



CITY OF YUKON ECONOMIC DEVELOPMENT INCENTIVE POLICY

PURPOSE STATEMENT:

Economic development is vital to the City of Yukon's long-term economic and social health. This Policy provides a consistent and transparent framework for evaluating and administering economic development incentives. It is intended to support job creation, private investment, and overall community benefit within the City of Yukon ("Yukon Proper").

This Policy is not a guarantee of incentive approval. All applications will be evaluated on a case-by-case basis, and incentives may be approved, modified, or denied at the sole discretion of the Yukon City Council.

For purposes of this Policy, "public benefit" may include, but is not limited to, increased tax base, job creation or retention, private capital investment, downtown activation, infrastructure improvements, blight removal, tourism generation, or other measurable economic impact benefiting the City of Yukon.

SECTION 1. GOALS AND OBJECTIVES

Projects considered for incentives should contribute to one or more of the following objectives:

- Diversify Yukon's local economic base
- Create and retain quality jobs
- Generate new capital investment
- Increase sales tax or ad valorem revenues
- Revitalize underutilized or strategic sites
- Advance long-term planning and development goals

SECTION 2. ELIGIBILITY AND EVALUATION CRITERIA

2.1 Minimum Eligibility Requirements:

Projects must meet the following criteria unless expressly waived by the City Council:

- Located within Yukon corporate limits
- Demonstrate public benefit and fiscal return
- Include site control or evidence of property acquisition

Minimum Capital Investment Threshold:

Projects requesting sales tax rebate, TIF participation, public infrastructure participation, land conveyance, or other direct financial incentives shall demonstrate a minimum private capital investment of \$500,000 within Yukon corporate limits, unless expressly waived by the City Council upon a finding of substantial public benefit or catalytic impact.

2.2 Evaluation Criteria:

Eligible projects will be evaluated using the following factors:

- Capital investment amount and timeline
- Number and quality of new or retained jobs
- Average wage level and benefits offered
- Project readiness and developer capacity
- Alignment with Comprehensive Plan and City goals
- Net fiscal impact to the City
- Demonstration that the project would not be financially feasible 'but for' the requested public incentive.

2.3 Financial Considerations:

Projects shall be evaluated for financial feasibility and return on investment using the following considerations:

- Demonstration of financial need for public assistance, including a "but for" analysis indicating the project would not be feasible without the requested incentive
- Submission of a detailed project pro forma, including sources and uses of funds
- Estimated fiscal impact to the City, including projected sales tax, ad valorem tax, and other revenue generation
- Target payback period for public investment, generally not to exceed ten (10) years unless otherwise approved by City Council
- Overall return on investment and proportionality of public support relative to private investment and community benefit

SECTION 3. INCENTIVE TYPES AND STRUCTURE:

3.1 Incentive Tools May Include:

- Sales tax rebate or reimbursement
- Tax increment financing (TIF) participation
- Public infrastructure participation
- Land write-down or conveyance
- Fee waivers or expedited permitting
- Low-interest or performance-based loans
- Other tools as authorized by law and approved by City Council

3.2 Pay-As-You-Go Model:

Unless otherwise approved by the City Council, incentives will be reimbursed on a pay-as-you-go basis from project-generated revenues or restricted funding sources. The City shall not pledge General Fund revenues or incur obligations beyond actual collections.

3.3 Term and Cap:

The maximum incentive term shall not exceed ten (10) years. A defined rebate percentage, TIF allocation, and/or total dollar cap shall be established in each Development Agreement or governing resolution.

3.4 Eligible Costs:

Eligible project costs may include, subject to City Council approval and documentation:

- Land acquisition costs, provided the acquisition is directly tied to the approved development and occurs prior to or as part of the Development Agreement
- Site preparation, including demolition, grading, and environmental remediation
- Public and private infrastructure improvements, including utilities, streets, drainage, and related systems
- Vertical construction costs associated with the development
- Furniture, fixtures, and equipment (FF&E) necessary for project operation
- General business equipment directly tied to the function and occupancy of the development
- Structured parking, pedestrian improvements, and publicly accessible amenities
- Approved placemaking elements, including public art, streetscape enhancements, and gathering spaces

3.5 Ineligible Costs:

- Operating expenses, including payroll, rent, utilities, and maintenance
- Inventory or consumable goods
- Refinancing of existing debt
- Costs incurred prior to Council approval unless expressly authorized
- Any cost not directly tied to the approved project scope or public benefit

SECTION 4. MANDATORY COMMITMENTS

Unless expressly waived by City Council, all incentive recipients are expected to comply with the following:

4.1 Use of City Utilities:

The project shall use City-provided water, sanitary sewer, stormwater, and solid waste services where available and feasible.

