

AGENDA  
SPECIAL MEETING OF  
OKLAHOMA CITY REDEVELOPMENT AUTHORITY  
TUESDAY, MARCH 7, 2023  
105 N. HUDSON, SUITE 101  
4:00 P.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, December 7, 2022
- V. Resolution No. \_\_\_\_\_ Receiving and Accepting an Audit of Accounts by FORVIS, LLP, for the Fiscal Year Ending June 30, 2022
- VI. Resolution No. \_\_\_\_\_ Amending the Bylaws of the Oklahoma City Redevelopment Authority
- VII. Resolution No. \_\_\_\_\_ Authorizing and Approving First Amended and Restated Master Development Agreement for the MAPS 4 Innovation Hall, Oklahoma Regional Innovation District Project Plan
- VIII. Resolution No. \_\_\_\_\_ Approving First Amendment to the Foundation Lease between the Presbyterian Health Foundation and the Oklahoma City Redevelopment Authority
- IX. Resolution No. \_\_\_\_\_ Authorizing Tax Increment Funding in an Amount Not to Exceed \$350,000 for Certain Enhanced Education Priorities Pursuant to the Oklahoma Regional Innovation District Project Plan; Authorizing and Directing the Executive Director and Legal Counsel to Prepare One or More Agreements with the Oklahoma City Innovation District, Inc., Public Entities, or Service Providers to Provide Enhanced Education, Skills Training Programs, and Internships; Authorizing the Execution of Such Agreements by the Executive Director
- X. Presentation of Interim Financial Report for the Period Ending December 31, 2022

## OCRA AGENDA

March 7, 2023

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- XI. New Business
- XII. Comments from Trustees
- XIII. Comments from Citizens
- XIV. Adjournment

Official action can only be taken on items which appear on the Agenda. The OCRA Board of Trustees may adopt, approve, ratify, deny, defer, recommend, amend, strike, or continue any agenda item. When more information is needed to act on an item, the Trustees may refer the matter to the Executive Director or Legal Counsel. The Board may also refer items to staff or committees for additional study. Under certain circumstances, items are deferred to a specific later date or stricken from the agenda entirely.

POSTED at the offices of the City Clerk and at 105 N. Hudson, Suite 101 by 4:00 p.m. on Monday, March 6, 2023, by Shira Lucky, Convening & Outreach Specialist

MINUTES OF SPECIAL MEETING  
OF THE  
OF THE OKLAHOMA CITY REDEVELOPMENT AUTHORITY  
WEDNESDAY, DECEMBER 7, 2022

A Special Meeting of the Trustees of the Oklahoma City Redevelopment Authority (“Redevelopment Authority”) was held on Wednesday, December 7, 2022, at 4:02 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  
Ms. Judy Hatfield  
Mr. Russell M. Perry  
Councilman David Greenwell  
Mayor David Holt, arrived at 4:12 p.m. (during the presentation on Resolution No. 243)

Trustees Absent:

Mr. James R. Tolbert, III  
Mr. Lee E. Cooper, Jr.

Staff Present:

Kenton Tsoodle, Executive Director  
Leslie Batchelor, OCURA General Counsel, CEDL  
Emily Pomeroy, OCURA Associate General Counsel, CEDL  
Olen Cook, Shira Lucky, Leana Dozier, Laurie Barton, Joseph Laws, Daisy Munoz, John Kim, and Keith Kuhlman, The Alliance for Economic Dev. of OKC

Others:

Rochell Alexander, MCDC  
Mark Beffort and Megan Gelmers, Robinson Park  
Andy Burnett, Burnett Equity  
Rand Elliott, REA  
Jeff Johnson, JLOU Properties  
Nick Berry and Cameron Rock, Berry-Rock  
Steve Lackmeyer, The Oklahoman

The Chairman asked for a motion to approve, as circulated, the minutes of a Regular Meeting held on Wednesday, October 19, 2022.

Ms. Hatfield 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	Absent
Trustee Judy Hatfield	Aye
Trustee Russell M. Perry	Aye
Trustee Mr. Lee Cooper, Jr.	Absent
Councilman David Greenwell	Aye
Mayor David Holt	Absent

Minutes Adopted

General Counsel Leslie Batchelor read proposed amendments to the Bylaws and explained that they were intended to: (1) change the regular meeting time from 10:00 to 10:30, or at such time as the Trustees determine annually and (2) allow the Trustees to designate a location nearby the office of the Authority for regular meetings. A copy of the proposed amendment was also filed with the Secretary, in accordance with the procedures for amending the Bylaws.

Mr. Perry moved the acceptance of the reading and upon second by Ms. Hatfield, the vote was as follows:

Trustee J. Larry Nichols	Aye
Trustee James R. Tolbert, III	Absent
Trustee Judy Hatfield	Aye
Trustee Russell M. Perry	Aye
Trustee Mr. Lee Cooper, Jr.	Absent
Councilman David Greenwell	Aye
Mayor David Holt	Absent

Reading Accepted

***The Chairman introduced the following resolution:***

***Resolution No. 243 entitled:***

***“Resolution Authorizing and Approving Amended and Restated Economic Development Agreement with BT Development, L.L.C. for the Innovation District Convergence Project; Approving Revised Design Development Documents and Landscaping Plans; Authorizing Executive Director to Consider Any Material Changes to Design Development Documents; Authorizing the Executive Director and Legal Counsel to Take Additional Actions to Consummate the Financial Closing Pursuant to the Amended and Restated Economic Development Agreement, Oklahoma Regional Innovation District Project Plan”***

Mark Beffort gave a presentation on the project.

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

Trustee J. Larry Nichols	Aye
Trustee James R. Tolbert, III	Absent
Trustee Judy Hatfield	Aye
Trustee Russell M. Perry	Aye
Trustee Mr. Lee Cooper, Jr.	Absent
Councilman David Greenwell	Aye
Mayor David Holt	Aye

Resolution Adopted

***Resolution No. 244 entitled:***

***“Authorizing Cooperation and Funding Agreement with the Oklahoma City Economic Development Trust for Additional Funding for the Convergence Project, Oklahoma Regional Innovation District Project Plan”***

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

Trustee J. Larry Nichols	Aye
Trustee James R. Tolbert, III	Absent
Trustee Judy Hatfield	Aye
Trustee Russell M. Perry	Aye
Trustee Mr. Lee Cooper, Jr.	Absent
Councilman David Greenwell	Aye
Mayor David Holt	Aye

Resolution Adopted

There being no further business to come before the Board, meeting was adjourned by the Chairman at 4:31 p.m.

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SECRETARY

# OKLAHOMA CITY REDEVELOPMENT AUTHORITY

**TRUSTEES**

J. Larry Nichols  
Chairman

James R. Tolbert III  
Vice Chairman

Lee E. Cooper, Jr.

David Greenwell

Judy J. Hatfield

David Holt

Russell M. Perry

**EXECUTIVE DIRECTOR**

Kenton Tsoodle

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Kenton Tsoodle, Executive Director

Date: March 7, 2023

Ref: Resolution of the Oklahoma City Redevelopment Authority Receiving  
and Accepting an Audit of Accounts by FORVIS, LLP, for Fiscal Year  
Ending June 30, 2022

**Background:** FORVIS, LLP has completed its audit of the financial activities of OCRA for the fiscal year ending June 30, 2022. The audit of the financial activities for the fiscal year ending June 30, 2022 was delivered via email to the Board on December 13, 2022. FORVIS, LLP presented the audit to the OCRA audit committee on February 21, 2023. 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 FORVIS, LLP for the fiscal year ending June 30, 2022.

**Recommendation:** Approval of Resolution.

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION RECEIVING AND ACCEPTING AN AUDIT OF  
ACCOUNTS BY FORVIS, LLP, FOR THE FISCAL YEAR ENDING JUNE  
30, 2022**

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**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**, in July 2022, OCRA accepted a proposal from FORVIS, LLP to audit OCRA’s financial activities for the fiscal year ending June 30, 2022; and

**WHEREAS**, FORVIS, LLP has submitted an audit of accounts to OCRA for the fiscal year ending June 30, 2022 (“FYE 2022 OCRA Audit”); and

**WHEREAS**, OCRA’s Audit Committee has met to review the FYE 2022 OCRA Audit submitted by FORVIS, LLP, and recommends acceptance by the Board of Trustees; and

**WHEREAS**, the Board of Trustees of OCRA deems it appropriate and desirable to accept the FYE 2022 OCRA Audit.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Trustees of OCRA that the audit of accounts submitted by FORVIS, LLP, for the fiscal year ending June 30, 2022, is hereby accepted.

I, \_\_\_\_\_, Secretary of the Board of Trustees of the Oklahoma City Redevelopment Authority, a public trust, certify that the foregoing Resolution No. \_\_\_\_\_ was duly adopted at a **special** meeting of the Oklahoma City Redevelopment Authority, held at its offices at 105 N. Hudson, Suite 101, Oklahoma City, Oklahoma, on the 7<sup>th</sup> day of **March, 2023**; that said meeting was held in accordance with the Bylaws of the Oklahoma City Redevelopment 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 Trustees present.

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SECRETARY

(SEAL)

**Oklahoma City Redevelopment Authority**  
**A Component Unit of the City of Oklahoma City, Oklahoma**  
Independent Auditor's Reports and Financial Statements  
June 30, 2022 and 2021



**Oklahoma City Redevelopment Authority**  
**A Component Unit of the City of Oklahoma City, Oklahoma**  
**June 30, 2022 and 2021**

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## Independent Auditor's Report

Board of Trustees  
Oklahoma City Redevelopment Authority  
Oklahoma City, Oklahoma

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities and each major fund 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, 2022 and 2021 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of June 30, 2022 and 2021 and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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 GAAS, 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***

Management is responsible for the other information included in the annual report. The other information comprises the budget-to-actual expenditure comparison (project life-to-date) and related notes but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022 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 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.

**FORVIS,LLP**

Oklahoma City, Oklahoma  
December 12, 2022

# **Oklahoma City Redevelopment Authority**

## **A Component Unit of the City of Oklahoma City, Oklahoma**

### **Management's Discussion and Analysis**

#### **Years Ended June 30, 2022 and 2021**

#### ***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, 2022 and 2021. It should be read in conjunction with the accompanying financial statements of the Authority.

#### ***Financial Highlights***

- Cash decreased in 2022 by \$5,332,170 and increased in 2021 by \$5,996,152.
- The Authority's capital assets decreased in 2022 and 2021 by \$325,414 and \$291,113, respectively.
- Long-term debt decreased in 2022 and 2021 by \$869,600 and \$882,025, respectively.
- The Authority's net position increased in 2022 and 2021 by \$2,831,957 and \$2,502,522, 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 \$11,810,015 in 2022 and \$1,568,336 in 2021. In 2022, decreases in cash were offset by increases in investments and receivables. In 2021, increases in cash and receivables from other governments were offset primarily by a decrease in investments and capital assets.

Total liabilities increased in 2022 by \$8,978,058 and decreased in 2021 by \$934,186. In 2022, increases in funds held on behalf of other governments were offset by decreases in long term-debt. In 2021, regular debt service naturally decreased along with decreases in accounts payable.

In 2022 and 2021, no significant changes occurred in capital assets and debt other than depreciation and payment of principal. In 2022, the Authority transferred approximately \$35,000 in property to a related entity.

**Table 1: Condensed Statements of Net Position**

	2022	2021	Change	% Change	2020	Change	% Change
Current and other assets	\$ 44,802,212	\$ 32,666,783	\$ 12,135,429	37%	\$30,807,334	\$ 1,859,449	6%
Capital assets	3,746,534	4,071,948	(325,414)	-8%	4,363,061	(291,113)	-7%
Total assets	48,548,746	36,738,731	11,810,015	32%	35,170,395	1,568,336	4%
Long-term debt	-	72,922	(72,922)	-100%	954,947	(882,025)	-92%
Other liabilities	10,394,235	1,343,255	9,050,980	674%	1,395,416	(52,161)	-4%
Total liabilities	10,394,235	1,416,177	8,978,058	634%	2,350,363	(934,186)	-40%
Net investment in capital assets	3,295,547	3,025,912	269,635	9%	2,730,192	295,720	11%
Restricted	34,858,964	32,296,642	2,562,322	8%	30,089,840	2,206,802	7%
Net position	\$ 38,154,511	\$ 35,322,554	\$ 2,831,957	8%	\$ 32,820,032	\$ 2,502,522	8%

### 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 year ended June 30, 2022, net position increased by \$2,831,957, and for the year ended June 30, 2021, net position increased by \$2,502,522. The increase in both years was due to increased revenues from historical levels, including increases in apportioned ad valorem taxes and payments in lieu of taxes. Also contributing to both periods were decreases in economic development expense and interest expense.

**Table 2: Condensed Statements of Activities**

	2022	2021	Change	% Change	2020	Change	% Change
Charges for services	\$ -	\$ -	\$ -	0%	\$ 141,763	\$ (141,763)	-100%
Operating grants, contributions, and restricted interest	343,791	377,000	(33,209)	-9%	959,091	(582,091)	-61%
General revenues	3,715,714	3,795,296	(79,582)	-2%	2,354,087	1,441,209	61%
Total revenues	4,059,505	4,172,296	(112,791)	-3%	3,454,941	717,355	21%
Economic development expenses	1,220,384	1,649,750	(429,366)	-26%	3,707,714	(2,057,964)	-56%
Interest expense	7,164	20,024	(12,860)	-64%	75,660	(55,636)	-74%
Total operating expenses	1,227,548	1,669,774	(442,226)	-26%	3,783,374	(2,113,600)	-56%
Change in net position	\$ 2,831,957	\$ 2,502,522	\$ 329,435	13%	\$ (328,433)	\$ 2,830,955	-862%

### 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 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 Fund**

	2022	2021	Change	% Change	2020	Change	% Change
<b>TIF 1</b>							
Total assets	\$ 29,256,279	\$ 17,394,413	\$ 11,861,866	68%	\$ 15,780,638	\$ 1,613,775	10%
Total liabilities	(10,321,528)	(473,870)	(9,847,658)	2078%	(550,373)	76,503	-14%
Deferred inflows of resources	(4,986,111)	(5,002,389)	16,278	0%	(5,385,108)	382,719	-7%
Fund balance	<u>\$ 13,948,640</u>	<u>\$ 11,918,154</u>	<u>\$ 2,030,486</u>	17%	<u>\$ 9,845,157</u>	<u>\$ 2,072,997</u>	21%
Taxes	\$ 3,713,913	\$ 4,173,021	\$ (459,108)	-11%	\$ 2,079,664	\$ 2,093,357	101%
Intergovernmental revenue	-	11,153	(11,153)	-100%	787,022	(775,869)	-99%
Other income	88,307	97,309	(9,002)	-9%	186,252	(88,943)	-48%
Total revenues	<u>3,802,220</u>	<u>4,281,483</u>	<u>(479,263)</u>	-11%	<u>3,052,938</u>	<u>1,228,545</u>	40%
Research Park-related expenditures	104,750	149,080	(44,330)	-30%	793,118	(644,038)	-81%
Administration	696,820	332,072	364,748	110%	197,221	134,851	68%
Other	93,400	849,627	(756,227)	-89%	486,618	363,009	75%
Capital outlay	-	-	-	0%	4,809,476	(4,809,476)	100%
Debt service							
Principal	869,600	857,683	11,917	1%	820,152	37,531	5%
Interest	7,164	20,024	(12,860)	-64%	75,660	(55,636)	-74%
Total expenditures	<u>1,771,734</u>	<u>2,208,486</u>	<u>(436,752)</u>	-20%	<u>7,182,245</u>	<u>(4,973,759)</u>	-69%
Change in fund balance	<u>\$ 2,030,486</u>	<u>\$ 2,072,997</u>	<u>\$ (42,511)</u>	-2%	<u>\$ (4,129,307)</u>	<u>\$ 6,202,304</u>	-150%

The change in fund balance for the TIF Fund was an increase in 2022 and 2021 of \$2,030,486 and \$2,072,997, respectively. The 2022 increase was primarily driven by a reduction in expenditures from 2021 of approximately \$800,000 related to economic development projects offset by an increase in administrative costs, while revenues from ad valorem taxes and payments in lieu of taxes remained relatively consistent from 2021. The 2021 revenues increased by \$1,228,545, primarily from an increase in apportioned ad valorem taxes and payments in lieu of taxes of approximately \$1,444,000. Expenditures in 2021 decreased by \$4,973,759. The majority of the decrease was due to a \$4,809,476 decrease in capital expenditures from the previous year.

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

	2022	2021	Change	% Change	2020	Change	% Change
<b>Skirvin Hotel Project</b>							
Total assets	\$ 779,188	\$ 505,625	\$ 273,563	54%	\$ 259,951	\$ 245,674	95%
Deferred inflows of resources	(364,669)	(364,669)	-	0%	(91,167)	(273,502)	300%
Fund balance	<u>\$ 414,519</u>	<u>\$ 140,956</u>	<u>\$ 273,563</u>	194%	<u>\$ 168,784</u>	<u>\$ (27,828)</u>	-16%
Rental income	\$ -	\$ -	\$ -	0%	\$ 141,763	\$ (141,763)	-100%
Principal payment on notes receivable	-	-	-	0%	240,240	(240,240)	-100%
Interest income on loans	273,502	-	273,502	100%	208,730	(208,730)	-100%
Investment income	61	30	31	103%	6,083	(6,053)	-100%
Total revenues	<u>273,563</u>	<u>30</u>	<u>273,533</u>	911777%	<u>596,816</u>	<u>(596,786)</u>	-100%
Expenditures	<u>-</u>	<u>27,858</u>	<u>(27,858)</u>	100%	<u>1,141,661</u>	<u>(1,113,803)</u>	100%
Change in fund balance	<u>\$ 273,563</u>	<u>\$ (27,828)</u>	<u>\$ 301,391</u>	-1083%	<u>\$ (544,845)</u>	<u>\$ 517,017</u>	-95%

The change in fund balance for the Skirvin Hotel Project was an increase of \$273,563 in 2022 and a decrease of \$27,828 in 2021. The change was primarily due to interest income of \$273,502 in 2022 that was deferred in 2021. Rental income was \$0 in both 2022 and 2021, due to lower performance of the Skirvin Hotel in each year.

