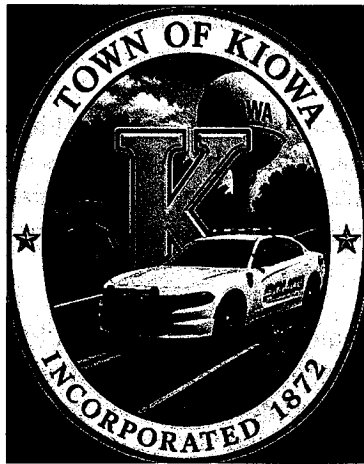


TOWN OF KIOWA, OKLAHOMA



COMMUNITY IMPACT & INFRASTRUCTURE PARTNERSHIP PROPOSAL

EXECUTIVE SUMMARY

At a Glance

Town Population	Approximately 800
Project Size	Approximately 2,000 acres
Potential Construction Workforce	Up to 1,000–3,000 workers (if supported by available project estimates)
Police	6 officers / 24-hour coverage
Fire	Volunteer department
PWA	Municipal water and wastewater utility
Water Improvements	\$1,500,000
Wastewater Improvements	\$1,000,000
Annual Town Partnership	\$800,000
Proposed Term	25 years

The Town of Kiowa is a rural Oklahoma community of approximately 800 residents that has developed and maintained its municipal infrastructure to meet the needs of its citizens and the surrounding area. The Town provides 24-hour law enforcement, volunteer fire protection, municipal water and wastewater services through the Kiowa Public Works Authority, street maintenance, and other essential governmental services.

The proposed Emerald Project represents one of the largest industrial developments ever proposed in southeastern Oklahoma. Although the project is expected to be located outside the corporate limits of the Town, Kiowa is the nearest incorporated municipality and will experience many of the indirect impacts associated with the construction and long-term operation of a development of this magnitude.

Large industrial developments commonly increase demand for public safety, roadway maintenance, utility planning, engineering, municipal administration, and community services. During construction, the project may bring a substantial temporary workforce, significantly increasing traffic, commercial activity, and demands on local infrastructure. Following construction, the completed campus will continue to require reliable public infrastructure and municipal services throughout its operational life.

The Town of Kiowa supports responsible economic development and recognizes the importance of the Emerald Project to Pittsburg County and the State of Oklahoma. At the same time, a project of this magnitude is expected to create measurable demands on municipal infrastructure and public services that extend beyond the Town's existing financial and operational capacity. A long-term partnership will help ensure these project-related demands are addressed without shifting the costs to the Town's residents and existing utility customers.

This proposal identifies the Town's existing infrastructure, outlines the municipal services expected to be affected by the Emerald Project, and presents a framework for a long-term Community Infrastructure Partnership between IREN, the Town of Kiowa, and the Kiowa Public Works Authority.

The proposed partnership is intended to accomplish three primary objectives:

- Provide one-time capital improvements to the Kiowa Public Works Authority's water and wastewater systems.
- Provide annual funding to assist the Town of Kiowa with increased public safety, transportation, administrative, and infrastructure responsibilities associated with the Emerald Project.
- Establish a funding structure that grows as the project grows and continues throughout the twenty-five-year Tax Increment District (TID) period requested for the Emerald Project.

The Town is not requesting funding for unrelated municipal projects. Rather, the Town seeks to ensure the additional public costs created by the Emerald Project are addressed through project-related funding instead of being shifted to the Town's residents and existing utility customers.

This proposal is offered as a framework for discussion to support the successful development of the Emerald Project while preserving the long-term financial stability, infrastructure, and quality of life of the Town of Kiowa.

ABOUT THE TOWN OF KIOWA

Community Profile

The Town of Kiowa is located in Pittsburg County, Oklahoma, along the U.S. Highway 69 corridor in southeastern Oklahoma. Kiowa serves as the nearest incorporated municipality to the proposed Emerald Project and provides essential governmental services to its residents while supporting the surrounding region through mutual aid and intergovernmental cooperation.

Although modest in size, Kiowa maintains the core infrastructure and municipal services necessary to operate as a full-service community. These services have been developed over many years to meet the needs of the Town's current population and anticipated normal growth.

The Emerald Project represents a level of industrial development that is significantly larger than anything previously experienced by the Town. While the project offers substantial regional economic benefits, it will also place additional demands on municipal infrastructure and public services that were not designed for a development of this scale.

