The City of Stillwater OKLAHOMA

CITY COUNCIL MEETING AGENDA
June 6, 2022
723 S Lewis Street
Room 1122B
Stillwater, OK 74074
5:30 P.M.

Mayor Will Joyce, Vice Mayor Alane Zannotti, Councilors Amy Dzialowski, Christie Hawkins, & Kevin Clark

1. Call Meeting to Order
2. Pledge of Allegiance
3. Presentations and Proclamations
    a. Rotary Club Centennial
    b. Stillwater Tennis Association Donation
4. Consent Docket

Items listed on the consent docket are routine administrative matters that may be approved without discussion. The Council will take action on these items collectively with a single vote. The requested City Council action is indicated for each item listed. Should a Councilor elect to discuss, amend, revise, or table any item listed on the consent docket, the item will be moved to the section of the agenda titled "Items Removed from the Consent Docket" for consideration and possible action. Additionally, a Councilor or the City Manager may simply ask the Mayor to remove an item from the consent docket prior to action by the City Council and no action will be taken on the removed item at this meeting.

a.	Approval of May 16, 2022 regular meeting and executive session minutes		
b.	Approve budget amendment accepting donation of $5,000 from Walmart to Stillwater Fire Department for use in replacing rescue equipment	CC-22-92	Terry Essary
c.	Accept the electric utility easement at 2915 S Husband Street and authorize the Mayor to execute the document	CC-22-100	Jacqueline Porter
d.	Accept utility easement for property located at 2905 S Husband Street and authorize the Mayor to execute the document	CC-22-101	Jacqueline Porter
e.	Approve the Final Plat for Berry Creek West	CC-22-93	Jacqueline Porter
f.	Approve the renewal of the refueling services agreement for City vehicles and equipment with OnCue Marketing L.L.C. for a one year term effective July 1, 2022 and authorize City Manager to sign the agreement	CC-22-90	Mark White

g.	Approve the renewal of the HVAC maintenance agreement with B&L Heating & Air Conditioning, Inc. for the Municipal Building and Police Department for a one year term effective July 1, 2022 and authorize City Manager to sign the agreement	CC-22-91	Mark White
h.	Approve the renewal of the service agreement with Sandstorm Cleaning for a one year period beginning July 1, 2022 and authorize City Manager to sign the agreement	CC-22-97	Mark White
i.	Approve acceptance of easements as listed below for the Redbud Sewer Project: Powell Family Trust 124 E. Randolph Court Temporary Construction Easements - Parcels 10.1, 10.2, 10.3 Hosanna Assembly of God 418 E. McElroy Permanent Sewer Line Easement - Parcel 1 Temporary Construction Easement - Parcel 1.1 109 Boomer Creek, LLC 320 E. McElroy Permanent Sewer Line Easement - Parcel 2 Temporary Construction Easement - Parcel 2.1 Ken and Nelda Helt Trust 121 E. Redbud Drive Temporary Construction Easement - Parcel 13.1	CC-22-98	David Barth
j.	Accept sanitary sewer and stormwater sewer lines at 201 N Knoblock, St. John University Parish	CC-22-99	Josh Brown
k.	Approve renewal of the contract with Marshall Electric for maintenance and repairs to City facilities for a one year period beginning July 1, 2022 and authorize City Manager to sign the contract	CC-22-104	John McClenny

5. Public Comment on Items not Schedules for Public Hearings

Stillwater City Code, Section 2-53(a) & (b), provides that taxpayers or residents of the city, or their authorized legal representatives, may address the Council at a regularly scheduled meeting on ***any item of business listed on the meeting agenda*** *provided they have submitted a written request prior to the meeting either online at Request to speak form or via the form found in the lobby outside Council chambers prior to meetings.*

6. Items Removed from Consent Docket

Items removed from the consent docket are placed on this section of the agenda for discussion, revision, amendment and/or tabling prior to action by the City Council. The City Council may take action, including a vote or series of votes, on items removed to this section of the agenda after the requested discussion, revision or amendment.

7. Public Hearings

The Council will hear public comments, discuss, and take action including a vote or series of votes on each item listed as presented or as amended by the City Council unless the agenda entry specifically states that no action will be taken.

a.	Receive public comment regarding a request for closing of a utility easement at property addressed as 1201 W 6th Avenue	CC-22-102	Jacqueline Porter
b.	Receive public comment regarding a request for a map amendment to rezone property addressed as 115 E 12th Avenue from Residential Single Family Small Lot (RSS) to Commercial Business (CB)	CC-22-94	Jacqueline Porter
c.	Receive public comment regarding a request for a map amendment to rezone a portion of the property located at 2810 S Western Road from Small Lot Single Family Residential to (RSS) to Commercial General (CG)	CC-22-96	Jacqueline Porter
d.	Receive public comment regarding a request for a map amendment to rezone properties addressed as 1924, 1930, and 2002 E McElroy Road from Large Lot Single Family Residential (RLS) to Small Lot Single Family Residential (RSS)	CC-22-95	Jacqueline Porter

8. General Orders

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

a.	Presentation of request from AT&T to lease city owned property along Manning Street for installation of a 120 foot monopole cell phone tower and associated equipment, and possible action to authorize the City Manager to negotiate a lease	CC-22-107	Melissa Reames Sandra Robinett, AT&T
b.	Approve bid recommendation for FY 2022-23 landscape maintenance at 21 City owned locations including buildings, downtown, traffic islands, and rights-of-way	CC-22-105	Mark White
c.	Approve budget amendments appropriating $200,000 in the Aviation Gas for Resale revenue and expenditures accounts for purchase of aviation fuel for Stillwater Regional Airport	CC-22-106	Foster Becquet
d.	Approve Contract Amendment No. 2 to the professional services agreement with Kimley Horn to add final design, bidding, and construction phase services for new roadway and drainage design of Monticello Drive and total expenditures not to exceed $89,210 as part of the College Gardens water and sewer project	CC-22-103	Andrew Doerflinger
e.	Approve budget amendments appropriating $1,000,000 for health insurance expenditures and a transfer-in of $1,000,000 to the Self-Insurance Fund from the General Fund and SUA funds	CC-22-108	Christy Driskel

9. Resolutions

The City Council will hear a staff presentation, discuss, and take action including a vote or series of votes on each resolution listed as presented or as amended or revised by the City Council.

a.	RESOLUTION CC-2022-15: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STILLWATER CONCURRING WITH THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY'S APPROVAL OF THE REDEVELOPMENT AGREEMENT, COVENANT AGREEMENT, AND ESCROW AGREEMENT (ASSISTANCE IN DEVELOPMENT FINANCING DISBURSEMENT AGREEMENT) BETWEEN THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY, USA RARE EARTH MAGNETS, LLC, AND USA RARE EARTH REAL ESTATE, LLC, APPROVING INDEBTEDNESS OF THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY IN A PRINCIPAL AMOUNT NOT TO EXCEED $7,000,000.00 IN TAX APPORTIONMENT OBLIGATIONS; WAIVING COMPETITIVE BIDDING ON THE ISSUANCE OF THE NOTES ISSUED IN CONNECTION WITH THE TAX APPORTIONMENT OBLIGATIONS; AUTHORIZING THE PLEDGE OF APPORTIONED TAX INCREMENTS; AND AUTHORIZING OTHER MATTERS RELATING THERETO	

10. Reports from Officers and Boards

Announcements and remarks of general interest may be made by Councilors, City Manager or City Attorney. Items of City business that may require discussion or action including a vote or series of votes are listed below.

a. Miscellaneous items from the City Attorney
   i. Request for an Executive Session pursuant to 25 O.S. § 307(B)(4) involving confidential communication between the City Council and City Attorney concerning a pending investigation, claim, or action involving RR Donnelley. It is the opinion of the City Attorney that disclosure of this matter will seriously impair the ability of the City Council to process the claim or conduct a pending investigation, litigation, or proceeding in the public interest.

b. Miscellaneous items from the City Manager

c. Miscellaneous items from the City Council

11. Questions and Inquiries

12. Executive Session

a. Confidential communication with the City Attorney concerning a pending investigation, claim, or action involving RR Donnelley.

13. Return from Executive Session

a. No action will be taken on this item.

14. Adjourn

On 06.03.22 at 8:00, a true and correct copy of this agenda was posted on the kiosk outside City Hall, 723 S Lewis Street, Stillwater, OK.

[signature]

The City of Stillwater encourages participation from all citizens. If participation at any public meeting is not possible due to a disability, please notify the City Manager's office at least 48 hours prior to the meeting by calling 405.742.8209.

- Meetings are televised on AT&T U-verse channel 99 and Suddenlink channel 14.
- Find meeting agendas and minutes online at Agendas and Minutes
- Official minutes are archived in the City Clerk's office.
- Go to eNotifications for email notices when an agenda is posted. Select each elected or appointed board or committee for which you would like to receive notices.

WHEREAS, *Rotary International was founded in 1905 by a group of Chicago businessmen so that professionals with diverse backgrounds could exchange ideas and form meaningful lifelong friendships, and;*

WHEREAS, *over time, Rotary's reach and vision has extended to humanitarian service, thus exemplifying its motto of "Service above Self", and;*

WHEREAS, *Stillwater is home to three Rotary Clubs; Stillwater Centennial founded in 1991, Stillwater Frontier founded in 1975, and Stillwater Rotary that recently celebrated its 100th anniversary of being founded in 1921, and;*

WHEREAS, *all of these clubs demonstrate Service above Self by being actively involved in meaningful projects such as Mobile Meals, food sacks for elementary school children, support of MPower in Stillwater, and numerous international projects.*

THEREFORE, *I, William H. Joyce, on behalf of the citizens of Stillwater and the City Council, want to express our gratitude and appreciation to all Rotarians in our city and to offer special congratulations to Stillwater Rotary on its centennial.*

____

WILLIAM H. JOYCE, MAYOR

ATTEST:

____

TERESA KADAVY, CITY CLERK

IN ACCORDANCE WITH THE OKLAHOMA OPEN MEETING LAW
THE AGENDA WAS POSTED MAY 13, 2022 AT 4:58 P.M.
AT THE MUNICIPAL BUILDING, 723 SOUTH LEWIS, STILLWATER, OKLAHOMA

MINUTES
STILLWATER CITY COUNCIL
REGULAR MEETING
COUNCIL HEARING ROOM
723 S. LEWIS
MAY 16, 2022

PRESENT: **MAYOR WILLIAM H. JOYCE, VICE MAYOR ALANE ZANNOTTI AND COUNCILORS AMY DZIALOWSKI AND KEVIN CLARK**
ABSENT: **COUNCILOR CHRISTIE HAWKINS**

COUNCILOR DZIALOWSKI LEFT THE MEETING AT 5:52 P.M.

1. CALL MEETING TO ORDER

Mayor Joyce called the meeting to order at 5:30 p.m.

2. PLEDGE OF ALLEGIANCE

The Stillwater City Council led the audience in the Pledge of Allegiance.

3. PROCLAMATIONS/PRESENTATIONS

a. Public Works Week

Mayor Joyce read the proclamation proclaiming May 15-21, 2022 as Public Works Week in the City of Stillwater. Public Works Director Mark White accepted the proclamation.

b. National Police Week

Mayor Joyce read the proclamation officially recognizing May 11-17, 2022, as National Police Week in the City of Stillwater. Police Chief Jeff Watts accepted the proclamation.

4. CONSENT DOCKET

a. Approve regular meeting minutes of May 2, 2022
b. Approve purchase of property located at 2208 W 6th Avenue for $262,500 plus up to $2,500 for closing costs and 2214 W 6th Avenue for $225,000 plus up to $2,500 for closing costs as part of ODOT's Hwy 51 (6th Avenue) reconstruction project, and authorize the City Manager to sign related documents
c. Approve budget amendment appropriating $113,249, (10% grant match) for the allotted $1,019,233 Stillwater Regional Airport will receive from the Bipartisan Infrastructure Law for airport capital projects
d. Acknowledge receipt of ODEQ Permit No. SL000060220011 for the construction of 6,804 linear feet of forty-eight inches of FRP sanitary sewer line, 720 linear feet of forty-two inches of FRP sanitary sewer line, 362 linear feet of thirty-six inch DIP sanitary sewer line, 181 linear feet of twenty inch DIP sanitary sewer line, 215 linear feet of eighteen inch PVC sanitary sewer line, 943 linear feet of ten inch PVC sanitary sewer line, 245 linear feet of thirty DIP aerial crossing sanitary sewer line with two inverted siphon structures, one 100 gpm FRP lift station, and all

appurtenances to serve the Wastewater Collection System Improvements, Payne County, Oklahoma

e. Approve adoption of the 2022-26 Strategic Plan
f. Approve lease agreement with OSU to lease land situated on Western Road North of McElroy Road for an initial term of fifty (50) years, with two options for the City to renew for twenty five (25) years each for the purpose of constructing, furnishing and equipping a 15,000 – 18,000 square foot fire station

MOTION BY COUNCILOR DZIALOWSKI, SECOND BY VICE MAYOR ZANNOTTI TO APPROVE THE CONSENT DOCKET AS PRESENTED.

ROLL CALL VOTE: JOYCE-YEA, ZANNOTTI-YEA, DZIALOWSKI-YEA, CLARK.
NAY-NONE. MOTION CARRIED WITH FOUR YEA VOTES.

Mayor Joyce moved to items 9 a. and 9 b. on the agenda Resolution No. CC-2022-17 and Resolution No. 2022-14.

5. PUBLIC COMMENT ON AGENDA ITEMS NOT SCHEDULED FOR PUBLIC HEARING

There were no requests to speak on agenda items not scheduled for public hearing.

6. ITEMS REMOVED FROM CONSENT DOCKET

None.

7. PUBLIC HEARINGS

a. Public hearing for the purpose of giving members of the public an opportunity to be heard for and against the proposed 2022 Amended Stillwater (Re)Investment Plan (a Stillwater Downtown/Campus Link Project Plan) prior to any vote by Council

Deputy City Manager Melissa Reames introduced outside counsel Dan Batchelor, Center for Economic Development Law. Mr. Batchelor gave an overivew of the proposed 2022 Amended Stillwater (Re)Investment Plan.

Mayor Joyce opened the public hearing.

Roger Gose, 1120 E. Connell, spoke in favor of the proposed amended project plan.

Mayor Joyce closed the public hearing.

No action was taken on this item.

Mayor Joyce moved to item 10 b. Ordinances on the agenda.

b. A hearing to determine whether the structure located at 2420 East 12th Avenue, Stillwater, Oklahoma is dilapidated as defined in 11 O.S §22-112(C) and abandoned as defined in 11 O.S. §22-112.4(E) (Continued from April 18, 2022)

City Attorney Kimberly Carnley requested this public hearing be tabled until the August 22, 2022 City Council meeting.

MOTION BY VICE MAYOR ZANNOTTI, SECOND BY COUNCILOR CLARK TO TABLE THIS PUBLIC HEARING UNTIL THE AUGUST 22, 2022 CITY COUNCIL MEETING.

ROLL CALL VOTE: JOYCE-YEA, ZANNOTTI-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH THREE YEA VOTES.

c. Receive public comment regarding a request to rezone properties addressed as 5823, 5911, 6001 and 6099 N Perkins Road from General Industrial (IG) to Residential Single Family Small Lot (RSS) district

Chief Performance Innovation Officer Brady Moore introduced new City Planner Jacquelyn Porter.

Ms. Porter stated that the applicant requests a review and approval of a map amendment to rezone properties addressed as 6099, 6001, 5911 and 5823 N. Perkins Road from General Industrial (IG) to Small Lot Single-Family Residential (RSS). The subject property is located on the north side of Stillwater on the southeast corner of Burris Road and Perkins Road. Ms. Porter stated that all four lots are currently vacant and appear to have been used for agriculture purposes. Rezoning these properties would allow construction of single-family residences in a forthcoming subdivision.

Mayor Joyce opened and closed the public hearing as no one was present to speak.

Planning Commission recommended approval 4-0.

MOTION BY VICE MAYOR ZANNOTTI, SECOND BY COUNCILOR CLARK TO ACCEPT THE PLANNING COMMISSION'S RECOMMENDATION TO APPROVE THE MAP AMENDMENT FOR PROPERTY LOCATED AT 6099, 6001, 5911 AND 5823 N. PERKINS ROAD.

ROLL CALL VOTE: JOYCE-YEA, ZANNOTTI-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH THREE YEA VOTES.

8. GENERAL ORDERS

a. Approve award of contract for Lake McMurtry Nature Trail Learning Project to Gelino, CCC in the amount of $284,708, approve associated budget amendments, and authorize the City Manager to sign a grant amendment agreement with the Oklahoma Department of Tourism and Recreation

Special Projects Director John McClenny reported that in 2020 Lake McMurtry Friends applied for and received a Recreation Trail Grant to construct a Nature Learning Trail on the west side of Lake McMurtry. The project was designed and bids were solicited but all bids received exceeded the available budget and were rejected in November, 2021. Staff and Lake McMurtry Friends worked with the design consultant to modify the design and decrease costs. Mr. McClenny stated that bids for the redesigned project were opened on March 16, 2022 and again all five base bids exceeded the available budget. Lake McMurtry Friends requested and received approval for a budget increase from the Oklahoma Department of Tourism and Recreation in the amount of $29,880.80. Mr. McClenny reported that Lake McMurtry Friends will cover the increased matching amount of $7,470.20. The total project budget will be revised to $337,351 with $47,947 previously spent on the design contract. That leaves $289,404 for the project with the revised budget. Gelino, CCC of Stillwater was the low bidder with a base bid of $284,708.

MOTION BY COUNCILOR CLARK, SECOND BY VICE MAYOR ZANNOTTI TO AWARD BID FOR CONSTRUCTION OF LAKE MCMURTRY NATURE LEARNING TRAIL TO GELINO, CCC IN THE AMOUNT OF $284,708; APPROVE THE ATTACHED BUDGET AMENDMENTS AND AUTHORIZE THE CITY MANAGER TO SIGN A GRANT AMENDMENT AGREEMENT WITH THE OKLAHOMA DEPARTMENT OF TOURISM AND RECREATION.

ROLL CALL VOTE: JOYCE-YEA, ZANNOTTI-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH THREE YEA VOTES.

b. Approve the purchase of property located at 2212 W 6th Avenue in an amount not to exceed $201,000 including closing costs and approve the budget amendment appropriating the funds from the Sales Tax Transportation Fund as part of ODOT's Hwy 51 (6th Avenue) reconstruction project, and authorize the City Manager to sign related documents

Director of City Engineering Monty Karns reported that rights-of-way acquisition is one of the City's responsibilities in the ODOT Hwy 51 (6th Avenue) reconstruction project. Staff has identified life safety and transportation expansion concerns connected with the 6th Avenue corridor expansion on the north side of 6th Avenue between Western and Ridge:

- ✓ Properties will be damaged during road construction to the point that their use as residences will be impaired.
- ✓ Egress from these properties would be into a right hand turn lane creating a life safety issue and limiting directional flow to and from the properties.

Mr. Karns stated that staff is seeking approval to purchase the property at 2212 W. 6th Avenue for the price of $200,000 plus $1,000 for closing costs in order to acquire rights-of-ways and mitigate life safety and transportation expansion concerns.

MOTION BY VICE MAYOR ZANNOTTI, SECOND BY COUNCILOR CLARK TO APPROVE THE PURCHASE OF PROPERTY LOCATED AT 2212 W 6TH AVENUE IN AN AMOUNT NOT TO EXCEED $201,000 AND APPROVE THE BUDGET AMENDMENT APPROPRIATING THE FUNDS FROM THE SALES TAX TRANSPORTATION FUND.

ROLL CALL VOTE: JOYCE-YEA, ZANNOTTI-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH THREE YEA VOTES.

Mayor Joyce noted that Councilor Clark left the council hearing room at 5:35 p.m.

9. RESOLUTIONS

a. Resolution No. CC-2022-17: A resolution awarding General Obligation Limited Tax Bonds, Series 2022 in the sum of $9,000,000 by the City of Stillwater, Oklahoma to the lowest and best bidder

Deputy City Manager Melissa Reames stated that staff is here to sell bonds to fund the new Fire Station #2. She introduced the City's financial advisors with Bank of Oklahoma, Zack Robinson and Chris Gander and Bond Counsel Don Kiser.

Mr. Robinson gave an overview of the bid process and presented and explained the bid tabulation to Council. Mr. Robinson recommended awarding the bid to Robert W. Baird & Co., Inc. at a true interest cost (TIC) of 3.935956.

MOTION BY COUNCILOR DZIALOWSKI, SECOND BY VICE MAYOR ZANNOTTI TO ADOPT RESOLUTION NO.CC-2022-17 AS PRESENTED.

ROLL CALL VOTE: JOYCE-YEA, ZANNOTTI-YEA, DZIALOWSKI-YEA.
NAY-NONE. MOTION CARRIED WITH THREE YEA VOTES.

b. Resolution No. CC-2022-14: A resolution providing for the issuance of general obligation limited tax bonds, Series 2022 in the sum of $9,000,000 by the City of Stillwater, Oklahoma, authorized at an election duly called and held for such purpose; prescribing form of bonds; providing for registration thereof; providing levy of an annual tax for the payment of principal and interest on the same; and fixing other details of the issue

MOTION BY VICE MAYOR ZANNOTTI, SECOND BY COUNCILOR DZIALOWSKI TO ADOPT RESOLUTION NO.CC-2022-14 AS PRESENTED.

ROLL CALL VOTE: JOYCE-YEA, ZANNOTTI-YEA, DZIALOWSKI-YEA.
NAY-NONE. MOTION CARRIED WITH THREE YEA VOTES.

Mayor Joyce returned to item 7 a. on the agenda.

Mayor Joyce noted that Councilor Clark returned to the council hearing room at 5:42 p.m.

c. Resolution No. CC-2022-16: A resolution of the Stillwater City Council Adopting an operating budget for the Fiscal Year 2022-23.

Finance Director Christy Cluck stated that the budgets that are attached to the resolution are unchanged from the budgets that were presented at the public hearing on May 2, 2022. Staff's recommendation is to adopt Resolution No. CC-2022-16.

MOTION BY COUNCILOR CLARK, SECOND BY VICE MAYOR ZANNOTTI TO ADOPT RESOLUTION NO. CC-2022-16 AS PRESENTED.

ROLL CALL VOTE: JOYCE-YEA, ZANNOTTI-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH THREE YEA VOTES.

d. Resolution No. CC-2021-38: a resolution of the Stillwater City Council declaring the structure located at 2420 East 12th Avenue, Stillwater, Oklahoma, dilapidated and a public nuisance detrimental to the health, safety, and welfare of the general public and the community, and ordering the dilapidated structure to be torn down and removed pursuant to 11 O.S. §22-112

No action was taken on this Resolution.

