



Oklahoma Main Street Incentive Program FAQs

Program Description

What is the Oklahoma Main Street Incentive Program (MSIP)?

The Oklahoma Certified Main Street Incentive Program funds projects that enhance the appearance, business vitality, investment, and community use of small-town downtowns and urban districts.

The MSIP is one of several incentives funded through the state-coordinated Pooled Finance program by the Oklahoma Department of Commerce (ODOC) in partnership with the Oklahoma Development Finance Authority (ODFA). Because it is pooled financing, funds are provided for projects, and throughout the construction year, Main Street businesses pay back into the funding pool.

What is the purpose of the Oklahoma Certified Main Street Incentive Program?

The purpose of the Oklahoma Main Street Incentive Program is to encourage the investment, construction, beautification, and development of Main Streets in Oklahoma to sustain or restore vibrancy in a commercial district. These developments will enhance the cultural, recreational, scenic, and/or quality-of-life of the participating Main Street communities in Oklahoma and are intended to encourage more people to spend more time and generate sales taxes benefiting the state and local communities.

How does the program work?

Between September 1 and September 30 every year, certified Main Street organizations are welcome to submit applications for the Main Street Incentive Program to the Oklahoma Department of Commerce. Representatives of the ODOC and ODFA select qualifying applications.

Project budgets are virtually unlimited, but the maximum a Main Street can get is \$150,000 (see question on payout amounts). The MSIP contribution cannot exceed 50% of the project budget, so the Main Street must either pay the remaining 50%+ of the budget or work with partners to contribute that amount.

Once approved, Main Streets may begin contracting work and purchasing equipment and materials. The construction year officially begins on January 1. At the end of every quarter of the construction year, Main Streets should report their spending to the Oklahoma Main Street Center (OMSC) and ODOC.

Beginning in February of the construction year, the ODFA will begin tracking withholding taxes generated by the Participating Organizations identified by Main Streets in their MSIP applications. Depending on the amount of withholding tax generated by the Participating



Organizations, the monthly payment may be fully funded within a few months. If the payments are not fully funded within that timeframe, all payments will be made within 12 months. The ODFA will track collections with the Oklahoma Tax Commission.

To ensure project activity and progress, at least 10% of the approved project budget must be spent by May 31 of the construction year. The ODFA will begin making payments to the Main Street only after the Main Street has demonstrated that 10% of the project budget, as approved in the MSIP application, has been spent. Throughout the construction year, local Main Street staff may work with the Oklahoma Main Street Center to ensure sufficient withholding taxes, consult on qualified expenses, and the appropriateness of project components.

Construction and installations should be completed by December 31st of the construction year.

Program Qualifications and Application

How soon should Main Streets start planning their MSIP projects?

Conduct due diligence on project costs and timelines months before the September application begins. A great guidepost is Main Street architect Josh Kunkel's project timeline, which suggests initial project planning in January of the application year

What kinds of projects are eligible?

The local government must own projects (but could later be transferred if appropriate). If awarded, the funds must be used to develop, construct, and/or improve the quality of life in certified Main Street communities in Oklahoma. This could include:

- Renovation of facades or buildings in Main Street areas;
- Landscaping that beautifies Main Streets and encourages people to spend more time downtown;
- New investment in lighting, street furniture, or other amenities that improve safety and comfort;
- New distinctive art or amenity installations;
- Infrastructure investments that improve access to business, institutional, or residential real estate in the Main Street area, such as sidewalks, crosswalks, light signaling, parking, etc.

These eligible uses must be in proximity to business entities that would benefit from increased sales associated with visitors.

Is the purchase of a building an eligible expense?

No.

**Are there restrictions on the projects?**

Except in limited circumstances, projects must be located on publicly owned buildings, land, and rights-of-way. Projects proposed for privately owned buildings may be considered when the visibility, benefit, and impact of the project extend throughout the Main Street district rather than primarily benefiting a single private property.

Projects should contribute to a positive image and experience for employees, residents, businesses, and visitors within the district. Main Street organizations are encouraged to work with their boards, local leadership, property owners, and the Oklahoma Main Street Center to ensure proposed projects enhance, beautify, and enrich the district and align with the community's overall revitalization goals.

Can a project be part of a longer-term initiative?

Phased multi-year improvements are welcome, as long as the projects for the year are concrete, specific, achievable within the construction year, and discernible from other years.

What communities are eligible to apply for the program?

Communities or districts with a certified Main Street organization may apply. All levels of Main Street designation are eligible – Fully-Designated, Select, and Network. Organizations must attach their national designation to the application.