Community Snapshot

Category	Existing Conditions
Population	Approximately 800 residents
Police Department	6 full-time officers providing 24-hour law enforcement services
Patrol Fleet	6 patrol vehicles
K-9 Unit	One dual-purpose police K-9
Fire Department	Approximately 14 volunteer firefighters
Fire Apparatus	1 Pumper, 1 Tanker, 5 Brush Trucks, 1 Light Rescue
Water Utility	Operated by the Kiowa Public Works Authority
Water Customers	Approximately 350 active service connections
Water Source	Country Club Lake
Water Treated Daily	Approximately 0.18 million gallons per day
Wastewater System	Two-lagoon wastewater treatment system
Primary Transportation Corridors	U.S. Highway 69, State Highway 63

Municipal Services

The Town currently provides or supports the following public services:

- Twenty-four-hour law enforcement.

- Volunteer fire protection.
- Municipal court.
- Street maintenance.
- Code enforcement.
- Emergency management and disaster coordination.
- Water and wastewater services through the Kiowa Public Works Authority.
- Mutual aid with neighboring fire departments and law enforcement agencies.
- Assistance to Pittsburg County and the Oklahoma Highway Patrol during major traffic crashes and emergency incidents.

These services have been established to meet the needs of Kiowa's current population and the surrounding area. They were not developed with the expectation of supporting a regional industrial project encompassing approximately 2,000 acres and a construction workforce that could number in the thousands.

The Town has a long history of responsible financial management and infrastructure investment. This proposal is not intended to shift existing municipal responsibilities to IREN. Rather, it recognizes that a project of this magnitude will create additional public demands that extend beyond the Town's current infrastructure, staffing, and financial capacity. A long-term partnership will help ensure that those additional demands can be addressed while maintaining the level of service expected by both existing residents and future development.

WHY THE EMERALD PROJECT WILL IMPACT KIOWA

The Emerald Project represents a level of industrial development that is substantially different from the growth normally experienced by the Town of Kiowa. While the project is proposed outside the Town limits, its proximity to Kiowa means the Town and the Kiowa Public Works Authority will experience many of the indirect impacts associated with the construction and long-term operation of the facility.

Projects of this scale typically generate increased demand for public infrastructure and municipal services. These demands occur regardless of whether the project is located inside or outside municipal boundaries because the nearest community becomes the primary location for public safety response, transportation access, utility coordination, workforce support, and community services.

The Town anticipates that the Emerald Project will increase demands in the following areas:

Public Safety

The Town of Kiowa Police Department is expected to experience additional demands associated with increased traffic, commercial vehicle activity, traffic crash investigations, emergency response, public assistance, and coordination with county, state, and federal agencies.

The Kiowa Volunteer Fire Department should also expect increased planning, training, emergency preparedness, mutual aid coordination, and response capability associated with a large industrial facility located immediately adjacent to the community.

Transportation

Construction of a project encompassing approximately 2,000 acres is expected to significantly increase traffic along U.S. Highway 69, Kiowa Lake Road, and connecting municipal streets. Increased heavy truck traffic and construction vehicles can accelerate pavement wear, increase maintenance needs, and require additional traffic control and roadway improvements.

Municipal Administration

Projects of this magnitude require substantial coordination between the developer and local government. The Town expects increased demands related to engineering review, utility coordination, planning, legal services, emergency management, public meetings, public information requests, grant administration, and coordination with county and state agencies.

Community Growth

Major industrial developments often stimulate additional residential and commercial activity. Housing, hotels, restaurants, retail businesses, contractors, and supporting industries frequently expand to serve construction workers and long-term employees. As the nearest incorporated municipality, Kiowa is expected to experience much of this secondary growth, increasing demand on municipal infrastructure and services.

Utility Infrastructure

Although the Kiowa Public Works Authority's existing water and wastewater infrastructure was developed to serve the Town's current needs, regional growth associated with the Emerald Project is expected to increase long-term planning requirements, capital improvement needs, engineering services, and system reliability expectations.

For this reason, the Town believes it is appropriate to establish a Community Infrastructure Partnership that prepares municipal infrastructure before significant project impacts occur, rather than requiring local taxpayers and utility customers to absorb those costs after the fact.

Why a Partnership Is Appropriate

The Town of Kiowa is not requesting funding because the Emerald Project is located nearby. The Town is requesting a partnership because a development of this magnitude is expected to create measurable additional demands on municipal infrastructure and public services over the life of the project.

A long-term Community Infrastructure Partnership recognizes that these impacts will continue throughout construction and operations and provides a fair method of ensuring that the public infrastructure needed to support the Emerald Project is funded in a manner that does not place a disproportionate financial burden on a community of approximately 800 residents.

