



Former Military Facility Development Act

2026 Triennial Report

Oklahoma Department of Commerce – Executive Division



Publishing Date – February 2026

Triennial Report Purpose

This report is prepared by the Oklahoma Department of Commerce to fulfill statutory reporting requirements under the Former Military Facility Development Act. The report provides an evaluation of program activity, economic impact, and fiscal outcomes associated with projects supported under the Act. It is intended to inform executive and legislative decision-making regarding the effectiveness, performance, and continued viability of the program.

Former Military Facility Development Act Purpose

The Former Military Facility Development Act establishes a framework to support the redevelopment and economic utilization of former military installations within the State of Oklahoma. The program is designed to promote job creation, private investment, and long-term economic growth by providing financial incentives tied to measurable performance outcomes. All program activities are administered in accordance with applicable statutory, regulatory, and contractual requirements to ensure accountability and proper stewardship of public resources.

Governing Authority

This report and the administration of the Former Military Facility Development Act are governed by 68 O.S. §§ 3801–3808. Pursuant to 68 O.S. § 3808, the Oklahoma Department of Commerce is required to prepare and submit a report evaluating the impact and effectiveness of the program. The Department administers the program and prepares this report in its official capacity as the responsible state agency, consistent with all applicable statutory requirements and program obligations.

Disclaimer of Liability

This report is prepared for the purpose of fulfilling statutory reporting requirements and supporting governmental oversight and decision-making. The information contained herein is based on data available at the time of preparation and is intended solely for program evaluation and administrative use. This report does not constitute a warranty, certification, or guarantee of economic outcomes, financial performance, or future results. Nothing in this report shall be construed as a waiver of the State of Oklahoma's sovereign immunity or legal defenses. The report is not intended for reliance by third parties for financial, legal, or investment decisions.

Introduction

During the legislative session of 1994, the Former Military Facility Development Act (the 'Former Military Program') was created. The program was established to encourage private sector investment and job creation on land formerly used for military purposes.

The Former Military Program followed the general framework of the Oklahoma Quality Jobs Program, created just one year earlier.

The Former Military Program requires that the Oklahoma Department of Commerce provide a report on the status of the program over the past three years since the last report to the President Pro Tempore of the Senate, the Speaker of the House of Representatives and the Governor. The next report is due March 1, 2026. This report fulfills the legislative requirement.

Former Military Facility Development Act

The Former Military Program serves as an incentive to businesses to expand or locate on land that was formerly used for military or related purposes and that has been deeded to the state, local government or other development authority. Since inception, there has been only one site in Oklahoma that qualifies to be recognized as a Former Military Facility. It is in Pryor Creek, Oklahoma, and was formed in June 1961 when the Oklahoma Ordnance Works Authority purchased 10,045 acres of land from the federal government. The facility was originally used by the federal government to manufacture Army ammunition and related products. Legislation further directed that the purpose was to stimulate the economy of Oklahoma through the attraction of industrial developments and creation of jobs. Today, the facility is known as MidAmerica Industrial Park and is located south and east of the intersection of Highway 69 and Highway 69A in Mayes County.

Entities that locate a project on these sites and create new direct jobs may qualify for a cash rebate of up to 5% over a ten-year period on new taxable payroll. The qualification criteria follow that of the Oklahoma Quality Jobs Program. To qualify, there are four basic thresholds that must be met by the participant:

- **Basic Industry**

An applicant must be in a basic industry denoted by its industry code, known as a North American Industry Classification (NAICS) Code. The legislation specifically lists by number those industries that can participate. The economic concept is that if these industries locate in Oklahoma, it will induce other industries to also locate or expand, creating additional jobs. At its inception, the principal industry code intended for the program was manufacturing. Other industries now include computer related services (software, hosting, data processing), research and development, headquarter operations, distribution centers, financial and administrative centers and web search portals. There are other industry codes eligible for the program which must also demonstrate an out-of-state sales level of 75% or more to qualify.

- **New Payroll**

The participant must be able to project new annual payroll for new direct jobs of at least \$1.5 million, but less than \$2.5 million, to qualify. The new direct jobs must be located within Oklahoma, and the payroll must be subject to Oklahoma payroll withholding tax. An applicant has up to three years to create this new payroll to continue in the program for an additional seven years. A company may receive benefits during the first three years in the program, even if it has not yet achieved the new payroll threshold, provided it has met all other program requirements.

