

AGENDA FOR
REGULAR MEETING OF
OKLAHOMA CITY REDEVELOPMENT AUTHORITY
CONFERENCE ROOM
431 WEST MAIN, SUITE B
WEDNESDAY, JANUARY 16, 2019
10:00 A.M.

- I. Call to Order
- II. Statement of Compliance with the Oklahoma Open Meeting Law
- III. Roll Call
- IV. Reading and Approval of Minutes of a Special Meeting held on Wednesday, June 20, 2018
- V. Election of Officers
- VI. Resolution No. _____ of the Oklahoma City Redevelopment Authority Receiving and Accepting an Audit of Accounts By BKD, LLP, for Fiscal Year Ending June 30, 2018
- VII. Resolution No. _____ Authorizing Negotiation and Finalization of the Professional Services Agreement with Oklahoma City Innovation District, Inc. in Support of the Oklahoma Regional Innovation District Project Plan
- VIII. Resolution No. _____ Joint Resolution of the City Council for the City Of Oklahoma City (“City”) and the Trustees of the Oklahoma City Redevelopment Authority (“OCRA”) Relating to the Request by the City Council that the Trustees of OCRA Transfer Directly to the Oklahoma City Economic Development Trust (“OCEDT”), Certain Funds Required to be Deposited in the “Economic Development Fund” Maintained by OCRA, said Transfer to Include Those Funds Arising from Payments Received by OCRA from the Ground Lease with Skirvin Partners, L.L.C., and from Certain Loan Agreements between OCRA and Skirvin Partners, L.L.C. or Skirvin Investment Fund, L.L.C., with said Funds to be used by OCEDT in Support of the Omni Hotel Funding Plan; and Relating to the Redirection and Reauthorization of the Oklahoma City Urban Renewal Authority to use Certain Funds in its Possession for the Purposes of Demolition of the OG&E Gold Building and for Support of Economic Development around the COTPA Parking Garage, the Maps 3 Convention Center and/or the Maps 3 Park
- IX. Resolution No. _____ Resolution Adopting the Oklahoma City Redevelopment Authority Conflicts Of Interest Policy

- X. Resolution No. _____ Authorizing Negotiation and Finalization of the Research Park Innovation Business Incubator Agreement in Support of the Oklahoma Regional Innovation District Project Plan
- XI. Resolution No. _____ Authorizing and Approving Development Financing Agreement with Page Woodson Development, LLC or Related Development Entity in an Amount not to Exceed \$710,000 for Eligible Project Costs Under the Oklahoma Regional Innovation District Project Plan
- XII. Presentation of Interim Financial Report for the Period Ending December 31, 2018
- XIII. New Business
- XIV. Comments from Trustees
- XV. Comments from Citizens
- XVI. Adjournment

POSTED at the offices of the Oklahoma City Redevelopment Authority and the City Clerk's Office by 10:00 p.m., Tuesday, January 15, 2018 by Pam Lunnon, Executive Assistant

MINUTES OF SPECIAL MEETING
OF THE
OF THE OKLAHOMA CITY REDEVELOPMENT AUTHORITY

A Special Meeting of the Trustees of the Oklahoma City Redevelopment Authority (“Redevelopment Authority”) was held on Wednesday, June 20, 2018, at 2:30 p.m. in the Conference Room at 431 West Main, Suite B; Oklahoma City, OK.

The Chairman called the meeting to order and stated that the meeting was being held in compliance with the Oklahoma Open Meeting Law. Upon roll call the following Trustees were present:

Mr. J. Larry Nichols
Mr. James R. Tolbert, III
Mr. Russell M. Perry
Councilman David Greenwell

Trustee Absent:

Ms. Mary Mélon
Mr. Mark Beffort
Councilman Larry McAtee

Staff Present:

Catherine O’Connor, Executive Director
Leslie Batchelor, OCURA Associate General Counsel, CEDL
Dan Batchelor, OCURA General Counsel, CEDL
Emily Pomeroy, The Center for Economic Development of Oklahoma
Mitchell Moore, Cassi Poor, Pam Lunnon, Geri-Kenfield-Harlan, Michael Owens,
Nicolle Goodman, The Alliance for Economic Dev. of OKC

Others Present:

Steve Lackmeyer, The Oklahoman

The Chairman asked for a motion to approve, as circulated, the minutes of a Special Meeting held on Wednesday, March 14, 2018.

Mr. Tolbert moved the adoption of the minutes and upon second by Mr. Perry, the vote was as follows:

Trustee J. Larry Nichols	Aye
Trustee James R. Tolbert, III	Aye
Trustee Mary Mélon	Absent
Trustee Russell M. Perry	Aye
Trustee Mark Beffort	Absent

Councilman Larry McAtee Absent
Councilman David Greenwell Aye

Minutes Adopted.

The Chairman introduced the following resolution:

Resolution No. 184 entitled:

“Authorizing Negotiation and Finalization of the Founding Participants Agreement with the Oklahoma Health Center Foundation in Support of the Oklahoma Regional Innovation District Project Plan”

Mr. Perry, moved the adoption of this resolution and upon a second by Mr. Tolbert, the vote was as follows:

Trustee J. Larry Nichols Aye
Trustee James R. Tolbert, III Aye
Trustee Mary Mélon Absent
Trustee Russell M. Perry Aye
Trustee Mark Beffort Absent
Councilman Larry McAtee Absent
Councilman David Greenwell Aye

Resolution Adopted

Resolution No. 185 entitled:

“Authorizing the Execution of the Innovation District Support Agreement with OU Medicine, Inc. in Support of the Oklahoma Regional Innovation District Project Plan”

Mr. Perry, moved the adoption of this resolution and upon a second by Mr. Tolbert, the vote was as follows:

Trustee J. Larry Nichols Aye
Trustee James R. Tolbert, III Aye
Trustee Mary Mélon Absent
Trustee Russell M. Perry Aye
Trustee Mark Beffort Absent
Councilman Larry McAtee Absent
Councilman David Greenwell Aye

Resolution Adopted

Resolution No. 186 entitled:

“Resolution of the Oklahoma City Redevelopment Authority Approving Proposal by BKD, LLP to Provide an Audit of Accounts for the Fiscal Year Ending June 30, 2018 and Authorizing the Chairman and the Executive Director to Execute the Proposal”

Mr. Tolbert, moved the adoption of this resolution and upon a second by Mr. Perry, the vote was as follows:

Trustee J. Larry Nichols	Aye
Trustee James R. Tolbert, III	Aye
Trustee Mary Mélon	Absent
Trustee Russell M. Perry	Aye
Trustee Mark Beffort	Absent
Councilman Larry McAtee	Absent
Councilman David Greenwell	Aye

Resolution Adopted

Resolution No. 187 entitled:

“Resolution of the Oklahoma City Redevelopment Authority Authorizing Advancements for Payment of Certain Costs Incurred by the Oklahoma City Urban Renewal Authority in Connection with Proposed and Approved Projects and Approving and Ratifying Actions through June 20, 2018”

Mr. Tolbert, moved the adoption of this resolution and upon a second by Mr. Perry, the vote was as follows:

Trustee J. Larry Nichols	Aye
Trustee James R. Tolbert, III	Aye
Trustee Mary Mélon	Absent
Trustee Russell M. Perry	Aye
Trustee Mark Beffort	Absent
Councilman Larry McAtee	Absent
Councilman David Greenwell	Aye

Resolution Adopted

Resolution No. 188 entitled:

“Approving Annual Budget for Legal Services between the Oklahoma City Redevelopment Authority and the Center for Economic Development Law for Fiscal Year beginning July 1, 2018 and ending June 30, 2019”

Mr. Tolbert, moved the adoption of this resolution and upon a second by Mr. Perry, the vote was as follows:

Trustee J. Larry Nichols	Aye
Trustee James R. Tolbert, III	Aye
Trustee Mary Mélon	Absent
Trustee Russell M. Perry	Aye
Trustee Mark Beffort	Absent
Councilman Larry McAtee	Absent
Councilman David Greenwell	Aye

Resolution Adopted

Presentation of Interim Financial Reports for the Period Ending April 30, 2018

Ms. Kenfield-Harlan presented the financial statements for the period ending April 30, 2018.

Mr. Perry, moved to receive financials and upon a second by Mr. Tolbert, the vote was as follows:

Trustee J. Larry Nichols	Aye
Trustee James R. Tolbert, III	Aye
Trustee Mary Mélon	Absent
Trustee Russell M. Perry	Aye
Trustee Mark Beffort	Absent
Councilman Larry McAtee	Absent
Councilman David Greenwell	Aye

Financial Received

Update on Agreement with Oklahoma City Public Schools for 900 N. Klein

Cathy O'Connor explained that the school district has decided to not include Columbus School at this time in their redevelopment. They are going to include the school as part of a facility assessment that they are undertaking to figure out where they need more school space or where there may be too much class space. They do not want to move forward with Columbus at this time.

Concerning 900 N. Klein, they have decided to move forward and the agreement contemplates that we will help them with some neighborhood planning in that area. When we issue an RFP we will find a developer that will make sure it fits in with the rest of the neighborhood and also we will notify the neighborhood about what is going on. They also have included the Bryant Center which is an IT Center. It is an old elementary school just south of 900 N. Klein. We are hoping to keep that building and redevelop it and include it as a part of the overall development objectives of the property. The agreement was finalized and signed. We are still in the process of some title issues to get Marcus Garvey and Creston Hills transferred to us. OCURA will be issuing a RFP for Marcus Garvey very soon.

There being no further business to come before the Board, meeting was adjourned at 2:45 p.m.

SECRETARY

OKLAHOMA CITY REDEVELOPMENT AUTHORITY

TRUSTEES

J. Larry Nichols
Chairman

James R. Tolbert III
Vice Chairman

Mark Beffort

David Greenwell

Larry McAtee, Jr.

Mary Melon

Russell M. Perry

EXECUTIVE DIRECTOR

Catherine O'Connor

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Catherine O'Connor, Executive Director

Date: January 16, 2019

Ref: Election of Officers

Background: Officers of the Oklahoma City Redevelopment Authority ("OCRA") are elected each year in July. The current OCRA officers are:

Chairman: J. Larry Nichols

Vice Chairman: James R. Tolbert, III

Secretary: Larry McAtee

Assistant Secretary: Mary Mélon

Assistant Secretary: Russell Perry

Assistant Secretary: Mark Beffort

Treasurer: David Greenwell

Recommendation: It is recommended to retain the current officers for the coming year.

OKLAHOMA CITY REDEVELOPMENT AUTHORITY

TRUSTEES

J. Larry Nichols
Chairman

James R. Tolbert III
Vice Chairman

Mark Beffort

David Greenwell

Larry McAtee, Jr.

Mary Melon

Russell M. Perry

EXECUTIVE DIRECTOR

Catherine O'Connor

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Catherine O'Connor, Executive Director

Date: January 16, 2019

Ref: Resolution of the Oklahoma City Redevelopment Authority Receiving and Accepting an Audit of Accounts by BKD, LLP, for Fiscal Year Ending June 30, 2018

Background: BKD, LLP has completed its audit of the financial activities of OCRA for the fiscal year ending June 30, 2018. BKD, LLP, presented the audit to the OCRA audit committee on January 16, 2019. The Executive Director, as well as the Chief Financial Officer of The Alliance have reviewed the audit and recommend approval.

Summary of Agenda Item: The resolution for consideration receives and accepts the audit by BKD, LLP for the fiscal year ending June 30, 2018.

Recommendation: Approval of Resolution.

RESOLUTION NO. _____

**RESOLUTION OF THE OKLAHOMA CITY REDEVELOPMENT AUTHORITY
RECEIVING AND ACCEPTING AN AUDIT OF ACCOUNTS BY BKD, LLP, FOR
FISCAL YEAR ENDING JUNE 30, 2018**

WHEREAS, the Oklahoma City Redevelopment Authority, a public trust (“OCRA”), was created for the purpose of assisting in the implementation of economic development and redevelopment projects and aiding and providing financial assistance to the Oklahoma City Urban Renewal Authority in connection with its proposed and approved redevelopment activities; and

WHEREAS, pursuant to 60 O.S. §§ 180.1–180.3, in June 2018, OCRA accepted a proposal from BKD, LLP to audit OCRA’s financial activities; and

WHEREAS, BKD, LLP has submitted an audit of accounts to OCRA for the fiscal year ending June 30, 2018 (“FYE 2018 OCRA Audit”); and

WHEREAS, OCRA’s Audit Committee has met to review the FYE 2018 OCRA Audit submitted by BKD, LLP, and recommends acceptance by the Board of Trustees; and

WHEREAS, the Board of Trustees of the OCRA deems it appropriate and desirable to accept the FYE 2018 OCRA Audit.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of OCRA that the audit of accounts submitted by BKD, LLP, for the fiscal year ending June 30, 2018, is hereby accepted.

I, _____, Secretary of the Oklahoma City Redevelopment Authority, a public trust, certify that the foregoing Resolution No. ____ was duly adopted at a **regular** meeting of the Oklahoma City Redevelopment Authority held at the Arts District Garage Conference Room, 431 West Main, Suite B, Oklahoma City, Oklahoma, on the **16th** day of **January, 2019**; that any notice required to be given of such meeting was properly given; that a quorum was present at all times during such meeting; and that said Resolution was adopted by a majority of those present.

SECRETARY

(SEAL)

Board of Trustees
Oklahoma City Redevelopment Authority
Oklahoma City, Oklahoma

As part of our audit of the financial statements of the Oklahoma City Redevelopment Authority (the Authority), a component unit of the City of Oklahoma City, Oklahoma (the City), as of and for the year ended June 30, 2018, we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America and the Standards Applicable to Financial Audits Contained in Government Auditing Standards, Issued by the Comptroller General of the United States

An audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The Authority's significant accounting policies are described in Note 1 of the audited financial statements.

Alternative Accounting Treatments

No matters are reportable.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Rent receivable/reimbursable
- Receivable for payments in lieu of taxes
- Notes receivable valuation
- Depreciation expense

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Revenue recognition
- Lease transactions

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Areas in which adjustments were proposed include:

Proposed Audit Adjustment Recorded

- Deferred inflows related to revenue not available until two months after year-end

Proposed Audit Adjustments Not Recorded

- Attached is a summary of uncorrected misstatements we aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole.

Auditor's Judgments About the Quality of the Authority's Accounting Principles

No matters are reportable.

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (attached)
- We orally communicated to management other deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of the Authority as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements of the Authority's financial statements on a timely basis. A deficiency in design exists when a control necessary to meet a control objective is missing or an existing control is not properly designed so that, even if the control operates as designed, a control objective would not be met. A deficiency in operation exists when a properly

designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We observed the following matter that we consider to be a deficiency.

Deficiency

Due to the limited number of individuals involved in the finance department, many of the critical accounting and related administrative duties are combined and assigned to available employees. Presently, individuals, including the chief financial officer and staff within the accounting department, perform a large amount of the upper level accounting functions. To the extent possible, the Authority should continue to identify and implement control and review processes, including review of journal entries, and approvals of final invoices for payment, to ensure appropriate levels of review are present to control any segregation of duties issues.

NEW ACCOUNTING PRONOUNCEMENT

Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, provides a new framework for accounting for leases under the principle that leases are financings. No longer will leases be classified between capital and operating. Lessees will recognize an intangible asset and a corresponding liability. The liability will be based on the payments expected to be paid over the lease term, which includes an evaluation of the likelihood of exercising renewal or termination options in the lease. Lessors will recognize a lease receivable and related deferred inflow of resources. Lessors will not derecognize the underlying asset. An exception to the general model is provided for short-term leases that cannot last more than 12 months. Contracts that contain lease and nonlease components will need to be separated so each component is accounted for accordingly.

GASB 87 is effective for financial statements for fiscal years beginning after December 15, 2019. Earlier application is encouraged. Governments will be allowed to transition using the facts and circumstances in place at the time of adoption, rather than retroactive to the time each lease was begun.

Board of Trustees
Oklahoma City Redevelopment Authority
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This communication is intended solely for the information and use of management, the Board of Trustees, the City and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

November 9, 2018

OKLAHOMA CITY REDEVELOPMENT AUTHORITY

November 9, 2018

TRUSTEES

J. Larry Nichols
Chairman

James R. Tolbert III
Vice Chairman

Mark Beffort

David Greenwell

Larry McAtee, Jr.

Mary Melon

Russell M. Perry

EXECUTIVE

DIRECTOR

Catherine O'Connor

BKD, LLP

Certified Public Accountants

Two Leadership Square

211 N. Robinson Avenue, Ste. 600

Oklahoma City, OK 73102

We are providing this letter in connection with your audits of the Oklahoma City Redevelopment Authority's (the Authority), a component unit of the City of Oklahoma City, Oklahoma, financial statements as of and for the years ended June 30, 2018 and 2017. We confirm that we are responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, operations and compliance, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following:

1. We have fulfilled our responsibilities, as set out in the terms of our engagement letter dated June 15, 2018, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.

5. We have provided you with:
 - (a) Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.
 - (b) Additional information that you have requested from us for the purpose of the audit.
 - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - (d) All minutes of meetings of the governing body held through the date of this letter and all unapproved minutes are accurate and complete with respect to activities covered.
 - (e) All significant contracts and grants.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. We have informed you of all current risks of a material amount that are not adequately prevented or detected by entity procedures with respect to:
 - (a) Misappropriation of assets.
 - (b) Misrepresented or misstated assets, liabilities or net position.
8. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
9. We have no knowledge of any known or suspected:
 - (a) Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant roles in internal control.
 - (b) Fraudulent financial reporting or misappropriation of assets involving others that could have a material effect on the financial statements.
10. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, customers, regulators, suppliers or others.
11. We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of

America. We understand that the term related party refers to an affiliate; management, and members of their immediate families, component units; and any other party with which the Authority may deal if it can significantly influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with us.

12. Except as reflected in the financial statements, there are no:
 - (a) Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.
 - (b) Material transactions omitted or improperly recorded in the financial statements.
 - (c) Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
 - (d) Events occurring subsequent to the statement of net position/balance sheet date through the date of this letter requiring adjustment or disclosure in the financial statements.
 - (e) Agreements to purchase assets previously sold.
 - (f) Restrictions on cash balances or compensating balance agreements.
 - (g) Guarantees, whether written or oral, under which the Authority is contingently liable.
13. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
14. We are not aware of any pending or threatened litigation or claims whose effects should be considered when preparing the consolidated financial statements. We have not sought or received attorney's services related to pending or threatened litigation or claims during or subsequent to the audit period. Also, we are not aware of any litigation or claims, pending or threatened, for which legal counsel should be sought.
15. Adequate provisions and allowances have been accrued for any material losses from:
 - (a) Uncollectible receivables.
 - (b) Sales commitments, including those unable to be fulfilled.

- (c) Purchase commitments in excess of normal requirements or above prevailing market prices.
16. Except as disclosed in the financial statements, we have:
- (a) Satisfactory title to all recorded assets, and they are not subject to any liens, pledges or other encumbrances.
 - (b) Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.
17. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.
18. With regard to deposit and investment activities:
- (a) All deposit and investment transactions have been made in accordance with legal and contractual requirements.
 - (b) Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
 - (c) We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
19. With respect to any nonattest services you have provided us during the year, including assistance in financial statement preparation:
- (a) We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
 - (b) We have established and monitored the performance of the nonattest services to ensure that they meet our objectives.
 - (c) We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
 - (d) We have evaluated the adequacy of the services performed and any findings that resulted.
20. We acknowledge that we are responsible for compliance with applicable laws, regulations and provisions of contracts and grant agreements.

21. We have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
22. We have identified and disclosed to you any violations or possible violations of laws, regulations and provisions of contracts and grant agreements whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
23. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts or violations of provisions of contracts or grant agreements that you or other auditors report.
24. We have a process to track the status of audit findings and recommendations.
25. We have identified to you any previous financial audits, attestation engagements, performance audits or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other studies.
26. The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the statement of net position/balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
27. The fair values of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto are reasonable estimates based on the methods and assumptions used. The methods and significant assumptions used result in measurements of fair value appropriate for financial statement recognition and disclosure purposes and have been applied consistently from period to period, taking into account any changes in circumstances. The significant assumptions appropriately reflect market participant assumptions.
28. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.

29. With regard to supplementary information:

- (a) We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.
- (b) We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
- (c) The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period .
- (d) We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
- (e) If the supplementary information is not presented with the audited financial statements, we acknowledge we will make the audited financial statements readily available to intended users of the supplementary information no later than the date such information and the related auditor's report are issued.



Catherine O'Connor, Executive Director



Geri Kenfield-Harlan, Chief Financial
Officer

Oklahoma City Redevelopment Authority

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Governmental Activities (Government-Wide Statements)

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	6,712,531		6,712,531	
Non-Current Assets & Deferred Outflows	28,542,455	(77,163)	28,465,292	-0.27%
Current Liabilities	(1,121,377)		(1,121,377)	
Non-Current Liabilities & Deferred Inflows	(2,610,452)		(2,610,452)	
Current Ratio	5.99		5.99	
Total Assets & Deferred Outflows	35,254,986	(77,163)	35,177,823	-0.22%
Total Liabilities & Deferred Inflows	(3,731,829)		(3,731,829)	
Total Net Position	(31,523,157)	77,163	(31,445,994)	-0.24%
General Revenues & Transfers	(3,975,737)	76,886	(3,898,851)	-1.93%
Net Program Revenues/ Expenses	210,028	77,163	287,191	36.74%
Change in Net Position	(3,765,709)	154,049	(3,611,660)	-4.09%

Client: Oklahoma City Redevelopment Authority
Period Ending: June 30, 2018

Governmental Activities (Government-Wide Statements)
SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J), Projected (P)	Assets & Deferred Outflows		Liabilities & Deferred Inflows		General Revenues & Transfers			Net Program Revenues/ Expenses		Net Position		Net Effect on Following Year				
			Current		Non-Current		Current		Non-Current		DR		(CR)		Change in Net Position		Net Position	
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)
Revenue recognized in 2018 related to prior year TIF revenue that were not recorded as a receivable at June 30, 2017.		F	0	0	0	0	76,886	0	(76,886)	0	0	0	0	0	0			
	General revenues						76,886											
	Net position								(76,886)									
Balances of investments held at year-end were not adjusted to their fair value.		F	0	(77,163)	0	0	0	77,163	0	77,163	(77,163)	77,163	(77,163)	77,163	(77,163)			
	Investments			(77,163)														
	Unrealized holding loss							77,163										
Total passed adjustments			0	(77,163)	0	0	76,886	77,163	(76,886)	77,163	(76,886)	77,163	(77,163)	77,163	(77,163)			
							Impact on Change in Net Position		154,049									
							Impact on Net Position		77,163									

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Independent Auditor's Reports and Financial Statements
June 30, 2018 and 2017



Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
June 30, 2018 and 2017

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Independent Auditor's Report

Board of Trustees
Oklahoma City Redevelopment Authority
Oklahoma City, Oklahoma

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities and the major funds of the Oklahoma City Redevelopment Authority (the Authority), a component unit of the City of Oklahoma City, Oklahoma, as of and for the years ended June 30, 2018 and 2017, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of the Authority as of June 30, 2018 and 2017, and the respective changes in financial position thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The budget-to-actual expenditure comparison (project life-to-date) and related notes, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The information for the fiscal years 2012 and prior was audited by other auditors, who issued an unmodified opinion on the information on November 30, 2012. The information for the fiscal years 2013 onward was subjected by BKD to the procedures noted above. In our opinion, the information as of June 30, 2018, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated November 9, 2018, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the

Board of Trustees
Oklahoma City Redevelopment Authority
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effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BKD, LLP

Tulsa, Oklahoma
November 9, 2018

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Management's Discussion and Analysis
Years Ended June 30, 2018 and 2017

Introduction

This management's discussion and analysis of the financial performance of the Oklahoma City Redevelopment Authority (the Authority), a discretely presented component unit of the City of Oklahoma City, Oklahoma (the City), provides an overview of the Authority's financial activities for the years ended June 30, 2018 and 2017. It should be read in conjunction with the accompanying financial statements of the Authority.