10. ORDINANCES

a. First Reading

Ordinance No. 3495: An ordinance amending Ordinance No. 3494 approving a minor amendment to the 2022 amended Stillwater (Re)Investment Plan (a Stillwater Downtown/Campus Link Project Plan) pursuant to the Oklahoma Local Development Act; providing for severability; and declaring an emergency

No action was taken on this Ordinance.

b. Second Reading

Ordinance No. 3494: An ordinance amending Ordinance No. 3407 to approve the 2022 amended Stillwater (Re)Investment Plan (a Stillwater Downtown/Campus Link Project Plan) pursuant to the Oklahoma Local Development Act; designating and adopting a proposed increment district and additional project area; deferring the naming and establishing the date for the creation of the increment district; adopting certain findings; authorizing the City of Stillwater to carry out and administer the project plan; establishing a tax apportionment fund; declaring apportioned funds to be special funds of the City of Stillwater or the Stillwater Economic Development Authority; authorizing the use of increment revenues for the financing or payment of certain project costs; authorizing the Stillwater Economic Development Authority to carry out certain provisions of the project plan; ratifying and confirming the actions, recommendations and findings of the review committee and the Stillwater Planning Commission; directing continuing apportionment; providing for severability; and declaring an emergency

MOTION BY MAYOR JOYCE, SECOND BY COUNCILOR CLARK TO AMEND ORDINANCE NO. 3494 BY THE ADDITION OF THE CHANGES TO THE PROJECT PLAN UNDER ORDINANCE NO. 3495 ON PAGES 10 AND 11.

ROLL CALL VOTE: JOYCE-YEA, ZANNOTTI-YEA, DZIALOWSKI-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH FOUR YEA VOTES.

MOTION BY COUNCILOR CLARK, SECOND BY VICE MAYOR ZANNOTTI TO ADOPT ORDINANCE NO. 3494 AS AMENDED.

ROLL CALL VOTE: JOYCE-YEA, ZANNOTTI-YEA, DZIALOWSKI-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH FOUR YEA VOTES.

MOTION BY COUNCILOR DZIALOWSKI, SECOND BY VICE MAYOR ZANNOTTI DECLARING AN EMERGENCY FOR ORDINANCE NO. 3494.

ROLL CALL VOTE: JOYCE-YEA, ZANNOTTI-YEA, DZIALOWSKI-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH FOUR YEA VOTES.

Mayor Joyce moved to item 7 b. on the agenda.

11. REPORTS FROM OFFICERS & BOARDS

a. Miscellaneous items from the City Attorney:
   i. Request for Executive Session pursuant to 25 O.S. §307 (B)(2) to discuss labor negotiations with Fraternal Order of Police Lodge #102.
   ii. Request for Executive Session pursuant to 25 O.S. §307 (B)(2) to discuss labor negotiations with International Association of Firefighters Local #2095.

b. Miscellaneous items from the City Manager:
   - City Manager Norman McNickle stated that the City of Stillwater's HR team will be holding open interviews Saturday, May, 21 from 10:00 a.m. to 12:00 p.m. in Room 121 at the Stillwater Community Center. Individuals will have the opportunity to interview for Library Shelver, Maintenance Worker and Library Admin Clerk positions. No appointment is necessary.

c. Miscellaneous items from the City Council:
   - Councilor Clark invited the youth to come fish with local police officers and the Oklahoma Department of Wildlife Conservation at the annual Cops and Bobbers event Saturday, May 21. The youth fishing event will take place from 10:00 a.m. to 12:00 p.m. on the west side of Boomer Lake. There will be food, fun and fishing.
   - Vice Mayor Zannotti announced that Stillwater's first-ever Enchantment Under the Sea Dance will be Friday, June 17 from 7:00 p.m. to 9:00 p.m.in the Stillwater Public Library parking lot. Tickets are $25 per couple, $10 for each additional child and covers admission to the outdoor family dance, live entertainment, crafts, bounce house, snow cone truck and other snacks.
   - Mayor Joyce announced that the Stillwater City Council will not have another meeting until June 6, so other dates to remember until then are:
     - ✓ City offices will be closed Monday, May 30 for Memorial Day but trash and recycling will be collected as usual.

- ✓ City Hall’s new hours of operation start June 2. The building will be open Monday through Thursday from 7:30 a.m. to 5:30 p.m. and Friday from 7:30 a.m. to 11:30 a.m.
- ✓ Mayor Joyce reminded residents that many City services can be completed online outside of regular business hours.
    - Discussion about scheduling items for future meetings.

12. QUESTIONS & INQUIRIES

None.

13. APPOINTMENTS

a. Audit Committee

MOTION BY MAYOR JOYCE, SECOND BY COUNCILOR CLARK TO REAPPOINT AUSTIN POLLARD AND APPOINT RACHEL DOMNICK, CPA TO THE AUDIT COMMITTEE.

ROLL CALL VOTE: JOYCE-YEA, ZANNOTTI-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH THREE YEA VOTES.

14. EXECUTIVE SESSION

a. Confidential communication to discuss labor negotiations with Fraternal Order of Police Lodge #102.
b. Confidential communication to discuss labor negotiations with International Association of Firefighters Local #2095.

Stillwater City Council meeting recessed at 6:13 p.m. to convene Stillwater Utilities Authority meeting.

Stillwater City Council reconvened at 6:59 p.m.

MOTION BY COUNCILOR CLARK, SECOND BY VICE MAYOR ZANNOTTI TO ENTER INTO EXECUTIVE SESSION AT 7:00 P.M.

ROLL CALL VOTE: JOYCE-YEA, ZANNOTTI-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH THREE YEA VOTES.

15. RETURN FROM EXECUTIVE SESSION

MOTION BY COUNCILOR CLARK, SECOND BY VICE MAYOR ZANNOTTI TO RECONVENE THE REGULAR STILLWATER CITY COUNCIL MEETING AT 7:47 P.M.

ROLL CALL VOTE: JOYCE-YEA, ZANNOTTI-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH THREE YEA VOTES.

a. Possible action regarding labor negotiations with Fraternal Order of Police Lodge #102.
b. Possible action regarding labor negotiations with International Association of Firefighters Local #2095.

No action was taken on items a. or b.

16. ADJOURN

MOTION BY VICE MAYOR ZANNOTTI, SECOND BY COUNCILOR CLARK TO ADJOURN THE MAY 16, 2022 REGULAR MEETING OF THE STILLWATER CITY COUNCIL.

ROLL CALL VOTE: JOYCE-YEA, ZANNOTTI-YEA, CLARK-YEA.
NAY-NONE. MOTION CARRIED WITH THREE YEA VOTES.

The May 16, 2022 regular meeting of the Stillwater City Council adjourned at 7:48 p.m.

WILLIAM H. JOYCE, MAYOR **STILLWATER CITY COUNCIL**	**TERESA KADAVY** **CITY CLERK**

IN ACCORDANCE WITH THE OKLAHOMA OPEN MEETING LAW,
THE AGENDA WAS POSTED MAY 13, 2022 AT 4:58 P.M. AT
THE MUNICIPAL BUILDING, 723 SOUTH LEWIS, STILLWATER, OKLAHOMA

MINUTES
STILLWATER CITY COUNCIL
EXECUTIVE SESSION
723 S. LEWIS
MAY 16, 2022
7:00 P.M.

PRESENT: **MAYOR WILLIAM H. JOYCE, VICE MAYOR ALANE ZANNOTTI, AND COUNCILOR CLARK**
ABSENT: **COUCILORS AMY DZIALOWSKI AND CHRISTIE HAWKINS**

a. Confidential communication to discuss labor negotiations with Fraternal Order of Police Lodge #102.

Discussion was held regarding labor negotiations with Fraternal Order of Police Lodge #102 pursuant to 25 O.S. §307 (b)(2).

b. Confidential communication to discuss labor negotiations with International Association of Firefighter Local #2095.

Discussion was held regarding labor negotiations with International Association of Firefighter Local #2095 pursuant to 25 O.S. §307 (b)(2).

The Executive Session concluded at 7:47 p.m.

____
WILLIAM H. JOYCE, MAYOR

____
TERESA KADAVY, CITY CLERK

The City of Stillwater OKLAHOMA

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 6, 2022

Agenda Item:	4b. CC-22-92
Background / Issue:	Walmart awards grants to organizations within the community that directly benefits the service area of that particular store location. Grant awards range from $250 to $5,000.
Proposal/Solution:	Stillwater Fire Department has been awarded a grant from Walmart Facility #137 in the amount of $5,000 to be spent on public safety.
Financial Impact/Funding Source(s):	The award will be used to purchase rescue equipment to replace outdated equipment.
Related Strategic Priority:	#1 Effective Services & Accountable Government: To provide effective services and accountable government by practicing fiscal responsibility, transparency and outstanding customer service.
Recommended Action/Motion:	Motion to approve budget amendments appropriating grant funds in the amount of $5,000 for the purchase of new rescue equipment.
Prepared By:	Terry Essary, Fire Chief
Reviewed By:	Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager
Attachment(s):	Budget Amendments

The City of Stillwater OKLAHOMA

Department of Finance
723 S. Lewis Street/P.O. Box 1449
Stillwater, OK 74076-1449

Office: 405.372.0025
Web: stillwater.org

Budget Amendment Request

For Budget Year 2022

Date: 05/17/2022

Department: Fire

Requested by: James Holly CC-22-92

Explanation:

Revenues:
Increase the revenue projection to include a grant received from Walmart for Rescue Equipment.

	Account Name	Account Number (xxxxxxx-xxxxx)	Project Number	Current Budget Amount	Amount of Change	New Budget Amount
Increase:	Rescue Equipment Grant	1016510 - 43000	22FD02101	$ 0	$ 5,000	$ 5,000
		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0
Decrease:		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0

Net Change: (will usually result in a total increase or decrease) $ 5,000

Reviewed by Department Manager: Tony Essary **Date:** 5-17-22

Reviewed by Finance: Shelley Johns CC **Date:** 5/18/22

Approved by CMO: **Date:**

Approved by City Council: ☐ Yes ☐ No **Date:**

Processed by Finance: **Date:**

Set ID: **Date Sent to SA&I:**

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The City of Stillwater OKLAHOMA

Budget Amendment Request

For Budget Year 2022

Department of Finance
723 S. Lewis Street/P.O. Box 1449
Stillwater, OK 74076-1449

Office: 405.372.0025
Web: stillwater.org

Date: 05/17/2022

Department: Fire

Requested by: James Holly CC-22-92

Explanation:

Expenditures:
Appropriate additional funds for a grant received from Walmart for Rescue Equipment.

	Account Name	Account Number (xxxxxxx-xxxxx)	Project Number	Current Budget Amount	Amount of Change	New Budget Amount
Increase:	Rescue Equipment Grant	1016510 - 53045	22FD02101	$ 0	$ 5,000	$ 5,000
		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0
Decrease:		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0

Net Change: (will usually result in a total increase or decrease) $ 5,000

Reviewed by Department Manager: ____________ **Date:** 5-17-22

Reviewed by Finance: Ashley Johns CC **Date:** 5/18/22

Approved by CMO: ____________ **Date:** ____________

Approved by City Council: ☐ Yes ☐ No **Date:** ____________

Processed by Finance: ____________ **Date:** ____________

Set ID: ____________ **Date Sent to SA&I:** ____________

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The City of Stillwater OKLAHOMA

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 6, 2022

Agenda Item:	4c. CC-22-100
Issue:	• Stillwater Reformed Presbyterian Church, Inc. owns property addressed as 2915 S Husband Street and is requesting acceptance of an electric utility easement that will allow access the City of Stillwater to construct and maintain utilities. • Electric easement consists of 1,474 square feet (0.0338 acres).
Solution:	• Staff recommends acceptance of the electric utility easement.
Financial Impact/Funding Source(s):	• There is no additional financial impact from the acceptance of this easement.
Strategic Plan Alignment:	#4 Connected Spaces: To develop a strong sense of place by providing opportunities and services, such as transportation, utilities, and parks to best meet the needs of the public.
Recommended Action/Motion:	Motion to accept the electric utility easement at 2915 S Husband Street and authorize the Mayor to execute the document.
Prepared By:	Jacquelyn Porter, City Planner
Reviewed By:	Josh Brown, Project Manager Jeff Mathews, Community Development Director Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager

The City of Stillwater OKLAHOMA

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 6, 2022

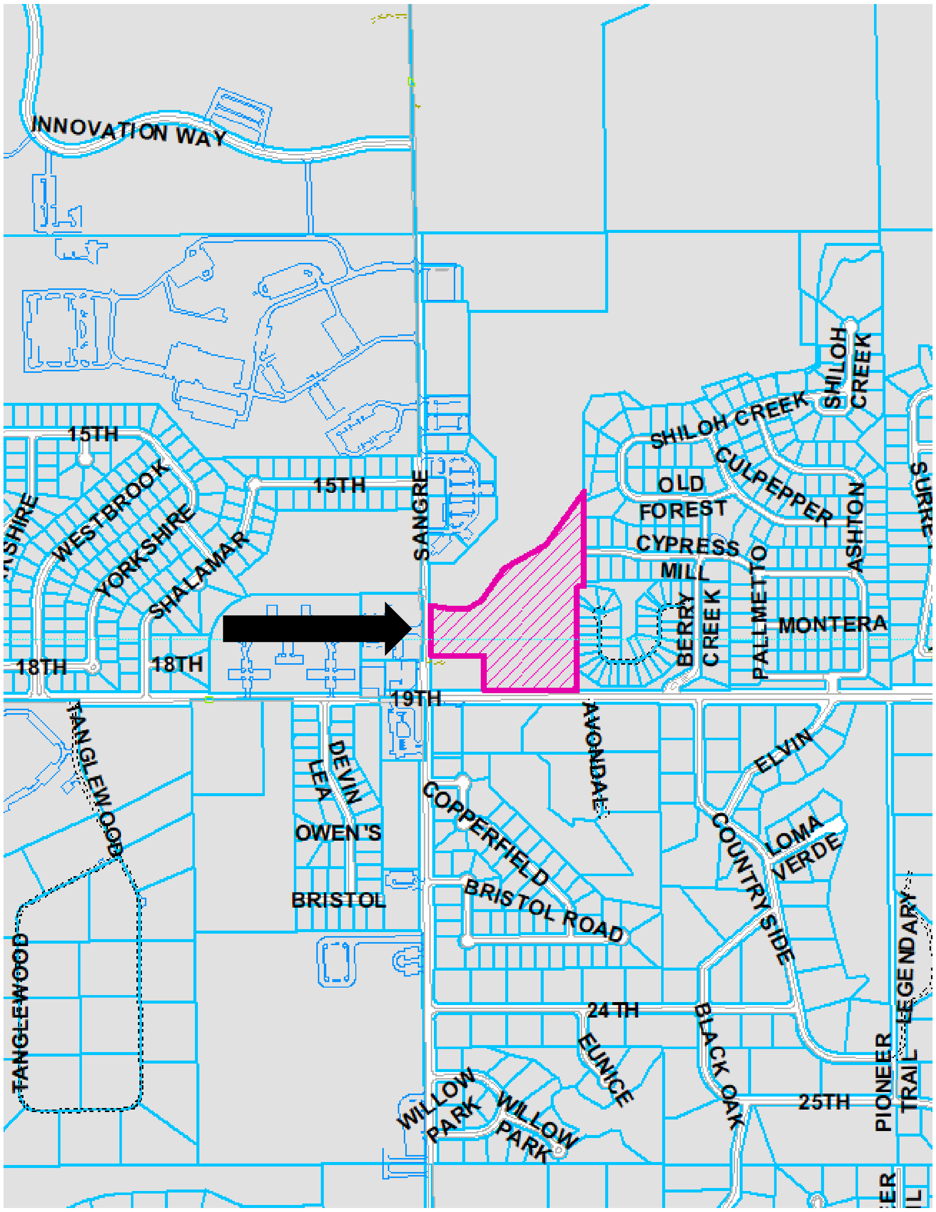
Agenda Item:	4d. CC-22-101
Issue:	• Teen Challenge of Oklahoma, Inc. owns property addressed as 2905 S Husband Street and is requesting acceptance of an electric utility easement that will allow access for the City of Stillwater to construct and maintain utilities. • The easement consists of 104 square feet (0.0024 acres).
Solution:	• Staff recommends acceptance of the electric utility easement.
Financial Impact/Funding Source(s):	• There is no additional financial impact from the acceptance of this easement.
Strategic Plan Alignment:	#4 Connected Spaces: To develop a strong sense of place by providing opportunities and services, such as transportation, utilities, and parks to best meet the needs of the public.
Recommended Action/Motion:	Motion to accept the electric easement at 2905 S Husband Street.
Prepared By:	Jacquelyn Porter, City Planner
Reviewed By:	Josh Brown, Project Manager Jeff Mathews, Community Development Director Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager

The City of Stillwater OKLAHOMA

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 6, 2022

Agenda Item:	4e. CC-22-93
Prior Council Action/Related Items:	May 17, 2022 Planning Commission Report
Background / Issue:	• Gose & Associates requests consideration and approval of a final plat for Berry Creek West. • The proposal is to subdivide property into thirteen single-family residential lots, two out lots, and three commercial lots. • The property is zoned with a PUD from a previous zoning code, which was amended recently to extend the residential area and focus the commercial areas along the Sangre Rd and 19th Avenue. The intended zoning of the PUD are CG, Commercial General and RSS, Small Single-Family Residential. This area is part of a mixed-use region, with many commercial and residential uses in the area. • The property is currently undeveloped with a portion of the subject property located within a floodplain. • Access to the southern portion of the property will be off of 19th Avenue, and the northern portion will have access off Cypress Mill.
Proposal/Solution:	The Planning Commission recommends approval of this Final Plat request with a 3 to 0 vote.
Financial Impact/Funding Source(s):	There are no impacts to the City budget.
Related Strategic Priority:	#4 CONNECTED SPACES: To develop a strong sense of place by providing opportunities and services, such as transportation, utilities, and parks, to best meet the needs of the public. #5 UNIQUE CULTURE: To cultivate partnerships that enhance the spirit of Stillwater with equal access to services and amenities, strong and connected neighborhoods, and a thriving economy.
Recommended Action/Motion:	Motion to accept the Planning Commission's recommendation to approve the Final Plat for Berry Creek West.
Prepared By:	Jacquelyn Porter, City Planner
Reviewed By:	Joshua Brown, Project Manager Jeff Mathews, Community Development Director Patti Osmus, Assistant to the City Manage
Submitted By:	Melissa Reames, Deputy City Manager
Attachment(s):	Area Map



The City of Stillwater OKLAHOMA

Project Type:	Final Plat (SUB22-10)
Request:	Final Plat for the development of 14 residential lots and 2 commercial lots
Address:	3524 W 19th Ave
Applicant:	Mike Loftis c/o Gose & Associates

STILLWATER PLANNING COMMISSION SUMMARY
REGULAR MEETING OF May 17, 2022
IN ACCORDANCE WITH THE OKLAHOMA OPEN MEETING LAW, THE AGENDA WAS POSTED May 13, 2022 IN THE MUNICIPAL BUILDING AT 723 SOUTH LEWIS STREET

MEMBERS PRESENT
Brett Allred, Vice-Chair
Mike Shanahan, Member
Mark Prather, Member

STAFF PRESENT
Jeff Mathews, Community Development Director
Beth Anne Childs, Special Counsel
Jacquelyn Porter, City Planner
Diana Hood, Associate Planner
Joshua Brown, Project Manager
Chelsey Weaver, Administrative Assistant

MEMBERS ABSENT
Jana Phillips, Chair
Stephen Hallgren, Member

1. CALL MEETING TO ORDER.

Vice-Chair Allred calls the meeting to order at 5:30 p.m. and explains the procedures and process for the meeting.

2. CONSENT DOCKET:

   a. Mike Loftis c/o Gose & Associates, **FINAL PLAT (SUB22-10),** requesting review and approval of the final plat for BC West creating 14 residential lots and 2 commercial lots on property currently addressed as 3524 W. 19th Avenue, Stillwater, OK. in the RSS (Residential Single Family Small Lot) and CG
   b. Crafton, Tull & Associates, **FINAL PLAT (SUB22-06)** requesting review and approval of a final plat named Frye Farms, Phase 2 with on property currently addressed as 1998 W. 32nd Avenue, Stillwater, OK. in the Residential Single Family Small Lot (RSS) district.

Vice-Chair Allred asks if there is any discussion or a motion.

Commissioner Shanahan motions to approve the consent docket; Commissioner Prather seconds.

