of East Richmond Road, north of East Airport Road, east of North Perkins Road (HWY-177) and west of North Jardot Road.

The proposed Project Plan, as authorized under the Oklahoma Local Development Act, 62 O.S. § 850, *et seq*. ("Act"), is intended to increase tourism; stimulate private investment; increase jobs; and enhance the tax base for the City, which are objectives of the approved Stillwater 2030 C^3 Comprehensive Plan and amendments thereto. Under the Act, the Planning Commission is tasked with reviewing the proposed Project Plan, determining whether it is in conformance with the Comprehensive Plan of the City of Stillwater, and making recommendations to the City Council regarding the proposed Project Plan by adoption of a Resolution.

Applicable City Plans/Policies:
The C^3 Plan:

- Future Land Use Map shows Industrial with small corner for Commercial at the intersection of N. Perkins Road (Hwy-177) and E. Richmond Road (Hwy-51).

Findings:

- The Project Plan Review Committee recommends approval.
- The proposed Stillwater Data Center Economic Development Project Plan is in conformance with the Stillwater 2030 C^3 Comprehensive Plan.

Action: Planning Commission accepts Findings for the Stillwater Data Center Economic Development Project Plan and therefore recommends the Stillwater Data Center Economic

Development Project Plan for approval by the Stillwater City Council based on the Stillwater C³ Comprehensive Plan and the proposed Project Plan with an appropriate zoning being to allow the proposed data center campus.

Prepared by:	Brady Moore, Deputy City Manager
Date of Preparation:	July 12, 2024
Attachments:	Stillwater Data Center Economic Development Project Plan Resolution PC 2024-1

STILLWATER DATA CENTER ECONOMIC DEVELOPMENT PROJECT PLAN

A Project Plan under the Oklahoma Local Development Act, 62 O.S. §§ 850–869

PREPARED BY:

THE CITY OF STILLWATER, OKLAHOMA

Mayor Will Joyce
Vice Mayor Amy Dzialowski
Councilor Christie Hawkins
Councilor Kevin Clark
Councilor Tim Hardin

WITH THE ASSISTANCE OF:

CENTER FOR ECONOMIC DEVELOPMENT LAW
301 North Harvey, Suite 200
Oklahoma City, Oklahoma 73102
(405) 232-4606
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RECOMMENDED FOR APPROVAL BY REVIEW COMMITTEE: JULY 10, 2024

STILLWATER DATA CENTER ECONOMIC DEVELOPMENT PROJECT PLAN

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STILLWATER DATA CENTER ECONOMIC DEVELOPMENT PROJECT PLAN

I. INTRODUCTION

A leading company specializing in artificial intelligence and data processing, acting through a subsidiary entity, Kipper LLC (the "**Company**"), has proposed to undertake the development of a data center campus in the City of Stillwater. The proposed development may consist of up to six phases, with each phase estimated to cost at least $500 million. This Project Plan will offer incentives to the Company for each phase of the development to help offset its costs of infrastructure and utility capacity required to serve the data center development. In exchange, the local taxing jurisdictions and the City of Stillwater (**"City"**) will receive certain annual payments from the Company, as provided below. This additional source of funding will bolster the City's economic development initiatives, contribute to the financing of vital public infrastructure needs, and fulfill the capital and operational needs essential to the City's growth.

II. PROJECT DESCRIPTION

This **"Project Plan,"** adopted under the Local Development Act, 62 O.S. § 850, *et seq.* (the **"Act"**), is designed to provide the economic incentives necessary to stimulate at least five hundred million dollars ($500,000,000) in initial private investment by the Company in the City of Stillwater with the potential for five (5) additional phases of development of similar magnitude (the **"Project"**).[1] The Company constructs and operates data centers, and intends to construct a data center campus within the Project Area (as defined below).

The Company intends to proceed with the Project in phases. The term "**Phase**" as used herein refers to all new investments in real and personal property within an Incentive District. Each developed Phase will include a data center comprised of approximately 300,000 square feet (each a "**Data Center**"), together with certain ancillary buildings, structures and infrastructure that support or are related to the data center campus operations, including but not limited to, utility buildings, structures, and appurtenances and office buildings; however, the precise number and size of Data Centers is subject to change.[2]

Each Phase of the Project will be undertaken in accordance with this Project Plan and the terms of an Economic Development Agreement among the City, the Stillwater Economic Development Authority, a public trust ("**SEDA**"), and the Company ("**Economic Development Agreement**"). The Economic Development Agreement will establish a mutually beneficial relationship to implement long-term obligations of the parties and incentivize implementation.

[1] The term "Project" shall refer to all Phases that are constructed in the Project Area.

[2] The Taxing Entities (as defined below) acknowledge that the Company desires to build six (6) Phases, with a Data Center in each of the Incentive Districts but may construct fewer Data Centers resulting in fewer Phases.

Using the tools of the Act to create six (6) tax incentive districts (the "**Incentive Districts**"), one for each potential Data Center, the City aims to ensure that the Project occurs within the City. In addition to stimulating new private investment, this Project Plan also aims to ensure that the Taxing Entities (as defined herein) receive direct revenue as a result of the Project in the form of annual payments in lieu of taxes ("**PILOTs**") for each Data Center developed, as further described in Section X.B. herein and in a tax incentive agreement by and between the City, the Company, and each of the Taxing Entities (the "**Tax Incentive Agreement**"). Because of the potential scope of the Company's investment, the Project is likely to promote further private investment and economic development from related businesses throughout the area, including new businesses that locate to the area and existing local businesses that supply goods or services to the Project.

The combination of increased revenue to local taxing entities and private economic development from the Project is likely to enhance the value of other real property in the area and to promote the general public interest.