Financial Highlights

- Cash and cash equivalents decreased in 2018 by \$5,574,924 and increased in 2017 by \$321,788.
- The Authority's capital assets decreased in 2018 and 2017 by \$310,307 and \$344,608, respectively.
- Long-term debt decreased in 2018 and 2017 by \$797,312 and \$803,870, respectively.
- The Authority's net position increased in 2018 and 2017 by \$3,765,709 and \$3,219,644, respectively.

Using This Annual Report

The Authority's financial statements are separated into two sections—government-wide financial statements and fund financial statements. These statements provide information about the activities of the Authority.

The government-wide financial statements report the Authority as a whole. The statements of net position and activities are presented using the economic resources measurement focus and the accrual basis of accounting, similar to private business enterprises.

The fund financial statements—the balance sheet and statement of revenues, expenditures and changes in fund balances—are presented using the current financial resources measurement focus and the modified accrual basis of accounting. These statements measure only the current financial resources available to the Authority. Also included are reconciliations of the fund financial statements to the government-wide financial statements outlining the differences between the two sets of statements.

Statement of Net Position

The statement of net position presents assets, liabilities and net position. The purpose of the statement of net position is to present to readers of the financial statements a fiscal snapshot of the Authority.

From the data presented, readers of the statement of net position are able to determine the assets available to continue the operations of the Authority. They are also able to determine how much is owed to the Authority and how much the Authority owes its vendors and lenders.

Total assets of the Authority increased by \$3,140,774 in 2018 and decreased by \$2,881,401 in 2017. In 2018, decreases in cash and cash equivalents and capital assets were offset by increases in investments, rent and notes receivable. The 2017 increases in cash and cash equivalents were offset by reductions in investments, capital assets, rent and notes receivable.

Total liabilities decreased in 2018 and 2017 by \$624,935 and \$6,101,045, respectively. For 2018, regular debt service was offset by increases in accounts payable. For 2017, regular debt service and reductions in accounts payable and due to Oklahoma City Urban Renewal Authority (Urban Renewal) were offset by the increase in rent reimbursable.

In 2018 and 2017, no significant changes occurred in capital assets and debt other than depreciation and payment of principal.

Table 1: Condensed Statements of Net Position

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>% Change</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
Current and other assets	\$ 29,859,516	\$ 26,408,435	\$ 3,451,081	13%	\$ 28,945,228	\$ (2,536,793)	-9%
Capital assets	<u>5,395,470</u>	<u>5,705,777</u>	<u>(310,307)</u>	-5%	<u>6,050,385</u>	<u>(344,608)</u>	-6%
Total assets	<u>35,254,986</u>	<u>32,114,212</u>	<u>3,140,774</u>	10%	<u>34,995,613</u>	<u>(2,881,401)</u>	-8%
Long-term liabilities	2,610,452	3,407,764	(797,312)	-23%	4,211,634	(803,870)	-19%
Other liabilities	<u>1,121,377</u>	<u>949,000</u>	<u>172,377</u>	18%	<u>6,246,175</u>	<u>(5,297,175)</u>	-85%
Total liabilities	<u>3,731,829</u>	<u>4,356,764</u>	<u>(624,935)</u>	-14%	<u>10,457,809</u>	<u>(6,101,045)</u>	-58%
Net investment in capital assets	3,056,193	2,824,366	231,827	8%	2,626,563	197,803	8%
Restricted	<u>28,466,964</u>	<u>24,933,082</u>	<u>3,533,882</u>	14%	<u>21,911,241</u>	<u>3,021,841</u>	14%
Net position	<u>\$ 31,523,157</u>	<u>\$ 27,757,448</u>	<u>\$ 3,765,709</u>	14%	<u>\$ 24,537,804</u>	<u>\$ 3,219,644</u>	13%

Statement of Activities

The statement of activities reports how the Authority's net position changed during the fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. For the years ended June 30, 2018 and 2017, net position increased by \$3,765,709 and \$3,219,644, respectively. The 2018 increase was primarily a result of increases in apportioned ad valorem taxes and payments in lieu of taxes totaling \$398,786 and charges for services of \$206,843 offset by decreases in grant revenues of approximately \$175,000. The 2017 increase was primarily a result of an increase in apportioned ad valorem taxes and payments in lieu of taxes totaling \$435,017 and grant revenue of \$210,381 offset by decreases in economic development expenses of approximately \$7,400,000 due to a one-time payment to Urban Renewal for the convention center hotel project in 2016 and a decrease in rental income of \$487,789.

Table 2: Condensed Statements of Activities

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>% Change</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
Charges for services	\$ 206,843	\$ -	\$ 206,843	100%	\$ 487,789	\$ (487,789)	-100%
Operating grants, contributions and restricted interest	608,797	784,148	(175,351)	-22%	573,766	210,382	37%
General revenues	<u>3,975,737</u>	<u>3,576,951</u>	<u>398,786</u>	11%	<u>3,141,934</u>	<u>435,017</u>	14%
Total revenues	<u>4,791,377</u>	<u>4,361,099</u>	<u>430,278</u>	10%	<u>4,203,489</u>	<u>157,610</u>	4%
Economic development expenses	942,734	1,074,618	(131,884)	-12%	8,327,535	(7,252,917)	-87%
Interest expense	<u>82,934</u>	<u>66,837</u>	<u>16,097</u>	24%	<u>64,664</u>	<u>2,173</u>	3%
Total operating expenses	<u>1,025,668</u>	<u>1,141,455</u>	<u>(115,787)</u>	-10%	<u>8,392,199</u>	<u>(7,250,744)</u>	-86%
Change in net position	<u>\$ 3,765,709</u>	<u>\$ 3,219,644</u>	<u>\$ 546,065</u>	17%	<u>\$ (4,188,710)</u>	<u>\$ 7,408,354</u>	-177%

Fund Financial Statements

The fund financial statements provide a detailed short-term view of the activity in the Authority's two special revenue funds—TIF 1 and Skirvin Hotel Project. The information helps to determine the amount

of current financial resources available and focuses on how money flows in and out of each fund and the balances available at year-end.

Table 3: Condensed Fund Financial Statements for TIF 1 Fund

	2018	2017	Change	% Change	2016	Change	% Change
TIF 1							
Total assets	\$ 13,103,706	\$ 15,688,909	\$ (2,585,203)	-16%	\$ 13,136,645	\$ 2,552,264	19%
Total liabilities	(312,887)	(23,832)	(289,055)	1213%	(53,761)	29,929	-56%
Deferred inflows of resources	<u>(722,698)</u>	<u>(145,988)</u>	<u>(576,710)</u>	395%	<u>(693,478)</u>	<u>547,490</u>	-79%
Fund balance	<u>\$ 12,068,121</u>	<u>\$ 15,519,089</u>	<u>\$ (3,450,968)</u>	-22%	<u>\$ 12,389,406</u>	<u>\$ 3,129,683</u>	25%
Taxes	\$ 3,386,680	\$ 3,433,124	\$ (46,444)	-1%	\$ 3,159,906	\$ 273,218	9%
Intergovernmental revenue	118,126	1,067,349	(949,223)	100%	-	1,067,349	0%
Other income	<u>201,939</u>	<u>97,174</u>	<u>104,765</u>	108%	<u>83,843</u>	<u>13,331</u>	16%
Total revenues	<u>3,706,745</u>	<u>4,597,647</u>	<u>(890,902)</u>	-19%	<u>3,243,749</u>	<u>1,353,898</u>	42%
Research park-related expenditures	266,123	480,637	(214,514)	-45%	537,498	(56,861)	-11%
Administration	167,016	77,735	89,281	115%	45,428	32,307	71%
Other	164,987	50,000	114,987	230%	-	50,000	-100%
Capital outlay	34,301	-	34,301	100%	-	-	0%
Debt service							
Principal	792,352	792,755	(403)	0%	788,480	4,275	1%
Interest	<u>82,934</u>	<u>66,837</u>	<u>16,097</u>	24%	<u>64,664</u>	<u>2,173</u>	3%
Total expenditures	<u>1,507,713</u>	<u>1,467,964</u>	<u>39,749</u>	3%	<u>1,436,070</u>	<u>31,894</u>	2%
Issuance of long-term note receivable	<u>(5,650,000)</u>	<u>-</u>	<u>(5,650,000)</u>	100%	<u>-</u>	<u>-</u>	0%
Total transfers and other financing sources (uses)	<u>(5,650,000)</u>	<u>-</u>	<u>(5,650,000)</u>	100%	<u>-</u>	<u>-</u>	0%
Change in fund balance	<u>\$ (3,450,968)</u>	<u>\$ 3,129,683</u>	<u>\$ (6,580,651)</u>	-210%	<u>\$ 1,807,679</u>	<u>\$ 1,322,004</u>	73%

The TIF 1 fund balance decreased by \$3,450,968 in 2018 and increased by \$3,129,683 in 2017. Revenues decreased by \$890,902 in 2018 primarily due to a decrease in intergovernmental revenue. The 2018 expenditures and transfers and other financing sources (uses) increased by \$5,689,749, primarily from the issuance of a long-term note receivable of \$5,650,000. Revenues increased by \$1,353,898 in 2017 primarily due to a \$1,067,349 increase in intergovernmental revenue. The 2017 expenditures remained relatively flat.

Table 4: Condensed Fund Financial Statements for Skirvin Hotel Project Fund

	2018	2017	Change	% Change	2016	Change	% Change
Skirvin Hotel Project							
Total assets	\$ 1,515,814	\$ 903,531	\$ 612,283	68%	\$ 5,773,390	\$ (4,869,859)	-84%
Total liabilities	-	(121,638)	121,638	100%	(5,400,000)	5,278,362	0%
Deferred inflows of resources	<u>(23,975)</u>	<u>(24,540)</u>	<u>565</u>	-2%	<u>(25,088)</u>	<u>548</u>	-2%
Fund balance	<u>\$ 1,491,839</u>	<u>\$ 757,353</u>	<u>\$ 734,486</u>	97%	<u>\$ 348,302</u>	<u>\$ 409,051</u>	117%
Rental income	\$ 206,843	\$ -	\$ 206,843	100%	\$ 505,199	\$ (505,199)	-100%
Principal payment on note receivable	225,999	219,199	6,800	3%	212,602	6,597	3%
Interest income on loan	291,090	297,766	(6,676)	-2%	304,245	(6,479)	-2%
Investment income	<u>10,554</u>	<u>13,724</u>	<u>(3,170)</u>	-23%	<u>12,566</u>	<u>1,158</u>	9%
Total revenues	<u>734,486</u>	<u>530,689</u>	<u>203,797</u>	38%	<u>1,034,612</u>	<u>(503,923)</u>	-49%
Expenditures	<u>-</u>	<u>121,638</u>	<u>(121,638)</u>	-100%	<u>7,400,000</u>	<u>(7,278,362)</u>	-98%
Change in fund balance	<u>\$ 734,486</u>	<u>\$ 409,051</u>	<u>\$ 325,435</u>	80%	<u>\$ (6,365,388)</u>	<u>\$ 6,774,439</u>	-106%

The Skirvin Hotel Project fund balance increased in 2018 by \$734,486 compared to an increase of \$409,051 in 2017.

The fund balances for both TIF 1 and the Skirvin Hotel Project are restricted for debt service and economic development activities.

Economic Factors

The Authority is designated to receive tax apportionment revenues for TIF Districts 1, 7 and 11. To date, the Authority has collected approximately \$27,756,000, \$532,000 and \$684,000 for TIF 1, TIF 7 and TIF 11, respectively. Revenues will be collected throughout the life of the TIF Districts and used for economic development projects within the project areas. The Authority leases the land under the Skirvin Hotel in downtown Oklahoma City and administers a note receivable from the owner of the hotel, Skirvin Partners, LLC. Lease payments are expected monthly through December 2104, the expiration date of the 99-year ground lease. Ground lease and debt service payments collected will be retained for use in future economic development activities approved by the City.

Contacting the Authority's Management

This financial report is designed to provide a general overview of the Authority's finances, comply with finance-related laws and regulations and demonstrate commitment to public accountability. If anyone has questions about this report or would like to request additional information, please contact the Authority's general manager at 105 N. Hudson, Suite 101, Oklahoma City, Oklahoma 73102.

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Government-Wide Statements of Net Position
June 30, 2018 and 2017

Assets

	2018	2017
Current Assets		
Cash and cash equivalents	\$ 3,989,018	\$ 9,563,942
Investments, at fair value	1,440,000	1,440,000
Accounts receivable	78,745	-
Due from other governments	751,769	488,853
Rent receivable	157,567	-
Payments in lieu of taxes receivable	-	94,005
Interest receivable	27,845	24,540
Investment income receivable	34,576	11,100
Current portion of notes receivable	233,011	225,999
	6,712,531	11,848,439
Capital Assets		
Land	541,192	506,891
Building, parking garages and undivided ownership interest in buildings, net	4,854,278	5,198,886
	5,395,470	5,705,777
Other Noncurrent Assets		
Investments, at fair value	7,840,000	4,670,000
Notes receivable	15,006,985	9,589,996
Other assets – deposits	300,000	300,000
	23,146,985	14,559,996
	35,254,986	32,114,212

Liabilities and Net Position

	<u>2018</u>	<u>2017</u>
Current Liabilities		
Current portion of long-term debt	\$ 808,490	\$ 803,530
Accounts payable	249,698	4,294
Rent reimbursable	-	121,638
Due to Urban Renewal	27,564	19,538
Deferred revenue	35,625	-
	<u>1,121,377</u>	<u>949,000</u>
Noncurrent Liabilities		
Long-term debt, less current maturities	<u>2,610,452</u>	<u>3,407,764</u>
	<u>3,731,829</u>	<u>4,356,764</u>
Net Position		
Net investment in capital assets	3,056,193	2,824,366
Restricted for debt service	1,095,354	1,074,775
Restricted for economic development activities	<u>27,371,610</u>	<u>23,858,307</u>
	<u>\$ 31,523,157</u>	<u>\$ 27,757,448</u>

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Government-Wide Statements of Activities
June 30, 2018 and 2017

	Revenues				Net Revenues (Expenses)	
	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants, Contributions and Restricted Interest		
2018						
Governmental Activities						
Economic development	\$ 942,734	\$ 206,843	\$ -	\$ 608,797	\$ (127,094)	
Interest expense	82,934	-	-	-	(82,934)	
Total governmental activities	\$ 1,025,668	\$ 206,843	\$ -	\$ 608,797	(210,028)	
General Revenues						
Apportioned ad valorem taxes					2,704,436	
Payments in lieu of taxes					1,271,301	
Total general revenues					3,975,737	
Change in Net Position						
Total general revenues						3,765,709
Net Position, Beginning of Year						27,757,448
Net Position, End of Year						\$ 31,523,157
2017						
Governmental Activities						
Economic development	\$ 1,074,618	\$ -	\$ -	\$ 784,148	\$ (290,470)	
Interest expense	66,837	-	-	-	(66,837)	
Total governmental activities	\$ 1,141,455	\$ -	\$ -	\$ 784,148	(357,307)	
General Revenues						
Apportioned ad valorem taxes					2,323,997	
Payments in lieu of taxes					1,252,954	
Total general revenues					3,576,951	
Change in Net Position						3,219,644
Net Position, Beginning of Year						24,537,804
Net Position, End of Year						\$ 27,757,448

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Balance Sheets – Governmental Funds
June 30, 2018 and 2017

	2018		
	TIF 1	Skirvin Hotel Project	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 2,654,747	\$ 1,334,271	\$ 3,989,018
Investments, at fair value	9,280,000	-	9,280,000
Accounts receivable	78,745	-	78,745
Rent receivable	-	157,567	157,567
Interest receivable	3,869	23,976	27,845
Investment income receivable	34,576	-	34,576
Ad valorem taxes receivable	720,569	-	720,569
Federal grant receivable	31,200	-	31,200
Other assets	300,000	-	300,000
	<u>\$ 13,103,706</u>	<u>\$ 1,515,814</u>	<u>\$ 14,619,520</u>
Total assets			
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 249,698	\$ -	\$ 249,698
Deferred revenue	35,625	-	35,625
Due to Urban Renewal	27,564	-	27,564
	<u>312,887</u>	<u>-</u>	<u>312,887</u>
Total liabilities			
Deferred Inflows of Resources	<u>722,698</u>	<u>23,975</u>	<u>746,673</u>
Fund Balances			
Restricted for			
Debt service	1,095,354	-	1,095,354
Economic development activities	-	1,491,839	1,491,839
Other TIF activities	10,972,767	-	10,972,767
	<u>12,068,121</u>	<u>1,491,839</u>	<u>13,559,960</u>
Total fund balances			
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,103,706</u>	<u>\$ 1,515,814</u>	<u>\$ 14,619,520</u>

	2017		
	TIF 1	Skirvin Hotel Project	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 8,684,951	\$ 878,991	\$ 9,563,942
Investments, at fair value	6,110,000	-	6,110,000
Payments in lieu of taxes receivable	94,005	-	94,005
Interest receivable	-	24,540	24,540
Investment income receivable	11,100	-	11,100
Ad valorem taxes receivable	140,308	-	140,308
Receivables from other governments	348,545	-	348,545
Other assets	300,000	-	300,000
	<u>\$ 15,688,909</u>	<u>\$ 903,531</u>	<u>\$ 16,592,440</u>

Liabilities, Deferred Inflows of Resources and Fund Balances

Liabilities			
Accounts payable	\$ 4,294	\$ -	\$ 4,294
Rent reimbursable	-	121,638	121,638
Due to Urban Renewal	19,538	-	19,538
	<u>23,832</u>	<u>121,638</u>	<u>145,470</u>
Deferred Inflows of Resources	<u>145,988</u>	<u>24,540</u>	<u>170,528</u>
Fund Balances			
Restricted for			
Debt service	1,074,775	-	1,074,775
Economic development activities	-	757,353	757,353
Other TIF activities	14,444,314	-	14,444,314
	<u>15,519,089</u>	<u>757,353</u>	<u>16,276,442</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,688,909</u>	<u>\$ 903,531</u>	<u>\$ 16,592,440</u>

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Reconciliation of the Balance Sheets – Governmental Funds to
the Statements of Net Position
June 30, 2018 and 2017

	2018	2017
Total fund balances	\$ 13,559,960	\$ 16,276,442
Amounts reported in the statements of net position are different because		
Capital assets, notes receivable and certain other assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund		
Land	541,192	506,891
Building, net of accumulated depreciation of \$3,275,015 and \$2,983,902 as of June 30, 2018 and 2017, respectively	4,002,798	4,293,909
Undivided ownership interest in buildings, net of accumulated depreciation of \$485,923 and \$432,437 as of June 30, 2018 and 2017, respectively	851,480	904,977
Notes receivable	15,239,996	9,815,995
Earned but unavailable revenue	746,673	170,528
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the fund		
Long-term debt	(3,418,942)	(4,211,294)
Net position, per the statements of net position	\$ 31,523,157	\$ 27,757,448

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Statements of Revenues, Expenditures and Changes in
Fund Balances – Governmental Funds
Years Ended June 30, 2018 and 2017

	2018		
	TIF 1	Skirvin Hotel Project	Total Governmental Funds
Revenues			
Apportioned ad valorem taxes	\$ 2,115,379	\$ -	\$ 2,115,379
Payments in lieu of taxes	1,271,301	-	1,271,301
Intergovernmental revenue	118,126	-	118,126
Rental income	-	206,843	206,843
Interest income paid on tax deposits held by the Oklahoma County Treasurer	8,796	-	8,796
Interest income on loans	3,870	291,090	294,960
Investment income	189,273	10,554	199,827
Principal payment on notes receivable	-	225,999	225,999
Total revenues	<u>3,706,745</u>	<u>734,486</u>	<u>4,441,231</u>
Expenditures			
Biomedical, biopharmaceutical and technological research and development facilities and other public research park improvements	266,123	-	266,123
Economic development and redevelopment activities with the Harrison-Walnut Urban Renewal Plan	164,987	-	164,987
Administration	167,016	-	167,016
Issuance of note receivable	-	-	-
Capital outlay	34,301	-	34,301
Debt service			
Principal	792,352	-	792,352
Interest	82,934	-	82,934
Total expenditures	<u>1,507,713</u>	<u>-</u>	<u>1,507,713</u>
Excess of Revenues over Expenditures	<u>2,199,032</u>	<u>734,486</u>	<u>2,933,518</u>
Transfers and Other Financing Sources (Uses)			
Issuance of long-term note receivable	<u>(5,650,000)</u>	<u>-</u>	<u>(5,650,000)</u>
Total transfers and other financing sources (uses)	<u>(5,650,000)</u>	<u>-</u>	<u>(5,650,000)</u>
Change in Fund Balances	(3,450,968)	734,486	(2,716,482)
Fund Balances, Beginning of Year	<u>15,519,089</u>	<u>757,353</u>	<u>16,276,442</u>
Fund Balances, End of Year	<u>\$ 12,068,121</u>	<u>\$ 1,491,839</u>	<u>\$ 13,559,960</u>

See Notes to Financial Statements

	2017		
	TIF 1	Skirvin Hotel Project	Total Governmental Funds
Revenues			
Apportioned ad valorem taxes	\$ 2,180,170	\$ -	\$ 2,180,170
Payments in lieu of taxes	1,252,954	-	1,252,954
Intergovernmental revenue	1,067,349	-	1,067,349
Interest income paid on tax deposits held by the Oklahoma County Treasurer	3,519	-	3,519
Interest income on loans	-	297,766	297,766
Investment income	93,655	13,724	107,379
Principal payment on notes receivable	-	219,199	219,199
	<u>4,597,647</u>	<u>530,689</u>	<u>5,128,336</u>
Total revenues			
Expenditures			
Biomedical, biopharmaceutical and technological research and development facilities and other public research park improvements	480,637	-	480,637
Economic development and redevelopment activities with the Harrison-Walnut Urban Renewal Plan	50,000	-	50,000
Administration	77,735	-	77,735
Rent reimbursement	-	121,638	121,638
Debt service			
Principal	792,755	-	792,755
Interest	66,837	-	66,837
	<u>1,467,964</u>	<u>121,638</u>	<u>1,589,602</u>
Total expenditures			
Change in Fund Balances	3,129,683	409,051	3,538,734
Fund Balances, Beginning of Year	<u>12,389,406</u>	<u>348,302</u>	<u>12,737,708</u>
Fund Balances, End of Year	<u>\$ 15,519,089</u>	<u>\$ 757,353</u>	<u>\$ 16,276,442</u>

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Reconciliation of the Statements of Revenues, Expenditures and Changes
in Fund Balances – Governmental Funds to the Statements of Activities
Years Ended June 30, 2018 and 2017

	2018	2017
Change in fund balances – governmental funds	\$ (2,716,482)	\$ 3,538,734
Amounts reported for governmental activities in the statements of activities are different because		
Governmental funds report capital outlays as expenditures while government-wide activities report depreciation expense to allocate those expenditures over the lives of the assets		
Depreciation expense	(344,608)	(344,608)
Capital outlay	34,301	-
Certain income is not derived from current financial resources and, therefore, not reported as income in governmental funds		
Apportioned ad valorem taxes	580,261	140,308
Federal grant receivable	-	(690,365)
Interest income	(565)	(547)
Investment income receivable	(3,551)	2,566
Issuance of note receivable is recorded as other financing activity in governmental funds	5,650,000	-
Principal payment on notes receivable is recorded as revenue in governmental funds	(225,999)	(219,199)
Advances from debt agreements, principal repayments and changes in certain other assets are not reflected as revenues and expenses in the statements of activities		
Principal payments on debt agreements and notes payable	792,352	792,755
Change in net position, per the statements of activities	\$ 3,765,709	\$ 3,219,644

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2018 and 2017

Note 1: Summary of Significant Accounting Policies

Organization

The Oklahoma City Redevelopment Authority (the Authority) was formed as a public trust on May 7, 1985. This Declaration of Trust named the City of Oklahoma City, Oklahoma (the City) as the beneficiary of the trust. The purposes of the Authority are set forth in the Declaration of Trust.

