

AMENDED

**LOCAL DEVELOPMENT ACT-TAX EXEMPTION AGREEMENT BETWEEN THE CITY
OF TULSA AND TULSA COUNTY
(400 SOUTH BOSTON LLC., 400 SOUTH BOSTON, TULSA OK 74103)**

THIS AGREEMENT is made and entered into this ____ day of _____ 2015, by and between The City of Tulsa, Oklahoma, a municipal corporation (“City”) and the Board of County Commissioners for Tulsa County (“Taxing Entity”).

WITNESSETH:

WHEREAS, 400 South Boston LLC., will enter into an agreement regarding property more particularly described in the attached Exhibit “A” (“Property”), conversion of an existing building of 63,991 square feet of vacant office space into a 61,541 square feet boutique hotel, plus 2,450 square feet of renovated commercial retail space on first floor (“Project”), designed to comply with the tax incentive program established by the City to promote development of residential housing in downtown Tulsa, Oklahoma; and

WHEREAS, it is necessary and desirable, in order to ensure the economic viability of the Project, that provisions be made by the various taxing entities sharing in the ad valorem taxes applicable to the Property, after development, to provide for the granting of six (6) years ad valorem tax incentive abatement applicable to the Project, the Property and improvements, immediately succeeding the date of completion of construction of the Project, all as authorized by Article 10, §6(C) of the Oklahoma Constitution, its enabling legislation known as the Local Development Act, 62 O.S. Supp.2010, §851, et seq. (“Act”) and City Ordinance No. 18058, as amended by City Ordinance No. 19168, (“amended Ordinance”), approving and creating Tax Incentive District Number One, and other applicable authorizations; and

WHEREAS, Section 10 of the amended Ordinance provides that the City will enter into a written agreement with property owners granted the tax exemptions pursuant to the Act, 62 O.S.2001, §866, establishing the terms and conditions of the tax incentives or exemption granted; and

WHEREAS, Section 9 of the amended Ordinance provides the City will enter into written agreements with other taxing entities providing for the relinquishment of ad valorem tax increases applicable to the Property for the designated period; and

WHEREAS, the Local Development Act Review Committee has recommended that the benefits of the provisions of Tax Incentive District Number One project plan be made available to 400 South Boston LLC., the owner of the Property, in order to ensure the economic viability of the Project; and

WHEREAS, the granting of this tax exemption by the City, the Taxing Entity and other taxing entities related to the Property is deemed necessary, desirable and in the public interest, and will assist in strengthening the economic viability of the City, as a whole, and more particularly in relation to the plan included in Tax Incentive District Number One; and

WHEREAS, an agreement regarding the development will be entered into by and between 400 South Boston LLC., and the City, whereby the City, as a taxing entity, will be asked to relinquish any increase in ad valorem taxes applicable to the Project, Property and improvements for a period of six (6) calendar years commencing January 1st of the first calendar year following the completion of construction of the designated residential space on the Property and continuing for a six (6) year period, after which the exemption shall automatically terminate; and

WHEREAS, the agreement between 400 South Boston LLC., and the City will provide that if the owner fails to use the Property for the designated residential purposes, after development or changes its use to some use other than residential, then the granted tax exemption shall terminate; and

WHEREAS, Taxing Entity, in anticipation of the City's entering into said ad valorem tax abatement agreement as stated above, hereby agrees to relinquish any increase in ad valorem taxes applicable to the Project, Property and improvements commencing January 1st of the first calendar year following the completion of construction of the designated residential space on the Property and continuing for a six (6) year period, after which the exemption shall automatically terminate, subject to earlier termination as to that portion of the Property improvements designated for residential usage, which ceases to be used for residential purposes.

NOW, THEREFORE, in consideration of the mutual covenants, promises and conditions contained herein, the parties agree as follows:

Section 1. The tax abatement provided herein shall be in effect from January 1st of the first whole calendar year following completion of construction of the designated residential space until December 31st of the sixth year after the commencement of the abatement. The abatement automatically terminates upon the expiration of six (6) full years from its date of commencement or upon the failure of the Property to be used as residential space.

Section 2. The City shall provide an annual report to the chief executive of this Taxing Entity, such report including information describing the improvement made to the Project, naming the parties receiving incentives and demonstrating compliance with statutory requirements for tax incentive districts.

Section 3. This written Agreement contains the entire agreement between the parties. Any alterations or modifications of the terms of this Agreement shall be agreed to in writing by both parties.

APPROVED the day and year first above written.

**The Board of County
Commissioners for Tulsa County**

"Taxing Entity"

By: _____
John Smaligo, Chairman Tulsa
County Board of Commissioners

**CITY OF TULSA, OKLAHOMA,
a municipal corporation**

APPROVED by the City Council on this _____ day of _____ 2015

Chair of the City Council

Dewey F. Bartlett Jr., Mayor
City of Tulsa

(Seal)
ATTEST:

City Clerk

APPROVED:

City Attorney