Can downtowns and districts not involved in the Main Street Program participate in this incentive?

No.

What is the deadline for the 2026 application period?

September 30, 2026.

Who will approve the project?

Representatives of ODOC and ODFA will select qualifying MSIP applications.

How will projects be judged?

Projects will be evaluated on:

- Provision of sufficiently detailed project data
- Positive economic benefit
- Good tax standing of Participating Organizations that stand to benefit
- Acquisition of full matching funds (50% of total project cost)

Is there a maximum payout amount projects can receive?

Yes, \$150,000 is the maximum a project can receive, which applies only to Fully-Designated Main Streets. Select level Main Streets may receive up to \$100,000, and Network Main Streets may receive up to \$50,000.



What is the role of for-profit business entities in the program?

For-profit businesses play an important role by redirecting their withheld state payroll taxes to project funding. The Main Street program identifies which businesses are designated as Participating Organizations. Such businesses must ideally benefit directly from the district's improvement. However, local governments may also serve as a Participating Business on behalf of their Main Street.

Can a business be included as a Participating Organization if they already participate in another Oklahoma Department of Commerce (ODOC) incentive program?

Generally, no. Businesses participating in Quality Jobs, Investment Tax Credits, or other Pooled Finance incentive – Public Private Partnerships (P3), P3 for Education and Workforce Development, Oklahoma Innovation Expansion Program (OIEP) or Business Expansion Incentive Program (BEIP) – cannot participate as a benefitting for-profit entity in a Main Street Incentive Program project.

Who should be listed as contacts in the application and how many should we list?

Applicants should identify at least two contacts. The main contact would be the executive director. There should be a second contact that is familiar with the process, such as a grant writer, development director, project director, or active board member.

How will positive economic benefit be determined?

The Oklahoma Department of Commerce will employ economic impact modeling to determine how spending in certain industries yields state sales tax revenues.

Who would be the awardee if the project is funded?

The local Main Street program, or if applicable, the local government.

What monies are eligible for local match to the Main Street incentive?

Any local Main Street organization, nonprofit, private foundation, or local, county, state, or federal government may contribute funding towards project construction or installation. Such funding may either be pre-arranged for the Main Street project area or specifically secured for the MSIP project.

Does spending by governments or other organizations towards projects that share space downtown qualify as the Main Street's match toward the MSIP project?

Spending by ODOT, local governments, local economic development organizations, and other infrastructure/placemaking partners is fine for 50% MSIP project matches. However, in-kind donations from such partners are not acceptable as the 50% match. There must be cash towards the project.



Can anticipated public spending on infrastructure, parks, or other public uses count toward the local match?

Yes. Infrastructure improvements already planned for the Main Street project area can count toward the local match.

Is matching funding provided by the local Main Street organization verified?

Oklahoma Main Street Center staff and its Oklahoma Department of Commerce partner may conduct such verification.

Construction/Installation and Funding

How is the applicant awarded funding?

The Main Street program identifies, in its application, which businesses are designated as Participating Organizations. The Oklahoma Tax Commission will redirect withheld state payroll taxes from the Participating Organizations to the projects.

Once the Main Street has expended at least 10% of the approved project budget, the ODFA will begin making monthly payments to the Main Street over a period of up to 12 months.

Depending on the amount of withholding tax generated by the Participating Organizations, the monthly payments may be fully funded within a few months. The ODFA will track withholding tax collections in coordination with the Oklahoma Tax Commission to ensure sufficient revenue is available to support the state's 50% contribution.

How do Main Streets report spending during the construction year?

Upon selection as an MSIP recipient, the Oklahoma Department of Commerce will provide Main Streets with a template for spending-tracking reports. Such reports must be submitted to the Oklahoma Main Street Center/Oklahoma Department of Commerce at the end of every quarter of the calendar year, even if there were no expenses for the quarter. They do not need to be submitted every time there is a new expense.

What happens if our project spending is running under the proposed project budget?

If you find your project is significantly under budget, more than 10%, feel free to spend more. The additional expenses should still align with what is stated in your MSIP application. Safe ways to add spending are to: 1) add units (light poles, benches, flowers, etc.) or 2) improve the quality of existing project items.

Can spending begin before January 1 of the construction year?

Spending may occur between the award notification in the early winter of the year to January 1 of the following year, when construction may commence. Expenses during the period should be reported on the Q1 spending tracking report. Any work should commence on January 1, but Main Streets may obtain service quotes and materials upon receipt of the award letters.

**What kinds of records should be used to document spending?**

You only need to provide one spending record – invoice, purchase order, work order, check, receipt, etc. – for each expense. For example, if you provide a contractor invoice to document an expense, you do not need to provide additional records, such as a check or receipt for payment.