The Authority is governed by a Board of Trustees nominated by the Mayor and approved by the City Council. For financial reporting purposes, the Authority is a component unit of the City.

Presently, the Authority has no employees but utilizes the Oklahoma City Urban Renewal Authority (Urban Renewal) to perform administrative activities.

The Authority has been designated as the entity to receive tax apportionment revenues for certain Tax Increment Financing (TIF) Districts of the City. The following TIFs are administered by the Authority:

TIF 1 and TIF 7 – Oklahoma Health Center Economic Development – Total budget of \$68,000,000 plus interest and the cost of issuance of bonds to finance the project.

TIF 11 – On December 20, 2016, The City Council approved the Oklahoma Regional Innovation District Project Plan, an Amended Oklahoma Health Center Economic Development Project Plan, to support an economic development strategy in and around the area known as the Oklahoma Health Center. The amended plan increased the Project Area, reduced the size of TIF 1 and TIF 7, and established TIF 11. The authorized budgets for TIF 1 and TIF 7 are unchanged. TIF 11 has an authorized revenue budget of \$52 million. Districts M and N were also created for future potential development opportunities and may be activated by the City Council within 10 years of approval of the Oklahoma Regional Innovation District Project Plan.

The districts have defined project areas and tax increment areas. TIF 1 and TIF 7 have set termination dates and are presently scheduled to terminate at June 30, 2022 and June 30, 2032, respectively. TIF 11 is set to expire June 30, 2042.

Reporting Entity

The Authority's financial statements are included in the financial statements of the City as a discretely presented component unit. These financial statements include only the activities of the Authority and not those of Urban Renewal.

Basis of Presentation

The Authority complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2018 and 2017

Government-Wide Financial Statements

The accompanying government-wide statements of net position and statements of activities display information about the Authority as a whole. The Authority's activities are all governmental in nature and generally are financed primarily through ad valorem taxes. The Authority has no business-type activities as defined by GASB Statement No. 34, *Accounting and Financial Reporting Alternatives*.

Fund Financial Statements

Fund financial statements are normally organized into funds, each of which is considered to be a separate accounting entity. A fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. For the financial statement presentation, the Authority presently has two special revenue funds:

- TIF 1 – Accounts for the activities of the TIFs
- Skirvin Hotel Project – The Authority, Urban Renewal and the City have assisted in the renovation of the historic Skirvin Hotel. Activities include collection of lease revenue and ongoing debt service. The renovation involved both public and private funds

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded, regardless of the measurement focus applied.

Measurement Focus

On the government-wide financial statements, the Authority's activities are presented using the economic resources measurement focus as defined below:

- The accompanying government-wide statements of net position and statements of activities utilize an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of changes in net position and financial positions. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the current financial resources measurement focus is used as defined below:

- The governmental funds utilize a current financial resources measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. The operating statements of revenues, expenditures and changes in fund balances present sources and uses of available spendable financial resources during a given period. The

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
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June 30, 2018 and 2017

statements use fund balances as the measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statements of net position and statements of activities, the Authority's activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic assets are used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange transaction takes place.

In the fund financial statements, the governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. The Authority considers all revenue to be available if the revenue is collected within 60 days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest, which are reported when due.

Accounting Policies

The Authority's significant accounting policies related to the following basic financial statement categories are summarized below.

Capital Assets

The Authority generally capitalizes purchased or constructed assets with useful lives of more than one year and having costs of \$7,500 or greater. Capital assets are valued at historical cost or estimated historical cost. The Authority has chosen the straight-line depreciation method for its capital assets based on the estimated useful lives of the capital assets. The Authority depreciates the buildings and structures currently on its books over a 25-year useful life.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Authority is a governmental agency organized under the laws of the State of Oklahoma and is not subject to federal or state income taxes.

Oklahoma City Redevelopment Authority
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Notes to Financial Statements
June 30, 2018 and 2017

Net Position Classifications

Government-Wide Statements

The net position of the Authority is classified in three components:

Net Investments in Capital Assets – Represents the net investment in capital assets less the debt associated with the capital assets.

Restricted – Represents net position that has been restricted by outside sources, including the City and relevant Oklahoma Statutes. The net position has been restricted for debt service and economic development.

Unrestricted – Represents the remaining net position, if any.

Fund Financial Statements

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines fund balances for presentation as follows:

Nonspendable – Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This would include items not expected to be converted to cash.

Restricted – Consists of fund balance amounts with constraints placed on the use of the resources either by (a) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.

Committed – Reflects specific purposes pursuant to constraints imposed by formal action of the Authority's highest level of decision-making authority (the Board of Trustees). Also, such constraints can only be removed or changed by the same form or formal action.

Assigned – Reflects fund balance amounts that are constrained by the Authority's intent to be used for specific purposes but meet neither the restricted nor committed forms of constraint.

Unassigned – Represents fund balance amounts that have not been assigned to other funds and have not been restricted, committed or assigned to specific purposes.

Based on the above definitions, the components of the Authority's fund balances are as follows:

Restricted – The Skirvin Hotel Project activities in TIF 2 are reflected as restricted due to conditions imposed by either financing documents or the City's approvals. TIF 2 is now being administered by the City. As more fully described in *Note 9*, certain notes require a reserve fund as well as encumbered revenues to be maintained. The restricted fund balance for debt service in TIF 1 was \$1,095,354 and \$1,074,775 as of June 30, 2018 and 2017, respectively. The remaining fund balance in TIF 1 is reflected as restricted for other TIF activities.

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Notes to Financial Statements
June 30, 2018 and 2017

Program Revenues

The primary sources of program revenues for the Authority are income earned from rental revenues of the Skirvin Hotel site, biomedical research facilities and interest income earned on the note receivable from Skirvin Partners, LLC.

Annual Budget-to-Actual Comparison

The Authority is not required to and does not prepare a legally adopted annual budget. Therefore, an annual budget-to-actual comparison, as required by GASB Statement No. 34, is not presented as “required supplementary information.”

The Authority does prepare a budget-to-actual expenditure comparison (project life-to-date) that has been presented as other supplementary information.

Note 2: Deposits and Investments

Custodial risk is the risk that in the event of the failure of a counterparty the Authority will not be able to recover the value of its investments. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the Authority or are held by a counterparty or the counterparty’s trust department but not in the name of the Authority.

The policy of the Authority is to require all deposits be maintained in accounts that are fully insured or collateralized. As of June 30, 2018 and 2017, the Authority had no uninsured or uncollateralized deposits. The Authority requires investment collateral be held by a third-party custodian with whom the Authority has a current custodial agreement in the Authority’s name.

Deposits of the Authority at June 30, 2018 and 2017, are \$3,989,018 and \$9,563,942, respectively.

Investments

The Authority’s investments at June 30, 2018 and 2017, consist entirely of negotiable certificates of deposit of \$9,280,000 and \$6,110,000, respectively.

The Authority categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Authority’s recurring fair value measurements as of June 30, 2018 and 2017, are its negotiable certificates of deposit, which are valued using Level 2 inputs. At June 30, 2018, current maturities of the certificates of deposit are \$1,440,000 with the balance maturing in fiscal year 2020. At June 30, 2017, current maturities were \$4,670,000 with the balance maturing in fiscal year 2019.

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The Authority's investment policy stipulates no more than 75% of the total funds available for investment may be placed in any one authorized institution. Of the funds invested, up to 100% may be invested with a maturity date of two years or less, up to 30% may be invested with a maturity of two to three years, up to 10% may be invested with a maturity of three to five years and up to 5% may be invested with a maturity of 5 to 30 years.

Note 3: Due from Other Governments

Amounts due to the Authority from other governments at June 30 consisted of the following:

	2018	2017
TIF 1 funds held by the Oklahoma County Treasurer	\$ 720,569	\$ 140,308
<i>Economic Development Act</i> grant receivable	31,200	348,545
	\$ 751,769	\$ 488,853

Note 4: Rent Receivable and Reimbursable

A rent receivable at June 30, 2018, of \$157,567 and a rent reimbursable at June 30, 2017, of \$121,638 are related to the Skirvin Hotel ground lease (see *Note 12*). The Authority reviews outstanding receivables and, based on historical collection information and existing economic conditions, may provide for an allowance for doubtful accounts. There was no allowance recorded or considered necessary for the years ended June 30, 2018 and 2017.

Note 5: Notes Receivable

Skirvin Investment Fund, LLC

A \$6,654,000 loan was secured with assets of Skirvin Investment Fund, LLC (the Fund) and bore interest at the rate of 1% during the construction period of the Skirvin Hotel with interest payable monthly. After completion of the Skirvin Hotel on February 26, 2007, the interest rate increased to 3.86%. The note matured December 31, 2012, was refinanced and the outstanding principal balance of \$6,654,000 was assigned to Skirvin Partners, LLC on December 31, 2012.

Skirvin Partners, LLC

The Authority loaned Skirvin Partners, LLC \$4,000,000. The loan is secured with the Authority's Subordinated Mortgage and bears interest at the rate of 3% with interest payable monthly. The note matured December 31, 2012, and was refinanced as of that date for \$10,654,000 at an interest rate of 3%. The refinanced note included the assigned loan to the Fund. Under the new terms, accrued interest shall be paid semiannually on June 1 and December 1, starting June 1, 2013, with a

Oklahoma City Redevelopment Authority
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June 30, 2018 and 2017

prorated payment for five months of interest. Principal payments shall be payable annually on December 1. Principal payments were \$225,999 and \$219,199 as of June 30, 2018 and 2017, respectively. Interest income of \$291,089 and \$297,766 was recognized during the years ended June 30, 2018 and 2017, respectively, in the accompanying government-wide statements of activities.

Page Woodson Development, LLC

In March 2016, the Authority agreed, in principle, to loan Page Woodson Development, LLC up to \$9,150,000. The loan is secured with the Authority's Subordinated Mortgage and bears interest at the rate of 0.25% with interest payable annually. The note matures March 18, 2051, at which time all principal and accrued unpaid interest is due. At June 30, 2018 and 2017, \$5,650,000 and \$0, respectively, was advanced under this loan agreement. Interest income of \$3,870 and \$0 was recognized during the years ended June 30, 2018 and 2017, respectively, in the accompanying government-wide statements of activities.

Note 6: Capital Assets

Capital assets at June 30 consisted of the following:

	2018			
	Beginning Balance	Additions	Disposals	Ending Balance
Land	\$ 506,891	\$ 34,301	\$ -	\$ 541,192
Building	7,277,811	-	-	7,277,811
University of Oklahoma Undivided ownership interest in buildings	1,337,403	-	-	1,337,403
	8,615,214	-	-	8,615,214
Less accumulated depreciation	(3,416,328)	(344,608)	-	(3,760,936)
Building, parking garages and undivided ownership interest in buildings, net	5,198,886	(344,608)	-	4,854,278
Total capital assets, net	<u>\$ 5,705,777</u>	<u>\$ (310,307)</u>	<u>\$ -</u>	<u>\$ 5,395,470</u>

Oklahoma City Redevelopment Authority
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Notes to Financial Statements
June 30, 2018 and 2017

	2017			Ending Balance
	Beginning Balance	Additions	Disposals	
Land	\$ 506,891	\$ -	\$ -	\$ 506,891
Building	7,277,811	-	-	7,277,811
University of Oklahoma Undivided ownership interest in buildings	1,337,403	-	-	1,337,403
	8,615,214	-	-	8,615,214
Less accumulated depreciation	(3,071,720)	(344,608)	-	(3,416,328)
Building, parking garages and undivided ownership interest in buildings, net	5,543,494	(344,608)	-	5,198,886
Total capital assets, net	<u>\$ 6,050,385</u>	<u>\$ (344,608)</u>	<u>\$ -</u>	<u>\$ 5,705,777</u>

Building

The building relates to the Cytovance project, of which the Authority funded a portion of the construction. The building was completed during the year ended June 30, 2007, and depreciation commenced at that time. The building is being depreciated over a 25-year life using the straight-line method of depreciation. Depreciation expense was \$291,112 for each of the years ended June 30, 2018 and 2017.

Land

During the year ended June 30, 2006, the City contributed the land and building of the Skirvin Hotel to the Authority. The government-wide financial statements accounted for the transaction as contributed capital assets with an appraised value of \$130,000 for the land and \$1,131,000 for the building. The building was then sold for \$1,131,000 resulting in no gain or loss being recognized in the government-wide financial statements. The Authority leased the land beneath the Skirvin Hotel to Skirvin Partners, LLC, as more fully described in *Note 12*.

During 2007, Urban Renewal contributed land to the Authority for the Cytovance project. The government-wide financial statements accounted for the transaction as contributed capital assets with an appraised value of \$376,891.

Undivided Interest

The undivided interest represents a 1.89423% ownership interest in the University of Oklahoma (OU) Research Park Mobile Incubator buildings. The ownership interest was originally acquired in

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May 2009 for a total cost of \$1,337,403. The cost included \$200,000 as an allowance for tenant improvements. The undivided interest is being depreciated over a 25-year life using the straight-line method of depreciation. Depreciation expense was \$53,496 for each of the years ended June 30, 2018 and 2017.

The ownership interest is subject to a repurchase option. The repurchase price is the greater of total cost paid by the Authority less depreciation computed on a 25-year straight-line basis or the balance due on the tax apportionment note delivered in payment of the acquisition cost and tenant improvements for such Incubator Facility, if any.

The ownership interest also provides for the Authority to receive rent of \$1 per year plus net cash flow derived from the sublease of OU to the tenant. During the years ended June 30, 2018 and 2017, there were no tenants.

Note 7: Other Assets

The balance of other assets as of June 30 consisted of:

	2018	2017
Deposits held by PHF	\$ 300,000	\$ 300,000

Note 8: Payments in Lieu of Taxes

In October 2011, a Supplemental Redevelopment Agreement was entered into by and among Urban Renewal, Presbyterian Health Foundation (PHF) and the Toby Keith Foundation (TKF) for the development of OK Kids Korral. As part of the sale of the research park by PHF to OU in October 2013, PHF assigned the OK Kids Korral Supplemental Redevelopment Agreement and the OK Kids Korral Ground Lease Agreement to OU. As part of the Supplemental Redevelopment Agreement and the Ground Lease Agreement, TKF is subject to payments in lieu of ad valorem taxes (PILOT). These payments are payable to the Authority on December 31 beginning in the year of completion of the improvements and each year thereafter. The OK Kids Korral was completed in November 2013 and the Authority recognized \$185,294 and \$133,295 in PILOT on behalf of OK Kids Korral for the years ended June 30, 2018 and 2017, respectively. At June 30, 2017, the Authority was due \$94,005 from TKF related to PILOT.

As a result of the sales transaction between PHF and OU, the Authority started receiving PILOT from OU, as OU is considered a component unit of the State of Oklahoma. The Authority received \$1,086,007 and \$1,086,773 in PILOT in the years ended June 30, 2018 and 2017, respectively.

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Notes to Financial Statements
June 30, 2018 and 2017

Note 9: Long-Term Debt

The following is a summary of long-term obligations for the Authority for the years ended June 30:

	Beginning Balance	Advances	Payments	Ending Balance
2018				
Dean A. McGee Note A-1	\$ 1,329,882	\$ -	\$ (250,217)	\$ 1,079,665
Biopharmaceutical Manufacturing Facility Note A-2	2,881,412	-	(542,135)	2,339,277
	<u>\$ 4,211,294</u>	<u>\$ -</u>	<u>\$ (792,352)</u>	<u>\$ 3,418,942</u>
2017				
Dean A. McGee Note A-1	\$ 1,580,225	\$ -	\$ (250,343)	\$ 1,329,882
Biopharmaceutical Manufacturing Facility Note A-2	3,423,823	-	(542,411)	2,881,412
	<u>\$ 5,004,048</u>	<u>\$ -</u>	<u>\$ (792,754)</u>	<u>\$ 4,211,294</u>

Following is a description of long-term debt summarized in the above table:

Dean A. McGee Note A-1

The Authority issued a \$3,000,000 parity tax apportionment revenue note on August 3, 2007 (Dean A. McGee Note A-1). The note matures on July 1, 2022, and interest on the note is calculated as either the London InterBank Offered Rate (LIBOR) plus 1% or the prime rate minus 1%, whichever is less, adjusted annually on July 1 of each year. From the issue date to July 1, 2010, only interest was due on the note; commencing August 1, 2010, both interest and principal are due on the note. The amount of interest paid for the years ended June 30, 2018 and 2017, was \$26,179 and \$21,098, respectively, and the interest rate as of June 30, 2018 and 2017, was 2.22389% and 1.46505%, respectively.

The note requires a reserve fund be maintained. The reserve fund is calculated as equaling 25% of the annual debt service determined to be due by the next recalculation date, July 1, of each year the note is outstanding. The amount of reserve fund required at June 30, 2018 and 2017, was \$69,180 and \$67,881, respectively. The note also requires encumbered revenues be maintained. Encumbered revenues are the amount of funds necessary to service the debt obligation during a given year. The amount of encumbered funds required at June 30, 2018 and 2017, was \$276,722 and \$271,523, respectively.

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Biopharmaceutical Manufacturing Facility Note A-2

As of June 30, 2004, the Authority issued a \$7,000,000 tax apportionment revenue note to a local bank (BancFirst). The revenue note bore interest at 0.5% below prime and was interest only for the first year; interest was paid monthly commencing August 1, 2004. Principal payments were due in monthly installments. The note had a maturity date of July 1, 2011.

During the year ended June 30, 2005, the note was purchased from BancFirst by PHF.

Proceeds of the note were used for partial construction of the Cytovance project. Collateral for the revenue note consisted of the project to be constructed, a limited guarantee by PHF, a \$300,000 deposit reflected in other assets, the construction bank account for deposit of note proceeds and payment of construction costs, the pledge of TIF 1 revenues and the assignment of future rents on the project.

In addition to the \$300,000 deposit made, throughout the term of the loan, the Authority agreed to maintain and pledge to the lender an additional \$700,000 of legally effective and unencumbered TIF 1 funds to pay the costs of the construction project.

The note was refinanced on August 31, 2007, as the Biopharmaceutical Manufacturing Facility Note A-2. The amount refinanced, after advancing \$27,668 for closing costs, was \$6,500,000. The note bears interest at the lesser of LIBOR plus 1% or prime rate minus 1% (2.22389% and 1.46505% at June 30, 2018 and 2017, respectively). The rate changes annually on July 1. The note matures July 1, 2022, and required interest only to be paid monthly until August 1, 2010, at which time interest and principal payments commenced. For the years ended June 30, 2018 and 2017, \$56,755 and \$45,713, respectively, of interest was paid on the note.

The note requires a reserve fund be maintained. The reserve fund is calculated as equaling 25% of the annual debt service determined to be due by the next recalculation date, July 1, of each year the note is outstanding. The amount of reserve fund required at June 30, 2018 and 2017, was \$149,890 and \$147,074, respectively. The note also requires encumbered revenues be maintained. Encumbered revenues are the amount of funds necessary to service the debt obligation during a given year. The amount of encumbered funds required at June 30, 2018 and 2017, was \$599,562 and \$588,297, respectively.

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2018 and 2017

Future principal and interest payments on the notes as of June 30, 2018, are as follows:

Year Ended June 30,	Dean A. McGee Note A-1		Biopharmaceutical Manufacturing Facility Note A-2	
	Principal	Interest	Principal	Interest
2019	\$ 255,313	\$ 21,408	\$ 553,177	\$ 46,385
2020	261,049	15,672	565,605	33,957
2021	266,914	9,807	578,313	21,249
2022	272,911	3,811	591,306	8,256
2023	23,478	42	50,876	92
	<u>\$ 1,079,665</u>	<u>\$ 50,740</u>	<u>\$ 2,339,277</u>	<u>\$ 109,939</u>

The following is a summary of the notes as of June 30:

	2018	2017
Dean A. McGee Note A-1	\$ 1,079,665	\$ 1,329,882
Biopharmaceutical Manufacturing Facility Note A-2	2,339,277	2,881,412
	<u>3,418,942</u>	<u>4,211,294</u>
Less current maturities	(808,490)	(803,530)
	<u>\$ 2,610,452</u>	<u>\$ 3,407,764</u>

Note 10: Net Position

The accompanying government-wide statements of net position reflect the following types of net position as of June 30, 2018 and 2017:

Net Investment in Capital Assets – Represents a balance of \$3,056,191 and \$2,824,366 at June 30, 2018 and 2017, respectively. The debt associated with capital assets had a balance of \$2,339,277 and \$2,881,412 at June 30, 2018 and 2017, respectively.

Restricted – Represents net position that has been restricted by outside sources. The net position restricted for debt service was \$1,095,354 and \$1,074,775 at June 30, 2018 and 2017, respectively. The net position restricted for economic development activities was \$27,371,610 and \$23,858,307 at June 30, 2018 and 2017, respectively.

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2018 and 2017

Note 11: Ad Valorem Tax Revenue

Revenue is generated through apportionment of ad valorem tax increments collected within TIFs. The increment of ad valorem taxes, as defined by the *Oklahoma Local Development and Enterprise Zone Incentive Leverage Act*, in excess of ad valorem taxes generated by the base assessed value of the increment district may be apportioned and used to pay project costs authorized by the project plan. The taxes are collected and distributed by the Oklahoma County Treasurer. Monies not distributed to the Authority are maintained for the benefit of the Authority by the Oklahoma County Treasurer. Interest income is paid by the Oklahoma County Treasurer on monies collected and held for apportionment and distribution.

A summary of the ad valorem tax revenue for the years ended June 30 is as follows:

	TIF 1	TIF 7	TIF 11	Total
2018				
Tax year				
2015	\$ 52	\$ -	\$ -	\$ 52
2016	182,510	7,136	-	189,646
2017	1,679,282	246,399	-	1,925,681
	<u>1,861,844</u>	<u>253,535</u>	<u>-</u>	<u>2,115,379</u>
Interest received	7,742	1,054	-	8,796
Net change in tax receivable from Oklahoma County Treasurer	<u>580,261</u>	<u>-</u>	<u>-</u>	<u>580,261</u>
	<u>\$ 2,449,847</u>	<u>\$ 254,589</u>	<u>\$ -</u>	<u>\$ 2,704,436</u>
2017				
Tax year				
2015	\$ 37,764	\$ -	\$ -	\$ 37,764
2016	1,872,031	275,436	-	2,147,467
	<u>1,909,795</u>	<u>275,436</u>	<u>-</u>	<u>2,185,231</u>
Interest received	3,075	444	-	3,519
Net change in tax receivable from Oklahoma County Treasurer	<u>135,247</u>	<u>-</u>	<u>-</u>	<u>135,247</u>
	<u>\$ 2,048,117</u>	<u>\$ 275,880</u>	<u>\$ -</u>	<u>\$ 2,323,997</u>

Note 12: Lease Agreement

The Authority has leased the land beneath the Skirvin Hotel to Skirvin Partners, LLC under a 99-year lease agreement. Payments under the lease are to be calculated at 1% of the rent capitalization value of the Skirvin Hotel and the land, calculated annually by capitalizing the net operating income using a rate of 8.5%. Skirvin Partners, LLC has the option to purchase the land at the end of the lease.

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2018 and 2017

All rents collected under the lease agreement are to be used to repay Urban Renewal for funds loaned to the Authority, not to exceed \$1,500,000. Of the \$1,500,000, the Authority drew down \$651,731. The \$651,731 was repaid during the year ended June 30, 2009. The balance of rents collected will be retained by the Authority pending authorization and direction for the use of the revenue by the City Council or its designee. Rent payment is due annually from the Skirvin Hotel, which is based on cash flows of the entity for the fiscal year. In 2017, cash flows were not sufficient to require rent payment and, as such, no revenue was recorded.

During the year ended June 30, 2015, the City Council approved the use of Skirvin Hotel funds to pay off a Brownfield loan the City had related to the cleanup of the Skirvin Hotel site. The Authority transferred \$692,911 to the City for this purpose.

Rent revenues recognized under the lease agreement were \$206,843 and \$0 for the years ended June 30, 2018 and 2017, respectively.