TOWN OF KIOWA OPERATIONAL IMPACTS

The Town of Kiowa currently provides the essential governmental services necessary to support its residents and visitors. These services are funded by a small municipal budget and have been developed to meet the needs of a community of approximately 800 residents.

The Town reasonably anticipates that the Emerald Project will create additional demands that extend beyond the Town's normal operating responsibilities. While the project will provide regional economic benefits, the Town will be expected to respond to many of the public service impacts associated with a major industrial development located immediately adjacent to the community.

For this reason, the Town proposes an annual Community Infrastructure Partnership to assist with the increased municipal costs directly related to the Emerald Project.

Police Department

The Kiowa Police Department currently operates with six full-time officers providing twenty-four-hour law enforcement services and one dual-purpose K-9 unit.

A project of this size is expected to increase demands for:

- Traffic enforcement.
- Commercial vehicle enforcement.
- Traffic crash investigations.
- Construction zone traffic control.
- Emergency response.
- Mutual aid coordination.
- Criminal investigations.
- Community policing and public assistance.
- Additional officer training and equipment.
- Patrol vehicle replacement due to increased mileage and service demands.

Proposed Annual Partnership

\$300,000

This funding would assist with personnel costs, patrol vehicle replacement, equipment, technology, communications, training, and other public safety expenses associated with increased activity generated by the Emerald Project.

Fire Department

The Kiowa Volunteer Fire Department currently protects the Town and surrounding response area with approximately twenty volunteer firefighters and eight emergency response apparatus.

As development expands, the Fire Department is expected to experience increased responsibilities related to:

- Highway traffic accidents.
- Industrial emergency planning.
- Hazardous materials preparedness.
- Mutual aid coordination.
- Firefighter training.
- Protective equipment replacement.
- Rescue equipment.
- Communications equipment.
- Emergency response planning.

Proposed Annual Partnership

\$150,000

This funding would assist with equipment replacement, firefighter safety equipment, communications, training, and emergency response readiness.

Streets and Transportation

Construction activity and long-term operations are expected to increase traffic along U.S. Highway 69, Kiowa Lake Road, and connecting municipal streets.

Although the State maintains U.S. Highway 69, the Town anticipates increased maintenance responsibilities for municipal streets used by construction traffic, contractors, suppliers, employees, and related commercial development.

Additional funding will assist with:

- Street maintenance.

- Pavement repairs.
- Drainage improvements.
- Street signage.
- Pavement striping.
- Traffic control devices.
- Engineering and roadway planning.

Proposed Annual Partnership

\$250,000

Municipal Administration

Projects of this size require substantial coordination between local government, developers, engineers, contractors, utilities, and regulatory agencies.

The Town anticipates increased administrative responsibilities related to:

- Engineering coordination.
- Project planning.
- Legal review.
- Utility coordination.
- Emergency management.
- Public meetings.
- Public records requests.
- Grant administration.
- Community planning.

Proposed Annual Partnership

\$100,000

Proposed Annual Town Partnership

Department	Annual Amount
Police Department	\$300,000
Fire Department	\$150,000
Streets & Transportation	\$250,000
Municipal Administration	\$100,000
Total Annual Town Partnership	\$800,000

The Town believes these annual contributions represent a reasonable framework for addressing the ongoing municipal responsibilities associated with a project of this magnitude. The requested funding is intended solely to support public services and municipal infrastructure affected by the Emerald Project and is not intended to fund unrelated municipal operations.

KIOWA PUBLIC WORKS AUTHORITY

WATER AND WASTEWATER INFRASTRUCTURE

The Kiowa Public Works Authority (PWA) owns and operates the municipal water and wastewater systems serving the Town of Kiowa. These systems have been developed over many years to meet the needs of the existing community and provide reliable service to current customers.

The Emerald Project represents a significant regional development that is expected to increase long-term demands on municipal infrastructure. While the PWA's existing systems are capable of serving current customers, several capital improvements have already been identified to improve system reliability, increase operational efficiency, and prepare the utility for future community growth.

The PWA believes these improvements should be completed before significant project-related growth occurs so the utility can continue providing dependable service without placing additional financial burdens on existing utility customers.

Water System Capital Improvements

The Kiowa Public Works Authority proposes a one-time capital investment of **\$1,500,000** for improvements to the municipal water treatment system.