The fund balances for both the TIF and the Skirvin Hotel Project are restricted for debt service, TIF activities, 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 \$33,827,000, \$2,326,000, and \$2,426,000 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**  
**Statements of Net Position**  
**June 30, 2022 and 2021**

**Assets**

	<b>2022</b>	<b>2021</b>
<b>Current Assets</b>		
Cash	\$ 4,150,686	\$ 9,482,856
Investments, at fair value	18,994,691	2,695,000
Due from other governments	387,291	452,926
Payments in lieu of taxes receivable	1,369,583	136,856
Interest receivable	425,035	410,911
Investment income receivable	-	13,308
Current portion of notes receivable	247,693	247,693
Total current assets	<u>25,574,979</u>	<u>13,439,550</u>
<b>Capital Assets and Assets Held for Sale</b>		
Land	506,891	541,192
Buildings, parking garages, and undivided ownership interest in buildings, net	<u>3,239,643</u>	<u>3,530,756</u>
Total capital assets and assets held for sale	<u>3,746,534</u>	<u>4,071,948</u>
<b>Other Noncurrent Assets</b>		
Due from other governments	4,408,181	4,408,181
Notes receivable	14,519,052	14,519,052
Other assets – deposits	<u>300,000</u>	<u>300,000</u>
Total other noncurrent assets	<u>19,227,233</u>	<u>19,227,233</u>
Total assets	<u>48,548,746</u>	<u>36,738,731</u>

**Liabilities**

<b>Current Liabilities</b>		
Current portion of long-term debt	72,707	869,385
Accounts payable	6,265	21,067
Funds held on behalf of other governments	10,000,000	-
Due to Urban Renewal	<u>315,263</u>	<u>452,803</u>
Total current liabilities	<u>10,394,235</u>	<u>1,343,255</u>
<b>Noncurrent Liabilities</b>		
Long-term debt, less current maturities	<u>-</u>	<u>72,922</u>
Total liabilities	<u>10,394,235</u>	<u>1,416,177</u>

**Net Position**

Net investment in capital assets	3,295,547	3,025,912
Restricted for debt service	92,984	1,094,697
Restricted for economic development activities	<u>34,765,980</u>	<u>31,201,945</u>
Total net position	<u>\$ 38,154,511</u>	<u>\$ 35,322,554</u>

**Oklahoma City Redevelopment Authority**  
**A Component Unit of the City of Oklahoma City, Oklahoma**  
**Statements of Activities**  
**Years Ended June 30, 2022 and 2021**

	<b>Revenues</b>				
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Capital Grants and Contributions</b>	<b>Operating Grants, Contributions, and Restricted Interest</b>	<b>Net Revenues (Expenses)</b>
<b>2022</b>					
<b>Governmental Activities</b>					
Economic development	\$ 1,220,384	\$ -	\$ -	\$ 343,791	\$ (876,593)
Interest expense	7,164	-	-	-	(7,164)
Total governmental activities	<u>\$ 1,227,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343,791</u>	<u>(883,757)</u>
<b>General Revenues</b>					
Apportioned ad valorem taxes					795,698
Payments in lieu of taxes					<u>2,920,016</u>
Total general revenues					<u>3,715,714</u>
<b>Change in Net Position</b>					2,831,957
<b>Net Position, Beginning of Year</b>					<u>35,322,554</u>
<b>Net Position, End of Year</b>					<u><u>\$ 38,154,511</u></u>
<b>2021</b>					
<b>Governmental Activities</b>					
Economic development	\$ 1,649,750	\$ -	\$ -	\$ 377,000	\$ (1,272,750)
Interest expense	20,024	-	-	-	(20,024)
Total governmental activities	<u>\$ 1,669,774</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 377,000</u>	<u>(1,292,774)</u>
<b>General Revenues</b>					
Apportioned ad valorem taxes					786,275
Payments in lieu of taxes					<u>3,009,021</u>
Total general revenues					<u>3,795,296</u>
<b>Change in Net Position</b>					2,502,522
<b>Net Position, Beginning of Year</b>					<u>32,820,032</u>
<b>Net Position, End of Year</b>					<u><u>\$ 35,322,554</u></u>

**Oklahoma City Redevelopment Authority**  
**A Component Unit of the City of Oklahoma City, Oklahoma**  
**Balance Sheets – Governmental Funds**  
**June 30, 2022 and 2021**

	2022		
	TIF	Skirvin Hotel Project	Total Governmental Funds
<b>Assets</b>			
Cash	\$ 3,736,167	\$ 414,519	\$ 4,150,686
Investments, at fair value	18,994,691	-	18,994,691
Interest receivable	60,366	364,669	425,035
Payments in lieu of taxes receivable	1,369,583	-	1,369,583
Ad valorem taxes receivable	387,291	-	387,291
Receivables from other governments	4,408,181	-	4,408,181
Other assets	300,000	-	300,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 29,256,279</u>	<u>\$ 779,188</u>	<u>\$ 30,035,467</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 6,265	\$ -	\$ 6,265
Funds held on behalf of other governments	10,000,000	-	10,000,000
Due to Urban Renewal	315,263	-	315,263
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>10,321,528</u>	<u>-</u>	<u>10,321,528</u>
<b>Deferred Inflows of Resources</b>	<u>4,986,111</u>	<u>364,669</u>	<u>5,350,780</u>
<b>Fund Balances</b>			
Restricted for			
Debt service	92,984	-	92,984
Economic development activities	-	414,519	414,519
Other TIF activities	13,855,656	-	13,855,656
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>13,948,640</u>	<u>414,519</u>	<u>14,363,159</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 29,256,279</u>	<u>\$ 779,188</u>	<u>\$ 30,035,467</u>

See Notes to Financial Statements

	2021		
	TIF	Skirvin Hotel Project	Total Governmental Funds
<b>Assets</b>			
Cash	\$ 9,341,900	\$ 140,956	\$ 9,482,856
Investments, at fair value	2,695,000	-	2,695,000
Accounts receivable	136,856	-	136,856
Interest receivable	46,242	364,669	410,911
Investment income receivable	13,308	-	13,308
Ad valorem taxes receivable	452,926	-	452,926
Receivables from other governments	4,408,181	-	4,408,181
Other assets	300,000	-	300,000
Total assets	<u>\$ 17,394,413</u>	<u>\$ 505,625</u>	<u>\$ 17,900,038</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 21,067	\$ -	\$ 21,067
Due to Urban Renewal	452,803	-	452,803
Total liabilities	<u>473,870</u>	<u>-</u>	<u>473,870</u>
<b>Deferred Inflows of Resources</b>	<u>5,002,389</u>	<u>364,669</u>	<u>5,367,058</u>
<b>Fund Balances</b>			
Restricted for			
Debt service	1,094,697	-	1,094,697
Economic development activities	-	140,956	140,956
Other TIF activities	10,823,457	-	10,823,457
Total fund balances	<u>11,918,154</u>	<u>140,956</u>	<u>12,059,110</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,394,413</u>	<u>\$ 505,625</u>	<u>\$ 17,900,038</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, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Total fund balances	\$ 14,363,159	\$ 12,059,110
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	506,891	541,192
Buildings, net of accumulated depreciation; 2022 – \$4,439,466, 2021 – \$4,148,350	3,239,643	3,530,756
Notes receivable	14,766,745	14,766,745
Earned but unavailable revenue	5,350,780	5,367,058
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the fund		
Long-term debt	<u>(72,707)</u>	<u>(942,307)</u>
Net position, per the statements of net position	<u>\$ 38,154,511</u>	<u>\$ 35,322,554</u>

**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, 2022 and 2021**

	<b>2022</b>		
	<b>TIF</b>	<b>Skirvin Hotel Project</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Apportioned ad valorem taxes	\$ 860,988	\$ -	\$ 860,988
Payments in lieu of taxes	2,852,925	-	2,852,925
Interest income paid on tax deposits held by the Oklahoma County Treasurer	345	-	345
Interest income on loans	14,124	273,502	287,626
Investment income	73,838	61	73,899
Total revenues	<u>3,802,220</u>	<u>273,563</u>	<u>4,075,783</u>
<b>Expenditures</b>			
Biomedical, biopharmaceutical, and technological research and development facilities and other public research park improvements	104,750	-	104,750
Economic development and redevelopment activities with the Harrison-Walnut Urban Renewal Plan	93,400	-	93,400
Administration and other project development costs	696,820	-	696,820
Debt service			
Principal	869,600	-	869,600
Interest	7,164	-	7,164
Total expenditures	<u>1,771,734</u>	<u>-</u>	<u>1,771,734</u>
<b>Change in Fund Balances</b>	2,030,486	273,563	2,304,049
<b>Fund Balances, Beginning of Year</b>	<u>11,918,154</u>	<u>140,956</u>	<u>12,059,110</u>
<b>Fund Balances, End of Year</b>	<u>\$ 13,948,640</u>	<u>\$ 414,519</u>	<u>\$ 14,363,159</u>

See Notes to Financial Statements

	2021		
	TIF	Skirvin Hotel Project	Total Governmental Funds
<b>Revenues</b>			
Apportioned ad valorem taxes	\$ 1,300,853	\$ -	\$ 1,300,853
Payments in lieu of taxes	2,872,168	-	2,872,168
Intergovernmental revenue	11,153	-	11,153
Interest income paid on tax deposits held by the Oklahoma County Treasurer	1,395	-	1,395
Interest income on loans	14,124	-	14,124
Investment income	81,790	30	81,820
Total revenues	4,281,483	30	4,281,513
<b>Expenditures</b>			
Biomedical, biopharmaceutical, and technological research and development facilities and other public research park improvements	149,080	-	149,080
Economic development and redevelopment activities with the Harrison-Walnut Urban Renewal Plan	849,627	-	849,627
Administration and other project development costs	332,072	-	332,072
Payment to City of Oklahoma City	-	27,858	27,858
Debt service			
Principal	857,683	-	857,683
Interest	20,024	-	20,024
Total expenditures	2,208,486	27,858	2,236,344
<b>Change in Fund Balances</b>	2,072,997	(27,828)	2,045,169
<b>Fund Balances, Beginning of Year</b>	9,845,157	168,784	10,013,941
<b>Fund Balances, End of Year</b>	\$ 11,918,154	\$ 140,956	\$ 12,059,110

**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, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Change in fund balances – governmental funds	\$ 2,304,049	\$ 2,045,169
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	(291,113)	(291,113)
Disposition of land transferred to related party	(34,301)	-
Certain income does not provide current financial resources and, therefore, not reported as income in governmental funds. This is the net change in various revenue sources.		
Apportioned ad valorem taxes	1,456	(379,117)
Interest income	-	273,502
Investment income receivable	(17,734)	(3,602)
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	<u>869,600</u>	<u>857,683</u>
Change in net position, per the statements of activities	<u>\$ 2,831,957</u>	<u>\$ 2,502,522</u>



**Oklahoma City Redevelopment Authority**  
**A Component Unit of the City of Oklahoma City, Oklahoma**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

**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 \$52,000,000. 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 terminated at June 30, 2022. TIF 7 is presently scheduled to terminate at June 30, 2032. 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, 2022 and 2021**

**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 and payments in lieu of taxes. The Authority has no business-type activities as defined by GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

**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 – 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**

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 net position and the changes thereof. 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 sheets. The statements of revenues, expenditures, and changes in fund balances present sources and uses of available spendable financial resources during a given period. The statements use fund balances as the measure of available spendable financial resources at the end of the period.

**Oklahoma City Redevelopment Authority**  
**A Component Unit of the City of Oklahoma City, Oklahoma**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

***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:

**Cash Equivalents**

The Authority considers all liquid debt instruments purchased with a maturity of three months or less and money market mutual funds to be cash equivalents. At June 30, 2022 and 2021, the Authority did not own any cash equivalents.

**Investment and Investment Income**

Investments in U.S. treasuries and negotiable certificates of deposit are carried at fair value. Fair value is determined from quoted market prices. Investment income consists of interest income and the net change for the year in the fair value of the investments carried at fair value.

**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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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.

**Oklahoma City Redevelopment Authority**  
**A Component Unit of the City of Oklahoma City, Oklahoma**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

**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.

***Deferred Inflows of Resources***

The Authority reports an acquisition of net position that is applicable to a future reporting period as deferred inflows of resources in a separate section of its balance sheets – governmental funds. Deferred inflows of resources of \$5,350,780 and \$5,367,058 at June 30, 2022 and 2021, respectively, were comprised of ad valorem taxes, related-party balances, and deferred interest payments to be received in future reporting periods.

***Net Position/Fund Balance 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.

**Oklahoma City Redevelopment Authority**  
**A Component Unit of the City of Oklahoma City, Oklahoma**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

- **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 10*, certain notes require a reserve fund as well as encumbered revenues to be maintained. The restricted fund balance for debt service in TIF was \$92,984 and \$1,094,697 as of June 30, 2022 and 2021, respectively. The remaining fund balance in TIF is reflected as restricted for other TIF activities.

***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 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 supplementary information.

***New Accounting Pronouncements Adopted in Fiscal Year 2022***

GASB Statement No. 87, *Leases*, was issued June 2017 and improves accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

**Oklahoma City Redevelopment Authority**  
**A Component Unit of the City of Oklahoma City, Oklahoma**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. A portion of this standard provides additional information on interpreting and applying GASB 87 by clarifying the definition of a lease term and further explaining what is included and excluded in the term. GASB 99 also provides additional guidance on short-term leases, variable payments, and lease incentives.

The Authority adopted GASB Statements No. 87 and No. 99 effective July 1, 2021. The result of adoption had no material impact on the Authority's financial statements as no agreements have been identified within the scope of these standards.

**Revisions**

Certain immaterial revisions have been made to the 2021 financial statements to conform to the 2022 financial statement presentation. These revisions had no effect on change in fund balances.

**Note 2: Deposits and Investments**

Custodial credit 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, 2022 and 2021, 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.

Carrying values of the deposits of the Authority at June 30, 2022 and 2021 were \$4,150,686 and \$9,482,856, respectively, while bank balances were \$4,170,579 and \$9,525,005, respectively.

**Investments**

The Authority's investments at June 30, 2022 consisted entirely of U.S. treasuries of \$18,994,691. At June 30, 2021, investments consisted entirely of negotiable certificates of deposit of \$2,695,000.

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, and Level 3 inputs are significant unobservable inputs.

The Authority's recurring fair value measurements as of June 30, 2022 and 2021 were U.S. treasuries and negotiable certificates of deposit, respectively, which are valued using Level 2 inputs. At June 30, 2022, current maturities of U.S. treasuries were \$18,994,691 with the balance maturing in fiscal year 2023. At June 30, 2021, current maturities of the certificates of deposit were \$2,695,000 with the balance maturing in fiscal year 2022.

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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 2 to 3 years, up to 10% may be invested with a maturity of 3 to 5 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:

	<b>2022</b>	<b>2021</b>
TIF 1 funds held by the Oklahoma County Treasurer	\$ 387,291	\$ 452,926
Due from Urban Renewal	<u>4,408,181</u>	<u>4,408,181</u>
	<u><u>\$ 4,795,472</u></u>	<u><u>\$ 4,861,107</u></u>

**Note 4: Rent Receivable**

There was no rent receivable at both June 30, 2022 and 2021 related to the Skirvin Hotel ground lease (see *Note 13*). Due to the current economic circumstances as a result of the COVID-19 pandemic, the Skirvin Hotel does not owe any rent as of June 30, 2022. 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, 2022 and 2021.

**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,

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accrued interest shall be paid semiannually on June 1 and December 1, starting June 1, 2013, with a prorated payment for five months of interest with the final payment due on December 1, 2042. Principal payments shall be payable annually on December 1. Total principal balance of the note was \$9,116,745 at both June 30, 2022 and 2021. Principal payments were \$0 for both June 30, 2022 and 2021. Interest income of \$273,502 was recognized during the years ended June 30, 2022 and 2021 in the accompanying government-wide statements of activities. In 2020, the Board of Trustees approved a resolution to allow a six-month extension to the repayment period should Skirvin Partners, LLC require such an allowance when the note matures on December 1, 2042.

***Page Woodson Development, LLC***

In March 2016, the Authority agreed 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, 2022 and 2021, \$5,650,000 was advanced under this loan agreement. Interest income of \$14,124 was recognized during the years ended June 30, 2022 and 2021 in the accompanying government-wide statements of activities.

Future principal and interest payments on the notes as of June 30, 2022 are as follows:

Year Ended June 30,	Skirvin Note Receivable		Page Woodson TIF Loan Receivable	
	Principal	Interest	Principal	Interest
2023	\$ 247,693	\$ 262,241	\$ -	\$ -
2024	255,378	254,461	-	-
2025	263,301	246,440	-	-
2026	271,470	238,169	-	-
2027	279,892	1,054,364	-	-
2028–2030	1,641,375	771,151	-	-
2031–2035	2,084,178	433,355	-	-
2036–2040	2,428,180	75,043	-	-
2041–2045	1,645,278	83,522	-	-
2046–2050	-	-	-	-
2050–2051	-	-	5,650,000	469,995
	<u>\$ 9,116,745</u>	<u>\$ 3,418,746</u>	<u>\$ 5,650,000</u>	<u>\$ 469,995</u>



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**Note 6: Capital Assets and Assets Held for Sale**

Capital assets and assets held for sale at June 30 consisted of the following:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b>2022</b>				
Land	\$ 541,192	\$ -	\$ (34,301)	\$ 506,891
Buildings	7,277,811	-	-	7,277,811
Brockway Center (held for sale)	401,295	-	-	401,295
	7,679,106	-	-	7,679,106
Less accumulated depreciation	(4,148,350)	(291,113)	-	(4,439,463)
Buildings, net	3,530,756	(291,113)	-	3,239,643
Total capital assets and assets held for sale, net	<u>\$ 4,071,948</u>	<u>\$ (291,113)</u>	<u>\$ (34,301)</u>	<u>\$ 3,746,534</u>
<b>2021</b>				
Land	\$ 541,192	\$ -	\$ -	\$ 541,192
Buildings	7,277,811	-	-	7,277,811
Brockway Center (held for sale)	401,295	-	-	401,295
	7,679,106	-	-	7,679,106
Less accumulated depreciation	(3,857,237)	(291,113)	-	(4,148,350)
Buildings, net	3,821,869	(291,113)	-	3,530,756
Total capital assets and assets held for sale, net	<u>\$ 4,363,061</u>	<u>\$ (291,113)</u>	<u>\$ -</u>	<u>\$ 4,071,948</u>

**Buildings**

The Authority owns two buildings as of June 30, 2022. One is 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 \$291,113 for the years ended June 30, 2022 and 2021.

The second is the Brockway Center (the Center), a landmark in Oklahoma City with historical significance. The Authority purchased this building in October 2019 for approximately \$401,000 in order to prevent the Center from being demolished. The Authority does not have any plans to use the Center in its operations and is currently sending out requests for proposals for a buyer that

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will preserve the site. Since the Center is being held for sale, no depreciation was taken during the year ended June 30, 2022.