Note 13: Related-Party Transactions

Urban Renewal

At June 30, 2018 and 2017, the Authority owed \$27,564 and \$19,538, respectively, of TIF 1 funds to Urban Renewal for administrative costs.

Supplementary Information

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Budget-to-Actual Expenditure Comparison (Project Life-to-Date)
June 30, 2018

TIF 1	Category A	Category B	Category C
Total budget	\$ 22,000,000	\$ 23,000,000	\$ 2,000,000
Expenditures			
For years 2013 through 2018	(2,871,906)	(4,153)	(231,405)
For years 2012 and prior	<u>(9,719,370)</u>	<u>(14,516,056)</u>	<u>(1,422,249)</u>
Budget amount remaining	<u>\$ 9,408,724</u>	<u>\$ 8,479,791</u>	<u>\$ 346,346</u>

TIF 7	Category A	Category B	Category C	Category D
Total budget	\$ 4,000,000	\$ 5,000,000	\$ 1,000,000	\$ 11,000,000
Expenditures				
For years 2013 through 2018	(249,352)	-	-	(302,994)
For years 2012 and prior	<u>-</u>	<u>-</u>	<u>-</u>	<u>(504,816)</u>
Budget amount remaining	<u>\$ 3,750,648</u>	<u>\$ 5,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 10,192,190</u>

TIF 11	Category A	Category B	Category C	Category D	Category E
Total budget	\$ 17,000,000	\$ 9,000,000	\$ 3,000,000	\$ 5,000,000	\$ 18,000,000
Expenditures					
2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,110)</u>
Budget amount remaining	<u>\$ 17,000,000</u>	<u>\$ 9,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 17,997,890</u>

In addition, interest and costs of issuance of bonds to finance the authorized project activities are authorized but not budgeted. The schedules above only reflect budgeted TIF categories.

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Budget-to-Actual Expenditure Comparison (Project Life-to-Date)
June 30, 2018

Note 1: Basis of Preparation

The budget-to-actual comparisons have been prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available and expenditures are recorded when the liability is incurred.

Note 2: Expenditures

TIF 1 expenses incurred by the Authority are classified into three basic categories. The categories defined by the project plan, as amended May 16, 2001, November 30, 2002, August 1, 2006 and December 20, 2016, are as follows:

Category A: Commercialization of Research and Technology – The cost of planning, financing, assistance in development financing, acquiring and constructing research, development and technological application facilities, business incubators, business accelerators, complementary commercial facilities and other public research park improvements by the Authority, a public trust, and Urban Renewal, a public body corporate.

Category B: Place-Making – The cost of planning, financing, assistance in development financing, acquiring, constructing and developing public spaces (including meeting space, gathering space, work space, community centers, conference facilities, arts and cultural space, entertainment space, open space and green space); public ways; parks; parking facilities; complementary commercial and retail facilities; and supporting public improvements by the Authority, a public trust, and Urban Renewal, a public body corporate.

Category C: Implementation – The cost of implementing and administering the project plan incurred or to be incurred by the Authority, a public trust, and Urban Renewal, a public body corporate, including, but not limited to, payment and/or reimbursement of costs advanced in connection with the preparation and approval of the project and project plan, administrative costs, organizational costs, professional service costs and financing costs and fees.

TIF 7

The August 1, 2006, plan amendment added TIF 7 to the project plan. Also amended December 20, 2016, TIF 7 project cost categories follow the definitions above, with the addition of Category D, defined as follows:

Category D: Supporting Development – The costs of implementing the economic development and redevelopment activities of the Authority, a public trust, in accordance with the Harrison-Walnut Urban Renewal Plan and this project plan, including assistance in development financing; contracts for implementation activities, including relocation and site preparation; and the negotiation, preparation, execution and implementation of development and redevelopment agreements, including agreements for financing, property acquisition, construction of public improvements and land disposition, as authorized by the Oklahoma Urban Renewal Law, 11 O.S. § 38-101, et seq.

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Budget-to-Actual Expenditure Comparison (Project Life-to-Date)
June 30, 2018

TIF 11

The December 20, 2016, plan amendment added TIF 11 to the project plan. TIF 11 cost categories follow the definitions above with the addition of Category E defined as follows:

Category E: Specific Revenue Source for Public Entities for Enhanced Education, Skills Training Programs, Internships and Entrepreneurial Support – The provision of a specific revenue source from apportioned tax increments for other public entities in the area in order to provide enhanced education (including emphasis on science, technology, engineering, arts and mathematics – sometimes referred to as STEAM); skills training programs; intern programs; workforce development; and entrepreneurial support for the new employment to be generated by the project. Okla. Const. Art. 10, §6C; 62 O.S. §853(9), 14(e), 14(i) and §854(4).

Tax increments from the Increment Districts can be spent for project costs throughout the project area. Project costs remaining unpaid upon the expiration of an Increment District may be paid from increments of the remaining Increment District(s).

**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report

Board of Trustees
Oklahoma City Redevelopment Authority
Oklahoma City, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and major funds of the Oklahoma City Redevelopment Authority (the Authority), a component unit of the City of Oklahoma City, Oklahoma (the City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 9, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Trustees
Oklahoma City Redevelopment Authority

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Tulsa, Oklahoma
November 9, 2018

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Schedule of Findings and Responses
Year Ended June 30, 2018

Reference Number	Finding
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No matters are reportable.

OKLAHOMA CITY REDEVELOPMENT AUTHORITY

TRUSTEES

J. Larry Nichols
Chairman

James R. Tolbert III
Vice Chairman

Mark Beffort

David Greenwell

Larry McAtee, Jr.

Mary Melon

Russell M. Perry

EXECUTIVE DIRECTOR

Catherine O'Connor

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Catherine O'Connor, Executive Director

Date: January 16, 2019

Ref: Resolution Authorizing Negotiation and Finalization of the Professional Services Agreement with the Oklahoma City Innovation District, Inc. in support of the Oklahoma Regional Innovation District Project Plan

Background: On December 20, 2016, The City of Oklahoma City adopted the Oklahoma Regional Innovation District Project Plan. The Founding Participants Agreement between the Oklahoma Health Center Foundation, as the Governance Entity and the Founding Participants, provides for the governance organization, establishes a governance board of directors, and provides a framework for participation and membership. It also includes financial commitments and other rights, privileges, and obligations of participants, and directives to establish committees and teams to achieve the goals and objectives of the Project Plan, and the administration and operation of the Innovation District.

The OCRA Trustees previously authorized an agreement with the Oklahoma Health Center Foundation, Inc. as the Governance Entity of the Oklahoma City Innovation District. Since that authorization, the Oklahoma Health Center Foundation, Inc. has filed amended corporate documents, which among other things, changes the organizations name to Oklahoma City Innovation District, Inc.

The attached Professional Services Agreement is between OCRA and Oklahoma City Innovation District, Inc. and replaces the agreement previously approved by the OCRA Trustees. In accordance with the new agreement, Oklahoma City Innovation District, Inc. will provide specific services to achieve the objectives in the Oklahoma Regional Innovation District Project Plan. The agreement anticipates annual consideration of \$100,000, over a period of five years.

Summary of Agenda Item: Authorize the Executive Director to negotiate and finalize the terms of the Professional Services Agreement

Staff Recommendation: Approval of Resolution

Attachments: Professional Services Agreement

RESOLUTION NO. _____

RESOLUTION AUTHORIZING NEGOTIATION AND FINALIZATION OF THE PROFESSIONAL SERVICES AGREEMENT WITH OKLAHOMA CITY INNOVATION DISTRICT, INC. IN SUPPORT OF THE OKLAHOMA REGIONAL INNOVATION DISTRICT PROJECT PLAN

WHEREAS, on December 20, 2016, The City of Oklahoma City (“City”) adopted Ordinance No. 25,531, approving the Oklahoma Regional Innovation District Project Plan, an Amended Oklahoma Health Center Economic Development Project Plan (“Project Plan”) pursuant to the Oklahoma Local Development Act, 62 O.S. §850, *et seq.*; and

WHEREAS, the Project Plan provides for the creation of a governance entity under the direction of the Founding Participants identified as the Greater Oklahoma City Chamber of Commerce, the Oklahoma Health Center Foundation, the Presbyterian Health Foundation, the Oklahoma Medical Research Foundation, the University of Oklahoma Health Sciences Center, and the Oklahoma City Redevelopment Authority (“Founding Participants”), which governance entity is to be responsible for the development of Innovation District initiatives, support for participation, and coordination of implementation activities; and

WHEREAS, as provided in the Project Plan, the governance entity is to establish the framework and procedures for participation with entity participants, individual participants, and neighborhood community participants pursuant to organizational agreements, participation agreements, implementation agreements, and financing agreements with the governance entity; and

WHEREAS, Legal Counsel previously drafted and the Board of Trustees of the Oklahoma City Redevelopment Authority previously authorized an agreement between the Oklahoma Health Center Foundation, Inc., as the Governance Entity, providing a framework for participation and membership, including other provisions for achieving the goals and objectives of the Project Plan, and the administration and operation of the Innovation District; and

WHEREAS, Oklahoma Health Center Foundation, Inc. has filed an Amended and Restated Certificate of Incorporation, which among other things, reflects a change in its name to “Oklahoma City Innovation District, Inc. (“OKCID”); and

WHEREAS, OKCID is an Oklahoma nonprofit corporation formed to operate exclusively for charitable, scientific, and educational purposes, and specifically to take an active role in managing and operating the Innovation District; and

WHEREAS, Legal Counsel has drafted a Professional Services Agreement between the Oklahoma City Redevelopment Authority and OKCID, which supersedes the previously authorized form of agreement; and

WHEREAS, pursuant to the Professional Services Agreement, OKCID will provide specific services in furtherance of achieving the objectives of the Innovation District as set forth

in the Project Plan, over a five-year term, in consideration of annual consideration of \$100,000; and

WHEREAS, it is appropriate and desirable for the Oklahoma City Redevelopment Authority to support the achievement of the objectives of the Project Plan, and committing to an annual contribution of \$100,000 under the Professional Services Agreement with OKCID; and

WHEREAS, it is appropriate and desirable for Legal Counsel and the Executive Director to negotiate and finalize the terms of the Professional Services Agreement with OKCID, and upon such agreement and finalization for the Executive Director to execute the Professional Services Agreement, and further to authorize such other actions as are necessary and appropriate in connection with the execution and delivery of the Professional Services Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Oklahoma City Redevelopment Authority as follows:

1. The Executive Director and Legal Counsel are hereby authorized and directed to negotiate and finalize the terms of the Professional Services Agreement with Oklahoma City Innovation District, Inc.
2. Upon finalization of the terms of the Professional Services Agreement, with the advice and guidance of Legal Counsel, the Executive Director is authorized and directed to execute the Professional Services Agreement, committing to an annual financial commitment of \$100,000 over a five year-term, and to provide additional support to achieve the objectives of the Project Plan.
3. The Executive Director and Legal Counsel are authorized to execute such documents and take such other actions as may be necessary or appropriate to implement this approval, including, finalizing and executing agreements and other documents necessary or appropriate to execute and deliver the Professional Services Agreement.

I, _____, Secretary of the Oklahoma City Redevelopment Authority, certify that the foregoing Resolution No. _____ was duly adopted at a **regular** meeting of the Oklahoma City Redevelopment Authority held at the Arts District Garage Conference Room, located at 431 West Main, Suite B, Oklahoma City, Oklahoma 73102, on the **16th** day of **January, 2019**; that any notice required to be given of such meeting was properly given; that a quorum was present at all times during such meeting; and that said Resolution was adopted by a majority of those present.

SECRETARY

(SEAL)

**PROFESSIONAL SERVICES AGREEMENT BETWEEN
THE OKLAHOMA CITY REDEVELOPMENT AUTHORITY
AND OKLAHOMA CITY INNOVATION DISTRICT, INC.**

THIS PROFESSIONAL SERVICES AGREEMENT (this “Agreement”) is made effective on the 1st day of January, 2019 (“Effective Date”) between the Oklahoma City Redevelopment Authority, a public trust (“Redevelopment Authority”), having a notice address of 105 N. Hudson, Suite 101, Oklahoma City, Oklahoma 73102, and Oklahoma City Innovation District, Inc., an Oklahoma nonprofit corporation (“OKCID”), having a notice address of 800 Research Parkway, Suite 400, Oklahoma City, Oklahoma 73104.

RECITALS:

A. On December 20, 2016, The City of Oklahoma City adopted Ordinance No. 25,531, approving the Oklahoma Regional Innovation District Project Plan, an Amended Oklahoma Health Center Economic Development Project Plan (“Project Plan”) pursuant to the Oklahoma Local Development Act, 62 O.S. §850, *et seq.*

B. The principal purpose of the Project Plan is to create an innovation and entrepreneurial ecosystem centered around the Oklahoma Health Center, including, the University of Oklahoma Health Sciences Center, OU Medical Center, Children’s Hospital, the University Research Park, the Oklahoma Medical Research Foundation, Cytovance Biologics, Dean McGee Eye Institute, Department of Veterans Affairs Medical Center, Oklahoma Blood Institute, Stephenson Cancer Center, Oklahoma Allergy & Asthma Clinic, Oklahoma School of Science and Mathematics, Oklahoma Center for the Advancement of Science and Technology, Oklahoma State Chamber of Commerce, and other developments (“Innovation District”) that will achieve certain objectives for the Innovation District and the Oklahoma City area, including: (1) promoting a high level of interaction and connectivity, facilitating idea generation, and advancing commercialization; (2) recruiting and retaining new business, particularly in the fields of biotechnology, technology, life sciences, pharmaceuticals, energy, aerospace, and engineering; (3) supporting the continued growth of business incubators, bioscience companies, and entrepreneurs; (4) promoting enhanced education and skills training programs, internships, workforce development, and entrepreneurial support, especially in science, technology, engineering, and math; (5) developing and enhancing public-private partnerships with universities, technology-related businesses, cutting-edge companies, centers of research, schools, and the community; (6) serve as a catalyst for retaining and expanding employment; (7) attracting major investment in the area; and (8) stimulating economic growth.

C. Implementation of the Project Plan strategy for the Innovation District requires joint, coordinated and complementary planning and actions by participating entities, and the purpose of this Agreement is to provide for the services essential to such implementation. The Project Plan contemplates a governance entity to lead the efforts in achieving the objectives for the Innovation District. OKCID will serve as the governance entity as provided in the Plan and undertake the services herein described to implement the Project Plan. OKCID will coordinate its efforts with other participating entities and organizations as described in Exhibit A.

D. The Brookings Institution, in partnership with Project for Public Spaces (“PPS”), launched The Anne T. and Robert M. Bass Initiative on Innovation and Placemaking under which Brookings and PPS conducted an extensive, quantitative, assessment of the proposed Innovation District, worked with district and community leaders and stakeholders, conducted site visits, workshops and strategy sessions, over a two-year period; as a result of this study and assessment, Brookings Institution and PPS generated a report titled *Positioned for Growth: Advancing the Oklahoma City Innovation District*, which, provided, among other things, certain strategies around which innovation district anchor institutions, firms, and civic leaders can rally city and regional stakeholders to engage with their time, expertise, and resources.

E. OKCID is an Oklahoma nonprofit corporation formed to operate exclusively for charitable, scientific, and educational purposes, and specifically to take an active role in assisting local stakeholders in achieving the objectives for the Innovation District.

F. Pursuant to its Amended and Restated Bylaws, OKCID’s Board of Directors (“OKCID Board”) shall include six directors (each, a “Founding Participant Director”), with the Redevelopment Authority, The Board of Regents of The University of Oklahoma d/b/a University of Oklahoma Health Sciences Center, the Greater Oklahoma City Chamber of Commerce, Oklahoma Medical Research Foundation, Presbyterian Health Foundation, and OU Medicine, Inc. (collectively, the “Founding Participants”) having the right to designate and appoint one of the six Founding Participant Directors, as more particularly described in and subject to the terms and conditions of OKCID’s Bylaws.

G. In an effort to coordinate the collective efforts of the Founding Participants to assist in implementing the Project Plan and support the development and growth of the Innovation District, each of the Founding Participants are executing a Professional Services Agreement with OKCID for the provision of comprehensive services to be provided by OKCID.

H. Each of the Founding Participants, through its designated representative serving as a Founding Participant Director, will have the right to participate in the review and approval of the tasks and actions to be taken by OKCID pursuant to this Agreement.

AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the Redevelopment Authority and OKCID agree as follows:

1. **Engagement.** The Redevelopment Authority hereby engages OKCID to perform the services described herein, and OKCID hereby accepts such engagement, subject to the terms and conditions set forth in this Agreement.

2. **Term.** This Agreement shall commence on the Effective Date and shall continue in full force and effect for a period of one (1) year thereafter (“Initial Term”), and shall renew for four (4) additional successive terms of one-year each (each a “Renewal Term”), unless the Redevelopment Authority provides OKCID with written notice of its intent to not renew this

Agreement at least 90 days before the expiration of the then current term, and except as this Agreement may otherwise be terminated pursuant to Paragraph 6 of this Agreement. The Initial Term and Renewal Terms are collectively referred to as the Term.

3. **Services.** OKCID agrees to (a) perform the services, tasks, obligations, activities, and produce certain deliverables as more particularly on described on Exhibit A to this Agreement, (b) coordinate, implement, and supervise tasks, plans, actions, and agreements as approved by the OKCID Board from time to time, and (c) record the progress of the Services, as evidenced by written progress reports as provided in Section VII of Exhibit A (collectively, “Services”). OKCID agrees to act in good faith and with due diligence in rendering the Services.

3.1 **Changes in Scope of Services.** The parties may, from time to time, require changes or modifications to the Services to be performed. Such changes, including any decrease or increase in the amount of the compensation to OKCID hereunder, which are mutually agreed upon by the parties, shall be incorporated in a written amendment to this Agreement.

4. **Compensation for Services.** The Redevelopment Authority agrees to pay OKCID an annual fee in the amount of One Hundred Thousand and No/100 Dollars (\$100,000.00) (“Compensation”), payable in twelve equal monthly installments commencing on the Effective Date and thereafter on the first day of each month throughout the term, unless this Agreement is sooner terminated. The Compensation to OKCID shall cover all expenses OKCID may incur in performing the Services. The Redevelopment Authority has no obligation to pay for any fees or expenses in addition to the Compensation. OKCID agrees to maintain adequate records of all expenses incurred in providing the Services in such detail as the Redevelopment Authority might reasonably request.

5. **Personnel.** OKCID represents that it has, or will secure at its own expense, all personnel required in order to perform the Services under this Agreement. All Services required hereunder will be performed by OKCID or under its supervision. None of the Services covered by this Agreement shall be subcontracted without prior written approval of the Redevelopment Authority. Any Services performed by an approved subcontractor shall be pursuant to a written subcontract and shall be subject to each provision of this Agreement.

6. **Termination.** If either party commits a material breach of this Agreement, the other party may terminate this Agreement by giving sixty (60) days prior written notice (“Notice of Default”) to the defaulting party, specifying in reasonable detail the nature of the breach. A “material breach” by OKCID shall include (a) unsatisfactory performance of the Services (as hereafter defined) under this Agreement, (b) willful failure or refusal of OKCID to follow any reasonable direction or policy of the Redevelopment Authority, or (c) negligence, fraud, dishonesty, reckless disregard for customary practices, or intentional misconduct of OKCID in the performance of the Services. A material breach by the Redevelopment Authority shall include its failure to pay any monthly installment of the Compensation to OKCID when due hereunder. In the event either party fails to cure a material breach within sixty (60) days of the Notice of Default, the other party may terminate this Agreement effective immediately. In addition, the Redevelopment Authority shall have the right to terminate this Agreement without cause by providing ninety (90) days written notice in advance of any annual renewal of this Agreement.

This provision shall not constitute an election of remedies by either party, and each party shall have and retain all rights and remedies that may be available at law or in equity in the event of breach or default by the other party.

6.1 **Effect of Termination.** Upon termination of this Agreement neither party shall have any further obligations under this Agreement, except for (a) obligations accruing prior to the date of termination, and (b) obligations contained in this Agreement that are expressly made or otherwise contemplated to extend beyond the term of this Agreement. Furthermore, in the event of termination of this Agreement, the right of the Redevelopment Authority, as a Founding Participant, to appoint a Founding Participant Director shall also terminate.

7. **Records; Retention; Audits and Inspections.** OKCID agrees to maintain such records and follow such recordkeeping procedures as may be required by the Redevelopment Authority. All such records and all other records pertinent to this Agreement and work undertaken under this Agreement shall be retained by OKCID for a period of four (4) years from the expiration, or earlier termination, of this Agreement. The Redevelopment Authority shall have full access to all books, documents, papers, reports, financial information and other records of OKCID which relate to the Services and this Agreement and shall be available on request for review, examination, and audit by the Redevelopment Authority, its officers, representatives, and agents.

8. **Confidentiality Obligations of OKCID.**

8.1 **No Disclosure.** OKCID covenants and agrees that at all times during the term of this Agreement and thereafter, OKCID shall hold in the strictest confidence and shall not disclose, use, publicize, or publish any Confidential Information, except as the Redevelopment Authority approves in writing, or as otherwise provided by law. OKCID acknowledges that under this Agreement it is obligated to use its best efforts to ensure that no Confidential Information is disclosed.

8.2 **Return of Confidential Information.** Upon termination of this Agreement, OKCID shall deliver to the Company all Confidential Information (original and all copies) which is in the possession or control of OKCID. As used herein “Confidential Information” means any information and data in any form, whether tangible or intangible, that OKCID obtains in connection with this Agreement, whether disclosed prior to or after execution of this Agreement, and includes, without limitation, any information relating to any participant or entity supporting the objectives of the Innovation District, and that is deemed confidential under state or federal law; information, relating to such a party's business, including its plans and strategies; methods of operation, administration, and management; business procedures and systems, including computer and communications systems; financial information and statements, including, without limitation, information relating to budgets, costs, profitability, pricing policies, projections, and sales; customer lists, markets, and marketing strategies; investments, and investment strategies; suppliers, vendors, contractors, representatives, licensors, licensees, and others doing business with the party; and billing, reimbursement, and accounting policies, practices, and procedures; and training manuals. Confidential Information shall include, but is not limited to, information in oral, written, photographic, digital or recorded form.

9. **Insurance.** OKCID may be required to obtain and maintain workers' compensation and liability insurance written with an insurance company acceptable to the Redevelopment Authority for the coverages and amounts approved by the Redevelopment Authority from time to time. If and when any insurance coverage is required, OKCID shall provide Redevelopment Authority with certificates to evidence such coverage. Such certificates shall provide that there may be no termination, non-renewal, or modification of such coverage without thirty (30) days prior written notice to the Redevelopment Authority, and shall name Redevelopment Authority as an additional insured, with the exception of workers' compensation coverage.

10. **Indemnification.** OKCID agrees to indemnify, defend, and hold harmless the Redevelopment Authority, its appointed and elective officers, and its employees, from and against all loss and expense, including attorney's fees and costs by reason of any and all claims and demands upon the Redevelopment Authority, its officers, directors, and employees from damages sustained by any person or persons arising out of or in connection with OKCID's and its agents' performance of the Services under this Agreement. OKCID agrees to indemnify, defend and hold harmless the Redevelopment Authority and its affiliates, their respective successors and assigns, and their respective trustees, directors, officers, employees, agents and representatives, from any and all actions, suits, claims, demands, debts, liabilities, obligations, losses, damages, costs and expenses (including without limitation, reasonable attorneys' fees, costs and disbursements) arising out of or in connection with, or caused by, directly or indirectly by: (a) the breach of OKCID's obligations hereunder; (b) OKCID's performance of the Services hereunder; (c) any negligence, intentional acts, omissions, or misconduct by OKCID or its employees, agents, contractors, or others acting under the OKCID's control or direction; or (d) any property damage or personal injury caused by OKCID or its employees, agents, contractors or others acting under OKCID's control or direction, so long as such liabilities do not arise as a result of the willful misconduct or negligence of the Redevelopment Authority. OKCID's obligations under this Section 9 will survive the expiration or earlier termination of this Agreement.

