

**OKLAHOMA CITY
URBAN RENEWAL AUTHORITY**

**FORTY-SECOND
ANNUAL REPORT
(DRAFT COPY)**

CITY OF
OKLAHOMA CITY
OFFICE OF
CITY CLERK

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FILED

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2003**

ANNUAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2003

If the year 2003 has been infamous for its fiscal concerns both at the National and State levels, it has also been a year of hope with the promise of renewed redevelopment activity. The momentum generated by the MAPS projects has spurred the City of Oklahoma City and the Oklahoma City Urban Renewal Authority to entertain new hopes and goals for the future. Some existing projects, buffeted by controversy and market conditions, made dramatic progress in 2003; others which were only dreams a few years ago have now moved into the redevelopment pipeline.

The Bricktown Entertainment Center

The initial redevelopment proposal for the Bricktown Entertainment Center was received by the Renewal Authority on July 25, 1996. From that day forward the project has been besieged by frivolous lawsuits, environmental difficulties and the entertainment industry's poor market condition. Year 2003, however, has been the most productive year in the Project's history. The City of Oklahoma City elected to finance the construction of a Bass Pro Outdoor World structure on land purchased by the Renewal Authority decades ago. The City and the Authority negotiated a lease with Bass Pro, and the Renewal Authority on November 18, 2002, awarded a construction contract for the project. The opening date for Oklahoma City Bass Pro is scheduled for November 13, 2003.

Five months prior to the award of the Bass Pro construction contract, the Bricktown Entertainment Center developer, Stonegate/Hogan, submitted plans for the construction of a four story corporate office building. The construction of the building was well under way as the 2003 fiscal year drew to a close.

The initial plan for the Bricktown Entertainment Center featured public hardscape improvements along the canal, soft landscape, restaurants, small retail shops as well as a major water display in front of a multi-screen cinema. The cinema was to be the central feature of the Entertainment Center. The development of the Bass Pro structure at the east end of the redevelopment site, however, provided a second anchor development for the Entertainment Center. Consequently, it enhanced the development opportunity of the cinema at the west end of the site. What had once seemed a tedious struggle now became a reality. In May, 2003, the Board of Commissioners took action to authorize the approval of plans, evidence of financing and transfer of title in connection with the theater tract as part of the Entertainment Center by Bricktown Entertainment, L.L.C. The proposed lessee is Harkins Theater, the premier operator of more than two hundred screens. Construction is scheduled to start in the first quarter of fiscal year 2004.

A DECADE OF PROGRESS

In April, 1993, the Renewal Authority commissioned its planning consultants to prepare a strategic plan for the development of a bio-tech research park. From that time forward the Oklahoma Health Center Research Park (now the Presbyterian Health Center Research Park at the Oklahoma Health Center) has been the scene of constant activity. Buildings 4 and 5 are almost complete. Building 4 will contain office space for biomedical companies, laboratory facilities and an office for Park management. Building 5 will function as the service center for Park employees and visitors.

Two other significant events occurred in 2003: the completion of a state of the art video conferencing center and the development of plans to accommodate a bio-pharmaceuticals plant for Cytovance Biologics. The 26,000 square foot structure is planned to provide clinical through phase two trials for drugs developed by other companies operating out of the Research Park. The

facility should establish Cytovance and the Presbyterian Health Foundation Research Park as a domestic leader in biologics contract manufacturing.

DEEP DEUCE PROGRESS

Three years ago when the First Worthing Company entered into an agreement with the Renewal Authority for the purchase of land in the Deep Deuce (Northeast 2nd St.) area, the developer was considered a pioneer. No one had built apartment units in downtown Oklahoma City since 1985. Today, the Deep Deuce project, formally named the Arbors, is an outstanding success.

The success of the project created the interest prospective redevelopers have exhibited in the land east of Stiles Avenue and south of Northeast 2nd St. In an effort to respond to their interests the Renewal Authority acquired fifteen parcels of land to aggregate a redevelopment site. Immediately prior to the end of 2003, a major demolition and clearance contract was awarded to prepare the land for redevelopment. The Renewal Authority expects to publish a Request For Proposal in the second quarter of the new fiscal year.