**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 13*.

In September 2019, the Authority closed on a purchase of land of approximately \$4,400,000. The land is located at the southeast corner of North E.K. Gaylord Boulevard and Northwest 4<sup>th</sup> Street. After the purchase, the property was transferred to Urban Renewal, a related party. The Authority will be repaid upon sale of the property by Urban Renewal. The land has not been sold as of June 30, 2022. The Authority has recognized a receivable from other governments at June 30, 2022 for an amount equal to the purchase.

**Note 7: Other Assets**

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

	<b>2022</b>	<b>2021</b>
Deposits held by PHF	<u>\$ 300,000</u>	<u>\$ 300,000</u>

**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 \$50,000 in PILOT on behalf of OK Kids Korral for both the years ended June 30, 2022 and 2021, respectively.

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 \$1,127,684 and \$1,140,906 in PILOT in the years ended June 30, 2022 and 2021, respectively.

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The donation of the GE Global Research Building to Oklahoma State University in 2020 triggered a PILOT due based on a covenant in the land deed and will be due annually from any nonprofit owner of the property until TIF 11 expires. The Authority received \$509,605 and \$509,347 in PILOT in the years ended June 30, 2022 and 2021, respectively.

In 2018, OU Medicine, Inc., acquired a series of hospitals and medical facilities around Oklahoma City. As a result of that transaction, OU Medicine, Inc., agreed to pay an annual PILOT for up to 10 years related to the acquired facilities in the Innovation District TIF. The Authority receives a set amount of \$1,165,636 annually and received that amount in each of the years ended June 30, 2022 and 2021.

**Note 9: Funds Held on Behalf of Other Governments**

In January 2022, the Authority entered into a master development agreement with the City and a developer to pursue infrastructure development of the Oklahoma Regional Innovation District Plan (the Plan). The Plan is related to the passage of the Metropolitan Area Projects (MAPS) 4 sales tax, approved by Oklahoma City voters in 2019, and provides for the development of Innovation Hall. The master development agreement provided for \$10,000,000 in MAPS 4 funds to be transferred from the City to the Authority to match up to \$10,000,000 raised from non-MAPS sources. At June 30, 2022, the Authority reported the \$10,000,000 related to this agreement in funds held on behalf of other governments, pending a completed funding plan by which such funds may be released to match private investment in the Plan.

**Note 10: Long-Term Debt**

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

	<b>Beginning Balance</b>	<b>Advances</b>	<b>Payments</b>	<b>Ending Balance</b>
<b>2022</b>				
Dean A. McGee Note A-1	\$ 297,571	\$ -	\$ (274,555)	\$ 23,016
Biopharmaceutical Manufacturing Facility Note A-2	644,736	-	(595,045)	49,691
	<u>\$ 942,307</u>	<u>\$ -</u>	<u>\$ (869,600)</u>	<u>\$ 72,707</u>
<b>2021</b>				
Dean A. McGee Note A-1	\$ 568,417	\$ -	\$ (270,846)	\$ 297,571
Biopharmaceutical Manufacturing Facility Note A-2	1,231,573	-	(586,837)	644,736
	<u>\$ 1,799,990</u>	<u>\$ -</u>	<u>\$ (857,683)</u>	<u>\$ 942,307</u>

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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, 2022 and 2021 was \$1,914 and \$6,251, respectively, and the interest rate as of June 30, 2022 and 2021 was 1.1005% and 1.1663%, 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, 2022 and 2021 was \$5,872 and \$69,135, 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, 2022 and 2021 was \$23,490 and \$276,542, respectively.

***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% (1.16625% and 3.398% at June 30, 2022 and 2021, 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

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interest and principal payments commenced. For the years ended June 30, 2022 and 2021, interest of \$4,148 and \$13,545, respectively, 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, 2022 and 2021 was \$12,724 and \$149,804, 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, 2022 and 2021 was \$50,898 and \$599,216, respectively.

Future principal and interest payments on the notes as of June 30, 2022 are as follows:

Year Ended June 30,	Dean A. McGee Note A-1		Biopharmaceutical Manufacturing Facility Note A-2	
	Principal	Interest	Principal	Interest
2023	\$ 23,468	\$ 22	\$ 49,239	\$ 47
	<u>\$ 23,468</u>	<u>\$ 22</u>	<u>\$ 49,239</u>	<u>\$ 47</u>

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

	2022	2021
Dean A. McGee Note A-1	\$ 23,016	\$ 297,571
Biopharmaceutical Manufacturing Facility Note A-2	49,691	644,736
	<u>72,707</u>	<u>942,307</u>
Less current maturities	<u>(72,707)</u>	<u>(869,385)</u>
Long-term debt, less current maturities	<u>\$ -</u>	<u>\$ 72,922</u>

**Note 11: Net Position**

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

- **Net Investment in Capital Assets** – Represents a balance of \$3,295,546 and \$3,025,912 for the years ended June 30, 2022 and 2021, respectively. The debt associated with capital assets had a balance of \$46,690 and \$664,739 at June 30, 2022 and 2021, respectively. Assets held for sale of approximately \$401,000 are excluded from net investments in capital assets in both 2022 and 2021.

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- **Restricted** – Represents net position that has been restricted by outside sources. The net position restricted for debt service was \$92,984 and \$1,094,697 at June 30, 2022 and 2021, respectively. The net position restricted for economic development activities was \$34,765,980 and \$31,201,945 for June 30, 2022 and 2021, respectively.

**Note 12: 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 TIF 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:

	<b>TIF 1</b>	<b>TIF 7</b>	<b>TIF 11</b>	<b>Total</b>
<b>2022</b>				
Tax year				
2017	\$ -	\$ 3,503	\$ -	\$ 3,503
2018	-	29	722	751
2019	-	366	175,514	175,880
2020	-	1,162	153,824	154,986
2021	-	525,868	-	525,868
	<u>-</u>	<u>530,928</u>	<u>330,060</u>	<u>860,988</u>
Interest received	-	213	132	345
Net change in tax receivable from Oklahoma County Treasurer	<u>(65,635)</u>	<u>-</u>	<u>-</u>	<u>(65,635)</u>
	<u>\$ (65,635)</u>	<u>\$ 531,141</u>	<u>\$ 330,192</u>	<u>\$ 795,698</u>

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	<b>TIF 1</b>	<b>TIF 7</b>	<b>TIF 11</b>	<b>Total</b>
<b>2021</b>				
Tax year				
2016	\$ -	\$ 3,664	\$ -	\$ 3,664
2017	-	346	-	346
2018	92,899	333	725	93,957
2019	43,244	143,066	489,908	676,218
2020	88,392	438,276		526,668
	<u>224,535</u>	<u>585,685</u>	<u>490,633</u>	<u>1,300,853</u>
Interest received	976	228	191	1,395
Net change in tax receivable from Oklahoma County Treasurer	<u>(515,973)</u>	<u>-</u>	<u>-</u>	<u>(515,973)</u>
	<u><u>\$ (290,462)</u></u>	<u><u>\$ 585,913</u></u>	<u><u>\$ 490,824</u></u>	<u><u>\$ 786,275</u></u>

**Note 13: 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 variable and are 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.

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. 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.

During 2019, a joint resolution was passed by the City Council and the Authority designating all annual receipts associated with this agreement to be paid to the City, through the Oklahoma City Economic Development Trust (OCEDT), for the purpose of servicing debt issued for the purpose of the Omni Hotel Funding Plan. Under this joint resolution, the Authority is directed to transfer the accumulated balance of any monies collected by the Authority to OCEDT, net of any contractually required retainage as invoiced by the City. During the years ended June 30, 2022 and 2021, approximately \$0 and \$28,000, respectively, was transferred to OCEDT under this joint resolution.

Rent revenues recognized under the lease agreement were \$0 for the years ended June 30, 2022 and 2021. The economic impact of COVID-19 on the Skirvin Hotel's operations resulted in no current year receipts associated with this lease.

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**Note 14: Related-Party Transactions**

***Urban Renewal***

At June 30, 2022 and 2021, the Authority owed \$315,263 and \$29,091, respectively, of TIF funds to Urban Renewal for administrative costs. At June 30, 2021, the Authority also owed approximately \$424,000 relating to the acquisition of land that was paid for by Urban Renewal but purchased by the Authority.

During the 2020 fiscal year, the Authority purchased land for approximately \$4,400,000 for the purpose of redevelopment in conjunction with Urban Renewal. The land was transferred to Urban Renewal and the entire balance is included as a receivable from other governments in the accompanying statements of net position and balance sheets – governmental funds. Upon the sale of the land to a developer, Urban Renewal will repay the Authority the original purchase price. Due to economic uncertainties associated with the COVID-19 pandemic, the land has not yet been sold and is actively being marketed. At June 30, 2022 and 2021, the receivable is classified as noncurrent in the accompanying statements of net position. As of the date of the independent auditor's report, the land has not yet been sold and remains due from Urban Renewal.

**Note 15: Subsequent Events**

Subsequent to year-end, the Authority entered into an agreement with the City through OCEDT in relation to developments occurring within the Innovation District. The agreement provides for \$5,000,000 in funds to be transferred to the Authority from OCEDT to be used in partnership with a private developer for economic development within the Innovation District. Funds will be returned to OCEDT from the Authority through future collections of ad valorem revenues related to the Innovation District.



## **Other Information**

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**Budget-to-Actual Expenditure Comparison (Project Life-to-Date)**  
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<b>TIF 1</b>	<b>Category A</b>	<b>Category B</b>	<b>Category C</b>
Total budget	\$ 22,000,000	\$ 23,000,000	\$ 2,000,000
Expenditures			
For years 2013 through 2022	(4,983,474)	(722,660)	(577,751)
For years 2012 and prior	<u>(9,719,370)</u>	<u>(14,516,056)</u>	<u>(1,422,249)</u>
Budget amount remaining	<u>\$ 7,297,156</u>	<u>\$ 7,761,284</u>	<u>\$ -</u>

<b>TIF 7</b>	<b>Category A</b>	<b>Category B</b>	<b>Category C</b>	<b>Category D</b>
Total budget	\$ 4,000,000	\$ 5,000,000	\$ 1,000,000	\$ 11,000,000
Expenditures				
For years 2013 through 2022	(255,600)	-	(648,339)	(1,941,401)
For years 2012 and prior	<u>-</u>	<u>-</u>	<u>-</u>	<u>(504,816)</u>
Budget amount remaining	<u>\$ 3,744,400</u>	<u>\$ 5,000,000</u>	<u>\$ 351,661</u>	<u>\$ 8,553,783</u>

<b>TIF 11</b>	<b>Category A</b>	<b>Category B</b>	<b>Category C</b>	<b>Category D</b>	<b>Category E</b>
Total budget	\$ 17,000,000	\$ 9,000,000	\$ 3,000,000	\$ 5,000,000	\$ 18,000,000
Expenditures					
2022	-	-	-	-	(5,225)
2021	-	-	-	-	(7,487)
2020	-	-	-	-	(2,650)
2019	-	-	-	-	-
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>\$ 17,982,528</u>

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

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**Notes to Budget-to-Actual Expenditure Comparison (Project Life-to-Date)**  
**June 30, 2022**

**Note 1: Basis of Preparation**

The budget-to-actual comparisons have been prepared on the accrual basis of accounting. All expenditures in the report are recorded when paid or contractually due. The report is not adjusted for deferred inflows or outflows.

**Note 2: Expenditures**

***TIF 1***

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; and 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, and 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

**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, 2022**

improvements, and land disposition, as authorized by the Oklahoma Urban Renewal Law, 11 O.S. § 38-101, et seq.

***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 TIF Districts can be spent for project costs throughout the project area. Project costs remaining unpaid upon the expiration of TIF District may be paid from increments of the remaining TIF 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 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 year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 12, 2022.

### ***Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 or significant deficiencies may exist that have not been identified.

Board of Trustees  
Oklahoma City Redevelopment Authority

### ***Report on 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 financial statements. 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.

**FORVIS,LLP**

Oklahoma City, Oklahoma  
December 12, 2022

**Oklahoma City Redevelopment Authority**  
**A Component Unit of the City of Oklahoma City, Oklahoma**  
**Schedule of Findings and Responses**  
**Year Ended June 30, 2022**

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.



Two Leadership Square South Tower, 211 N. Robinson Avenue, Suite 600 / Oklahoma City, OK 73102

P 405.606.2580 / F 405.600.9799

[forvis.com](http://forvis.com)

Board of Trustees  
Oklahoma City Redevelopment Authority  
Oklahoma City, Oklahoma

As part of our audit of the financial statements of 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, 2022, 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 contract more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement and compliance audits 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 contract 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.

### ***GASB 87***

Effective July 1, 2021, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB 87 creates one model for recognizing leases for both lessees and lessors. Substantially all leases are recognized on the lessees' statement of net position. In the activity statement, lessees no longer report rent expense for the previously classified operating leases but instead report interest expense on the liability and amortization expense related to the asset. Lessors recognize a lease receivable and corresponding deferred inflow of resources. Interest income associated with the receivable is recognized using the effective interest method.

The adoption of GASB 87 had no material impact on the financial statements of the Authority.



***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 estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

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

***Significant Unusual Transactions***

No matters are reportable.

***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
- Ad valorem tax revenue
- Unearned revenues

***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 which, in its judgment, are required to prevent the financial statements from being materially misstated. A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Areas in which adjustments were proposed include:

***Proposed Audit Adjustments Recorded***

- Various adjustments to conform with modified accrual basis of accounting

***Proposed Audit Adjustments Not Recorded***

- No matters are reportable.

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

No matters are reportable.

**Other Material Communication**

Listed below is another material communication between management and us related to the audit:

- Management representation letter (attached)

**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, 2022, 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 audit 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency 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 material misstatements 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*****Segregation of Duties***

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 number of the upper level accounting functions. Additionally, the Authority has limited procedures in place to capture nonstandard transactions, including recording of arrangements associated with payments in lieu of taxes or other noncash transactions. 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 mitigate any segregation of duties issues.

We observed other matters that we consider to be deficiencies that we communicated to management orally.

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.

**FORVIS,LLP**

Oklahoma City, Oklahoma  
December 12, 2022

*Representation of:*

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

*Provided to:*

**FORVIS, LLP**

Certified Public Accountants  
110 N. Elgin Avenue, Suite 400  
Tulsa, OK 74120

The undersigned ("We") are providing this letter in connection with FORVIS' audits of our financial statements as of and for the years ended June 30, 2022 and 2021.

Our representations are current and effective as of the date of FORVIS' report: December 12, 2022.

Our engagement with FORVIS is based on our contract for services dated: July 11, 2022.

### **Our Responsibility and Consideration of Material Matters**

We confirm that we are responsible for the fair presentation of the financial statements subject to FORVIS' report 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. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

### **Confirmation of Matters Specific to the Subject Matter of FORVIS' Report**

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 contract, 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:
  - a. Internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
  - b. Internal control to prevent and detect fraud.
3. 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.

4. We have everything we need to keep our books and records.
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 or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the governing body, if applicable, and maintained as part of our records.
  - 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 our procedures with respect to:
  - a. Misappropriation of assets.
  - b. Misrepresented or misstated assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position/fund balance.
8. We have no knowledge of any known or suspected fraudulent financial reporting or misappropriation of assets involving:
  - a. Management or employees who have significant roles in internal control, or
  - b. Others, where activities of others could have a material effect on the financial statements.
9. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from customers, regulators, suppliers, or others.
10. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.
11. We have disclosed to you the identity of all of the entity's related parties and all the related-party relationships of which we are aware. In addition, we have disclosed to you all related-party 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 entity may deal if the entity 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, the entity.

12. At June 30, 2022 and 2021, the Authority is due payment from the Oklahoma City Urban Renewal Authority (OCURA) of \$4,408,181 related to land purchased by the Authority and transferred to OCURA for development. We have evaluated the collectibility of these amounts and believe they are collectible and have determined that no reserve is needed as we expect the full balance of this receivable to be collected. As uncertainty exists as to when the final transaction will close and the related receivable may not be liquidated within the 2023 fiscal year, we believe this receivable should be classified as long term for presentation in the 2021 and 2022 financial statements.
13. Internal and intra-entity activity and balances have been appropriately classified and reported.
14. We are not aware of any side agreements or other arrangements (either written or oral) that are in place.
15. Except as reflected in the financial statements, there are no:
  - a. Plans or intentions that may materially affect carrying values or classifications of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position/fund balance.
  - b. Material transactions omitted or improperly recorded in the financial records.
  - 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 entity is contingently liable.
  - h. Known or suspected asset retirement obligations.
16. 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.
17. We are not aware of any pending or threatened litigation or claims whose effects should be considered when preparing the 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.
18. Adequate provisions and allowances have been accrued for any material losses from:
  - a. Uncollectible receivables.
  - b. Purchase commitments in excess of normal requirements or above prevailing market prices.
19. Except as disclosed in the financial statements, the entity has:
  - 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.
- 20. 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 that 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 that 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.
- 21. 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.
- 22. 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.
- 23. With respect to any nonattest services you have provided us during the year, including assistance in the 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 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.
  - e. We have received the deliverables from you and have stored these deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.
- 24. With regard to deposit and investment activities:
  - a. All deposit and investment transactions have been made in accordance with legal and contractual requirements.
  - b. Investments are properly valued.
  - c. 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.
  - d. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
- 25. We have identified and evaluated all potential fiduciary activities and have concluded the Authority has no fiduciary activities.

26. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
27. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, and No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus—an amendment of GASB Statements No. 21 and No. 34*, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
28. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
29. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities and allocations have been made on a reasonable basis.
30. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
31. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
32. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance is available and have determined that net position is properly recognized under the policy.
33. We have appropriately disclosed that the entity is following either its established accounting policy regarding which governmental fund resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or is following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes and have determined that fund balance is properly recognized under the policy.
34. As an entity subject to *Government Auditing Standards*:
  - a. We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.
  - b. 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.
  - c. We have identified and disclosed to you any violations or possible violations of laws, regulations, and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
  - d. 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.




- e. We have a process to track the status of audit findings and recommendations.
  - f. 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.
35. The supplementary information required by GASB, 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.
36. In connection with the adoption of GASB Statement No. 87, *Leases*, we represent the following:
- a. We have identified a complete population of potential leases as of the implementation date.
  - b. We have reviewed all significant contracts to identify lease and nonlease components as of the earliest date of adoption. Allocation of contract prices between lease and nonlease components are based upon standalone prices or other reasonable factors.
  - c. Measurements of the lease assets and liabilities, if any, are based upon facts and circumstances that existed at the beginning of the period of implementation.
  - d. The estimates related to any options to extend or terminate the lease terms within the measurement of lease assets and liabilities agree to management's plans for the leases.
  - e. We have adequate controls in place to prevent and/or detect errors in lease assets and liabilities on a recurring basis.
  - f. The footnotes to the financial statements appropriately describe the adoption of GASB 87 which had no material effect on the financial statements as a result of adoption.
37. We acknowledge the current protracted economic decline continues to present difficult circumstances and challenges for the governmental industry. Governmental entities are facing declines in the fair values of investments and other assets, declines in the volume of business, constraints on liquidity, and difficulty obtaining financing. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to asset values, allowances for accounts and notes receivable, etc., that could negatively impact the Authority's ability to maintain sufficient liquidity. We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the Authority's financial statements. Further, management and the Board are solely responsible for all aspects of managing the Authority, including questioning the quality and valuation of investments and other assets, reviewing allowances for uncollectible amounts, and evaluating capital needs and liquidity plans.