III. BOUNDARIES OF PROJECT AREA AND INCENTIVE DISTRICTS

A. The **"Project Area"** is the area in which Project activities will take place. The Project Area contains approximately 395.23 acres of land located in the City of Stillwater. The Project Area is divided into six (6) Incentive Districts, where the tax incentives described herein will be provided, with each Incentive District encompassing one Phase of the Project. All the Phases and Incentive Districts will be located within the jurisdictional boundaries of the Stillwater Public School District. The Incentive Districts are contiguous, and the boundaries of the combined Incentive Districts are identical to the boundaries of the Project Area.

B. Depictions of both the Project Area and each Incentive District are included in **Exhibit A** to this Project Plan.

C. The Project Area can be generally described as a portion of land located south of East Richmond Road, north of East Airport Road, east of North Perkins Road (Hwy-177) and west of North Jardot Road. Detailed legal descriptions of the boundaries of the Project Area and each Incentive District are included in **Exhibit B** to this Project Plan.

IV. ELIGIBILITY

The entirety of the Project Area and the Incentive Districts are within an "enterprise area," as defined by 62 O.S. § 853(6), due to its location within an enterprise zone designated by the Oklahoma Department of Commerce. The entirety of the Project Area is also a reinvestment area, as defined by the Oklahoma Local Development Act. Public improvements are required to reverse economic stagnation or decline, to serve as a catalyst for expanding employment, to attract investment, and to preserve and enhance the tax base.

V. OBJECTIVES

The principal objectives of this Project Plan and the Incentive Districts are:

A. To attract the Project and the accompanying investment and development to the City, which would not occur without the tax incentives described in this Project Plan.

B. To generate new revenues for Stillwater Public Schools, the Meridian Technology Center, Payne County, and the Payne County Department of Health (collectively, the "**Taxing Entities**") in the form of annual PILOTs for each Phase developed as part of the Project, in accordance with Section X.B and as more particularly described in the Tax Incentive Agreement and the Economic Development Agreement.

C. To generate new revenues for the City through Community Betterment Payments and Franchise Fees (each as defined below), in accordance with Section 11, and as more particularly described in the Economic Development Agreement.

D. To achieve the City's economic development goals and objectives.

E. To spur economic development in the surrounding area and generate additional wealth for local and regional businesses through the Company's consumption of local services for its data center campus.

F. To foster research, technological, and career-training partnerships between the Company and community institutions, including OSU and Meridian Technology Center.

G. To create and attract new temporary and permanent high-quality jobs to the community.

VI. STATEMENT OF PRINCIPAL ACTIONS

Implementation actions for this Project Plan, including all necessary, appropriate and supportive steps will consist principally of (i) offering tax incentives available under the Act to support the Project, which hare designed to attract and expand investment and quality employment opportunities within the Project Area, (ii) administering this Project Plan, (iii) supporting and accelerating the City's economic development initiatives, and (iv) enhancing the City's capabilities to fund capital projects and operational requirements.

VII. ESTABLISHMENT OF INCENTIVE DISTRICTS

A. This Project Plan creates six (6) Incentive Districts, identified herein as Incentive Districts "1," "2," "3," "4," "5," and "6", and as illustrated on **Exhibit B** attached hereto. Pursuant to 62 O.S. §856(B)(2), the City Council is authorized to defer determination of the effective date of each Incentive District. All Incentive Districts must be made effective within ten (10) years of the date of adoption of this Project Plan.

B. Concurrently with approval of this Project Plan, the City, SEDA, and the Company shall enter into an Economic Development Agreement providing for the development of Phase 1 and Phase 2 of the Project. The Company must provide written notice to the City that it intends to commence Phase 2 within two (2) years of completion of Phase 1. If the Company fails to commence development of Phase 2 within two (2) years of such notice, the City may terminate the undeveloped Incentive Districts.

C. Upon execution of a Supplemental Economic Development Agreement by the City, SEDA, and the Company for Phases 3 through 6 of the Project, whether one or more, the Company shall undertake the development of each such Phase in accordance with the Supplemental Economic Development Agreement(s).

D. The effective date for the Incentive Districts for Phases 1 and 2 shall be the later of: (i) the completion of a Data Center within that Incentive District as evidenced by the issuance of the final, unrestricted certificate of occupancy for the Data Center ("**Certificate of Occupancy**"), or (ii) January 1 after the date of issuance of the Certificate of Occupancy. In lieu of a Certificate of Occupancy, the Company may deliver notice of substantial completion to the City to trigger the effective date, which shall be January 1 immediately following the issuance of the notice of substantial completion.

E. If the Company has completed Phase 2 but the development of Phase 3 has not commenced within 10 years of adoption of this Project Plan, then the undeveloped Incentive Districts for Phases 3, 4, 5, and 6 shall terminate.

F. If Phase 2 has been completed and the Company thereafter commences Phase 3 pursuant to an executed Supplemental Economic Development Agreement (including design, engineering, permitting, construction for the site and/or associated infrastructure) within 10 years of the adoption of this Project Plan, then the Incentive Districts for Phases 3, 4, 5, and 6 will become effective as of January 1 of the year in which the tenth anniversary of approval of this Project Plan occurs.

G. If the Company has not commenced Phase 4 of the Project pursuant to an executed Supplemental Economic Development Agreement within 12 years of the adoption of this Project Plan, then the undeveloped Incentive Districts for Phases 4, 5, and 6 shall terminate. If the Company has not commenced Phase 5 of the Project pursuant to an executed Supplemental Economic Development Agreement within 14 years of the adoption of the Project Plan, then the undeveloped Incentive Districts for Phases 5 and 6 shall terminate. If the Company has not commenced Phase 6 of the Project pursuant to an executed Supplemental Economic Development Agreement within 16 years of the adoption of the Project Plan, then the Incentive District for Phase 6 shall terminate.

