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**OKLAHOMA CITY
URBAN RENEWAL AUTHORITY**

FORTY-THIRD ANNUAL REPORT

FY 2003-2004

OKLAHOMA CITY
URBAN
RENEWAL
AUTHORITY

21 July 2004

The Honorable Mick Cornett
Mayor, City of Oklahoma City
Municipal Building
Oklahoma City, Oklahoma

Dear Mayor Cornett:

I take immense pleasure in presenting the Forty-third Annual Report of the Oklahoma City Urban Renewal Authority on behalf of our Board of Commissioners. As envisioned, FY 2003-04 was an industrious and dynamic year for the Authority.

The enclosed financial schedules reflect the on-going activities of the Authority in the John F. Kennedy, Harrison-Walnut, Central Business District, North Downtown, and SEP II areas. These activities encompassed acquisition, clearance, maintenance of property and disposition for redevelopment.

As significant as fiscal schedules are, the information cannot accurately mirror the accomplishments created through the MAPS program. The Authority has been privileged to be a participating partner in many major central city redevelopment activities. The investments from both the public and private sector in the Bricktown Entertainment District, Central Business District, Harrison-Walnut and the PHF Medical Research Park are in fact yesterday's dreams for Oklahoma City.

With your continuous interest and support and the City Council members, the Authority will advance and be available to contribute to the new Oklahoma City. Your questions and suggestions are always invited and appreciated.

Sincerely,



Stanton L. Young
Chairman

Enclosure

**FORTY-THIRD ANNUAL REPORT
FOR THE YEAR ENDING
JUNE 30, 2004**

It is clear the City of Oklahoma City has the aspiration to survive and progress in encountering the evolution of urban transformation. The rhythmic accomplishment of the MAPS program is verification of Oklahoma City's adaptability and survivability. The Oklahoma City Urban Renewal Authority has proudly and persistently been a participating partner in numerous major central city redevelopment activities. Many projects of today were only yesterday's dreams of redevelopment. Some of the endeavors remain veiled in controversy by a select few and others influenced by market conditions. Overall, in fiscal year 2003/04 there has been a resurgence of interest and activities which are expected to continue through FY 2004/05.

John F. Kennedy Area

Although the JFK Plan was approved as predominantly a residential project in 1966 and the Authority still maintains in excess of 555 vacant parcels; the JFK area has commanded new interest and reinvestment. Current JFK activities include the submission of redevelopment proposals from Allen Chapel AME Church, Antioch Institutional Baptist Church and the Grace Living Center.

Residential redevelopment designation has been granted to Central Urban Development Inc., City of Oklahoma City Neighborhood Services, HGL Construction, Urban League of Greater Oklahoma City and Skyline Urban Development Inc. These five entities collectively have ninety-four building sites allocated and nine homes are in the initial construction stages.

Four individuals have also elected in this fiscal year to invest in JFK with new homes. One home is occupied by the new owner, another home is completing final construction, and the other two owners are finalizing plans and financing. Additionally, this year the Authority constructed a new operations and maintenance facility at 1840 N.E. 8th Street and contracted for the removal of two dilapidated structures within the project boundaries.

Harrison-Walnut Project

When First Worthing Company entered into an agreement with the Authority four years ago for the purchase of land in the Deep Deuce area, the development was perceived as perilous. In the last quarter of this fiscal year, First Worthing transferred ownership of the 294 residential unit complex and the remaining land parcels to Somerset Partners, L.L.C. Surprisingly to many, the sales transaction was above previous market values. Continued redevelopment is occurring on several privately owned structures and parcels within Deep Deuce. The Authority is exploring the possibility of the ODOT drainage easement being acquired for landscaping to provide future opportunities to augment the Deep Deuce neighborhoods.

The Authority completed demolition and clearing of the six acres neighboring Stiles Avenue at NE 1st and NE 2nd Streets which was acquired in FY 2003-04. An ALTA survey was completed in June for this tract. A preliminary Request For Proposal (RFP) has been prepared for this area referred to as "The Hill" and the final RFP, primarily for housing, is expected to be released within this calendar year to accommodate a demand for downtown residential living by young professionals and empty nesters.

During the year, the Authority received title to a 1.25 acre parcel on NE 4th Street between Walnut Street and Centennial Expressway (I-235) for future residential redevelopment. Several investor inquiries have been received for this site and an RFP is projected to be issued in the second half of FY 2004/05.