DocuSigned by:



Kenton Tsoodle, Executive Director

DocuSigned by:



Geri Harlan, Chief Financial Officer

# OKLAHOMA CITY REDEVELOPMENT AUTHORITY

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Kenton Tsoodle, Executive Director

Date: March 7, 2023

Ref: Resolution Amending the Bylaws of the Oklahoma City Redevelopment Authority

**TRUSTEES**

J. Larry Nichols  
Chairman

James R. Tolbert III  
Vice Chairman

Lee E. Cooper, Jr.

David Greenwell

Judy J. Hatfield

David Holt

Russell M. Perry

**EXECUTIVE DIRECTOR**

Kenton Tsoodle

**Background:** The current Bylaws of the Oklahoma City Redevelopment Authority were adopted and effective as of July 18, 2012. The proposed amendment was read at the meeting held on December 7, 2022.

**Summary of Agenda Item:** The proposed amendment to the Bylaws changes the meeting time from 10:00 a.m. to 10:30 a.m. or to such other time as the Trustees shall determine annually. The proposed amendment also provides that the regular meeting location may be at a location other than the office of the Authority.

**Recommendation:** Approval of Resolution.

**Attachment:** Amended Bylaws.

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION AMENDING THE BYLAWS OF THE OKLAHOMA CITY  
REDEVELOPMENT AUTHORITY**

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**WHEREAS**, the current Bylaws of the Oklahoma City Redevelopment Authority were adopted and effective as of the 18<sup>th</sup> day of July, 2012; and

**WHEREAS**, a procedure for amendment of the Bylaws is contained in Article IV of the Bylaws and has been followed; and

**WHEREAS**, it is deemed appropriate and desirable to amend the Bylaws to:

- (1) Change meeting times to 10:30 a.m. or to such other time as the Trustees shall determine annually;
- (2) Provide that the regular meeting location may be at a location other than the office of the Authority.

**WHEREAS**, the Trustees deem it appropriate and desirable to approve the Oklahoma City Redevelopment Authority Bylaws, as amended, attached hereto.

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

1. The Oklahoma City Redevelopment Authority Bylaws, as amended, which are attached hereto are hereby approved.
2. The Secretary of the Authority is authorized and directed to file the Oklahoma City Redevelopment Authority Bylaws, as amended, in the official files and records of the Trust.

I, \_\_\_\_\_, Secretary of the Board of Trustees of the Oklahoma City Redevelopment Authority, a public trust, certify that the foregoing Resolution No. \_\_\_\_\_ was duly adopted at a **special** meeting of the Oklahoma City Redevelopment Authority, held at its offices at 105 N. Hudson, Suite 101, Oklahoma City, Oklahoma, on the 7<sup>th</sup> day of **March, 2023**; that said meeting was held in accordance with the Bylaws of the Oklahoma City Redevelopment 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 at least four (4) Trustees.

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SECRETARY

(SEAL)

BYLAWS  
OF THE  
OKLAHOMA CITY REDEVELOPMENT AUTHORITY

The Bylaws of the Oklahoma City Redevelopment Authority, effective as of the 7<sup>th</sup> day of March, 2023, shall be as follows:

ARTICLE I - THE AGENCY

Section 1. Name. The name of the Authority shall be the “Oklahoma City Redevelopment Authority.”

Section 2. Seal. The seal of the Authority shall be in the form of a circle and shall bear the name, “Oklahoma City Redevelopment Authority,” the words, “Seal,” and the name of the City, “Oklahoma City, Oklahoma.”

Section 3. Office of Authority. The office of the Authority shall be at such place in the City of Oklahoma City as the Trustees shall designate from time to time. The office of the Authority shall be the regular meeting place of the Authority or at a nearby location convenient and accessible to the public, as the Trustees shall designate from time to time.

ARTICLE II – OFFICERS

Section 1. Officers. The officers of the Authority shall be a Chairman, Vice Chairman, Secretary, First Assistant Secretary, and a Second Assistant Secretary.

Section 2. Chairman. The Chairman shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Authority, the Chairman shall sign all contracts, deeds, and other instruments made by the Authority. At each meeting, the Chairman shall submit recommendations and information as he may consider proper concerning business affairs and policies of the Authority.

The Chairman shall have general supervision of the administration of the Authority's business and affairs, subject to the direction of the Trustees. He shall be charged with the management of the Trust except as otherwise delegated by the Trustees to the General Manager and other employees of the Trust.

Section 3. Vice Chairman. The Vice Chairman shall perform the duties of the Chairman in the absence or incapacity of the Chairman; and in case of the resignation or death of the Chairman, the Vice Chairman shall perform such duties as are imposed on the Chairman until such time as a new Chairman shall have been appointed.

Section 4. Secretary. The Secretary shall keep the records of the Trust, shall act as Secretary of the meetings of the Trust and record all votes, and shall keep a record of the proceedings of the Trust in a journal of proceedings to be kept for such purposes, and shall perform all duties incident to his office. He shall keep in safe custody the Seal of the Authority and shall have the power to affix the Seal to all contracts and instruments authorized to be executed on behalf of the Trust.

He shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Trust in such bank or banks as the Trust may select. He shall have such authority in signing of orders and checks for the payment of money as the Trust may by resolution from time to time designate. He shall keep regular books of accounts of the Trust showing receipts and expenditures and shall render to the Trust an account of the transactions of the Trust and of the financial condition of the Trust when requested. He shall give such bond for the faithful performance of his duties as the governing body may designate. The secretary shall receive no compensation as such. The Secretary of the Trust and the Trustees may authorize the General Manager and the other employees of the Trust to perform and assist in performing these duties and responsibilities.

Section 5. First Assistant Secretary. The First Assistant Secretary shall serve as the Secretary to the Trust in the absence of the Secretary.

Section 6. Second Assistant Secretary. The Second Assistant Secretary shall serve as the Secretary to the Trust in the absence of the Secretary and the First Assistant Secretary.

Section 7. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the governing body or by the Bylaws or rules and regulations of the Trust.

Section 8. Election or Appointment. The Chairman and Vice Chairman shall be designated from the duly appointed members of the Trust by the Mayor of the City of Oklahoma City. The Chairman and Vice Chairman shall serve terms of one (1) year, beginning July 1st of each calendar year or until a successor is named. Should the Mayor fail to name a Chairman or Vice Chairman within thirty (30) days after the separation date of the former Chairman and Vice Chairman, the members of the Trust may elect a Chairman and Vice Chairman from its membership by a simple majority vote of its members.

The Secretary, First Assistant Secretary, and the Second Assistant Secretary shall be elected from the membership of the Trust by a simple majority vote of the members. The term of office shall be for one (1) year, beginning July 1st of each calendar year or until a successor is elected.

Section 9. Vacancies. Should the office of Chairman, Vice Chairman, Secretary, First Assistant Secretary, or Second Assistant Secretary become vacant, the Trust shall elect a successor from its membership at the next meeting and such election shall be for the unexpired term of said office.

Section 10. Additional Personnel. The Trust may from time to time employ such personnel as it deems necessary to exercise its power, duties and functions as prescribed by the Trust indenture.

### ARTICLE III –MEETING

Section 1. Annual Meeting. The annual meeting of the Trust shall be held on the third Wednesday of July at 10:30 a.m. at the regular meeting place of the Trust, unless another time or place is designated by the Chairman and contained in the meeting notice.

Section 2 Regular Meeting. Regular meetings of the Trust shall be held on the third Wednesday of each month at 10:30 a.m. or at such time as the Trustees shall determine annually and shall be held at the regular meeting place of the Trust, unless another time or place is designated by the Chairman and contained in the meeting notice. Should any such Wednesday be a legal holiday, the meeting shall be held on the following Thursday at the same time and place.

Section 3. Special Meeting. The Chairman of the Trust may, when he deems it expedient, and shall in any event upon the written request of two (2) members of the Trust, call a special meeting of the Trust for the purpose of transacting any business designated in the call. Where the call is made at the request of two (2) members, it shall designate any business for consideration specified by the requesting members. The call of a special meeting may be delivered to each member of the Trust or may be mailed to the business or home address of each member of the Trust at least two (2) days prior to the date of such special meeting. At each special meeting no business shall be considered other than that designated in the call. Notice of such meetings must be posted 48 hours in advance of the meeting.

Section 4. Quorum. The powers of the Trust shall be vested in the Trustees thereof in office from time to time. Four (4) Trustees shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number, except in regard to a called special meeting, may adjourn from time to time until a quorum is obtained. When a quorum is in attendance, action may be taken by the Trust upon a favorable vote of the majority of the Trustees present.

Section 5. Manner of Voting. The voting on all questions coming before the Trust shall be by roll call, the AYE's and NO's shall be entered upon the minutes of such meeting, except in case of elections when the vote may be by ballot.

#### ARTICLE IV –AMENDMENTS

Section 1. Amendment to Bylaws. The Bylaws of the Trust may be amended with the approval of at least four (4) of the Trustees at a regular or a special meeting.

Except by unanimous consent of all the Trustees, no proposed amendment to the Bylaws shall be voted upon until the same shall have been reduced to writing, filed with the Secretary and read at the regular meeting immediately preceding the meeting at which the same is voted upon.

Passed and approved this 7<sup>th</sup> day of March, 2023.

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CHAIRMAN

ATTEST:

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SECRETARY

# OKLAHOMA CITY REDEVELOPMENT AUTHORITY

**TRUSTEES**

J. Larry Nichols  
Chairman

James R. Tolbert III  
Vice Chairman

Lee E. Cooper, Jr.

David Greenwell

Judy J. Hatfield

David Holt

Russell M. Perry

**EXECUTIVE DIRECTOR**

Kenton Tsoodle

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Kenton Tsoodle, Executive Director

Date: March 7, 2023

Ref: Resolution Authorizing and Approving First Amended and Restated  
Master Development Agreement for the MAPS 4 Innovation Hall,  
Oklahoma Regional Innovation District Project Plan

**Background:** OCRA, the City and the Developer (BT Development, LLC.) entered into a Master Development Agreement as of January 18, 2022 setting terms, conditions, and agreements which the Developer will develop Innovation Hall and related infrastructure. The agreement also granted \$10 million of MAPS 4 program funds to the Developer for the construction and development of Innovation Hall. This Amendment will account of the increased costs of construction and the additional MAPS 4 program funds that have become available for construction.

**Summary of Agenda Item:** This Resolution authorizes and approves the Amended and Restated Master Development Agreement for the MAPS 4 Innovation Hall.

**Recommendation:** Approval of Resolution.

**Attachment:** Exhibit.



**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION AUTHORIZING AND APPROVING FIRST AMENDED  
AND RESTATED MASTER DEVELOPMENT AGREEMENT FOR THE  
MAPS 4 INNOVATION HALL, OKLAHOMA REGIONAL INNOVATION  
DISTRICT PROJECT PLAN**

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**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.* (“Act”); and

**WHEREAS**, the City has designated the Oklahoma City Redevelopment Authority (“OCRA”), a public trust whose purposes include assisting its sole beneficiary, the City, to stimulate economic growth and development, as the public entity responsible for implementing Project Plan, which was originally approved as the Oklahoma Health Center Economic Development Project Plan, the City’s first tax increment financing plan adopted pursuant to the Act; and

**WHEREAS**, the Project Plan authorizes OCRA to carry out and administer the provisions of the Project Plan in order to provide support for the development of the area known as the Innovation District (“Project Area”); and

**WHEREAS**, the City has adopted a Resolution of Intent setting forth the MAPS 4 program and expressing the administrative intent on the composition of the MAPS 4 program, for the purpose of making the investments necessary to continue Oklahoma City’s renaissance and extending the transformational power of Metropolitan Area Projects across the city and to all residents; and

**WHEREAS**, the Resolution of Intent states that, “for the purpose of transforming our entrepreneurial ecosystem to create jobs and foster a more diverse economy, it is the intent of the Council to pursue several projects at the Innovation District in near northeast Oklahoma City;” and

**WHEREAS**, the Resolution of Intent further states that:

“[i]t is the intent of the Council to further allocate \$10 million for the purpose of matching up to \$10 million raised from non-MAPS sources for an ‘innovation hall’ and related infrastructure where activities to grow our city’s innovation economy can be facilitated. Such activities could include but are not necessarily limited to learning academies such as coding training for all ages; versatile space for meetings and events related to innovation and entrepreneurship; and pop-up spaces for entrepreneurs to showcase new ideas and build connections;

and

**WHEREAS**, BT Development, L.L.C. (together with affiliates, the “Developer”), an Oklahoma limited liability company owned and managed by Mark Beffort and Richard “Dick” Tanenbaum, has purchased land near N.E. 8<sup>th</sup> Street and I-235 (“Land”), in the Project Area, in the core of the Innovation District; and

**WHEREAS**, the Developer contemplates a major mixed-use project primarily on the Land in the Innovation District including an office tower building for research labs and office space, a parking garage, hotel, amenity deck, public realm open-air community environment, as well as a proposed building for Innovation Hall; and

**WHEREAS**, OCRA and the Developer have conducted discussions and have worked out a financing and development plan under which Innovation Hall and related infrastructure can be constructed as part of the Developer’s larger overall innovation project in order to raise the required \$10 million match in non-MAPS program funds, leverage additional development to facilitate the city’s innovation economy, and achieve certain efficiencies in financing, construction, operation, and maintenance of Innovation Hall; and

**WHEREAS**, the Developer, OCRA, and the City entered into that certain Master Development Agreement dated effective as of January 18, 2022 (“the MDA”), to set forth the terms, conditions, and agreements upon which (i) the Developer will develop Innovation Hall and related infrastructure (collectively, “the Innovation Hall Project”), and (ii) the City will grant the \$10 million in MAPS 4 program funds to the Developer for the construction and development of the Innovation Hall Project, in accordance with the public purposes of Ordinance 26,255 and the Resolution of Intent; and

**WHEREAS**, the parties desire to amend and restate the Original MDA to account for increased costs of construction and additional MAPS 4 funds that are available and necessary for the construction of Innovation Hall;

**WHEREAS**, it is appropriate and desirable to authorize and approve the First Amended and Restated Master Development Agreement, to authorize and direct the Executive Director and Legal Counsel to take all necessary and appropriate actions to finalize the First Amended and Restated Master Development Agreement and secure the necessary approvals by the City, and to authorize the Officers and Executive Director of OCRA, with the assistance of Legal Counsel, to approve and execute the First Amended and Restated Master Development Agreement and such other agreements as may be necessary or appropriate to implement the authorizations of this resolution and to assist in undertaking the performance and implementation of such agreements under the Project Plan.

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

1. The First Amended and Restated Master Development Agreement among BT Development, L.L.C., the City of Oklahoma City, and the Oklahoma City Redevelopment Authority is hereby authorized.

2. The Executive Director and Legal Counsel are authorized and directed to take all necessary and appropriate actions to finalize the First Amended and Restated Master Development Agreement and secure the necessary approvals by the City.
3. The Officers and Executive Director of OCRA, with the assistance of Legal Counsel, are authorized to approve and execute the First Amended and Restated Master Development Agreement and such other agreements as may be necessary or appropriate to implement the authorizations of this resolution and to assist in undertaking the performance and implementation of such agreements under the Project Plan.

I, \_\_\_\_\_, Secretary of the Board of Trustees of the Oklahoma City Redevelopment Authority, a public trust, certify that the foregoing Resolution No. \_\_\_\_\_ was duly adopted at a **special** meeting of the Oklahoma City Redevelopment Authority, held at its offices at 105 N. Hudson, Suite 101, Oklahoma City, Oklahoma, on the 7<sup>th</sup> day of **March, 2023**; that said meeting was held in accordance with the Bylaws of the Oklahoma City Redevelopment 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 Trustees present.

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SECRETARY

(SEAL)

**FIRST AMENDED AND RESTATED  
MASTER DEVELOPMENT AGREEMENT  
FOR THE DEVELOPMENT OF MAPS 4 INNOVATION HALL**

**THIS FIRST AMENDED AND RESTATED MASTER DEVELOPMENT AGREEMENT FOR THE DEVELOPMENT OF MAPS 4 INNOVATION HALL** (this “Amended Agreement” or the “Amended MDA”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2023, by and among the Oklahoma City Redevelopment Authority, a public trust (the “Authority” or “OCRA”), The City of Oklahoma City, a municipal corporation (“the City”), and BT Development, L.L.C., an Oklahoma limited liability company (“Developer”). OCRA, the City, and the Developer are the “Parties” and each a “Party.” This Amended Agreement amends and restates in its entirety that certain Master Development Agreement dated January 18, 2022 by and among the Parties (the “Original Agreement” or “Original MDA”).