JOHN F. KENNEDY HOUSING

In 1998, the Renewal Authority assured the City of Oklahoma City of its willingness to participate in housing programs marketed to a large audience as long as housing standards are enforced and the area is not overwhelmed with below market housing. Numerous meetings with interested parties, the development of a master plan for the Lower John F. Kennedy Neighborhood, environmental studies as well as infra structure analysis for the same area and housing development standards for all of the John F. Kennedy area, bore fruit in 2003.

A Request For Proposal was published March 28, 2003. Two redevelopers responded and the Board of Commissioners authorized the Executive Director to execute two

redevelopment agreements. Both Agreements set forth housings standards and milestones for accomplishments. If both redevelopers perform as expected, sixty homes will be constructed within the next thirty-six months.

MILLIONS FROM PRIVATE REDEVELOPMENT

When the public dollars financed the MAPS projects, it was the hope that private redevelopment would follow. The Year 2003 witnessed such private redevelopment. The Courtyard by Marriott topped out at the eight floor level. The 225 room, full service hotel continued on schedule for its January, 2004, grand opening. In addition plans were approved and construction began on a 5 story, 615 space parking garage. The garage will feature open stairways for safety purposes, elevators larger and faster than building code requirements, signage and landscaping. The garage materials will compliment the hotel.

The completion of the Courtyard by Marriott will bring the total number of hotel rooms in the Downtown area to nine-hundred and thirty-five. Planners 10 years before had placed the magic number of rooms needed to support statewide meeting and conventions at one-thousand. The 2003 year concluded on an optimistic note: the long vacant Skirvin Hotel, the grande dame of Downtown had five suitors.

The City of Oklahoma City had purchased the hotel in 2001 and requested the assistance of the Renewal Authority. After weeks of preparation by a team composed of City and Authority staff a Request For Proposal for redevelopment of the Skirvin was published in November, 2002. Six proposals were received, one was disqualified as incomplete and five were subjected to careful evaluation by the same team. Information generated by the team was then forwarded to the Skirvin Property Review Panel appointed by the City Council of the City of Oklahoma City. After several working sessions the five acceptable proposals were reduced to three.

The Renewal Authority received the three proposals recommended by the Review Panel

at the close of the fiscal year. It is anticipated that negotiations with the Review Panel's first selection, Partners in Development of Dallas, Texas, will begin early in 2004.

Meanwhile across Downtown there was renewed interest in the land adjacent to the Sycamore Square development. In September, 2002, the Renewal Authority issued a Request For Proposal for additional housing development. In December, 2002, the Renewal Authority's Board of Commissioners conditionally designated Summit Henderson Arts Central L.L.C. as developer of a multi family housing project with ancillary commercial.

A contract for sale of land redevelopment was prepared for action by the close of Fiscal 2003. The terms of the Agreement require the developer to construct approximately 250 residential units with 12,000 square feet of incidental retail and a parking garage with approximately 410 parking spaces.

CONCLUSION

The 42nd year of the Renewal Authority's existence by all standards was a busy and productive year. Construction is well underway in the Bricktown Entertainment Center: Bass Pro and the Sonic corporate office building. Harkins Cinema construction will start in the near future.

To the north in the Harrison Walnut Project, the opportunity presented by the Cytovance development will put the Presbyterian Health Foundation Research Park in the national limelight. The completion of the Courtyard by Marriott and the prospect of redevelopment of the Skirvin Hotel will put us well over the goal for hotel rooms set a few years ago. Housing in the John F. Kennedy area, long desired but financially impossible, may soon be a reality. Housing in Downtown Oklahoma City, formerly a remote possibility and only for pioneers, is likewise close to a reality.

The year was significant for yet another reason. Tiana Douglas, the Executive Director

for the past eighteen years, submitted her resignation in April, 2003. Much of the success enjoyed by the Renewal Authority not only in the past year but previous years as well is due to her efforts. While her leadership will be missed, the Renewal Authority looks forward to even greater project activity in the year to come.