Roll call:	**Phillips**	**Allred**	**Shanahan**	**Prather**	**Hallgren**
	ABSENT	**YES**	**YES**	**YES**	**ABSENT**

Time: 3 minutes

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 6, 2022

Agenda Item:	4f. CC-22-90
Background / Issue:	• The City of Stillwater purchases approximately 280,000 gallons of fuel each year. • 145,000 gallons is unleaded gasoline and 135,000 gallons is diesel fuel. • In 2020, bids were solicited to provide refueling services for City vehicles and equipment. • Specifications listed within the request for bids required that vendors provide at least four convenient refueling locations in different geographic areas of Stillwater along with refueling locations throughout the state of Oklahoma and the surrounding states. • The bid was awarded to OnCue effective July 1, 2020 and included yearly renewal options for three subsequent years.
Proposal/Solution:	• This proposed renewal is the second of three additional one-year terms provided for in the mutual agreement. • The renewal is for a term beginning July 1, 2022 and ending June 30, 2023.
Financial Impact/Funding Source(s):	Funds are budgeted in the FY22-23 budget for each department to make fuel purchases.
Related Strategic Priority:	#1 Effective Services & Accountable Government: To provide effective services and accountable government for all citizens by practicing fiscal responsibility, transparency, and outstanding customer service.
Recommended Action/Motion:	Motion to approve the renewal of the refueling services contract with OnCue Marketing L.L.C. for a one year term effective July 1, 2022 and authorize City Manager to sign the agreement.
Prepared By:	Mark White, Public Works Director
Reviewed By:	Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 6, 2022

Agenda Item:	4g. CC-22-91
Background / Issue:	• In 2021 bids were solicited for a new HAVC maintenance agreement beginning in FY22. • One bid was received from B&L Heating and Air Conditioning in the amount of $57,600. • The current maintenance agreement with B&L Heating and Air Conditioning to service, maintain and repair the heating and air systems in the Municipal and Police Department buildings will expire June 30, 2022. • The original HVAC System Maintenance Agreement included yearly renewal options for three subsequent years.
Proposal/Solution:	• This proposed renewal is the first of three additional one-year terms provided for in the mutual agreement. • The renewal is for a term beginning July 1, 2022 and ending June 30, 2023.
Financial Impact/Funding Source(s):	Funds are budgeted in the FY22-23 budget for a heating and air system maintenance agreement.
Related Strategic Priority:	#1 Effective Services & Accountable Government: To provide effective services and accountable government for all residents by practicing fiscal responsibility, transparency and outstanding customer service.
Recommended Action/Motion:	Motion to approve the renewal of the maintenance agreement with B&L Heating & Air Conditioning, Inc. for a one year period beginning July 1, 2022 and authorize City Manager to sign the agreement.
Prepared By:	Mark White, Public Works Director
Reviewed By:	Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager

The City of Stillwater OKLAHOMA

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 6, 2022

Agenda Item:	4h. CC-22-97
Background / Issue:	• July 6, 2020 bid award to Sandstorm Cleaning for certain City facilities. • Original service agreement was for $148,850 and provided for three additional one-year terms.
Proposal/Solution:	• This proposed renewal is the third of three additional one-year terms provided for in the mutual agreement. • The renewal is for a term beginning July 1, 2022 and ending June 30, 2023.
Financial Impact/Funding Source(s):	• Funds are budgeted in the FY22-23 budget.
Related Strategic Priority:	#1 Effective Services & Accountable Government: To provide effective services and accountable government for all residents by practicing fiscal responsibility, transparency and outstanding customer service.
Recommended Action/Motion:	Motion to approve the renewal of the service agreement with Sandstorm Cleaning for a one year period beginning July 1, 2022 and authorize City Manager to sign the agreement.
Prepared By:	Mark White, Public Works Director
Reviewed By:	Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 6, 2022

Agenda Item:	4i. CC-22-98
Prior Council Action/Related Items:	McElroy/Lewis/Redbud Interceptor Project: SUA-15-31; SUA 20-01
Issue:	• This project provides for design and construction of 2,600 linear feet of undersized sewer interceptor along Lewis Street and McElroy Road. • The project will eliminate sewer overflows and provide adequate capacity for future growth. • The new sewer line requires additional easement area from eleven land owners.
Solution:	• Staff has completed land owner negotiations for the below easements required for the project. ✓ Powell Family Trust 124 E. Randolph Court Temporary Construction Easements - Parcels 10.1, 10.2, 10.3 ✓ Hosanna Assembly of God 418 E. McElroy Permanent Sewer Line Easement - Parcel 1 Temporary Construction Easement - Parcel 1.1 ✓ 109 Boomer Creek, LLC 320 E. McElroy Permanent Sewer Line Easement - Parcel 2 Temporary Construction Easement - Parcel 2.1 ✓ Ken and Nelda Helt Trust 121 E. Redbud Drive Temporary Construction Easement - Parcel 13.1 • Acceptance of easements is routine and there are no practical alternatives.

Financial impact/funding source(s):	Funding for easement acquisition for this project was authorized at the January 20, 2020 SUA meeting.
Strategic Plan Alignment:	#4 Connected Spaces: To develop a strong sense of place by providing opportunities and services, such as transportation, utilities, and parks to best serve the needs of the public.
Recommended Action/Motion:	Motion to accept the permanent sewer easements and temporary construction easements required for the Redbud Sewer Project located at 124 E. Randolph Court, 418 E. McElroy, 320 E. McElroy and 121 E. Redbud Drive, and authorize the Mayor to execute the easement documents.
Prepared By:	David Barth, Capital Project Manager, City Engineering
Reviewed By:	Andy Doerflinger, Deputy Director Projects and Construction Monty Karns, Director of Engineering Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 6, 2022

Agenda Item:	4j. CC-22-99
Prior Council Action/Related Items:	[April 4, 2022 CC Meeting - St. John's Easement Dedications]
Background / Issue:	• St. John University Parish requests acceptance of a sanitary sewer line and stormwater sewer line at 201 N Knoblock. The infrastructure serves the new St. John University Parish near OSU campus.
Proposal/Solution:	• City Code states that upon completion of public infrastructure improvements that have been constructed in accordance with the City's regulations, the improvements shall be dedicated to the City. • Acceptance of such improvements requires Council action. • Acceptance of easements is routine and there are no practical alternatives. • The improvements for this development consist of: ✓ Sanitary sewer line contains 313 lineal feet of 8-inch line. ✓ Stormwater sewer line contains 456 lineal feet of 27"x42" storm pipe.
Financial Impact/Funding Source(s):	There are no additional financial impacts from the acceptance of these improvements.
Related Strategic Priority:	#5 Unique Culture: To cultivate partnerships that enhance the spirit of Stillwater with equal access to services and amenities, strong and connected neighborhoods, and a thriving economy.
Recommended Action/Motion:	Motion to accept the sanitary sewer and stormwater sewer lines at 201 N. Knoblock.
Prepared By:	Josh Brown, Project Manager
Reviewed By:	Jeff Mathews, Community Development Director Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager

REPORT TO: CITY COUNCIL

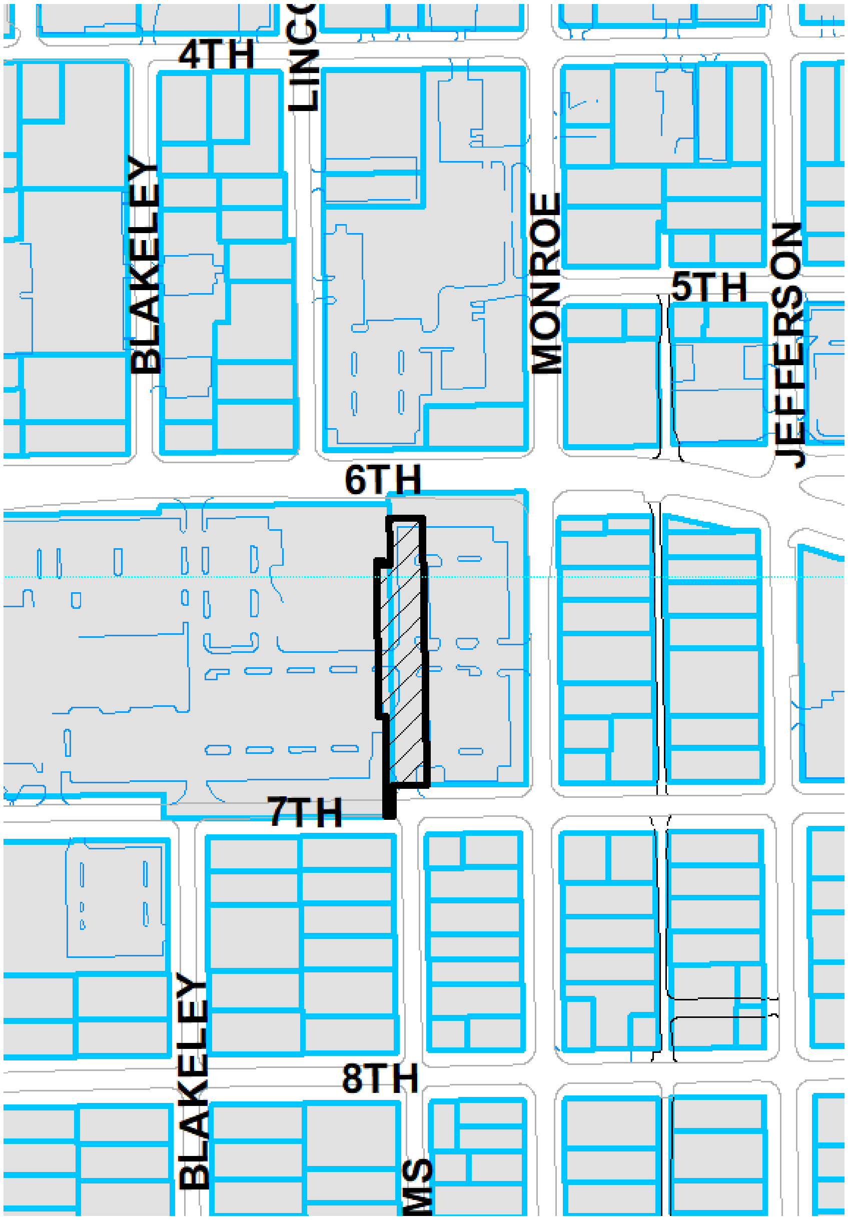
MEETING DATE: JUNE 6, 2022

Agenda Item:	4k. CC-22-104
Prior Council Action/Related Items:	CC-21-141
Issue:	• As part an overall effort to centralize purchasing for services and supplies used City wide, staff solicited bids last fiscal year for electrical maintenance and repair services for City owned facilities. • Council awarded the contract to Marshall Electric of Stillwater on July 19, 2021. • The contract sets an hourly rate for an electrical contractor including emergency and after hours work. • This service is used only for maintenance and repairs and not for capital projects or installation of new equipment. • The contract can be renewed for up to three additional years. • The contractor has agreed to renew. This renewal is the first of the three provided for in the contract.
Solution:	• Renew the contract with Marshall Electric for maintenance and repairs to City facilities.
Financial Impact/Funding Source(s):	• Funding for this type of service is included in the budget and no additional allocations are needed.
Strategic Plan Alignment:	#1 Effective Services and Accountable Government: To provide effective services and accountable government by practicing fiscal responsibility, transparency and outstanding customer service.
Recommended Action/Motion:	Motion to renew the contract with Marshall Electric for maintenance and repairs to City facilities for a one year period beginning July 1, 2022 and authorize City Manager to sign the contract.
Prepared By:	John McClenny, Procurement Manager
Reviewed By:	Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager

REPORT TO: CITY COUNCIL

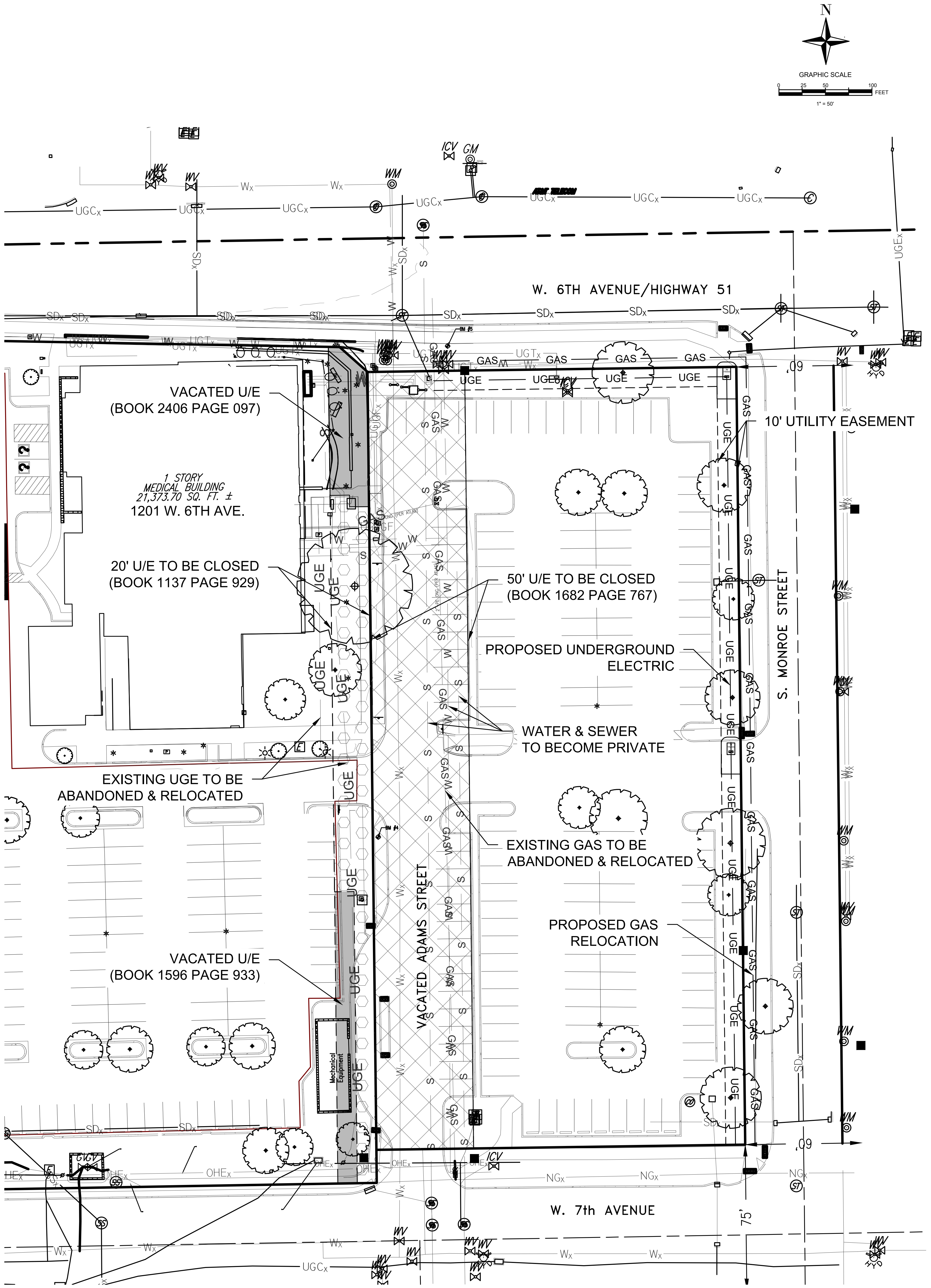
MEETING DATE: JUNE 6, 2022

Agenda Item:	7a. CC-22-102
Prior Council Action/Related Items:	Memo to set Public Hearing
Background / Issue:	• Gose & Associates c/o Stillwater Medical Center/Steven Gulick requests the closure of a utility easement for property located at 1201 W. 6th Ave. • The easement is approximately 26,185 square feet or .60 acres in size and is located directly to the east of the Cancer Center, which is part of the Stillwater Medical Center Main Campus. • Closing this easement will allow for future development in this area.
Proposal/Solution:	• The utilities (gas, water, sewer and electric) that are currently in the easement will be relocated to the east of the property along S Monroe Street.
Financial Impact/Funding Source(s):	• There is no known impact to the City budget.
Related Strategic Priority:	#4 Connected Spaces: To develop a strong sense of place that recognizes the interconnectedness of people, buildings and public systems (such as transportation, utilities and parks) that best serve the needs of the public.
Recommended Action/Motion:	Motion to close the utility easement for property located at 1201 W. 6th Avenue.
Prepared By:	Jacquelyn Porter, City Planner
Reviewed By:	Joshua Brown, Project Manager Jeff Mathews, Community Development Director Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager
Attachment(s):	Area Map Survey Closure Exhibit



The City of Stillwater® OKLAHOMA

Project Type: Closing (CL22-01)
Request: close the existing utility easement for future development
Address: Part of 1201 W 6th Ave
Applicant: Gose & Associates c/o Stillwater Medical Center – Cancer Center



EASEMENT CLOSURE & UTILITY RELOCATION

STILLWATER CANCER CENTER
1201 WEST 6TH AVENUE

SCALE: 1" = 50'

DATE: 02/25/2022

JOB NO: 237-56

Gose & Associates
ENGINEERING • PLANNING • LAND SERVICES
113 E. 8th Avenue Stillwater, OK 74074 PH (405) 743-4907 CA 1640
www.gose-associates.com

F:\00Gose\237-56\CADD\Exhibits\EasementClosure.dwg DIMENSIONAL CONTROL PLAN 3/3/2022 4:27 PM KATIE PURDY

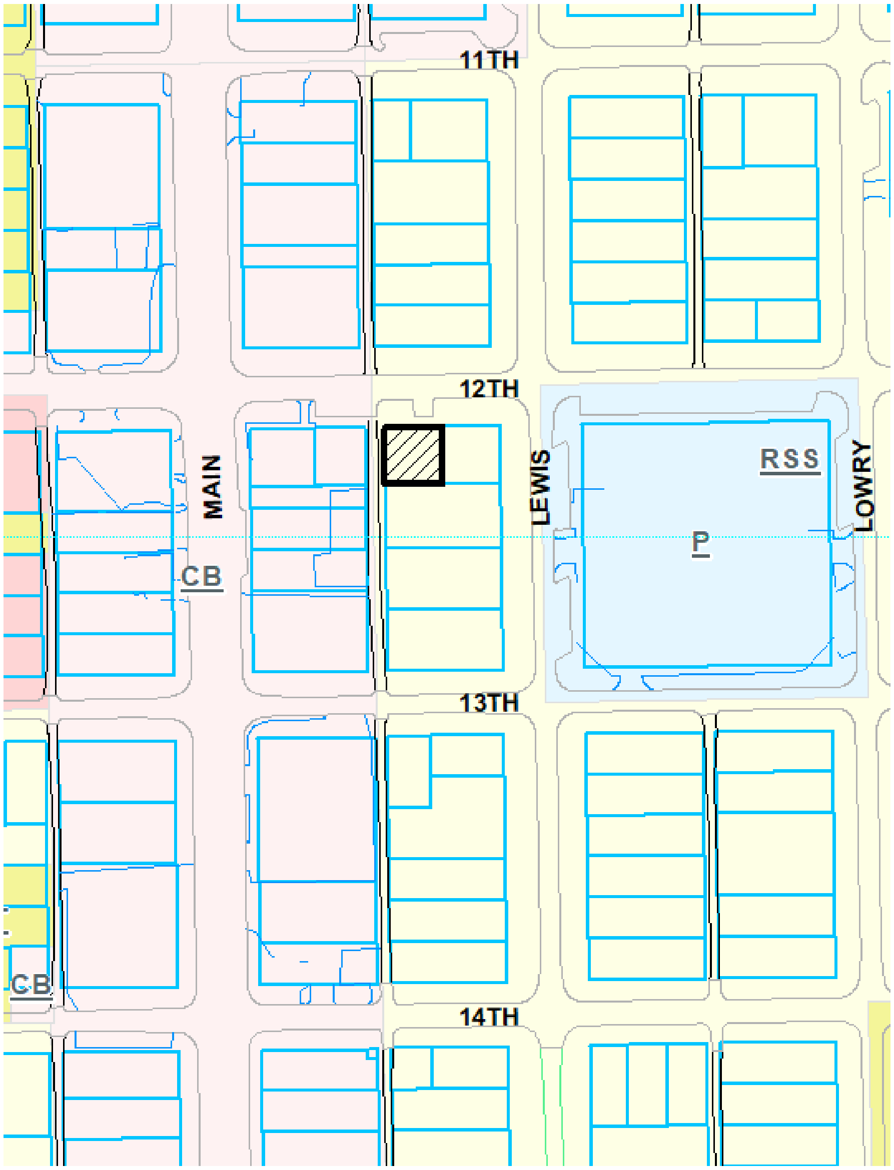
CALL OKIE

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 6, 2022

Agenda Item:	7b. CC-22-94
Prior Council Action/Related Items:	May 17, 2022 Planning Commission Report
Background / Issue:	• The applicant requests review and approval of a Map Amendment to rezone the property addressed at 115 E. 12th Avenue from Small Lot Single-Family Residential (RSS) to Commercial Business (CB). • The subject property is located on the south side of Stillwater located near the intersection of East 12th Avenue and Lewis Street. The stated use is for commercial retail, which is permitted by right in the CB district.
Proposal/Solution:	• The Future Land Use Map within the Comprehensive Plan indicates that the desired land use within this part of the community is Low Density Residential to the east and south with commercial to the west and north of the subject property. • The subject site is currently zoned as Small Lot Single-Family Residential (RSS). • Residential zoning and uses surround the subject property except to the west with Commercial Business. • Planning Commission recommended approval with a 3-0 vote.
Financial Impact/Funding Source(s):	None
Related Strategic Priority:	#4 Connected Spaces: To develop a strong sense of place by providing opportunities and services, such as transportation, utilities, and parks to best meet the needs of the public. #5 Unique Culture: To cultivate partnerships that enhance the spirit of Stillwater with equal access to services and amenities, strong and connected neighborhoods, and a thriving economy.

