

AGENDA FOR
SPECIAL MEETING OF
OKLAHOMA CITY REDEVELOPMENT AUTHORITY
105 N. HUDSON, SUITE 101
OKLAHOMA CITY, OK 73102
WEDNESDAY, DECEMBER 16, 2015
10:15 A.M.

- I. Call to Order
- II. Statement of Compliance with the Oklahoma Open Meeting Law
- III. Roll Call
- IV. Reading and Approval of Minutes of a Special Meeting held on Thursday, August 27, 2015
- V. Resolution No. _____ Conditionally Authorizing the Use of Revenues from the Skirvin Hotel Project for the Acquisition of Real Property for the Construction of a Convention Center Hotel and Requesting such Authorization and Approval by the City Of Oklahoma City
- VI. Resolution No. _____ Approving Open Records Policy to Ensure Compliance with the Oklahoma Open Records Act
- VII. Resolution No. _____ Authorizing and Approving Development Financing and Subordinated Loan Agreement in the Amount Of \$5,650,000 to Page Woodson Development, LLC, for Eligible Project Costs Under the Amended Oklahoma Health Center Economic Development Project Plan
- VIII. Resolution No. _____ Approving a Vendors List for Professional Services, Including Abstract and Title; Architecture, City Planning, Urban Design, and Landscape Architecture; Civil Engineering and Traffic Studies; Land Surveying; Appraisals; and Environmental Assessment and Testing
- IX. Resolution No. _____ of the Oklahoma City Redevelopment Authority Receiving and Accepting an Audit of Accounts by BKD, LLP, for Fiscal Year Ending June 30, 2015
- X. Presentation of Interim Financial Report for the Period Ending November 30, 2015
- XI. Unfinished Business
- XII. New Business
- XIII. Comments from Trustees
- XIV. Comments from Citizens
- XV. Adjournment

POSTED at the offices of the Oklahoma City Redevelopment Authority and the City Clerk's Office by 10:15 a.m., Monday, December 14, 2015 by Pam Lunnon, Executive Assistant

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

A Special Meeting of the Trustees of the Oklahoma City Redevelopment Authority (“Redevelopment Authority”) was held on Thursday, August 27, 2015, at 2:00 p.m. in the offices of the Redevelopment Authority at 105 N. Hudson, #101, Oklahoma City, OK.

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

Mr. J. Larry Nichols
Mr. Russell M. Perry
Mr. Mark Beffort
Mr. James R. Tolbert, III
Ms. Mary Mélon
Councilman Larry McAtee

Trustee Absent:

Councilman David Greenwell

Staff Present:

Catherine O’Connor, Executive Director
Dan Batchelor, OCURA General Counsel
Leslie Batchelor, OCURA Associate General Council
Geri Kenfield, The Alliance for Economic Development of Oklahoma City
Cassi Poor, The Alliance for Economic Development of Oklahoma City
Pam Lunnon, The Alliance for Economic Development of Oklahoma City
Michael Owens, The Alliance for Economic Development of Oklahoma City

The Chairman asked for a motion to approve, as circulated, the minutes of a Regular and Annual Meeting held on Wednesday, July 15, 2015.

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

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

Minutes Adopted.

OCRA Board of Trustees, Thursday, August 27, 2015

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The Chairman introduced the following resolution:

Resolution No. 155 entitled:

“Authorizing and Approving Payment of a Portion of Cost to Engage The Brookings Institute and Project for Public Places to Conduct The Brookings Initiative on Innovation and Placemaking and as Consultants for the Creation of a Regional Innovation District”

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

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

Resolution Adopted.

Resolution No. 156 entitled:

“Approving Professional Services Agreement with the Center for Economic Development Law PLLC for Legal Services and Designating General Counsel and Associate General Counsel”

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

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

Resolution Adopted.

Presentation of Interim Financial Reports for the Period Ending July 31, 2015

Ms. Kenfield presented the financial statements for the period ending July 31, 2015.

There being no further business to come before the Board, meeting was adjourned at 2:18 p.m.

SECRETARY

OKLAHOMA CITY REDEVELOPMENT AUTHORITY

TRUSTEES

J. Larry Nichols
Chairman

James R. Tolbert III
Vice Chairman

Mark Beffort

David Greenwell

Larry McAtee, Jr.

Mary Melon

Russell M. Perry

EXECUTIVE DIRECTOR

Catherine O'Connor

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Catherine O'Connor, Executive Director

Date: December 16, 2015

Ref: Resolution Conditionally Authorizing the Use of Revenues from the Skirvin Hotel Project for the Acquisition of Real Property for the Construction of a Convention Center Hotel and for Related Development Costs; and Requesting such Authorization and Approval by the City of Oklahoma City

Background: OCRA, along with OCURA, were responsible for the redevelopment activities related to the Skirvin Hotel Project. As a result, OCRA retains the revenues from the Skirvin Hotel Project for use in other economic development projects as determined by the City. The City is building a new convention center as a part of its MAPS 3 program as well as a proposed hotel to accompany the new convention center. In order to fund the acquisition of property designated for the proposed convention center hotel and related development costs it's desirable to use the revenue from the Skirvin Hotel Project.

Recommendation: Approval of Resolution

Attachments: n/a

RESOLUTION NO. _____

RESOLUTION CONDITIONALLY AUTHORIZING THE USE OF REVENUES FROM THE SKIRVIN HOTEL PROJECT FOR THE ACQUISITION OF REAL PROPERTY FOR THE CONSTRUCTION OF A CONVENTION CENTER HOTEL AND FOR RELATED DEVELOPMENT COSTS; AND REQUESTING SUCH AUTHORIZATION AND APPROVAL BY THE CITY OF OKLAHOMA CITY

WHEREAS, the Oklahoma City Urban Renewal Authority (“OCURA”) is engaged in carrying out the Core to Shore Urban Renewal Plan, as amended (“Urban Renewal Plan”), pursuant to the approval and direction of the City of Oklahoma City (“City”) in accordance with the Oklahoma Urban Redevelopment Law, 11 O.S. §38-101, *et seq.*; and

WHEREAS, in accordance with the objective to remove blight, the Urban Renewal Plan provides for the acquisition of certain real property by direct negotiation or by the exercise of the power of eminent domain granted by law to the Authority; and

WHEREAS, on November 18, 2015, OCURA authorized the acquisition of specific real property for the construction of a hotel to accompany the new MAPS 3 convention center; and

WHEREAS, the City has adopted the Downtown/MAPS Economic Development Project Plan, as amended (“Project Plan”), in accordance with the Oklahoma Local Development Act, 62 O.S. §850, *et seq.*, and Article 10 Section 6C of the Oklahoma Constitution, to stimulate private redevelopment investment activities to complement the MAPS Program; and

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

WHEREAS, based upon direction provided by the City Council through a funding plan for the Skirvin Hotel Project, and consistent with the purposes expressed in the Project Plan, OCRA participated in the financing of the Skirvin Hotel Project, which participation included making loans and entering into a ground lease; and

WHEREAS, the City Council and OCRA agreed that revenues received by OCRA as contemplated by the funding plan for the Skirvin Hotel Project, including any loan payments any and payments under the ground lease, are to be retained by OCRA for use in other economic development projects as determined and directed by the City; and

WHEREAS, the development of a hotel proposed to accompany the new MAPS 3 convention center is an appropriate economic development project for the use of such funds; and

WHEREAS, in order to fund the acquisition of the real property designated for the proposed convention center hotel and related development costs, the use of such funds by OCURA, the Alliance for Economic Development of Oklahoma City ("Alliance"), as well as OCRA, is appropriate and desirable, if so determined and directed by the City; and

WHEREAS, it is necessary and appropriate to conditionally authorize and to request the City's authorization and approval of the use of revenues received by OCRA from the Skirvin Hotel Project, including payments under the ground lease and loan payments, and to disburse such authorized funds to OCURA for the acquisition of the real property designated for the construction of a hotel proposed to accompany the new MAPS 3 convention center.