H. Each Incentive District shall have a term of twenty-five years from its effective date ("**Term**"). For each Incentive District, all qualifying new investments in real and personal property in the Incentive District made after approval of this Project Plan and throughout the Term shall be afforded a one hundred percent (100%) exemption and no ad valorem taxes shall be assessed against such property.

I. Because the Project site plan is subject to change, if a Data Center is constructed that is located within the boundaries of more than one Incentive District, then the City, Taxing Entities, and Company agree to the following: First, if an adjustment of the Incentive District boundaries can be made that would result in the Data Center being located within a single Incentive District and would not result in an addition to an Incentive District constituting more than five percent of

that Incentive District in accordance with 62 O.S. § 858(D), the City Manager will administratively adjust the Incentive District boundaries via a minor amendment in accordance with Sections VIII.E and VIII.F without any further legislative action required. If such an adjustment of the Incentive District boundaries cannot be made, then the exemption for all Incentive Districts in which the Data Center is located will be made effective on January 1 following the issuance of a Certificate of Occupancy or notice of substantial completion for the Data Center in accordance with Section VII.D. Any subsequently constructed qualifying Project buildings, including Data Centers, that are completed within an Incentive District for which the effective date has already commenced, will still be subject to the ad valorem tax exemption for the remaining Term of that Incentive District. The Company will pay an annual PILOT for each Data Center constructed.

VIII. PROJECT AND INCENTIVE DISTRICT AUTHORIZATIONS

A. Principal Entity. The City is designated and authorized as the principal public entity to carry out and administer the provisions of this Project Plan and to exercise all powers necessary or appropriate thereto pursuant to 62 O.S. § 854, including all powers set forth in this Project Plan and the Tax Incentive Agreement. SEDA is authorized to enter into the Economic Development Agreement and Supplemental Economic Development Agreements, and to assist in performing obligations thereunder.

B. Economic Development Agreement. Concurrent with the adoption of this Project Plan, the Company shall enter into an Economic Development Agreement with the City for development of Phase 1 and Phase 2. The Economic Development Agreement shall provide for the joint and complementary endeavors of the parties with respect to the data center development, the provision and expansion of public infrastructure and utility services, Community Betterment Payments and Franchise Fees, pursuant to Section XI, and the continuing efforts of the parties to stimulate and implement economic development activities for the benefit of the community with respect to Phase 1 and 2. Thereafter, the City, SEDA, and the Company may enter into one or more Supplemental Economic Development Agreements setting forth the terms with respect to Phases 3 through 6.

C. Tax Incentive Agreement. Within sixty (60) days of the adoption of this Project Plan, the Company shall enter into a Tax Incentive Agreement with the City and every Taxing Entity, as required by 62 O.S. § 865(A) and (B).

D. Person in Charge. The City Manager Kimberly Meek, or her successor in office or her designee, shall be the person in charge of implementation of the Project Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained in this Project Plan.

E. Implementation Authorizations and Delegation of Authority. The City is authorized to enter into the Tax Incentive Agreement with the Company and other Taxing Entities. The City shall not determine the effective date of any Incentive District until the Tax Incentive Agreement has been approved and executed by every Taxing Entity whose taxes will be subject to the incentives provided under this Project Plan, as required by 62 O.S. § 865(A) and (B). The City officers, SEDA, and the City Manager are authorized to provide such information, to execute, certify or furnish documents, and to take any measures necessary and incidental to carrying out

the provisions of this Project Plan, and to make minor amendments to this Project Plan as provided in Section F of this Article.

F. Minor Amendments. The City reserves the right to approve minor amendments to the Project Plan, as provided in the 62 O.S. § 858(D), where desirable and appropriate to implement and achieve the objectives of this Project Plan, as long as any such amendment does not change the character or purpose of the plan. These minor amendments include adding to the area of any Incentive District, so long as the additions, considered on a cumulative basis during the twenty-five (25) year term of each Incentive District, do not exceed five (5) percent of the area of the Incentive District.

IX. COSTS OF THE PROJECT

The costs of the Project, including any required public infrastructure, will be funded by the Company, and would not occur without the incentives provided pursuant to this Project Plan.

X. PRIVATE AND PUBLIC INVESTMENTS EXPECTED FOR THE PROJECT, AND ASSOCIATED FINANCIAL IMPACTS

A. Projected Private Investment. The total estimated private investment is expected to be at least Five Hundred Million Dollars ($500,000,000.00) for each Phase. The Company plans to develop up to two Phases in the near term, with an additional four Phases potentially planned for future development. Private investment in the Project Area is expected to consist of the construction, operation, and maintenance of the Project. The direct, indirect, and induced economic impacts are estimated to range between $750 million to $1.25 billion per Phase.

B. Projected Public Revenues.

1. PILOT Payments to Taxing Entities. Pursuant to this Project Plan and the Tax Incentive Agreement, the Company shall make annual PILOT payments to the Taxing Entities, as follows:

a. Phase 1 and 2. For each of Phase 1 and Phase 2 of the Project, the Company shall make annual PILOT payments to the Taxing Entities beginning in the year immediately following the year in which a Certificate of Occupancy or notice of substantial completion is issued for a Data Center per Section VII.D. (the "**PILOT Commencement Year**"). The initial annual PILOT payment for Phase 1 will total Eight Hundred Sixty-Seven Thousand Five Hundred Sixty-Eight and No/100 Dollars ($867,568.00). This amount will be disbursed to the Taxing Entities as follows:

Taxing Entity	Initial Annual Payment for Phase 1	Share of Total PILOT Payments
Stillwater Public Schools	$624,022.98	71.93%
Meridian Technology Center	$135,599.18	15.63%
Payne County	$89,984.51	10.37%
County Health Department	$17,961.33	2.07%
Total	**$867,568.00**	**100%**