Alternatives:	• Accept the recommendation of the Planning Commission. • Reject the recommendation of the Planning Commission and deny the application. • Table to a specific date if additional discussion is warranted. • Remand the item back to the Planning Commission for further consideration.
Recommended Action/Motion:	Motion to accept the Planning Commission recommendation and approve the Map Amendment for the property located at 115 E. 12th Avenue.
Prepared By:	Jacquelyn Porter, City Planner
Reviewed By:	Joshua Brown, Project Manager Jeff Mathews, Community Development Director Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager
Attachment(s):	Area Map Zoning Comparison Table Planning Commission minutes



The City of Stillwater OKLAHOMA

Project Type: Map Amendment (MA22-05)
Request: To rezone from RSS to CB
Address: 115 E 12th Ave
Applicant: Cory Williams

The City of Stillwater OKLAHOMA

STILL PIONEERING

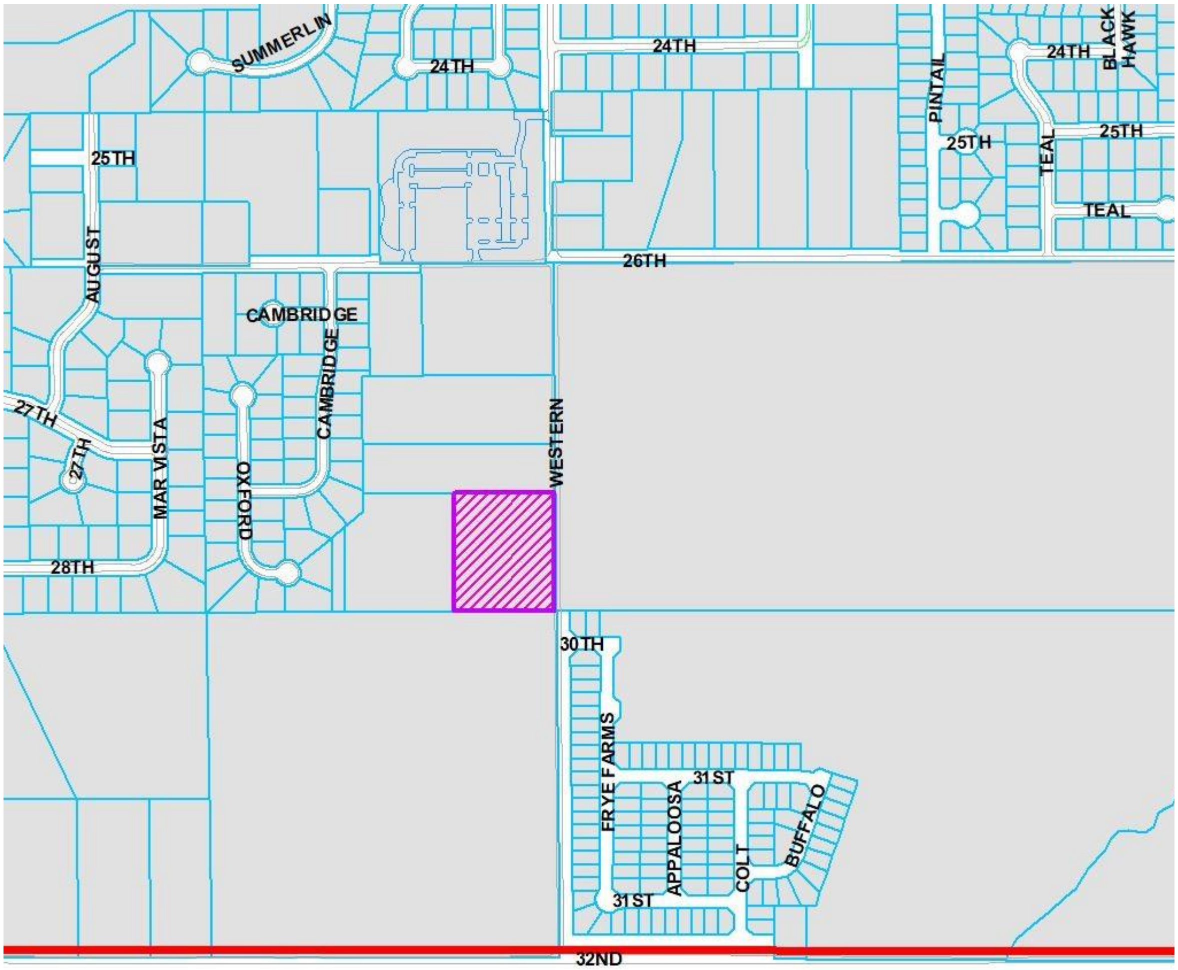
ZONING COMPARISON CHART		
	RSS (Residential Single Family Small Lot)	**CB (Commercial Business)**
Lot Size	5000 square feet	No min requirements
Min Lot Width/Depth	50/100 feet	No min requirements
Max Structure Height	35 feet	No min requirements
Min Front Yard	20 feet/10 feet from alley	No min requirements
Corner lot optional setback	Front: 20 feet Street Side: 15 feet	N/A
Min Side Yard - boundary with:		
Residential district	5 feet	20 feet
Commercial district	15 feet	No min requirements
Industrial district	15 feet	No min requirements
Min Rear Yard - boundary with:		
Residential district	20 feet	25 feet
Any other district	20 feet	No min requirements
Lot Coverage	No max limit	100 percent
Landscaping/Screening (earth berms, shrubs, fences, decorative man-made materials, trees)	No requirements	Required when abutting RSS, RSL, RMH, RT or RM; 70% opaque up to 3-feet tall and 40% opaque up to 5-feet tall; 1+ story structure requires 6-foot high landscape buffer when adjacent to residential district
Permitted Uses by Right (Uses in *italic* are allowed in both zoning districts)	• Conventional single-family • Residential design manufactured homes	• Arts and Entertainment • Bed and Breakfast, Hotel, Motel • Beverage Services • Boarding houses/Rooming houses • Educational Services • Financial Institutions and Services • Food Services • Free-Standing Self Service Facilities • Mixed Use • Multi-family • Parking Lots/Garages • Personal and Laundry Services • Professional and Administrative Office and Services • Public Administration and Service • Recreation • Retail Trade • Townhome • Unit (condominium) Ownership

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 06, 2022

Agenda Item:	7c. CC-22-96
Prior Council Action/Related Items:	May 3, 2022 Planning Commission Report
Background / Issue:	• The applicant requests review and approval of a Map Amendment to rezone a portion of the property addressed at 2810 S. Western Road from Small Lot Single-Family Residential (RSS) to Commercial General (CG). • The subject property is located on the south side of Stillwater across Western Road from the new Park Valley subdivision. The proposed CG, “Commercial General” zoning is the most permissive commercial zoning district. • Similar Small Lot Single-Family Residential (RSS) zoning is located to the east across Western and to the west and north of the proposed portion of land, and Agriculture (A) is located to the south.
Proposal/Solution:	• The Future Land Use Map within the Comprehensive Plan indicates that the desired land use within this part of the community is Low Density Residential. Commercial area is forecast to be located at the corner of Western and 32nd Avenue, which is roughly a 725 feet south of the proposed map amendment location. • The subject site is currently zoned as Small Lot Single-Family Residential (RSS). • Residential zoning and uses exist to the north, east, and west with Agriculture zoning to the south of the site. • Planning Commission recommended approval with a 5-0 vote.
Financial Impact/Funding Source(s):	None
Related Strategic Priority:	#4 Connected Spaces: To develop a strong sense of place by providing opportunities and services, such as transportation, utilities, and parks to best meet the needs of the public.
Alternatives:	• Accept the recommendation of the Planning Commission. • Reject the recommendation of the Planning Commission and deny the application.

	• Table to a specific date if additional discussion is warranted. • Remand the item back to the Planning Commission for further consideration.
Recommended Action/Motion:	Motion to accept the Planning Commission recommendation and approve the Map Amendment for a portion of the property located at 2810 S. Western Road.
Prepared By:	Jacquelyn Porter, City Planner
Reviewed By:	Joshua Brown, Project Manager Jeff Mathews, Community Development Director Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager
Attachment(s):	Area Map Zoning Comparison Table Planning Commission Minutes



The City of Stillwater OKLAHOMA

Project Type: Map Amendment (MA22-03)
Request: To rezone from RSS to CG
Address: Part of 2810 S Western Rd
Applicant: Hill Family Trust c/o Jimmy Hill

The City of Stillwater OKLAHOMA
STILL PIONEERING

ZONING COMPARISON CHART		
	RSS (Residential Single Family Small Lot)	**CG (Commercial General)**
Lot Size	5000 square feet	No min requirements
Min Lot Width/Depth	50/100 feet	No min requirements
Max Structure Height	35 feet	No min requirements
Min Front Yard	20 feet/10 feet from alley	25 feet/10 feet from alley
Corner lot optional setback	Front: 20 feet Street Side: 15 feet	N/A
Min Side Yard - boundary with:		
Residential district	5 feet	20 feet
Commercial district	15 feet	No min requirements
Industrial district	15 feet	No min requirements
Min Rear Yard - boundary with:		
Residential district	20 feet	20 feet
Any other district	20 feet	No min requirements
Lot Coverage	No max limit	50 percent
Landscaping/Screening (earth berms, shrubs, fences, decorative man-made materials, trees)	No requirements	Required when abutting RSS, RSL, RMH, RT or RM; 70% opaque up to 3-feet tall and 40% opaque up to 5-feet tall
Permitted Uses by Right (Uses in *italic* are allowed in both zoning districts)	• Conventional single-family • Residential design manufactured homes	• Arts and Entertainment • Bed and Breakfast, Hotel, Motel • Beverage Services • Churches and Religious Institutions • Financial Institutions and Services • Food Services • Free-Standing Self Service Facilities • Health Care and Social Assistance • Information • Parking Lots/Garages • Personal and Laundry Services • Professional and Administrative Office and Services • Recreation • Research and Development • Retail Trade • Transportation Activities • Utilities • Vehicle and Equipment Sales and service • Wholesale Trade

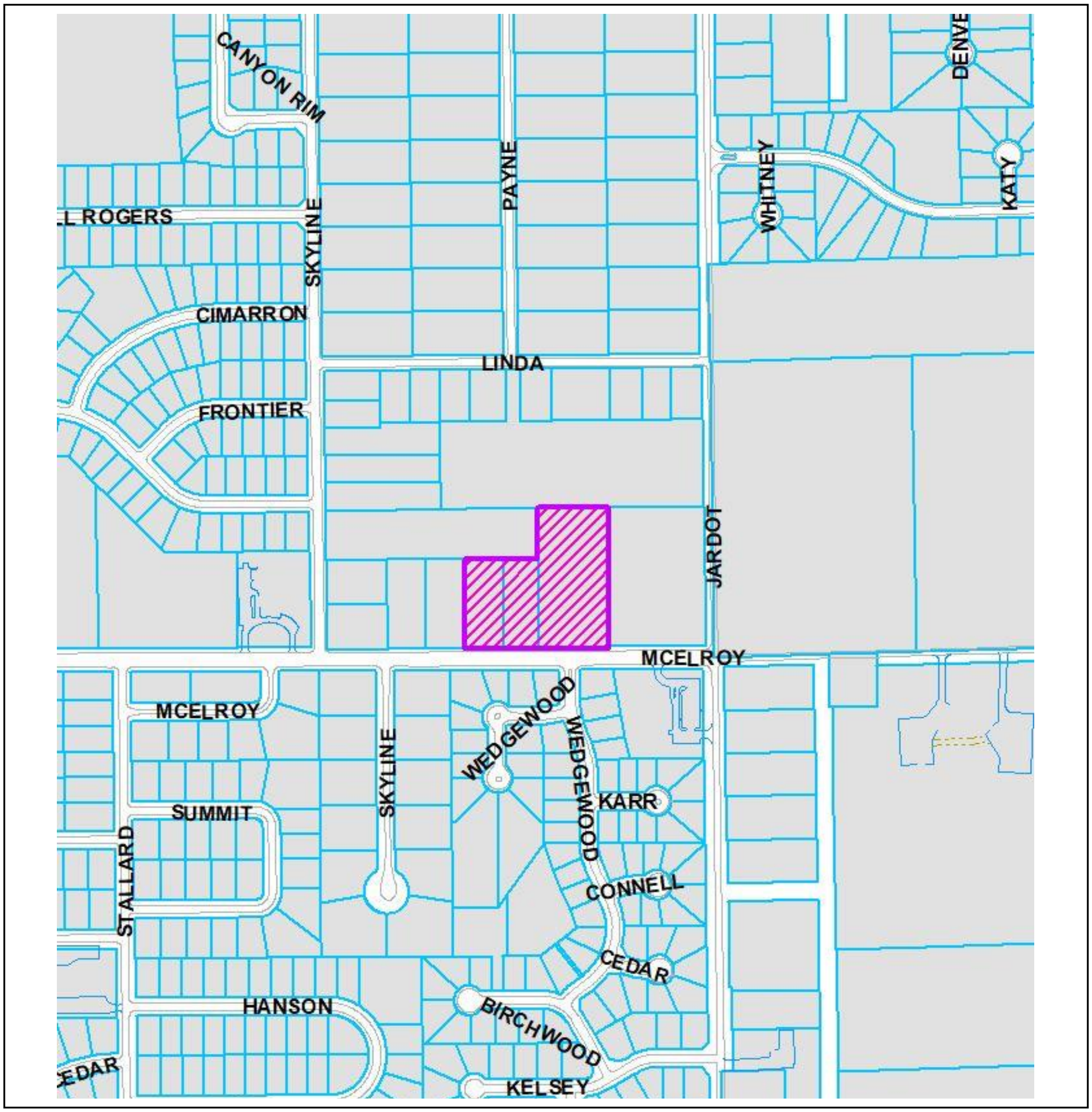
The City of Stillwater OKLAHOMA

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 06, 2022

Agenda Item:	7d. CC-22-95
Prior Council Action/Related Items:	May 3, 2022 Planning Commission Report
Background / Issue:	• The applicant requests review and approval of a Map Amendment to rezone the properties addressed at 1924, 1930, & 2002 E. McElroy Road from Large Lot Single-Family Residential (RLS) to Small Lot Single-Family Residential (RSS). • The subject properties are located on the east side of Stillwater near the northwest corner of McElroy Road and Jardot Road. 1924 and 2002 E. McElroy both have residential structures present while 1930 is undeveloped. • Similar Small Lot Single-Family Residential (RSS) zoning is located to the south across McElroy, Commercial Shopping (CS) is to the east, and Large Lot Single-Family Residential (RSL) is located to the north and west.
Proposal/Solution:	• The Future Land Use Map within the Comprehensive Plan indicates that the desired land use within this part of the community is Commercial along the north side of E. McElroy Road. While Commercial is a change in forecasted use, the zoning to allow an increase in residential density could be appropriate as the existing and proposed land uses are similar. Additionally, commercially zoned land exists at the intersection of N Jardot and E McElroy Road. • The subject site is currently zoned as Large Lot Single-Family Residential (RSL). • Residential zoning exist to the north, south, and west with Commercial zoning to the east of the site. • Planning Commission recommended approval with a 5-0 vote.
Financial Impact/Funding Source(s):	None
Related Strategic Priority:	#4 Connected Spaces: To develop a strong sense of place by providing opportunities and services such as transportation, utilities, and parks to best meet the needs of the public.

	#5 Unique Culture: To cultivate partnerships that enhance the spirit of Stillwater with equal access to services and amenities, strong and connected neighborhoods, and a thriving economy.
Alternatives:	• Accept the recommendation of the Planning Commission. • Reject the recommendation of the Planning Commission and deny the application. • Table to a specific date if additional discussion is warranted. • Remand the item back to the Planning Commission for further consideration.
Recommended Action/Motion:	Motion to accept the Planning Commission recommendation and approve the Map Amendment for the properties located at 1924, 1930, & 2002 E. McElroy Road.
Prepared By:	Jacquelyn Porter, City Planner
Reviewed By:	Joshua Brown, Project Manager Jeff Mathews, Community Development Director Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager
Attachment(s):	Area Map Zoning Comparison Table Planning Commission Minutes



The City of Stillwater OKLAHOMA

Project Type: Map Amendment (MA22-04)
Request: To rezone from RSL to RSS
Address: 1924, 1930 and 2002 E. McElroy Road
Applicant: Thana and Safealdean Alusi

The City of Stillwater OKLAHOMA

STILL PIONEERING

ZONING COMPARISON CHART		
	RSL (Residential Single Family Large Lot)	**RSS (Residential Single Family Small Lot)**
Min Lot Size	10,000 square feet	5,000 square feet
Min Lot Width/Depth	75/125 feet	50/100 feet
Max Structure Height	35 feet	35 feet
Min Front Yard	20 feet/10 feet from alley	20 feet/10 feet from alley
Corner lot optional setback	N/A	Front: 20 feet Street Side: 15 feet
Min Side Yard - boundary with:		
Residential district	10 feet	5 feet
Commercial district	20 feet	15 feet
Industrial district	20 feet	15 feet
Min Rear Yard - boundary with:		
Residential district	25 feet	20 feet
Any other district	25 feet	20 feet
Max Lot Coverage	35 percent	No max limit
Landscaping/Screening (earth berms, shrubs, fences, decorative man-made materials, trees)	No requirements	No requirements
Permitted Uses by Right (Uses in *italic* are allowed in both zoning districts)	• *Conventional single-family* • *Residential design manufactured home*	• *Conventional single-family* • *Residential design manufactured home*

The City of Stillwater OKLAHOMA

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 6, 2022

Agenda Item:	8a. CC-22-107
Issue:	• AT&T is requesting a lease on City property to install a 120 foot monopole cell phone tower and associated equipment. • The leased request is for 2,500 square feet on an existing City property along Manning Street (see attached map). • This site is designed to provide capacity relief to neighboring cell sites that are overloaded. It will improve throughputs, increase signal level, and reduce call drops in the area. • The pole will be 5G and will be equipped with FirstNet, a nationwide wireless platform dedicated to America's public safety community, which, in times of emergency, allows first responders priority on the network. • The lease begins with an option term for permitting and site investigation. • Permitting of the tower requires a specific use permit, which will come back to Council as part of a public process. • Staff is aware of some neighborhood opposition to the proposed cell tower.
Solution:	• Consider authorizing lease of property to AT&T.
Financial Impact/Funding Source(s):	• Should the site prove suitable, the lease will generate rental income to the City.
Strategic Plan Alignment:	#4 Connected Spaces: To develop a strong sense of place by providing opportunities and services, such as transportation, utilities, and parks to best meet the needs of the public.
Recommended Action/Motion:	Motion to authorize City Manager to negotiate a lease with AT&T for lease of property along Manning Street for installation of a monopole cell phone tower and associated equipment.
Prepared By:	John McClenny, Special Projects
Reviewed By:	Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager
Attachments:	Area Map


Skyline Elementary
E Sunrise Ave
E Sunrise Ave
E Sunrise Ave
N Grandview St
Lease Location
Existing Cell
Tower
Redbud Dr
N Canyon Rim Dr
N Skyline St
Clary Bobby L
N Canyon Dr
E Will Rogers Dr
E Will Rogers Dr
E Will Rogers Dr
Duncan S
Google Earth

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 6, 2022

Agenda Item:	8b. CC-22-105
Issue:	• Bids were solicited for landscape maintenance of 21 City owned locations including buildings, downtown, traffic islands, and rights of way. • This is an annual bid that has been in place for the past several years to provide upgraded landscape maintenance for highly visible areas, and to reduce the landscape maintenance load on Public Works employees, allowing a focus on higher priority issues.
Solution:	• Bids were solicited for a new maintenance agreement for FY23. • The bid was advertised in the Newspress, on the City's website, and three potential bidders were notified of the bid. • One bid was received from the current landscape maintenance vendor, Cross Timbers Landscape, LLC.
Financial Impact/Funding Source(s):	• Adequate funds are budgeted in the FY23 budget for Landscape Maintenance. •
Strategic Plan Alignment:	#1 Effective Services & Accountable Government: To provide effective services and accountable government by practicing fiscal responsibility, transparency, and outstanding customer service.
Recommended Action/Motion:	Motion to award the bid for landscape maintenance to Cross Timbers Landscape, LLC in the amount of $96,887.
Prepared By:	Mark White, Public Works Director
Reviewed By:	Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 6, 2022

Agenda Item:	8c. CC-22-106
Background / Issue:	• Stillwater Regional Airport is a wholesaler of aviation fuel, which is purchased and resold by the Stillwater Flight Center, Inc., SRA's sole fixed based operator. • We are continuing to see a record number of aircraft operations, which drive fuel sales combined with a continued surge in fuel prices. • At this time, we are projecting to need another $200k in the Aviation Fuel Expenditure Account to sustain the remaining fiscal year.
Proposal/Solution:	• Budget amendments have been prepared for the following adjustments: ✓ Increase the Aviation Gas for Resale Revenue account $200k ✓ Increase the Aviation Gas for Resale Expenditure Account (used for purchasing) $200k
Financial Impact/Funding Source(s):	• No additional City or outside funds are required to fulfill this need.
Related Strategic Priority:	#1 Effective Services & Accountable Government: To provide effective services and accountable government by practicing fiscal responsibility, transparency, and outstanding customer service.
Recommended Action/Motion:	Motion to approve budget amendments increasing the Aviation Gas for Resale Revenue and Fuel Purchases Expenditure accounts by $200k for the purchase of fuel for Stillwater Regional Airport.
Prepared By:	Foster Becquet, Deputy Airport Director
Reviewed By:	Paul Priegel, Airport Director Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager
Attachment(s):	Budget Amendments

The City of Stillwater OKLAHOMA

Budget Amendment Request

For Budget Year 2022

Department of Finance
723 S. Lewis Street/P.O. Box 1449
Stillwater, OK 74076-1449

Office: 405.372.0025
Web: stillwater.org

Date: 06/01/2022

Department: Airport

Requested by: Paul Priegel OC-22-106

Explanation:

Revenue:
Increase revenue projection to the Aviation Gas for Resale revenue accounts.

	Account Name	Account Number (xxxxxxx-xxxxx)	Project Number	Current Budget Amount	Amount of Change	New Budget Amount
Increase:	Airport maint/Fuel Sales	8107040 - 44510		$ 1,800,000	$ 200,000	$ 2,000,000
		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0
Decrease:		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0

Net Change: (will usually result in a total increase or decrease) $ 200,000

Reviewed by Department Manager: ________ **Date:** 06/01/2022

Reviewed by Finance: Shelly Johns CC **Date:** 6/1/2022

Approved by CMO: ________ **Date:** ________

Approved by City Council: ☐ Yes ☐ No **Date:** ________

Processed by Finance: ________ **Date:** ________

Set ID: ________ **Date Sent to SA&I:** ________

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The City of Stillwater OKLAHOMA

Budget Amendment Request

For Budget Year 2022

Department of Finance
723 S. Lewis Street/P.O. Box 1449
Stillwater, OK 74076-1449

Office: 405.372.0025
Web: stillwater.org

Date: 06/01/2022

Department: Airport **Requested by:** Paul Priegel CC-22-104

Explanation:

Expenditures:
Appropriate funds for the Aviation fuel account.

	Account Name	Account Number (xxxxxxx-xxxxx)	Project Number	Current Budget Amount	Amount of Change	New Budget Amount
Increase:	Airport Cust service/Aviation Fuel	8107013 - 52079		$ 1,800,000	$ 200,000	$ 2,000,000
		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0
Decrease:		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0

Net Change: (will usually result in a total increase or decrease) $ 200,000

Reviewed by Department Manager: **Date:** 06/01/2022

Reviewed by Finance: CC **Date:** 6/1/2022

Approved by CMO: **Date:**

Approved by City Council: ☐ Yes ☐ No **Date:**

Processed by Finance: **Date:**

Set ID: **Date Sent to SA&I:**

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The City of Stillwater OKLAHOMA

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 6, 2022

Agenda Item:	8d. CC-22-103
Prior Council Action/Related Items:	SUA-20-31 CC-20-129 SUA-21-14
Issue:	• September 14, 2020, SUA Trustees authorized the General Manager to execute a professional services agreement (PSA) with Kimley Horn & Associates (K&H) to design the College Gardens Project. • This project included improvements to water and sewer lines in the area generally bound by University, Admiral and Western Avenues and University Circle. • During planning for FY 20 Pavement Management Program, Monticello Drive was included for reconstruction. K&H was asked to expedite the water and sewer plans along Monticello while City Engineering Staff designed the pavement replacement. • The water and sewer plan sheets are complete but due to staffing issues, City staff have been unable to complete the roadway and drainage design on Monticello.
Solution:	• Staff has negotiated Contract Amendment No. 2 (A2) with K&H for the final design, bidding, and construction phase services for new roadway and drainage design.
Financial Impact/Funding Source(s):	• There is no financial impact. There are sufficient funds in the Monticello Reconstruction Project contingency. • The purchase order for the project will be written against the FY 20 Pavement Management appropriated funds, which insures the cost of the amendment will be kept separate from the water fund account.
Strategic Plan Alignment:	#4 Connected Spaces: To develop a strong sense of place by providing opportunities and services, such as transportation, utilities, and parks to best meet the needs of the public.