**WITNESSETH:**

**WHEREAS**, for the purpose of making the investments necessary to continue Oklahoma City’s renaissance and extending the transformational power of Metropolitan Area Projects across the city and to all residents, on August 27, 2019, the City Council adopted a Resolution of Intent setting forth a new MAPS program to be known as “MAPS 4” and expressing the administrative intent on the composition of the MAPS 4 program; and

**WHEREAS**, on September 24, 2019, the City Council called a Special Election to be held December 10, 2019, for the voters’ consideration of Ordinance 26,255, which proposed a one-cent sales tax for a limited term of eight years, beginning on April 1, 2020, which Council expressed an intent to be used to fund the MAPS 4 program; and

**WHEREAS**, on December 10, 2019, Ordinance 26,255, levying the temporary sales tax, was approved by 71.7% of voters; and

**WHEREAS**, the Resolution of Intent states that, “for the purpose of transforming our entrepreneurial ecosystem to create jobs and foster a more diverse economy, it is the intent of the Council to pursue several projects at the Innovation District in near northeast Oklahoma City;” and

**WHEREAS**, the Resolution of Intent further states that:

“[i]t is the intent of the Council to further allocate \$10 million for the purpose of matching up to \$10 million raised from non-MAPS sources for an ‘innovation hall’ and related infrastructure where activities to grow our city’s innovation economy can be facilitated. Such activities could include but are not necessarily limited to learning academies such as coding training for all ages; versatile space for meetings and events related to innovation and entrepreneurship; and pop-up spaces for entrepreneurs to showcase new ideas and build connections;

and

**WHEREAS**, the Resolution of Intent also sets forth the intent of Council to allocate funds to provide for the operations of Innovation Hall as well as for the Henrietta B. Foster Center for Northeast Small Business Development; and

**WHEREAS**, the Oklahoma City Redevelopment Authority (“OCRA”) is a public trust whose purposes include assisting its sole beneficiary, the City, to stimulate economic growth and development; and

**WHEREAS**, the City has designated OCRA as the public entity responsible for implementing the Oklahoma Regional Innovation District Project Plan (“Project Plan”), which was originally approved as the Oklahoma Health Center Economic Development Plan, the City’s first tax increment financing plan adopted pursuant to the Oklahoma Local Development Act, 62 O.S. § 850 *et seq.*; and

**WHEREAS**, BT Development, L.L.C. (“Developer”), an Oklahoma limited liability company owned and managed by Mark Beffort and Richard “Dick” Tanenbaum, has purchased land near N.E. 8<sup>th</sup> Street and I-235 (“Land”), in the Project Area under the Project Plan, in the central part of the Innovation District; and

**WHEREAS**, the Developer intends to construct and develop a major mixed-use project on the Land and other land acquired by the Developer in the Innovation District including an office tower building for research labs and office space, a parking garage, hotel (as a second phase), public realm open-air community environment, as well as a proposed building for Innovation Hall; and

**WHEREAS**, OCRA and the Developer have conducted discussions and have worked out

a preliminary development and funding plan under which Innovation Hall and related infrastructure can be constructed as part of the Developer's larger overall innovation project in order to raise the required \$10 million match in non-MAPS program funds, leverage additional development to facilitate the city's innovation economy, and achieve certain efficiencies in financing, construction, operation, and maintenance of Innovation Hall;

**WHEREAS**, the Developer, OCRA, and the City entered into that certain Master Development Agreement dated effective as of January 18, 2022 ("the MDA"), to set forth the terms, conditions, and agreements upon which (i) the Developer will develop Innovation Hall and related infrastructure (collectively, "the Innovation Hall Project"), and (ii) the City will grant the \$10 million in MAPS 4 program funds to the Developer for the construction and development of the Innovation Hall Project, in accordance with the public purposes of Ordinance 26,255 and the Resolution of Intent; and

**WHEREAS**, the parties desire to amend and restate the Original MDA to account for increased costs of construction and additional MAPS 4 funds that are available and necessary for the construction of Innovation Hall;

**NOW, THEREFORE**, in consideration of the promises and mutual obligations herein set forth, the parties hereby covenant and agree with each other as follows:

## **SECTION 1.**

### **DEFINED TERMS**

Unless specifically provided otherwise, when used in this Amended MDA:

**1.1. City.** "City" or "the City" means The City of Oklahoma City, Oklahoma, a municipal corporation.

**1.2. Developer.** "Developer" means BT Development, L.L.C., an Oklahoma limited liability company and/or one or more affiliates of the Developer and its principal owners, as reasonably approved by OCRA, with OCRA acknowledging and understanding that the Developer's Innovation Complex Project (and therefore the Innovation Hall Project) is contemplated to be financed in part with federal new markets tax credit financing, and therefore an affiliate of the Developer that is a participant in the federal new markets tax credit financing

structure will be reasonably approved by OCRA. OCRA further acknowledges and understands that it is contemplated that there will be multiple affiliates of the Developer that will be participants in the contemplated federal new market tax credit financing structure.

**1.3. Innovation District.** “Innovation District” means the 1.3 square-mile area in northeast Oklahoma City where the City seeks to transform the entrepreneurial ecosystem to create jobs and foster a more diverse economy.

**1.4. Innovation Complex Project.** “Innovation Complex Project” or “Project” means the development of the Land (as defined herein) and other land subsequently acquired by the Developer, including an 8-story office tower building for research labs and office space (approximately 200,000 square feet); parking garage with 2 basement subsurface levels (total of approximately 580 parking spaces); public realm area providing an open-air community environment (approximately 45,000 square feet); and the proposed Innovation Hall building (approximately 25,000-30,000 square feet).

**1.5. Innovation Hall.** “Innovation Hall” means the building facility contemplated by the Resolution of Intent, specifically, a versatile space in the Innovation District for meetings and events related to innovation and entrepreneurship, where activities to grow the City’s innovation economy can be facilitated by showcasing ideas, building connections, and supporting education and training. The Innovation Hall building is contemplated as being approximately 25,000-30,000 square feet.

**1.6. Land.** “Land” means the land near N.E. 8<sup>th</sup> Street and I-235 purchased by the Developer and more particularly described on Exhibit A.

**1.7. OCRA.** “OCRA” means the Oklahoma City Redevelopment Authority, a public trust created pursuant to 70 O.S. §176 *et seq.*, whose purposes include assisting its sole beneficiary, the City, to stimulate economic growth and development.

**1.8. Related Infrastructure.** “Related Infrastructure” means the improvements contemplated by the Resolution of Intent that are necessary to support Innovation Hall in fulfilling its purpose, including significant public spaces designed to promote community interaction, pedestrian-oriented connections between Innovation Hall and surrounding amenities and

institutions, and supportive parking, as well as streets, utilities, and landscaping.

## **SECTION 2.**

### **SCOPE OF PROJECT**

#### **2.1 General Description of the Project.**

(a) The Innovation Hall Project consists of a building facility (Innovation Hall) which is being designed and which will function as an integral part of the Developer's larger Innovation Complex Project. The Innovation Complex Project includes:

- (i) An 8-story office tower building for research labs and office space (approximately 200,000 square feet) (the "Office Tower");
- (ii) A 3-level parking garage with 2 basement subsurface levels, and 1 ground floor level (total of approximately 580 parking spaces) (the "Parking Garage");
- (iii) A public realm area providing an open-air community environment (approximately 45,000 square feet) (the "Public Realm"); and
- (iv) An Innovation Hall building (approximately 25,000-30,000 square feet) (the "Innovation Hall");

along with a hotel of approximately 107 rooms (the "Hotel"), which is contemplated to be constructed as a second phase, all of which will have pedestrian connectivity to surrounding assets in the Innovation District.

(b) To meet the requirement of the Resolution of Intent to raise \$10 million in non-MAPS program funds to match the initial \$10 million in MAPS program allocated funds, OCRA has structured a plan with the Developer to develop and finance Innovation Hall as part of the Innovation Complex Project, which will have the added benefit of leveraging additional development to facilitate the city's innovation economy and achieve certain efficiencies in financing, construction, operation, and maintenance of Innovation Hall.

(c) The Project, with the Hotel project as a second phase, will have a total project cost of approximately \$178,000,000. The anticipated sources of funds for the Project may include: equity capital, private debt, property assessed clean energy ("PACE") financing, New



Markets Tax Credits (“NMTC”) financing, tax increment financing (“TIF”) revenues, and MAPS 4 allocated funds for Innovation Hall and Related Infrastructure.

## **2.2 General Overview of the Financing of the Project.**

(a) Because the Innovation Complex Project and the Hotel Project are contemplated to be funded in part from financing involving federal NMTC, the Innovation Complex Project and the Hotel project will be required to utilize a standard NMTC financing structure, which is somewhat complex but has been utilized in agreements including the City, acting through one or more of its public trusts, for projects such as the Homeland grocery store at N.E. 36<sup>th</sup> Street and Lincoln Boulevard, the Skirvin Hotel, and the First National Center garage project.

(b) The NMTC financing (and therefore the overall financing) for the Project and the Hotel Project will be separated into two phases: one that will consist of the Hotel and one that will consist of the Officer Tower, Parking Garage, Public Realm, and the Innovation Hall (the “Innovation Complex”). A diagram illustrating the contemplated Hotel NMTC financing structure using illustrative amounts is attached hereto as Exhibit B, and a diagram illustrating the contemplated Innovation Complex NMTC financing structure using illustrative amounts is attached hereto as Exhibit C.

## **SECTION 3.**

### **DEVELOPMENT OF INNOVATION HALL AND RELATED INFRASTRUCTURE**

**3.1 Designation of Master Developer.** Developer is designated, and shall serve as, the master developer for the development and construction of Innovation Hall and Related Infrastructure. Developer’s duties as the master developer of Innovation Hall and Related Infrastructure shall include, without limitation, the obligations set forth in Section 3.2.

### **3.2 Obligations of the Developer.**

(a) The Developer will coordinate, provide, pay for, and secure completion of all pre-development services for Innovation Hall and Related Infrastructure, in a good and workmanlike manner, and in accordance with this Amended Agreement.

(b) The Developer will submit floorplans and elevations for Innovation Hall and Related Infrastructure to OCRA staff and City staff for review and reasonable approval as provided below:

(i) The Developer has submitted initial floorplans and elevations for Innovation Hall and Related Infrastructure to OCRA staff and City staff. OCRA, acting through its Executive Director, and the City, in their reasonable discretion, approved the floorplans and elevations. .

(ii) Following approval, any material changes in the floorplans and elevations for Innovation Hall and Related Infrastructure must be submitted to OCRA for review, and OCRA, acting through its Executive Director, shall, in its reasonable discretion, approve, disapprove, or impose further reasonable requirements with respect to the proposed material change. The time within which OCRA shall approve or disapprove any material proposed change in the floorplans and elevations shall be fifteen (15) days after the date of OCRA's receipt of notice of such proposed change. OCRA's approval shall not be unreasonably withheld, conditioned or delayed.

(c) The Developer will submit to OCRA staff and City staff proposed legal descriptions for Innovation Hall, publicly-owned Related Infrastructure, and other properties and parcels comprising the Project. OCRA and the Developer acknowledge that the Developer submitted the proposed legal descriptions for the parcels comprising the Project to OCRA on or about February 2, 2023.

(d) The Developer will provide OCRA with evidence that the Managing LLC (as defined below) has entered into a sublease and management agreement with OCRA and/or the City for the Managing LLC to maintain the Innovation Hall building on terms satisfactory to OCRA, acting through its Executive Director, in its reasonable discretion.

(e) The Developer agrees to diligently pursue and proceed with the completion of construction of the Innovation Hall and Related Infrastructure following the commencement of construction, subject to an Excusable Delay (as defined below). For purposes of this Amended Agreement, "Excusable Delay" shall mean delays beyond the reasonable control of Developer and shall include, without limiting the generality of the foregoing, delays attributable to acts of God,

strikes, labor disputes, court injunctions, governmental action, riot, civil commotion, acts of public enemy and casualty, pandemics, epidemics. In the event of an Excusable Delay Developer shall promptly notify OCRA in writing and use its commercially reasonable efforts to mitigate and resolve the Excusable Delay as promptly as practical (keeping OCRA informed of the efforts being made to mitigate and resolve the Excusable Delay); provided that, Excusable Delay shall extend the time of performance of all such duties impacted by the Excusable Delay. Excusable Delay shall begin on the day following the date on which Developer notifies OCRA in writing and shall thereafter extend until such date on which the event which has caused the Excusable Delay has been materially corrected or substantially performed, or reasonably should have been materially corrected or substantially performed, given commercially reasonable efforts. Upon the completion of construction of the Innovation Hall and Related Infrastructure, Developer shall submit to the OCRA such documents as OCRA may reasonably request to evidence the completion of the construction of Innovation Hall and Related Infrastructure.

(f) Developer shall comply with all applicable laws and requirements, including without limitation, all of the City's ordinances, rules and procedures in connection with planning, developing, and constructing Innovation Hall and Related Infrastructure. Developer shall obtain and comply with all necessary permits, licenses, consents, approvals, and other authorizations required from governmental authorities for the planning, developing and constructing Innovation Hall and Related Infrastructure, and pay all fees, impositions, and other changes in connection therewith. Developer shall provide OCRA with such additional information as OCRA may reasonably request concerning Developer, or the design, development and construction of Innovation Hall and Related Infrastructure.

(g) In order to enable OCRA to monitor Developer's compliance with this Amended Agreement, Developer agrees to permit OCRA, or its designees, to inspect and observe the construction of Innovation Hall and Related Infrastructure in order to ascertain and determine that terms of this Amended Agreement have been met. The frequency and level of inspections shall be reasonably determined by OCRA and subject to the reasonable approval of Developer in order that such inspections will not unreasonably interfere with or delay Developer or its agents and contractors in the construction of Innovation Hall and Related Infrastructure.

(h) Throughout the Term, Developer will acquire and maintain a policy of commercial general liability insurance, which policy will: (1) cover its indemnification obligations set out in this Amended Agreement; (2) be placed with an insurance company licensed to do business in the State of Oklahoma; (3) provide for coverage limits of not less than One Million Dollars (\$1,000,000.00) per occurrence with respect to personal injury and death, and not less than One Million Dollars (\$1,000,000.00) per occurrence with respect to property damage; and (4) name OCRA as additional insured. Upon request, Developer will deliver to OCRA a certificate of insurance evidencing the existence of such insurance coverage. OCRA acknowledges that a certificate of insurance was submitted.

(i) Developer will fully defend, indemnify, release, and completely hold harmless OCRA and the City from and against any and all claims, losses, damages, demands, causes of action, suits, judgments, and liabilities of every kind and character, litigation, court costs, expert fees, reasonable attorneys' fees, and any other associated costs of defense or resolution incurred by or asserted against OCRA or the City that arise by reason of: (1) any injury to or death of any person or any damage to property during the development and construction of Innovation Hall and Related Infrastructure; (2) any failure by Developer to perform Developer's obligations under this Amended Agreement; or (3) any other occurrence on the property on which Innovation Hall and Related Infrastructure is located during the development and construction of Innovation Hall and Related Infrastructure, unless caused by OCRA's or the City's negligence or willful misconduct. In the event of concurrent negligence of the Parties, such negligence will be apportioned comparatively in accordance with applicable law.

**3.3 Ownership Structure, Leases, and Other Agreements.** It is currently contemplated that Innovation Hall will be owned as follows:

(a) Developer will convey to OCRA title to the surface of the land where Innovation Hall will be located.

(b) OCRA will ground lease the surface of the land where Innovation Hall will be located to the Developer pursuant to a ground lease (the "Ground Lease").

(c) The Developer will construct and own the Innovation Hall building for the

term of the Ground Lease.

(d) The Developer will lease the Innovation Hall building to another affiliate of the Developer (the “Managing LLC”) pursuant to a management lease.

(e) The Managing LLC will enter into a sublease and management agreement with OCRA and/or the City for the Managing LLC to maintain the Innovation Hall building during the term of the lease.

(f) The City shall have the right to select the operator of the Innovation Hall in its discretion (the “City Selected Innovation Hall Operator”). OCRA and/or the City will enter into a sublease and operations agreement with the City Selected Innovation Hall Operator to operate Innovation Hall. The sublease and operations agreement will grant the City Selected Innovation Hall Operator the right to occupy the Innovation Hall building at nominal rent. If the sublease and operations agreement is with OCRA, it shall include terms to provide for automatic termination in the event the City terminates its agreement with the City Selected Innovation Hall Operator.

(g) At the end of the term of the Ground Lease (which term is anticipated to be seven years or more), the ownership of the Innovation Hall building shall revert to OCRA, and the City shall have the option to acquire the Innovation Hall building, at no cost.

## **SECTION 4.**

### **OBLIGATIONS OF OCRA AND RIGHTS OF THE CITY; FUNDING OF THE MAPS 4 ALLOCATED FUNDS**

#### **4.1 Obligations of OCRA for Negotiation, Oversight, and Implementation.**

(a) In order to best achieve the objectives set forth in the Resolution of Intent, including developing Innovation Hall and Related Infrastructure, OCRA shall exercise appropriate oversight, consistent with the Resolution of Intent and the Project Plan for the Innovation District, for the design and construction of the the Innovation Hall and Related Infrastructure.

(b) OCRA shall negotiate, enter into, implement and administer any economic development agreements with the Developer for the benefit of the City and its residents pursuant to the Project Plan for the Innovation District.

(c) OCRA shall ensure that Innovation Hall and Related Infrastructure are open to the public and are operated and maintained so as to achieve the objectives of the Resolution of Intent and the Project Plan for the Innovation District. OCRA shall provide annual reports to the City regarding the construction and operation of Innovation Hall.

(d) OCRA will fully defend, indemnify, release, and completely hold harmless Developer from and against any and all claims, losses, damages, demands, causes of action, suits, judgments, and liabilities of every kind and character, litigation, court costs, expert fees, reasonable attorneys' fees, and any other associated costs of defense or resolution incurred by or asserted against Developer that arise by reason of any failure by OCRA to perform OCRA's obligations under this Amended Agreement, unless caused by Developer's negligence or willful misconduct. In the event of concurrent negligence of Developer and OCRA, such negligence will be apportioned comparatively in accordance with applicable law.

#### **4.2 Funding Allocated for MAPS 4.**

(a) In accordance with the Resolution of Intent, which provides that "[i]t is the intent of the Council to further allocate \$10 million for the purpose of matching up to \$10 million raised from non-MAPS sources for an 'innovation hall' and related infrastructure where activities to grow our city's innovation economy can be facilitated," the Developer has identified not less than Ten Million Dollars (\$10,000,000.00) in non-MAPS program funds constituting the match required for Innovation Hall and Related Infrastructure, as shown on Exhibit D.

(b) The Parties acknowledge and agree that, following the execution of the Original MDA in January 2022, the City transferred to OCRA the referenced Ten Million Dollars (\$10,000,000.00) allocated for the MAPS 4 Innovation Hall.

(c) Within fourteen (14) days of this Amended Agreement being fully executed and the delivery of an appropriate invoice from OCRA to the City, the City shall transfer to OCRA the additional One Million Three Thousand Three Hundred Dollars (\$1,003,300) allocated for the MAPS 4 Innovation Hall.

(d) OCRA shall provide monthly reports to the City Manager or his designee detailing the expenditure of the Eleven Million Three Thousand Three Hundred Dollars (\$11,003,300.00), which shall be used solely for the purpose of constructing and furnishing

Innovation Hall and Related Infrastructure.

(e) The Parties acknowledge and agree that on or about March 15, 2022, the City entered into an agreement with the City Selected Innovation Hall Operator (Oklahoma City Innovation District, Inc.) for the operation of Innovation Hall, which was a precondition for the Developer's expenditure of the MAPS 4 funds.

**4.3 IH MAPS Funds.** Upon the satisfaction of the conditions set forth in Section 4.4 below, OCRA shall deliver and convey to Developer the amount of Eleven Million Three Thousand Three Hundred Dollars (\$11,003,300) in MAPS funds (the "IH MAPS Funds") for the development and construction of the Innovation Hall and Related Infrastructure.