OKLAHOMA CITY URBAN RENEWAL AUTHORITY
 STATEMENT OF INCREASES AND DECREASES IN FUND
 BALANCES ARISING FROM CASH TRANSACTIONS
 For the Twelve Months Ending June 30, 2003
 FOR ALL CDBG PROJECTS

	<u>CURRENT MONTH</u>	<u>YEAR TO DATE</u>	<u>BUDGET</u>	<u>DIFFERENCE</u>
REVENUES				
CDBG RECEIPTS	\$634,649.00	\$1,381,320.54	\$1,684,780.00	\$303,459.46
INTEREST		47,060.63		(47,060.63)
REAL ESTATE SALE - CDBG		356,777.50		(356,777.50)
PARKING LOT REVENUE AND RENTAL	2,450.00	32,437.66		(32,437.66)
REAL ESTATE SALE	1,239.00	547,414.00	300,000.00	(247,414.00)
OCU ACTIVITY FUNDS		221,979.35		(221,979.35)
MISCELLANEOUS	2,158.34	4,790.06		(4,790.06)
TOTAL RECEIPTS	<u>\$640,496.34</u>	<u>\$2,591,779.74</u>	<u>\$1,984,780.00</u>	<u>(\$606,999.74)</u>
EXPENSES				
ADMIN SALARIES & BENEFITS'	\$39,234.99	\$235,778.36	\$238,000.00	\$2,221.64
ADMI SUPP SALARIES & BENEFITS	14,082.59	157,871.98	170,331.00	12,459.02
ADMIN OVERHEAD	3,059.42	108,146.48	95,100.00	(13,046.48)
PROP MGMT SALARIES & BENEFITS	13,632.32	166,874.37	163,500.00	(3,374.37)
PROP MGMT OVERHEAD	3,610.49	103,061.89	201,600.00	98,538.11
CONTRACT SERVICES		3,000.00		(3,000.00)
GENERAL MAINTENANCE	758.00	11,348.10		(11,348.10)
PROFESSIONAL SERVICES	3,914.50	36,238.61	135,331.00	99,092.39
LEGAL - HAMMONS HOTEL	13,969.28	25,441.30		(25,441.30)
LEGAL - HAMMONS HOTEL 2		46,708.86		(46,708.86)
ACQUISITION - HAMMONS HOTEL 2		8,038.32		(8,038.32)
OCU ACTIVITY		266,567.92		(266,567.92)
ENVIRONMENTAL	2,142.03	57,117.09	45,000.00	(12,117.09)
ACQUISITION	12,070.00	616,954.71	757,925.00	140,970.29
DISPOSITION	40,117.92	209,968.73	34,445.00	(175,523.73)
LEGAL - TIF		10,119.80		(10,119.80)
DISPOSITION - SEPII		157.55		(157.55)
SITE CLEARANCE		674.45	125,000.00	124,325.55
SITE IMPROVEMENT	411.09	59,976.40	18,548.00	(41,428.40)
OBI		6,423.75		(6,423.75)
OKC REDEV AUTH EXP	8,531.19	22,375.00		(22,375.00)
FUNDS RETURNED TO THE CITY	356,777.50	356,777.50		(356,777.50)
TOTAL EXPENSES	<u>\$512,311.32</u>	<u>\$2,509,621.17</u>	<u>\$1,984,780.00</u>	<u>(\$524,841.17)</u>
DIFFERENCE	<u>\$128,185.02</u>	<u>\$82,158.57</u>		<u>(\$82,158.57)</u>

OKLAHOMA CITY URBAN RENEWAL AUTHORITY

STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS

As of June 30, 2003
FOR CLOSEOUT

ASSETS

CASH	\$1,514,519.90
GOOD FAITH DEPOSITS	18,839.43
INVESTMENTS	1,528,914.78
DUE FROM	<u>205,253.47</u>
TOTAL ASSETS	<u><u>3,267,527.58</u></u>