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

1. The use of revenues received by OCRA from the Skirvin Hotel Project, including loan payments and payments under the ground lease, and the disbursement of such revenues to OCURA for the acquisition of the real property designated for the construction of a hotel proposed to accompany the new MAPS 3 convention center, as well as for related development costs incurred by OCURA and the Alliance, is hereby conditionally authorized, subject to authorization and approval by the City.
2. It is hereby requested that the City authorize and approve the use of revenues received by OCRA from the Skirvin Hotel Project, including loan payments and payments under the ground lease, for the acquisition by OCURA of the real property designated for the construction of a hotel proposed to accompany the new MAPS 3 convention center and for related development costs incurred by OCURA, the Alliance, and OCRA.
3. The officers of the Oklahoma City Redevelopment Authority and its Executive Director, with the advice of Legal Counsel, are authorized and directed to approve and execute documents and take all necessary actions as may be necessary or appropriate to implement this authorization.

I, _____, Secretary 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 **16th day of December, 2015**; that said meeting was held in accordance with the By-Laws 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 such meeting; and that said Resolution was adopted by a majority of those present.

SECRETARY

OKLAHOMA CITY REDEVELOPMENT AUTHORITY

TRUSTEES

J. Larry Nichols
Chairman

James R. Tolbert III
Vice Chairman

Mark Beffort

David Greenwell

Larry McAtee, Jr.

Mary Melon

Russell M. Perry

EXECUTIVE DIRECTOR

Catherine O'Connor

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Catherine O'Connor, Executive Director

Date: December 16, 2015

Ref: Resolution Approving Open Records Policy to Ensure Compliance with the Oklahoma Open Records Act

Background: OCRA is subject to the Oklahoma Open Records Act. This resolution adopts an Open Records Policy that complies with State law and helps to guide staff in administrative functions relating to requests for records. A copy of the policy is attached along with a fee schedule.

Recommendation: Approval of Resolution

Attachments: Open Records Policy

RESOLUTION NO. _____

**RESOLUTION APPROVING OPEN RECORDS POLICY TO ENSURE COMPLIANCE
WITH THE OKLAHOMA OPEN RECORDS ACT**

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, from time to time the Authority receives requests for records; and

WHEREAS, the Authority is subject to the Oklahoma Open Records Act, 51 O.S. § 24A.1, *et seq.*; and

WHEREAS, the Authority desires to parallel as much as possible the Open Records Act policies adopted by the City as a show of consistency between differing arms of local government; and

WHEREAS, it is appropriate to adopt Open Records Act policies to comply with State law and to help guide Authority staff in administrative functions relating to open records requests.

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

1. The attached "Oklahoma City Redevelopment Authority Open Records Policy" will provide necessary and appropriate guidance for statutory compliance and procedural consistency, and is hereby adopted.
2. The Executive Director, Legal Counsel, and officers and staff of the Authority are authorized and directed to prepare and execute such documents, letters, and authorizations as may be appropriate and desirable to implement this resolution and the Open Records Policy.

I, _____, Secretary 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 the offices of the Oklahoma City Urban Renewal Authority at 105 N. Hudson, Suite 101, Oklahoma City, Oklahoma, on the **16th** day of **December, 2015**; that any notice required to be given of such meeting was properly given; that a quorum was present at all times during such meeting; and that said Resolution was adopted by a majority of those present.

SECRETARY

(SEAL)

OPEN RECORDS POLICY

I. STATEMENT OF POLICY

The Oklahoma City Redevelopment Authority (“Authority”) shall fully comply with the Oklahoma Open Records Act, 51 O.S. § 24A.1, *et seq.* (“Act”). All records of the Authority are open to any person for inspection, copying, or mechanical reproduction during regular business hours. The Executive Director of the Authority, or the Executive Director’s designee, shall serve as the custodian of Authority records. The Act does not apply to records specifically required by law to be kept confidential, and the Authority and its officials are not required to create records if not already in existence. The Authority seeks to provide prompt, reasonable access to its records, while protecting the integrity of its records and preventing excessive disruption of its essential functions.

II. OPEN RECORDS REQUESTS

All requests for Authority records shall be in writing in the form provided by the Request for Inspection and Copying of Records attached in “Appendix A,” providing a detailed description of the requested records and contact information for the person or entity to whom the requested records may be delivered. Vague, open-ended or all-inclusive record production requests shall not be accepted for processing. All Requests for Inspection and Copying of Records must be hand delivered, mailed, faxed, or emailed to:

Oklahoma City Redevelopment Authority
105 North Hudson Avenue, Suite 101
Oklahoma City, Oklahoma 73102
Fax: (405) 232-8317
Email: info@theallianceokc.org

III. PROCESSING RECORDS REQUESTS

The production of records responsive to a presented request shall be handled promptly by the custodian of Authority records. The date and time when a request is presented and the date and time when the requested records are produced shall be noted on the processed record request. The processing of a record request, in all cases, shall ensure the integrity and security of Authority records, and every request shall be processed in a manner which prevents excessive disruption of the essential functions of the Authority.

IV. SCOPE OF RECORDS SEARCH

Public records must remain open to any person for inspection, copying, and/or mechanical reproduction. In addition, such records must be pre-existing—the Authority has no duty under the Act to create a record not already in existence.¹ A “record” under the Act means all documents including,

¹ 51 O.S. § 24A.18.

but not limited to, any book, paper, photograph, microfilm, data files created by or used with computer software, computer tape, disk, and record, sound recording, film recording, video record or other material regardless of physical form or characteristic, which was created by, received by, or under the authority of public officials, public bodies, or their representatives in connection with the transaction of public business, the expenditure of public funds or the administering of public property. "Record" does not mean computer software, nongovernmental personal effects or, unless public disclosure is required by other laws or regulations, personal financial data submitted to a public body for the purpose of obtaining a license, permit, or for the purpose of becoming qualified to contract with a public body.

Additionally, any record falling with a statutory exemption will remain confidential and will not be subject to production in response open records requests. Among these are: personal notes and personally created materials of a public official (any official or employee of a public body) prior to taking any action (such as approving or making a recommendation on a policy); bid specifications for competitive bidding prior to publication; contents of sealed bids prior to opening bids; appraisals relating to sale or acquisition of real estate prior to award of a contract; or the prospective location of a private business or industry prior to public disclosure; litigation files; records protected by attorney-client privilege and work product immunity; minutes of executive sessions; federal records (i.e., tax returns); personal communications relating to an exercise of constitutional rights and the identity of the person exercising such rights (i. e., citizen complaints); and research and proprietary information may be kept confidential if such disclosure could affect the outcome.