**4.4. Conditions Precedent to Conveyance of IH MAPS Funds by OCRA to Developer.** Prior to the conveyance of the IH MAPS Funds by OCRA to Developer for the development and construction of the Innovation Hall and Related Infrastructure, the following conditions must be satisfied by Developer or waived in writing by OCRA:

(a) OCRA has received all the IH MAPS Funds from the City pursuant to the terms set forth above in Section 4.2(b) and Section 4.2(c) of this Amended Agreement.

(b) Developer must provide OCRA with evidence reasonably satisfactory to OCRA that Developer will expend a minimum of \$10,000,000 of non-MAPS funds on Innovation Hall and Related Infrastructure.

(c) Developer must provide OCRA with a construction budget, construction timeline and contractor reasonably satisfactory to OCRA for Innovation Hall and Related Infrastructure.

(d) Developer must provide OCRA with evidence reasonably satisfactory to OCRA that Developer has obtained financing reasonably necessary to complete the development and construction of Innovation Hall and Related Infrastructure.

(e) Developer must provide OCRA and the City with the floorplans and elevations for Innovation Hall and Related Infrastructure satisfactory to OCRA and the City, in their reasonable discretion, and any material changes in the floorplans or elevations must have been approved by OCRA, in its reasonable discretion.

(f) Developer must provide OCRA with legal descriptions for the Innovation Hall, publicly-owned Related Infrastructure, and other properties and parcels comprising the

Innovation Hall Project (the “IH Legal Descriptions”) satisfactory to OCRA, in its reasonable discretion.

(g) Developer must provide OCRA with evidence that Developer has entered into documents related to the land and improvements to be made on and comprising of the Innovation Hall and Related Infrastructure, which may include, without limitation, deeds, leases, easements or other similar types of documents (collectively, the “IH Real Property Documents”) with OCRA or other parties satisfactory to OCRA, in its reasonable discretion. As of the date of this Amended Agreement, it is contemplated the Innovation Hall will be owned as follows:

(i) Developer will convey to OCRA title to the surface of the land where the Innovation Hall will be located pursuant to a deed. Developer will retain title to the sub-surface of the land where the Innovation Hall will be located in order to build a sub-surface parking garage facility.

(ii) OCRA will ground lease the surface of the land where the Innovation Hall will be located to Developer pursuant to a ground lease (the “Ground Lease”).

(iii) Developer will construct and own the Innovation Hall building for the term of the Ground Lease.

(iv) Developer will lease the Innovation Hall building to another Developer Party (referred to herein as the “Managing LLC”) pursuant to a managing lease.

(h) Developer must provide OCRA with evidence that the Managing LLC has entered into a sublease and management agreement with OCRA and/or the City to maintain the Innovation Hall building on terms satisfactory to OCRA, in its reasonable discretion.

(i) OCRA and/or the City must have entered into an agreement/sublease with the City Selected Innovation Hall Operator to operate Innovation Hall.

If the conditions set forth in this Section 4.4 are not satisfied by the Developer on or prior to December 31, 2023, OCRA will provide written notice to Developer describing in reasonable detail any objections that OCRA has to the satisfaction of the conditions precedent in this Section 4.4. Thereafter, Developer will have sixty (60) days to cure such objections. If Developer is unable



to cure objections of OCRA within such curative period, OCRA may, at its option (a) waive any such objections; or (b) extend the time of Developer to cure such objections for a period reasonably required for Developer to complete the same with reasonable diligence; or (c) revoke its right and obligations under this Amended Agreement by giving notice to Developer in which case this Amended Agreement shall automatically terminate and the Parties shall owe any further obligations to the other hereunder.

#### **4.5 Rights of The City.**

(a) The City shall retain the right, consistent with the Resolution of Intent, to select the the Innovation Hall Operator and approve and enter into the agreement(s) for the operation of Innovation Hall, with measurable benchmarks for the programing and operation of Innovation Hall in order to achieve the City's objectives. The approval of such operating agreement(s) shall be a precondition for commencement of construction of Innovation Hall under the Amended MDA. The Parties acknowledge and agree that on or about March 15, 2022, the City entered into an agreement for the operation of Innovation Hall with Oklahoma City Innovation District, Inc.

(b) The City shall retain the right to review and, if appropriate, reasonably approve changing in zoning. The City shall further retain the right to determine whether to vacate, close, alter, or enlarge any streets or other public ways.

(c) The City shall retain the right to have the City Manager or his designee review and reasonably approve the floorplans and elevations for Innovation Hall and Related Infrastructure.

(d) The City shall retain the right to review and, if appropriate, reasonably approve proposed changes to Stiles Park and/or any other public property. The City shall further retain the right to accept any appropriate dedications, conveyances, easements, or other public property rights that may be proposed by the Developer in connection with improvements to Stiles Park and/or other public property near the Project or in exchange for any property no longer needed for public use.

### **SECTION 5.**

## NOTICES AND DEMANDS

### 5.1 Notices.

(a) A demand, instruction, notice, request or other communication document to be given under this MDA shall be in writing and shall be delivered in person or by FedEx or a similar overnight courier or by United States certified mail, return receipt requested, with postage prepaid, and addressed to the Parties at the respective addresses below:

in the case of Developer, is addressed (or delivered personally) to:

BT Development, L.L.C.  
Attn: Mark Beffort  
204 N. Robinson Ave., Ste. 700  
Oklahoma City, OK 73102

with copies to:

Bonner Gonzalez  
McAfee & Taft  
Two Leadership Square, 8<sup>th</sup> Floor  
211 N. Robinson  
Oklahoma City, OK 73102-7103

in the case of OCRA, is addressed (or delivered personally) to:

Kenton Tsoodle, OCRA Executive Director  
105 N. Hudson, Suite 101  
Oklahoma City, OK 73102

in the case of the City, is addressed (or delivered personally):

Craig Freeman, City Manager  
200 North Walker, 3<sup>rd</sup> Floor  
Oklahoma City, OK 73102

with copies to:

City Clerk  
City of Oklahoma City  
200 N. Walker, 2<sup>nd</sup> Floor  
Oklahoma City, OK 73102

(b) Delivery shall be effective (i) upon receipt if delivered in person prior to 5:00 p.m. local time at the address of the addressee, or on the next business day if delivered after 5:00 p.m. local time or on a Saturday, Sunday, or legal holiday, (ii) one business day after having

been delivered to FedEx or a similar courier for next-day delivery, and (iii) three business days after mailing if mailed.

(c) A Party may change its address by service of a notice of such change in accordance with this Section.

## **SECTION 6.**

### **GENERAL.**

#### **6.1 OCRA or City Representatives Not Individually Liable.**

No member, official, or employee of OCRA or the City shall be personally liable to Developer, or any successor in interest, if any default occurs or breach by OCRA or the City or for any amount which may become due to Developer, or successor, on any obligations under this MDA.

#### **6.2 Applicable Law, Severability and Entire Agreement.**

This Amended MDA shall be governed by and construed under the laws of the State of Oklahoma governing agreements made and fully performed in Oklahoma. If any provisions of this Amended MDA or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, then the remainder of this Amended MDA, or the application of such provision, or portion thereof, and each provision of this Amended MDA shall be valid and enforceable to the fullest extent permitted by law. This Amended MDA sets forth the entire understanding among the Parties regarding its subject matter, there being no terms, conditions, warranties, or representations regarding its subject matter other than that contained herein. This Amended MDA shall be binding upon and shall inure to the benefit of the Parties hereto, their respective successors and assigns.

#### **6.3 Amendments.**

This Amended MDA may not be changed orally, but only by an agreement in writing and signed by the Parties hereto.

#### **6.4 Third Parties.**

Except as expressly provided otherwise in this Amended MDA, this Amended MDA is

exclusively to benefit the Parties hereto and not for the benefit of any other persons, as third-party beneficiaries or otherwise, and this Amended MDA shall not be deemed to have conferred any rights express or implied, upon any other person.

**6.5 No Partnership Created.**

This Amended MDA creates no partnership or joint venture between the Parties hereto, or renders any Party liable for the debts or obligations of any other Party.

**6.6 Time Is of the Essence.**

The Parties understand and agree time is of the essence regarding all the terms and provisions of this Amended MDA. If the last day of any time period falls on a Saturday, Sunday, or legal holiday, then the duration of the time period shall be extended to the next succeeding day that is not a Saturday, Sunday, or legal holiday.

**6.7 Authority.**

The Parties hereto represent and warrant they are validly existing and lawful entities with the power and authorization to execute and perform this Amended MDA.

**6.8 Construction.**

The rule of construction that a document is construed most strictly against the party who drafted the document shall not apply to this Amended MDA because all Parties participated in preparing this Amended MDA. “Includes” and “including” are not limiting. References to articles, sections, and exhibits shall be to articles, sections, and exhibits of this Amended MDA unless otherwise indicated.

**6.9 Term.** The term of this Amended Agreement (“Term”) will commence on the Effective Date and continue until the completion of the development and construction of Innovation Hall and Related Infrastructure, unless earlier terminated by the terms of this Amended Agreement or the mutual agreement of the Parties.

**6.10 Exhibits.**

The following listed Exhibits are attached to and made a part of this Amended MDA:

**Exhibits**

- Exhibit “A” - Legal Description of Land
- Exhibit “B” - Hotel NMTC Financing Structure Diagram
- Exhibit “C” - Innovation Complex NMTC Financing Structure Diagram
- Exhibit “D” - Sources and Uses of Funds for Innovation Hall and Related Infrastructure, Showing \$10 Million Matching Funds (updated as of February 15, 2023).

**[Remainder of page is blank. Signature pages follow.]**

OCRA SIGNATURE PAGE FOR  
FIRST AMENDED AND RESTATED  
INNOVATION HALL MASTER DEVELOPMENT AGREEMENT

“OCRA”  
OKLAHOMA CITY REDEVELOPMENT  
AUTHORITY, a public trust

By: \_\_\_\_\_  
EXECUTIVE DIRECTOR

Date Approved: \_\_\_\_\_

CITY OF OKLAHOMA CITY SIGNATURE PAGE FOR  
FIRST AMENDED AND RESTATED  
INNOVATION HALL MASTER DEVELOPMENT AGREEMENT

ATTEST:

“CITY”  
THE CITY OF OKLAHOMA CITY,  
a municipal corporation

\_\_\_\_\_  
CITY CLERK

By: \_\_\_\_\_  
MAYOR

Reviewed for form and legality.

\_\_\_\_\_  
Assistant Municipal Counselor

DEVELOPER SIGNATURE PAGE FOR  
FIRST AMENDED AND RESTATED  
INNOVATION HALL MASTER DEVELOPMENT AGREEMENT

“DEVELOPER”

BT DEVELOPMENT, L.L.C., an Oklahoma limited  
liability company

By: \_\_\_\_\_  
Mark Beffort, Manager

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

Before me, the undersigned, a Notary Public in and for said County and State, on the \_\_\_\_\_ day of \_\_\_\_\_, 2023, appeared, the, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of said limited liability company for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.

\_\_\_\_\_  
NOTARY PUBLIC {SEAL}

My Commission Number: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_



**EXHIBIT "A"**

**LEGAL DESCRIPTION**

Baker Hughes  
Tract C  
July 2, 2020

A tract of land being a part of the Northwest Quarter (NW/4) of Section Thirty-four (34), Township Twelve (12) North, Range Three (3) West of the Indian Meridian, Oklahoma City, Oklahoma County, Oklahoma, being all of Lots One (1) and Two (2) Block Twenty-two (22) a portion of vacated Harrison Avenue, a portion of vacated N.E. 8<sup>th</sup> Street, a portion of vacated Central Avenue and a portion of vacated N.E. 9<sup>th</sup> Street as shown on the plat MAYWOOD ADDITION recorded in Book 1 of plats, Page 20 and a portion of Lots One (1) and Five (5) through Thirteen (13) and Lots Sixteen (16) through Eighteen (18) and all of Lots Two (2) through Four (4) and Nineteen (19) through Twenty-seven (27) and a portion of the North/South and East/West Alleys all in Block Fifteen (15) as shown on the AMENDED PLAT OF BLOCK NUMBER FIFTEEN MAYWOOD ADDITION recorded in Book 1 of plats, Page 44, being more particularly described as follows:

Commencing at the Northeast (NE) Corner of Lot One (1) Block Ten (10) of said plat MAYWOOD ADDITION;

THENCE South 00°03'06" East, along and with the East line of said Block Ten (10) extended and the East line of said Block Fifteen (15), a distance of 393.97 feet to a point on the East line of said Lot One (1) Block Fifteen (15), said point being the POINT OF BEGINNING;

THENCE continuing South 00°03'06" East, along and with the East line of said Block Fifteen (15), a distance of 179.03 feet to the Southeast (SE) Corner of said Lot Twenty-five (25) Block Fifteen (15);

THENCE along and with the West right-of-way line of Stiles Circle the following three (3) calls:

1. on a non-tangent curve to the left having a radius of 150.00 feet, a chord bearing of South 28°44'55" West, a chord length of 228.67 feet and an arc length of 260.03 feet to the Southeast (SE) Corner of said Lot Two (2) Block Twenty-two (22);
2. South 20°54'50" East, a distance of 72.41 feet;
3. South 21°23'02" West, a distance of 36.98 feet to the current North right-of-way line of Harrison Avenue;

THENCE South 63°40'54" West, along and with the current North right-of-way line of Harrison Avenue, a distance of 21.57 feet to the East right-of-way line of Interstate 235;

THENCE along and with the East right-of-way line of Interstate 235 the following four (4) calls:

1. North 61°43'03" West, a distance of 103.29 feet;
2. North 25°34'54" West, a distance of 349.90 feet;
3. North 46°34'56" West, a distance of 96.68 feet;
4. South 89°54'20" West, a distance of 1.87 feet;

THENCE North 25°09'06" East, departing said East right-of-way line, a distance of 107.09 feet;

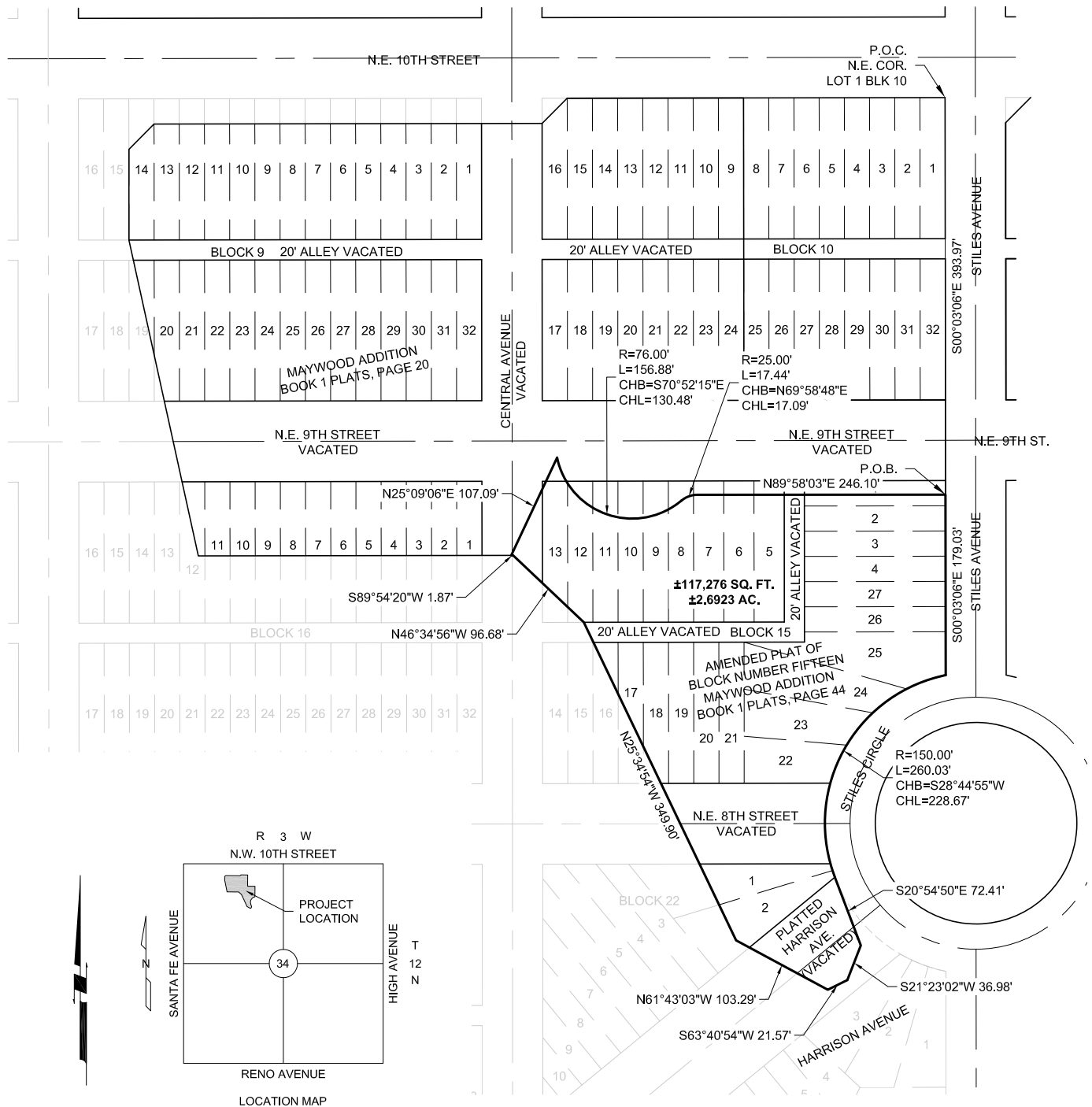
THENCE on a non-tangent curve to the left having a radius of 76.00 feet, a chord bearing of South 70°52'15" East, a chord length of 130.48 feet and an arc length of 156.88 feet;

THENCE on a reverse curve to the right having a radius of 25.00 feet, a chord bearing of North 69°58'48" East, a chord length of 17.09 feet and an arc length of 17.44 feet;

THENCE North 89°58'03" East, a distance of 246.10 feet to the POINT OF BEGINNING.

Containing 117,276 square feet or 2.6923 acres, more or less.