- **Health Insurance Coverage**

The participant must offer basic health insurance to all new direct jobs that are eligible for program benefits. This coverage must be offered within 180 days of employment and the employee must pay no more than 50% of the premium cost. A basic program includes coverage in the areas of doctor office visits, hospitalization, maternity, mental health, substance abuse and pharmacy benefits.

- **Minimum Wage Requirement**

Effective June 2003, participants must pay the new direct jobs that are eligible for program benefits a wage that is at least equal to the average county wage where the project is located subject to a statewide average wage. While those wages vary from county to county, the statewide average wage is indexed annually subject to various economic indicators. It started at \$25,000 in 2003 and has risen to the current level of \$44,062. Participants often far exceed this wage requirement.

Application Process

Upon application, staff at the Oklahoma Department of Commerce conduct due diligence work on each applicant to ensure it is a legal entity in good standing within the state. Commerce staff also determines the maximum amount of benefits the applicant may receive (based on the economic impact of those jobs and wages) by doing a cost/benefit analysis. This ensures the state will pay out no more in benefits than the economic benefit that is created by the participant.

While an entity qualifies for participation in the program based on its projection of wages and jobs, it receives payment of benefits based solely on actual performance. A participant must file quarterly claims with the Oklahoma Tax Commission, verifying its payroll and job data, to receive any payment. The Oklahoma Tax Commission then verifies this claim through payroll tax withholdings before issuing a payment. Should a participant have any encumbrance due to a delinquency in any tax owed to the state, payment of benefits is withheld, pending resolution of the tax owed.

Applicant Vetting Process

All applicants are thoroughly vetted by the Department of Commerce in a number of areas prior to having their application considered before the approval committee.

The areas of consideration are:

- Legal Entity Status at Secretary of State's Office – Good Standing;
- Registration of legal entity at the Tax Commission and Employment Security Commission;
- Confirmation, all taxes paid to the state - No Encumbrances Existing;
- Verification of proper Industry Code (NAICS code);
- Analysis of current and historical average wages being paid to employees;
- Capitalization and Leadership Team experience adequate to perform successfully;
- Out of state sales amounts, current and potential to required levels; and
- Health Insurance program for employees in place and to required criteria thresholds
- All applicants are required to submit their most recent financial statements to the committees to determine financial viability
- Company representatives are required to attend the external approval hearing. agency employees are no longer permitted to represent private companies
- All applications are reviewed by both an internal and external committee (comprised of the Executive Director of the Department of Commerce, Director of the Office of Management and Enterprise Services and a Tax Commissioner, or their designee)
- Participating companies must sign an affidavit annually, on the anniversary date of their contract, stating that they have and will continue to provide the required Health Insurance to employees as well as maintain the Out of State Sales level, as mandated by statute
- When warranted, the external committee may now amend a company's contract to include special conditions (i.e. no payment will be made by the state until the company achieves the payroll threshold)

The Oklahoma Tax Commission continues to verify, before each claim is processed and paid, that the participant company has paid its taxes and is currently eligible to receive program funds. Former Military Facility Development Act funds are withheld if any participant is in arrears with any amount owed to the state or has not complied with the elements of the program.

Historical Performance Data

Although the Former Military Program was enacted by legislation in 1994, the first enrollee occurred in March 2005. Metcraft, Inc. applied to the program as a manufacturer of commercial pot washing machines, commonly used in the fast food industry. It projected a total of 53 New Direct Jobs by the end of its third year, and 69 New Direct Jobs total.

Metcraft, Inc. filed quarterly claims for 12 quarters, beginning with the 4th quarter of 2005. It actually created 39 New Direct Jobs and received \$154,262 in program benefits. The new taxable payroll created during these 12 quarters was \$1.33 million; however based on program criteria it was required to create a minimum new annual payroll of at least \$1.5 million dollars. Since it was not able to do so, the company was dismissed from the program after 3rd quarter 2008.

The information presented in this report reflects program participation and outcomes based on available historical data and should not be interpreted as projections or guarantees of future economic performance.

Summary

The Former Military Facility Development Act remains available to any qualified applicant. Since the advent of the program, there have been several companies locate on qualifying land in the MidAmerica Industrial Park, all but one had payroll more than the \$2.5 million payroll maximum threshold and thus participated in the Oklahoma Quality Jobs Program or other incentives more appropriate to their circumstances.



Contact Information

Oklahoma Department of Commerce
Executive Division
900 N Stiles Ave.
Oklahoma City, OK 73104
Website: www.okcommerce.gov
Phone: 800-879-6552