

APPLICATION PACKAGE

CITY OF WATONGA



RETAIL SALES AND SERVICE ENHANCEMENT PROGRAM

APPLICATION PACKAGE

for

RETAIL SALES AND SERVICE ENHANCEMENT PROGRAM

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RETAIL SALES AND SERVICE ENHANCEMENT INCENTIVE
AGREEMENT

by and between
THE CITY OF WATONGA
and
[Name of Business Entity]

THIS RETAIL SALES AND SERVICE ENHANCEMENT INCENTIVE AGREEMENT (“Agreement”) is made effective ____ day of _____, 20____, by and between the City of Watonga, Oklahoma, a municipal corporation (“City”), and _____, an Oklahoma [corporation or limited liability company] (“Merchant”).

WITNESSETH:

WHEREAS, the City has adopted the City of Watonga Retail Sales and Service Enhancement Program (“Program”) pursuant to Article X, Section 14(A) of the Oklahoma Constitution and the Oklahoma Municipal Code, Title 11, Oklahoma Statutes, Section 14-101, et seq., in order to provide a policy to guide the use of economic incentives to encourage business retention and attraction, preserve and create jobs, and enhance the City’s sales tax base and sales tax revenue; and

WHEREAS, pursuant to the Program, the Merchant has completed and submitted an application in order to receive Incentives from the City for the construction of Improvements (as defined in the Program) to the Merchant’s Qualified Business; and

WHEREAS, According to the Merchant’s application, the Merchant owns/operates a Qualified Business known as [Name of Business Entity] , which is [Pre-existing or Newly Established Business] in accordance with the Program, and is located in an Eligible [Pre-existing or Newly-established] Business Area.

WHEREAS, the City Council of Watonga (“City Council”) has approved the Merchant’s application and the proposed Improvements, and has established the Qualified Reimbursable Costs (as defined in the Program) in accordance with the Program; and

WHEREAS, pursuant to the Program, the annual incentives to the Merchant shall not exceed six fiscal years, shall not exceed the established Qualified Reimbursable Costs, and are subject to the limitation of Article X, Section 26 of the Oklahoma Constitution; and

WHEREAS, in support of the objectives of the Program, the City deems it appropriate to enter into this Agreement, which provides for the payment of Incentives to the Merchant; and

WHEREAS, the approval and execution of this Agreement is in the best interests of the City, and the health, safety, and welfare of the City and its residents.

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

SECTION 1. IMPROVEMENTS

1.1 Description of Improvements.

The Improvements approved by the City Council to be made or have been made by the Merchant including the following:

1.2 Estimated Commencement and Completion Date.

The estimated commencement and completion dates of Improvements are as follows:

COMMENCEMENT DATE: On or before _____, 20____.

COMPLETION DATE: On or before _____, 20____.

1.3 Maintenance of Improvements.

The Merchant shall maintain the Improvements in a first-class manner. If the Merchant fails to properly maintain the Improvements, the City Council has the right to discontinue Incentives to the Merchant.

SECTION 2. QUALIFIED REIMBURSABLE COSTS

The Qualified Reimbursable Costs as established by the City Council are itemized below.

SECTION 3. CONDITIONS PRECEDING PAYMENT OF INCENTIVES

3.1 Initial Approval of Improvements.

No Incentives shall be paid under this Agreement unless and until the Building Code Inspector for the City provides approval of the Improvements in writing to the City Clerk. A form of approval is attached as Exhibit A.

3.2 Recurrent Review.

The Building Inspector may inspect the Improvements from time to time to determine if the Improvements are being properly maintained. If the Building Inspector determines that the Improvements are not being maintained in accordance with this Agreement, the Building Inspector may recommended that the City Council discontinue payment of future Incentives.

SECTION 4. ANNUAL INCENTIVE

4.1 Initial Payment.

The initial annual Incentive that might be owed shall be paid to the Merchant within 120 days of the first full fiscal year ending after completion and approval of the Improvements.

4.2 Limitation.

The total sum of incentives the Merchant may receive under this Agreement for the Qualified Business stated herein cannot exceed payment for more than six fiscal years or the established Qualified Reimbursable Costs, and is subject to the limitation of Article X, Section 26 of the Oklahoma Constitution.