Basis of Bearing: Grid North as established by state plane datum (Oklahoma State Plane North Zone NAD83)



ACAD FILE: S:\Civi 3D proj\3215\3215006\3215006-Lot Split.dwg, 7/2/2020 7:45 AM, Matt Johnson  
XREFS LOADED: 3215006-bdy.dwg

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Proj. No.: 3215006  
Date: 7-2-20  
Scale: 1"=150'

**BAKER HUGHES**  
OKLAHOMA CITY, OKLAHOMA COUNTY, OKLAHOMA  
**TRACT C**



**Johnson & Associates, Inc.**  
1 E. Sheridan Ave., Suite 200  
Oklahoma City, OK 73104  
(405) 235-8075 FAX (405) 235-8078 www.jaoca.com  
Certificate of Authorization #1484 Exp. Date: 06-30-2021  
• ENGINEERS • SURVEYORS • PLANNERS •

Hotel Innovation District Project Financing - FOR ILLUSTRATIVE PURPOSES ONLY

Structure Chart for Affiliate Leverage Lender Form of Leveraged NMTC Transaction - \$29M NMTC Allocation

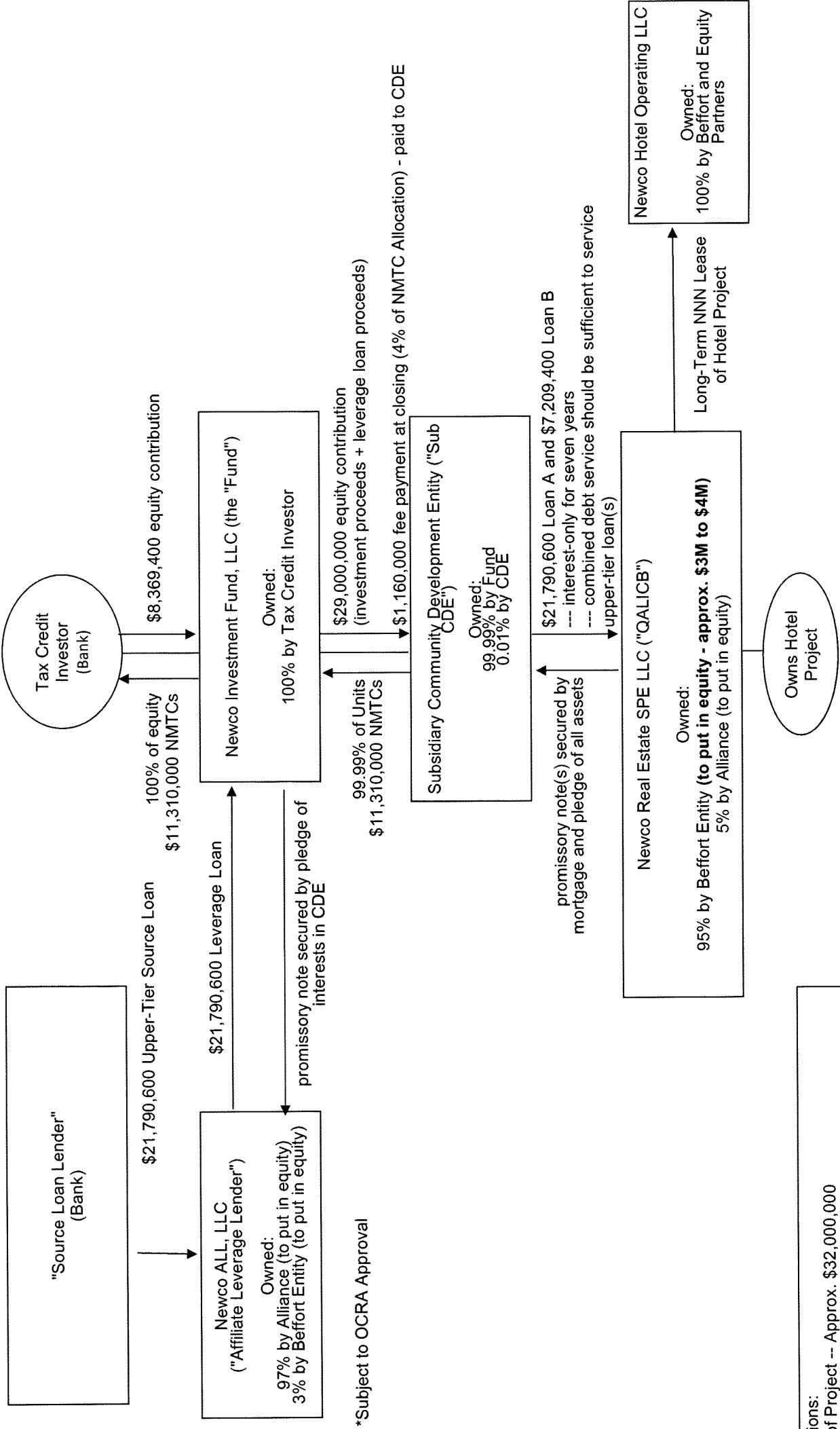
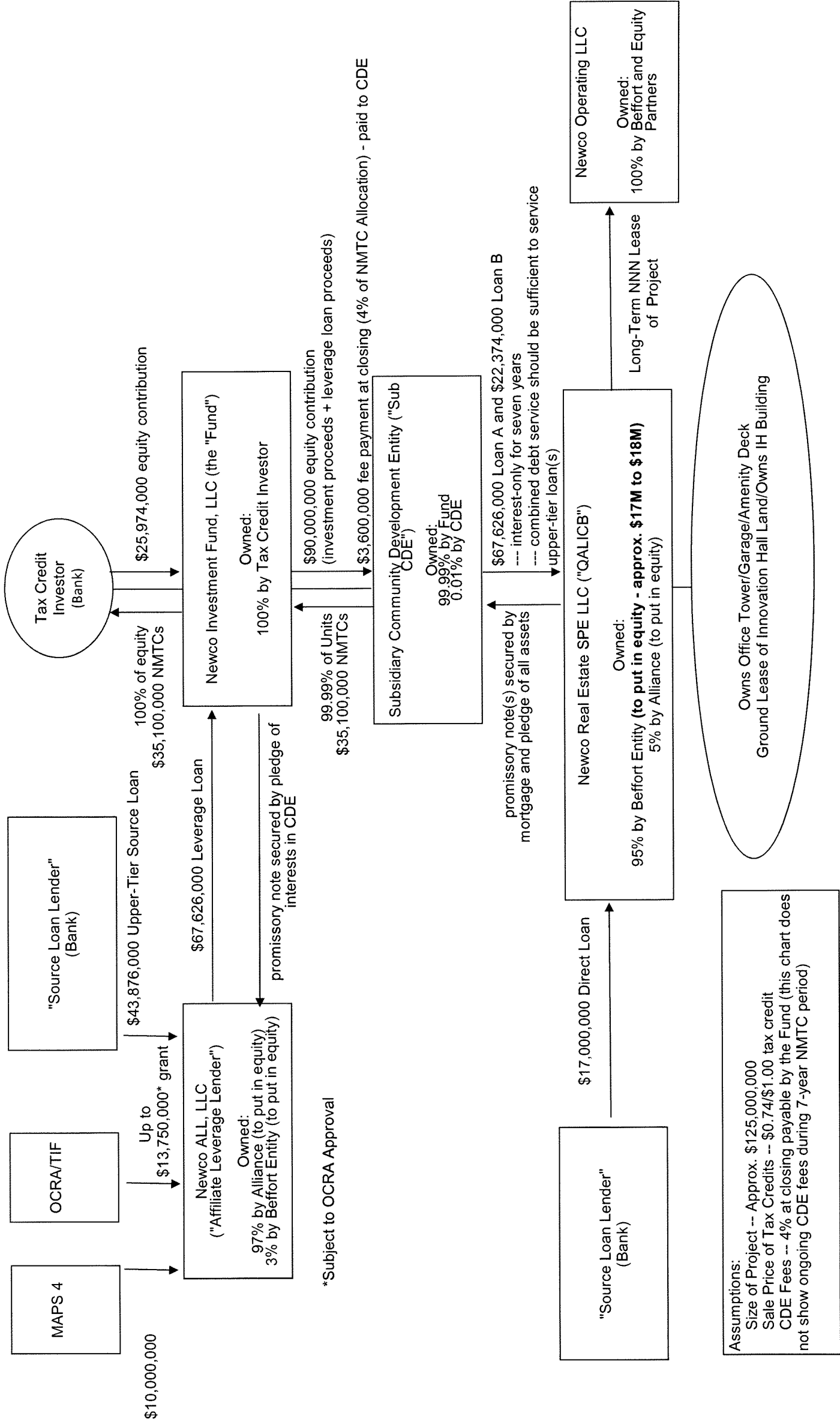


EXHIBIT "B"

Assumptions:  
Size of Project -- Approx. \$32,000,000  
Sale Price of Tax Credits -- \$0.74/\$1.00 tax credit  
CDE Fees -- 4% at closing payable by the Fund (this chart does not show ongoing CDE fees during 7-year NMTC period)

Innovation Complex Project Financing - FOR ILLUSTRATION PURPOSES ONLY

Structure Chart for Affiliate Leverage Lender Form of Leveraged NMTC Transaction - \$90M NMTC Allocation



**EXHIBIT "D"**

INNOVATION HALL PROJECT COSTS			INNOVATION HALL FUNDING SOURCES		
<u>Hard Costs</u>			<u>MAPS 4</u>	<u>CONVERGENCE</u>	
Land Cost	\$	942,666		\$	942,666
Infrastructure Costs	\$	2,479,019		\$	2,479,019
Shell Cost	\$	5,952,831	\$	5,952,831	
Interior Improvements Allowance	\$	2,750,000	\$	2,750,000	
FF&E	\$	2,500,000	\$	2,200,000	\$ 300,000
Parking	\$	5,338,103		\$	5,338,103
<u>Soft Costs</u>					
Closing Costs	\$	158,238		\$	158,238
Architectural	\$	655,474	\$	227,265	\$ 428,209
Structural Engineering	\$	123,000		\$	123,000
Pre-Development Costs	\$	200,000		\$	200,000
Contingency	\$	100,000		\$	100,000
<b>TOTAL</b>	<b>\$</b>	<b>21,199,331</b>	<b>\$</b>	<b>11,130,096</b>	<b>\$ 10,069,235</b>

# OKLAHOMA CITY REDEVELOPMENT AUTHORITY

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Kenton Tsoodle, Executive Director

Date: March 7, 2023

Ref: Resolution Approving First Amendment to the Foundation Lease between the Presbyterian Health Foundation and the Oklahoma City Redevelopment Authority

**TRUSTEES**

J. Larry Nichols  
Chairman

James R. Tolbert III  
Vice Chairman

Lee E. Cooper, Jr.

David Greenwell

Judy J. Hatfield

David Holt

Russell M. Perry

**EXECUTIVE DIRECTOR**

Kenton Tsoodle

**Background:** The Oklahoma City Redevelopment Authority (OCRA) and the Presbyterian Health Foundation (PHF) executed a Redevelopment Agreement dated May 4, 1994, as thereafter amended, pursuant to which PHF undertook the development of what was then known as the Presbyterian Health Foundation Research Park (Research Park). OCRA and PHF desired to accelerate the development of the Research Park to recruit, establish, and support the development of bioscience firms and other related business and health center enterprises. Therefore, OCRA and PHF executed an economic development agreement to provide for the financing, construction, operation, and lease-purchase of a bio-pharmaceutical processing facility as a key economic development undertaking in stimulating the further development of the Research Park.

**Economic Development Agreement:** OCRA, PHF and Cytovance, Inc. (Cytovance) executed the Presbyterian Health Foundation Bio-Pharmaceutical Facility Economic Development Agreement (EDA) on July 16, 2003. The total cost of the facility was estimated at \$10 - \$12 million. OCRA acquired the site and funded \$7 million toward the costs to design and build the shell of the building and to provide some interior improvements. Cytovance was responsible for the balance of the interior buildout and equipment costs, estimated at \$3M. PHF agreed to enter a triple net lease of the facility with OCRA (Foundation Lease), to provide loan guarantees of up to \$2M to ensure Cytovance's initial financial startup and operation requirements were met, and to enter a triple net lease sublease with Cytovance (Sublease).

PHF was granted an option to purchase the Leased Premises (comprised of the real property and the Facility) for \$7 million reduced by aggregate rentals paid under the Foundation Lease, with the balance payable in a lump sum or over a period of 5 years at an interest rate of 6% per annum.

**Foundation Lease:** OCRA and PHF signed the Foundation Lease on June 30, 2004. The lease term was 16 years, commencing June 30, 2004, terminating on June 30, 2020, unless sooner terminated or extended pursuant to a five-year extension option in favor of PHF. The Foundation Lease provides that on the

Payment Date, OCRA is to convey its right, title, and interest in the property and the facility to PHF. The Payment Date is the date on which the aggregate payments of rent made by PHF to OCRA equal the Net Purchase Price. Net Purchase Price is defined as \$7 million, depreciated on a straight-line basis over forty (40) years, or \$5 million, whichever is greater.

**Sublease:** PHF and Cytovance (under a name change of Cytovance Biologics, Inc.) signed the Sublease on June 30, 2004. PHF agreed to contribute \$1.8 million toward construction costs of the building. Rent in the amount of \$5.2 million was payable by Cytovance to PHF on the commencement date of the Sublease.

**Amendments to EDA and Sublease:** The EDA and Sublease were amended on April 18, 2006 because Cytovance was unable to meet its financial obligations under the EDA, the Sublease, and otherwise. PHF acquired all of the capital stock of Cytovance, which became a wholly owned subsidiary of PHF. PHF, Cytovance, and BioManufacturing Holdings, LLC (BMH) executed agreements under which BMH succeeded Cytovance as occupant and operator of the facility.

OCRA agreed to fund an additional \$300,000 to complete construction of the facility. OCRA also funded \$99,555 in public utility improvements. PHF's commitments toward the equipment installation costs increased to over \$4.3 million. BMH agreed to pay all other costs above PHF's contribution.

PHF and OCRA agreed in the amended EDA that, given the circumstances, rent payable by PHF in the future under the Foundation Lease shall equal Net Cash Flow (as defined in the Foundation Lease).

PHF and OCRA also agreed that the references to \$7 million in the EDA (with respect to the purchase option) and in the Foundation Lease (with respect to the Net Purchase Price) were revised to be \$7.3 million, as consideration for the additional \$300,000 in construction costs that OCRA funded.

**PHF Expenses and Rent Payments to OCRA:** To date, no rent payments under the Foundation Lease have been paid to OCRA. PHF has documented that its total debts and liabilities were over \$12 million and that it has recouped all but \$1,451,450.84 as of December 31, 2022. BMH's annual rent payments to PHF are capped at \$420,000. Therefore, PHF expects it will recoup its total expenses in year 2026, when rent, equal to Net Cash Flow, will become payable to OCRA.

**First Amendment to Foundation Lease:** The First Amendment to the Foundation Lease will extend the original lease term to June 30, 2043. PHF may exercise a five-year extension of the term. As agreed in the Amended EDA, annual rent payments will equal Net Cash Flow. PHF will have the option to purchase the Leased Premises pursuant to the terms of the Amended EDA, and OCRA will remain obligated to convey the Leased Premises to PHF on the Payment Date.

**Recommendation:** Approve First Amendment to Foundation Lease.



**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING FIRST AMENDMENT TO THE  
FOUNDATION LEASE BETWEEN THE PRESBYTERIAN HEALTH  
FOUNDATION AND THE OKLAHOMA CITY REDEVELOPMENT  
AUTHORITY**

---

**WHEREAS**, the Oklahoma Redevelopment Authority (the “Authority”) and the Presbyterian Health Foundation (the “Foundation”) executed a Redevelopment Agreement dated May 4, 1994, as thereafter amended, pursuant to which the Foundation undertook the development of what was then known as the Presbyterian Health Foundation Research Park (“Research Park”); and

**WHEREAS**, the Authority, the Foundation, and Cytovance, Inc. (“Cytovance”), executed the Presbyterian Health Foundation Research Park Bio-Pharmaceutical Facility Economic Development Agreement on July 16, 2003 (the “Economic Development Agreement”) providing for the development of a bio-pharmaceutical facility in the Research Park (identified in the Economic Development Agreement as the “Facility”), with the Facility (then estimated to cost \$10 - \$12 million) to be owned by the Authority, leased by the Authority to the Foundation, and subleased by the Foundation to Cytovance; and

**WHEREAS**, pursuant to the Economic Development Agreement, the Authority acquired the property and funded \$7 million toward the costs to design and build the shell of the Facility and to provide some interior improvements, Cytovance was responsible for the balance of the interior buildout and equipment costs, estimated at \$3 million, and the Foundation agreed to enter a triple net lease of the Facility with the Authority, to provide loan guarantees of up to \$2 million to ensure Cytovance’s initial financial startup and operation requirements were met, and to enter a triple net lease sublease with Cytovance; and

**WHEREAS**, the Economic Development Agreement includes an option to purchase the Facility and the real property for \$7 million, which option may be exercised by the Foundation, on terms set forth therein; and

**WHEREAS**, as contemplated in the Economic Development Agreement, the Authority and the Foundation executed a triple net lease on June 30, 2004 (the “Foundation Lease”), and Foundation and Cytovance Biologics, Inc. (formerly Cytovance, Inc.) executed a triple net sublease of the Facility (“Sublease”); and

**WHEREAS**, the Foundation Lease includes terms upon which the Authority will convey its right, title and interest in and to the Facility and the real property to the Foundation on such date that aggregate rent payments from the Foundation equal the Net Purchase Price, as defined in the Foundation Lease; and

**WHEREAS**, because Cytovance was unable to meet its financial commitments set forth in the Economic Development Agreement, the Sublease, and otherwise, the Foundation and Bio Manufacturing Holdings, LLC, an Oklahoma limited liability company (“BMH”) executed certain agreements (“BMH Agreements”) pursuant to which BMH succeeded Cytovance as the occupant and operator of the Facility; and

**WHEREAS**, in order to facilitate the transactions with BMH, the Foundation acquired all the outstanding capital stock of Cytovance, assuming all of the debts and liabilities of Cytovance, resulting in Cytovance becoming a wholly owned subsidiary of the Foundation (and as such now operates under the name CV Subsidiary, LLC); and

**WHEREAS**, the terms on which BMH was to occupy and operate the Facility under the BMH Agreements differed from the terms under which Cytovance was to engage in such activities, and such differences, as well as complexities of the financing then in place with respect to the construction of the Facility, resulted in the need for the Authority and the Foundation to execute the First Amendment to the Economic Development Agreement dated April 18, 2006 (“Amended Economic Development Agreement”); and

**WHEREAS**, pursuant to the Amended Economic Development Agreement, the Authority funded an additional \$300,000 to complete construction of the Facility, the Foundation’s commitment to the equipment installation costs increased to over \$4.3 million, and BMH agreed to pay all other costs above the Foundation’s contribution; and

**WHEREAS**, in the Amended Economic Development Agreement the Authority and the Foundation agreed that rental payments payable by the Foundation to the Authority under the Foundation Lease will equal Net Cash Flow (as defined in the Foundation Lease) and that the purchase price of the Facility (including the real property) was increased to \$7.3 million, in the event the Foundation exercises the option to purchase under the Amended Economic Development Agreement; and

**WHEREAS**, the initial term of the Foundation Lease has lapsed; and

**WHEREAS**, Legal Counsel for the Authority has prepared a First Amendment to the Foundation Lease to extend the term of the Foundation Lease to June 30, 2043, with an option to extend for five additional years; and

**WHEREAS**, it is in the best interest of the Authority to extend the term of the Foundation Lease to ensure the Authority receives future rent payments from the Foundation as contemplated in the Amended Economic Development Agreement; and

**WHEREAS**, the Trustees deem it appropriate and desirable to approve the First Amendment to the Foundation Lease.

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

1. The First Amendment to the Foundation Lease is hereby approved.
2. The Executive Director and Legal Counsel for the Authority are authorized and directed to make any necessary and appropriate corrections, modifications or additions to the First Amendment to the Foundation Lease.