On the final day of the fiscal year, closing transpired which will result in the construction of Building 6 to accommodate Cytovance Biologics Inc. in the Presbyterian Health Research Park. Cytovance will operate a FDA approved bio-pharmaceuticals manufacturing plant which will provide clinical through phase 2 trials for drugs developed by other companies. Construction of Buildings 4 and 5 was finalized during the year. Two food services have been established in the service center of Building 5. The Presbyterian Health Research Park continues to enjoy national recognition for its biologics research potential and the quality of the Park.

Bricktown Entertainment Center

Major accomplishments continued in the Bricktown Entertainment Center with the opening of Bass Pro Outdoor World in November and followed the next month with the relocation of Sonic's corporate world offices. The Harkins Theatres which commenced construction during the year is scheduled to open in late summer. Construction related documents were approved for Buildings 2 and 3 located in the Bricktown Entertainment Center during the year and Building 2 construction started in the last quarter of the fiscal year.

In April 2004, the OCURA Commissioners approved contracting for general and routine maintenance and operations of the Bass Pro Common Area with Bricktown Entertainment Owner's Association. Impressive improvements continue to be accomplished to the Canal by the City and the Redeveloper. The water fountain feature at Reno and Mickey Mantle will become a major focus and attraction point. The Bricktown district remains incredibly active with an increase in the number of visitors and impending redevelopment ventures.

North Downtown

In 1998, the North Downtown Redevelopment Plan which recognized the benefits and strengths offered by the area was adopted. The potential exists for North Downtown to become home to many who work in downtown Oklahoma City. An environment could be stimulated to create a coexistence of many uses supporting one another, and people interacting in a positive, productive and desirable fashion.

When St. Anthony Hospital announced it was evaluating whether to remain in its downtown location or relocate, advocates of downtown revitalization were very concerned. The City of Oklahoma City, Oklahoma County, the Chamber of Commerce, Downtown OKC, Inc. and OCURA worked collectively to present a report for St. Anthony Hospital to consider the benefits of remaining in its current location. The Oklahoma Industrial Authority, Oklahoma Industries and Culture Authority, St. Anthony Hospital and OCURA funded RTKL Associates to prepare a campus plan for St.

Anthony Hospital. The decision by St. Anthony Hospital to remain at the downtown site and make additional large capital expenditures reveals St. Anthony's conviction as to the importance of downtown.

Central Business District

In October 2003, the Authority contracted with PKF Consulting to conduct an Economic Impact Study related to the Skirvin Hotel. In January a preliminary Redevelopment Agreement with Skirvin Partners, L.L.C. was approved for renovation of the Historic Skirvin Hotel. Subsequent related approvals regarding the financial plan by the City and the Authority will hopefully permit redevelopment of the Skirvin Hotel to a full service convention hotel bearing the "Hilton flag".

In May, the OCURA Board approved a Revised Contract for the Sale of Land and Redevelopment with Summit Henderson Arts Central L.L.C for the development of residential apartments and retail shops west of Walker between Robert S. Kerr and NW 4th Street. The upscale Legacy Summit at Arts Central is projected to include 300 apartments and a parking structure to accommodate approximately 474 vehicles. Construction is planned to start in early fall of FY2004/05.

The OCURA has agreed to lease property at 620 and 712 Robert S. Kerr to the City of Oklahoma City to support parking needs for the municipal complex.

Summary

As envisioned, FY 2003-04 was an industrious and dynamic year for the Oklahoma City Urban Renewal Authority. Bass Pro, Sonic corporate building, Harkins Theatres, Bricktown Entertainment Center Building 2, Bass Pro Commons Area, and canal improvements produced electrifying accomplishments in Bricktown.

The prospect for redevelopment of the Historic Skirvin Hotel only complements the remarkable reinvestments occurring in Oklahoma City. The inclusion of the Historic Skirvin Hotel will address another goal for the demand and need of hotel rooms

adjacent to the City's Cox Convention Center, the Ford Arena, the Myriad Gardens, and aid in establishing Oklahoma City as a major convention/conference designation.

The prominence of the Presbyterian Health Research Park will be enhanced with the establishment of Cytovance. Deep Deuce and The Hill will become major housing neighborhoods for the return of the young professionals and empty nesters based on the proximity to Bricktown, University Medical District, downtown Oklahoma City and other metropolitan area amenities.

