

**OKLAHOMA CITY
URBAN RENEWAL
AUTHORITY**

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**THIRTY-SIXTH
ANNUAL REPORT
(DRAFT COPY)**

**FOR THE
FISCAL YEAR
ENDING
JUNE 30, 1997**

OKLAHOMA CITY

URBAN

RENEWAL

AUTHORITY

July 16, 1997

The Honorable Ronald J. Norick
Mayor, City of Oklahoma City
Municipal Building
Oklahoma City, Oklahoma 73102

Dear Mayor Norick:

In keeping with the Urban Renewal Statute of the State of Oklahoma, it is my pleasure to present to you the Thirty-sixth Annual Report of the Oklahoma City Urban Renewal Authority.

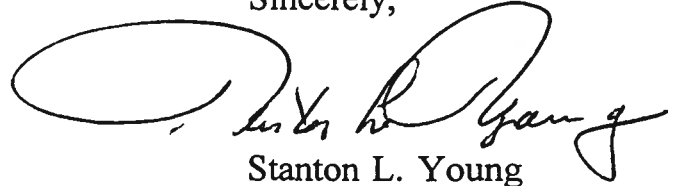
Throughout the past year the Authority has attempted to discharge its duties faithfully in service to the people of Oklahoma City. It believes the disclosure of the financial information enclosed in this report evidences this commitment and will contribute to an informed citizenry and support for redevelopment activities. Consequently the Annual Report includes schedules which reflect the ongoing financial activity of the Authority in the Central Business District, Harrison-Walnut, University Medical Center, John F. Kennedy, and Central City Industrial District project areas. These activities embrace acquisition, clearance, maintenance of property, site improvements and disposition for redevelopment.

The financial schedules, however, say very little about the countless hours expended by the Authority in its redevelopment efforts. Nor its collaborative role with the City in an effort to assist with the development of the MAPS canal, the assistance to Bricktown, the development of the Westin Hotel or the new Metropolitan Library. Likewise, financial statements do not capture the promise of the Oklahoma Health Center Research Park and the Authority's efforts to develop a new and promising biotechnology sector for the City. Financial

statements can not capture the excitement of some of Oklahoma's brightest students as they eagerly anticipate the opening of their new dormitory...a dormitory project assisted in large measure by the Authority. Finally the schedules can not capture the Authority's commitment to this City even as it completes its 36th year.

With your continued interest and assistance we have completed a challenging and successful year. We appreciate your continued support as well as that of the City Council and City administration. We invite your questions and suggestions.

Sincerely,

A handwritten signature in black ink, appearing to read "Stanton L. Young". The signature is fluid and cursive, with a large initial "S" and "Y".

Stanton L. Young
Chairman

ANNUAL REPORT FOR THE YEAR ENDING JUNE 30, 1997

Changes in the delivery of health care, the national and local economy, the drive to expand the City's and State's economic base, quality of life, and civic commitment and pride are a few of the themes of the fiscal year ending June 30, 1997. The Oklahoma City Urban Renewal Authority has benefited from all these forces currently at work and has tried to maximize the opportunities they provide. The year 1997 was difficult and hectic, but above all very fruitful.

Civic Commitment and Leadership

While commitment and leadership are ingredients of every project, it is obviously so in the cases of the Westin Hotel, Metropolitan Library, and relocation of Interstate 40 projects.

In the previous fiscal year the Authority's Board of Commissioners designated John Q. Hammonds Hotels Two, L. P. as the redeveloper of sites north and south of the Myriad Convention Center. The leadership of the Mayor and the resultant MAPS program had been the incentive to attract the first new downtown hotel in decades. While the project was initially slowed by architectural and construction difficulties involving the nearby Myriad Convention Center, a Contract of Sale and Redevelopment Agreement was prepared by the Authority has been forwarded to Hammonds for review. A team composed of City and Authority personnel continue to work on the project, and now that the Myriad renovations are underway, anticipate final agreements and ground breaking in the new fiscal year.

The Metropolitan Library, progressing under the assistance of the MAPS staff

and direction of the City Council of the City of Oklahoma City, is now in the design stage. The project is to be built on Authority property and consequently the Authority has provided legal and staff assistance necessary to explain the complex of plans and agreements affecting one of its major development sites.