Recommended Action/Motion:	Motion to approve Contract Amendment No. 2 to the professional services agreement with Kimley Horn to add final design, bidding, and construction phase services for new roadway and drainage design of Monticello Drive and total expenditures not to exceed $89,210 as part of the College Gardens water and sewer project.
Prepared By:	Andrew Doerflinger, Deputy Director of Projects and Construction
Reviewed By:	Monty Karns, Director of City Engineering Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager

The City of Stillwater OKLAHOMA

REPORT TO: CITY COUNCIL

MEETING DATE: JUNE 6, 2022

Agenda Item:	8e. CC-22-108
Issue:	• Additional funds are needed in the health insurance account due to expenditures from the health account, several large claims, and an overall increase over forecasted claim expenditures. • The funds shown on attached budget amendments are expected to cover expenditures through June 30.
Solution:	• Approve budget amendments as described above.
Financial Impact/Funding Source(s):	• An additional $1,000,000 is needed through June 30, 2022. • Funding utilizes reallocations from personnel budgets due to vacancies.
Strategic Plan Alignment:	#1 Effective Services & Accountable Government: To provide effective services and accountable government for all residents by practicing fiscal responsibility, transparency and outstanding customer service.
Recommended Action/Motion:	Motion to approve the budget amendments appropriating $1,000,000 for health insurance expenditures and a transfer-in of $1,000,000 to the Self-Insurance Fund from the General Fund and SUA funds.
Prepared By:	Christy Driskel, HR Director
Reviewed By:	Christy Cluck, Finance Director Patti Osmus, Assistant to the City Manager
Submitted By:	Melissa Reames, Deputy City Manager
Attachment(s):	Budget Amendments

The City of Stillwater OKLAHOMA

Budget Amendment Request

For Budget Year 2022

Department of Finance
723 S. Lewis Street/P.O. Box 1449
Stillwater, OK 74076-1449

Office: 405.372.0025
Web: stillwater.org

Date: 05/26/2022

Department: Human Resources

Requested by: Christy Driskel CC-22-108

Explanation:

Revenue:
Increase transfers-in from other funds to offset increase in health insurance expenditures.

	Account Name	Account Number (xxxxxxx-xxxxx)	Project Number	Current Budget Amount	Amount of Change	New Budget Amount
Increase:	Transfer In	5000000 - 61000		$ 8,709,929	$ 1,000,000	$ 9,709,929
		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0
Decrease:		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0

Net Change: (will usually result in a total increase or decrease) $ 1,000,000

Reviewed by Department Manager: Christy Driskel **Date:** 5/26/22

Reviewed by Finance: Christy Clark **Date:** 5-26-22

Approved by CMO: ______ **Date:** ______

Approved by City Council: ☐ Yes ☐ No **Date:** ______

Processed by Finance: ______ **Date:** ______

Set ID: ______ **Date Sent to SA&I:** ______

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The City of Stillwater OKLAHOMA

Budget Amendment Request

For Budget Year 2022

Department of Finance
723 S. Lewis Street/P.O. Box 1449
Stillwater, OK 74076-1449

Office: 405.372.0025
Web: stillwater.org

Date: 05/26/2022

Department: Human Resources

Requested by: Christy Driskel

CC-22-108

Explanation:

Expenditures:
Appropriate additional funds for Health Insurance expenditures.

	Account Name	Account Number (xxxxxxx-xxxxx)	Project Number	Current Budget Amount	Amount of Change	New Budget Amount
Increase:	Health Insurance	5001410 - 51023		$ 7,350,000	$ 1,000,000	$ 8,350,000
		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0
Decrease:		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0
		-				$ 0

Net Change: (will usually result in a total increase or decrease) $ 1,000,000

Reviewed by Department Manager: Christy Driskel **Date:** 5/26/22

Reviewed by Finance: Christy Church **Date:** 5-26-22

Approved by CMO: ______ **Date:** ______

Approved by City Council: ☐ Yes ☐ No **Date:** ______

Processed by Finance: ______ **Date:** ______

Set ID: ______ **Date Sent to SA&I:** ______

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The City of Stillwater OKLAHOMA

City of Stillwater
Budget Revision #1398

CC-22-108 ✓

Date: 5/26/2022 **Budget Year:** 2022 **Requested:** Christy Cluck

Department: City Managers Office

Explanation: To increase transfers to self-insurance fund to cover increases in health insurance claims.

*contingency balances were derived from excess payroll budget due to position vacancies.

SetID:

Increase:

Account Name	Account Number	Project Number	Current Budget	Amount of Change	New Budget
Transfers Out	1010000-71000		$23,752,634	$350,000	$24,102,634
Transfers Out	9000000-71000		$22,179,313	$440,000	$22,619,313
Transfers Out	9120000-71000		$10,716,620	$100,000	$10,816,620
Transfers Out	9130000-71000		$6,468,221	$70,000	$6,538,221
Transfers Out	9180000-71000		$1,415,463	$40,000	$1,455,463

Decrease:

Account Name	Account Number	Project Number	Current Budget	Amount of Change	New Budget
Contingency	1011020-53067		$437,281	$350,000	$87,281
Contingency	9001110-53067		$590,900	$440,000	$150,900
Contingency	9121110-53067		$172,828	$100,000	$72,828
Contingency	9131110-53067		$157,341	$70,000	$87,341
Contingency	9181110-53067		$42,463	$40,000	$2,463

RESOLUTION NO. CC-2022-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STILLWATER CONCURRING WITH THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY'S APPROVAL OF THE REDEVELOPMENT AGREMENT, COVENANT AGREEMENT, AND ESCROW AGREEMENT(ASSISTANCE IN DEVELOPMENT FINANCING DISBURSEMENT AGREEMENT) BETWEEN THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY, USA RARE EARTH MAGNETS, LLC, AND USA RARE EARTH REAL ESTATE, LLC, APPROVING INDEBTEDNESS OF THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY IN A PRINCIPAL AMOUNT NOT TO EXCEED $7,000,000.00 IN TAX APPORTIONMENT OBLIGATIONS; WAIVING COMPETITIVE BIDDING ON THE ISSUANCE OF THE NOTES ISSUED IN CONNECTION WITH THE TAX APPORTIONMENT OBLIGATIONS; AUTHORIZING THE PLEDGE OF APPORTIONED TAX INCREMENTS; AND AUTHORIZING OTHER MATTERS RELATING THERETO

WHEREAS, on June 18, 2018, the City Council of Stillwater, Oklahoma ("City Council") adopted Ordinance No. 3407 approving the Stillwater (Re)Investment Plan (A Stillwater Downtown/Campus Link Project Plan) ("Project Plan") in accordance with the Oklahoma Local Development Act, 62 O.S. §850, et seq. ("Act"), and establishing Increment District No. 3, City of Stillwater ("Increment District No. 3"); and

WHEREAS, Ordinance No. 3407 was amended on November 5, 2018 by the City Council's adoption of Ordinance No. 3424, approving a minor amendment to the Project Plan, and was again amended on October 7, 2019 by the City Council's approval of a minor amendment and adoption of Ordinance No. 3440; and

WHEREAS, as a result of the potential to further achieve the purposes for which the original Project Plan and Increment District No. 3 were created and established, and to support the development, improvement, and/or expansion of non-retail business enterprise with high quality employment opportunities ("Project"), the City has approved, with the adoption of Ordinance No. 3494 on May 16, 2022, the 2022 Amended Stillwater (Re)Investment Plan (A Stillwater Downtown/Campus Link Project Plan) ("2022 Amended Project Plan") in accordance with the Act; and

WHEREAS, implementation of the 2022 Amended Project Plan will support the achievement of the economic development objectives of the City of Stillwater to serve as a catalyst to achieve its key development objectives, stimulate private investment, attract major investment, retain and expand employment, enhance the tax base thereby making possible investment that would be difficult or impossible without the project and the apportionment of tax increments from the Increment Districts authorized pursuant to the 2022 Amended Project Plan; and

WHEREAS, City Council has directed the continuing apportionment of tax increments from the Increment Districts authorized pursuant to the 2022 Amended Project Plan to implement the 2022 Amended Project Plan; and

WHEREAS, the Stillwater Economic Development Authority ("Authority"), a public trust created for the use and benefit of the City of Stillwater, Oklahoma ("City"), pursuant to the provisions of 60 O.S. §176, *et seq.*, as amended and supplemented, and other applicable statutes of the State of Oklahoma, is authorized and directed to assist in the financing and implementation of the 2022 Amended Project Plan.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Stillwater:

Section 1. By a vote of not less than three-fifths (3/5) of the membership of the City Council, in accordance with 62 O.S. §176(F), as amended, the issuance of tax apportionment obligations in an aggregate principal amount not to exceed $7,000,000.00 ("Tax Apportionment Obligations") with respect to the Increment Districts authorized and created pursuant to the 2022 Amended Project Plan, and the incurring of indebtedness by the Authority associated therewith, is approved.

Section 2. The Authority is authorized to assist in development financing within the authorizations and limitations of the 2022 Amended Project Plan and to disburse funds in accordance with the terms and conditions of the Redevelopment Agreement, Covenant Agreement, and Escrow Agreement (Assistance in Development Financing Disbursement Agreement) executed by the Authority, USA Rare Earth Magnets, LLC, a Delaware limited liability company, and USA Rare Earth Real Estate, LLC, an Oklahoma limited liability company, and such other documents as are necessary and appropriate to ensure the repayment of the assistance in development financing, which has been approved by the Board of Trustees of the Authority.

Section 3. The Authority is authorized pursuant to Article X, Section 6C of the Oklahoma Constitution and the Oklahoma Local Development Act, 62 O.S. §850, *et seq*., as amended to pledge a portion of the incremental increases in the ad valorem property tax revenues from the Increment Districts authorized and created pursuant to the 2022 Amended Project Plan. The City hereby declares its intention to appropriate funds in sufficient amounts to cover each annual fiscal year's payment obligations, as security for the Tax Apportionment Obligations.

Section 4. By a majority vote of not less than three-fourths (3/4) of the membership of the City Council, in accordance with 60 O.S. §176(G), as amended, competitive bidding on the sale of the Tax Apportionment Obligations is hereby expressly waived, and the Authority is authorized to place such obligations by negotiation at a price not less than par value, in compliance with 60 O.S. §176, as amended.

Section 5. The Mayor (or the Vice Mayor in the absence of the Mayor) is authorized and directed to approve, finalize, create, execute, modify, record, file, and/or deliver on behalf of the City all instruments provided for by this Resolution and all documents and certifications necessary to consummate issuance of the tax apportionment obligations; the City Clerk (or the Assistant City Clerk in the absence of the City Clerk) is authorized and directed to provide all attestations and certifications necessary to consummate issuance of the tax apportionment obligations; and upon execution and delivery of all documents provided for or contemplated by this Resolution, the same shall be conclusively deemed authorized and approved by the City.

PASSED AND APPROVED, this _____ day of June, 2022.

____
MAYOR

(SEAL)

ATTEST:

____
Teresa Kadavy, City Clerk

Approved as to form and legality.

____
Dan Batchelor, Special Counsel
for Economic Development

I, Teresa Kadavy, City Clerk for the City of Stillwater, certify that the foregoing Resolution No. CC-2022-__ was properly adopted at a regular meeting of the City Council of the City of Stillwater, held on the _____ day of June, 2022, in the Stillwater Municipal Building, 723 S. Lewis, Stillwater, Oklahoma, that a quorum was present at all times throughout said meeting, and that at least three of the five Council members voted in favor of Section 1 of said Resolution, and that by a separate vote at least four of the five Council members voted in favor of Section 4 of said Resolution, in accordance with 60 O.S. §176, *et seq.*, as amended.

____
City Clerk

(SEAL)

REDEVELOPMENT AGREEMENT

BETWEEN

THE STILLWATER ECONOMIC DEVELOPMENT AUTHORITY,

USA RARE EARTH MAGNETS, LLC

AND

USA RARE EARTH REAL ESTATE, LLC

May 16, 2022

REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (this "Agreement") is made as of the _____ day of ___________, 2022 ("Effective Date"), by and between the Stillwater Economic Development Authority, a public trust having as its beneficiary the City of Stillwater (the "Authority"), and USA Rare Earth Magnets, LLC, a Delaware limited liability company ("Magnets"), and USA Rare Earth Real Estate, LLC, an Oklahoma limited liability company ("USARE", and together with Magnets, collectively, "Redeveloper"), a wholly owned subsidiary of USA Rare Earth, LLC, its successors and assigns ("Parent").

RECITALS

A. The City of Stillwater ("City") and the Authority have an interest in promoting economic development by creating non-retail development opportunities within the City of Stillwater as a method of retaining and expanding employment in the area, attracting major investment, enhancing the tax base, stimulating economic growth, improving the community's quality of life, and otherwise strengthening the community.

B. The Redeveloper proposes a non-retail development which is the type of project envisioned by the 2022 Amended Project Plan, and which will generate substantial capital investment and create desirable new employment opportunities within the City.

C. In order to attract non-retail development with high quality employment, and recognizing the significant costs associated with the proposed non-retail development, the City and the Authority wish to support the Redeveloper's proposal by providing economic development incentives reimbursable by a portion of the new real and business personal property taxes generated by the ad valorem taxes in an increment district, subject to the conditions and terms described in this Agreement.

D. As authorized by the Oklahoma Local Development Act, Title 62, Oklahoma Statutes, Section 850, *et seq.*, as amended ("Local Development Act"), the City Council of the City of Stillwater will consider adoption and approval of the 2022 Amended Stillwater (Re)Investment Plan (A Stillwater Downtown/Campus Link Project Plan) (hereinafter the "2022 Amended Project Plan") to establish a new increment district and create a budget of estimated project costs to support the development, improvement and expansion of non-retail business enterprise with high quality employment opportunities.

E. In order to accomplish its designated purposes, the Authority is empowered to provide funds for the costs of acquiring, constructing, rehabilitating, equipping, securing, maintaining, and developing real and personal property within and near the City.

F. Implementation of the proposed redevelopment pursuant to the 2022 Amended Project Plan will increase employment in the area, attract major investment, enhance the tax base and make possible investment, development and economic growth which would otherwise be difficult or impossible without the provision of public assistance to the proposed redevelopment.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and mutual obligations herein set forth, the parties hereby covenant and agree with each other as follows:

ARTICLE I
SUBJECT OF AGREEMENT

1.1 Scope of Agreement. The Redeveloper hereby agrees, subject to the terms and conditions of this Agreement, to cause the design, construction, and completion, in the time period hereinafter described, of the Redevelopment on the Property substantially in accordance with plans to be approved or submitted informationally, in either case consistent with this Agreement, to thereafter operate the Redevelopment for a minimum period, while maintaining the Target Employment Levels. The Authority hereby agrees, subject to the terms and conditions of this Agreement, to provide certain assistance in development financing to support the Redevelopment.

1.2 Relationship of the Parties. The undertaking of this Agreement is a complex process which will require the mutual agreement of the parties and their timely actions on matters appropriate or necessary to implementation. The parties hereto shall use commercially reasonable efforts to perform and to assist others in performing their respective obligations in accordance with this Agreement. This Agreement specifically does not create any partnership or joint venture between the parties hereto or render any party liable for any of the debts or obligations of any other party

1.3 Compliance with Applicable Laws and Regulations. The parties hereto shall comply with applicable federal, state, and local laws and regulations in fulfilling each of its contractual obligations and responsibilities as set forth in the provisions of this Agreement.

ARTICLE II
REDEVELOPER'S OBLIGATIONS

2.1 Scope of the Redevelopment. The Redeveloper will make an estimated investment of approximately \$140 million, comprised of \$9.9 million in building and land acquisition costs, \$17 million in immediate building improvement construction costs (the "Facility Investment"), and \$113 million in additional building improvements and new equipment purchases (collectively, the "Project Investment"), to develop and operate the first U.S. based rare earth metal, strip casting and neo-magnet production facility ("Facility"), and add new full-time employees in the City of Stillwater as set forth below (collectively, the "Redevelopment"), on certain real property located at 100 W. Airport Road, Stillwater, Payne County, Oklahoma, which is more particularly described on Exhibit A attached hereto ("Property").

In connection with the Redevelopment, the Redeveloper has plans to employ 37 full-time employees at the Facility during Phase I of operations at a median compensation of \$68,865, exclusive of benefits; 67 full-time employees during Phase II of operations, at a median compensation of \$60,470, exclusive of benefits; and 113 full-time employees during Phase III of operations, at a median compensation of \$59,942, exclusive of benefits (collectively, the "Target

Employment Levels"). Phase I, Phase II and Phase III, each a "Phase" and collectively, the "Phases."

2.2 Approvals and Requirements for Construction. The Redeveloper shall be responsible for the construction, renovation, improvement, equipping, repair and installation of all public and private improvements associated with the Redevelopment as described herein.

2.2.1 Redevelopment Plans and Specifications. The Authority acknowledges that the construction work to be done by Redeveloper on the Property is in large part unique given the intended uses of the development and operation of the first U.S. based rare earth metal, strip casting and neo-magnet production facility. As such, Redeveloper shall prepare and submit to the Authority for review and approval, which approval shall not be unreasonably withheld, such real property plans and specifications for Phases I and II of the Redevelopment of the Facility (which excludes manufacturing equipment and processes and other similar items) as are necessary and appropriate given the intended uses by Redeveloper (collectively, "Redevelopment Plans and Specifications"). The Authority acknowledges that in the event that Phase III is achieved, Redeveloper will complete any necessary or desirable construction in order to operate the Facility in Phase III in conformity with all applicable local, state and federal laws and regulations but shall not be required to submit any further plans or specifications to the Authority for approval, but Redeveloper agrees to provide a copy of the final plans and specifications in such event to the Authority for information. In the event any of the submissions comprising the Redevelopment Plans and Specifications are not approved by the Authority within ninety (90) days from the date of submission, they shall be deemed approved. Once approved by the Authority, if Redeveloper desires to make any substantial or material changes in any of the submissions comprising the Redevelopment Plans and Specifications, Redeveloper shall submit the proposed changes to the Authority for approval. Redeveloper agrees that all construction, renovation, improvement, equipping, repair and installation work on the Property shall be done in accordance with the approved Redevelopment Plans and Specifications. The Authority's approval of the Redevelopment Plans and Specifications will be based on aesthetic considerations and shall not be interpreted as expressing any opinion, making any representation or granting any approval with respect to the structural integrity or construction quality of the Redevelopment.

2.2.2 Governmental Approvals. Before commencement of construction, development or work on or in connection with any buildings, structures or other improvements to the Property, the Redeveloper shall, at its own expense, secure or cause to be secured any and all permits and approvals which may be required by the City and any other governmental agency having jurisdiction as to such construction, development or work, and the subsequent operation of the Facility. The Property shall be developed within the general requirements established by the zoning and building codes applicable to the Property by the City's Redevelopment Code and Standards ("Code") and related laws governing municipal planning and zoning. The City's issuance of building permits will be based on Code requirements and shall not be interpreted as expressing any opinion, making any representation or granting any approval with respect to the structural integrity or construction quality of the Redevelopment.

2.3 Commencement and Completion Dates. The parties agree that the existing improvements on the Property may be renovated in stages designed to align with the Phases of Redeveloper's operations. Redeveloper shall commence initial engineering and design for the Facility Investment no later than June 30, 2022 and obtain all necessary authorizations from the Oklahoma Department of Environmental Quality ("ODEQ") for operation of the Facility during Phase I and Phase II of operations by no later than December 31, 2022. Redeveloper shall use commercially reasonable efforts to commence and diligently prosecute to completion renovation work for each of the successive Phases in accordance with the Redevelopment Plans and Specifications, generally in compliance with the following construction schedule:

Phase III Commencement Date:	March 31, 2026
Phase III Completion Date:	June 30, 2027

The estimated Phase III Commencement Date and Completion Date may be further extended by mutual agreement of the Redeveloper and the Authority. The Authority confirms and recognizes that there are numerous factors that could result in one or more of the estimated commencement dates and completion date to become unachievable, many of which are beyond the reasonable control of the Redeveloper (including without limitation Phase III Commencement and Completion Dates being subject to approvals by certain Federal and/or State governmental authorities such as EPA and ODEQ), and accordingly, the Authority agrees to work in good faith with the Redeveloper in the event that further extensions of any of these dates become necessary or desirable, and Redeveloper will use commercially reasonable efforts to submit a written request to the Authority to request the extension of a deadline at least six (6) months in advance of the stated deadline. The Authority agrees not to unreasonably withhold, condition or delay consent to any reasonable extension sought by the Redeveloper in that regard.

2.4 Financing; Amount of Investment. Redeveloper shall provide Evidence (as defined in Paragraph 4.2 below) of financing of all construction costs of each Phase of the Redevelopment, in form and substance as may be reasonably required by the Authority (but which may be part of the reporting obligations of Redeveloper in Section 2.17).

2.5 General Contractor and Bonding Requirements. The Redevelopment shall be constructed by a general contractor licensed in the State of Oklahoma. In the event that the contractor provides Performance and Payment Bonds to Redeveloper as obligee, then the City and the Authority shall be listed as co-obligees on such bonds to ensure the investment made by the City and the Authority in the form of public assistance in Redevelopment financing is adequately protected.

2.6 Taxes Assessments. Encumbrances and Liens. Redeveloper shall pay, or cause to be paid, when due all sales taxes, business personal property and real estate taxes and assessments on the Property which the Redeveloper is responsible to pay.

2.6.1 Covenant Agreement. As a condition precedent to the Authority's obligation to provide any assistance in development financing in support of the Redevelopment, a Covenant Agreement, in substantially the form attached hereto as

Exhibit B, shall be recorded in the land records of Payne County, Oklahoma, before the recording of any financing documents against the Property, which Covenant Agreement will reflect the terms of the Redeveloper's obligations to repay to the Authority the Development Capital Assistance, defined below, plus Interest thereon (the "Minimum Annual Payment Obligation"). For purposes of this Agreement, the term "Interest" shall mean the actual interest rate reflected in the loan commitment signed by the Authority to borrow the $7 million Development Capital Assistance, which is anticipated to reflect an interest rate of 4.48% per annum, but shall not exceed 6% per annum. The Minimum Annual Payment Obligation shall be secured by a lien (or liens) on the Property in favor of the Authority for the benefit of the Authority and the apportionment fund of the Increment District activated by City Council for the Redevelopment arising annually at the same time, in the same manner, having the same priority, and subject to the same enforcement and remedies as liens to secure the annual payments of other ad valorem taxes, which lien or liens may also be evidenced by written notice executed by or on behalf of the Authority, or the duly authorized designee of the Authority and filed in the records of the County Clerk of Payne County, and which lien or liens may also be enforced by the Authority, or on its behalf by its authorized designee by foreclosure in the same manner as foreclosure of a mortgage.

Redeveloper agrees to provide copies of its personal property ad valorem tax returns reflecting the amount of personal property ad valorem taxes paid by Redeveloper and/or any tenants for their respective personal property located within the Redevelopment.