The Authority may keep the following personnel records confidential: internal personnel investigations including examination, selection material for employment, hiring, appointment, promotion, demotion, discipline or resignation; any personnel record which would clearly constitute an unwarranted invasion of personal privacy (i.e., employee evaluations, payroll deductions, employment applications submitted by persons not hired); and the home address of any current or former employee. The following personnel records, on the other hand, are not confidential: employment application of a person who becomes a public official; gross receipts of public funds; dates of employment, title or position; and any final disciplinary action resulting in loss of pay, suspension, demotion of position, or termination. An employee of a public body shall have a right of access to his own personnel file (except confidential records).

V. FEES FOR RECORDS

Except as required by law, the entities requesting copies of public records must pay a fee as determined by the fee schedule in "Appendix B" in advance of receipt of the copies. If the cost of a request is estimated to exceed forty dollars (\$40.00), an Authority representative will send an estimate to the requestor. Once the requestor confirms to pay the estimated costs, the Authority will begin compiling the records. If a requestor does not respond within ten (10) days, the file will be closed.

The Act specifically prohibits charging a search fee when the documents are in the public interest, including, but not limited to release to the news media, scholars, authors, and taxpayers seeking to determine whether those entrusted with the affairs of the government are honestly, faithfully, and competently performing their duties as public servants. When the request is solely for a commercial purpose, a search fee can be charged. Fees will not be used to discourage requests for information. The

fee schedule in “Appendix B” shall be posted on the Authority’s website and at the Authority’s primary offices.

VI. LEGAL QUESTIONS

Any questions concerning whether or not a requested document is a “public record” as defined by the Act, whether a record is exempt, or relating to the amount of the charge which should be collected pursuant to “Appendix B” shall contact the office of the Authority’s Legal Counsel for guidance. Any public official who willfully violated the Act, upon conviction, shall be guilty of a misdemeanor and fined not to exceed \$500 or one year imprisonment.

APPENDIX A

[Insert Open Records Request Form for OCRA]

APPENDIX B

Oklahoma City Redevelopment Authority
105 N. Hudson Ave., Ste 101
Oklahoma City, OK 73102

Fees to provide copies of public records

Except as otherwise provided in this schedule or by State statute, the fees for copying of existing public records of the Oklahoma City Redevelopment Authority pursuant to a request made pursuant to the Oklahoma Open Records Act shall be as follows:

- A. **Paper photocopy of an existing public record**, including a paper copy of an existing electronic public record, per page not exceeding eight and one-half-inch by 14-inch in size, \$0.25.
- B. **Copy of an existing oversized public record** (with “oversized” meaning existing public records available in the specific sizes indicated below):

(i) Mylar sheet (line drawing)

- 24" x 36"
Black and white - \$3.73

(ii) Mylar sheet (image/aerial photo)

- 24" x 36"
Black and white - \$18.65

(iii) Image/aerial photo ¹

- 11" x 17"
Color - \$ 5.41, Black and white - \$2.79
- 17" x 22"
Color - \$ 8.37, Black and white - \$4.31
- 24" x 36"
Color - \$ 11.81, Black and white - \$6.08
- 36" x 42"
Color - \$ 17.72, Black and white - \$9.12
- 42" x 42" or larger
Color - \$ 20.67, Black and white - \$10.64

(iv) Line drawing ²

- 11" x 17"
Color - \$ 1.62, Black and white - \$0.56
- 17" x 22"
Color - \$ 2.51, Black and white - \$0.86
- 24" x 36"
Color - \$ 3.54, Black and white - \$1.22
- 36" x 42"
Color - \$ 5.32, Black and white - \$1.82
- 42" x 42" or larger
Color - \$ 6.20, Black and white - \$2.13

¹ "Image/aerial photo" includes but is not limited to zoning maps, subdivision maps, and aerial photos.

² "Line drawing" includes but is not limited to engineering plans, atlas sheets, and contour maps.

C. **Electronic copy of existing computer data or document(s)** onto Authority-issued disc, electronic copy of existing computer-generated report(s) onto Authority-issued disc, copy of an existing CD onto Authority-issued CD, and/or copy of an existing DVD onto Authority-issued DVD, per disc, \$4, plus the following additional charge, as applicable in specific cases: the actual cost of any hardware and software that are not in the possession of the public body, that would not otherwise generally be required or used by the public body, and that are specifically required to fulfill the request and reproduce the record in computer-readable format with deletion of confidential data.

D. **Expedited copy of existing flood zone and flood map** public record for each tract or description of land requested (includes cost of materials and labor directly attributable to making an expedited copy of existing flood zone and flood map information) \$25.

E. **Copy of an existing photograph:**

- (1) One five-inch by seven-inch photograph provided as a picture on photo paper, \$3
- (2) One or more photographs provided as an electronically recorded file on Authority-issued media (CD, DVD), per disc, \$4.

F. **Additional fee to recover the direct cost of total time spent** searching and copying existing public record(s), to be charged only when the request:

- (1) Is *solely* for commercial purpose(s); or
- (2) Would clearly cause an excessive disruption of essential Authority functions, as determined by the Executive Director or her designee, calculated for each one minute of time spent to search and copy, \$0.30 per minute; provided, in no case shall this

additional fee be charged when the release of records is in the public interest, such as the release of records to the news media, scholars, authors, or taxpayers seeking to determine whether Authority officers or employees are honestly, faithfully, and competently performing their duties as public servants.

G. **Payment in advance** of the above fees for copies of existing public records may be required by the department director or his/her designee.

If the cost of a request is expected to exceed \$40, a staff member will send an estimate to the requestor. Once the requestor confirms to pay the estimated costs, a staff member will begin compiling the records. If a requestor does not respond within 10 days, the file will be closed.

OKLAHOMA CITY REDEVELOPMENT AUTHORITY

TRUSTEES

J. Larry Nichols
Chairman

James R. Tolbert III
Vice Chairman

Mark Beffort

David Greenwell

Larry McAtee, Jr.

Mary Melon

Russell M. Perry

EXECUTIVE DIRECTOR

Catherine O'Connor

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Catherine O'Connor, Executive Director

Date: December 16, 2015

Ref: Resolution Authorizing and Approving Development Financing and Subordinated Loan Agreement in the Amount of \$5,650,000 to Page Woodson Development, LLC for Eligible Project Costs Under the Amended Oklahoma Health Center Economic Development Project Plan

Background: The Amended Oklahoma Health Center Economic Development Project Plan ("Project Plan") provides support through tax increment financing for development of the area anchored by the Oklahoma Health Center ("Project Area"). The City has authorized the Trust to assist in development financing under the Project Plan. The Redevelopment Agreement between the Oklahoma City Urban Renewal Authority and Page Woodson Development, LLC ("Redeveloper") contemplates assistance in development financing to the Redeveloper for the rehabilitation of the former Page Woodson School. The planned renovation of the school building will create 128 affordable housing units, restore the auditorium and provide additional community space around the auditorium. The Executive Director and Legal Counsel have negotiated a term sheet, under which development financing assistance is to be provided, in the form of a subordinated loan, to renovate the historic auditorium and surrounding community space, and other public improvements necessary to complete Phase I of the project. The proposed assistance provides that upon completion of the renovation, the Trust shall loan \$5,650,000 to the Redeveloper; \$2,900,000 for the renovation of the auditorium and \$2,750,000 for assistance with other public improvements. The Development Financing and Subordinated Loan Agreement and supporting documents cannot be finalized until receipt and review of the senior loan documents.