The relocation of I-40 is a major undertaking of the Oklahoma Department of Transportation. Currently the project is in the planning stage and a variety of alternate routes for the Interstate is under study. The Authority has a vital interest in the relocation since any relocation will affect the framework for downtown...both economic and social. Under the leadership of its Commissioners, the Authority has participated in discussions with the Department of Transportation and advanced an alternative more beneficial to the Central Business District and the near downtown neighborhoods. The selection of the relocation alternative is anticipated in the half of 1997.

Entertainment, Parking Support and Quality of Life

The year 1996-97 saw the emergence of the Bricktown Ballpark, the completion of plans for the southern portion of the MAPS Canal, the design alignment of the northern portion of the Canal, development proposals, and of course serious parking problems.

For over twenty years the Authority had studied and planned the area east of Bricktown. It was to become known as the Central City Industrial District Urban Renewal Project. The area was designated for light industry thus providing the job base for the John F. Kennedy area. Some industry was initially attracted to the area but with the emergence of an entertainment district in nearby Bricktown, it became apparent that the balance of the Central City area must be supportive of the new entertainment district.

Early in the 1996-97 year the Authority received development proposals for the major portion of its land near Stiles and Reno avenues. A preliminary developer designation was awarded on the recommendation of the Authority's RTKL consultants. The RTKL, however, made it clear that to be truly supportive of Bricktown the proposed development, a cinema complex with associated commercial stores, should be moved westward onto land adjacent to the canal and in City ownership. This recommendation, coupled with the serious needs of parking in the area, ultimately culminated with the approval of an amended urban renewal plan entitled the MAPS Sports-Entertainment-Parking Support Redevelopment Plan. Thus as the year drew to close the Authority faced new challenges and opportunities in the Bricktown area. Redevelopment proposals for the area will be received shortly after the beginning of the 1997-98 year.

Leadership and Economic Growth

The Hammer, Siler, George Associates study of a biomedical strategy for the State of Oklahoma and the Oklahoma Health Center Research Park was completed in December, 1996. The study in and of itself was the result of leadership and cooperation between the State Department of Commerce, the Presbyterian Health Foundation, the Oklahoma City Chamber of Commerce, the Health Science Foundation and the Authority. The study provided ample evidence of the challenges and opportunities to be found in the biomedical industry.

It also set forth steps to assure a successful Oklahoma Health Center Research Park not the least of which was the construction of an incubator facility for fledgling biotechnology firms.

In April, 1997, the Presbyterian Health Foundation announced their intention of building a second building in the Research Park. The first structure was 110,000

square feet in four stories and was fully occupied; The second one would be 142,000 square feet in five stories. Most significantly the second building would include a minimum of 25,000 square feet for incubator use.

Ground was broken for the new facility even as major improvements for the Research Park were drawing to completion. Landscape work was substantially complete and signage including a large identity tower was in place.

Changes in Health Care

The pathway to a successful biomedical technology program may be treacherous but it is well defined; not so the health care delivery system. The delivery system has experienced unexpected and enormous changes with new and ever emerging alliances. This has been even more so for State supported hospitals and medical schools. Oklahoma has been no exception and consequently it was with a sigh of relief that the Legislature and Governor approved an agreement between Columbia and the State Hospital Authority for the operation of the state teaching hospitals.

As a consequence of the changing health care environment, the University of Oklahoma has announced its intention to develop an ambulatory care facility to provide for the practice of its doctors and the training of its residents. A very preliminary program calls for the facility to be approximately 120,000 square feet and accommodate 150 professional and allied health care personnel.

The Authority was asked to prepare for this development in November, 1996. Throughout the balance of the 1996-97 year the Authority developed surveys, resolved environmental difficulties and took steps to close and vacate streets and alleyways in an effort to create a nine acre site. It is anticipated the site will be prepared for disposition by January of 1998.

Commitment and Quality of Life

Immediately north of the future ambulatory care facility is the site of the Oklahoma School of Science and Mathematics. The State of Oklahoma created the School not only to provide quality education for its students but also with the hope of retaining some of Oklahoma's brightest students in State. They in turn would add to the talent level and ultimately contribute to a better quality of life.

The School's 30 acre site was initially acquired by the Authority as the request of the City. The first new construction got under way in 1996 and will be complete in December of 1997. The Authority has assisted the school with its development needs with legal and engineering assistance. In the year 1996-97 the Authority oversaw the relocation of a major transmission line to accommodate the new dormitory construction.