Nothing herein contained shall be deemed to prohibit the Redeveloper from contesting the validity or amounts of any tax assessment, encumbrance or lien, or to limit the remedies available to the Redeveloper in respect thereto.

2.7 Encumbrance or Lien. Prior to the performance of the obligations of this Agreement, the Redeveloper shall not place or allow to be placed on the Property or any part thereof any uncontested mechanic's lien, any mortgage, trust deed, encumbrance or lien other than as expressly allowed by this Agreement.

2.8 Requirements Applicable to Construction. Redeveloper, its successors and assigns, shall use commercially reasonable efforts to require its contractors, subcontractors, and vendors engaged in connection with each phase of the Redevelopment to purchase all building items, construction materials, and personal property for delivery to the construction site using Redeveloper's street address in Stillwater, Oklahoma or any Stillwater street address, for such purchases and deliveries in such a manner that Oklahoma and Stillwater sales and/or use taxes shall be applicable to each purchase that exceeds $10,000. This provision applies to all purchases, including, without limitation, materials, supplies, equipment and personal property purchased via telephone or internet. In addition, Redeveloper shall provide reports and invoices to the City and the Authority and verify that sales and/or use tax is collected based on the Stillwater point of delivery for all building items, construction materials, and personal property. Notwithstanding the preceding, in the event the sales and/or use taxes applicable for delivery of the purchased materials, equipment, or personal property to the construction site or another street address in Stillwater, Oklahoma are greater than the sales and/or use taxes for delivery of the materials, equipment or personal property to another location, then such purchases may be excluded from this obligation; provided Redeveloper submits a report to the City and the Authority describing the difference in the sales and/or use taxes, in form and substance as the City and the Authority may reasonably require.

2.8.1 Agreements with Contractors, Subcontractors and Vendors. Subject to the excluded purchase transactions under the terms of Section 2.8 above, in order to ensure the generation and tracking of tax increments, Redeveloper and all contractors, subcontractors, and vendors shall pay the appropriate sales and/or use taxes on building items, construction materials, and personal property in connection with the construction and development of the Redevelopment. Redeveloper agrees to include the following provision in all contracts with its contractors, subcontractors, and vendors entered into from and after the Effective Date hereof:

> *Contractors, Subcontractors, and Vendors shall cause all construction purchases in excess of $10,000 to be delivered to the construction site, or another street address in Stillwater, Oklahoma for such purchases and deliveries in such a manner that Oklahoma and Stillwater sales and/or use taxes shall be applicable to the purchase. Subcontractors shall provide reports and invoices to Contractor and verify that sales and/or use tax is collected based on the Stillwater point of delivery for all building items and construction materials. If purchases for delivery to a Stillwater, Oklahoma location are not feasible, Redeveloper shall be advised promptly to seek approval for an exception.*

Redeveloper agrees to use commercially reasonable efforts to obtain from all contractors, subcontractors, and vendors complete and certified monthly itemized registers in the form provided by the Authority or the City, with original receipts evidencing such purchases in excess of $10,000, within 30 days of the end of each month during construction and development of each phase of the Redevelopment.

2.9 Local, State and Federal Laws. The Redeveloper shall carry out the provisions of this Agreement in conformity with all applicable local, state and federal laws and regulations.

2.10 Indemnification. The Redeveloper shall defend, indemnify, assume all responsibility for, and hold the Authority and the City and their respective elected and appointed officers and employees and agents, harmless from, all costs (including reasonable attorney's fees and costs), claims, demands, liabilities or judgments (except whose which have arisen from the willful misconduct or negligence of the Authority or the City, their officers, employees and agents) for injury or damage to property and injuries to persons, including death, to the extent determined to be caused directly or indirectly by any of the Redeveloper's activities under this Agreement, whether such activities or performance thereof be by the Redeveloper or anyone directly or indirectly contracted with or employed by the Redeveloper and whether such damage shall accrue or be discovered before or after termination of this Agreement. This indemnity includes, but is not limited to, any repair, cleanup, remediation, detoxification, or preparation and implementation of any removal, remediation, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any hazardous substance or hazardous wastes including petroleum and its fractions as defined in the Comprehensive Environmental Response, Compensation and Liability Act; codified at Title 42, Sections 9601, et seq. of the United States Code (hereinafter, "CERCLA"), and all amendments thereto, at any place where Redeveloper owns or has control of real property pursuant to any of Redeveloper's activities under this Agreement, but excludes Redeveloper's liability for any conditions of the Property that existed prior to Redeveloper's ownership of the Property or those conditions caused by any party not under Redeveloper's control. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of CERCLA to assure, protect, hold harmless and indemnify the City and the Authority from liability.

2.11 Insurance. ***[[NOTE—COMPANY CONFIRMING WITH RISK MANAGEMENT ADVISORS]]***

A. In addition to the indemnification in favor of the Authority and the City required in Section 2.10 hereof, the Redeveloper shall take out and maintain, or cause the general contractor(s) for each phase of the Redevelopment to take out and maintain, during the period set forth in subsection (D) of this Section:

i. a comprehensive general liability policy in the amount of at least $1,000,000.00 for any person, $2,000,000.00 for any occurrence, and $1,000,000.00 property damage naming the Authority as an additional insured and loss payee; and
ii. property insurance written on a builder's risk "all-risk" or equivalent policy form in the amount of the initial contract sum, plus value of subsequent contract modifications, comprising total value for the entire work to be completed under each of the respective construction contracts, on a replacement cost basis. Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake (subject to sublimit), flood (subject to sublimit), windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition and increased cost of construction occasioned by enforcement of any applicable legal requirements. The Authority shall be a named insured and loss payee. Any payment made under this policy shall be made jointly to the contractor and the Authority. It is further agreed that any payment made under the Builder's Risk policy shall be reinvested into the Redevelopment.

B. The Redeveloper shall furnish or cause to be furnished a certificate of insurance signed by an authorized agent of the insurance carrier setting forth the general provisions of the insurance coverage. This certificate of insurance shall name the Authority as an additional insured under the policies. The certificate of insurance shall contain a statement of obligation on the part of the carrier to notify the Authority by certified mail of any modification, cancellation or termination of the coverage at least 30 days in advance of the effective date of any such modification, cancellation or termination. Coverage provided hereunder by the Redeveloper or its contractors shall be primary insurance and not contributing with any insurance maintained by the Authority, and the policies shall contain such an endorsement. The required certificates shall be provided to the Authority before the Redeveloper commences any Redevelopment activities.

C. The Redeveloper shall also furnish or cause to be furnished to the Authority evidence reasonably satisfactory to the Authority that any contractor with whom it has contracted for the performance of work on the Property or otherwise pursuant to this Agreement carries workers' compensation insurance as required by law at the time of execution of the Agreement.

D. The insurance obligations set forth in this Section shall remain in effect until the Authority issues the Certificate of Completion for each Phase of the Redevelopment pursuant to Section 3.3 of this Agreement.

2.12 Employment Certifications. Commencing January 1 after the completion of the first Phase of the Redevelopment, and semi-annually thereafter during the Minimum Operation Period (hereafter defined), Redeveloper shall certify the total number of full time and part time employees working for Redeveloper at or for the Facility, the title/positions held by each, and the median annual payroll paid by Redeveloper to its employees, separating wages and employee benefits, together with such other information and documentation as may be reasonably requested by the Authority, and all in form and substance as may be reasonably required by the Authority ("Employment Certification").

2.12.1 Submission of Documents and Information to the Authority. In the event Redeveloper participates in the Oklahoma Quality Jobs Program, Redeveloper shall provide the Authority with copies of its submitted application for incentives and supporting documentation pursuant to the Oklahoma Quality Jobs Program, and any additional related information reasonably requested by the Authority within thirty (30) days of receipt of a written request for such information from the Authority.

2.13 Minimum Operation Period. Redeveloper covenants and agrees to continuously own and fully operate, or cause to be operated the Redevelopment, by Substantially achieving and thereafter Substantially maintaining the Projected Employment Levels, by Phase for no less than the duration of the Increment District ("Minimum Operation Period"). As used in this Agreement, "Substantially" means achieving and maintaining at least 90% of the Projected Employment Levels per Phase.

2.14 Prohibition against Assignment and Transfers. The qualifications of the Redeveloper are of particular importance to the Authority and the City. It is because of the qualifications and identity of the Redeveloper, and the management thereof, that the Authority has entered into this Agreement with the Redeveloper. Therefore, the Redeveloper shall not assign its rights and obligations under this Agreement without the prior written approval of the Authority. Furthermore, prior to completion of all Phases of the Redevelopment, the Redeveloper shall not, without prior written approval of the Authority, make any total or partial sale, transfer, conveyance, assignment or lease of the Property or any improvements thereon; provided, however, no prior written approval of the Authority shall be required upon any of the following: (a) Redeveloper sells, transfers, conveys, assigns or leases the Property or any improvements thereon to an entity with the power to direct the business affairs of the Redeveloper, coupled with an ownership of greater than fifty percent (50%) of both the legal and beneficial ownership interests of Redeveloper, (b) there is a merger or consolidation or other similar transaction involving

Redeveloper or its affiliates or parent entities and another entity or entities; or (c) there is a direct or indirect transfer of (i) all of Redeveloper's membership interests to another entity, or (ii) a controlling interest in Redeveloper to another entity, (iii) a majority of Redeveloper's assets are transferred to its members, or (iv) any transaction or series of transactions whereby substantially all of the assets of Magnets and/or USARE are sold, provided there remains a going concern for such entity operating the Facility substantially as prior to such transaction(s) ("Permitted Transfer"), provided that in each instance Redeveloper provides the Authority with written notice of the Permitted Transfer. In the event of any such Permitted Transfer or if the Authority otherwise consents to the assignment of all or any part of the Redeveloper's rights under this Agreement, such consent or assignment will not release the Redeveloper from continuing liability for the performance of the obligations hereunder and each assignee of the Redeveloper by accepting such assignment will be bound by the terms of this Agreement to the same extent as if the assignee had been the person originally named as the Redeveloper in this Agreement. Without limiting the foregoing, the Redeveloper shall not terminate its existence, liquidate or dissolve. The restrictions herein on assignment, transfer, and conveyance shall not apply to any mortgage lien or security interest granted by the Redeveloper to secure indebtedness to any construction or permanent lender with respect to the Redevelopment.

2.15 Covenants for Non-Discrimination. The Redeveloper covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, familial status, marital status, age, handicap, national origin or ancestry in the construction, renovation, use, occupancy, tenure or enjoyment of the Property, nor shall the Redeveloper itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with respect to the construction, renovation, use, occupancy, tenure or enjoyment of the Property. The covenant established in this Section shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Authority, its successors and assigns and any successor in interest to the Property or any part thereof. The covenants contained in this Section shall remain for so long as any amounts due under this Agreement remains unpaid or outstanding.

2.16 Maintenance Covenants. The Redeveloper, and all successors and assigns in interest to the Redeveloper, shall be obligated to maintain the Redevelopment and all improvements situated on the Property in a clean and neat condition and in a continuous state of good repair in accordance with the Code.

2.17 Financial Statements. Annually during the Minimum Operation Period, after Parent has completed its audited financial statements for the prior fiscal year, the Redeveloper will provide the Authority with financial statements reflecting the financial condition of the Redeveloper and a copy of the Parent's Auditor Opinion for the prior calendar year with evidence to support the annual and cumulative Project Investment made by the Redeveloper in the Redevelopment. The Parent currently uses and will continue to use a nationally known public accounting firm for its audit.

2.18 Other Actions. Redeveloper agrees to take such other reasonable actions as may be appropriate or desirable to support the implementation of the Redevelopment including, by way of example, executing such supplemental agreements and covenants, if any, (including covenants running with the land) as may be reasonably necessary or appropriate to implement this Agreement, for the financing of development costs pursuant to the 2022 Amended Project Plan, for furnishing information reasonably requested by the Authority, and in other matters that may be of benefit to the Redevelopment.

ARTICLE III
AUTHORITY'S OBLIGATIONS

3.1 Assistance in Development Financing. Subject to the satisfactory completion of the conditions precedent and all other terms, conditions, and requirements under this Agreement, the Authority will provide assistance in development financing in support of the Redevelopment, as follows:

3.1.1(a) Periodic Assistance in Development Financing. Subject to the provisions of the 2022 Amended Project Plan, the Authority will disburse to Redeveloper an amount equal to ninety percent (90%) of the tax increment generated by the ad valorem taxes assessed against the Property and paid by the Redeveloper for a period of no less than twenty (20) years commencing the earlier of (a) December 31, 2022 or (b) the first fiscal year following completion of Phase I of the Redevelopment as evidenced by a Certificate of Completion (the "Redeveloper Increment"). The remaining balance of incremental revenues generated by the Redevelopment shall be used by the Authority to provide financial support to the Stillwater Public Schools and to pay authorized project costs set forth in the 2022 Amended Project Plan, other than assistance in development financing; provided, however, to the extent that the 2022 Amended Project Plan (as may be amended from time to time) conflicts with the terms and conditions of this Section 3.1.1 such that the Redeveloper's Increment is less than as provided herein, then the Authority will request the City Council of the City of Stillwater to consider an amendment to the 2022 Amended Project Plan to conform to this Section 3.1.1.

3.1.1(b) Invoice. On or before January 31st of each year that the Redeveloper is eligible for payment of the Redeveloper Increment, the Redeveloper shall submit to the Authority an invoice requesting that the disbursement in the amount calculated above. This invoice must include: (a) the amount of the requested, (b) the amount of the ad valorem tax assessment paid by the Redeveloper (including real property and personal property taxes paid), and (c) the aggregate amount of Redeveloper Increment previously made to the Redeveloper as of the date of the request. The Authority will review invoices for payment. Should the Authority question or request additional documentation or disapprove all or a portion of any invoice, the Redeveloper will be notified so that it may provide additional documentation sufficient to demonstrate the invoice should be paid, in whole or in part. Approved invoices will be paid no later than ninety (90) days after submission of an invoice by the Redeveloper.

3.1.2 Upfront Assistance in Development Financing. In addition to the periodic assistance in development financing under Section 3.1.1 of this Agreement, the Authority will provide up to $7.0 million in upfront development financing assistance ("Development Capital Assistance") for the provision of real property improvements purchased and installed for the operation of the Redevelopment, which will be funded in accordance with the terms and conditions of an escrow agreement executed by Redeveloper and the Authority, provided Redeveloper repays the Authority the full amount of the Development Capital Assistance, plus Interest. Redeveloper shall repay the Development Capital Assistance financing, plus Interest, pursuant to the terms of the Covenant Agreement, repayment of which shall first be made during the initial 5-year exemption period from 90% of (a) the tax increment generated by payments from the State Ad Valorem Reimbursement Fund as a result of the manufacturing ad valorem tax exemption claimed by the Redeveloper, and (b) the ad valorem tax payments paid by the Redeveloper. At the end of the initial five-year manufacturing ad valorem tax exemption period, repayment of the then remaining balance of the Development Capital Assistance, plus Interest, shall be made by the Redeveloper during the immediately following five-year period, which repayments shall be secured by payments in lieu of taxes ("PILOT"), under by the Covenant Agreement creating a first priority tax lien on the Property. Other terms with respect to the repayment obligations are set forth in the Covenant Agreement.

3.2 Adjustments to Assistance in Development Financing. If after completion of the Redevelopment and thereafter the Employment Certification reflects that Redeveloper has not Substantially met the agreed upon Net New Total Annual Payroll for each Phase, and for any year thereafter during the Minimum Operation Period, the amount of benefit payable to Redeveloper under Section 3.1.1 will be decreased proportionately.

Agreed Upon Net New Total Annual Payroll for each Phase (exclusive of benefits):

Phase	Net New Total Annual Payroll	Effective Time Period
I	$2,548,005	Commencing with completion of Phase I and continuing through completion of Phase II
II	$4,051,490	Commencing with completion of Phase II and continuing through completion of Phase III
III	$6,773,446	Commencing with completion of Phase III and continuing during the Minimum Operation Period

Any annual payment of assistance in development financing payable to Redeveloper pursuant to Section 3.1.1 will be reduced in the event the Net New Total Annual Payroll for any Phase is not Substantially met by an amount determined by multiplying the amount payable to Redeveloper for the given year by a fraction, the numerator of which is the actual total annual payroll certified by the Redeveloper in accordance with Section 2.12 of this Agreement, and the denominator of which is the agreed upon Net New Total Annual Payroll for each Phase as set forth above.

3.3 Certificate of Completion. Within thirty (30) days after the Redeveloper has completed the renovation and construction of each Phase of the Redevelopment, as evidenced by a certificate issued by Redeveloper and/or its general contractor (or by any customary certification by the City of Stillwater for final building, code or fire compliance), the Authority shall furnish to the Redeveloper a Certificate of Completion, certifying that the Redeveloper has met its construction and development obligations contained for each respective Phase.

ARTICLE IV
CONDITIONS PRECEDENT

As conditions precedent to the Authority's obligations to provide assistance in development financing in support of the Redevelopment, the following obligations shall have been satisfied:

4.1 Control of Property. Redeveloper shall provide the Authority evidence of Redeveloper's fee simple title to the Property.

4.2 Evidence of Financing. Redeveloper shall provide the Authority, and the Authority shall have approved in writing (such approval not to be unreasonably withheld, conditioned or delayed), Redeveloper's evidence of equity capital and financing commitments of no less than the Facility Investment and as may otherwise be necessary to perform Redeveloper's obligations hereunder as may be required by the Authority ("Evidence" may include equity investment in the Facility, Oklahoma Quick Action Closing Funds, reserve capital of Redeveloper, cash balances in the legal entity of the business unit and the Parent, Net Asset Valuation of the Parent's mining asset from a 3rd party Pre-Economic Assessment, Pre-Feasibility Study, or Feasibility Study, and total value of an offtake agreement for any outputs of the Facility).

4.3 Redevelopment Plans and Specifications. Redeveloper shall provide the Authority, and the Authority shall have approved in writing (such approval not to be unreasonably withheld, conditioned or delayed), the Redevelopment Plans and Specifications as provided in Section 2.2.1 of this Agreement.

4.4 Insurance. Redeveloper shall provide the Authority, and the Authority shall have approved in writing (such approval not to be unreasonably withheld, conditioned or delayed), the evidence of insurance coverage required under this Agreement.

4.5 Construction Contract. Redeveloper shall provide the Authority, and the Authority shall have approved in writing (such approval not to be unreasonably withheld, conditioned or delayed), an executed copy of the construction contract(s) for the renovation of the improvements to the Property.

4.6 Intentionally Omitted.

4.7 Covenant Agreement Recording; Lien Perfection and Priority. The Authority shall be provided evidence that its lien in the Property to be created under the Covenant Agreement will have first, senior priority, and will be valid, enforceable, and properly perfected. Redeveloper and the Authority shall have executed the Covenant Agreement in substantially the form attached as Exhibit B to this Agreement and cause it to be recorded with the County Clerk of Payne County.

4.8 Escrow Agreement. Redeveloper and the Authority shall have executed an Escrow Agreement for the Development Capital Assistance ("Escrow Agreement"), in form and substance as reasonably required by the Authority, pursuant to which the Authority will disburse funds to the Redeveloper within 30 days of the Authority's receipt of Redeveloper's paid invoices for the real property improvements constructed or installed for the operation of the Redevelopment, subject to terms and conditions as set forth therein.

4.9 2022 Amended Project Plan and Increment District. The City Council of Stillwater shall have adopted an Ordinance approving the 2022 Amended Stillwater (Re)Investment Plan (A Stillwater Downtown/Campus Link Project Plan), and approved any minor amendments thereto as may be necessary to implement the terms of this Agreement, and shall have created, designated and activated the Increment District temporarily identified in the 2022 Amended Project Plan as Increment District No. X, City of Stillwater, which is comprised of the Property boundaries.

4.10 Public Financing. The Authority shall have obtained financing of the $7 million Development Capital Assistance, on terms and conditions satisfactory to the Authority, and all public financing approvals by the City and the Authority, and as is required by the Local Development Act, shall have been obtained.

4.11 Permits. Redeveloper has obtained, or will obtain, all permits and approvals necessary to renovate the Property and operate the Redevelopment.

ARTICLE V
EVENTS OF DEFAULT AND REMEDIES

5.1 Events of Default. The following shall constitute Events of Default hereunder and under each of the instruments executed pursuant to this Agreement:

A. A material default by the Redeveloper in the performance or observance of any covenant or condition contained in this Agreement, any instrument executed pursuant to this Agreement, or under the terms of any other instrument delivered to the Authority in connection with this Agreement, including, without limitation, the material falsity or breach by Redeveloper of any of representation, warranty or covenant, Redeveloper's failure to submit the Redevelopment Plans and Specifications to the Authority, Redeveloper's failure to commence or complete construction of any phase of the Redevelopment, or the Redeveloper's failure to obtain evidence of financing capacity that is reasonably satisfactory to the Authority;

B. A material variance from the approved Redevelopment Plans and Specifications without prior written consent of the Authority;

C. Any representation, statement, certificate, schedule or report of Redeveloper made or furnished to the City or the Authority by Redeveloper with respect to the matters and transactions covered by this Agreement which proves to be false or erroneous in any material respect at the time of its making or any warranty of a continuing nature which ceases to be complied with in any material respect and the Redeveloper fails to take or cause to be taken corrective measures satisfactory to the City or the Authority within thirty (30) days after written notice; or

D. The initiation of bankruptcy or receivership proceedings by or against the Redeveloper and the pendency of such proceedings for 60 days.

5.2 Remedies; Termination. The City or the Authority will provide the Redeveloper with thirty (30) days' notice and opportunity to cure any Event of Default described in Section 5.1; provided, that, if such Event of Default is not reasonably capable of being cured within such 30-day period and Redeveloper promptly begins undertaking actions to cure its default or breach and thereafter pursues such cure with reasonable diligence, then Redeveloper's time period to cure such default shall continue until such Event of Default is cured or Redeveloper is no longer pursuing such cure with reasonable diligence. The Authority will provide written notice to Redeveloper identifying all specific action(s) or omission(s) of Redeveloper constituting a default. In the event Redeveloper fails to promptly begin undertaking actions to cure its default or breach and thereafter pursue such cure with reasonable diligence, the Authority may exercise any and all available remedies, including, without limitation termination of this Agreement and all assistance in development financing and make demand for immediate payment in full of any Development Capital Assistance then outstanding.