Proposed Improvements

- Replace and upgrade the raw water pumps serving Country Club Lake.
- Replace and upgrade the finished water distribution pumps.
- Install one additional water treatment filter to increase treatment capability and operational redundancy.
- Rehabilitate the existing treatment filters to improve efficiency and extend service life.
- Upgrade electrical systems, controls, instrumentation, valves, and associated piping.
- Complete engineering, design, permitting, bidding, construction administration, and project inspection.

Purpose of These Improvements

These improvements will:

- Improve long-term system reliability.
- Increase pumping efficiency.
- Improve operational flexibility during maintenance and emergencies.
- Extend the useful life of critical equipment.
- Improve treatment reliability for existing customers.
- Better position the community for future residential and commercial growth associated with regional development.

Planning-Level Capital Request

Water System Improvements: \$1,500,000

This amount represents a planning-level estimate based on preliminary discussions regarding the Town's priority infrastructure needs. Final project costs and scope would be determined through engineering design.

Wastewater System Capital Improvements

The Kiowa Public Works Authority also proposes a one-time capital investment of **\$1,000,000** to improve the municipal wastewater treatment system.

Proposed Improvements

- Replace the pumps at the south wastewater treatment facility.
- Improve pumping capacity and reliability between the south and north lagoon systems.
- Improve the wastewater irrigation/spray disposal system to enhance operational efficiency.
- Upgrade electrical systems and controls.
- Complete engineering, design, permitting, bidding, construction administration, and project inspection.

Purpose of These Improvements

These improvements will:

- Improve system reliability.
- Reduce maintenance requirements.
- Improve operational efficiency.
- Extend the service life of critical infrastructure.
- Better prepare the wastewater system for future community growth.

Planning-Level Capital Request

Wastewater System Improvements: \$1,000,000

Proposed One-Time Infrastructure Partnership

Project	Requested Contribution
Water System Improvements	\$1,500,000
Wastewater System Improvements	\$1,000,000
Total PWA Capital Improvements	\$2,500,000

The requested capital contribution would be dedicated exclusively to utility infrastructure owned and operated by the Kiowa Public Works Authority. These funds would be used only for engineering, construction, equipment replacement, and associated capital improvements approved by the PWA Board.

Completion of these projects will strengthen the reliability of the Town's utility systems, improve long-term operational efficiency, and help ensure that existing utility customers are not required to bear the full cost of infrastructure improvements needed to accommodate the regional impacts associated with the Emerald Project.

PROPOSED COMMUNITY INFRASTRUCTURE PARTNERSHIP

The Town of Kiowa proposes entering into a voluntary Community Infrastructure Partnership Agreement with IREN for a term corresponding with the twenty-five (25) year Tax Increment District (TID) requested for the Emerald Project.

The purpose of this partnership is to ensure that the additional public infrastructure and municipal service demands created by the Emerald Project are addressed through a long-term funding partnership rather than being borne solely by the Town's residents and existing utility customers.

The proposal consists of two separate funding components:

1. One-time capital improvements for the Kiowa Public Works Authority.
 2. Annual Community Infrastructure Partnership payments to the Town of Kiowa.
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PART I

One-Time Capital Infrastructure Partnership

The Kiowa Public Works Authority requests a one-time capital contribution for priority infrastructure improvements.

Project	Proposed Contribution
Water System Improvements	\$1,500,000
Wastewater System Improvements	\$1,000,000
Total Capital Infrastructure Contribution	\$2,500,000

These funds would be dedicated exclusively to engineering, construction, equipment replacement, and capital improvements associated with the municipal water and wastewater systems.

PART II

Annual Community Infrastructure Partnership

The Town proposes an annual partnership that increases as the Emerald Project progresses from planning through construction and long-term operations.

Phase 1 – Planning and Site Preparation

Annual Partnership: \$250,000

Purpose:

- Engineering review
- Utility coordination
- Emergency planning
- Legal review
- Administrative coordination
- Project planning

This phase would begin upon execution of the agreement and continue until major construction activities commence.

Phase 2 – Major Construction

Annual Partnership: \$1,250,000

Purpose:

- Increased law enforcement services.
- Fire protection and emergency preparedness.
- Street maintenance and traffic management.
- Municipal administration and project coordination.
- Increased operational demands associated with large-scale construction activities.

This phase would remain in effect throughout the active construction period.

Phase 3 – Commercial Operations

Upon commencement of commercial operations, annual partnership funding would transition to an operational support level recognizing that project-related municipal demands continue throughout the life of the facility.