11. **Non-Discrimination.** OKCID covenants and agrees that no person, on the grounds of age, race, color, creed, religion, sex, national origin, or disability, shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination, under any program or activity implemented or authorized under this Agreement during OKCID's performance of the Services.

12. **Compliance.** OKCID shall comply with all applicable federal, state, and municipal laws, rules, and regulations in its performance of the Services.

13. **Relationship.** OKCID shall perform the Services as an independent consultant. OKCID shall have no authority to bind, obligate or commit the Redevelopment Authority, unless specifically authorized or directed by the Redevelopment Authority.

14. **Assignability.** OKCID shall not assign any interest in this Agreement without the prior written consent of the Redevelopment Authority.

15. **Notices.** Any notice or other communication given or made pursuant to this

Agreement must be in writing and shall be delivered to the party to whom intended at the address set forth above (or at such other address as such party may designate by proper notice) by personal delivery, by nationally recognized courier or by certified or registered mail, postage prepaid, and shall be deemed given when personally delivered, two (2) business days after deposit with a courier or five (5) business days after mailing.

16. **Governing Law; Venue.** This Agreement shall be governed by the laws of the State of Oklahoma. Any legal action taken with regard to this Agreement shall be filed in the District Court of Oklahoma County, Oklahoma.

17. **Entire Agreement; Modification.** This Agreement represents the entire agreement between the parties regarding the subject matter hereof and supersedes in all respects any and all prior oral or written agreements or understandings between them pertaining to the subject matter of this Agreement, except as set forth in this Agreement. There are no representations, warranties or covenants between the parties with respect to the subject matter of this Agreement, except as set forth in this Agreement. This Agreement cannot be amended or modified, nor may any of its provisions be waived, except by a written agreement executed by the parties.

18. **Counterparts; Delivery.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart. This Agreement may be executed and delivered by facsimile or PDF.

IN WITNESS WHEREOF, Oklahoma City Innovation District, Inc., an Oklahoma nonprofit corporation, and the Oklahoma City Redevelopment Authority, a public trust, have executed this Professional Services Agreement as of the Effective Date.

OKCID:

REDEVELOPMENT AUTHORITY:

OKLAHOMA CITY
INNOVATION DISTRICT, INC.,
an Oklahoma nonprofit corporation

OKLAHOMA CITY REDEVELOPMENT
AUTHORITY, a public trust

By: _____
Kathryn T. Boren,
President and CEO

By: _____
Catherine O'Connor,
Executive Director

EXHIBIT A

SERVICES

It is acknowledged and agreed that OKCID is simultaneously entering into a professional services agreement with The Board of Regents of the University of Oklahoma d/b/a University of Oklahoma Health Sciences Center, Oklahoma Medical Research Foundation, Presbyterian Health Foundation, the Greater Oklahoma City Chamber of Commerce, and OU Medicine, Inc., which together with the Redevelopment Authority are collectively referred to as the “Founders.”

OKCID agrees its performance of the Services (as hereafter defined) will require coordination, collaboration, agreements, and work with the Founders, as well as universities and educational and academic institutions, research institutions, businesses, entrepreneurs, philanthropists, resident neighbors and neighborhood organizations, the Oklahoma State Chamber, the City of Oklahoma City, the City Council of the City of Oklahoma City, the City of Oklahoma City Planning Commission, the Capitol-Medical Zoning Commission, the Oklahoma City Urban Renewal Authority, local stakeholders, the Oklahoma Department of Commerce, the Oklahoma Department of Transportation, county officials, and other state, county, and municipal agencies.

Oklahoma City Innovation District, Inc. agrees to perform the following Services:

I. **District Management Services.** District Management Services shall include, without limitation:

- Form and coordinate working committees that support the directives of the Board of Trustees, and initiatives of the Innovation District
- Interact and facilitate with educational, businesses (public and private), community and civic leaders, existing research organizations, and start-up support institutions, serving as an umbrella for innovation and applied research
- Guide the implementation of objectives of the Project Plan, evaluating proposals and make funding recommendations in accordance with the Project Plan
- Raise funding for the Innovation District (i.e., Federal sources, matching funds, contracts)
- Facilitate faculty and researchers from various higher education institutions to identify shared strengths
- Manage and coordinate an Innovation District office, including all staffing necessary to support the mission of the Innovation District
- Establish an Innovation District-wide marketing strategy to brand the Innovation District and develop a business attraction strategy that seeks firms that are aligned with technology assets

II. **Business Support and Entrepreneurship Services.** Business Support and Entrepreneurship Services shall include, without limitation:

- Coordinate an effort to establish an organization of local university and private sector research labs
- Assist existing organizations in helping create technology-based economic development and entrepreneurship that links Innovation District activity to the regional economy

- Create an entrepreneurs-in-residence program that attracts seasoned entrepreneurs in the aviation, health and energy sectors
- Create an Innovation District seed fund and tailored accelerator designed to help research entrepreneurs access early-stage capital for prototyping and market testing
- Identify and/or recruit an industry-focused partner to identify market opportunities, recognize first customers, mentor inventors, and identify and attract external management to build young companies
- Investigate the creation of a tailored version of i2E's Venture Assessment Program for aviation, health and energy technologies
- Identify existing space for joint research with educational institutions or external researchers and other collaborative programming
- Establish and codify a common intellectual property and/or research partnership agreement among Innovation District research/consortium members
- Create an Innovation District-wide commercialization concierge service that is fully funded and staffed (this service should work with existing technology transfer offices to adopt global best practices in technology transfer and work across the Innovation District to identify commercial pathways for district research)
- Work with existing organizations and institutions in establishing a global Energy and Health Center of Excellence to house translational research, attract star faculty, and bring in state, federal, and private resources
- Work with the University of Oklahoma in developing a clinical entrepreneurs initiative between their Health Science Center and the MBA program, and with other universities to develop similar programs
- Establish an Innovation District-wide entrepreneurs-in-residence program and/or an executive program, that offers start-ups access to seasoned executives
- Assist in the establishment of an Innovation District seed fund, from private, public, and philanthropic capital, to address early stage capital needs of District startups and young companies in aviation, health, energy, and adjacent clusters
- Coordinate initiatives – for residents, businesses, and occupants of the Innovation District to work collaboratively as part of a cohesive network facilitating innovation in a variety of industries. This effort will encourage businesses to participate actively in Innovation District affairs, programs, and operations in a manner that creates a high degree of interaction and cooperation in order to promote economic development, create enhanced efficiencies for businesses, particularly relating to business development, business recruitment, and business retention programs and opportunities, especially with job creation and business development incentives.

III. **Education Services.** Education Services, include, without limitation:

- Assist with initiating, administering and completing implementation actions for education as described in the Project Plan, by submitting recommendations, plans, guidelines, and policies for implementation agreements for enhanced education, skills training programs, internships, and entrepreneurial support to include

- Organizing a committee for Enhanced Education and Skills Training (“Education Committee”), with recommended committee participation, and creating education working groups (“Education Working Groups”) with participation by existing and prospective education service providers. As provided in the Project Plan, the Education Committee shall operate in accordance with the following principles:

1. Membership of the Education Committee will reflect the recommendations of the Brookings Institution Study, but shall not include entities funded to provide education services.

2. Membership of the Education Committee shall include representatives of adjacent neighborhoods, and the Mayor and the Ward 7 City Council person may each appoint a member to the Education Committee

3. The Education Committee shall determine guidelines for entity participation in funding for services.

4. The Education Committee shall develop the process to evaluate participation proposals. The Education Committee may also make funding recommendations for consideration.

5. The purpose of enhanced education expenditures shall be to substantially increase the number of students, especially from neighboring areas, to become STEM professionals by ensuring their academic readiness and preparedness to enter and complete a STEM degree or certification program at either a college or public career technology center.

6. Any K-12 public school, including public charter schools and public technology centers, especially those servicing neighborhoods in or near the Innovation District, may apply to participate and provide services under agreements in accordance with the Education Committee guidelines.

7. The areas of primary participation shall be recommended by the Education Committee but must include the Project Area, nearby neighborhoods, and contiguous areas northward between I-235 and I-35.

8. Enhanced education funding priorities shall be established pursuant to City Council resolution after receipt of recommendations from the Education Committee.

- Work more broadly with representatives from the Innovation District’s institutional and private-sector stakeholders; education providers such as Oklahoma City Public Schools, local community colleges, and technology (CareerTech) centers; area workforce entities; the nonprofit community and neighborhood groups, all to help implement the educational and programming goals of the Innovation District
- Promote inclusion of local residents within the Innovation District’s adjoining neighborhoods in employment opportunities
- Develop strategies that may include partnerships with district employers and CareerTech centers, to develop targeted curricula; afterschool and summer science, technology, engineering, and math (STEM) classes; internship and pre-apprenticeship programs; and mentoring initiatives

IV. **Work Force Development, Housing and Programming.** Work Force Development, Housing and Programming Services include, without limitation:

- Evaluate the possible addition of residential development, both single family and multi-family, market rate, workforce, and affordable housing, within and adjacent to the Innovation District
- Develop programming and activities in appropriate locations within the Innovation District, to encourage interaction among district employees, and fosters the engagement of neighborhood residents
- Promote inclusion of local residents within the Innovation District's adjoining neighborhoods in employment opportunities
- Organize Innovation District leaders in the formation of a standing diversity and inclusion committee, charged with overseeing the design of strategies aimed at forging better economic, social, and physical connections between the Innovation District and the adjoining neighborhoods
- Convene Innovation District related employers and service providers to design employer-based workforce training programs specifically targeted toward linking Innovation District neighborhood residents to those opportunities
- Ensure that training providers work with employers to identify high-demand, high-turnover occupations and design training modules to prepare unemployed and underemployed program participants directly for those positions
- Work with Innovation District institutions to develop a local procurement initiative, the first tasks of which would be to undertake a rigorous analysis of both institutional demand and local firm capacity, as well as conduct an inventory of local business support programs that could help firms better respond to Innovation District needs and demands
- Identify strategies to address racial income disparities persistent in the area and surrounding neighborhoods, to close the gap in economic disparity, inequality in employment and wage opportunities for the local non-white workforce.
- Coordinate workforce development efforts to include services relating to job preparation strategies – building skills requiring education beyond school and which are relevant to today's economy, particularly in the technology, biotech, and energy sectors, identify opportunities for apprenticeships in traditional and non-traditional industries.
- Identify job placement strategies and career advancement opportunities for employers to overcome systematic racial exclusion and problematic hiring practices, designed to create more opportunities for prospective employees who may have language barriers, inadequate geographic access to quality, unaffordable child care, poor work experience, or inadequate training
- Host regional symposiums that bring together academic and industry researchers around applied research opportunities that intersect aviation, health, and energy, and drawing from the outcomes of the symposiums to create an academic-industry consortium among local and national partners around particular technological themes to codify research partnerships and funding opportunities
- Assist with initiating, administering and completing neighborhood making implementation actions set forth in the Project Plan by submitting recommendations, plans, guidelines, and policies for neighborhood engagement accomplished through economic development and

redevelopment activities, to be coordinated with the Oklahoma City Urban Renewal Authority, a public body corporate, in accordance with the Harrison-Walnut Urban Renewal Plan, and the Project Plan

V. **Placemaking**. Placemaking Services, shall include, without limitation:

- Assist with initiating, administering and completing placemaking implementation actions described in the Project Plan, by submitting recommendations, plans, guidelines, and policies for the planning, financing, acquisition, construction, development, disposition, and assistance in development financing of public places (including green space, open space, meeting and gathering space, work space, conference facilities, entertainment space, and arts and cultural space), parking facilities, complementary commercial and retail facilities, and supporting public improvements
- Develop and coordinate placemaking activities and land-use planning efforts
- Support and coordinate real estate development within the Innovation District, encouraging new commercial and residential uses that make the area self-supporting everyday
- Secure permanent space for a new Innovation District center that can possibly support strategic partners, corporate anchors, educational institutions and entrepreneurs, and one that can host community-wide activities and promotes the Innovation District
- Coordinate with Innovation District leaders, during real estate development, to create a denser, more active, and better-connected mixed-use environment
- Research existing land use development requirements and coordinate with the City of Oklahoma City to undertake necessary and updated development and zoning requirements that meet the urban objectives of the Innovation District
- Coordinate with Innovation District and Oklahoma City leaders to encourage and recruit commercial and retail development that meets the needs of both the Innovation District and surrounding residential neighborhoods, that help create urban centers of activity
- Work with the City of Oklahoma City and the Oklahoma Department of Transportation to improve the physical connections between the Innovation District and Automobile Alley, as well as coordinating pedestrian enhancements within the Innovation District such as attractive paving, safe mid-block crossings, special lighting and public art
- Work with the City of Oklahoma City on new public transportation efforts for the Innovation District
- Work with the City of Oklahoma City to improve bicycle and pedestrian routes within the Innovation District, for both employees and recreational use
- Oversee the implementation of redevelopment activities in accordance with the publicly approved objectives of related plans and projects to implement Innovation District initiatives.
- Implement a District Master Plan that overlays with programming and real estate development.
- Coordinate with the Oklahoma City Urban Renewal Authority to facilitate the acquisition of properties and installation of public infrastructure to support further development and redevelopment activities of the Innovation District, pursuant to the Harrison-Walnut Urban Renewal Plan, to provide for the future growth of the District and supporting development.
- Develop connectivity of the Oklahoma Health Center with the Oklahoma City downtown core

VI. **Economic Development Services.** Economic Development Services shall include, without limitation:

- Develop strategies to establish and sustain global competitiveness for the Innovation District.
- Develop economic growth strategies, including job creation, to improve and expand the business of existing local industries, while driving a shift in the overall industry mix to promote economic growth.
- Coordinate concerted efforts to change the local economy's growth strategy by encouraging entrepreneurship, driving innovation, and growing existing businesses with the aim of shaping the next wave of market and company growth opportunities in an effort to remain as a competitive economy.
- Create and develop networks of businesses and organizations promoting economic development – focused on a variety of different industries and industry sectors.
- Coordinate efforts with businesses, academic institutions, philanthropists, and the private sector to recruit and nurture businesses to create a catalytic economic effect of business recruitment, retention, and formation.
- Promote a favorable business climate to attract and retain businesses and accelerate growth and business diversification
- Facilitate economic policy development and prioritization, creating an alliance of businesses that might otherwise be disconnected in their operations.
- Strengthen the entrepreneurial and business climate, with newer co-working and community programming efforts with long-term community commitments that are business-led, highly inclusive, and reach all segments of the business community.

VII. **Meetings; Reports.**

OKCID agrees to schedule regular meetings with key representatives of the Redevelopment Authority, including the Executive Director, or as may be requested from time to time, to further develop the scope of Services and develop a schedule prioritizing Services and establishing benchmarks and goals. OKCID agrees to submit monthly and quarterly reports which may be presented to the Redevelopment Authority's Board of Trustees to evidence the measured progress made, tasks completed, benchmarks and goals achieved, and status of pending tasks, efforts, and endeavors, all in form and substance as may be requested from time to time.

OKLAHOMA CITY REDEVELOPMENT AUTHORITY

TRUSTEES

J. Larry Nichols
Chairman

James R. Tolbert III
Vice Chairman

Mark Beffort

David Greenwell

Larry McAtee, Jr.

Mary Melon

Russell M. Perry

EXECUTIVE DIRECTOR

Catherine O'Connor

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Catherine O'Connor, Executive Director

Date: January 16, 2019

Ref: Joint Resolution between the City of Oklahoma City, Oklahoma City Redevelopment Authority and the Oklahoma City Economic Development Trust Authorizing the Transfer of Revenues from the Economic Development Fund in Support of the Omni Funding Plan and Redirecting and Reauthorizing the Oklahoma Urban Renewal Authority to use Certain Funds in its Possession for the Demolition of the OG&E Gold Building and for Support of Economic Development Around the COTPA Parking Garage, MAPS 3 Convention Center and/or MAPS 3 Park; and Requesting such Authorization and Approval by the City of Oklahoma City

Background: OCRA, along with OCURA, were responsible for the redevelopment activities related to the Skirvin Hotel Project. As a result, OCRA retains the revenues from the Skirvin Hotel Project for use in other economic development projects as directed by the City. The City is building a new convention center and parking garage as a part of its MAPS 3 program as well as a proposed hotel to accompany the new convention center. OCURA has also been tasked, by the City, as the entity responsible for managing the convention center hotel and MAPS 3 parking garage projects.

In May 2016, the City authorized the transfer of \$7.4 million from the Economic Development Fund (funds held for other economic development projects in the OCRA-Skirvin Fund) to OCURA to fund the acquisition of property and related development costs for the convention center hotel. Funds remaining total approximately \$1.5 million which OCURA wishes to expand the use of to include the demolition of the OG&E Gold Building (MAPS 3 parking garage site) and in support of economic development around the COTPA Parking Garage, the MAPS 3 Convention Center and/or the MAPS 3 Park.

In July 2017, the City approved the funding plan for the development and construction of an Omni hotel to serve as the convention center hotel. The Omni Hotel Funding Plan identified several available sources of funding including future Skirvin Hotel Project revenues received by OCRA and the current balance of \$1.7 million held in the Economic Development Fund. The Oklahoma City Economic Development Trust is requesting that the City commit the Economic Development Fund as a funding source for debt service on the bonds issued in support of the Omni Hotel Economic Development Agreement and that the balance of the Economic Development Fund be transferred from OCRA to OCEDT annually to be used exclusively for the debt service on the bonds.

Recommendation: Approval of Resolution

Attachments: Joint Resolution

JOINT RESOLUTION

JOINT RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF OKLAHOMA CITY (“CITY”) AND THE TRUSTEES OF THE OKLAHOMA CITY REDEVELOPMENT AUTHORITY (“OCRA”) RELATING TO THE REQUEST BY THE CITY COUNCIL THAT THE TRUSTEES OF OCRA TRANSFER DIRECTLY TO THE OKLAHOMA CITY ECONOMIC DEVELOPMENT TRUST (“OCEDT”), CERTAIN FUNDS REQUIRED TO BE DEPOSITED IN THE “ECONOMIC DEVELOPMENT FUND” MAINTAINED BY OCRA, SAID TRANSFER TO INCLUDE THOSE FUNDS ARISING FROM PAYMENTS RECEIVED BY OCRA FROM THE GROUND LEASE WITH SKIRVIN PARTNERS, L.L.C., AND FROM CERTAIN LOAN AGREEMENTS BETWEEN OCRA AND SKIRVIN PARTNERS, L.L.C. OR SKIRVIN INVESTMENT FUND, L.L.C., WITH SAID FUNDS TO BE USED BY OCEDT IN SUPPORT OF THE OMNI HOTEL FUNDING PLAN; AND RELATING TO THE REDIRECTION AND REAUTHORIZATION OF THE OKLAHOMA CITY URBAN RENEWAL AUTHORITY TO USE CERTAIN FUNDS IN ITS POSSESSION FOR THE PURPOSES OF DEMOLITION OF THE OG&E GOLD BUILDING AND FOR SUPPORT OF ECONOMIC DEVELOPMENT AROUND THE COTPA PARKING GARAGE, THE MAPS 3 CONVENTION CENTER AND/OR THE MAPS 3 PARK.

WHEREAS, on March 7, 2000, The City of Oklahoma City (“City”) adopted Ordinance 21,431, approving the Downtown/MAPS Economic Development Project Plan, (“Project Plan”), and establishing Tax Increment District No. 2, The City of Oklahoma City (“Increment District No. 2”); and

WHEREAS, Ordinance No. 21,431 has been amended numerous times by the City Council, beginning on April 19, 2000 by the adoption of Ordinance No. 21,472; on July 20, 2004, by the adoption of Ordinance No. 22,498, which created Increment District Number Three, City of Oklahoma City (“Increment District No. 3”) (the Skirvin Hotel sales tax increment district); on January 3, 2006, by the adoption of Ordinance No. 22,906; on August 15, 2006, by the adoption of Ordinance 23,080; on June 17, 2008, by the adoption of Ordinance No. 23,618; on December 16, 2008 by the adoption of Ordinance No. 23,768, which created Increment District Number Eight, City of Oklahoma City (“Increment District No. 8”); on February 27, 2013 by the adoption of Ordinance No. 24,623; on July 16, 2014, by the adoption of Ordinance 24,921, on February 24, 2016 by the adoption of Ordinance 25,325, and on March 14, 2018 by the adoption of Ordinance 25,886 (the 2018 Amended and Restated Downtown/MAPS Economic Development Project Plan); and

WHEREAS, in 2002, The City of Oklahoma City purchased the Skirvin Hotel and began the process to redevelop the property; and

WHEREAS, pursuant to the direction of the City Council, the Oklahoma City Urban Renewal Authority (“OCURA”), with the assistance and participation of the Oklahoma City Redevelopment Authority (“OCRA”), a public trust, undertook redevelopment activities in connection with the rehabilitation and redevelopment of the historic Skirvin Hotel (“Skirvin Hotel Project”), as a key objective of the Central Business District Urban Renewal Plan, and in accordance with the

Downtown/MAPS Economic Development Project Plan; and

WHEREAS, on August 30, 2005, The City adopted a Joint Resolution with OCRA relating to the project for the rehabilitation of the historic Skirvin Hotel in downtown Oklahoma City, Oklahoma (“Skirvin Hotel Project”) which included authorizing the conveyance of the Skirvin Hotel site owned by the City to OCRA and further setting forth certain covenants by OCRA relating to the Skirvin Hotel Project and the Skirvin Hotel site; and

WHEREAS, one of the covenants made by OCRA was an agreement that “all rents for the Skirvin Hotel land collected from Skirvin Partners and related entities shall be used as follows: first, to repay the Oklahoma City Urban Renewal Authority (OCURA) an amount not to exceed \$1.5 million for the OCURA close-out funds loaned to OCRA to provide a development assistance grant to an affiliate of Skirvin Partners necessary to carry out the project, with the balance of rent collected to be retained by OCRA pending authorization and direction for the use of the revenues (the “Economic Development Fund”) by the City Council or its designee; and

WHEREAS, on March 2, 2010, The City adopted a Joint Resolution with OCRA wherein OCRA agreed that all other revenues received by OCRA whether from loan repayments or from rents received, as reflected in the Second Amended and Restated Funding Plan for the Skirvin Hotel Project would be retained by OCRA for use in other economic development projects as determined and directed by The City; and

WHEREAS, on March 2, 2010, the City Council, by resolution, adopted and approved the Core to Shore Urban Renewal Plan, dated February 17, 2010, which was subsequently amended by the First Amendment to the Core to Shore Urban Renewal Plan dated June 20, 2012 and by the Second Amendment to the Core to Shore Urban Renewal Plan dated January 15, 2014; and

WHEREAS, on June 11, 2013, the City Council approved a Resolution authorizing the Executive Director of the Oklahoma City Urban Renewal Authority (“OCURA”) to explore and develop options and opportunities for the development of a convention center hotel in association with the new MAPS 3 funded convention center; and

WHEREAS, a Request for Proposals process was undertaken by The City pursuant to which Omni Hotels was recommended by a selection committee to be the redeveloper for development and construction of the convention center hotel adjacent to the new MAPS 3 Convention Center; and

WHEREAS, the Second Amendment to the Core to Shore Urban Renewal Plan, dated January 15, 2014, designated certain areas for possible acquisition by OCURA to support redevelopment in the Core to Shore Urban Renewal Plan area; and

WHEREAS, on May 17, 2016 the City Council approved a Resolution which provided for the withdrawal and transfer of \$7.4 million from the Economic Development Fund by the OCRA to the OCURA for expenditures made by OCURA to acquire and prepare property in the Core to Shore Urban Renewal Area for redevelopment as a site for the proposed convention center hotel, including but not limited to administrative and legal expenses, and other related expenses such as appraisals, title commitments, surveys, etc., related to the acquisition process and selection of a hotel developer; and

WHEREAS, on September 27, 2016, the City Council approved a Resolution (Item No. IX.P.) authorizing the City Manager and the Executive Director of OCURA to enter into negotiations with Omni Hotels for development and construction of the convention center hotel and to develop a funding plan to support development of the hotel that was necessary to incentivize Omni Hotels to construct and develop the hotel; and