5.3 Rights and Remedies Cumulative; Enforced Delay; Extension of Times of Performance.

A. The rights and remedies of the parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative, and the exercise by any party, or any successor in interest, of any one or more of such rights and remedies shall not preclude the exercise by it, at the same or different times, of any other such rights and remedies for the same default or breach or of any of its remedies for any other default or breach by any other party. No waiver made by any such party with respect to the performance, or manner or time thereof, or any obligation of any other party or any condition to its own obligations under this Agreement shall be considered a waiver of any rights of the party making the waiver with respect to the particular obligation of any other party or condition to its own obligations beyond those expressly waived in writing and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the party.

B. In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended, where the party seeking the extension has acted diligently and such delays or defaults are due to events beyond the reasonable control of the party such as, but not limited to: default of other party; war; insurrection; strikes; labor disputes; governmental restrictions; court injunctions; civil commotion; casualty; lockouts; riots; floods; earthquakes;

fires; casualties; acts of God; acts of the public enemy; epidemics and pandemics, including without limitation COVID-19 variants; quarantine restrictions; supply chain issues; freight embargoes; invasion, lack of transportation; litigation; unusually severe weather or delays of contractors due to such causes; or any other causes beyond the control or without the fault of the party claiming an extension of time to perform.

C. Times of performance under this Agreement may also be extended in writing by the mutual agreement of the Authority and the Redeveloper.

5.4 Non-liability of Officials, Employees and Agents of the Authority or the City. No official, employee or agent of the Authority or the City shall be personally liable to the Redeveloper, or any successor in interest, pursuant to the provisions of this Agreement, for any default or breach by the Authority.

ARTICLE VI
REDEVELOPER REPRESENTATIONS AND WARRANTIES

The Redeveloper represents, warrants, and covenants that:

A. Magnets is a limited liability company duly organized and existing under the laws of the State of Delaware. USARE is a limited liability company duly organized and existing under the laws of the State of Oklahoma. Redeveloper is authorized to conduct business in the State of Oklahoma, and is not in violation of any provisions of its operating agreement, articles of organization, and any other agreement governing the Redeveloper, or any law of the State of Oklahoma affecting Redeveloper's ability to perform under this Agreement.

B. Redeveloper has sufficient financing that, together with the assistance in development financing being provided hereunder, will enable Redeveloper to complete the Redevelopment as contemplated by this Agreement.

C. Redeveloper shall perform its obligations hereunder with diligence and complete the Redevelopment as set forth herein.

D. Redeveloper has the full power and authority to execute this Agreement and this Agreement shall constitute a legal, valid and binding obligation of the Redeveloper in accordance with its terms, and the consent of no other party is required for the execution and delivery of this Agreement by such Redeveloper or the consummation of the transactions contemplated hereby, subject to laws relating to bankruptcy, moratorium, insolvency, or other laws affecting creditor's rights generally and subject to general principles of equity.

E. The execution and delivery of this Agreement, the consummation of the transactions contemplated herein, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented or limited by or in conflict with, and will not result in a breach of, other provisions of its operating agreement, articles of organization, and any other agreement governing the Redeveloper or with any evidence of indebtedness, mortgages, agreements, or instruments of whatever nature to which the Redeveloper is a party or by which it may be bound, and will not constitute a default under any of the foregoing.

F. There is not currently pending any action, suit, proceeding or investigation, nor, is any such action threatened in writing received by Redeveloper which, if adversely determined, would materially adversely affect Redeveloper or the Redevelopment, or impair the ability of Redeveloper to carry on its business substantially as now conducted or result in any substantial liability not adequately covered by insurance.

G. Redeveloper has not paid or given and will not pay or give any officer, employee or agent of the City or the Authority any money or other consideration for obtaining this Agreement. Redeveloper further represents that, to its knowledge and belief, no officer, employee or agent of the City or the Authority who exercises or has exercised any functions or responsibilities with respect to the Redevelopment during his or her tenure, or who is in a position to participate in a decision making process with regard to the Redevelopment, has or will have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Redevelopment, or in any activity, or benefit therefrom, during or after the term of this Agreement.

H. Financial statements of the Redeveloper heretofore delivered to the Authority are true and correct in all material respects, and fully and accurately present the financial condition of the Redeveloper on the respective dates thereof. There has been no material adverse change in the financial condition of the Redeveloper since the date of the latest statement furnished.

I. Neither this Agreement nor any statement or document referred to herein or delivered by the Redeveloper pursuant to this Agreement contains any statement which Redeveloper knows to be untrue or omits to state a material fact actually known to Redeveloper that is necessary to make the statements made herein or therein not misleading in any material respect.

ARTICLE VII
GENERAL PROVISIONS

7.1 Rights of Access. For the purpose of ensuring compliance with this Agreement, representatives of the City and the Authority shall have the right of access to the Property, without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing, renovating, improving, equipping, repairing and installing the improvements comprising the Redevelopment, so long as they comply with applicable safety rules and do not unreasonably interfere with the activities of the Redeveloper. Except in the case of an emergency, prior to any such access, such representatives of the City and the Authority will check in with the on-site manager. All such representatives of the City and the Authority shall carry proper identification, shall ensure their own safety, assuming the risk of injury, and shall not interfere with the construction activity. The City and the Authority agree to cooperate with the Redeveloper in facilitating access by the Redeveloper to the Property for construction purposes, provided that the City and the Authority shall incur no financial obligations therefor.

7.2 Conflict of Interest; Representatives of City/the Authority Not Individually Liable. No official or employee of the City or the Authority shall have any personal interest in this Agreement, nor shall any such person voluntarily acquire any ownership interest, direct or indirect, in the legal entities which are parties to this Agreement. No official or employee of the City or the Authority shall be personally liable to Redeveloper or any assignee or successor in interest in the event of any default or breach by the City or the Authority or for any amount which becomes due to Redeveloper under this Agreement.

7.3 Nondiscrimination. Redeveloper agrees not to discriminate against any employee or applicant for employment because of race, creed, sex, color, national origin, ancestry, age or disability as defined by the Americans with Disabilities Act of 1990, Sec. 3(2). Redeveloper shall take affirmative steps to ensure that applicants for employment and employees are treated without regard to their race, creed, sex, color, national origin, ancestry, age or disability, as defined by the Americans with Disabilities Act of 1990, Sec. 3(2).

7.4 Brokerage Commission. Each party hereto represents to each other party that to the extent it has engaged the services of a broker in connection with this Agreement, that party is solely responsible for the payment of any brokerage commission or fees due in connection with the negotiation of this Agreement on that parties' behalf, and that no other party hereto is liable for the payment of such brokerage commission in connection with the negotiation of this Agreement. Each party agrees to indemnify and hold harmless each other party from any and all liability, loss, claim or expenses arising out of any breach of their respective foregoing representation.

7.5 Applicable Law; Submission to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma governing agreements made and fully performed in Oklahoma. Any action or proceeding arising out of or relating to this Agreement or any transaction contemplated hereby shall be brought in the Payne County District Court or the United States District Court for the Western District of Oklahoma, as applicable, and each of the parties irrevocably submits to the exclusive jurisdiction of such courts in any such action or proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the action or proceeding shall be heard and determined only in such court and agrees not to bring any action or proceeding arising out of or relating to this Agreement or any transaction contemplated hereby in any other court. The parties agree that any party may file a copy of this Section with such court as written evidence of the knowing, voluntary and bargained agreement among the parties irrevocably to waive any objections to venue or to convenience of forum. Process in any action or proceeding referred to in this Section may be served on any party anywhere in the world by the methods authorized under Oklahoma law.

7.6 Severability; Entire Agreement. If any provisions of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, then the remainder of this Agreement or the application of such provision, or portion thereof, and each other provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. This Agreement sets forth the entire understanding between the parties hereto with respect to its subject matter, there being no terms, conditions, warranties or representations with respect to its subject matter other than as contained herein.

7.7 Modification; Amendment. This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part unless such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought. This Agreement may only be amended by written approval of the Authority, the City, and Redeveloper. In the event any proposed amendment requires a modification of the 2022 Amended Project Plan, the procedures outlined in the Local Development Act and approval by the City Council of the City of Stillwater shall also be required.

7.8 Third Parties. Except as expressly provided otherwise in this Agreement, the provisions of this Agreement are for the exclusive benefit of the parties hereto and not for the benefit of any other persons or entities, as third-party beneficiaries or otherwise, and this Agreement shall not be deemed to have conferred any rights, express or implied, upon any other person or entity.

7.9 Time is of the Essence. The parties understand and agree that time is of the essence with regard to all the terms and provisions of this Agreement.

7.10 Authority; Headings. The parties hereto represent and warrant that they are validly existing and lawful entities with the power and authorization to execute and perform this Agreement. The headings set forth in this Agreement are for convenience and reference only, and in no way define or limit the scope or content of this Agreement or in any way affect its provisions.

7.11 Notices and Demands. Any notice, demand, or other communication under this Agreement shall be sufficiently given or delivered when it is deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, or delivered personally by a nationally recognized overnight carrier, to:

a) If to the Authority:

Stillwater Economic Development Authority
212 S.W. 9th Street
Stillwater, OK 73501
Attention: Chairman

With a copy to:

Center for Economic Redevelopment Law
301 N. Harvey Ave., Suite 100
Oklahoma City, OK 73102
Attention: Dan Batchelor
Lisa Harden

b) If to Redeveloper:

USA Rare Earth Magnets, LLC
USA Rare Earth Real Estate, LLC

1001 Water Street, Suite 600
Tampa, FL 33602
Attention: Effie Simanikas
David Kronenfeld

With a copy to:

McAfee & Taft A Professional Corporation
8^{th} Floor, Two Leadership Square
211 N. Robinson Ave.
Oklahoma City, OK 73102
Attn: Joe C. Lewallen, Jr.

or to such other address, within the United States, with respect to a party as that party may from time to time designate in writing and forward to the others as provided in this Section. A copy of any notice, demand or other communication under this Agreement given by a party under this Agreement to any other party under this Section shall be given to each other party to this Agreement.

7.12 Binding Effect; Survival. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns. The representations, warranties, covenants and undertakings of the parties set forth in this Agreement shall survive the execution and delivery of this Agreement and continue in full force and effect until the date on which this Agreement has been fully performed in accordance with its terms; provided that, notwithstanding the foregoing, the provisions of this Agreement on applicable law and submission to jurisdiction shall continue indefinitely with respect to matters, events, or circumstances occurring or arising prior to such date.

7.13 Unavoidable Delays. The time for performance of any term, covenant, condition, or provision of this Agreement shall be extended by any period of unavoidable delays. In this Agreement, "unavoidable delays" means beyond the reasonable control of the party obligated to perform the applicable term, covenant, condition or provision under this Agreement and shall include, without limiting the generality of the foregoing: default of other party; war; insurrection; strikes; labor disputes; governmental restrictions; court injunctions; civil commotion; casualty; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics and pandemics, including without limitation COVID-19 variants; quarantine restrictions; supply chain issues; freight embargoes; invasion, lack of transportation; litigation; unusually severe weather or delays of contractors due to such causes; or any other causes beyond the control or without the fault of the party claiming an extension of time to perform, but shall not include delays attributable to financial difficulties of such party.

7.14 Further Assurances. Each party agrees that it will, without further consideration, execute and deliver such other documents and take such other action, whether prior or subsequent to closing, as may be reasonably requested by any other party to consummate more effectively the purposes or subject matter of this Agreement.

7.15 Attorneys' Fees. In the event of any controversy, claim or dispute between the parties affecting or relating to the subject matter or performance of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all of its reasonable expenses, including reasonable attorneys' and accountants' fees.

7.16 Counterparts. This Agreement may be executed in several counterparts, and all such executed counterparts shall constitute the same Agreement. It shall be necessary to account for only one such counterpart in proving this Agreement.

7.17 Construction of this Agreement. Each of the parties acknowledges that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

7.18 Confidentiality. Authority acknowledges and understands that Redeveloper will be manufacturing materials which may be utilized by the U.S. Government to provide for the national defense and that the books and records of Redeveloper may include confidential and proprietary information ("Confidential Information") related to "state of the art" equipment and techniques and that any disclosure of any information relating to such equipment or techniques including, but not limited to, disclosures of financial, technical, contractual or other information concerning Redeveloper's operations would result in substantial harm to Redeveloper and could thereby have a significant detrimental impact on Redeveloper's operations and employees and also upon Authority.

(A) Confidential Information. Subject to the limitations contained in Section 7.18(B) of this Agreement, the term "Confidential Information" will mean and include any information, technical data or know-how related to any aspect of Redeveloper's business which is either disclosed by Redeveloper to Authority or becomes known to Authority through Redeveloper or as a result of the submission of the Redevelopment Plans and Specifications, the Construction Contracts and related materials, the Authority's inspection of the Equipment, in any case, either directly or indirectly, in writing, orally, electronically, graphically, or by drawings, plans or inspection of products, equipment or manufacturing techniques.

(B) Exclusions. The term "Confidential Information" will not include any information, technical data or know-how which:

i. is already (or otherwise becomes) publicly known and documented, not as a result of any action or inaction of Authority;

ii. is in Authority's possession prior to disclosure by Redeveloper as can be shown by Authority's files and records as they existed immediately prior to the disclosure;

iii. is approved for release by written authorization of Redeveloper;

iv. is independently developed and disclosed by a third party to Redeveloper;

v. disclosure is required by the Oklahoma Open Records Act or other applicable Oklahoma law or regulation. In the event that Confidential Information is required to be disclosed pursuant to this subsection, Authority will give Redeveloper thirty (30) days' written notice to allow Redeveloper to assert whatever exclusions or exemptions may be available to it under such law or regulation.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This Redevelopment Agreement is hereby agreed to and approved by Redeveloper and the Authority as of the Effective Date.

REDEVELOPER:

USA RARE EARTH MAGNETS, LLC,
a Delaware limited liability company

By: ______________________________
Name: ________________
Title: _________________

USA RARE EARTH REAL ESTATE, LLC,
an Oklahoma limited liability company

By: ______________________________
Name: ________________
Title: _________________

AUTHORITY:

STILLWATER ECONOMIC DEVELOPMENT AUTHORITY, a public trust

Attest:

____
Secretary

By: __________________________
William H. Joyce, Chairman

APPROVED as to form and legality this ____ day of _____, 2022.

____
Special Counsel for
Economic Development

EXHIBIT A

Legal Description of Property

A tract of land located in the Southeast Quarter (SE/4) of Section Thirty-five (35), Township Twenty (20) north, Range Two (2) East, I.M., Payne County, Oklahoma, according to the U.S. Government Survey thereof, more particularly described as follows:

Commencing at the Southeast corner of said Southeast Quarter (SE/4) also being the Southeast corner of Lot Five (5); Thence North 90°00'00" West along the South line of said Southeast Quarter (SE/4) and Lot Five (5) for a distance of 1323.76 feet to the Southwest corner of said Lot Five (5) also being the Southeast corner of Lot Six (6); Thence North 90°00'00" West along the South line of said Southeast Quarter and Lot Six (6) for a distance of 54.72 feet to the Point of Beginning; Thence North 90°00'00" West along the South line of said Southeast Quarter (SE/4) and Lot Six (6) for a distance of 1049.88 feet; Thence North 0°11'34" East for a distance of 1011.00 feet; Thence north 46°32'51" East for a distance of 970.00 feet to a point on the North line of said Lot Six (6); Thence South 89°56'34" East along the North line of said Lot Six (6) for a distance of 396.00 feet to the Northeast corner of Lot Six (6), also being the Northwest corner of Lot Five (5); Thence South 89°56'34" East along the North line of said Lot Five (5) for a distance of 100.00 feet; Thence South 0°02'06" East and parallel to the boundary line between said Lots Five (5) and Six (6) for a distance of 1222.70 feet; Thence South 32°00'00" West for a distance of 120.42 feet; Thence Southwesterly along a curve to the left with a radius of 596.44 feet for a distance of 333.11 feet; Thence South 0°00'00" East for a distance of 36.94 feet to the Point of Beginning.

EXHIBIT B

Form of Covenant Agreement

[TO BE ATTACHED]

EXHIBIT B

Form of Covenant Agreement

After Recording, Return To:

____
____
____
____

COVENANT AGREEMENT

This Covenant Agreement (the "Covenant Agreement") is made effective as of _____________, 2022, by and between the **STILLWATER ECONOMIC DEVELOPMENT AUTHORITY**, an Oklahoma public trust ("Authority"), with a notice address of 723 S. Lewis, Stillwater, Oklahoma 74076 and **USA RARE EARTH MAGNETS, LLC**, a Delaware limited liability company and **USA RARE EARTH REAL ESTATE, LLC**, and Oklahoma limited liability company (collectively, "Covenantor"), with a notice address of 1001 Water Street, Suite 600, Tampa, FL 33602, with reference to the following:

A. On June 18, 2018, the City Council of the City of Stillwater ("City Council") adopted Ordinance No. 3407 which approved the Stillwater (Re)Investment Plan (Stillwater Downtown/Campus Link Project Plan), creating Increment District No. 3, the City of Stillwater, pursuant to the Oklahoma Local Development Act, 62 O.S. §850, *et seq.,* which was thereafter amended by Ordinance No. 3424 adopted by City Council on November 5, 2018 to approve a minor amendment, by Ordinance No. 3440 adopted by City Council on October 7, 2019 to approve a minor amendment, and by Ordinance No. _____ adopted by City Council on May 16, 2022, approving the 2022 Amended Stillwater (Re)Investment Plan (Stillwater Downtown/Campus Link Project Plan), as thereafter amended by a minor amendment approved by City Council on ____, 2022 (the "2022 Amended Project Plan").

B. Covenantor has acquired by Special Warranty Deed, dated ____________, and recorded in Book ____, at Page ___ of the records of the County Clerk of Payne County, Oklahoma, all right, title and interest in and to certain real property located in Payne County, Oklahoma, which is more particularly described on **Exhibit A** to this Covenant Agreement (the "Property").

C. The Authority and Covenantor have entered into the Redevelopment Agreement, dated _________, 2022 (the "Redevelopment Agreement"), pursuant to which the Authority has agreed to provide to the Covenantor certain assistance in development financing to support the redevelopment of the Property pursuant to the terms of the Redevelopment Agreement and Covenantor has agreed the assistance in development financing plus interest will be repaid in full as set forth herein.

D. The covenants described in this Covenant Agreement shall constitute covenants running with the land pursuant to which the Covenantor and its successors, assigns, grantees, and lessees and all future owners of the Property are bound to these covenants and conditions, including the obligation to pay or cause to be paid the Minimum Annual Payment (as defined below) during the Minimum Annual Payment Period (as defined below).

NOW, THEREFORE, as of the Effective Date (as defined below) of this Covenant Agreement, for good and valuable consideration as reflected in the Redevelopment Agreement, and in consideration of the mutual promises contained in the Redevelopment Agreement, the Covenantor hereby agrees to burden the Property with the covenants and restrictions in this Covenant Agreement, and agrees that said covenants are made for the benefit of the Property, and the Covenantor further agrees, for itself and its successors, assigns, grantees, and lessees, and all future owners of the Property, that these covenants shall run with the land.

The parties hereby agree and covenant as follows:

1. Imposition of Covenants. This Covenant Agreement is made concurrently with and as consideration for the execution and delivery of the Redevelopment Agreement as security for the repayment of up to $7,000,000.00 in upfront assistance in development financing for the provision of real property improvements purchased and installed for the operation of the Redevelopment ("Development Capital Assistance") and interest thereon based upon the provisions of Section 4.8 of this Agreement and the Escrow Agreement executed by the parties. This Covenant Agreement imposes the covenants herein on the Property, secures repayment and performance of all obligations hereunder, and grants the Authority a continuing lien and security interest in the Property effective as of the date of recording of this instrument pursuant to 42 O.S. §9 ("Effective Date"). Pursuant to Section 2.6.1 of the Redevelopment Agreement, Covenantor hereby binds itself and its successors and assigns to the covenants herein, which shall continue in effect until such time as the Development Capital Assistance and interest thereon is paid in full. The Covenantor hereby agrees that the covenants set forth herein will be included in any lease or document transferring ownership of the Property, as approved by the Authority pursuant to the Redevelopment Agreement, and the Covenantor hereby binds itself and its successors, assigns, grantees, lessees and all future owners of the Property (hereinafter collectively referred to as the "Owner") to the covenants and conditions set forth herein.

2. Minimum Annual Payment. During the initial five-year period during which the Redeveloper claims a manufacturing ad valorem tax exemption on the Redevelopment, ninety percent (90%) of (a) the tax increment revenues generated by payment from the State Ad Valorem Reimbursement Fund, and (b) the ad valorem tax payments paid by the Redeveloper, if any, will be applied by the Authority toward the repayment of the Development Capital Assistance. The remaining balance of incremental revenues generated by the Redevelopment and the ad valorem tax payments paid by the Redeveloper, if any, shall be used by the Authority to provide financial support to the Stillwater Public Schools and to pay authorized project costs set forth in the 2022 Amended Project Plan, other than assistance in development financing. Upon expiration of the initial five-year period during which the Redeveloper claims a manufacturing ad valorem tax exemption on the Redevelopment, Redeveloper shall thereafter be obligated to pay to the Authority the then remaining balance, if any, of the Development Capital Assistance plus such interest that is incurred by the Authority. For purposes of this Agreement, the term "Interest" shall mean the actual interest rate reflected in the loan commitment signed by the Authority to borrow the $7

million Development Capital Assistance, which is anticipated to reflect an interest rate of 4.48% per annum, but shall not exceed 6% per annum. The remaining balance, if any, of the Development Capital Assistance payable to the Authority shall be amortized equally over the subsequent five-year period immediately following expiration of the initial 5-year manufacturing ad valorem tax exemption period claimed by Redeveloper. Accordingly, the Property shall be subject to a minimum annual payment (whether classified, in whole or in part, as a tax payment or an in lieu of payment) obligation in the amount calculated to pay the remaining balance of the Development Capital Assistance plus interest, in full, in equal annual installments, within five (5) years ("Minimum Annual Payment"), which Minimum Annual Payment shall continue in effect for each year thereafter until such time as the Development Capital Assistance and interest thereon is paid in full (the "Minimum Annual Payment Period").

The Minimum Annual Payment obligation during the subsequent five-year period shall be paid annually on or before December 31 and shall be deemed delinquent and in default if not paid in full each year on or before the December 31 payment deadline, at which time said delinquency may be enforced as provided in Section 5 below. Interest after default ("Default Interest") shall be the same as for default on ad valorem taxes, i.e., currently six percent (6%) per annum.

3. Obligation to Pay Minimum Annual Payment. The Owner of the Property shall, in addition to paying the assessed ad valorem real and personal property taxes on the Property based on the county assessment ratios, levy rates, and taxable assessed values then in effect, make a payment in lieu of taxes in the amount of the Minimum Annual Payment calculated pursuant to Section 2 above.