Summary of Agenda Item: The resolution authorizes assistance in development financing to Page Woodson Development, LLC of \$5,650,000.00, in accordance with the provisions of the Amended Oklahoma Health Center Economic Development Project Plan. The officers of the Trust and its Executive Director, with the advice of its Legal Counsel, are authorized to finalize, approve and execute the proposed Development Financing and Subordinated Loan Agreement and related documents, including the approval and execution of amendments, corrections and clarifications thereof, and to take such actions as may be necessary or appropriate to implement this authorization and to provide assistance in development financing.

Recommendation: Approval of Resolution.

RESOLUTION NO. _____

RESOLUTION AUTHORIZING AND APPROVING DEVELOPMENT FINANCING AND SUBORDINATED LOAN AGREEMENT IN THE AMOUNT OF \$5,650,000 TO PAGE WOODSON DEVELOPMENT, LLC, FOR ELIGIBLE PROJECT COSTS UNDER THE AMENDED OKLAHOMA HEALTH CENTER ECONOMIC DEVELOPMENT PROJECT PLAN

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

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

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

WHEREAS, the Redevelopment Agreement provides for the rehabilitation of the former Page Woodson School and development of significant housing on the property surrounding the school to contribute to the ongoing revitalization of the surrounding area; and

WHEREAS, pursuant to Section 9 of the Redevelopment Agreement, the parties have negotiated the terms of a Development Financing and Subordinated Loan Agreement, and other related documents, including but not limited to a promissory note and subordinated mortgage, which provide assistance in development financing in the amount of \$5,650,000 to Page Woodson Development, LLC, or other designated affiliate of Colony – Page Woodson, LLC, to be used in support of the project and, in particular, for the renovation of the historic auditorium located in the school and public improvements necessary for Phase I of the project, as defined in the Redevelopment Agreement; and

WHEREAS, the Oklahoma City Urban Renewal Authority and the Oklahoma City Redevelopment Authority are authorized in accordance with their respective responsibilities to carry out the Project Plan and the Redevelopment Agreement; and

WHEREAS, by resolution approved on April 10, 2007, the City Council of the City of Oklahoma City authorized the Oklahoma City Redevelopment Authority to provide assistance in development financing within the authorizations and limitations of the Project Plan in order to

implement the redevelopment activities of the Oklahoma City Urban Renewal Authority in accordance with the Harrison-Walnut Urban Renewal Plan; and

WHEREAS, approval of assistance in development financing in the amount of \$5,650,000 to Page Woodson Development, LLC, or other designated affiliate of Colony – Page Woodson, LLC, for eligible project costs for further development is appropriate, desirable, and in the public interest; and

WHEREAS, the approval and execution of a Development Financing and Subordinated Loan Agreement, Promissory Note, and Subordinated Mortgage, along with other documents appropriate and necessary to evidence the terms of the assistance in development financing in the amount of \$5,650,000 to Page Woodson Development, LLC, or other designated affiliate of Colony – Page Woodson, LLC, is appropriate, desirable, and in the public interest.

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

1. Assistance in development financing to Page Woodson Development, LLC, or other designated affiliate of Colony – Page Woodson, LLC, is authorized in the amount of \$5,650,000, from Increment District No. 1, subject to later reimbursement from Increment District No. 7, in accordance with the provisions of the Amended Oklahoma Health Center Economic Development Project Plan.
2. Legal Counsel of the Oklahoma City Redevelopment Authority is authorized to finalize the terms of a Development Financing and Subordinated Loan Agreement, Promissory Note, Subordinated Mortgage, and other documents, including but not limited to a Subordination Agreement, appropriate and necessary to evidence the terms of the assistance in development financing, and such documents are hereby approved.
3. The officers of the Oklahoma City Redevelopment Authority and its Executive Director, with the advice of Legal Counsel, are authorized to approve and execute the documents approved herein, and to approve and execute amendments, corrections and clarifications thereof, and to take such actions as may be necessary or appropriate to implement this authorization, to provide assistance in development financing, and to incur costs for surveys, approvals, title, and financing related expenses related to providing such assistance in development financing.

I, _____, Secretary of the Oklahoma City Redevelopment Authority, a public trust, certify that the foregoing Resolution No. _____ was duly adopted at a **regular** meeting of the Oklahoma City Redevelopment Authority held at its offices at 105 N. Hudson, Suite 101, Oklahoma City, Oklahoma, on the **16th day of December, 2015**; that said meeting was held in accordance with the By-Laws 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 such meeting; and that said Resolution was adopted by a majority of those present.

SECRETARY

TERM SHEET

Agreement for TIF Assistance in Development Financing Subordinate Loan Agreement, Promissory Note, and Subordinated Mortgage

Borrower: Page Woodson Development, LLC, or other designated affiliate of New Page, LLC or Colony – Page Woodson, LLC, provided that the Borrower will be the owner of the phase 1 Page Woodson property (the “Phase 1 Property”).

Lender: Oklahoma City Redevelopment Authority, a public trust

Loan Amount: \$5,650,000.00

Loan Purpose: \$2,900,000.00 – to provide assistance with the auditorium renovation costs
\$2,750,000.00 – to provide assistance with public improvement costs

Collateral: All of Borrower’s right, title, and interest in and to the Phase 1 Property, subject to subordination pursuant to a subordination/intercreditor agreement with Senior Lender (Arvest Bank and/or Freddie Mac/Wells Fargo).

Term: 35 years.

Repayment Terms: Interest-only during the term payable annually. Interest rate is 0.25%. On maturity date, principal is due and payable. The annual interest payment requirement is payable solely from no greater than 75% of Borrower’s Surplus Cash Flows. “Surplus Cash Flows” means with respect to any period that any amounts are owing under the loan from Arvest Bank and/or Freddie Mac/Wells Fargo (the “Senior Loan”), any revenues of the Borrower remaining after paying, or setting aside funds for paying, the following: (i) all sums due or currently required to be paid under the Senior Loan, (ii) all sums due or currently required to be paid under the other Senior Loan documents (including but not limited to any imposition reserve deposits as defined in the continuing covenant agreement), (iii) all deposits to any replacement reserve, completion/repair reserve or other reserve or escrow required by the Senior Loan documents that are due or currently payable, (iv) all fees due or currently payable by the Borrower in connection with the Senior Loan, and (v) all reasonable operating expenses of the Phase 1 Property, including but not limited to real estate taxes (or payments in lieu thereof), insurance premiums, utilities, building maintenance and repairs, management fees, payroll, administrative expenses, legal expenses and audit expenses, and any developer fees payable with respect to the Phase 1 Property.