3. The Executive Director, upon advice of Legal Counsel for the Authority, is authorized to execute the First Amendment to the Foundation Lease, and the Officers, the Executive Director, and Legal Counsel for the Oklahoma City Redevelopment Authority are authorized and directed to take such actions and execute such documents as may be necessary and appropriate to implement the First Amendment to the Foundation Lease.

I, \_\_\_\_\_, Secretary of the Board of Trustees of the Oklahoma City Redevelopment Authority, a public trust, certify that the foregoing Resolution No. \_\_\_\_\_ was duly adopted at a **special** meeting of the Oklahoma City Redevelopment Authority, held at its offices at 105 N. Hudson, Suite 101, Oklahoma City, Oklahoma, on the 7<sup>th</sup> day of **March, 2023**; that said meeting was held in accordance with the Bylaws of the Oklahoma City Redevelopment 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 Trustees present.

\_\_\_\_\_  
SECRETARY

(SEAL)

## **FIRST AMENDMENT TO FOUNDATION LEASE AGREEMENT**

THIS FIRST AMENDMENT TO FOUNDATION LEASE AGREEMENT (this “First Amendment”) is dated this \_\_\_\_ day of \_\_\_\_\_, 2023 but is made effective as of June 1, 2020 (the “Effective Date”), by and between the OKLAHOMA CITY REDEVELOPMENT AUTHORITY, a public trust (“Landlord”), and PRESBYTERIAN HEALTH FOUNDATION, an Oklahoma not-for-profit corporation (“Tenant”).

### **R E C I T A L S :**

A. Landlord and Tenant entered into that certain Foundation Lease Agreement dated June 30, 2004 (the “Lease”), pursuant to which the Landlord caused the construction of a certain bio-pharmaceutical processing facility and related improvements (the “Facility”) on approximately 2.3 acres of real property owned by Landlord (“Real Estate”), which Facility and Real Estate are leased to the Tenant collectively as the “Leased Premises.”

B. Except as otherwise defined herein, all capitalized terms used in this First Amendment shall have the same meanings ascribed to such terms in the Lease.

C. Landlord and Tenant now desire to amend the Lease to (i) extend the Term of the Lease, and (ii) modify the date Rent payments commence and the amount of the annual Rent payments to be paid to Landlord, as hereinafter provided.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Extension of Term. Notwithstanding the provisions of Section 1.1 and Section 4 of the Lease to the contrary, the Term of the Lease is hereby extended to June 30, 2043 (the “First Extended Term”), unless sooner terminated as provided in the Lease, or unless further extended as provided herein. By notice to Landlord not later than the end of the First Extended term, Tenant may extend the Lease for five (5) additional years under the terms and conditions provided in Section 6.1 of the Lease

2. Annual Rent. The definition of Annual Rent in Section 1.1 of the Lease is hereby deleted in its entirety and now set to be equal to Net Cash Flow (as defined in the Lease) as was agreed to by Landlord and Tenant in Section 5 of the First Amendment to the Economic Development Agreement dated April 18, 2006 between Landlord, Tenant, and Cytovance Biologics, Inc., an Oklahoma corporation (now known as CV Subsidiary, LLC, an Oklahoma limited liability company) (as amended, the “Economic Development Agreement”).

3. Option to Purchase and Obligation to Convey. Notwithstanding anything to the contrary in this First Amendment, nothing in this First Amendment shall affect or modify the Tenant’s option to purchase set forth in Section 6.1 of the Economic Development Agreement (as that option is amended by the First Amendment to the Economic Development Agreement), or Landlord’s obligation to convey the Leased Premises to Tenant on the Payment Date (as that term is defined in the Lease and as the term Net Purchase Price is modified by the First Amendment to

the Economic Development Agreement) pursuant to Section 21 of the Lease. Upon request of Tenant, Tenant and Landlord shall enter into a Memorandum of Lease and Purchase Option, in form reasonably acceptable to Tenant, containing the essential terms of the Lease (as amended by this Amendment and the Economic Development Agreement), except for the amount of Rent but setting forth the existence of Tenant's rights to the purchase option and Landlord's obligation to convey the Leased Premises to Tenant on the Payment Date.

4. No Further Modification. Except as set forth in this First Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect.

5. Counterparts. This First Amendment may be executed in multiple counterparts, each of which is to be deemed original for all purposes, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this First Amendment to Foundation Lease Agreement has been executed as of the day and year first above written.

LANDLORD: OKLAHOMA CITY REDEVELOPMENT AUTHORITY,  
a public trust

By: \_\_\_\_\_  
J. Larry Nichols, Chairman

TENANT: PRESBYTERIAN HEALTH FOUNDATION,  
an Oklahoma not-for-profit corporation

By: \_\_\_\_\_  
Rick McCune, President

# OKLAHOMA CITY REDEVELOPMENT AUTHORITY

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Kenton Tsoodle, Executive Director

Date: March 7, 2023

Ref: Resolution Authorizing Tax Increment Funding in Amount Not to Exceed \$350,000 for Certain Enhanced Education Priorities Pursuant to the Oklahoma Regional Innovation District Project Plan; Authorizing and Directing the Executive Director and Legal Counsel to Prepare One or More Agreements with the Oklahoma City Innovation District, Inc., Public Entities, or Service Providers to Provide Enhanced Education, Skills Training Programs, and Internships; Authorizing the Execution of Such Programs by the Executive Director

**TRUSTEES**

J. Larry Nichols  
Chairman

James R. Tolbert III  
Vice Chairman

Lee E. Cooper, Jr.

David Greenwell

Judy J. Hatfield

David Holt

Russell M. Perry

**EXECUTIVE DIRECTOR**

Kenton Tsoodle

**Background:** A principal objective of the Oklahoma Regional Innovation District Project Plan (“Project Plan”) is to provide and promote enhanced education, skills training programs, internships, workforce development, and entrepreneurial support in order to recruit and retain new business in the Project Area with a focus on biotechnology, technology, life sciences, pharmaceuticals, energy, aerospace, and engineering.

To help achieve this objective, the Project Plan provided for the establishment of a committee for Enhanced Education and Skills Training (“Education Committee”) by Oklahoma City Innovation District, Inc. (“OKCID”).

The Education Committee adopted enhanced education funding priorities 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, and these priorities were subsequently endorsed and adopted by OCRA and the City Council.

In April 2022, OCRA authorized the first round of tax increment funding in an amount not to exceed \$350,000 to fund these enhanced education priorities identified by the Education Committee. The Education Committee conducted a request for proposals and identified multiple programs conducted by nonprofit organizations and public entities to fund, including professional development for teachers, after school STEM tutoring for students, and a science night for students and families conducted by the Oklahoma Science Museum.

The Education Committee has requested funding in the amount of \$350,000 from the Project Plan’s authorized Project Costs of \$18,000,000 as a specific revenue source for public entities for enhanced education, skills training programs,

internships, and entrepreneurial support, to be generated from tax increments generated over the life of the Increment Districts.

OCRA staff is working with the staff of OKCID to implement appropriate processes and controls on the programs in order to ensure compliance with the Project Plan's objectives.

**Summary of Agenda Item:** The Resolution authorizes funding up to \$350,000 and authorizes and directs the Executive Director and Legal Counsel to prepare the necessary agreements for the Executive Director to execute.

**Recommendation:** Approval of Resolution.

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION AUTHORIZING TAX INCREMENT FUNDING IN AN AMOUNT NOT TO EXCEED \$350,000 FOR CERTAIN ENHANCED EDUCATION PRIORITIES PURSUANT TO THE OKLAHOMA REGIONAL INNOVATION DISTRICT PROJECT PLAN; AUTHORIZING AND DIRECTING THE EXECUTIVE DIRECTOR AND LEGAL COUNSEL TO PREPARE ONE OR MORE AGREEMENTS WITH THE OKLAHOMA CITY INNOVATION DISTRICT, INC., PUBLIC ENTITIES, OR SERVICE PROVIDERS TO PROVIDE ENHANCED EDUCATION, SKILLS TRAINING PROGRAMS, AND INTERNSHIPS; AUTHORIZING THE EXECUTION OF SUCH AGREEMENTS BY THE EXECUTIVE DIRECTOR**

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

**WHEREAS**, a principal objective of the Project Plan is to provide and promote enhanced education, skills training programs, internships, workforce development, and entrepreneurial support in order to create new synergies supporting economic opportunity and economic development and create relationships with adjacent neighborhoods, as well as to recruit and retain new business in the project area with a focus on biotechnology, technology, life sciences, pharmaceuticals, energy, aerospace, and engineering; and

**WHEREAS**, pursuant to the Project Plan, a committee for Enhanced Education and Skills Training (“Education Committee”) was established by Oklahoma City Innovation District, Inc. (“OKCID”) to achieve the Project Plan objectives of enhancing education in science, technology, engineering, and mathematics (“STEM”), skills training programs, intern programs, and workforce development, and, ultimately, employment opportunities stimulated by the Innovation District; and

**WHEREAS**, in order to support those objectives, the Education Committee adopted enhanced education funding priorities 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; and

**WHEREAS**, the Board of Trustees of the Oklahoma City Redevelopment Authority (“OCRA”) endorsed those priorities and recommended them for adoption by City Council, which adopted them in August 2021; and

**WHEREAS**, the Project Plan authorizes up to \$18,000,000 in estimated Project Costs to as a specific revenue source for public entities for enhanced education, skills training programs, internships, and entrepreneurial support, to be generated from tax increments generated over the



life of the Increment Districts established by the Project Plan; and

**WHEREAS**, in April 2022, OCRA authorized the allocation and expenditure of up to \$350,000 in tax increment revenue in accordance with the Project Plan to fund these enhanced education priorities identified by the Education Committee; and

**WHEREAS**, it is appropriate and desirable to allocate and authorize the expenditure of up to another \$350,000 in tax increment revenue in accordance with the Project Plan to fund these enhanced education priorities identified by the Education Committee; and

**WHEREAS**, it is appropriate and desirable to authorize the Executive Director and Legal Counsel to prepare one or more agreements with OKCID, public entities, or service providers to provide these enhanced education, skills training programs, and internships, as well as to implement related strategies to reduce inequities related to access, including but not limited to transportation.

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

1. A second allocation of tax increment funding in an amount not to exceed \$350,000 is hereby authorized for the enhanced education priorities identified by the Education Committee, including but not limited to providing coordination to better connect students with the available programs, professional development to teachers to improve STEM teaching skills, workforce training programs, and ways to reduce inequities related to access to quality education programs.
2. The Executive Director and Legal Counsel are authorized and directed to prepare one or more agreements with OKCID, public entities, or service providers to provide these enhanced education, skills training programs, and internships, as well as to implement related strategies to reduce inequities related to access, including but not limited to transportation.
3. The Executive Director is authorized to execute such agreements to provide enhanced education, skills training programs, and internships, as well as to implement related strategies to reduce inequities related to access.
4. The Executive Director and Legal Counsel are authorized and directed to take such actions as are necessary or appropriate to implement this resolution, including assisting OKCID and the Education Committee in order to carry out the objectives of the Project Plan.

I, \_\_\_\_\_, Secretary of the Board of Trustees of the Oklahoma City Redevelopment Authority, a public trust, certify that the foregoing Resolution No. \_\_\_\_\_ was duly adopted at a **special** meeting of the Oklahoma City Redevelopment Authority, held at its offices at 105 N. Hudson, Suite 101, Oklahoma City, Oklahoma, on the 7<sup>th</sup> day of **March, 2023**; that said meeting was held in accordance with the Bylaws of the Oklahoma City Redevelopment 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 Trustees present.

\_\_\_\_\_  
SECRETARY

(SEAL)

# OKLAHOMA CITY REDEVELOPMENT AUTHORITY

## TRUSTEES

J. Larry Nichols  
Chairman

James R. Tolbert III  
Vice Chairman

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## EXECUTIVE DIRECTOR

Kenton Tsoodle

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Kenton Tsoodle, Executive Director

Date: March 7, 2023

Ref: Financial Statements as of December 31, 2022

**Background:** The Oklahoma City Redevelopment Authority prepares quarterly year-to-date financial statements for review and acceptance by the Board of Trustees. The following are highlights of the financial statements through December 31, 2022.

Current Assets were \$45,543,332 at the end of December 2022 and primarily held in cash and investments. \$23,750,000 of cash and investments held in the TIF Fund are reserved for project development assistance and all of the funds held in the Skirvin Fund are reserved and will be returned to the City of Oklahoma City. Due from Other Governments includes amounts due from OCURA for property purchases and Oklahoma County for accrued TIF revenues.

Capital Assets net of depreciation totaled \$3,600,971.

Other Noncurrent Assets of \$5,650,000 is a loan for the Page Woodson project.

Liabilities totaled \$10,127,406. This includes \$10,000,000 received from the City of Oklahoma City for the development of the MAPS 4 Innovation Hall which will be paid by OCRA to the project's developer, BT Development, LLC. All liabilities at December 31st were current and due within the next year.

OCRA had a net position of \$44,666,897 at December 31, 2022.

Revenues recorded through December 31st were \$16,229,951. Apportioned Ad Valorem Taxes/PILOT-TIF receipts were \$1,724,983; Rental Income of \$5,040,403 and Other Income of \$9,116,745 were from the sale of the Skirvin property in December 2022.

Expenditures were \$527,968. Major expense categories include Other Project Redevelopment Costs, Administrative costs, and payoff of the TIF loans related to the Cytovance and Dean A McGee construction projects. Other Project Redevelopment Costs include \$224,545 for payments made to contractors for the enhanced education priorities under the Oklahoma Regional Innovation District Project Plan approved at the April 20, 2022, meeting.

OCRA had a positive change in fund balance of \$15,701,983 year-to-date, and fund balance of \$35,415,926 as of December 31, 2022.

**Recommendation:** Acceptance of the December 31, 2022, financial statements.

Oklahoma City Redevelopment Authority  
Statement of Net Position  
and Reconciliation of Net Position to Fund Balance  
as of December 31, 2022

Assets

Current Assets	
Cash & Cash Equivalents	1,657,789
Cash & Cash Equivalents - Reserved	28,792,537
Investments - Reserved	10,026,158
Accounts Receivable	-
Rent Receivable	-
Interest Receivable	67,428
PILOT Receivable	203,947
Due from Other Governments	4,795,472
<b>Total Current Assets</b>	<b>45,543,332</b>
Capital Assets	
Land	506,891
Buildings (1)	7,679,106
Accumulated Depreciation	(4,585,026)
<b>Total Capital Assets</b>	<b>3,600,971</b>
Other Noncurrent Assets	
Notes Receivable	5,650,000
Other Assets	-
<b>Total Other Noncurrent Assets</b>	<b>5,650,000</b>
<b>Total Assets</b>	<b>54,794,303</b>
Liabilities	
Current Liabilities	
Current Portion of Long-term Debt	-
Accounts Payable	10,070,918
Due to Urban Renewal	56,487
<b>Total Current Liabilities</b>	<b>10,127,406</b>
Noncurrent Liabilities	
Long-term Debt, less current portion	-
<b>Total Noncurrent Liabilities</b>	<b>-</b>
<b>Total Liabilities</b>	<b>10,127,406</b>
<b>Net Position</b>	<b>44,666,897</b>
Reconciliation of Net Position to Fund Balance	
<i>Not Reported in Governmental Funds Balance Sheet</i>	
Land	(506,891)
Buildings (1)	(7,679,106)
Accumulated Depreciation	4,585,026
Notes Receivable	(5,650,000)
Long-term Debt	-
<b>Total Fund Balance</b>	<b>35,415,926</b>

(1) Cytovance and Brockway Center

Oklahoma City Redevelopment Authority  
Governmental Funds Balance Sheet and Statement of Revenues  
as of and for the Six Months ending December 31, 2022

	<u>TIF</u>	<u>Skirvin</u>	<u>Total</u>
Assets			
Cash & Cash Equivalents	1,657,789	-	1,657,789
Cash & Cash Equivalents - Reserved	13,723,842	15,068,695	28,792,537
Investments - Reserved	10,026,158	-	10,026,158
Accounts Receivable	-	-	-
Rent Receivable	-	-	-
Interest Receivable	67,428	-	67,428
PILOT Receivable	203,947	-	203,947
Due From Other Governments	4,795,472	-	4,795,472
Other Assets	-	-	-
<b>Total Assets</b>	<b>30,474,637</b>	<b>15,068,695</b>	<b>45,543,332</b>
Liabilities			
Accounts Payable	10,070,918	-	10,070,918
Due to Urban Renewal	56,487	-	56,487
<b>Total Liabilities</b>	<b>10,127,406</b>	<b>-</b>	<b>10,127,406</b>
<b>Fund Balance</b>	<b>20,347,231</b>	<b>15,068,695</b>	<b>35,415,926</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>30,474,637</b>	<b>15,068,695</b>	<b>45,543,332</b>
Revenues			
Apportioned Ad Valorem Taxes/PILOT - TIF	1,724,983	-	1,724,983
Rental Income	-	5,040,403	5,040,403
Interest Income	7,062	125,602	132,664
Investment Income	208,399	6,756	215,155
Other Income	-	9,116,745	9,116,745
<b>Total Revenues</b>	<b>1,940,444</b>	<b>14,289,506</b>	<b>16,229,951</b>
Expenditures			
Commercialization of Research & Technology	55,102	-	55,102
Placemaking	34,312	-	34,312
Implementation & Administration of Project Plan	131,262	-	131,262
Other Project Redevelopment Activity Costs	234,338	-	234,338
Payments to City of OKC	-	-	-
Debt Service - Principal	72,887	-	72,887
Debt Service - Interest	67	-	67
<b>Total Expenditures</b>	<b>527,968</b>	<b>-</b>	<b>527,968</b>
<b>Changes in Fund Balance</b>	<b>1,412,477</b>	<b>14,289,506</b>	<b>15,701,983</b>
<b>Fund Balance, Beginning of Year</b>	<b>18,934,755</b>	<b>779,189</b>	<b>19,713,943</b>
<b>Fund Balance, Current</b>	<b>20,347,231</b>	<b>15,068,695</b>	<b>35,415,926</b>

Unaudited - For management use only