4.2 Chamber of Commerce Participation:

The operating entity shall maintain an active, dues-paid membership with the Yukon Chamber of Commerce during the incentive term. *The City Council may waive or modify this requirement if the public benefit justifies such action.*

4.3 Public Art or Placemaking Contribution:

All projects receiving incentives shall comply with the City of Yukon Public Art Incentive Compliance Policy. Requirements, calculation methodology, and compliance options shall be governed exclusively by that Policy and incorporated into the Development Agreement.

4.4 Community Involvement:

An annual report outlining local philanthropic, sponsorship, or volunteer activity shall be submitted by March 1 of each year.

4.5 Property Maintenance:

The project site shall be maintained in a clean, safe, and aesthetically appropriate condition throughout the term of the incentive, as defined in the Development Agreement or project-specific conditions.

4.6 Downtown District Participation:

Projects receiving incentives within a designated downtown district shall participate in the City-recognized downtown economic development organization during the term of the incentive, as specified in the applicable Development Agreement. Participation may include maintaining appropriate membership status or contributing to district-level programming and marketing efforts. The City Council may waive or modify this requirement if deemed in the public interest.

The "Downtown District" shall be defined by City Council resolution, adopted planning boundaries, or designated program areas such as Main Street or other recognized districts.

4.7 Continuous Operation Requirement:

Projects receiving incentives shall continuously operate the approved business use for a period defined in the applicable Development Agreement, commencing upon issuance of a certificate of occupancy and opening to the public.

"Continuous operation" shall mean active and ongoing business operations consistent with the approved project description.

Temporary closures due to remodeling, casualty, force majeure, market conditions, or other circumstances approved by the City shall not constitute a violation of this requirement.

Failure to maintain continuous operation as defined in the Development Agreement may constitute a default and may result in suspension, reduction, or termination of incentive payments.

The City Council may modify or waive this requirement if deemed in the public interest.

4.8 Good Standing Requirement:

Incentive recipients must remain in good standing with respect to local taxes, utility payments, permits, licenses, and code compliance throughout the term of the incentive.

"Good standing" shall be determined by the City and generally includes no delinquent taxes, fees, utility payments, code violations, or unresolved municipal obligations, as determined by the City Manager or designee.

Failure to remain in good standing may result in suspension or termination of incentive payments.

SECTION 5. APPLICATION PROCESS

5.1 Pre-Application Meeting:

Applicants must schedule a meeting with the Economic Development Director and City Manager (or designee) prior to submitting an application.

5.2 Submission Requirements:

Applications shall include:

- Detailed project description and location
- Site control documentation
- Estimated capital investment and phasing plan
- FTE job creation and wage data

- Financial disclosures and pro forma
- Utility demand and infrastructure needs
- List of state or federal incentives pursued

5.3 Petition Fee:

A non-refundable Petition Fee of \$5,000 is due at the time of submission. *The City Council may waive or reduce this fee upon finding substantial public benefit, hardship, or catalytic value.*

5.4 Retroactivity:

Incentives shall not apply to costs incurred prior to formal City Council approval unless expressly authorized by Council action.

SECTION 6. REVIEW AND APPROVAL PROCEDURES

6.1 Internal Review:

An internal review committee consisting of the City Manager (or designee), the Economic Development Director, the Assistant City Manager, the Chief Financial Officer or Finance Director (or designee), and the City Attorney or Bond Counsel, as applicable, shall evaluate incentive applications for fiscal feasibility, legal compliance, infrastructure capacity, and alignment with City goals.

6.2 YEDA Review:

YEDA review shall be required only for projects involving trust-held assets, bond financing, or direct participation by the Yukon Economic Development Authority. Projects not involving YEDA participation may proceed directly to City Council consideration.