After the first annual payment, the PILOT payments to each Taxing Entity will increase by one percent (1.00%) each year. The PILOT payments for Phase 2 will be set using the same schedule as Phase 1. For instance, if Phase 1 is completed in 2026 with a PILOT Commencement Year of 2027, and Phase 2 is completed in 2032 with a PILOT Commencement Year of 2033, then in 2033, the Company shall pay two equal PILOTS, each in the total amount of $920,940.00. These payments will be allocated to the Taxing Entities in the same proportions established above for Phase 1.

b. Phases 3 through 6. For Phases 3 through 6 of the Project, the initial PILOT for each Phase will be the product of the PILOT applicable to Phase 1 in the amount indicated in the table above and the quotient of the CPI in the PILOT Commencement Year for the applicable Phase divided by the CPI in the year 2024. In other words, the initial PILOT for each Phase shall be calculated as follows:

$$\text{Phase 1 PILOT from the table above} \times \frac{\text{CPI in PILOT Commencement Year for applicable Phase}}{\text{CPI in 2024}}$$

Thereafter, the PILOT for that Phase will increase by one percent (1.00%) each year. For purposes of this Project Plan, CPI refers to the annual average of United States Department of Labor, Bureau of Labor Statistics, Revised Consumer Price Index for All Urban Consumers (CPI-U): U.S. Cities Average, all items index (Reference Base 1982-84 equal 100) ("CPI").

Projections for the PILOT Payments payable to the Taxing Entities for all Phases are contained in the attached Financial Projections Appendix.

C. Financial Impact on Taxing Jurisdictions. In general, each potential Phase of the Project is likely to result in a modest increase in demand for services from the affected Taxing Entities, both during the construction and operation of each Phase. Thus, for instance, each potential Phase may result in modest increases in enrollment in Stillwater Public Schools and demands for Health Department services. However, any new costs associated with additional Phases are likely to be substantially outweighed by both the direct PILOTs to these Taxing Entities described in Section X.B. herein and further direct and indirect economic development that may result from the Project.

With respect to Stillwater Public Schools in particular, valuation increases associated with the Project will not cause a reduction in the calculation of state school aid. The Oklahoma State School Aid formula specifically excludes any such increased valuation within active Incentive Districts in calculating chargeable income in both Foundation Aid and Salary Incentive Aid. Such values

also are excluded from the valuations used to set debt limitations and sinking fund levies (for all taxing jurisdictions, not just school districts).

D. Financial Impacts on Business Activities. The Project will have a positive economic impact and impacts on business activities within the Project Area and the greater Stillwater community, region, and state, primarily due to the relatively low number of permanent employees anticipated, which mitigates the impact on the affected taxing jurisdictions, and due to expenditures with local contractors.

The Project is anticipated to create thirty (30) high quality jobs per phase, along with hundreds of construction jobs and significant expenditures with local contractors during both the construction and the operation of each Phase, all of which may draw additional payroll/income to the area per Phase. Most importantly, the Project Plan revenues will enable the City to enhance quality of life through public improvements and accelerate investment and development activities through approved economic development plans.

XI. ECONOMIC DEVELOPMENT FINANCING AND REVENUE SOURCES

The City and SEDA will plan, approve, finance, and implement public funding initiatives and economic development activities utilizing funding sources created by the undertaking of this Project Plan.

A. Financing Revenue Sources. The revenue sources expected to finance eligible Project Costs pursuant to this Project Plan, are those funds provided to the City pursuant the Economic Development Agreement between the City and the Company for Phases 1 and 2, and any Supplemental Economic Development Agreement for the future Phases, described as follows:

1. Community Betterment Payments. The Company shall make an annual payment to the City, herein a "Community Betterment Payment", for each Phase of the Project, beginning in the PILOT Commencement Year. The initial annual Community Betterment Payment for Phase 1 shall be One Hundred Thirty-Two Thousand Four Hundred Thirty-Two and No/100 Dollars ($132,432.00). After the first annual payment, the amount of the Community Betterment Payment to the City will increase by one percent (1.00%) each year for each Phase. The Community Betterment Payment for Phase 2 will follow the same payment schedule as Phase 1. For example, if Phase 1 is complete in 2026, with a PILOT Commencement Year of 2027, and Phase 2 is complete in 2032, with a PILOT Commencement Year of 2033, then in 2033, the Company shall make two equal Community Betterment Payments to the City, one for each Phase, each in the amount of $140,579. For Phases 3 through 6 of the Project, the Community Betterment Payment for each Phase will be determined as provided in Supplemental Development Agreement(s) between the City and the Company.

2. Franchise Fee. During the Term of the Incentive Districts for Phase 1 and Phase 2 of the Project, to the extent the Company uses OG&E, the City shall receive a franchise fee equal to three percent (3%) of gross revenues generated from the sale of electric power to the Company. This fee shall not exceed an annual maximum cap of $4.5 million. Upon reaching this cap, it shall

be subject to an annual increase of two percent (2%). This franchise fee shall be in lieu of any other City franchise, excise, license, occupation, privilege, permit, or other fees, taxes or assessments on purchases of electricity from OG&E. Upon termination or expiration of the Incentive Districts for Phase 1 and Phase 2, the cap shall expire. The City and the Company shall thereafter negotiate in good faith to establish a suitable franchise fee. These provisions apply exclusively to Phase 1 and Phase 2 and shall remain subject to change for all future Phases.

In the event OG&E is not the Company's selected provider, the Company and the City will engage in good faith discussions to establish an equitable revenue obligation payable to the City is in place, on mutually agreeable terms, provided the benefit to the City shall be no less than that stipulated for Phase 1 and Phase 2.