The development of Legacy Summit at Arts Central will create a new cornerstone for housing in the vicinity of the new Federal Campus, St. Anthony Hospital, the Oklahoma County Courthouse and offices, City Complex, Museum of Art and Civic Center Music Hall. The renewed interest for new housing in the JFK area corroborates the original objectives and goals from the early years of the Authority.

JoeVan Bullard was appointed OCURA Executive Director in July 2003 following the retirement of Tiana Douglas. As earlier announced, Deputy Director David Jones did retire in September after seventeen years of devoted service. Although a tremendous amount of knowledge and experience departed with Tiana and David, the Authority will continue to advance and be available to contribute to the redevelopment endeavors and opportunities of the community.

As observed by the Authority's General Counsel, *"This is truly an exciting time and opportunity to be part of the new Oklahoma City; what a tremendous joy and blessing."*

Oklahoma City Urban Renewal Authority
July 2004

**OKLAHOMA CITY
URBAN RENEWAL AUTHORITY**

FORTY-THIRD ANNUAL REPORT

Financial Statement

FY 2003-2004

OKLAHOMA CITY URBAN RENEWAL AUTHORITY

STATEMENT OF INCREASES AND DECREASES IN FUND
BALANCES ARISING FROM CASH TRANSACTIONS
For the Month Ending June 30, 2004
FOR ALL PROJECTS

	CURRENT MONTH	YEAR TO DATE	BUDGET	DIFFERENCE
REVENUES				
CDBG RECEIPTS	\$ 93,181.85	\$1,443,201.85	\$ 1,443,201.85	\$ -
INTEREST INCOME	11,717.50	29,840.38	-	(29,840.38)
MISCELLANEOUS RECEIPTS	100,000.00	102,056.82	-	(102,056.82)
OCU ACTIVITY FUNDS	-	8,967.00	-	(8,967.00)
ST ANTHONY HOTEL PROJECT FUNDS	25,000.00	40,000.00	-	(40,000.00)
PROGRAM INCOME	-	364,700.00 *	452,798.15	88,098.15
PARKING RECEIPTS	2,250.00	29,498.92	-	(29,498.92)
REAL ESTATE SALES-NON CDBG	3,453.00	19,247.10	-	(19,247.10)
TOTAL REVENUES	<u>\$ 235,602.35</u>	<u>\$2,037,512.07</u>	<u>\$ 1,896,000.00</u>	<u>\$ (141,512.07)</u>
EXPENSES				
ADMIN SALARIES & BENEFITS	\$ 21,732.10	\$ 289,766.41	\$ 247,400.00	\$ (42,366.41)
ADM SUPP SALARIES & BENEFITS	12,279.21	177,103.15	202,665.00	25,561.85
ADMINISTRATIVE OVERHEAD	8,493.54	146,145.52	105,466.00	(40,679.52)
PROP MGMT SALARIES & BENEFITS	10,067.68	180,022.56	170,900.00	(9,122.56)
PROP MGMT OVERHEAD	3,922.21	25,553.80 **	64,100.00	38,546.20
CONTRACT SERVICES	-	2,425.00	-	(2,425.00)
GENERAL MAINTENANCE	6,389.01	90,852.72 **	-	(90,852.72)
PROFESSIONAL SERVICES	(61,061.43)	28,683.47	-	(28,683.47)
LEGAL FEES	52,353.20	246,696.23	175,000.00	(71,696.23)
SKIRVIN HOTEL - LEGAL	27,261.93	90,830.21	-	(90,830.21)
SKIRVIN HOTEL - DISPOSITION	33,118.04	126,186.65	-	(126,186.65)
HAMMONS HOTEL 2 - LEGAL	899.87	23,592.52	-	(23,592.52)
HAMMONS HOTEL 2 - DISPOSITION	-	6,906.56	-	(6,906.56)
ST ANTHONY HOSPITAL PROJ EXPENSE	82,373.21	82,373.21	-	(82,373.21)
LEGACY SUMMIT PROJ EXPENSE	3,298.87	3,298.87	-	(3,298.87)
ENVIRONMENTAL EXPENSE	-	54,170.03	195,532.00	141,361.97
ACQUISITION EXPENSE	-	337,800.21	353,500.00	15,699.79
DISPOSITION EXPENSE	1,904.50	53,681.00	30,000.00	(23,681.00)
DEMOLITION/CLEARANCE	-	256,283.00	202,350.00	(53,933.00)
SITE IMPROVEMENTS	34,648.89	133,278.76	149,087.00	15,808.24
OCU ACTIVITY	-	9,841.50	-	(9,841.50)
OSSM	-	-	-	-
TOTAL EXPENSES	<u>\$ 237,680.83</u>	<u>\$2,365,491.38</u>	<u>\$ 1,896,000.00</u>	<u>\$ (469,491.38)</u>
DIFFERENCE	<u>\$ (2,078.48)</u>	<u>\$ (327,979.31)</u>	<u>\$ -</u>	<u>\$ 327,979.31</u>