Annual Partnership: \$800,000

Proposed Annual Allocation:

Category	Annual Amount
Police Department	\$300,000
Fire Department	\$150,000
Streets & Transportation	\$250,000
Municipal Administration	\$100,000
Total Annual Partnership	\$800,000

These funds are intended to support the ongoing municipal services reasonably associated with the Emerald Project throughout the operating life of the facility.

Expansion Provision

If the Emerald Project undergoes a major expansion resulting in a substantial increase in facilities, workforce, traffic, or municipal service demands, the annual partnership payment should be reviewed by the parties.

The Town proposes that each major expansion be accompanied by an additional annual contribution of **\$250,000**, unless a different amount is mutually agreed upon based on documented impacts.

Annual Adjustment

Because this partnership is intended to remain in effect for the duration of the requested twenty-five (25) year TID, the Town proposes an annual adjustment to maintain the purchasing power of the partnership.

Beginning in the second year of each payment phase, the annual partnership amount should increase by the Consumer Price Index (CPI-U), with a minimum annual adjustment of 2% and a maximum annual adjustment of 4%, unless otherwise agreed by the parties.

Accountability

The Town of Kiowa and the Kiowa Public Works Authority will maintain separate accounting records for all partnership funds received.

Funds will be used solely for infrastructure improvements, public safety, transportation, utility operations, engineering, planning, and other municipal services associated with the impacts of the Emerald Project.

An annual summary of expenditures will be made available to IREN upon request.

The Town believes this partnership provides a fair, transparent, and predictable framework that allows the Emerald Project and the Town of Kiowa to grow together over the twenty-five-year TID period while protecting the interests of existing residents and utility customers.

WHY THIS PROPOSAL IS REASONABLE

The Town of Kiowa recognizes the significant economic opportunity the Emerald Project represents for Pittsburg County and the State of Oklahoma. Large industrial developments create jobs, expand the tax base, and encourage additional private investment throughout the region.

At the same time, developments of this size also create measurable demands on the nearest community. Public safety, transportation, municipal administration, and utility infrastructure must all respond to increased activity associated with construction and long-term operations.

The Town of Kiowa is a community of approximately 800 residents. Its infrastructure, staffing, and financial resources have been developed to serve the existing community and accommodate

normal growth. A regional industrial development encompassing approximately 2,000 acres is substantially different in scale than anything previously experienced by the Town.

Without a long-term partnership, the additional costs associated with supporting this growth will ultimately be borne by the Town's residents and existing utility customers through increased taxes, utility rates, deferred maintenance, or delayed capital improvements.

The Town believes that outcome would be neither equitable nor sustainable.

This proposal is intended to establish a fair framework under which the public infrastructure and municipal services affected by the Emerald Project are supported through a long-term partnership with the project creating those additional demands.

The proposed one-time capital improvements will strengthen the reliability of the Kiowa Public Works Authority's water and wastewater systems while improving infrastructure that benefits both existing residents and future community growth.

The proposed annual Community Infrastructure Partnership will help the Town maintain reliable police protection, fire protection, streets, transportation infrastructure, engineering, emergency planning, and municipal administration throughout the twenty-five-year Tax Increment District period requested for the Emerald Project.

The Town is not requesting funding for unrelated municipal projects or existing operational expenses. The requested funding is intended to address the measurable additional demands placed upon the Town of Kiowa and the Kiowa Public Works Authority by a regional development of unprecedented size.

The Town respectfully submits this proposal as the basis for further discussion with IREN regarding a long-term Community Infrastructure Partnership.

The Town of Kiowa looks forward to working cooperatively with IREN to develop an agreement that supports the Emerald Project while ensuring that the public infrastructure and municipal services required by the project remain reliable, sustainable, and financially responsible for the citizens of Kiowa.

Proposal Summary

One-Time Capital Infrastructure Partnership

Project	Requested Amount
Kiowa Public Works Authority – Water Improvements	\$1,500,000
Kiowa Public Works Authority – Wastewater Improvements	\$1,000,000
Total Capital Contribution	\$2,500,000

Annual Community Infrastructure Partnership

Project Phase	Annual Partnership
Planning & Site Preparation	\$250,000
Major Construction	\$1,250,000
Commercial Operations (Years Remaining of 25-Year TID)	\$800,000
Each Major Expansion	Additional \$250,000 annually, subject to mutual review

Proposed Term: Twenty-five (25) years, corresponding with the requested Tax Increment District.

Purpose: To ensure the additional municipal infrastructure and public service costs associated with the Emerald Project are addressed through a long-term partnership rather than being borne solely by the residents and utility customers of the Town of Kiowa.