B. Other Contributions and Payments. The City and SEDA may utilize revenues from other sources, as well as Community Betterment Payments and Franchise Fees to pay eligible Project Costs. Additional financing may be provided by state local government matching payments pursuant to the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. § 840, *et seq.*

C. Financial Reports and Audits. The activities undertaken by the City or SEDA pursuant to this Project Plan shall be accounted for and publicly reported by the appropriate and necessary annual fiscal year audits and reports. Annual reports on the operation of each Incentive District shall be prepared and submitted to the Oklahoma Department of Commerce and each Taxing Entity pursuant to 62 O.S. §§ 860(F) and 867(B). A summary of these annual reports shall be published in a newspaper of general circulation in the City of Stillwater, as required by 62 O.S. § 867(C).

D. Other Necessary and Supporting Costs. SEDA or another public entity designated by the City is authorized to issue bonds and notes and to apply for and obtain grants from other sources for costs incurred or to be incurred in connection with the Project Plan and the construction of improvements therein in addition to Project Costs to be financed pursuant to this Project Plan.

XII. ESTIMATED REVENUES AND BUDGET OF PROJECT COSTS

The projected revenue and expenditures attributable to Phase 1 and Phase 2 of the Project, over 25 years, are:

Revenues:	
Phase 1 Community Betterment Payments	$ 3,740,303
Phase 2 Community Betterment Payments	$ 3,815,483
Phase 1 Franchise Fees	$ 51,750,000
Phase 2 Franchise Fees	$ 51,750,000

Total Project Revenues[3]	**$ 111,055,786**
Eligible Project Costs:	
Project Administration (1%)	$ 1,110,558
Parks & Public Spaces Operations/Facilities Maint. (30%)	$ 33,316,736
Parks & Public Amenities/Facilities Improvements (29%)	$ 32,206,178
Public Infrastructure and Economic Development (40%)	$ 44,206,178
Total Eligible Project Costs[4]	**$ 111,055,786**

In the event additional public costs become necessary or appropriate under this Project Plan, the City may approve such costs at any time, subject to availability of funding and subject to constitutional and statutory restrictions.

Projections for Phases 1 through 6 are provided in the attached Financial Projections Appendix. The Community Betterment Payments and Franchise Fees to the City for the future phases will be determined pursuant to Supplemental Economic Development Agreement(s) between the City and the Company. Thereafter, the City shall adopt a supplement to this Project Plan authorizing the budget for the future phases.

XIII. LAND USE

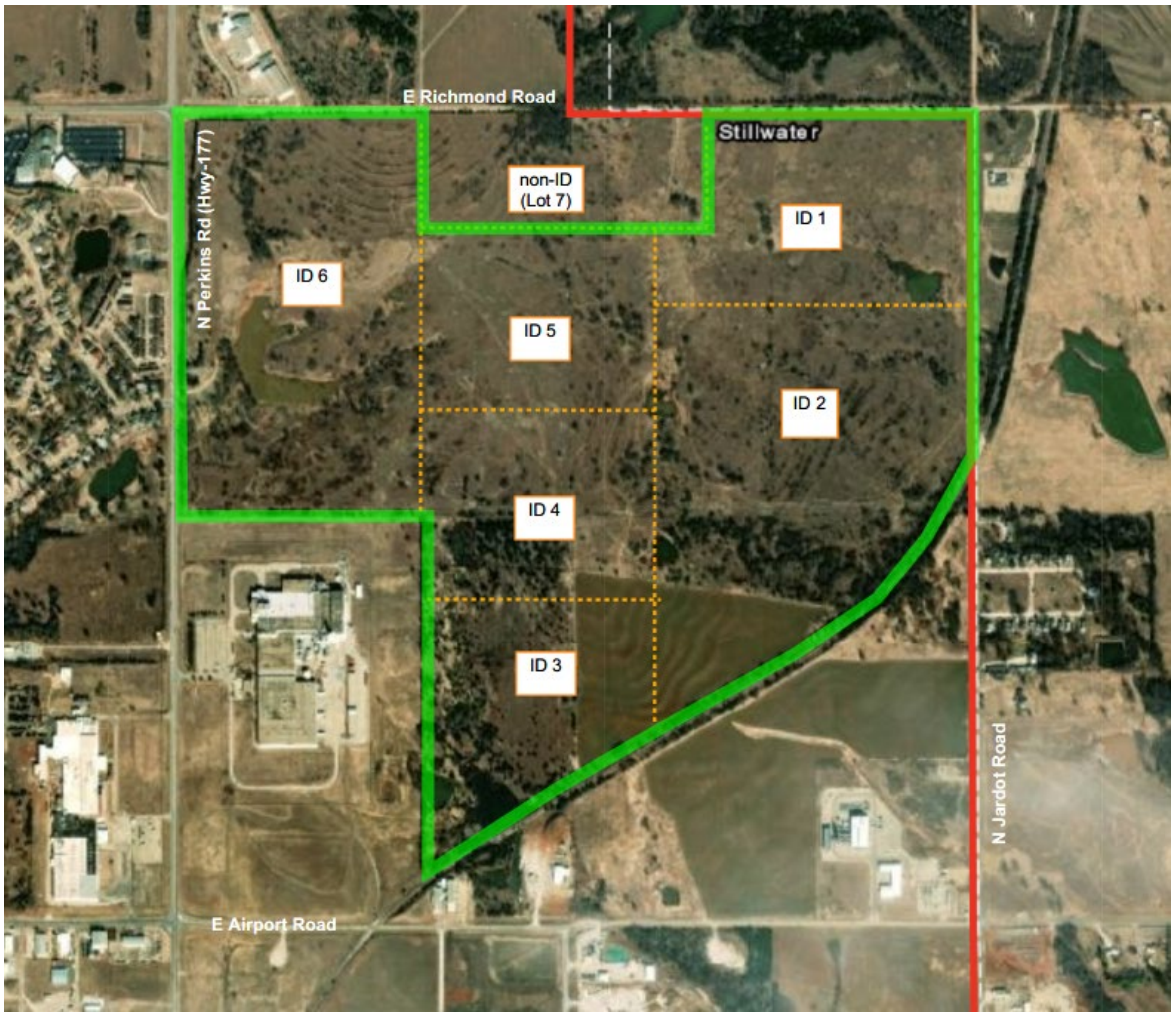
A. Current land uses and conditions of the real property in the Project Area are shown on the map attached as **Exhibit C**, "Existing Uses and Conditions." The proposed improvements to and the proposed uses of the Project Area are shown on **Exhibit D**, "Proposed Improvements and Uses."