Maturity Date: 35th anniversary of the closing.

Non-Recourse: Loan will be non-recourse to Borrower.

Prepayment: No penalty or premium for prepayment of the Loan in whole or in part.

Default:	Interest rate increased to 3%, during event of default.
Events of Default:	Borrower's failure to pay any principal, interest, or other obligation due under the Loan Documents when due and payable subject to prior written notice and mutually acceptable curative periods. Borrower's default under the Loan Documents subject to prior written notice and mutually acceptable curative periods. Change in control of Borrower other than (1) the change in the managing member of Borrower to an entity owned and/or controlled by Stratford Capital in accordance with the terms of Borrower's operating agreement, or (2) approved by OCRA. Insolvency or bankruptcy of Borrower. Dissolution of Borrower. Borrower fails to comply with affordability requirements for the Phase 1 Property (including dedicating no fewer than 128 units to households at 60% of AMI).
Security:	Promissory Note and Mortgage in favor of OCRA granting a security interest in the collateral. Subordinate to Arvest Bank, the construction lender, and Freddie Mac/Wells Fargo, permanent lender, and any future lender to Borrower with respect to the Phase 1 Property.
Subordination Obligation:	Lender shall be required to subordinate its security interest/mortgage in the collateral to any existing lender or future lender to Borrower with respect to the Phase 1 Property pursuant to a subordination/intercreditor agreement on terms substantially similar to the subordination/intercreditor agreement to be entered into with Arvest Bank, the construction lender, and Freddie Mac/Wells Fargo, permanent lender.
Refinance Obligation:	Lender shall be required to modify the maturity date of the Loan in the event any future senior mortgage lender to Borrower with respect to the Phase 1 Property requires Lender to refinance and extend the term of the Loan in connection with such future senior mortgage lender's new loan to Borrower with respect to the Phase 1 Property.
Consideration For Forgiveness:	On or after the 20 th anniversary of the Loan closing date, Lender shall have the right to forgive all or any portion of the principal amount of the Loan in Lender's absolute and sole discretion. In making its determination as to whether to forgive all or any portion of the principal amount of the Loan, Lender may, but is not required to, consider the following: (1) Borrower's compliance with the affordable housing requirements for the Phase 1 Property during such 20-year period, (2) any agreement by Borrower to comply with affordable housing requirements for the Phase 1 Property following such 20-year period (e.g., dedicating 50% or more of the dwelling units to households at 60% of AMI), and (3) the extent to which Borrower or its affiliates have made ad valorem tax payments (or payments in lieu thereof or otherwise) on properties developed by Borrower or its affiliates as a part of future phases within the Redevelopment

Site (as defined in the Redevelopment Agreement with Colony-Page Woodson, LLC).

Conditions to Loan: The Loan proceeds will be advanced to Borrower upon satisfaction of all of the following conditions: (1) Borrower has received tax-exempt bonds and low-income housing tax credits funding through OHFA; (2) Borrower has completed construction of the Phase 1 Property in accordance with the requirements set forth in the Redevelopment Agreement with Colony-Page Woodson, LLC; and (3) Borrower has reached minimum occupancy of not less than 45% of the dwelling units in the Phase 1 Property.

Upon closing of the Loan, the documents evidencing and securing the Loan shall be executed and delivered and a covenant shall be filed of record that requires the owner of the Phase 1 Property to make minimum ad valorem tax payments (or payments in lieu thereof) in the amount of \$110,000 per year through the remaining life of the TIF 7.

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EXECUTIVE DIRECTOR

Catherine O'Connor

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Catherine O'Connor, Executive Director

Date: December 16, 2015

Ref: Resolution Approving a Vendors List for Professional Services, Including Abstract and Title; Architecture, City Planning, Urban Design, and Landscape Architecture; Civil Engineering and Traffic Studies; Land Surveying; Appraisals; and Environmental Assessment and Testing

Background: In order to comply with Authority and federal procurement policies, OCURA and OCRA passed respective resolutions authorizing the solicitation of vendors for the following frequently used professional services:

- Abstract and Title
- Architecture, City Planning, Urban Design and Landscape Architecture
- Civil Engineering and Traffic Studies
- Land Surveying
- Appraisals
- Environmental Assessment and Testing

In order to compile lists for vendors, staff developed RFP's for each service, published a legal notice and notified vendors of the solicitation, and evaluated the submitted proposals. Schedule A to the Resolution contains a list of the recommended vendors for each category. The vendors list will be valid for up to three years (2016-2018) unless OCURA and OCRA determine it necessary to reissue one or all of the RFP's beforehand to fulfill the goals and objectives of the organizations.

Recommendation: Approval of Resolution

Attachments: Schedule A – Vendor List

RESOLUTION NO. _____

RESOLUTION APPROVING A VENDORS LIST FOR PROFESSIONAL SERVICES, INCLUDING ABSTRACT AND TITLE; ARCHITECTURE, CITY PLANNING, URBAN DESIGN, AND LANDSCAPE ARCHITECTURE; CIVIL ENGINEERING AND TRAFFIC STUDIES; LAND SURVEYING; APPRAISALS; AND ENVIRONMENTAL ASSESSMENT AND TESTING

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 to provide financial assistance to the Oklahoma City Urban Renewal Authority (“Authority”) in connection with its proposed and approved redevelopment activities; and

WHEREAS, the powers of OCRA are vested in and shall be exercised by the Board of Trustees; and

WHEREAS, the Board of Trustees have heretofore vested the position of Executive Director of OCRA with the responsibilities for the administrative affairs of the OCRA; and

WHEREAS, it is appropriate and desirable to provide the Executive Director with the support of professional services from individuals or firms with the expertise and experience to assist in the implementation of the urban renewal plans that the Authority is implementing and OCRA is supporting; and

WHEREAS, the Board of Trustees has authorized a public, competitive procurement process to select quality professional services providers and has complied with applicable procurement policies and regulations in connection with sources of funding; and

WHEREAS, the Authority authorized the invitations for proposals and/or requests for qualifications for professional services, including abstract and title; architecture, city planning, urban design, and landscape architecture; civil engineering and traffic studies; land surveying; appraisals; and environmental assessment and testing, in support of the achievement of the objectives of the urban renewal plans that the Authority is implementing and OCRA is supporting; and

WHEREAS, such invitations for proposals and/or requests for qualifications was issued on behalf of the Authority and OCRA, and the Board of Trustees ratified such issuance; and

WHEREAS, it is appropriate and desirable to create a list of preferred professional services providers from which the Authority and OCRA may select such providers, to be taken from the responses to the invitations for proposals and requests for qualifications.

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

1. The Approved Vendors List, as shown in Schedule A to this Resolution, is hereby approved as the list of professional services providers for the professional services listed from which the Authority and OCRA may enter into professional services contracts for the period from January 1, 2016 through December 31, 2018.
2. The Executive Director is authorized to issue additional invitations for proposals and requests for qualifications for professional services that are believed to be necessary to assist OCRA with the implementation and support of urban renewal plans, and to present such additional professional services providers to the Board of Trustees to be added to the Approved Vendors List.
3. The Executive Director, with the advice and assistance of Legal Counsel, is authorized to enter into professional services agreements with the professional service providers listed on the Approved Vendors List.
4. The authorizations in this resolution shall not create any legal obligation for the Authority or OCRA to enter into contracts with the professional services providers on the Approved Vendors List.
5. The Executive Director, Legal Counsel, and officers and staff of the Authority and OCRA are authorized and directed to prepare and execute such documents, letters, and authorizations as may be appropriate and desirable to implement this resolution.