6.3 City Council Action:

Final approval of all incentive agreements resides exclusively with the Yukon City Council. No incentive shall be deemed approved without formal Council action and execution of a Development Agreement, resolution, or other binding instrument.

SECTION 7. COST VERIFICATION AND DISBURSEMENT

7.1 Certified Documentation:

All reimbursements require submission of third-party certified invoices or equivalent proof of cost.

7.2 Revenue Verification:

Rebates or reimbursements must be based on documented revenues or qualifying expenses.

7.3 Audit Rights:

The City retains the right to audit all financials related to the project and the underlying basis of the incentive.

7.4 Withholding Authority:

The City may suspend or withhold disbursements if the Developer is:

- Delinquent on taxes, fees, or utilities
- In default of a City-issued obligation
- Non-compliant with agreement terms

7.5 Recapture Authority:

In the event of material non-compliance, misrepresentation, or failure to satisfy performance commitments defined in the Development Agreement, the City may seek recapture of previously disbursed incentive funds, as authorized by the applicable agreement and Oklahoma law.

7.6 Assignment Restrictions:

Incentives and associated Development Agreements may not be assigned or transferred without prior approval of the Yukon City Council, except as otherwise expressly permitted in the Development Agreement.

7.7 Misrepresentation:

Any material misrepresentation in an application, financial disclosure, or required reporting submission may constitute grounds for immediate suspension, termination, or recapture of incentives, as provided in the applicable Development Agreement and permitted by law.

7.8 Extraordinary Professional Costs and Bond Counsel Reimbursement

Applicants shall be responsible for all extraordinary third-party professional costs incurred by the City in connection with the review, structuring, negotiation, documentation, or implementation of any incentive request, including but not limited to:

- Bond counsel
- Outside legal counsel
- Financial advisors
- TIF or increment district consultants
- Engineering or feasibility consultants
- Statutory publication costs
- Trustee and issuance-related expenses

The City may require advance deposits prior to initiating bond counsel, TIF structuring, or other extraordinary services. Failure to provide required deposits shall suspend further processing of the application.

All such professional costs shall be reimbursed by the Applicant regardless of whether the project ultimately receives City Council approval, unless expressly waived by formal Council action.

Extraordinary professional costs may be included as eligible project costs only if expressly approved by City Council and incorporated into the executed Development Agreement.

The City shall not advance or obligate General Fund revenues for bond counsel or financing-related expenses unless approved by the City Council.

SECTION 8. STATUTORY AUTHORITY

This Policy is adopted pursuant to the City of Yukon's home-rule authority and is implemented in accordance with the following Oklahoma statutes, as amended:

- Corporate Powers of Municipalities, 11 O.S. § 22-101 et seq.
- Oklahoma Public Trust Act, 60 O.S. § 176 et seq.
- Oklahoma Urban Redevelopment Law, 11 O.S. § 38-101 et seq.
- Local Development Act, 62 O.S. § 850 et seq.
- Oklahoma Leverage and Incentive Act, 62 O.S. § 5001 et seq.

Nothing in this Policy shall limit the City's ability to establish additional conditions or administrative procedures necessary to serve the public interest.

SECTION 9. CITY COUNCIL DISCRETION

The Yukon City Council may, at its sole discretion:

- Modify, waive, or condition any requirement in this Policy
- Adjust incentive amounts or terms based on total public support
- Approve alternative compliance methods to achieve public benefit
- Terminate or amend incentive agreements in accordance with law

Nothing in this Policy shall create a contractual right, entitlement, or vested interest in any incentive. Incentives shall only be granted upon formal approval by the Yukon City Council and execution of a Development Agreement, resolution, or other binding instrument.

SECTION 10. PROGRAM STRUCTURE AND RELATIONSHIP:

The City of Yukon economic development framework consists of the following coordinated documents:

- The Economic Development Incentive Policy (governing policy)
- The Yukon Horizon Program (implementation tool)
- The Public Art Incentive Compliance Policy (compliance requirement)

In the event of conflict, this Policy shall control unless otherwise approved by City Council.

In the event of conflict between this Policy and a project-specific Development Agreement, the terms of the Development Agreement shall govern, unless otherwise prohibited by law.