WHEREAS, on July 18, 2017, the City Council approved a Resolution approving in principle the funding plan for the hotel (the “Omni Hotel Funding Plan”) for the development and construction of an Omni hotel to be constructed by Omni OKC, LLC, in association with the MAPS 3 Convention Center, directing the City Manager to take all administrative and necessary actions required to implement the Omni Hotel Funding Plan, and requesting that OCURA and the Oklahoma City Economic Development Trust (“OCEDT”) take all actions necessary to support the Omni Hotel Funding Plan and the development and construction of the Omni Hotel; and

WHEREAS, effective July 28, 2017, a Redevelopment Agreement was entered into between The City, OCURA, and OCEDT and Omni OKC, LLC; and

WHEREAS, the Omni Hotel Funding Plan identified several available sources of revenue for funding the economic development incentive, including monies received by OCRA from the Skirvin Hotel Lease(s) and/or mortgage payments required to be held in the OCRA Economic Development Fund; and

WHEREAS, as of January 10, 2019, the Economic Development Fund maintained by OCRA has a balance of approximately \$1.7 million from rent and loan repayments received from Skirvin Partners and related entities; and

WHEREAS, it is anticipated that OCRA will continue to receive lease and loan repayments from the Skirvin Hotel which will be deposited in the Economic Development Fund; and

WHEREAS, based on the prior Agreements and Resolutions it is the Council’s position that the Economic Development Funds were intended to be used for future economic and redevelopment projects; and

WHEREAS, Council has determined through the adoption of the Omni Funding Plan that the OCRA Economic Development Fund should be committed to OCEDT as a funding source for debt service on the bonds issued in Support of the Omni Hotel Economic Development Agreement; and

WHEREAS, OCURA is holding a balance in the amount of approximately \$1.5 million from the funds transferred by OCRA to OCURA pursuant to the May 17, 2016 Resolution which OCRA and OCURA jointly desire for Council to direct and authorize OCURA to use said balance in support of the demolition of the OG&E Gold Building and used in support of economic development around the COTPA Parking Garage, the MAPS 3 Convention Center and/or the MAPS 3 Park; and

WHEREAS, the City Council finds that it is in the best interest of the City and its citizens that OCURA be directed and authorized to use the balance remaining from the May 17, 2016 Resolution, in the approximate amount of \$1.5 million, in support of the demolition of the OG&E Gold Building and in support of economic development around the COTPA Parking Garage, the MAPS 3 Convention Center and/or the MAPS 3 Park; and

WHEREAS, pursuant to the terms of the Joint Resolution adopted on August 30, 2005, the City finds that it is critical for continued economic development and is in the best interest of the public to request and direct that OCRA transfer the remaining balance (less the authorized retainage) to OCEDT within 10 days of receipt of an invoice from OCEDT and that said funds are to be used exclusively in support of the debt service on the bonds issued pursuant to the Omni Hotel Funding Plan and the Omni Hotel Economic Development Agreement; and

WHEREAS, pursuant to the terms of the Joint Resolution adopted on August 30, 2005 and until such time as the Omni Hotel Bonds are paid off, the City Council further finds that it is in the best interest of the City and citizens that OCRA be directed to transfer all future monies placed in the Economic Development Fund (less any contractually required retainage) to OCEDT with 10 days of receipt of an invoice from OCEDT, with said funds to be used exclusively by OCEDT for debt service on the bonds issued by OCEDT pursuant to the Omni Hotel Funding Plan; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of The City of Oklahoma City that the Trustees of the Oklahoma City Redevelopment Authority that the Oklahoma City Urban Renewal Authority is authorized and directed to use the balance of funds transferred by OCRA to OCURA in the approximate amount of \$1.5 million directly in support of the demolition of the OG&E Gold Building and be used in support of economic development around the COTPA Parking Garage, the MAPS 3 Convention Center and/or the MAPS 3 Park.

BE IT FURTHER RESOLVED by the City Council of The City of Oklahoma City that the Trustees of OCRA, as provided for in the August 30, 2005 Joint Resolution, and the March 2, 2010 Joint Resolution, are hereby directed to transfer, within 10 days of the date of receipt of an invoice from OCEDT to transfer the remaining balance (in the approximate amount of \$1.7 million, less any contractually required retainage) in the OCRA Economic Development Fund from payments received from the Ground Lease and from certain loan agreements between OCRA and Skirvin Partners, L.L.C. or Skirvin Investment Fund, L.L.C., to OCEDT; provided said funds are to be used by OCEDT for the exclusive purpose of funding debt service payments of the bonds issued pursuant to the Omni Hotel Funding Plan.

BE IT FURTHER RESOLVED by the City Council of The City of Oklahoma City that the Trustees of the Oklahoma City Redevelopment Authority, are hereby directed annually (pursuant to the August 30, 2005 Joint Resolution, and the March 2, 2010 Joint Resolution), and until such time that the bonds issued by OCEDT in support of the Omni Hotel Funding Plan are paid off, to transfer the accumulated balance of any monies placed in the Economic Development Fund over the course of the year (less any contractually required retainage) to OCEDT within 10 days of the receipt of an invoice from OCEDT; provided said transferred funds are to be used by OCEDT for the exclusive purpose of funding the debt service on the bonds issued by way of the Omni Hotel Funding Plan.

NOW, THEREFORE, BE IT RESOLVED by the Trustees of the Oklahoma City Redevelopment Authority, that the General Manager or the Chairman are hereby authorized directed to take any action necessary, to transfer to OCEDT, within 10 days of the receipt of an invoice from OCEDT, the balance of funds in the “Economic Development Fund,” in the approximate amount of \$1.7 million (less any required retainage).

BE IT FURTHER RESOLVED by the Trustees of the Oklahoma City Redevelopment

Authority, that the General Manager or the Chairman are authorized and directed to take any action necessary, to transfer on an annual basis, upon receipt of an invoice from OCEDT, the accumulation of any monies placed in the Economic Development Fund pursuant to the August 30, 2005 Joint Resolution, and the March 2, 2010 Joint Resolution, to the to the Oklahoma City Economic Development Trust to be used in support of debt service on the bonds issued by OCEDT pursuant to the Omni Hotel Funding Plan.

NOW, THEREFORE BE IT FURTHER RESOLVED by the City Council of The City of Oklahoma City and the Trustees of the Oklahoma City Redevelopment Authority that a copy of this executed Resolution is to be provided to the Oklahoma City Urban Renewal Authority with the expectation that OCURA will proceed in accord with the terms of this Resolution.

RESOLUTION APPROVED AND ADOPTED the Chairman and Trustees of the Oklahoma City Redevelopment Authority this _____ day of January 2019.

**THE OKLAHOMA CITY
REDEVELOPMENT AUTHORITY**

ATTEST:

SECRETARY

JAMES TOLBERT
VICE-CHAIRMAN

RESOLUTION APPROVED AND ADOPTED the Mayor and City Council of The City of Oklahoma City the _____ day of January 2019.

THE CITY OF OKLAHOMA CITY

ATTEST:

City Clerk

MAYOR

REVIEWED for form and legality.

Assistant Municipal Counselor

OKLAHOMA CITY REDEVELOPMENT AUTHORITY

TRUSTEES

J. Larry Nichols
Chairman

James R. Tolbert III
Vice Chairman

Mark Beffort

David Greenwell

Larry McAtee, Jr.

Mary Melon

Russell M. Perry

EXECUTIVE DIRECTOR

Catherine O'Connor

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Catherine O'Connor, Executive Director

Date: January 16, 2019

Ref: Adopting the Oklahoma City Redevelopment Authority Conflicts of Interest Policy

Background: In December 2014 the federal government implemented the Uniform Grant Guidance standards (CFR Part 200), and among them were new standards related to procurement. The procurement portion of the standards were granted a grace period for three years, which has now ended. Included in the new standards is a requirement to have a separate written conflicts of interest policy related to the selection, award, and administration of a contract funded by federal grant dollars. Currently, conflicts of interest language is incorporated into employee handbooks that govern staff conduct.

The proposed Conflicts of Interest Policy describes in detail the standards by which the OCRA's Commissioners and staff are to be held accountable, and prescribing certain actions designed to recognize and incorporate sections of federal, state, and local law governing the conduct of public officers and employees.

Purpose of Agenda Item: The resolution adopts the Oklahoma City Redevelopment Authority Conflicts of Interest Policy

Staff Recommendation: Approval of Resolution

Attachments: OCURA Conflicts of Interest Policy

RESOLUTION NO. _____

RESOLUTION ADOPTING THE OKLAHOMA CITY REDEVELOPMENT AUTHORITY CONFLICTS OF INTEREST POLICY

WHEREAS, the Oklahoma City Redevelopment Authority, (“OCRA”) is a public trust created pursuant to the Oklahoma Public Trust Law, 60 O.S. § 176, *et seq.*, having as its beneficiary The City of Oklahoma City; and

WHEREAS, the Executive Director of OCRA and, from time to time, the Board of Trustees, hire employees or contract with individuals or firms with expertise or experience to assist with OCRA’s administration or to assist OCRA carry out specific projects or activities; and

WHEREAS, OCRA routinely acts in accordance with statutory conflicts of interest standards and procedures applicable to Trustees and staff designed to assure the public’s trust and confidence in OCRA’s policies, practices, and actions; and

WHEREAS, OCRA staff, with the assistance of Legal Counsel, has prepared a Conflicts of Interest Policy describing in detail the standards by which the Board of Trustees and OCRA staff are to be held accountable, and prescribing certain actions designed to recognize and incorporate sections of federal, state, and local law governing the conduct of public officers and employees, generally, and of public trusts, specifically; and

WHEREAS, it is appropriate and desirable to adopt the proposed Oklahoma City Redevelopment Authority Conflicts of Interest Policy, which is attached to this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Oklahoma City Redevelopment Authority that the attached Oklahoma City Redevelopment Authority Conflicts of Interest Policy is hereby approved and adopted.

I, _____, Secretary of the Oklahoma City Redevelopment Authority, certify that the foregoing Resolution No. _____ was duly adopted at a **regular** meeting of the Oklahoma City Redevelopment Authority held at the Arts District Garage Conference Room, located at 431 West Main, Suite B, Oklahoma City, Oklahoma 73102, on the **16th** day of **January, 2019**; that any notice required to be given of such meeting was properly given; that a quorum was present at all times during such meeting; and that said Resolution was adopted by a majority of those present.

SECRETARY

OKLAHOMA CITY REDEVELOPMENT AUTHORITY CONFLICTS OF INTEREST—A SUMMARY

What actions must OCRA take to avoid conflicts of interest?

- OCRA is a public trust created pursuant to 60 O.S. § 176, *et seq.*, and is therefore subject to disclose certain conflicts of interest under 60 O.S. § 178.8.
- OCRA must compile two (2) lists semiannually, on forms provided by the Oklahoma Tax Commission (Form H-100T), and submit them to the Oklahoma Secretary of State:
 - (1) A list of all Trustee dealings with OCRA that would be defined as a “conflict of interest” under § 178.8 and are not exempt transactions; and
 - (2) A list of all Trustee dealings with OCRA that would be defined as a “conflict of interest” under § 178 and are exempt transactions.
- 60 O.S. § 178.8 says that a “conflict of interest” occurs when a Trustee or a member of the Trustee’s family, individually or as officer or agent of any for-profit firm or corporation, directly or indirectly buys or sells goods or services to OCRA.
 - § 178.8 specifically exempts the following from being included in this definition:
 - (1) Making a loan or advance, or purchasing OCRA obligations, in connections with any of the Trustee’s firm or corporation’s authorized purposes,
 - (2) Legal advertising required by law and determined necessary by the Trustees,
 - (3) Performance by a bank, trust company, or similar entity, or any services as a depository,
 - (4) Sales of public utility services where those services have prices set through public regulation, and
 - (5) Transactions secured by following competitive bidding procedures where the Trustee makes full disclosure of the conflict in advance of the transaction.

What has OCRA done to address conflicts of interest to date?

- OCRA has compiled the required lists required by 60 O.S. § 178.8 for each Trustee, prepared Form H-100Ts, and submitted them to the Secretary of State by the deadlines specified in § 178.8 (September 1 and March 1 of each year). A copy of Form H-100T is attached for reference.

What additional actions does the proposed OCRA Conflicts of Interest Policy propose?

- Extends certain disclosure requirements applicable to Trustees to OCRA staff.
- Prohibits staff and Trustees from participating in activities that would impair their independence of judgment in performing official duties.
- Prohibits staff and Trustees from giving preferential treatment, receiving or soliciting gifts, or using OCRA property for personal profit.
- Disallows Trustees or staff from taking part in matters before OCRA where they have a conflict of interest (including votes, solicitations, etc.).

OKLAHOMA CITY REDEVELOPMENT AUTHORITY

CONFLICTS OF INTEREST POLICY

Oklahoma City Redevelopment Authority
105 N. Hudson, Suite 101
Oklahoma City, Oklahoma 73102

ADOPTED

Oklahoma City Redevelopment Authority

CONFLICTS OF INTEREST POLICY

PREFACE

The Oklahoma City Redevelopment Authority (“OCRA”) has established standards of conduct for its Staff and Trustees. These standards are designed to assure the utmost in public trust and confidence in OCRA’s policies and practices. Because of its status as a public trust having the City of Oklahoma City as its beneficiary, OCRA recognizes its responsibility to conduct all business in a manner above reproach or censure. This Conflicts of Interest Policy will describe in detail the standards by which Trustees and Staff are to be held accountable.

This policy recognizes and incorporates those sections of federal, state, and local law which govern the conduct of public employees and in no way supplants those provisions of law. In cases where no statutory precedent exists, the OCRA policy shall be applied, except that this policy shall in no way be taken to supersede the provisions of any contracts, labor agreements, or other external agreements affecting the rights and privileges of Trustees or Staff.

This Conflicts of Interest Policy shall be generally applied to avoid the appearance, or actual occurrence of, any favoritism or special treatment towards any applicant, resident, vendor, or agent having business, or dealings of any kind, with OCRA. No Trustee or Staff member shall use, or cause or allow to be used, his or her position to secure any personal privileges for himself, herself, or others, or to influence OCRA’s activities, actions, or proceeds.

1. TITLE

This shall be called the “Oklahoma City Redevelopment Authority Conflicts of Interest Policy,” or, herein, “Conflicts of Interest Policy.”

2. APPLICABILITY

The provisions contained herein shall apply to all Trustees and Staff.

While OCRA recognizes the importance of establishing standards of conduct for external vendors and suppliers of products and/or services, it cannot mandate the internal conduct or policies of vendors. It is expected that vendors or suppliers of professional services to OCRA will be comply with applicable ethics laws and the ethical standards to which their particular profession prescribes. Any vendor or supplier found in violation of applicable ethics laws or ethical standards shall be barred from future business dealings. OCRA reserves the right to have vendors and suppliers sign a statement of compliance with this policy.

3. PURPOSE

This Conflicts of Interest Policy establishes standards for Trustee and Staff conduct that will assure the highest level of public service. Recognizing that compliance with any ethical standards rests primarily on personal integrity, and also recognizing in general the integrity of Trustees and Staff,

it nevertheless sets forth those acts or omissions of acts that could be deemed injurious to the general mission of OCRA.

This Conflicts of Interest Policy is not intended, nor should it be construed as, an attempt to unreasonably intrude upon the individual Staff member's or Trustee's right to privacy and the right to participate freely in a democratic society and economy.

4. DEFINITIONS

- a) "Agent" shall mean any staff member of OCRA or any entity with which OCRA contracts to provide for its general administration (whether full or part time) acting in his or her official capacity.
- b) "Claim" shall mean any demand, written or oral, made upon OCRA to fulfill an obligation arising from law or equity.
- c) "Contract" shall mean any obligation to do something arising from an exchange of promises or consideration between persons, regardless of the form in which it is stated.
- d) "Family" shall mean the father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister, or a person living in a stable household relationship.
- e) "Interest" shall mean a benefit or advantage of an economic or tangible nature that a person or a member of his or her family would gain or lose as a result of any decision, or action or omission to decide or act, on the part of OCRA, its Trustees, or Staff.
- f) "OCRA" shall mean the Oklahoma City Redevelopment Authority.
- g) "Person" shall mean any individual, corporation, partnership, business entity, association, organization, and may include a Staff member.
- h) "Public Information" shall mean information obtainable pursuant to the Freedom of Information Act, the Oklahoma Open Records Act, and OCRA guidelines adopted pursuant thereto.
- i) "Staff" shall mean persons appointed or hired by OCRA or by any entity with which OCRA contracts to provide for its general administration, including the Executive Director, whether full or part time, seasonal, temporary, paid or unpaid, on a fixed or unfixed term, provisional or permanent.
- j) "Trustee" shall mean the members of the OCRA Board of Trustees.

5. ETHICAL STANDARDS REGARDING CONFLICTS OF INTEREST

All Trustees and Staff shall be bound by the following ethical standards regarding conflicts of interest:

- a) No Staff member or Trustee shall have any employment, engage in any business or commercial transaction, engage in any professional activity, or incur any obligation in which, directly or indirectly, he or she would have an interest that would impair his or her independence of judgment or action in the performance of his or her official duties, or that would be in conflict with the performance of his or her official duties.
- b) No Staff member or Trustee acting in performance of his or her official duties shall give any preferential treatment to any person, agency, or organization.
- c) No Staff member or Trustee shall use or permit the use of OCRA-owned equipment, materials, or property for the convenience or profit of himself, herself, or any other person without written permission of the Executive Director or Board of Trustees. However, this provision shall not apply in the case of usage for “diminutive” purposes (*i.e.*, purposes which in and of themselves should not be construed as abuse of OCRA property).
- d) No Staff member or Trustee shall solicit any gift or consideration of any kind, regardless of the form of the gift, from any person who has an interest in any matter proposed or pending before OCRA.
- e) No Staff member or Trustee shall disclose non-public information or records concerning any aspects of OCRA operations without proper authorization, nor shall he or she use such information to the advantage or benefit of himself, herself, or any other person.
- f) No current Staff member or Trustee shall represent any person, other than himself, in business negotiations, judicial or administrative actions, or procedures to which OCRA may be a party.
- g) No former Staff member or Trustee shall personally represent any person in a matter in which the former Staff member or Trustee personally participated while employed by or in service to OCRA within the previous one (1) year, if such representation would be adverse to the interests of OCRA. This provision shall not, however, bar the timely filing by a current or former Staff member, of any claim, account, demand, or suit arising out of personal injury, property damage, or any benefit authorized or permitted by law.
- h) No member of a Staff member’s family shall be appointed or hired to serve under the direct supervision of that Staff member, and in no event shall any Staff member participate in the decision making regarding employment of or contracting for services from any family member.
- i) No Staff member or Trustee shall have an interest in a contract between any person and OCRA, except that this provision shall not apply if:

- 1) The contract was entered into prior to the Staff member's hire or Trustee's appointment;
 - 2) The Staff member or Trustee discloses his or her interest in the contract prior to employment or appointment;
 - 3) After employment or appointment, the Staff member or Trustee has no power to authorize or approve payment under the contract, monitor performance or compliance under the contract, or audit bills or claims under the contract; and
 - 4) The compensation of the Staff member or Trustee will not be affected by the contract.
- j) No Staff member or Trustee, or any for-profit firm or corporation in which such Staff member or Trustee or any member of his or her family is an officer, partner, or principal stockholder, shall be permitted to directly or indirectly buy or sell goods and services to, or otherwise contract with OCRA. The only permitted exceptions to this are: (1) the making of any loan or advance of any funds to, or the purchase of any obligations issued by OCRA, in connection with the performance of any such for-profit firm or corporation's authorized purposes; (2) any legal advertising required by law, or indenture, or determined necessary by OCRA's Trustees; (3) the performance by any bank, trust company, or similar entity, for any services as a depository; (4) the sale of any public utility services to OCRA, in which the price of said services is regulated by law; and (5) transactions where the Trustee or the Trustee's Family is an officer, partner, or principal stockholder and directly or indirectly buys or sells goods or services with OCRA after said Trustee or Staff member makes full public disclosure of the transaction, and such transaction was secured by competitive bidding following a public invitation to bid.
- k) No Staff member or Trustee shall discuss, vote upon, decide, or take part in (formally or informally) any matter before OCRA in which he or she has an interest. Exception shall be made in the case of a Staff member or Trustee whose interest in the matter is minimal (*e.g.*, a Staff member helping decide on a new telephone system owns one hundred (100) shares of AT&T stock), provided the Staff member or Trustee shall fully and specifically describe his or her interest, in writing, and the underlying basis of it, whether it be ownership, investment, contract, claim, employment, or family relationship, to his or her immediate supervisor (if a Staff member) or to the General Counsel (if a Trustee) prior to the Staff member's or Trustee's participation. If, in the opinion of the supervisor or Executive Director, there is any question as to whether a Staff member's interest is minimal, the matter shall be referred to General Counsel for a binding decision on the question.
- l) Trustees and Staff members shall not hold any other public office or position where the duties of the offices or positions conflict with their duties to OCRA.

6. ADDITIONAL STANDARDS FOR TRUSTEES

- a) Each Trustee will voluntarily and fully outline his or her personal interests and potential conflicts of interest prior to assuming his or her seat on the board. Such a statement should include a completed Form H-100T, as promulgated by the Oklahoma Tax Commission and

included as Attachment A to this Policy, and should be submitted to the General Counsel prior to appointment and then updated semiannually, due by June 30th and December 31st, following the Trustee's appointment. Such a statement shall disclose the following:

- 1) The names of any business, organizational, or professional involvements that might reasonably be inferred as having business with OCRA for which at some point a Trustee might be expected to vote, legislate, or rule on a matter involving said party.
- 2) A list of all the Trustee's dealings that would be potentially violate the ethical standards regarding conflicts of interest described above, including a list of all dealings between OCRA and the Trustee that involve one of the numbered exceptions described in paragraph 5(1) above.

7. REPORTING

All reports of conflicts of interests involving Staff or Trustees should be made to the General Counsel. On receiving a report of a potential conflict of interest, the General Counsel, if necessary, shall conduct a preliminary investigation as to whether a conflict of interest exists and advise the Executive Director regarding what course of action might be appropriate. All determinations should be documented with supporting documentation even if a conflict of interest is determined to not exist. Retaliation against persons reporting potential conflicts of interest will not be tolerated.

The General Counsel shall submit information submitted by Trustees under paragraph 6(a) above on Form H-100T (or equivalent promulgated by the Oklahoma Tax Commission) to the Oklahoma Secretary of State on or before September 1 and March 1 annually, as required by law.

8. DISCIPLINARY ACTION

Failure to comply with any part of this Conflicts of Interest Policy will be grounds for disciplinary actions, including immediate termination for Staff members and reporting Trustees' violations to the City Council of the City of Oklahoma City.

ATTACHMENT A

[Insert Form H-100T]

DRAFT

**PUBLIC TRUST LIST
OF ALL CONFLICTS OF INTEREST**

To be filed with the Secretary of State semiannually each year for the period ending June 30th by September 1st, and semiannually each year for the period ending December 31st by March 1st.

