

Development

Choctaw TIF district to end this year

By Ryan Horton
choctawtimes@yahoo.com

The City of Choctaw is expected to close out their Tax Incremental Financial District by the end of the year.

In 2009 the City of Choctaw made history with the creation of the TIF district that was designed to spur economic growth within the 38-acre development along NE 23rd between Choctaw Road and Louise Drive.

TIF districts are used by cities in Oklahoma to promote private development. A portion of taxes generated with the district are used to invest in the district's infrastructure or fund other economic development projects.

New development in the district leads to higher property values and the increase in city tax revenue is reinvested within the district.

Choctaw's project was expected to enhance the city's downtown business district, increase sales tax revenue, attract major investment to the area and expand the city's employment base.

The TIF district didn't levy any new taxes.

Rather, it allowed the city to collect any increase in property valuation on land that is within the boundaries of the TIF district. Those funds were used to pay for water, sewer and other



Businesses have been filling the Markets at Choctaw development through the last decade. There's still room for new commercial development, but the TIF established to kick-start the area is expected to end in 2023. PHOTO BY RYAN HORTON

er improvements in that area.

While funds generated from the district have only been used to improve that area over the last 15 years, after December of 2023, officials say the TIF will close resulting in a windfall of increased tax revenue to be used by the city and Choctaw-Nicomma Park Schools throughout their jurisdictions.

The development was projected to result in about 192,000 square feet of new retail space and about 231,000 square feet of new office space. The potential capital investment was estimated at about \$71 million with potential annual sales of about \$27.3 million.

"In 2009 our gross revenue was just over \$1 million, today it's about \$10 million. That should be up to about \$11 million next year so whoever the next mayor is will have about an extra \$1 million to work with," said mayor Randy Ross.

The district was expected to continue attracting new businesses throughout the 20-year window, but officials say the TIF will end five years early.

However, commercial development in the TIF area will continue.

Ross says there are several businesses looking at the Markets at

Choctaw development, but that information cannot be disclosed until paperwork is completed.

The final project utilizing the TIF funding was approved by Choctaw City Council in their last meeting.

The expansion of Grand Boulevard to the west into the Markets at Choctaw will create a new street, Lane Ross Boulevard.

Named after the mayor's late wife, who was a beloved longtime educator in the Choctaw community, the street project will mark an end to decades of progress initiated by mayor Ross as he is set to retire this April.

Tax Incremental Financial Districts (TIFs) became a topic of conversa-

tion among state municipalities following the 1992 passage of the Oklahoma Local Development Act.

In Oklahoma, cities operate almost entirely on sales tax revenue, and the tool has become a common practice to help communities establish a tax base.

Despite a rapidly growing population in recent decades, the state's oldest chartered town, had very little sales tax revenue until Choctaw approved their TIF allowing for rapid development of the city's primary commercial district along NE 23rd Street.

Encouraged by development within the TIF, commercial growth has started outside of the district since 2009, generating funds to be used for citywide improvements.

"That brings more sales tax and helps our community grow as a whole," said Ross.

"There was only a certain amount we could generate through the TIF. We had a 20-year window, and we did it in under 15 years. All the property taxes will return to the school district and our other partners, and the city's sales tax revenue will now be able to fund projects outside of the TIF. So, everyone will have more money to work with after the TIF falls off in December."



Best Western Plus has been a successful addition to the Markets at Choctaw, and a second hotel is planned to be built to the east of that location after the construction of Lane Ross Boulevard. RYAN BY RYAN HORTON

Why TIF?

The 20-year ad valorem and sales tax TIF District sets aside taxes generated within the district to invest in that area's infrastructure, providing an incentive for private investment.