B. To accommodate the Project, the City has previously approved a zoning change with respect to certain portions of the Project Area. The Project conforms to the City's Comprehensive Plan.

[3] The projected Franchise Fee revenues represent the City's estimates and are not projections provided by the Company. Project revenues shall be special funds of the City to be held in a separate account of the City.

[4] Any funds not disbursed or pledged under a specific budget category may be allocated to any other budget category.

EXHIBIT A: DEPICTION OF PROJECT AREA AND INCENTIVE DISTRICT MAPS



The green outline delineates the boundaries of the Project Area. The orange, dashed outlines within the Project Area delineate the boundaries of the six (6) Incentive Districts.

EXHIBIT B: PROJECT AREA AND INCENTIVE DISTRICT LEGAL DESCRIPTIONS[5]

The Project Area will consist of the area within which all of the Incentive Districts are located.

Project Area Legal Description

A tract of land located in the Northeast Quarter (NE/4), Northwest Quarter (NW/4), and Southwest Quarter (SW/4), and Southeast Quarters (SE/4) of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), Payne County, Oklahoma, being more particularly described as metes and bounds by Darrel Ray Mason OKLS1690 on March 13, 2024 as follows:
COMMENCING at the SW/C, SW/4, S36-T20-R2E monumented by a 1" Rail Road Spike; thence with a BASIS OF BEARING of N 00°41'24" W along the west line of the SW/4 a distance of 2638.58 feet to the NW/C, SW/4, SEC36-T20N-R3E monumented by a 1/2" Rebar AND the POINT OF BEGINNING;
Thence along the west line of the NW/4 with a bearing of N 00°42'47" W a distance of 2630.81 feet to the NW/C, NW/4 SEC36-T20N-R2E monumented by a Railroad Spike;
Thence with a bearing of N 89°13'38" E along the north line of the NW/4 a distance of 2629.53 feet to the NE/C, NW/4 SEC36-T20N-R2E monumented by a 1/2" Rebar;
Thence with a bearing of N 89°18'29" E along the north line of the NE/4 a distance of 2630.74 feet to the NE/C, NE/4, SEC36-T20N-R2E monumented by a Mag Nail;
Thence with a bearing of S 00°49'51" E along the east line of the NE/4 a distance of 2122.35 feet to a point on the East Line of NE/4, SEC36-T20N-R2E, also being a point on the Northerly Rail Road R/W line of Eastern Oklahoma Railway particularly described in Book 7, Page 208;
Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2793.96 feet, having a chord bearing of S 27°41'11" W and a chord distance of 761.36, and an arc length of 763.73 feet to a point on said Northerly Rail Road R/W Line;
Thence with a bearing of N 54°28'57" W a distance of 20.00 feet to a point on said Northerly Rail Road R/W Line;
Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2773.96 feet, having a chord bearing of S 40°33'13" W and a chord distance of 487.07 feet, and an arc length of 487.70 to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802;
Thence with a bearing of S 44°24'34" E a distance of 20.00 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802;
Thence in a southwesterly direction with a non-tangent curve turning to the right with a radius of 2793.69 feet, having a chord bearing of S 51°55'38" W and a chord distance of 616.73, and an arc length of 617.99 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap PLS 1802;
Thence with a bearing of S 59°21'10" W a distance of 1676.22 feet to a point on said Northerly Rail Road R/W Line;
Thence with a bearing of S59°21'10" W a distance of 614.77 feet to a point on said Northerly Rail Road R/W Line;
Thence in a southwesterly direction with a tangent curve turning to the left with a radius of 2915.05 feet, having a chord bearing of S 55°26'11"W and a chord distance of 387.62 feet, and an arc length of 387.91 feet to a point on said Northerly Rail Road R/W Line monumented by a 1/2" Rebar w/ cap Hitech;
Thence with a bearing of N 00°47'43" W along the west line of the east 60 acres of the SW/4 a distance of 2333.99 feet to a point on the north line of the SW/4, SEC36-T20N-R2E monumented by a 1/2" pipe;
Thence along said north line of said SW/4 with a bearing of N 89°28'48" E a distance of 1645.64' back to the POINT OF BEGINNING.

[5] Note that until City Council approves this Project Plan, the legal descriptions set forth herein remain subject to review and revision based on updated surveys and related information.

LESS AND EXCEPT: All of Lot Seven (7) in AIRPORT ROAD COMMERCIAL DEVELOPMENT, being part of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), City of Stillwater, Payne County, Oklahoma, according to the recorded plat thereof.

CONTAINING 17,216,395 SQUARE FEET OR 395.23 ACRES, MORE OR LESS

Incentive District 1 Legal Description

Lot One (1) in AIRPORT ROAD COMMERCIAL DEVELOPMENT, being part of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), City of Stillwater, Payne County, Oklahoma, according to the recorded plat thereof.

Containing 3,205,036 square feet OR 73.578 acres more or less.