TRUST	TRUSTEE
-------	---------

Name _____ Name _____

Address _____ Address _____

City, State, Zip _____ City, State, Zip _____

Phone Number _____

Federal ID Number _____

Filed for the Semiannual Period ending _____

In compliance with the provisions of 60 Okl.St. Ann. §178.8, the following compilation of lists of all conflicts of interest for which trustees of the above named trust have made disclosure during the semiannual period is hereby made as follows:

NON-EXEMPT CONTRACTUAL RELATIONSHIP CONFLICTS OF INTEREST

Trustee _____ on _____ (Date), disclosed that as of _____ (Date),

there existed a contractual relationship with the above named public trust which consisted of acts of the following nature under 60 Okl.St. Ann. §178.8:

Trustee _____ on _____ (Date), disclosed that as of _____ (Date),

there existed a contractual relationship with the above named public trust which consisted of acts of the following nature under 60 Okl.St. Ann. §178.8:

Trustee _____ on _____ (Date), disclosed that as of _____ (Date),

there existed a contractual relationship with the above named public trust which consisted of acts of the following nature under 60 Okl.St. Ann. §178.8:

EXEMPT CONTRACTUAL RELATIONSHIP CONFLICTS OF INTEREST

Trustee _____ on _____, disclosed that as of _____, (Date) (Date)
there existed a contractual relationship with the above named public trust which consisted of acts of the following nature under 60 Okl.St. Ann. §178.8:

Which is an exempt transaction because: _____

Trustee _____ on _____, disclosed that as of _____, (Date) (Date)
there existed a contractual relationship with the above named public trust which consisted of acts of the following nature under 60 Okl.St. Ann. §178.8:

Which is an exempt transaction because: _____

Trustee _____ on _____, disclosed that as of _____, (Date) (Date)
there existed a contractual relationship with the above named public trust which consisted of acts of the following nature under 60 Okl.St. Ann. §178.8:

Which is an exempt transaction because: _____

Trustee _____ on _____, disclosed that as of _____, (Date) (Date)
there existed a contractual relationship with the above named public trust which consisted of acts of the following nature under 60 Okl.St. Ann. §178.8:

Which is an exempt transaction because: _____

Trustee _____ on _____, disclosed that as of _____, (Date) (Date)
there existed a contractual relationship with the above named public trust which consisted of acts of the following nature under 60 Okl.St. Ann. §178.8:

Which is an exempt transaction because: _____

OKLAHOMA CITY REDEVELOPMENT AUTHORITY

TRUSTEES

J. Larry Nichols
Chairman

James R. Tolbert III
Vice Chairman

Mark Beffort

David Greenwell

Larry McAtee, Jr.

Mary Melon

Russell M. Perry

EXECUTIVE DIRECTOR

Catherine O'Connor

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Catherine O'Connor, Executive Director

Date: January 16, 2019

Ref: Resolution Authorizing Negotiation and Finalization of the Research Park Innovation Business Incubator Agreement in Support of the Oklahoma Regional Innovation District Project Plan

Background: Pursuant to the Mobile Incubator Agreement between Oklahoma City Redevelopment Authority (OCRA) and Presbyterian Health Foundation, originally dated May 2009, OCRA owns a 1.89423% interest (Undivided Interest) in the University of Oklahoma Research Park. The Undivided Interest was used as mobile incubator space to assist in the support and expansion of biotech and biomedical businesses in Oklahoma City. As a result of the 2013 sale of the research park to the University of Oklahoma, the University of Oklahoma Health Science Center (OUHSC), holds an option to purchase OCRA's Undivided Interest in the research park.

OCRA and OUHSC wish to execute an agreement that will transfer ownership of the Undivided Interest from OCRA to OUHSC, in exchange for consideration that OCRA will use to provide lease credits to support innovative business development in the research park. OCRA and OUHSC will contract with i2e to identify potential incubator tenants. OCRA will retain rights to approve the lease terms, including the amount of the lease credits to be provided to each incubator tenant. Cash consideration due to OCRA will be reduced by the lease credits provided to incubator tenants.

Recommendation: Approval of Resolution

Attachments: Research Park Innovation Business Incubator Agreement

RESOLUTION NO. _____

RESOLUTION AUTHORIZING NEGOTIATION AND FINALIZATION OF THE RESEARCH PARK INNOVATION BUSINESS INCUBATOR AGREEMENT IN SUPPORT OF THE OKLAHOMA REGIONAL INNOVATION DISTRICT PROJECT PLAN

WHEREAS, the Board of Trustees of the Oklahoma City Redevelopment Authority (“Authority”) previously approved that certain Mobile Incubator Development and Acquisition Agreement, and Supplement No. 1 to Mobile Incubator Development and Acquisition Agreement, both dated May 21, 2009, as each may have been further amended from time to time (collectively, the “Mobile Incubator Agreement”), pursuant to which the Authority owns a 1.89423% interest (the “Undivided Interest”) in certain real property located in Oklahoma City, Oklahoma County, Oklahoma, commonly known as the University of Oklahoma Research Park (“Research Park”); and

WHEREAS, by virtue of an Assignment of the Mobile Incubator Agreement to the Board of Regents of the University of Oklahoma on behalf of the University of Oklahoma Health Sciences Center (“OUHSC”) dated October 1, 2013, OUHSC holds an option to purchase the Authority’s Undivided Interest in the Research Park; and

WHEREAS, on December 20, 2016, The City of Oklahoma City adopted Ordinance No. 25,531, approving the Oklahoma Regional Innovation District Project Plan, an Amended Oklahoma Health Center Economic Development Project Plan (“Project Plan”) pursuant to the Oklahoma Local Development Act, 62 O.S. §850, *et seq.*; and

WHEREAS, the principal purpose of the Project Plan is to create an innovation and entrepreneurial ecosystem centered around the Oklahoma Health Center, including, the University of Oklahoma Health Sciences Center, OU Medical Center, Children’s Hospital, the University Research Park, the Oklahoma Medical Research Foundation, Cytovance Biologics, Dean McGee Eye Institute, Department of Veterans Affairs Medical Center, Oklahoma Blood Institute, Stephenson Cancer Center, Oklahoma Allergy & Asthma Clinic, Oklahoma School of Science and Mathematics, Oklahoma Center for the Advancement of Science and Technology, Oklahoma State Chamber of Commerce, and other developments (“Innovation District”) that will achieve certain objectives for the Innovation District and the Oklahoma City area; and

WHEREAS, OUHSC desires to acquire the Authority’s Undivided Interest in the Research Park; and

WHEREAS, the Authority desires to coordinate with OUHSC to provide lease space to entrepreneurs, researchers, and companies with a mission of commercializing a technology, engaging in proof of concept activities, or launching, starting or expanding a venture in any discipline of medicine, science, mathematics, pharmacy, energy, technology, and engineering to utilize as a business incubator for new and emerging businesses, which are not limited to newly

organized, early stage companies, but may include those involved in research or development of new products, services, inventions, or technology, as incubator tenants; and

WHEREAS, i2E, Inc. has agreed to assist OUHSC and the Authority by identifying, assessing, evaluating, screening, and interviewing candidates suitable to occupy leased premises in the Research Park as incubator tenants; and

WHEREAS, Legal Counsel and OUHSC representatives have discussed preliminary terms for OUHSC's proposed acquisition of the Authority's Undivided Interest and OUHSC's agreement to provide lease space to incubator tenants on terms and conditions to be approved by the Authority; and

WHEREAS, Legal Counsel has prepared a proposed Research Park Innovation Business Incubator Agreement ("Incubator Agreement") which includes the following key terms: (a) the purchase price for OUHSC's acquisition of the Authority's Undivided Interest is \$1,301,128.00 ("Purchase Price") and which is also a value that represents the total capital cost allocation of incubator tenant leases to be furnished by OUHSC ("Capital Lease Credit"); (b) the Capital Lease Credit for each incubator tenant is determined by: multiplying the market rent value of the Incubator Tenant leased premises by its square footage and deducting from that product the annual Incubator Tenant Rent; (c) the Capital Lease Credit will be reduced by 50% for incubator tenant leased premises that are used exclusively for administrative or office space; (d) the Authority will have the right to approve the lease terms for each incubator tenant, including without limitation, the Capital Lease Credit; (e) the Purchase Price will be credited by the approved Capital Lease Credit for each incubator tenant on an annual basis for each lease year of the incubator tenant's lease term; (f) on or after July 1, 2030, OUHSC may reduce the Purchase Price to zero dollars by submitting payment to the Authority equal to the then current balance of the Purchase Price, subject to the rights of incubator tenants under existing leases; and (g) upon execution of the Incubator Agreement, the Authority will execute a quit claim deed transferring its title in the Undivided Interest to OUHSC; and

WHEREAS, it is appropriate and desirable for the to support the achievement of the objectives of the Project Plan; and

WHEREAS, it is appropriate and desirable for Legal Counsel and the Executive Director to negotiate and finalize the terms of the Incubator Agreement with OUHSC, and upon such agreement and finalization for the Executive Director to execute the Incubator Agreement, and further to authorize the Chairman or Vice Chairman to execute a quit claim deed conveying the Authority's Undivided Interest in the Research Park to OUHSC, and further to authorize the Executive Director to independently review, negotiate, approve, or disapprove the terms of incubator tenant leases proposed by OUHSC, and further to authorize such other actions as are necessary and appropriate in connection with the execution and delivery of the Incubator Agreement.

NOW THEREFORE, BE IT RESOLVED by the Board of Trustees of the Oklahoma City Redevelopment Authority as follows:

1. The Executive Director and Legal Counsel are hereby authorized and directed to negotiate and finalize the terms of the Research Park Innovation Business Incubator Agreement with OUHSC.
2. Upon finalization of the terms of the Research Park Innovation Business Incubator Agreement, with the guidance and advice of Legal Counsel, the Executive Director is authorized to execute the Research Park Innovation Business Incubator Agreement and related documents and to take such actions as may be necessary or appropriate to implement the Research Park Innovation Business Incubator Agreement, including approval of amendments, corrections and clarifications thereof, including modifications of a technical or procedural nature, reviewing, negotiating, approving, or disapproving the proposed terms of incubator tenant leases, and to incur costs which are appropriate to performing the terms of the Research Park Innovation Business Incubator Agreement.
3. Upon finalization of the terms of the Research Park Innovation Business Incubator Agreement, with the guidance and advice of Legal Counsel, the Chairman or Vice-Chair is authorized to execute a quit claim deed conveying the Authority's 1.89423% interest in the Research Park to OUHSC.

I, _____, Secretary of the Oklahoma City Redevelopment Authority, a public trust, certify that the foregoing Resolution No. ____ was duly adopted at a **regular** meeting of the Oklahoma City Redevelopment Authority held at the Arts District Garage Conference Room, 431 West Main, Suite B, Oklahoma City, Oklahoma, on the **16th** day of **January, 2019**; that any notice required to be given of such meeting was properly given; that a quorum was present at all times during such meeting; and that said Resolution was adopted by a majority of those present.

SECRETARY

(SEAL)

RESEARCH PARK INNOVATION BUSINESS INCUBATOR AGREEMENT

THIS RESEARCH PARK INNOVATION BUSINESS INCUBATOR AGREEMENT (this “Agreement”) by and between the **OKLAHOMA CITY REDEVELOPMENT AUTHORITY**, an Oklahoma public trust (“Authority”), with a notice address of 105 N. Hudson, Suite 101, Oklahoma City, Oklahoma 73102, and the **BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA ON BEHALF OF THE UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER (“OUHSC”)**, with a notice address of 1000 Stanton L. Young Blvd., Oklahoma City, Oklahoma 73117, is hereby made effective as of this ____ day of _____, 20__.

RECITALS:

A. Pursuant to that certain Mobile Incubator Development and Acquisition Agreement, and Supplement No. 1 to Mobile Incubator Development and Acquisition Agreement, both dated May 21, 2009, as each may have been further amended from time to time (collectively, the “Mobile Incubator Agreement”), the Authority owns a 1.89423% interest (the “Undivided Interest”) in certain real property located in Oklahoma City, Oklahoma County, Oklahoma, commonly known as the University of Oklahoma Research Park (“Research Park”).

B. By virtue of an Assignment of the Mobile Incubator Agreement to OUHSC dated October 1, 2013, OUHSC holds an option to purchase the Authority’s Undivided Interest. OUHSC desires to exercise the purchase option and the Authority agrees to convey its Undivided Interest in the Research Park to OUHSC, all on the terms and conditions set forth in this Agreement.

C. On December 20, 2016, The City of Oklahoma City adopted Ordinance No. 25,531, approving the Oklahoma Regional Innovation District Project Plan, an Amended Oklahoma Health Center Economic Development Project Plan (“Project Plan”) pursuant to the Oklahoma Local Development Act, 62 O.S. §850, *et seq.*

D. The principal purpose of the Project Plan is to create an innovation and entrepreneurial ecosystem centered around the Oklahoma Health Center, including, the University of Oklahoma Health Sciences Center, OU Medical Center, Children’s Hospital, the University Research Park, the Oklahoma Medical Research Foundation, Cytovance Biologics, Dean McGee Eye Institute, Department of Veterans Affairs Medical Center, Oklahoma Blood Institute, Stephenson Cancer Center, Oklahoma Allergy & Asthma Clinic, Oklahoma School of Science and Mathematics, Oklahoma Center for the Advancement of Science and Technology, Oklahoma State Chamber of Commerce, and other developments (“Innovation District”) that will achieve certain objectives for the Innovation District and the Oklahoma City area.

E. The Authority and OUHSC desire to execute this Agreement pursuant to which, inter alia, consideration for OUHSC’s acquisition of the Authority’s Undivided Interest in the Research Park is determined, and lease space for innovative business development in support of the Innovation District will be made available.

NOW, THEREFORE, in consideration of the premises and the mutual agreements set forth in this Agreement, the Authority and OUHSC agree as follows:

1. Effective Date. The terms of this Agreement are effective as of July 1, 2017 (“Effective Date”).

2. OUHSC’s Exercise of Purchase Option. Notwithstanding anything in the Mobile Incubator Agreement to the contrary, OUHSC and the Authority agree OUHSC will exercise the option to purchase the Authority’s Undivided Interest in the Research Park on the terms and conditions of this Agreement.

3. OUHSC Support. OUHSC agrees to make good faith efforts and exercise due diligence in providing available leased premises in one or more buildings of the Research Park (“Incubator Lease Space”) to entrepreneurs, researchers, and companies with a mission of commercializing a technology, engaging in proof of concept activities, or launching, starting or expanding a venture in any discipline of medicine, science, mathematics, pharmacy, energy, technology, and engineering to utilize as a business incubator for new and emerging businesses, which are not limited to newly organized, early stage companies, but may include those involved in research or development of new products, services, inventions, or technology (an “Incubator Tenant”), all subject and pursuant to the terms of this Agreement.

(a) Operating and Management Agreement. OUHSC and the Authority will execute an Operating and Management Agreement with i2E, Inc., an Oklahoma not-for-profit corporation (“i2E”), pursuant to which i2E will lead the endeavor of identifying, assessing, evaluating, screening, and interviewing candidates for OUHSC and the Authority to consider as Incubator Tenants under this Agreement.

4. Rent Charged to Incubator Tenants. OUHSC agrees the only rent for lease space charged to Incubator Tenants will be an amount equal to each Incubator Tenant’s Pro Rata Share of actual and reasonable operating expenses, calculated based on the square footage of the Incubator Tenant’s leased space and in the same manner as under other current lease agreements in the Research Park (“Incubator Tenant Rent”).

5. Consideration; Capital Lease Credit. OUHSC and the Authority agree the total consideration due and payable to the Authority for OUHSC’s acquisition of the Authority’s Undivided Interest in the Research Park is \$1,301,128.00 (“Consideration”) which also represents the total capital cost allocation of Incubator Tenant leases to be furnished pursuant to the terms and conditions of this Agreement (“Capital Lease Credit”). The Capital Lease Credit for each Incubator Tenant, as approved by the Authority pursuant to paragraph 6 below, will be credited against the Consideration due hereunder. The Capital Lease Credit for each Incubator Tenant lease is determined by: multiplying the market rent value of the Incubator Tenant leased premises by its square footage and deducting from that product the annual Incubator Tenant Rent. The Consideration will be credited by the approved Capital Lease Credit for each Incubator Tenant on an annual basis for each lease year of the Incubator Tenant’s lease term, unless the Incubator Tenant’s lease is sooner terminated. In the event of an early termination of a lease with an Incubator Tenant, the amount of the Capital Lease Credit and Consideration due

will be adjusted accordingly and prorated to the date of termination of the Incubator Tenant's lease.

(a) Capital Lease Credit for Administrative Space. For Incubator Tenant leased premises that are used exclusively or primarily as administrative or office space, the Capital Lease Credit will be reduced by fifty percent (50%), without adjustment to the Incubator Tenant Rent.

6. Notice to Authority; Authority Approval. OUHSC agrees to submit to the Authority for its review and approval the proposed lease for each Incubator Tenant, the terms thereof, including the identification and endeavors of the tenant, location and amount of lease space, duration of lease, the amount of annual Capital Lease Credit to be credited against the Consideration due, with supporting documentation of the market rent rate and operating costs to be allocated to the Incubator Tenant, and such other information and documentation as the Authority may reasonably request. OUHSC and the Authority may approve lease terms for multiple Incubator Tenants in the Research Park. At the end of each fiscal year, the Authority and OUHSC agree to execute a ledger or other document reflecting the adjusted amount of the Consideration due, in substantially the form attached hereto as Exhibit A.

7. OUHSC Option. On or after July 1, 2030, OUHSC may reduce any remaining Consideration due to zero by paying the Authority the cash equivalent of the then existing balance of the Consideration, subject to the terms of a written agreement between the Authority and OUHSC, and subject to the rights of Incubator Tenants under any then-existing leases.

8. Transfer of Undivided Interest. Upon the full execution of this Agreement and the Operating and Management Agreement described in Paragraph 3(a) above, the Authority will execute a quit claim deed conveying title to Authority's Undivided Interest in the Research Park to OUHSC.

9. Memorandum of Agreement; Termination. The Authority and OUHSC agree to execute a Memorandum of Agreement in a mutually acceptable form, evidencing the existence of this Agreement, and the rights of the respective parties hereunder, to be recorded in the real estate records of the Oklahoma Court Clerk, Oklahoma. At such time as the Consideration is reduced to zero, as approved by the Authority pursuant to the terms of this Agreement, the Authority will execute: (a) a release or termination agreement in favor of OUHSC releasing the Authority's rights under this Agreement, and (b) a Termination of the Memorandum of Agreement.

10. Miscellaneous. It is further agreed as follows:

10.1 Entire Agreement. This Agreement sets forth the complete understanding of the Authority and OUHSC with respect to the purchase and sale of the Authority's Undivided Interest in the Research Park and supersedes all previous discussions, negotiations and agreements between them. This Agreement can only be amended by a written agreement signed by the Authority and OUHSC.

10.2 Notices. All notices to be given hereunder shall be in writing. If the United States Mail is used, the notice shall be sent registered or certified mail, return receipt requested, or by personal delivery, and shall be deemed delivered on the third business day following the date of mailing or the actual day of receipt by personal delivery. For the purposes of such notices the respective addresses of the parties are those set forth in the first paragraph of this Agreement, or such other address (which may not be a box number) as the party to whom the notice is addressed may have specified in a notice to the other party.

10.3 Survival. The provisions of this Agreement, to the extent remaining to be performed, satisfied, or fulfilled after the Effective Date hereunder, shall not be merged in or extinguished by any other instrument executed in connection with this Agreement, and the provisions hereunder shall continue until performed, satisfied or fulfilled.

10.4 Binding Effect. The parties hereto bind themselves, their heirs, successors and assigns for the faithful performance of this Agreement.

10.5 Governing Law. This Agreement shall be construed in accordance with the laws of the State of Oklahoma, without consideration of the choice of law provisions of any jurisdiction.

10.6 Counterpart Execution. This Agreement may be executed in counterparts, each of which will be deemed an original document, but all of which will constitute a single document.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Authority has executed and delivered this Research Park Innovation Business Incubator Agreement as of the date first above written.

AUTHORITY:

OKLAHOMA CITY REDEVELOPMENT AUTHORITY,
an Oklahoma public trust

By: _____
Catherine O'Connor, Executive Director

IN WITNESS WHEREOF, OUHSC has executed and delivered this Research Park Innovation Business Incubator Agreement as of the date first above written.

OUHSC:

**THE BOARD OF REGENTS OF THE UNIVERSITY
OF OKLAHOMA ON BEHALF OF THE
UNIVERSITY OF OKLAHOMA HEALTH
SCIENCES CENTER**

By: _____
Paul Manzelli, Associate Vice President for
Administration and Finance

EXHIBIT A

Approved Capital Lease Credit for Incubator Tenants:
Capital Lease Credit

Date/ Lease Year	Name of Incubator Tenant	Building/ Location	Square Footage	Term of Lease (Years)	Market Rent	Operating Cost	Capital Lease Credit	Consideration Due
As of 7/1/17								\$1,301,128

Approved this _____ day of _____, 20__, by the OKLAHOMA CITY REDEVELOPMENT AUTHORITY and the BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA ON behalf of THE HEALTH SCIENCES CENTER (“OUHSC”), pursuant that certain Research Park Innovation Business Incubator Agreement dated _____, 20__.

OKLAHOMA CITY REDEVELOPMENT AUTHORITY,
 an Oklahoma public trust

By: _____
 Catherine O’Connor, Executive Director

**BOARD OF REGENTS OF THE UNIVERSITY OF
 OKLAHOMA ON BEHALF OF THE HEALTH
 SCIENCES CENTER**

By: _____
 Paul Manzelli, Associate Vice President for
 Administration and Finance

OKLAHOMA CITY REDEVELOPMENT AUTHORITY

TRUSTEES

J. Larry Nichols
Chairman

James R. Tolbert III
Vice Chairman

Mark Beffort

David Greenwell

Larry McAtee, Jr.

Mary Melon

Russell M. Perry

EXECUTIVE DIRECTOR

Catherine O'Connor

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Catherine O'Connor, Executive Director

Date: January 16, 2019

Ref: Resolution Authorizing and Approving Development Financing Agreement with Page Woodson Development, LLC or related Development Entity in an amount not to exceed \$710,000 for Eligible Costs Under the Oklahoma Regional Innovation District Project Plan

Background: The Page Woodson Project began in 2015 with the Oklahoma City Urban Renewal Authority's (OCURA) approval of a Contract for Sale of Land and Redevelopment with Colony – Page Woodson, LLC. Phases I, II and IIB have been completed and construction is set to commence on Phase III in March 2019. The Oklahoma City Redevelopment Authority has previously authorized and provided assistance in development financing for Phase I and II in the amounts of \$5,650,000 and \$60,259, respectively. The developer is requesting financial assistance for utilities and streetscape improvements directly related to Phase III in an amount not to exceed \$710,000.

OCURA's Contract for Sale of Land and Redevelopment requires the developer to make minimum ad valorem tax payments, for each phase, in amounts necessary to cover the assistance in development financing provided to the Page Woodson Project. Staff has prepared a conservative projection of minimum ad valorem tax payments based on the 4th amendment to the Contract for Sale of Land and Redevelopment and anticipates that current and future phases of the project will create minimum ad valorem payments in an amount sufficient to cover this request and previously authorized assistance in development financing for the project.