I, _____, Secretary 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 the offices of the Oklahoma City Urban Renewal Authority at 105 N. Hudson, Suite 101, Oklahoma City, Oklahoma, on the **16th** day of **December, 2015**; that any notice required to be given of such meeting was properly given; that a quorum was present at all times during such meeting; and that said Resolution was adopted by a majority of those present.

SECRETARY

(SEAL)

Schedule A
2016-2018 Professional Services Vendor Lists

1. Abstract and Title Services:

American Eagle Title Insurance Company
Oklahoma Title and Closing Company

2. Architecture, City Planning, Urban Design and Landscape Architecture Services:

ADG, Inc.
Allen Brown Consulting, LLC
Butzer Architects and Urbanism
Callison RTKL
GSB, Inc. Architects & Planners
Guernsey
Lord Aeck Sargent
WSP Parsons Brinckerhoff

City Planning, Urban Design and Landscape Architecture Specific Services:

Planning Design Group, Inc.
LAUD Studio
Howard-Fairbairn Site Design

3. Civil Engineering and Traffic Studies Services:

ADG Inc.
Cardinal Engineering
EST, Inc.
Guernsey
Johnson & Associates
MacArthur Associated Consultants
Path Engineering
Traffic Engineering Consultants, Inc. (traffic studies only)

4. Land Surveying Services:

EST, Inc.
CEC Infrastructure
Frontier Land Surveying
Johnson & Associates
Lemke Land Surveying
MacArthur Associated Consultants
White Hawk Engineering & Design, LLC

5. Appraisal Services:

Bradford J. Black
Central Resource Management Corp. dba Donald Wade & Assoc.
J.W. Hoyt & Associates
Schmook Appraisals Company
Stacy and Associates
RC Borders & Co.
Real Property Services, Inc. – Richard Riley

6. Environmental Assessment and Testing Services:

Enercon Services, Inc.
Est, Inc.
GMR & Associates, Inc.
Guernsey
Marshall Environmental Management, Inc.
SCS Aquaterra
Talon/LPE
Terracon Consultants, Inc.

Renewal of the vendor lists will occur every three years unless deemed necessary to reissue requests for proposals prior by the Oklahoma City Urban Renewal Authority and/or Oklahoma City Redevelopment Authority.

OKLAHOMA CITY REDEVELOPMENT AUTHORITY

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EXECUTIVE DIRECTOR

Catherine O'Connor

To: Board of Trustees of the Oklahoma City Redevelopment Authority

From: Catherine O'Connor, Executive Director

Date: December 16, 2015

Ref: Resolution of the Oklahoma City Redevelopment Authority Receiving and
Accepting an Audit of Accounts by BKD, LLP, for Fiscal Year Ending June
30, 2015

Background: BKD, LLP has completed its audit of the financial activities of OCRA for the fiscal year ending June 30, 2015. The Executive Director, as well as the Chief Financial Officer of The Alliance have reviewed the audit and recommend approval.

Summary of Agenda Item: The resolution for consideration receives and accepts the audit by BKD, LLP for the fiscal year ending June 30, 2015.

Recommendation: Approval of Resolution.

RESOLUTION NO. _____

**RESOLUTION OF THE OKLAHOMA CITY REDEVELOPMENT AUTHORITY
RECEIVING AND ACCEPTING AN AUDIT OF ACCOUNTS BY BKD, LLP, FOR
FISCAL YEAR ENDING JUNE 30, 2015**

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, BKD, LLP is highly qualified to audit the financial activities of OCRA; and

WHEREAS, in July 2015, OCRA accepted a proposal from BKD, LLP to audit the financial activities of the OCRA; and

WHEREAS, BKD, LLP has submitted an audit of accounts to OCRA for the fiscal year ending June 30, 2015; and

WHEREAS, the Executive Director and Legal Counsel for OCRA have reviewed and accepted the audit of accounts by BKD, LLP, for fiscal year ending June 30, 2015; and

WHEREAS, the Board of Trustees of the OCRA deems it appropriate and desirable to accept the audit of accounts by BKD, LLP, for fiscal year ending June 30, 2015.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of OCRA that the audit of accounts submitted by BKD, LLP, for the fiscal year ending June 30, 2015, is hereby accepted.

I, _____, Secretary of the Oklahoma City Redevelopment Authority, a public trust, certify that the foregoing Resolution No. _____ was duly adopted at a **special** meeting of the Oklahoma City Redevelopment Authority held at the offices of the Oklahoma City Urban Renewal Authority at 105 N. Hudson, Suite 101, Oklahoma City, Oklahoma, on the **16th** day of **December, 2015**; that any notice required to be given of such meeting was properly given; that a quorum was present at all times during such meeting; and that said Resolution was adopted by a majority of those present.

SECRETARY

(SEAL)

Board of Trustees
Oklahoma City Redevelopment Authority
Oklahoma City, Oklahoma

As part of our audit of the financial statements of the Oklahoma City Redevelopment Authority (the Authority), a component unit of the City of Oklahoma City, Oklahoma (the City), as of and for the year ended June 30, 2015, we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

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

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

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

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

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

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

Alternative Accounting Treatments

No matters are reportable.

Management Judgments and Accounting Estimates

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

- Depreciation

Financial Statement Disclosures

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

- Revenue recognition
- Lease transactions

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated.

Areas in which adjustments were proposed include:

Proposed Audit Adjustments Recorded

- Entries for deferred inflows
- Receivable related to Economic Development Administration grant

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 Written Communication

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

- Management representation letter (attached)

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

BKD, LLP

October 22, 2015

OKLAHOMA CITY REDEVELOPMENT AUTHORITY

October 22, 2015

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Vice Chairman

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**EXECUTIVE
DIRECTOR**

Catherine O'Connor

BKD, LLP

Certified Public Accountants

211 N. Robinson Avenue, Suite 600

Oklahoma City, OK 73102

We are providing this letter in connection with your audits of the Oklahoma City Redevelopment Authority (the Authority), a component unit of the City of Oklahoma City, Oklahoma, financial statements as of and for the years ended June 30, 2015 and 2014. We confirm that we are responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, operations and compliance, and preventing and detecting fraud.

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

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

1. We have fulfilled our responsibilities, as set out in the terms of our engagement letter dated June 12, 2015, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent

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and detect fraud.

4. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.
5. We have provided you with:
 - (a) Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.
 - (b) Additional information that you have requested from us for the purpose of the audit.
 - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - (d) All minutes of meetings of the governing body held through the date of this letter.
 - (e) All significant contracts and grants.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. We have informed you of all current risks of a material amount that are not adequately prevented or detected by entity procedures with respect to:
 - (a) Misappropriation of assets.
 - (b) Misrepresented or misstated assets, liabilities or net position.
8. We have no knowledge of any known or suspected:
 - (a) Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant

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roles in internal control.