The exception is if the final amount paid is lower or higher than the invoice amount.

What if our Participating Organizations are not generating enough withheld payroll tax collections?

The ODFA will notify ODOC. We will work with your Main Street staff to find more businesses to serve as Participating Organizations.

Are purchases by contractors for MSIP projects tax exempt?

No, purchases paid by contractors are not tax-exempt.

General Program Topics**When will the Oklahoma Certified Main Street Incentive Program be open to applications in the future?**

This is an annual program, likely offered in September.

Is there a limit to the total number of MSIP projects awarded during a single year?

There is no set limit on the number of projects awarded, nor a cap on the amount disbursed in a year.

Instead, the ODOC will closely monitor how much award funding is approved and spent and determine the program's long-term efficacy after two years.

The annual funding requested from ODFA is predicated on the collective budgets of the selected applications.

Who should I contact for assistance on the incentive?

Karla Jackson of the Oklahoma Main Street program. She can be reached at 405.208.9620 or by email at karla.jackson@okcommerce.gov.

How is the program funded?

Funding for this incentive program comes from an economic development finance pool managed by the Oklahoma Development Finance Authority (ODFA).

What is the statutory basis for the program?

The Oklahoma Certified Main Street Award Program is established and administered pursuant to the Oklahoma Department of Commerce's existing statutory authority to support economic development,



community development, local development organizations, and related financing activities. The program is not created by a single statutory provision; rather, the Department relies on the collective authority provided under 74 O.S. §§ 5003.3, 5003.6, 5003.10, and 5017, together with the applicable authority governing the Pooled Finance Program under 62 O.S. § 891.1 et seq.

Pursuant to 74 O.S. § 5003.3, The Oklahoma Department of Commerce's mission is to "support firms', farms' and local communities' growth, diversification, expansion and ability to compete in export markets in order to create new and better jobs for Oklahomans throughout the state." To fulfill this mission and utilize the assets located in the state, the Oklahoma Department of Commerce has the statutory authority:

- Obligate and expend funds for services performed by local political subdivisions of the state, state agencies, including universities and colleges within and without the state, and federal agencies for research and training in conformity with the general state laws governing such activity; and apply for, accept, administer and expend grants from the federal government and any other public or private sources for research and training purposes (74 O.S. § 5003.10);
- Support and assist the efforts of state, regional and local development organizations, industrial committees, chambers of commerce, agricultural organizations, labor organizations and other similar public and private agencies to obtain new and to foster expansion of existing service, industrial and manufacturing facilities, businesses and enterprises; and to foster community improvements in leadership, expertise, human development, infrastructure, public facilities and quality of life; and to expand data availability and utilization opportunities; (74 O.S. § 5003.10);
- Assist in obtaining financing for the development and expansion of industrial, agricultural and commercial facilities in the state (74 O.S. § 5003.10);
- Serve as the state's official liaison agency between persons interested in locating new economic enterprises in Oklahoma and state and local groups seeking new enterprises. In this respect, the Department shall aid communities in organizing for and obtaining new businesses and expanding existing businesses and shall process requests which reflect interest in locating economic enterprises in the state (74 O.S. § 5003.10);
- Collect reasonable fees based on actual direct and indirect costs for programmatic services extended to users by the Department in accomplishing its mission. Fees collected pursuant to this section shall be deposited to the credit of the Oklahoma Department of Commerce Revolving Fund (74 O.S. § 5012.1 ~~5003.12~~);
- Cooperate with and provide technical and financial assistance to counties, cities, municipal corporations and agencies owned and controlled by them, governmental conferences or councils, regional planning commissions, community development groups, community action agencies, Indian tribes and similar agencies created for the purposes of aiding and encouraging an orderly, productive and coordinated development of the state, and to strengthen local planning responsibility and capability (74 O.S. § 5017);



- Develop and test model or demonstration programs and projects, which may include contracting to administer certain functions or services of the state for such purposes and otherwise provide a program of practical research in the solution of community problems (74 O.S. § 5017);
- To fulfill these statutory authorities of supporting the efforts of state, regional and local development organizations to locate new businesses, assisting with obtaining financing for facilities and contracting in a strategic alliance for research and training, the Oklahoma Department of Commerce will partner with the Oklahoma Development Finance Authority to obtain financing for the Oklahoma Certified Main Street Award Program through the Pooled Finance Program (at 62 O.S. § 891.1 et seq.)

Oklahoma Department of Commerce
900 N. Stiles Ave.
Oklahoma City, OK 73104