

Town of Johnson, Oklahoma - Emerging Municipality Growth Strategy

Briefing Document

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Prepared For: Interested Stakeholders in the Town of Johnson and Pottawatomie County

Purpose: This briefing document provides a comprehensive overview of the Town of Johnson's current status, historical financial trends, and a proposed growth strategy centered around an Indoor Event Center ("Dome") to facilitate its evolution into a full-service municipality. This summary integrates information from the Town of Johnson's annual financial reports (Form 2644) from 2012-2015 and 2021-2022, Municipal Certification In Lieu Of Audit for 2023 and 2024, and the "Town of Johnson, Oklahoma Executive Summary" prepared by Kenneth Crawford.

I. Context and Current Status

The Town of Johnson, Oklahoma, is an emerging municipality located in Pottawatomie County. It seeks to transition from an unincorporated community to a full-service municipality. The current analysis cross-references Johnson with nearby municipalities like Shawnee, Dale, McLoud, and Tecumseh, which host USSSA tournaments, serving as relevant case studies for economic impact projections.

II. Financial Overview and Historical Trends (2012-2024)

The Town of Johnson has maintained a fiscally prudent approach, with expenditures consistently trailing revenues, allowing for the building of reserves.

Key Financial Metrics (Summary from Executive Summary):

- **Total Tax Revenues:** Consistently reported as \$0 from 2012-2015, indicating a lack of local tax revenue streams.
- **Intergovernmental Revenues:** This has been the primary revenue source, predominantly from state-shared funds.
- **2012:** \$2,123 (primarily "Liquor tax from State" and "Gas tax, tags, vehicle fees from State")
- **2013:** \$447.38
- **2014:** \$1,580
- **2015:** \$461
- **2021-2024:** Filings certify revenues below the \$25,000 audit threshold, indicating continued reliance on sub-threshold funding. The "Municipal Certification In Lieu Of Audit" documents for 2023 and 2024 confirm that an audit or agreed-upon-procedures engagement has not been completed because "the Town/City does not meet the statutory revenue thresholds of 11 O.S. § 17-105."
- **Other Operating Revenues:** 2012: \$0
- **2013:** \$727.57 (predominantly from "Fines and forfeits (City or town share only)" at \$727.57)
- **2014:** \$0

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- **2015:** \$1,711 (predominantly from "Other miscellaneous revenues" at \$1,711)
- **Total Expenditures:** Generally low, demonstrating fiscal conservatism.
- **2012:** \$200 (primarily "Expenditures - Salaries and Wages")
- **2013:** \$524.70 (primarily "Financial - general administration" at \$429.70 and "Salaries and Wages" at \$220.00)
- **2014:** \$524 (primarily "Financial - general administration" at \$524 and "Salaries and Wages" at \$524)
- **2015:** \$100 (primarily "Expenditures - Salaries and Wages")
- **End-of-Year Assets:** Demonstrates a growing asset base.
- **2012:** \$36,540
- **2013:** \$25,892.61
- **2014:** \$26,961
- **2015:** \$42,241

Revenue Base: The Town's revenue base is "Entirely state-shared; no local taxes." This indicates a critical need for diversification.

Fiscal Prudence: Historically, "Expenditures have trailed revenues, building reserves." This foundational fiscal responsibility positions the town well for future development.

III. Historical Background and Demographics

The Town of Johnson has a history rooted in the Sac & Fox land run of 1891, initially an agrarian community. It remained an "unincorporated crossroads until incorporation on May 11, 1982, to secure zoning control and resist a proposed landfill."

Geography & Physical Dimensions:

- Area: 4.48 sq mi (11.59 km²); Land: 4.47 sq mi; Water: 0.01 km²
- Elevation: 1,043 ft | Coordinates: 35.40639° N, -96.84444° W

Demographic Evolution: Johnson has experienced significant population growth, particularly in the last decade.