- (b) Fraudulent financial reporting or misappropriation of assets involving others that could have a material effect on the financial statements.
9. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, customers, regulators, suppliers or others.
10. We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America. We understand that the term related party refers to an affiliate; management, and members of their immediate families, component units; and any other party with which the entity may deal if it can significantly influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with us.
11. Except as reflected in the financial statements, there are no:
- (a) Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.
 - (b) Material transactions omitted or improperly recorded in the financial statements.
 - (c) Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
 - (d) Events occurring subsequent to the statement of net position and balance sheet date through the date of this letter requiring adjustment or disclosure in the financial statements.
 - (e) Agreements to purchase assets previously sold.

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- (f) Restrictions on cash balances or compensating balance agreements.
- (g) Guarantees, whether written or oral, under which the Authority is contingently liable.
- 12. 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.
- 13. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
- 14. 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.
- 15. Except as disclosed in the financial statements, we have:
 - (a) Satisfactory title to all recorded assets, and they are not subject to any liens, pledges or other encumbrances.
 - (b) Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.
- 16. 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.
- 17. With regard to deposit and investment activities:
 - (a) All deposit, repurchase and reverse repurchase agreements

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and investment transactions have been made in accordance with legal and contractual requirements.

- (b) Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
 - (c) We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
18. With respect to any nonattest services you have provided us during the year, including assistance in financial statement preparation:
- (a) We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
 - (b) We have established and monitored the performance of the nonattest services to ensure that they meet our objectives.
 - (c) We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
 - (d) We have evaluated the adequacy of the services performed and any findings that resulted.
19. We acknowledge that we are responsible for compliance with applicable laws, regulations and provisions of contracts and grant agreements.
20. 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.
21. We have identified and disclosed to you any violations or possible violations of laws, regulations and provisions of

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contracts and grant agreements whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.

22. 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.
23. We have a process to track the status of audit findings and recommendations.
24. 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.
25. The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the statement of net position and balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
26. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.

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Catherine O'Connor

27. With regard to supplementary information:

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



Catherine O'Connor - Executive Director



Geri Kenfield - Chief Financial Officer

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Independent Auditor's Reports and Financial Statements
June 30, 2015 and 2014



Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
June 30, 2015 and 2014

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Independent Auditor's Report

Board of Trustees
Oklahoma City Redevelopment Authority
Oklahoma City, Oklahoma

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities and the major funds of the Oklahoma City Redevelopment Authority (the Authority), a component unit of the City of Oklahoma City, Oklahoma, as of and for the years ended June 30, 2015 and 2014, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of the Authority as of June 30, 2015 and 2014, and the respective changes in financial position thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The budget-to-actual expenditure comparison (project life-to-date), and related notes listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The information for the fiscal years 2012 and prior was audited by other auditors, who issued an unmodified opinion on the information on November 30, 2012. The information for the fiscal years 2013 onward was subjected by BKD to the procedures noted above. In our opinion, the information as of and from the years ended June 30, 2015 and 2014, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2015, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BKD, LLP

Oklahoma City, Oklahoma
October 22, 2015

Oklahoma City Redevelopment Authority

A Component Unit of the City of Oklahoma City, Oklahoma

Management's Discussion and Analysis

Years Ended June 30, 2015 and 2014

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, 2015 and 2014. It should be read in conjunction with the accompanying financial statements of the Authority.

Financial Highlights

- Cash and cash equivalents increased in 2015 by \$2,264,278 and decreased in 2014 by \$127,700.
- The Authority's capital assets decreased in 2015 and 2014 by \$344,609 and \$12,865,412, respectively.
- Long-term debt decreased in 2015 and 2014 by \$788,463 and \$11,774,333, respectively.
- The Authority's net position increased in 2015 and 2014 by \$2,059,795 and \$2,639,810, 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 the 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 \$1,406,092 in 2015 compared to a decrease of \$10,427,337 in 2014. The 2015 increase was primarily due to an increase in cash and cash equivalents and amounts due from other governments (grant receivable from the Economic Development Administration), offset by reductions in investments, capital assets and notes receivable. The 2014 decrease was primarily due to a reduction in capital assets, a result of the sale of parking garages in October 2013 to the Presbyterian Health Foundation (PHF) in conjunction with PHF's sale of the research park to the Board of Regents of the University of Oklahoma.

Total liabilities decreased in 2015 and 2014 by \$653,703 and \$13,067,147, respectively. The 2015 decrease was due to regular annual debt service payments. In 2014, the decrease was primarily the result of cancellation of long-term debt related to the parking garages sold to PHF.

In 2015, no significant changes occurred in capital assets and debt other than depreciation and payment of principal. Changes in both capital assets and debt in 2014 were the result of the sale of the parking garages to PHF and cancellation of related debt.

Table 1: Condensed Statements of Net Position

	2015	2014	Change	% Change	2013	Change	% Change
Current and other assets	\$ 28,535,890	\$ 26,785,189	\$ 1,750,701	7%	\$ 24,674,070	\$ 2,111,119	9%
Capital assets	6,394,993	6,739,602	(344,609)	-5%	19,278,058	(12,538,456)	-65%
Total assets	34,930,883	33,524,791	1,406,092	4%	43,952,128	(10,427,337)	-24%
Long-term liabilities	5,004,065	5,792,528	(788,463)	-14%	17,566,861	(11,774,333)	-67%
Other liabilities	1,200,304	1,065,544	134,760	13%	2,358,358	(1,292,814)	-55%
Total liabilities	6,204,369	6,858,072	(653,703)	-10%	19,925,219	(13,067,147)	-66%
Net investment in capital assets	2,431,684	2,244,146	187,538	8%	1,979,178	264,968	13%
Restricted	26,294,830	24,422,573	1,872,257	8%	22,047,731	2,374,842	11%
Net position	\$ 28,726,514	\$ 26,666,719	\$ 2,059,795	8%	\$ 24,026,909	\$ 2,639,810	11%

Statement of Activities

The statement of activities reports how the Authority's net position changed during the fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. For the years ended June 30, 2015 and 2014, net position increased by \$2,059,795 and \$2,639,810, respectively. In 2015, the change in net position was \$580,015 less than the previous year. The change was due to a decrease in rental revenue of \$190,000, an increase in project costs of \$621,000 and the \$693,000 payment to the City to retire debt associated with the Skirvin Hotel project, offset by a \$505,000 increase in grant revenues, \$180,000 increase in TIF related revenues and decreases in interest and depreciation expenses. In comparison, the 2014 change in net position was \$343,537 less than the change for 2013, mainly as a result of a decrease in rental income from the parking garages sold to PHF of \$405,514, a decrease in Tax Increment Financing (TIF) 1 apportioned ad valorem taxes of \$96,000, offset by a decrease in interest expense related to the notes payable associated with the parking garages sold to PHF of \$167,780.