Summary of Agenda Item: The resolution authorizes assistance in development financing, not to exceed \$710,000, to Page Woodson Development, LLC or related Development Entity

Recommendation: Approval of Resolution

Attachments: TIF Request Letter and supporting documents

RESOLUTION NO. _____

RESOLUTION AUTHORIZING AND APPROVING DEVELOPMENT FINANCING AGREEMENT WITH PAGE WOODSON DEVELOPMENT, LLC OR RELATED DEVELOPMENT ENTITY IN AN AMOUNT NOT TO EXCEED \$710,000 FOR ELIGIBLE PROJECT COSTS UNDER THE OKLAHOMA REGIONAL INNOVATION DISTRICT PROJECT PLAN

WHEREAS, the City of Oklahoma City has approved the Oklahoma Regional Innovation District Project Plan (an Amended Oklahoma Health Center Economic Development Project Plan) (“Project Plan”) in accordance with the provisions of the Oklahoma Local Development Act, 62 O.S. §850, *et seq.*, and the Oklahoma City Redevelopment Authority (“Authority”) is engaged in implementation of the Project Plan; and

WHEREAS, the Project Plan is intended to provide support for the development of the area known as the Innovation District (“Project Area”), including specifically to assist in the costs of supporting public improvements and the costs of implementing redevelopment activities of the Oklahoma City Urban Renewal Authority (“OCURA”); and

WHEREAS, OCURA is engaged in carrying out the Harrison-Walnut Urban Renewal Plan and the University Medical Center Urban Renewal Plan, pursuant to the approval and direction of the City of Oklahoma City in accordance with the Oklahoma Urban Redevelopment Law, 11 O.S. §38-101, *et seq.*; and

WHEREAS, OCURA and the Authority are authorized in accordance with their respective responsibilities to carry out the Project Plan in order to redevelop the Project Area, serve as a catalyst for expanding employment, attracting investment, creating a sense of place, and enhancing the tax base; and

WHEREAS, OCURA, in furtherance of its responsibilities to carry out the Urban Renewal Plans, has approved a Contract for Sale of Land and Redevelopment with Colony – Page Woodson, LLC, dated October 21, 2015, and as amended thereafter (“Redevelopment Agreement”); and

WHEREAS, the Redevelopment Agreement provides for the rehabilitation of the former Page Woodson School and the phased development of significant housing on the property surrounding the school (collectively, the “Page Woodson Project”) to contribute to the ongoing revitalization of the surrounding area; and

WHEREAS, the Authority has previously authorized a Development Financing and Subordinated Loan Agreement which provides assistance in development financing in the amount of \$5,650,000 to Page Woodson Development, LLC, to be used in support of Phase I of the project, in particular, for the renovation of the historic auditorium located in the school and public improvements necessary for Phase I of the Page Woodson Project, as defined in the Redevelopment Agreement; and

WHEREAS, the Authority also authorized an additional, contingent stand-by loan that would be funded only in the event that certain specific conditions prevent the funding of one of the contemplated private loans, which is in an amount not to exceed \$3,500,000; and

WHEREAS, the conditions precedent to the obligations for the Authority to fund the contingent stand-by loan did not occur and therefore such additional term loan will not be made; and

WHEREAS, the Authority also previously authorized a Development Financing Agreement with P-W Phase II Development, LLC, which provides an additional amount of not to exceed \$100,000 in assistance in development financing to contribute to the unanticipated costs associated with the relocation of utilities necessary for the construction of Phase II of the Page Woodson Project; and

WHEREAS, of the \$100,000, the Authority provided \$60,259 in assistance to P-W Phase II Development, LLC, based on submitted invoices of actual and reasonable expenses; and

WHEREAS, the Page Woodson Development, LLC or its related development entity (“Phase III Redeveloper”) is scheduled to begin construction of Phase III of the Page Woodson Project in March of 2019; and

WHEREAS, the Phase III Redeveloper has requested assistance in development financing to contribute to the costs associated with utilities and streetscape improvements necessary for the construction of the remainder of the Page Woodson Project; and

WHEREAS, the Authority is authorized to carry out the Project Plan and to provide assistance in development financing within the authorizations and limitations of the Project Plan in order to implement the redevelopment activities of OCURA in accordance with the Harrison-Walnut Urban Renewal Plan; and

WHEREAS, the costs of assistance in development financing are eligible project costs to be financed by tax increment revenues from Increment District Number 7, City of Oklahoma City (“Increment District No. 7”); and

WHEREAS, approval of assistance in development financing for utilities and streetscape improvements associated with Phase III of the Page Woodson Project in an amount not to exceed \$710,000.00 to the Phase III Redeveloper for eligible project costs is appropriate, desirable, and in the public interest; and

WHEREAS, the approval and execution of a Development Financing Agreement, along with other documents appropriate and necessary to evidence the terms of the assistance in development financing in an amount of not to exceed \$710,000.00 to the Phase III Redeveloper, is appropriate, desirable, and in the public interest; and

WHEREAS, as determined by the Board of Trustees, current and future Increment District No. 7 revenues shall be available to fund activities of Increment District Number 1, City of

Oklahoma City (“Increment District No. 1”).

NOW THEREFORE, BE IT RESOLVED by the Board of Trustees of the Oklahoma City Redevelopment Authority as follows:

1. Assistance in development financing to the Phase III Redeveloper is authorized in an amount of not to exceed \$710,000.00, from Increment District No. 1, subject to later reimbursement from Increment District No. 7, in accordance with the provisions of the Project Plan.
2. Legal Counsel of the Authority is authorized to finalize the terms of a Development Financing Agreement, and other documents appropriate and necessary to evidence the terms of the assistance in development financing, and such documents are hereby approved.
3. As determined by the Board of Trustees, current and future Increment District No. 7 revenues shall be available to fund activities of Increment District No. 1.
4. The officers of the Authority and its Executive Director, with the advice of Legal Counsel, are authorized to approve and execute the documents approved herein, and to approve and execute amendments, corrections and clarifications thereof, and to take such actions as may be necessary or appropriate to implement this authorization, to provide assistance in development financing, and to incur costs for surveys, approvals, title, and financing related expenses related to providing such assistance in development financing.

I, _____, Secretary of the Oklahoma City Redevelopment Authority, a public trust, certify that the foregoing Resolution No. _____ was duly adopted at a **regular** meeting of the Oklahoma City Redevelopment Authority, held at the Arts District Garage Conference Room, 431 West Main, Suite B, Oklahoma City, Oklahoma 73102, on the **16th day of January, 2019**; that said meeting was held in accordance with the By-Laws of the Authority and the Oklahoma Open Meetings Act; that any notice required to be given of such meeting was properly given; that a quorum was present at all times during said meeting; and that the Resolution was duly adopted by a majority of the Board Members present.

SECRETARY

(SEAL)

COLONY DEVELOPERS, LLC.

105 N. Hudson Ave., Suite 202

Oklahoma City, OK 73102

October 31, 2018

Ms. Catherine O'Connor
Executive Director
Oklahoma City Redevelopment Authority
105 N. Hudson Ave.
Suite 101
Oklahoma City, OK 73102

Dear Ms. O'Connor

This letter is being written to request \$710,000 in TIF assistance for infrastructure improvements for the Page Woodson property. The Authority made \$5,650,000 in TIF funds available in July 2015 for the renovation and redevelopment of the Page Woodson School. An additional \$3,500,000 was committed in January 2016 when the Oklahoma State Legislature considered a moratorium on the issuance of State Historical Tax Credits. The moratorium did not occur and the TIF commitment was released and cancelled.

The attachments provide a detailed description of the infrastructure items. They include total site grading, street extensions and skeletal extension of utilities. The remaining site development cost which will be provided at the cost of the developer include:

- Connection of utilities to developed buildings
- New sidewalks, street lighting, and streetscape planting on: Kelley, 6th Street, 4th Street, and Stonewall that boarder and surround the Page Woodson property.

The work would be performed at the same time construction is occurring on Phase III which will begin February or March 2019. The estimated work time is 90-120 days.

We appreciate your past and continued commitment to this very important redevelopment in Northeast Oklahoma City.

Sincerely



Ronald E. Bradshaw
Manager



1 East Sheridan Avenue
Suite 200
Oklahoma City, OK 73104
(405) 235-8075 (FAX: (405) 235-8078)

Memorandum

To: Ron Bradshaw
From: Tim Johnson
CC:
Date: October 24, 2018
Re: Page Woodson

Ron,

Pursuant to your request, I have supplied the attached spread sheet for costs related to the request for TIF allocation for the public land around Page Woodson, that has not been taken down for development at this time. Generally, it is the area that will be developed as Phases 3, 4 and 5 along with Future extension of High Street north from NE 4th Street to the focal point at the southwest corner of the Historic School site.

By allowing this work to be completed at this time, it will allow the area around your projects to be better maintained and allow for the view of the remaining land to be opened up to see the projects that are there.

The work is broken out as follows:

Phase 3—

Offsite utilities \$ 99,000.00

This is needed to up-grade the existing 6 inch sewer to the minimum standard of 8 inch public main to serve the development. Looping the water line is essential as well to meet current standards for the area, which are not currently met. Also, new mains on NE 5th street as well N High Street are required for fire protection.

Grading for High Street and NE 5th Extension \$ 14,300.00

In order to extend both High and NE 5th Street considerable grading will be needed to connect from NE 4th and NE 5th at the SW corner of the historic school, along High Street. This street has never been connected and the grade is very steep through the area. This estimate is based on utilizing the existing stock pile of soil and moving it into position.

Grading for Phase 3 \$ 35,475.00

Utilizing the existing stockpile from the sewer and street work on Stonewall, this relocation of materials will allow the phase three area to be brought up to grades to allow the new development site to be vertically compatible with the existing School building that sits so high atop the hill at NE 6th and Stonewall.

High Street Paving—

Paving for street and on-street parking for High Street \$181,214.00

This is the main access to open up the vista to the Historic School building and the entire development from 4th Street. With the on-street parking, it is anticipated that it will provide public parking for the events that are held in the school Auditorium.

NE 5th Street Paving—

Street Paving and on-street parking \$ 99,600.00

Paving for completion of the missing grid at NE 5th between High Street and Kelley Avenue.. This will allow for both pedestrian access as well as vehicular access between Stonewall and Kelley without requiring the need to use NE 4th Street, better connecting the existing neighborhoods on both sides of the Page Woodson Projects.

Phase 4—

Grading and Hydroseeding for Phase 4 and 5 \$240,322.00

This is the remaining area of the development (SW Quadrant of the sites), the last of the very high hill. With the installation of the Stonewall Street connection there was a considerable cut required. Due to the elevation at NE 4th Street and now the grade of Stonewall dropping south, it has created an area that is too tall for access from either Stonewall, High or NE 4th Street. To make this last segment of ground developable, the dirt will need to be lowered, some used on other areas on site, and the remaining completely removed from the site. Working with the paving contractor that did the Stonewall work, as well as the fact that this dirt is very suitable for reuse, a reduced haul off price is anticipated and reflected in these numbers.

Design Fees for the TIF work \$ 39,000.00

This design fee is based on the value of the construction and the knowledge of the necessary items that will require Public Works and Utility department approval.

Grand Total \$708,850.00 +/-

Page Woodson Phase 3 & 4 TIF Funding Estimate

23-Aug-18

<u>Infrastructure</u> Item	Quantity	Unit	Unit Price	Total Price
8" Sanitary Sewer Extension (Phase 3)	250	LF	\$100.00	\$25,000.00
8" Water Line Extension (Phase 3)	300	LF	\$100.00	\$30,000.00
8" Water line Extension on High Street	350	LF	\$100.00	\$35,000.00
Sub Total				\$90,000.00
10% Contingency				\$9,000.00
Total				\$99,000.00

<u>Grading for High Street and N.E. 5th Street Extension</u> Item	Quantity	Unit	Unit Price	Total Price
High Street Grading (1,000 CY Cut)	1000	CY	\$5.00	\$5,000.00
N.E. 5th Street Grading (1,000 CY Cut)	1000	CY	\$5.00	\$5,000.00
Silt Fence	2000	LF	\$1.50	\$3,000.00
Sub Total				\$13,000.00
10% Contingency				\$1,300.00
Total				\$14,300.00

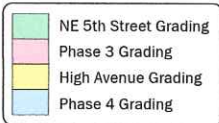
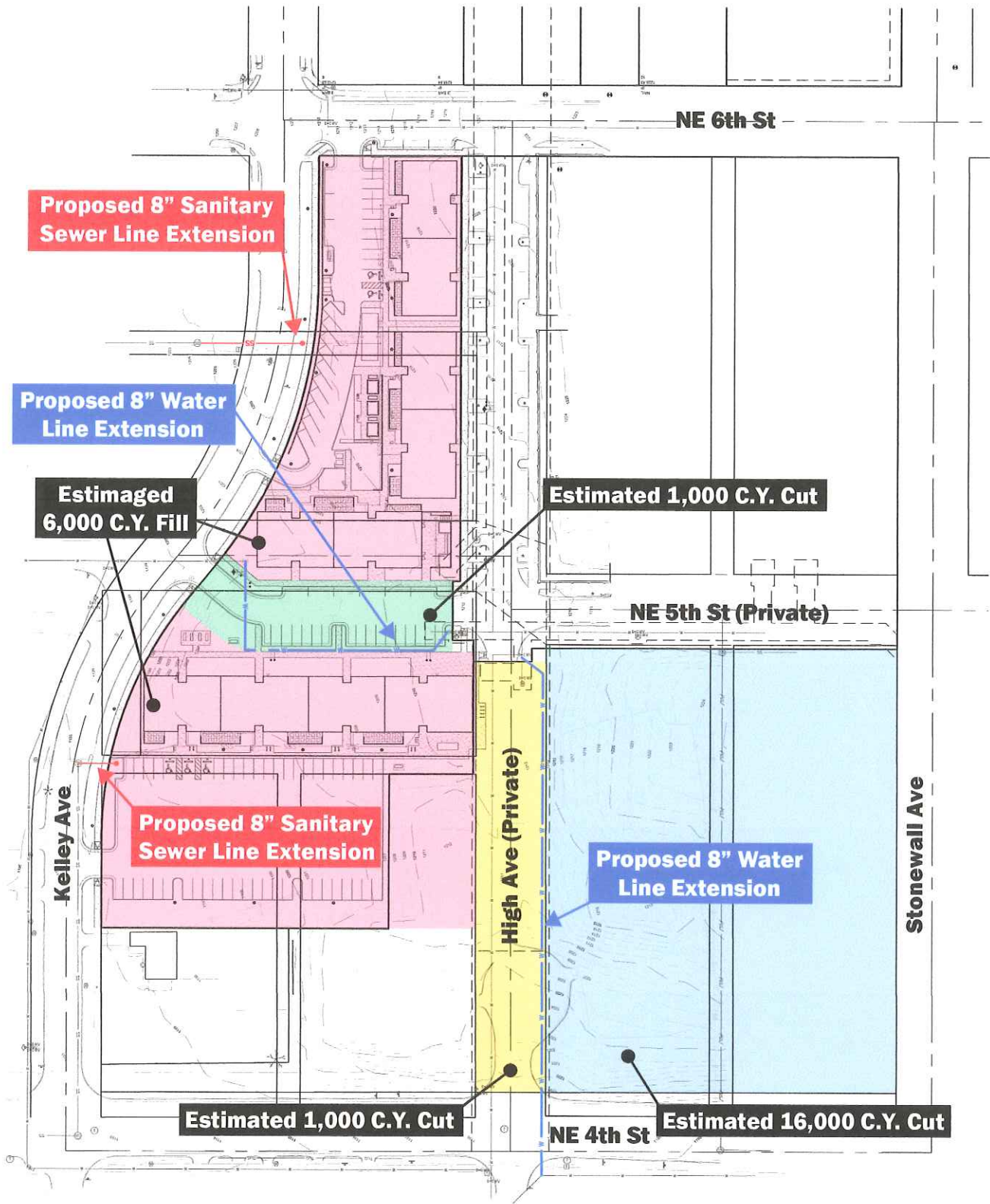
<u>Grading & Hydroseed for Phase 3</u> Item	Quantity	Unit	Unit Price	Total Price
Phase 3 Grading (6,000 CY Fill)	6000	CY	\$5.00	\$30,000.00
Silt Fence	1500	LF	\$1.50	\$2,250.00
Sub Total				\$32,250.00
10% Contingency				\$3,225.00
Total				\$35,475.00

<u>Grading & Hydroseed for Phase 4</u> Item	Quantity	Unit	Unit Price	Total Price
Phase 4 Grading (16,000 CY Cut & Haul off)	16000	CY	\$12.00	\$192,000.00
Silt Fence	1500	LF	\$1.50	\$2,250.00
Hydromulch	2.85	AC	\$8,500.00	\$24,225.00
Sub Total				\$218,475.00
10% Contingency				\$21,847.50
Total				\$240,322.50

<u>High Street Paving</u> Item	Quantity	Unit	Unit Price	Total Price
Asphalt	2405	SY	\$35.00	\$84,210.00
Subgrade	2776	SY	\$5.00	\$13,880.00
Curb & Gutter	950	LF	\$22.00	\$20,900.00
Sidewalk	550	SY	\$45.00	\$24,750.00
Street Light Poles*	6	EA	\$3,500.00	\$21,000.00
Sub Total				\$164,740.00
10% Contingency				\$16,474.00
Total				\$181,214.00

<u>N.E. 5th Street Paving</u> Item	Quantity	Unit	Unit Price	Total Price
Asphalt	1207	SY	\$35.00	\$42,245.00
Subgrade	1460	SY	\$5.00	\$7,300.00
Curb & Gutter	370	LF	\$36.00	\$13,320.00
Sidewalk	225	SY	\$45.00	\$10,125.00
Street Light Poles*	5	EA	\$3,500.00	\$17,500.00
Sub Total				\$90,490.00
10% Contingency				\$9,049.00
Total				\$99,539.00

<u>Johnson & Associates, Inc. Civil Fees</u> Item	Quantity	Unit	Unit Price	Total Price
Update Topographic Survey	1	LS	\$2,000.00	\$2,000.00
Master Plan Grading (remainder of site)	1	LS	\$4,500.00	\$4,500.00
Phase III On-Site Civil Design	1	LS	\$32,500.00	\$32,500.00
Total				\$39,000.00
GRAND TOTAL				\$708,850.50



Page Woodson
 PH. 3&4 TIF Funding Estimate



Johnson & Associates, Inc.
 1 E. Sheridan Ave., Suite 200
 Oklahoma City, OK 73104
 (405) 233-6173 FAX (405) 233-6178
 Certificate of Authorization #1683 Exp. Date: 05-31-2017
 ENGINEERS SURVEYORS PLANNERS

Oklahoma City Redevelopment Authority
Statement of Net Position
and Reconciliation of Net Position to Fund Balance
as of December 31, 2018

Assets	
Current Assets	
Cash & Cash Equivalents	1,147,851
Cash & Cash Equivalents - Reserved (1)	2,607,549
Investments	10,500,000
Accounts Receivable	225,000
Rent Receivable	157,567
Interest Receivable	34,325
Investment Income Receivable	-
Due from Other Governments	751,769
Total Current Assets	15,424,061
Capital Assets	
Land	541,192
Building & Undivided Ownership	8,615,214
Accumulated Depreciation	3,933,245
Total Capital Assets	13,089,651
Other Noncurrent Assets	
Notes Receivable (2)	15,006,985
Other Assets	300,000
Total Other Noncurrent Assets	15,306,985
Total Assets	43,820,697
Liabilities	
Current Liabilities	
Current Portion of Long-term Debt	811,911
Accounts Payable	75,149
Deferred Revenue	-
Due to Urban Renewal	87,807
Total Current Liabilities	974,868
Noncurrent Liabilities	
Long-term Debt, less current portion	2,210,114
Total Noncurrent Liabilities	2,210,114
Total Liabilities	3,184,982
Net Position	40,635,715
Reconciliation of Net Position to Fund Balance	
<i>Not Reported in Governmental Funds Balance Sheet</i>	
Land	(541,192)
Building & Undivided Ownership	(8,615,214)
Accumulated Depreciation	(3,933,245)
Notes Receivable	(15,006,985)
Long-term Debt	3,022,025
Total Fund Balance	15,561,104

Unaudited - For management use only

Oklahoma City Redevelopment Authority
Governmental Funds Balance Sheet and Statement of Revenues
as of and for the Six Months ending December 31, 2018

	<u>TIF 1</u>	<u>Skirvin</u>	<u>Total</u>
Assets			
Cash & Cash Equivalents	1,147,851	-	1,147,851
Cash & Cash Equivalents - Reserved (1)	891,996	1,715,553	2,607,549
Investments	10,500,000	-	10,500,000
Accounts Receivable	225,000		225,000
Rent Receivable	-	157,567	157,567
Interest Receivable	10,932	23,393	34,325
Investment Income Receivable	-	-	-
Due From Other Governments	751,769	-	751,769
Other Assets	300,000	-	300,000
Total Assets	13,827,548	1,896,512	15,724,061
Liabilities			
Accounts Payable	75,149	-	75,149
Deferred Revenue	-	-	-
Due to Urban Renewal	87,807	-	87,807
Total Liabilities	162,957	-	162,957
Fund Balance	13,664,592	1,896,512	15,561,104
Total Liabilities & Fund Balance	13,827,548	1,896,512	15,724,061
Revenues			
Apportioned Ad Valorem Taxes/PILOT - TIF 1	1,086,869	-	1,086,869
Rental Income	-	-	-
Interest Income	7,062	143,268	150,330
Investment Income	65,773	4,421	70,194
Other Income	631,875	233,011	864,886
Total Revenues	1,791,579	380,699	2,172,278
Expenditures			
Commercialization of Research & Technology	404,097	-	404,097
Placemaking	-	-	-
Implementation & Administration of Project Plan	67,232	-	67,232
Other Project Redevelopment Activity Costs	1,763	-	1,763
Debt Service - Principal	396,917	-	396,917
Debt Service - Interest	47,803	-	47,803
Total Expenditures	917,811	-	917,811
Changes in Fund Balance	873,768	380,699	1,254,467
Fund Balance, Beginning of Year	12,790,824	1,515,813	14,306,637
Fund Balance, Current	13,664,592	1,896,512	15,561,104

- (1) Required annual reserves for Long-term Debt and City approved expenditures.
(2) \$5,650,000 Page Woodson TIF loan funded in March 2018.

Oklahoma City Redevelopment Authority
Schedule of Investments
December 31, 2018

<u>Investments</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Settlement</u> <u>Date</u>	<u>Amount</u>
MB Financial Bank	1.35%	01/25/19	01/25/17	250,000
World's Foremost Bank	1.55%	02/08/19	02/09/17	200,000
American Express Centurion Bank	1.65%	05/24/19	05/24/17	250,000
State Bank of India	1.70%	07/01/19	06/30/17	245,000
Ally Bank Midvale UT	1.65%	07/08/19	07/10/17	245,000
Barclays Bank	1.60%	07/12/19	07/12/17	245,000
Midsouth Bank	1.70%	07/15/19	07/14/17	245,000
Capital One NA	1.70%	07/19/19	07/19/17	245,000
Peoples United Bank NA	1.65%	07/19/19	07/19/17	245,000
TIAA FSB	1.60%	07/19/19	07/19/17	245,000
Flagstar Bank FSB	1.60%	07/22/19	07/21/17	245,000
Monona State Bank WI	1.65%	07/26/19	07/26/17	245,000
Comenity Capital Bank	1.70%	08/28/19	08/28/17	245,000
Discover Bank DE	1.70%	09/03/19	09/01/17	245,000
American Express Bank FSB	1.65%	09/19/19	09/19/17	245,000
Capital One Bank USA	1.30%	09/30/19	09/28/16	245,000
Merrick Bank Corp	1.65%	10/11/19	10/11/17	245,000
BMW Bank of North America	1.65%	10/21/19	10/20/17	245,000
Sallie Mae Bank	1.70%	10/25/19	10/25/17	245,000
Morgan Stanley	1.75%	10/30/19	10/30/17	245,000
Goldman Sachs USA	1.75%	11/08/19	11/08/17	245,000
Berkshire Bank	1.60%	11/12/19	11/09/17	245,000
First Priority Bank	1.65%	11/12/19	11/10/17	245,000
Lakeside Bank	1.70%	11/18/19	11/17/17	245,000
Morgan Stanley Private Bank	1.75%	11/18/19	11/16/17	245,000
Wex Bank	1.75%	11/22/19	11/22/17	245,000
Rockford Bank & Trust Co	1.75%	11/27/19	12/04/17	245,000
Farmers & Merchants Bancshares Inc	1.90%	12/16/19	12/15/17	245,000
Synchrony Bank	2.10%	01/13/20	01/12/18	245,000
Unity Bank	2.05%	01/31/20	01/31/18	245,000
Stearn's Bank	2.20%	02/10/20	02/09/18	245,000
Bank United NA	2.20%	02/10/20	02/09/18	245,000
Eagle Bank	2.40%	03/01/20	03/16/18	245,000
Investor's Bank	2.35%	03/05/20	03/05/18	245,000
Commerce State Bank	2.65%	06/12/20	06/20/18	245,000
Bank of Hope	2.70%	07/13/20	07/13/18	245,000
Bank of America	2.65%	08/10/20	08/08/18	245,000
Stifel Bank & Trust	2.70%	08/27/20	08/27/18	245,000
UBS Bank USA	2.80%	09/14/20	09/14/18	245,000
Wells Fargo Bank NA	2.90%	09/28/20	09/28/18	245,000
Crossfirst Bank	2.85%	10/16/20	10/16/18	245,000
York Traditions Bank	2.95%	10/26/20	10/25/18	245,000
Compass Bank	3.00%	10/26/20	10/26/18	245,000
Total TIF 1 Investments	1.97%			10,500,000