LIABILITIES AND FUND BALANCE

A/P - GOOD FAITH	18,839.43
DUE TO	<u>(71,622.40)</u>
TOTAL LIABILITIES	(52,782.97)

BEGINNING FUND BALANCE	2,940,540.50
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES	<u>379,770.05</u>
TOTAL FUND BALANCE	3,320,310.55

TOTAL LIABILITIES AND FUND BALANCE	
FUND BALANCE	<u><u>3,267,527.58</u></u>

OKLAHOMA CITY URBAN RENEWAL AUTHORITY

STATEMENT OF INCREASES AND DECREASES IN FUND
BALANCES ARISING FROM CASH TRANSACTIONS
For the Twelve Months Ending June 30, 2003
FOR CLOSEOUT

	<u>CURRENT MONTH</u>	<u>YEAR TO DATE</u>
REVENUES		
CDBG RECEIPTS	\$310,900.00	\$538,540.00
INTEREST		47,060.63
PARKING LOT REVENUE AND RENTAL	2,450.00	32,437.66
REAL ESTATE SALE		546,175.00
OCU ACTIVITY FUNDS		221,979.35
MISCELLANEOUS	2,158.34	4,790.06
TOTAL RECEIPTS	<u>\$315,508.34</u>	<u>\$1,390,982.70</u>
EXPENSES		
ADMIN SALARIES & BENEFITS	\$24,452.69	\$131,887.39
ADMI SUPP SALARIES & BENEFITS	8,677.69	87,873.10
ADMIN OVERHEAD	1,885.21	44,935.19
PROP MGMT SALARIES & BENEFITS	13,632.32	166,874.37
PROP MGMT OVERHEAD	3,169.59	96,882.53
CONTRACT SERVICES		3,000.00
GENERAL MAINTENANCE	758.00	11,348.10
PROFESSIONAL SERVICES	3,914.50	19,971.43
LEGAL - HAMMONS HOTEL	13,969.28	25,441.30
LEGAL - HAMMONS HOTEL 2		46,708.86
ACQUISITION - HAMMONS HOTEL 2		8,038.32
OCU ACTIVITY		266,567.92
ENVIRONMENTAL	89.53	19,129.43
ACQUISITION		3,200.00
DISPOSITION	16,330.40	46,702.36
LEGAL - TIF		10,119.80
DISPOSITION - SEPII		157.55
OKC REDEV AUTH EXP	8,531.19	22,375.00
TOTAL EXPENSES	<u>\$95,410.40</u>	<u>\$1,011,212.65</u>
DIFFERENCE	<u>\$220,097.94</u>	<u>\$379,770.05</u>

OKLAHOMA CITY URBAN RENEWAL AUTHORITY

STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
As of June 30, 2003
FOR CULTURAL DISTRICT

ASSETS

LIABILITIES AND FUND BALANCE

DUE TO	<u>\$5,823.54</u>
TOTAL LIABILITIES	5,823.54
BEGINNING FUND BALANCE	1,926.80
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES	<u>(7,750.34)</u>
TOTAL FUND BALANCE	(5,823.54)
TOTAL LIABILITIES AND FUND BALANCE	<u><u> </u></u>

OKLAHOMA CITY URBAN RENEWAL AUTHORITY

STATEMENT OF INCREASES AND DECREASES IN FUND
BALANCES ARISING FROM CASH TRANSACTIONS
For the Twelve Months Ending June 30, 2003
FOR CULTURAL DISTRICT

	<u>CURRENT MONTH</u>	<u>YEAR TO DATE</u>
REVENUES		
EXPENSES		
ADMIN SALARIES & BENEFITS		\$557.55
ADMI SUPP SALARIES & BENEFITS		419.62
ADMIN OVERHEAD		6,773.17
TOTAL EXPENSES		<u>\$7,750.34</u>
DIFFERENCE		<u>(\$7,750.34)</u>

