



Outlook

Pittsburg Co TIF Review Committee Draft Documents for Review**From** David Floyd <david@floyddriverpllc.com>**Date** Mon 3/30/2026 8:09 AM

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3 attachments (944 KB)

Economic Development Agreement DraftV2 CLEAN.docx; Project Plan Draft V6 CLEAN.docx; Tax Incentive Agreement DraftV2 CLEAN.docx;

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CAUTION: This email originated from outside the Kiamichi Tech organization. Dear Members of the
Pittsburg County TIF
Review Committee,

I am providing for your review the current draft versions of the three primary documents governing the proposed data center project: the Project Plan, the Economic Development Agreement (EDA), and the Tax Incentive Agreement (TIA). These documents are designed to work together as a single, coordinated framework. Please note that all numbers/dates included are still being negotiated and are subject to change. The purpose is to set the overall structure as we work towards final abatement terms.

The Company has proposed changes to the structure of the Project, namely that the number of Phases be reduced from 3 to 2 and the total investment for each Phase equal approximately \$25 Billion Dollars (previously the investment was closer to \$35 Billion/Phase).

The currently proposed structure has been significantly revised from earlier drafts of the Project Plan. Instead of a flat abatement of 85% (amount proposed by the Company), this structure contemplates a phased partial abatement of ad valorem taxes. No abatement will commence until the Project becomes operational, and the abatement percentage will begin at 15% and only increase when certain thresholds are met (based on MW of power capacity delivered). In exchange for this abatement, the Company will be required to make a minimum annual payment ("Required Payment") each year, regardless of changes in property valuation or tax treatment. If actual property taxes fall below that required level, the developer must make up the difference through PILOT Payments. In addition, the developer makes separate Community Betterment Payments, which increase as the project grows and are adjusted over time. They have asked for an initial payment of \$100,000 for 2027, with the payment growing as the abatement percentage increases.

In reviewing these documents, please keep in mind the function each performs. The Project Plan controls the EDA and TIA, creates the incentive districts, establishes the performance based abatement structure, defines Required Payments, Community Betterment Payments, and PILOT Obligations, and establishes administrative authority. The

EDA governs the developer's obligations, the submission of Development Plans for each Phase, the construction/reporting/operational requirements, and the conditions precedent before any abatement can be earned. The TIA governs financial mechanics and enforcement, implements the abatement, provides payment timing and reporting requirements, and provides remedies.

This structure includes several important safeguards:

- **Minimum Payment Protection:** The Required Payment ensures a baseline level of revenue every year
- **Performance-Based Incentives:** Abatement is tied to measurable operational capacity, not projections
- **Standard Valuation Practices:** Property is still assessed under standard Oklahoma law
- **County Control Over Activation:** The County retains discretion over when (and whether) each phase is activated
- **No Public Reimbursement of Costs:** Public funds are not used to reimburse project costs
- **Additional Revenue Streams:** Community Betterment Payments provide incremental revenue beyond taxes

These drafts reflect substantial refinement of the economic structure and alignment across all three documents. I welcome your review and feedback, and I am happy to walk through any portion of the structure in more detail prior to the next meeting.

Please do not hesitate to reach out with any questions.

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