Incentive District 2 Legal Description

Lot Two (2) in AIRPORT ROAD COMMERCIAL DEVELOPMENT, being part of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), City of Stillwater, Payne County, Oklahoma, according to the recorded plat thereof.

Containing 4,545,810 square feet OR 104.658 acres more or less.

Incentive District 3 Legal Description

Lot Three (3) in AIRPORT ROAD COMMERCIAL DEVELOPMENT, being part of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), City of Stillwater, Payne County, Oklahoma, according to the recorded plat thereof.

Containing 2,036,971 square feet OR 46.765 acres more or less.

Incentive District 4 Legal Description

Lot Four (4) in AIRPORT ROAD COMMERCIAL DEVELOPMENT, being part of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), City of Stillwater, Payne County, Oklahoma, according to the recorded plat thereof.

Containing 1,385,455 square feet OR 31.832 acres more or less.

Incentive District 5 Legal Description

Lot Five (5) in AIRPORT ROAD COMMERCIAL DEVELOPMENT, being part of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), City of Stillwater, Payne County, Oklahoma, according to the recorded plat thereof.

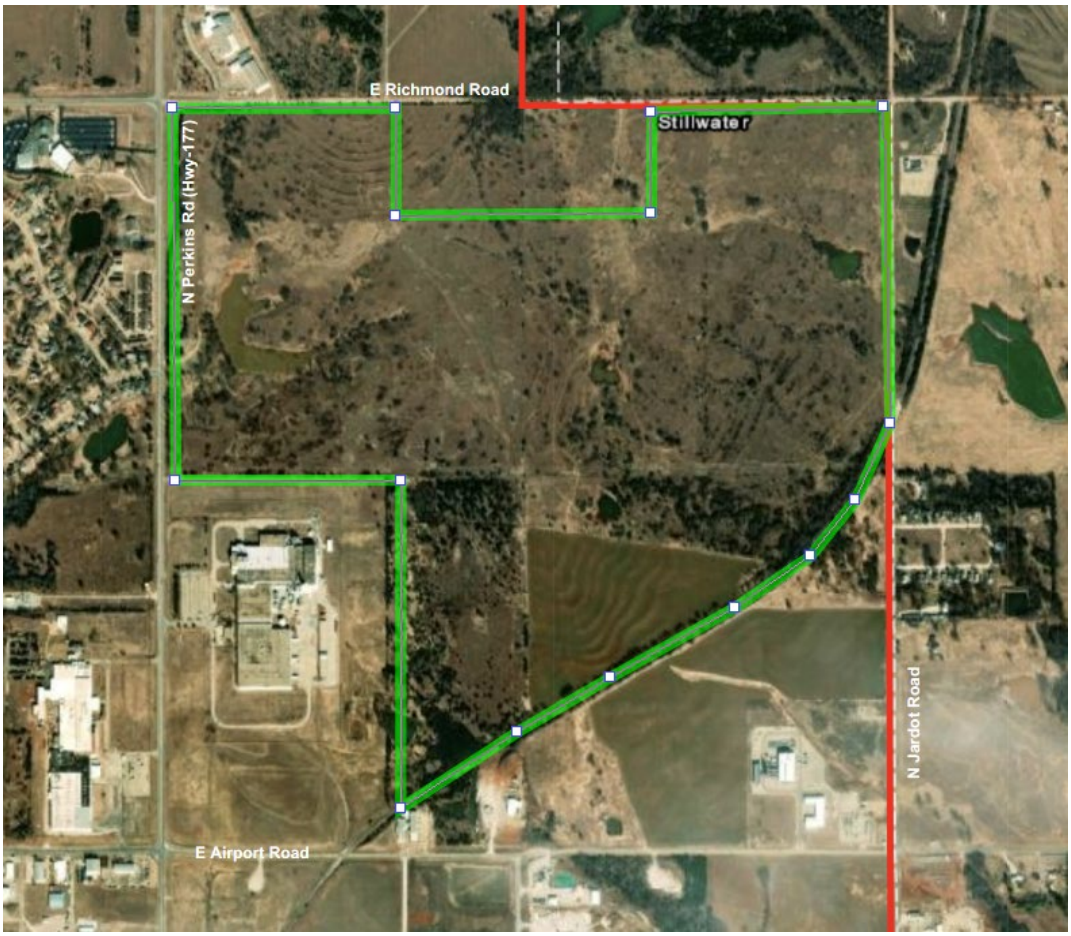
Containing 1,653,133 square feet OR 37.937 acres more or less.

Incentive District 6 Legal Description

Lot Six (6) in AIRPORT ROAD COMMERCIAL DEVELOPMENT, being part of Section Thirty-Six (36), Township Twenty (20) North, Range Two (2) East of the Indian Base and Meridian (I.B. & M.), City of Stillwater, Payne County, Oklahoma, according to the recorded plat thereof.