4. Payments in Lieu of Taxes. If the Owner is or becomes otherwise exempt from ad valorem taxes imposed on the Property or exempt from an obligation to pay ad valorem taxes imposed on the Property, or if the Property is leased or sold to a public or private not-for-profit entity that is exempt from the obligation to pay valorem taxes on the Property, such fact shall not relieve the Owner, or any public or private not-for-profit entities from the obligations under this Covenant Agreement to pay the Minimum Annual Payments as and when due.

5. Lien Securing Minimum Annual Payment Obligations. The Minimum Annual Payment obligations of the Property pursuant to the covenants in this Covenant Agreement are secured by a continuing tax lien on the Property in favor of Payne County, Oklahoma (the "County"), the Authority, and the apportionment fund of Increment District No. _, and shall arise annually at the same time, in the same manner, having the same priority, and subject to the same enforcement and remedies as liens to secure the annual payments of other ad valorem taxes. The lien for the Minimum Annual Payment is subject to enforcement upon delinquency as provided in Section 2 above, by judgment or foreclosure by the Authority, or its authorized designee, in the same manner as foreclosure of a mortgage or in the same manner as sales or foreclosure of tax liens. The Authority's rights to payments hereunder are senior to the rights of any subsequent lien holder, subject to the rights of mortgage holders to cure monetary defaults as provided in Section 7 of this Agreement.

6. No Personal Liability; Right to Dispute Any Tax Increases. In no event shall the covenants in this Covenant Agreement constitute a personal liability of the Owner, nor will the

Owner be prevented from disputing in good faith any proposed increased ad valorem taxes that may be in excess of the Minimum Annual Payment. In the event of a default in payment of the Minimum Annual Payment obligation, the beneficiaries of the Minimum Annual Payment pursuant to this Covenant Agreement shall look exclusively to the Property for satisfaction thereof and shall not seek or obtain a personal judgment against the Owner. Nothing herein is intended to imply that any property that formerly was publicly held is exempt from being placed on the ad valorem tax rolls after transfer to Owner.

7. Mortgagee's Option to Cure Defaults and Reinstate Annual Obligations. In the event of a breach or default to make the Minimum Annual Payment as provided herein, the holder of any mortgage filed of record against the Property shall have the right, at its option, to cure or remedy such breach or default and add to the cost thereof to the mortgage debt and lien of its mortgage, and thereby restore the payment obligation hereunder to an annual installment, in which event the Authority will not pursue foreclosure of its lien.

8. Alterations. After completion of the Improvements, the Owner may make such changes, alterations or improvements to the Improvements that are deemed necessary or appropriate by Owner; provided, however, that during the Minimum Annual Payment Period, the Owner may not make material changes, alterations, or improvements to the Improvements as outlined in clauses (a) – (d) below ("Alterations") without the Authority's written consent, which may not be unreasonably withheld, conditioned or delayed: (a) demolish all, or substantially all, of the Improvements, (b) reduce the height of the Improvements, (c) alter the Improvements so as to adversely affect the structural integrity of the Improvements, or (d) alter the nature of the Improvements required to be constructed under the Redevelopment Agreement. The parties agree that in the event that Owner deems such Alternations as necessary or appropriate in order to continue operations at the Property, then it would be unreasonable for Authority to withhold, condition or delay consent. The Authority's consent will not be unreasonably withheld or delayed to any of the Alterations described in clauses (a) – (d) if such Alterations result from a material casualty not caused by the Owner.

As used herein, "Improvements" means all buildings and other real property improvements now located, or hereafter erected or installed, on the Property.

9. Obligation to Restore. If the Improvements are damaged or destroyed by fire or other cause (whether ordinary or extraordinary), the Owner shall give the Authority prompt notice of such event and, except as provided in Section 11.1 below, shall repair such damage and restore the Improvements to the condition existing prior to such damage or destruction ("Restoration"). Such Restoration shall be performed with reasonable diligence, subject to reasonable delays for adjustment of the insurance loss.

10. Property Insurance. [[COMPANY CONFIRMING WITH RISK MANAGEMENT ADVISORS]] Upon completion of the Improvements, and at all times during the remainder of the Minimum Annual Payment Period, the Owner shall maintain property insurance covering the Improvements, insuring against all risks, with extended coverage, to include coverage against the perils of fire, theft, vandalism, malicious mischief, collapse, explosion, earthquake, flood, f applicable, windstorm, falsework, testing and startup, temporary buildings and debris removal

including demolition and increased cost of construction occasioned by enforcement of any applicable legal requirements, under a form of policy covering open or special perils (and not a basic, broad, or named peril form of coverage), and during the performance of any Restoration or Alterations, shall include coverage for machinery, tools, and equipment, damage and destruction to materials and supplies that are used or to be used, and engineer's and architect's errors and omissions insurance. With respect to losses to property, such policy shall be in an amount equal to 100% of the Full Replacement Cost (hereinafter defined) of the Improvements, but such coverage shall be, in any event, at least sufficient to avoid the effect of the co-insurance provisions of the applicable policy or policies. The term "Full Replacement Cost" shall mean the actual replacement cost of the Improvements, including the cost of demolition and debris removal and without deduction for depreciation and excluding the cost of excavation, foundations and footings. Such policy shall not exclude losses causes by flood, mold, fungus or acts of terrorism (including bioterrorism).

11. Acceleration. Subject to the provisions of Section 7, if any of the following events should occur, then during the continuance thereof, all Payment Obligations, notwithstanding any term of this Agreement or any other documents signed by the parties to the contrary, shall at the Authority's option (which shall have been deemed to have been exercised immediately upon the occurrence of any of the following events) and without further notice, shall become immediately due and payable, without presentment, demand, protest or notice of dishonor, all of which are hereby expressly waived by Owner:

11.1 Casualty Events. Not later than three Business Days following the receipt by Owner of the proceeds of insurance, any condemnation award, or other compensation in respect of a material loss or damage to, or any condemnation or other taking of the entire Property, Owner shall apply an amount equal to 100% of such proceeds to the payment of all then outstanding Payment Obligations, unless the Owner determines the Property and Redevelopment can be restored and completed by Owner.

11.2 Material Adverse Effect. The occurrence of any set of circumstances or events that (a) would have a material adverse effect upon the validity or enforceability of any of this Agreement, (b) is or could reasonably be expected to become material and adverse to the business condition or prospects (financial or otherwise), assets, properties, or operations of the Owner, (c) could reasonably be expected to materially impair the ability of the Owner to fulfill its Payment Obligations hereunder, or (d) causes a breach or default by Owner under this Agreement or the Redevelopment Agreement, and unless the Authority determines in its commercially reasonable judgement that such default cannot be cured, such default continues for twenty Business Days.

"Payment Obligations", as used in Section 11, means all obligations, liabilities and indebtedness (including post-petition and default interest, whether allowed or not) of the Owner arising under this Agreement and the Redevelopment Agreement to the Authority of any nature whatsoever, including, without limitation, for principal, interest, fees, costs, expenses, indemnification, and legal fees, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising.

"Business Day" means a day other than Saturday, Sunday, or other day on which commercial banks are authorized to close or are in fact closed in the State of Oklahoma.

12. Prohibition Against Transfer of the Property and Restrictions on Transfer of Control by Covenantor. Until completion of all phases of the Redevelopment (defined in the Redevelopment Agreement), the Covenantor shall not sell, transfer, convey, or assign all or any portion of its interest in the Property, or assign or delegate any of its obligations under the Redevelopment Agreement, without the prior written consent of the Authority, except as specifically provided in the Redevelopment Agreement.

13. Covenants for Non-Discrimination. The Owner covenants that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, familial status, marital status, age, handicap, national origin or ancestry in the construction, renovation, use, occupancy, tenure or enjoyment of the Property, nor shall the Owner itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with respect to the construction, renovation, use, occupancy, tenure or enjoyment of the Property. The covenant established in this Section shall, without regard to technical classification and designation, be binding for the benefit and in favor of the Authority and any successor in interest to the Property or any part thereof. The covenants contained in this Section shall remain for so long as any Payment Obligations under this Agreement remains outstanding or unpaid.

14. Maintenance Covenants. The Owner shall be obligated to maintain the Redevelopment and all improvements and landscaping situated on the Property in a clean and neat condition and in a continuous state of good repair in accordance with the City of Stillwater's Land Development Code and Standards.

15. Binding Effect. This Covenant Agreement shall be binding upon and inure to the benefit of the Owner and the Authority and their respective successors, and assigns. All terms and provisions of this Covenant Agreement, including the benefits and burdens, shall run with the land described herein and be appurtenant thereto for the duration hereof, with the effect that any person or entity that acquires an interest in the Property, or any portion thereof, shall be entitled to the benefits and be bound by the burdens hereof.

16. Certain Definitions. References in this Covenant Agreement to the "Owner" shall mean "the Owner, its successors, assigns, grantees, lessees, any future owner of the Property." The term "includes" means "without limitation" and the term "including means "including but not limited to.

17. Termination and Release of Tax Covenants. The covenants herein shall terminate upon the earlier of (a) the payment in full of all Payment Obligations, or (b) the expiration of the Minimum Annual Payment Period, and, upon such full payment or expiration, the Authority will provide a recordable instrument evidencing the satisfactory performance and termination of the agreements and covenants under this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The Authority has executed this Covenant Agreement as of the Effective Date.

AUTHORITY: STILLWATER ECONOMIC DEVELOPMENT AUTHORITY
a public trust

By: ____________________________
William H. Joyce, Chairman

(SEAL)

ATTEST:

By: ____________________________
Secretary

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) SS:
COUNTY OF PAYNE)

The foregoing instrument was acknowledged before me this ______ day of ______________, 2022, by William H. Joyce, Chairman of the Stillwater Economic Development Authority, a public trust, on behalf of the Trust.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the date and year first above written.

____
Notary Public

My Commission No.: __________________
My Commission Expires: __________________

(Notary Stamp or Seal)

The Covenantor has executed this Covenant Agreement as of the Effective Date.

COVENANTOR:

USA RARE EARTH MAGNETS, LLC,
a Delaware limited liability company

By: ______________________________
Name: ________________
Title: __________________

USA RARE EARTH REAL ESTATE, LLC,
an Oklahoma limited liability company

By: _______________________________
Name: __________________
Title: __________________

ACKNOWLEDGEMENT

STATE OF __________)
) SS:
COUNTY OF _________)

The foregoing instrument was acknowledged before me this _____ day of ____________, 2022, by________________________, as the [Manager] of USA RARE EARTH MAGNETS, LLC, a Delaware limited liability company and by _________________________________, as the [Manager] of USA RARE EARTH REAL ESTATE, LLC, an Oklahoma limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the date and year first above written.

____
Notary Public

My Commission No.: __________________
My Commission Expires: __________________

(Notary Stamp or Seal)

EXHIBIT A

Legal Description of Property

A tract of land located in the Southeast Quarter (SE/4) of Section Thirty-five (35), Township Twenty (20) north, Range Two (2) East, I.M., Payne County, Oklahoma, according to the U.S. Government Survey thereof, more particularly described as follows:

Commencing at the Southeast corner of said Southeast Quarter (SE/4) also being the Southeast corner of Lot Five (5); Thence North 90°00'00" West along the South line of said Southeast Quarter (SE/4) and Lot Five (5) for a distance of 1323.76 feet to the Southwest corner of said Lot Five (5) also being the Southeast corner of Lot Six (6); Thence North 90°00'00" West along the South line of said Southeast Quarter and Lot Six (6) for a distance of 54.72 feet to the Point of Beginning; Thence North 90°00'00" West along the South line of said Southeast Quarter (SE/4) and Lot Six (6) for a distance of 1049.88 feet; Thence North 0°11'34" East for a distance of 1011.00 feet; Thence north 46°32'51" East for a distance of 970.00 feet to a point on the North line of said Lot Six (6); Thence South 89°56'34" East along the North line of said Lot Six (6) for a distance of 396.00 feet to the Northeast corner of Lot Six (6), also being the Northwest corner of Lot Five (5); Thence South 89°56'34" East along the North line of said Lot Five (5) for a distance of 100.00 feet; Thence South 0°02'06" East and parallel to the boundary line between said Lots Five (5) and Six (6) for a distance of 1222.70 feet; Thence South 32°00'00" West for a distance of 120.42 feet; Thence Southwesterly along a curve to the left with a radius of 596.44 feet for a distance of 333.11 feet; Thence South 0°00'00" East for a distance of 36.94 feet to the Point of Beginning.

ESCROW AGREEMENT
(ASSISTANCE IN DEVELOPMENT FINANCING DISBURSEMENT AGREEMENT)

This Escrow Agreement (Assistance in Development Financing Disbursement Agreement) (this "Agreement") is entered into effective this ____ day of __________, 2022 ("Effective Date"), by and among **STILLWATER ECONOMIC DEVELOPMENT AUTHORITY**, a public trust having as its beneficiary the City of Stillwater ("Authority"), **USA RARE EARTH MAGNETS, LLC**, a Delaware limited liability company, and **USA RARE EARTH REAL ESTATE, LLC**, an Oklahoma limited liability company ("Redeveloper").

RECITALS:

A. Redeveloper is the fee simple title owner of certain real property located at 100 W. Airport Road, Stillwater, Payne County, Oklahoma, which is more particularly described on Exhibit A attached hereto ("Property").

B. The Redeveloper and the Authority executed a Redevelopment Agreement dated ______, 2022 ("Redevelopment Agreement") pursuant to which Redeveloper has agreed to make an estimated investment of approximately $140 million, comprised of $9.9 million in building and land acquisition costs, $17 million in immediate building improvement construction costs (the "Facility Investment"), and $113 million in additional building improvements and new equipment purchases (collectively, the "Project Investment"), to develop and operate the first U.S. based rare earth metal, strip casting and neo-magnet production facility ("Facility") on the Property, and add new full-time employees in the City of Stillwater as set forth in the Redevelopment Agreement (collectively, the "Redevelopment").

C. Pursuant to the Redevelopment Agreement, the Authority has agreed to provide to the Redeveloper upfront assistance in development financing in the amount of $7,000,000.00 for the provision of improvements purchased and installed for the operation of the Redevelopment ("Development Capital Assistance"), pursuant to the terms of the Redevelopment Agreement.

D. Redeveloper has executed a Covenant Agreement filed of record obligating the Property owner(s) and any successors in interest of the Property to pay or cause to be paid a minimum annual payment (whether classified in whole or in part as a tax payment or as a payment in lieu of taxes) to, in part, secure repayment of the Development Capital Assistance ("Covenant Agreement").

E. The Authority agrees to deliver to Redeveloper periodic disbursements of the Development Capital Assistance pursuant to the Redevelopment Agreement, pending satisfaction of certain conditions described herein.

F. Terms used herein and not otherwise defined shall have the respective meanings given to them in the Redevelopment Agreement and/or the Covenant Agreement, and all future updates, changes and amendments thereto, as they become effective.

NOW, THEREFORE, for and in consideration of mutual terms and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Development Capital Assistance. Pursuant to the Redevelopment Agreement, the Authority has agreed to provide the Development Capital Assistance to Redeveloper in support of the Redevelopment. Subject to the terms and conditions of this Agreement, the Authority will disburse funds to Redeveloper in an amount not to exceed the Development Capital Assistance to the Redeveloper.

2. Conditions Precedent. Prior to the Authority's disbursement of any portion of the Development Capital Assistance, all conditions precedent described in Article IV of the Redevelopment Agreement shall have been satisfied, including without limitation, that the Authority shall have received the funds representing the Development Capital Assistance, on terms satisfactory to the Authority, and all public financing approvals by the City of Stillwater, the Authority and as is required by the Local Development Act, 62 O.S. §850, *et seq.*, have been obtained.

3. Disbursement Procedures.

   a. Inspections. The Authority and its employees, agents and representatives shall have access to the Property at all reasonable times for the purpose of inspection of the construction work and progress of work, provided that such inspection shall not unreasonably interfere with construction work.

   b. Draw Request. Redeveloper shall initiate each request for disbursement of funds for the Development Capital Assistance by delivering the Authority an executed draw request, in form and substance as attached hereto as Exhibit B, with supporting paid invoices and documentation of the improvements purchased and installed on the Property for the operation of the Redevelopment, together with waivers and releases of liens from each contractor ("Draw Request").

   c. Funding of Approved Draw Request. The Authority will have twenty (20) days to review the Draw Request. Provided the Authority approves the Draw Request, and there is no event of default under the Redevelopment Agreement, the Authority will, within ten (10) days of the Authority's approval of a Draw Request, disburse to Redeveloper the requested amount set forth in the approved Draw Request. Disbursements shall be made no more frequently than once per calendar month.

4. Term. This Agreement shall continue from the Effective Date and shall continue until the Development Capital Assistance has been paid in full.

5. Governing Law. This Agreement and the dispositions hereunder shall be construed and regulated, and their validity and effect shall be determined by, the laws of the State of Oklahoma, without regard to the principles of conflicts of laws thereof.

6. Assignment. This Agreement is personal to the parties hereto and may not be assigned other than by an agreement in writing signed by all of the parties hereto.

7. Amendment. Neither this Agreement nor any of the provisions hereof may be amended or modified other than by an instrument in writing signed by the parties hereto.

8. Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given or delivered when it is deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, or delivered personally by a nationally recognized overnight carrier, to:

If to the Authority:	Stillwater Economic Development Authority 212 S.W. 9th Street Stillwater, OK 73501 Attention: Chairman
With a copy to:	Center for Economic Development Law 301 N. Harvey Ave., Suite 100 Oklahoma City, OK 73102 Attention: Dan Batchelor Lisa Harden
If to Redeveloper:	USA Rare Earth Magnets, LLC USA Rare Earth Real Estate, LLC 1001 Water Street Tampa, FL 33602 Attention:
With a copy to:	McAfee & Taft A Professional Corporation 8th Floor, Two Leadership Square 211 N. Robinson Ave. Oklahoma City, OK 73102 Attn: Joe C. Lewallen, Jr.

or to such other address, within the United States, with respect to a party as that party may from time to time designate in writing and forward to the others as provided in this Section. A copy of any notice, demand or other communication under this Agreement given by a party under this Agreement to any other party under this Section shall be given to each other party to this Agreement.

9. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto and, as of the Effective Date of this Agreement, the terms and provisions contained herein shall supersede all other agreements between the parties hereto with respect to the matters contained herein.

10. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall, for all purposes of this Agreement, be deemed an original, but all of which shall

constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

REDEVELOPER: USA RARE EARTH MAGNETS, LLC,
a Delaware limited liability company

By: ______________________________
Name: _________________
Title: _________________

USA RARE EARTH REAL ESTATE, LLC,
an Oklahoma limited liability company

By: ______________________________
Name: _________________
Title: _________________

AUTHORITY: STILLWATER ECONOMIC REDEVELOPMENT AUTHORITY, a public trust

By: ______________________________
William H. Joyce, Chairman

Attest:

____
Secretary

APPROVED as to form and legality this ____ day of _____, 2022.

____
Special Counsel for Economic Development

EXHIBIT "A"

Legal Description of the Property

A tract of land located in the Southeast Quarter (SE/4) of Section Thirty-five (35), Township Twenty (20) north, Range Two (2) East, I.M., Payne County, Oklahoma, according to the U.S. Government Survey thereof, more particularly described as follows:

Commencing at the Southeast corner of said Southeast Quarter (SE/4) also being the Southeast corner of Lot Five (5); Thence North 90°00'00" West along the South line of said Southeast Quarter (SE/4) and Lot Five (5) for a distance of 1323.76 feet to the Southwest corner of said Lot Five (5) also being the Southeast corner of Lot Six (6); Thence North 90°00'00" West along the South line of said Southeast Quarter and Lot Six (6) for a distance of 54.72 feet to the Point of Beginning; Thence North 90°00'00" West along the South line of said Southeast Quarter (SE/4) and Lot Six (6) for a distance of 1049.88 feet; Thence North 0°11'34" East for a distance of 1011.00 feet; Thence north 46°32'51" East for a distance of 970.00 feet to a point on the North line of said Lot Six (6); Thence South 89°56'34" East along the North line of said Lot Six (6) for a distance of 396.00 feet to the Northeast corner of Lot Six (6), also being the Northwest corner of Lot Five (5); Thence South 89°56'34" East along the North line of said Lot Five (5) for a distance of 100.00 feet; Thence South 0°02'06" East and parallel to the boundary line between said Lots Five (5) and Six (6) for a distance of 1222.70 feet; Thence South 32°00'00" West for a distance of 120.42 feet; Thence Southwesterly along a curve to the left with a radius of 596.44 feet for a distance of 333.11 feet; Thence South 0°00'00" East for a distance of 36.94 feet to the Point of Beginning.

EXHIBIT B

FORM OF DRAW REQUEST

To: Stillwater Economic Development Authority ("Authority")

From : USA Rare Earth Magnets, LLC, a Delaware limited liability company
USA Rare Earth Real Estate, LLC, an Oklahoma limited liability company ("Redeveloper")

DRAW REQUEST NO: ___

In accordance with the terms of the Escrow Agreement (Assistance in Development Financing Disbursement Agreement) dated as of ____, 2022 by and between the Authority and Redeveloper, the Redeveloper hereby requests the Authority to make a disbursement of funds for the Development Capital Assistance to the Redeveloper in the amount set forth below, for the purposes described herein and as reflected in the attached paid invoices. Waivers and releases of liens from each contractor are also attached to this Draw Request.

Description of Improvements Completed	**Amount**

The Redeveloper certifies that:

1. The costs set forth above were made or incurred and were necessary for the operation of the Redevelopment ("Redevelopment Costs"), and were made or incurred in substantial accordance with the Redevelopment Plans and Specifications previously approved by the Authority in accordance with the Redevelopment Agreement;
2. The amount of Redevelopment Costs paid, as set forth in this Draw Request, was made in accordance with the terms of any contracts applicable to the Redevelopment and in accordance with usual and customary practice under existing conditions;
3. No part of the Redevelopment Costs requisitioned in this Draw Request has been included within the Redevelopment Costs referred to in any Draw Request previously submitted (which has been paid); and
4. No event of default has occurred and is continuing under this Agreement or the Redevelopment Agreement.

AMOUNT TO BE DISBURSED: $____________

Requested this ______ day of ______________, 202__.

REDEVELOPER:

USA RARE EARTH MAGNETS, LLC,
a Delaware limited liability company

By: ______________________________
Name: ________________
Title: __________________

USA RARE EARTH REAL ESTATE, LLC,
an Oklahoma limited liability company

By: ______________________________
Name: ________________
Title: __________________

APPROVED by the Authority this ____ day of _______, 202_:

By: ______________________________
Name: __________________________
Title: ____________________________