SECTION 5. CITY OBLIGATIONS

The City's obligation under this Agreement does not extend beyond the fiscal year in which the Program is terminated. Nothing in this Agreement or the Program is intended or should be construed to contravene Article X, Section 26 of the Oklahoma Constitution or any other constitutional or legal limitation. In addition, the City is not obligated to pay Incentives to the Merchant under any of the following conditions:

1. The Merchant opts out of the Program.
2. The Merchant's business ceases to be a Qualified Business.
3. The Merchant sells the business.
4. The Improvements have not been maintained according to this Agreement.

Note: The City is under no obligation to pay Incentives equal to the amount of Qualified Reimbursable Costs approved by the City Council. Incentives are based upon increased sales tax revenue generated by the Qualified Business and annual renewal of the Program.

SECTION 6. GENERAL PROVISIONS

6.1 Applicable Law and Severability

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. 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 provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

6.2 No Partnership Created

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.

6.3 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 to:

- A. In the case of the City:

City Clerk
City of Watonga
115 E. 1st Street
Watonga, Oklahoma 73772

- B. In the case of Merchant:

Watonga, Oklahoma 73772

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.

[SIGNATURES ON FOLLOWING PAGE]

THE CITY OF WATONGA, a municipal
corporation
“City”

ATTEST:

By: _____

“Merchant”

ATTEST:

By: _____

**EXHIBIT A
FORM OF APPROVAL**

BUILDING INSPECTOR FORM OF APPROVAL

WHEREAS, the City of Watonga, an Oklahoma municipal corporation and _____ (“Merchant”) have entered into a Retail Sales and Service Enhancement Incentive Agreement (“Agreement”) pursuant to the City of Watonga Retail Sales and Service Enhancement Incentive Program (“Program”); and

WHEREAS, in accordance with the Agreement the Merchant has agreed to make certain Improvements to be made to the Merchant’s Qualified Business located at _____, Watonga, Oklahoma.

WHEREAS, the construction of Improvements as specified in the Agreement have been completed as of _____, 20____, and comply with laws of the State of Oklahoma and the building codes and regulations of the City of Watonga.

NOW, THEREFORE, in consideration of the completion of construction of Improvements as required by the above mentioned Agreement, which completion is hereby acknowledged, the City of Watonga shall provide the Merchant certain Incentives pursuant to the terms of the Agreement.

For the Benefit of the City of Watonga

By: _____
_____, Building Inspector

RETAIL SALES AND SERVICE ENHANCEMENT PROGRAM APPLICATION

(The fiscal year for the City of Watonga is July 1st to June 30th)

Date of Application: _____		
Legal Name of Business Entity:		
Federal Tax Identification Number:		
Type of Retail/Service Business Activity:		
Names and addresses of principal owners:		
Name and mailing address of manager or agent of record:		
List of possible conflicts of interest:		
Location of Business Operation:		
Length of Time at Location: _____ years; _____ months		
Proposed Improvements:		
Real Estate Infrastructure:	Buildings and Structures:	Equipment:

Projected Qualified Reimbursable Costs (attach bids, proposal, receipts, etc., as necessary)		
Real Estate Infrastructure:	Buildings and Structures:	Equipment:
Timeline for above referenced Improvements:		
Estimated increase in sales tax revenues to be generated by Improvements:		
Base Sales Tax Revenue (the amount of Undedicated Sales Tax Revenue generated at the location by the Business Entity for the fiscal year prior to the approval of this Application, actual Base Sales Tax Revenue shall be determined by the City Council):		
Please attach the following documentation and other items as may be necessary for completeness: <ul style="list-style-type: none"> • Documentation of the sales tax revenues collected and transmitted to the Oklahoma Tax Commission. • Current Certification of Organization Filed with the Oklahoma Secretary of State. • Most recent Oklahoma Employers Withholding Tax Return filed with the Oklahoma Tax Commission. • Any applicable licenses required by federal, state, or local authorities to legally operate the business. 		

The undersigned acknowledges that neither this Application, in and of itself, nor the Retail Sales and Service Enhancement Program ("Program") create a contract with the named Business Entity and the City of Watonga and that the approval or denial of this application is the sole discretion of the City Council of Watonga ("City Council"). Any Incentives awarded pursuant to the Program or this Application are the sole discretion of the City Council and any tax liabilities due to the payment of Incentives pursuant to an approved application and the Program are the sole responsibility of the Business Entity and principal owners stated above.

For Use by the City Clerk Only:
Date of Approval or Denial: _____ <small>Circle Approval or Denial as Appropriate</small>
Amount of Qualified Reimbursable Costs: \$ _____
Base Sales Tax Revenue: \$ _____

Name of Business Entity: _____
 Submitted by: _____
 Signature: _____