* Hammons Hotel Parking Lot Proceeds - Close-Out Project Area

** Includes \$44,806.16 Downtown Business Improvement Assessment

OKLAHOMA CITY URBAN RENEWAL AUTHORITY
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
FOR CLOSEOUT
For the Twelve Months Ending June 30, 2004

ASSETS

CASH	\$1,216,942.57
GOOD FAITH DEPOSITS	18,840.50
INVESTMENTS	1,537,320.15
DUE FROM	<u>406,671.51</u>
TOTAL ASSETS	<u><u>\$3,179,774.73</u></u>

LIABILITIES AND FUND BALANCE

A/P GOOD FAITH	\$18,840.50
DUE TO	<u>(33,713.65)</u>
TOTAL LIABILITIES	(\$14,873.15)

BEGINNING FUND BALANCE	\$3,322,878.80
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES	<u>(128,230.92)</u>
TOTAL FUND BALANCE	\$3,194,647.88
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$3,179,774.73</u></u>

OKLAHOMA CITY URBAN RENEWAL AUTHORITY

STATEMENT OF ASSETS AND LIABILITIES
 ARISING FROM CASH TRANSACTIONS
 For the Twelve Months Ending June 30, 2004
 CLOSEOUT

	<u>CURRENT MONTH</u>	<u>YEAR TO DATE</u>
REVENUES		
CDBG RECEIPTS	\$52,852.85	\$574,599.85
INTEREST INCOME	11,717.50	29,840.38
MISCELLANEOUS RECEIPTS	100,000.00	102,056.82
OCU ACTIVITY FUNDS		8,967.00
ST ANTHONY HOSP PROJ FUNDS	25,000.00	40,000.00
PARKING REVENUE	2,250.00	29,498.92
REAL ESTATE SALES - CDBG		364,700.00
REAL ESTATE SALES - OTHER	3,453.00	19,247.10
TOTAL REVENUES	<u>\$195,273.35</u>	<u>\$1,168,910.07</u>
EXPENSES		
ADMIN SALARIES & BENEFITS	\$10,804.06	\$161,574.38
ADMIN SUPP SALARIES & BENEFITS	6,104.58	99,749.18
ADMINISTRATIVE OVERHEAD	4,222.49	82,661.17
PROP MGMT SALARIES & BENEFITS	10,067.68	180,022.56
PROP MGMT OVERHEAD	3,922.21	25,553.80
CONTRACT SERVICES		2,425.00
GENERAL MAINTENANCE	6,389.01	90,852.72
PROFESSIONAL SERVICES	(61,061.43)	10,903.78
SKIRVIN HOTEL - LEGAL	27,261.93	90,830.21
SKIRVIN HOTEL - DISPOSITION	33,118.04	126,186.65
HAMMONS HOTEL 2 - LEGAL	899.87	23,592.52
HAMMONS HOTEL 2 - DISPOSITION		6,906.56
LEGAL EXPENSE	7,855.75	101,873.87
DISPOSITION EXPENSE	1,350.03	29,144.10
ENVIRONMENTAL EXPENSE		42,048.10
SITE IMPROVEMENTS	34,051.68	127,302.81
OCU ACTIVITY		9,841.50
ST ANTHONY HOSP PROJ EXPENSE	82,373.21	82,373.21
LEGACY SUMMIT PROJ EXPENSE	3,298.87	3,298.87
TOTAL EXPENSES	<u>\$170,657.98</u>	<u>\$1,297,140.99</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENSES	<u>\$24,615.37</u>	<u>(\$128,230.92)</u>

OKLAHOMA CITY URBAN RENEWAL AUTHORITY
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
FOR CULTURAL DISTRICT
For the Twelve Months Ending June 30, 2004