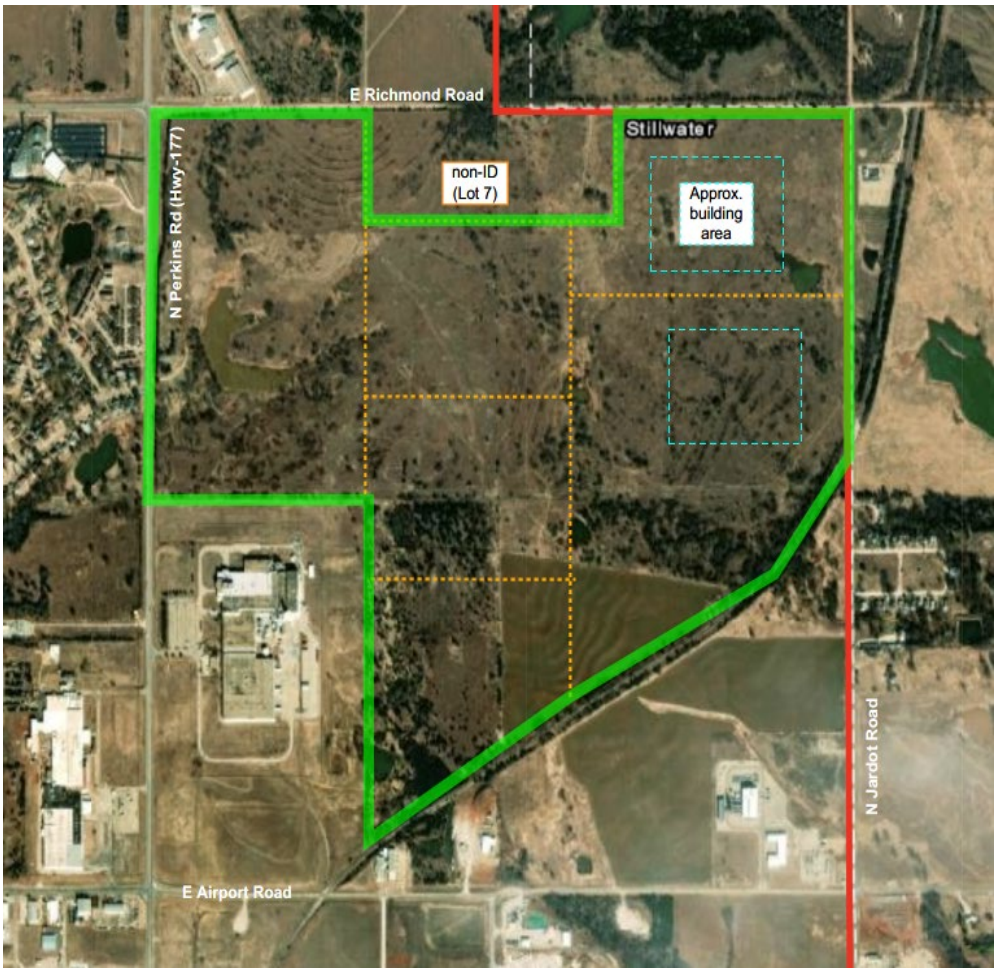
Containing 4,378,272 square feet OR 100.519 acres more or less

EXHIBIT C: EXISTING USES AND CONDITIONS



The Project Area is currently undeveloped and has been used for limited agricultural purposes (grazing and crop leases). After the passage of City of Stillwater Ordinance No. 3535 on May 8, 2024, the entirety of the Project Area is zoned IG General Industrial District in anticipation of the development of the Project.

EXHIBIT D: PROPOSED IMPROVEMENTS AND USES



The Project Area will be developed as a data center campus. The public works and improvements for the Project will include infrastructure necessary to deliver water to and transport wastewater from the Project Area, and road improvements to Richmond Road. Additional water and wastewater infrastructure may be necessary to accommodate future phases of the Project.

RESOLUTION NO. PC-2024-1

RESOLUTION DETERMINING THAT THE STILLWATER DATA CENTER ECONOMIC DEVELOPMENT PROJECT PLAN IS IN CONFORMANCE WITH THE STILLWATER 2030 C3 COMPREHENSIVE PLAN AND RECOMMENDING TO THE CITY OF STILLWATER APPROVAL AND ADOPTION OF THE STILLWATER DATA CENTER ECONOMIC DEVELOPMENT PROJECT PLAN

WHEREAS, it is an objective of the City of Stillwater, Oklahoma ("City") to promote economic development within its boundaries in order to attract investment, enhance the tax base, stimulate economic growth, and improve the quality of life in and around the City; and

WHEREAS, development within the City will promote the public good, general welfare, economic security, and prosperity of the City and its inhabitants; and

WHEREAS, the Stillwater Data Center Economic Development Project Plan (the "Project Plan") is a project plan as defined under the Oklahoma Local Development Act, 62 O.S. §850, *et seq*. ("Act"); and

WHEREAS, the provisions of the Act provide procedures for developing a qualified area such as the project area described in the Project Plan; and

WHEREAS, the Project Plan establishes a project area and six (6) incentive districts, creates a budget of estimated project costs to support and implement public funding initiatives and economic development activities within the City utilizing funding sources created under the Project Plan, and offers incentives to attract the development of a data center campus within the proposed project area, which is comprised of real property located south of East Richmond Road, north of East Airport Road, east of North Perkins Road (Hwy-177) and west of North Jardot Road, in the City of Stillwater, Payne County, State of Oklahoma; and

WHEREAS, the Project Plan provides an economic structure and incentives authorized by the Act necessary to generate private investment; and

WHEREAS, the Project Plan is designed to achieve the City's development objectives, stimulate private investment, increase quality jobs, and enhance the tax base for the City; and

WHEREAS, consistent with the Local Development Act, the Planning Commission has reviewed the Stillwater 2030 C3 Comprehensive Plan, as amended from time to time, and the Project Plan; and

WHEREAS, the Project Plan is appropriate and desirable in order to support efforts to achieve the objectives of the Stillwater 2030 C3 Comprehensive Plan, as amended from time to time; and

WHEREAS, the Planning Commission finds it appropriate and desirable to recommend to the City Council of the City that it approve and adopt the Project Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF STILLWATER, OKLAHOMA:

1. That the Stillwater Data Center Economic Development Project Plan is hereby declared to be in conformance with the Stillwater 2030 C3 Comprehensive Plan, as amended from time to time; and

2. That the Planning Commission recommends to the City Council of the City of Stillwater that it approve and adopt the Stillwater Data Center Economic Development Project Plan.

PASSED AND APPROVED this _____ day of July, 2024.

_____
Chairperson

ATTEST:

_____
City Clerk