OKLAHOMA CITY URBAN RENEWAL AUTHORITY

STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS

As of June 30, 2003
FOR SEPII

ASSETS

GOOD FAITH DEPOSITS	<u>\$35,194.48</u>
TOTAL ASSETS	<u><u>35,194.48</u></u>

LIABILITIES AND FUND BALANCE

A/P - GOOD FAITH	35,194.48
DUE TO	<u>120,518.55</u>
TOTAL LIABILITIES	155,713.03

BEGINNING FUND BALANCE	(40,607.52)
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES	<u>(79,911.03)</u>
TOTAL FUND BALANCE	(120,518.55)

TOTAL LIABILITIES AND FUND BALANCE	
FUND BALANCE	<u><u>35,194.48</u></u>

OKLAHOMA CITY URBAN RENEWAL AUTHORITY

STATEMENT OF INCREASES AND DECREASES IN FUND
BALANCES ARISING FROM CASH TRANSACTIONS

For the Twelve Months Ending June 30, 2003
FOR SEPII

	<u>CURRENT MONTH</u>	<u>YEAR TO DATE</u>
REVENUES		
CDBG RECEIPTS	<u>\$117,063.00</u>	<u>\$275,382.32</u>
TOTAL RECEIPTS	<u>\$117,063.00</u>	<u>\$275,382.32</u>
EXPENSES		
ADMIN SALARIES & BENEFITS	\$6,681.48	\$47,921.95
ADMI SUPP SALARIES & BENEFITS	2,222.23	31,845.25
ADMIN OVERHEAD	482.79	33,783.76
PROFESSIONAL SERVICES		14,586.50
ENVIRONMENTAL ACQUISITION	2,052.50	34,237.66
DISPOSITION	13,675.50	83,504.50
SITE CLEARANCE		107,478.33
SITE IMPROVEMENT		470.40
TOTAL EXPENSES	<u>\$25,114.50</u>	<u>\$355,293.35</u>
DIFFERENCE	<u>\$91,948.50</u>	<u>(\$79,911.03)</u>

OKLAHOMA CITY URBAN RENEWAL AUTHORITY

STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS

As of June 30, 2003
FOR HARRISON-WALNUT

ASSETS

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

LIABILITIES AND FUND BALANCE

DUE TO	<u>56,548.14</u>
TOTAL LIABILITIES	56,548.14

BEGINNING FUND BALANCE	153,971.81
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES	<u>(209,950.11)</u>
TOTAL FUND BALANCE	(55,978.30)

TOTAL LIABILITIES AND FUND BALANCE	
FUND BALANCE	<u><u>569.84</u></u>

OKLAHOMA CITY URBAN RENEWAL AUTHORITY

STATEMENT OF INCREASES AND DECREASES IN FUND
BALANCES ARISING FROM CASH TRANSACTIONS
For the Twelve Months Ending June 30, 2003
FOR HARRISON-WALNUT

	<u>CURRENT MONTH</u>	<u>YEAR TO DATE</u>
REVENUES		
CDBG RECEIPTS	\$206,686.00	\$567,398.22
REAL ESTATE SALE - CDBG		356,777.50
REAL ESTATE SALE	<u>1,239.00</u>	<u>1,239.00</u>
TOTAL RECEIPTS	<u>\$207,925.00</u>	<u>\$925,414.72</u>
EXPENSES		
ADMIN SALARIES & BENEFITS	\$8,100.82	\$55,411.47
ADMIN SUPP SALARIES & BENEFITS	3,182.67	37,734.01
ADMIN OVERHEAD	691.42	22,654.36
PROP MGMT OVERHEAD	440.90	6,179.36
PROFESSIONAL SERVICES		1,680.68
ENVIRONMENTAL		3,750.00
ACQUISITION	12,070.00	530,250.21
DISPOSITION	10,112.02	55,788.04
SITE CLEARANCE		204.05
SITE IMPROVEMENT	411.09	58,511.40
OBI		6,423.75
FUNDS RETURNED TO THE CITY	<u>356,777.50</u>	<u>356,777.50</u>
TOTAL EXPENSES	<u>\$391,786.42</u>	<u>\$1,135,364.83</u>
DIFFERENCE	<u>(\$183,861.42)</u>	<u>(\$209,950.11)</u>