Commitment

The Authority's two oldest project areas lie east of the Oklahoma Health Center Research Park: the Health Center and John F. Kennedy projects. Both projects were begun almost three decades ago. Today the Health Center project embraces a residential neighborhood as well as the Oklahoma Health Center which employs almost 13,000 people. Redevelopment continues to occur in the Health Center project but almost always under the auspices of the University of Oklahoma or one of the allied Health Center entities. In the past year, however, the Authority has been called on numerous times to resolve legal questions involving easements, vacations, and the negotiation of agreements with oil well operators. In addition the Authority owns almost 100 parcels of vacant land which it continues to maintain and market.

East of the Health Center project lies the John F. Kennedy project. At one time this project was the largest residential urban renewal project in the United States. The Authority completed the infrastructure needs of the area almost ten years ago. During the year 1996-97 it continued to maintain a large inventory of vacant land and pledged to cooperate with the City in its efforts to develop a Homeownership Zone pending Federal government approval.

1996-97

Good leadership, aspiring for a better quality of life and coupled with true commitment, has transformed a difficult and hectic year into a truly productive one.

OKLAHOMA CITY URBAN RENEWAL AUTHORITY

STATEMENT OF INCREASES AND DECREASES IN FUND
BALANCES ARISING FROM CASH TRANSACTIONS
For the period June 1, 1997 to June 30, 1997

For ALL FUNDS

	CURRENT MONTH	YEAR TO DATE	BUDGET	UNEXPENDED
	-----	-----	-----	-----
REVENUES				
CDBG RECEIPTS	\$78,732.77	\$1,004,066.31	\$2,052,695.30	\$1,048,628.99
INTEREST	549.13	53,816.44	.00	(\$53,816.44)
REAL ESTATE SALES	836.00	7,563.00	.00	(\$7,563.00)
PARKING LOT REVENUE AND RENTAL	27,919.18	462,027.63	428,000.00	(\$34,027.63)
DEQ PROPERTY FUNDS	.00	600,000.00	.00	(\$600,000.00)
	-----	-----	-----	-----
TOTAL RECEIPTS	\$108,037.08	\$2,127,473.38	\$2,480,695.30	\$353,221.92
EXPENDITURES				
ADMIN SALARIES & BENEFITS	\$14,031.05	\$163,629.40	\$173,148.00	\$9,518.60
ADMIN SUPP SALARIES & BENEFITS	12,634.87	148,410.10	155,424.00	\$7,013.90
ADMIN OVERHEAD	6,403.38	60,854.69	82,908.00	\$22,053.31
PROP MGMT SALARIES & BENEFITS	10,667.54	125,254.61	124,752.00	(\$502.61)
PROP MGMT OVERHEAD	2,745.03	29,333.10	54,000.00	\$24,666.90
PROP MGMT INSURANCE	.00	708.00	20,500.00	\$19,792.00
CLOSEOUT OVERHEAD	717.13	39,859.01	.00	(\$39,859.01)
CONTRACT SERVICES	4,235.83	45,987.33	45,000.00	(\$987.33)
CLOSEOUT INSURANCE	.00	6,030.50	.00	(\$6,030.50)
GENERAL MAINTENANCE	2,553.64	24,826.06	45,607.50	\$20,781.44
PROFESSIONAL SERVICES	.00	8,285.40	.00	(\$8,285.40)
REAL ESTATE PURCHASES	61,408.10	118,093.85	.00	(\$118,093.85)
DEQ PROPERTY AQUISITION	.00	592,500.00	.00	(\$592,500.00)
ENVIRONMENTAL EXPENSES	.00	14,555.63	40,000.00	\$25,444.37
ACQUISITION EXPENSES	23,472.00	44,862.87	585,033.20	\$540,170.33
DISPOSITION EXPENSES	16,665.28	111,721.08	63,500.00	(\$48,221.08)
SITE CLEARANCE	.00	32,313.03	78,070.30	\$45,757.27
SITE IMPROVEMENTS	14,684.44	555,662.45	996,752.30	\$441,089.85
FUNDS RETURNED TO THE CITY	200.00	77,477.06	.00	(\$77,477.06)
CONTINGENCY	.00	.00	16,000.00	\$16,000.00
	-----	-----	-----	-----
TOTAL EXPENDITURES	\$170,418.29	\$2,200,364.17	\$2,480,695.30	\$280,331.13
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES				
	-----	-----	-----	-----
	(\$62,381.21)	(\$72,890.79)	\$.00	\$72,890.79
	=====	=====	=====	=====