- **1990:** 196
- **2000:** 223 (+13.8%)
- **2010:** 247 (+10.8%)
- **2020:** 457 (+85%)

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IV. Analysis and Implications for Municipal Growth

Johnson's current status and historical trends highlight key areas for development to achieve full municipal status:

- **Revenue Diversification:** A critical need to move beyond sole reliance on state-shared revenues. This will require "revenue diversification (local taxes, utility fees)."
- **Fiscal Prudence:** The established practice of expenditures trailing revenues has allowed for the building of reserves, providing a solid financial foundation.
- **Incorporation Readiness:** Achieving full incorporation will necessitate formal budgeting and the aforementioned revenue diversification.
- **Governance Enhancement:** To support strategic growth, it is recommended to "establish a planning commission and adopt a strategic growth plan."

V. Indoor Event Center ("Dome") Proposal

A central component of Johnson's growth strategy is the proposed Indoor Event Center, a concept adapted from the "Buck Thomas Dome Buildout Plan."

- **Scope & Dimensions:**
 - **Footprint:** 500 ft × 250 ft × 75 ft, totaling 125,000 sq ft.
- **Capital Costs:**
 - **Dome Structure:** \$2.537 Million (M)
 - **Synthetic Turf:** \$1.25 M (@\$10/sq ft)
- **Operational Model:**
 - **Weekday League Play:** Catering to youth and adult leagues for sports like baseball, softball, soccer, and flag football.
 - **Weekend Tournament Play:** Designed to attract regional tournaments, thereby driving significant hospitality spending.
- **Infrastructure Impacts:**
 - **Site Prep:** Estimated 10–12 weeks for grading, utilities, and grade beam.
 - **Utilities:** Requires robust HVAC (sized for 2.5 MMBTU) and a 480 V/3-phase electrical system.
 - **Lifecycle:** The vinyl membrane has a lifespan of 20+ years with an R-value of approximately 10, with an optional protective coating.
- **Strategic Benefits:**
 - **Revenue Diversification:** Crucially, it "Reduces reliance on state gas tax."
 - **Economic Catalyst:** Expected to "Drives lodging, retail, and dining in Johnson and nearby towns."
 - **Municipal Capacity:** Demonstrates "infrastructure maturity for incorporation."
 - **Community Engagement:** Provides "Year-round programming [to] enhance livability."

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VI. Economic Impact Analysis: Hidden Valley Dataset Insights

The proposed Indoor Event Center is projected to have a substantial economic impact, based on regional tournament profiles.

- **Regional Tournament Profile Benchmarks:**
 - **Shawnee & Tecumseh:** Average 25 teams per event, yielding \$55K in entry fees.
 - **Dale & McLoud:** Smaller events with 12–15 teams, generating \$25K in entry fees.
- **Spend Multipliers (per event):**
 - **Lodging & Meals:** 2 times entry fees.
 - **Ancillary (retail, fuel):** 0.5 times entry fees.
- **First-Year Johnson Projections (based on these multipliers):**
 - **5 Major Tournaments:** $5 \times \$192.5K = \$962.5K$ (calculated as \$55K entry fees * 3.5 multiplier)
 - **10 Smaller Events:** $10 \times \$87.5K = \$875K$ (calculated as \$25K entry fees * 3.5 multiplier)
 - **Total Annual Impact:** Projected at \$1.84 Million (M).
- **Long-Term Potential:**
 - Expanded rotation (8 major, 15 smaller events) could lead to an "Annual Impact" of "\$3.5–4 M."
- **County-Level Economic Impact Comparison (USSSA events):**
 - **Pottawatomie County:** Ranks third in event volume (420 events) and generates \$7.4 M in entry fees, leading to an estimated \$17.8 M in economic impact. This translates to "\$42.4K/event."
 - Other counties listed include Oklahoma, Cleveland, Lincoln, Tulsa, and Seminole, demonstrating significant economic activity from similar events.
- **Key Takeaways from Economic Impact:**
 - Pottawatomie County's existing strong performance (\$42.4K/event) highlights the viability of such ventures.
 - "Capturing 10–15% of regional rotations via Johnson's dome could add \$1.8–2.7 M in local economic activity annually."

VII. Conclusion

The Town of Johnson possesses a "solid fiscal foundation," evidenced by its careful management of expenditures and growing assets. The strategic development of an "Indoor Event Center," coupled with the validated demand for USSSA tournaments in the region, presents a "clear pathway to full municipal incorporation and sustained economic growth." This project would not only diversify Johnson's revenue streams but also serve as a significant economic catalyst and enhance the community's overall livability and municipal capacity.

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