ASSETS

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LIABILITIES AND FUND BALANCE

DUE TO \$5,823.54

TOTAL LIABILITIES \$5,823.54

BEGINNING FUND BALANCE (\$5,823.54)

EXCESS (DEFICIENCY) OF RECEIPTS

TOTAL FUND BALANCE (\$5,823.54)

TOTAL LIABILITIES AND

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OKLAHOMA CITY URBAN RENEWAL AUTHORITY
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
FOR SEPII
For the Twelve Months Ending June 30, 2004

ASSETS

GOOD FAITH DEPOSITS	<u>\$119.13</u>
TOTAL ASSETS	<u><u>\$119.13</u></u>

LIABILITIES AND FUND BALANCE

DUE TO	<u>252,032.86</u>
TOTAL LIABILITIES	\$252,032.86

BEGINNING FUND BALANCE	(\$120,518.55)
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES	<u>(131,395.18)</u>
TOTAL FUND BALANCE	(\$251,913.73)

TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$119.13</u></u>
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OKLAHOMA CITY URBAN RENEWAL AUTHORITY

STATEMENT OF ASSETS AND LIABILITIES
 ARISING FROM CASH TRANSACTIONS
 For the Twelve Months Ending June 30, 2004
 SEPII

	<u>CURRENT MONTH</u>	<u>YEAR TO DATE</u>
REVENUES		
CDBG RECEIPTS	<u>\$17,315.00</u>	<u>\$125,348.00</u>
TOTAL REVENUES	<u>\$17,315.00</u>	<u>\$125,348.00</u>
EXPENSES		
ADMIN SALARIES & BENEFITS	\$5,236.35	\$60,642.18
ADMIN SUPP SALARIES & BENEFITS	2,958.68	34,562.59
ADMINISTRATIVE OVERHEAD	2,046.61	29,340.83
PROFESSIONAL SERVICES		12,929.69
LEGAL EXPENSE	42,033.95	109,948.55
DISPOSITION EXPENSE	551.60	8,002.41
ENVIRONMENTAL EXPENSE		<u>1,316.93</u>
TOTAL EXPENSES	<u>\$52,827.19</u>	<u>\$256,743.18</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENSES	<u>(\$35,512.19)</u>	<u>(\$131,395.18)</u>

OKLAHOMA CITY URBAN RENEWAL AUTHORITY
STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
FOR HARRISON-WALNUT
For the Twelve Months Ending June 30, 2004

ASSETS

GOOD FAITH DEPOSITS	<u>\$569.84</u>
TOTAL ASSETS	<u><u>\$569.84</u></u>

LIABILITIES AND FUND BALANCE

DUE TO	<u>124,901.35</u>
TOTAL LIABILITIES	\$124,901.35

BEGINNING FUND BALANCE	(\$55,978.30)
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES	<u>(68,353.21)</u>
TOTAL FUND BALANCE	(\$124,331.51)

TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$569.84</u></u>
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OKLAHOMA CITY URBAN RENEWAL AUTHORITY

STATEMENT OF ASSETS AND LIABILITIES
 ARISING FROM CASH TRANSACTIONS
 For the Twelve Months Ending June 30, 2004
 HARRISON-WALNUT

	<u>CURRENT MONTH</u>	<u>YEAR TO DATE</u>
REVENUES		
CDBG RECEIPTS	<u>\$23,014.00</u>	<u>\$743,254.00</u>
TOTAL REVENUES	<u>\$23,014.00</u>	<u>\$743,254.00</u>
EXPENSES		
ADMIN SALARIES & BENEFITS	\$5,691.69	\$67,549.85
ADMIN SUPP SALARIES & BENEFITS	3,215.95	42,791.38
ADMINISTRATIVE OVERHEAD	2,224.44	34,143.52
PROFESSIONAL SERVICES		4,850.00
LEGAL EXPENSE	2,463.50	34,873.81
ACQUISITION EXPENSE		337,800.21
DISPOSITION EXPENSE	2.87	16,534.49
ENVIRONMENTAL EXPENSE		10,805.00
SITE CLEARANCE		256,283.00
SITE IMPROVEMENTS	<u>597.21</u>	<u>5,975.95</u>
TOTAL EXPENSES	<u>\$14,195.66</u>	<u>\$811,607.21</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENSES	<u>\$8,818.34</u>	<u>(\$68,353.21)</u>