OCURA
Attachment A
June 30, 1997

REAL ESTATE PURCHASES

<u>Project</u>	<u>Parcel No.</u>	<u>Date</u>	<u>Purchase Price</u>
<u>Harrison/Walnut</u>			
	293-7	11/01/96	\$29,667.75
	276-3 & 18	11/22/96	5,942.25
	276-1	02/07/97	6,262.00
	293-2	03/26/97	5,723.75
	276-1	04/07/97	757.50
	276-4 & 19	05/16/97	4,545.00
	276-13	05/22/97	3,787.50
	276-15	06/27/97	1,146.35
	276-14	06/27/97	1,146.35
	292-9	06/27/97	4,646.00
	276-6	06/27/97	11,282.00
	292-1	06/27/97	6,284.50
	292-10	06/27/97	9,239.00
	293-1	06/30/97	6,565.00
	292-2	06/30/97	4,646.00
	276-9	06/30/97	14,392.50
	276-20	06/30/97	2,060.40

			\$118,083.85
			=====

RELOCATION

<u>Project</u>	<u>Parcel No.</u>	<u>Date</u>	<u>Expenditure</u>
<u>Harrison Walnut</u>			

OCURA
Attachment B
June 30, 1997

<u>Disposition Expenses</u>		\$ 16,665.28
Bentley Environmental	11,113.00	
Batchelor & Powers	3,663.30	
Williams, Box and Forshee	348.50	
Mitchell Surveying	525.00	
Warren Butler	546.73	
Journey House	336.00	
Journel Record	91.04	
Kinko's	25.99	
Triangle A&E	15.72	
<u>Acquisition Expenses</u>		\$ 23,472.00
Batchelor & Powers	23,472.00	
<u>General Legal Fees</u>		\$ 0.00
Batchelor & Powers	0 00	

OKLAHOMA CITY URBAN RENEWAL AUTHORITY

STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS

As of June 30, 1997

For LINCOLN BYERS

ASSETS

GOOD FAITH DEPOSITS	\$29,169.63
TOTAL ASSETS	----- \$29,169.63 =====

LIABILITIES AND FUND BALANCE

A/P - GOOD FAITH DUE TO	\$29,169.63 1,881.40
TOTAL LIABILITIES	----- \$31,051.03
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES	(\$1,881.40)
TOTAL FUND BALANCE	----- (\$1,881.40)
TOTAL LIABILITIES AND FUND BALANCE	\$29,169.63 =====

OKLAHOMA CITY URBAN RENEWAL AUTHORITY

STATEMENT OF INCREASES AND DECREASES IN FUND
BALANCES ARISING FROM CASH TRANSACTIONS
For the period June 1, 1997 to June 30, 1997

For OSSM

	CURRENT MONTH -----	YEAR TO DATE -----
REVENUES		
CDBG RECEIPTS	\$267.50	\$5,565.50
TOTAL RECEIPTS	----- \$267.50	----- \$5,565.50
EXPENDITURES		
ADMIN SALARIES & BENEFITS	\$140.57	\$1,416.15
ADMIN SUPP SALARIES & BENEFITS	92.90	1,193.54
ADMIN OVERHEAD	70.21	639.99
DISPOSITION EXPENSES	42.00	2,619.50
TOTAL EXPENDITURES	----- \$345.68	----- \$5,869.18
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES	----- (\$78.18) =====	----- (\$303.68) =====

OKLAHOMA CITY URBAN RENEWAL AUTHORITY

STATEMENT OF ASSETS AND LIABILITIES

ARISING FROM CASH TRANSACTIONS

As of June 30, 1997

For OSSM

ASSETS

TOTAL ASSETS

\$.00
=====

LIABILITIES AND FUND BALANCE

DUE TO

\$303.68

TOTAL LIABILITIES

\$303.68

EXCESS (DEFICIENCY) OF RECEIPTS
OVER EXPENDITURES

(\$303.68)

TOTAL FUND BALANCE

(\$303.68)

TOTAL LIABILITIES AND
FUND BALANCE

\$.00
=====

OKLAHOMA CITY URBAN RENEWAL AUTHORITY

Notes to Financial Statements
June 30, 1997

- (1) Basis of Accounting and Presentation of Financial Statements:
The Authority uses a modified cash basis of accounting; receivables and payables are recorded from cash transactions in recording the transactions which affect the various project funds. The accompanying statements of assets and liabilities arising from cash transactions and statements of increases or decreases in fund balances arising from cash transactions are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.
- (2) Investments:
Investments are stated at cost.