Table 2: Condensed Statements of Activities

	2015	2014	Change	% Change	2013	Change	% Change
Charges for services	\$ 643,365	\$ 824,335	\$ (180,970)	-22%	\$ 1,239,724	\$ (415,389)	-34%
Operating grants, contributions and restricted interest	882,588	368,733	513,855	139%	380,845	(12,112)	-3%
General revenues	2,929,469	2,750,385	179,084	7%	2,821,750	(71,365)	-3%
Total revenues	4,455,422	3,943,453	511,969	13%	4,442,319	(498,866)	-11%
Economic development expenses	2,318,911	1,172,889	1,146,022	98%	1,160,438	12,451	1%
Interest expense	76,716	130,754	(54,038)	-41%	298,534	(167,780)	-56%
Total operating expenses	2,395,627	1,303,643	1,091,984	84%	1,458,972	(155,329)	-11%
Change in net position	\$ 2,059,795	\$ 2,639,810	\$ (580,015)	-22%	\$ 2,983,347	\$ (343,537)	-12%

Fund Financial Statements

The fund financial statements provide a detailed short-term view of the activity in the Authority's two special revenue funds – TIF 1 and Skirvin Hotel Project. The information helps to determine the amount of current financial resources available and focuses on how money flows in and out of each fund and the balances available at year-end.

Table 3: Condensed Fund Financial Statements for TIF 1 Fund

	2015	2014	Change	% Change	2013	Change	% Change
TIF 1							
Total assets	\$ 11,531,376	\$ 10,060,174	\$ 1,471,202	15%	\$ 8,924,310	\$ 1,135,864	13%
Total liabilities	(411,841)	(287,790)	(124,051)	43%	(309,525)	21,735	-7%
Deferred inflows of resources	(537,808)	(18,760)	(519,048)	2767%	(10,442)	(8,318)	80%
Fund balance	\$ 10,581,727	\$ 9,753,624	\$ 828,103	8%	\$ 8,604,343	\$ 1,149,281	13%

The TIF 1 fund balance increased \$828,103 in 2015 compared to an increase of \$1,149,281 in 2014. Revenues remained steady in 2015 while total expenditures increased by approximately \$305,000, the result of a \$675,000 increase in project expenditures, offset by a \$361,000 decrease in debt service. 2014 total revenues and expenditures decreased by \$496,022 and \$653,079, respectively, for a net increase in the net change in fund balance of \$157,057. Primary differences included a decrease in rental revenue from the garages sold to PHF of \$418,352, an increase in TIF category expenditures of \$436,689 and a decrease in total debt service of \$1,089,768, mainly due to the cancelation of the two notes associated with the parking garages sold to PHF.

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

	2015	2014	Change	% Change	2013	Change	% Change
Skirvin Hotel Project							
Total assets	\$ 6,756,719	\$ 6,271,015	\$ 485,704	8%	\$ 6,078,747	\$ 192,268	3%
Total liabilities	-	-	-	0%	(982,987)	982,987	-100%
Deferred inflows of resources	(43,029)	(43,595)	566	-1%	(44,332)	737	-2%
Fund balance	\$ 6,713,690	\$ 6,227,420	\$ 486,270	8%	\$ 5,051,428	\$ 1,175,992	23%

The Skirvin Hotel Project fund balance increased \$486,270 in 2015 compared to an increase of \$1,175,992 in 2014, a decrease of \$689,722. The decrease in the fund balance was the result of a payment to the City of \$692,911 to retire debt associated with the project.

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

Economic Factors

The Authority is designated to receive tax apportionment revenues for TIF Districts 1 and 7. To date, the Authority has collected \$23 million for TIF 1. There have been no revenues collected for TIF 7; however, the Authority expects they will begin in fiscal year 2016. 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 also administers a note receivable from the owner of the hotel, Skirvin Partners, LLC. Lease payments are expected monthly through December 2104, the expiration date of the 99-year ground lease. Ground lease and debt service payments collected will be retained for use in future economic development activities approved by the City.

Contacting the Authority's Management

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

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Government-Wide Statements of Net Position
June 30, 2015 and 2014

Assets

	2015	2014
Current Assets		
Cash and cash equivalents	\$ 7,582,117	\$ 5,317,839
Investments, at fair value	5,145,000	4,900,000
Due from other governments	530,067	14,350
Rent receivable	252,906	370,834
Interest receivable	25,620	26,135
Investment income receivable	14,385	12,031
Current portion of notes receivable	212,602	206,205
	<hr/>	<hr/>
Total current assets	13,762,697	10,847,394
	<hr/>	<hr/>
Capital Assets		
Land	506,891	506,891
Building, parking garages and undivided ownership interest in buildings, net	5,888,102	6,232,711
	<hr/>	<hr/>
Total capital assets	6,394,993	6,739,602
	<hr/>	<hr/>
Other Noncurrent Assets		
Investments, at fair value	4,438,000	5,390,000
Notes receivable	10,035,193	10,247,795
Other assets – deposits	300,000	300,000
	<hr/>	<hr/>
Total other noncurrent assets	14,773,193	15,937,795
	<hr/>	<hr/>
Total assets	34,930,883	33,524,791
	<hr/>	<hr/>

Liabilities and Net Position

	2015	2014
Current Liabilities		
Accounts payable	\$ 266,644	\$ 38,353
Current portion of long-term debt	788,463	777,754
Due to Urban Renewal	8,261	1,390
Advance PILOT payment	136,936	248,047
	<u>1,200,304</u>	<u>1,065,544</u>
Total current liabilities	1,200,304	1,065,544
Noncurrent Liabilities		
Long-term debt, less current maturities	<u>5,004,065</u>	<u>5,792,528</u>
Total liabilities	<u>6,204,369</u>	<u>6,858,072</u>
Net Position		
Net investment in capital assets	2,431,684	2,244,146
Restricted for debt service	1,066,129	1,068,087
Restricted for economic development activities	<u>25,228,701</u>	<u>23,354,486</u>
Total net position	<u>\$ 28,726,514</u>	<u>\$ 26,666,719</u>

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Government-Wide Statements of Activities
Years Ended June 30, 2015 and 2014

	Revenues				
	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants, Contributions and Restricted Interest	Net Revenues (Expenses)
2015					
Governmental Activities					
Economic development	\$ 2,318,911	\$ 643,365	\$ -	\$ 882,588	\$ (792,958)
Interest expense	<u>76,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(76,716)</u>
Total governmental activities	<u>\$ 2,395,627</u>	<u>\$ 643,365</u>	<u>\$ -</u>	<u>\$ 882,588</u>	<u>(869,674)</u>
General Revenues					
Apportioned TIF 1 ad valorem taxes					1,727,667
Payment in lieu of taxes					<u>1,201,802</u>
Total general revenues					<u>2,929,469</u>
Change in Net Position					2,059,795
Net Position, Beginning of Year					<u>26,666,719</u>
Net Position, End of Year					<u>\$ 28,726,514</u>
2014					
Governmental Activities					
Economic development	\$ 1,172,889	\$ 824,335	\$ -	\$ 368,733	\$ 20,179
Interest expense	<u>130,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(130,754)</u>
Total governmental activities	<u>\$ 1,303,643</u>	<u>\$ 824,335</u>	<u>\$ -</u>	<u>\$ 368,733</u>	<u>(110,575)</u>
General Revenues					
Apportioned TIF 1 ad valorem taxes					<u>2,750,385</u>
Total general revenues					<u>2,750,385</u>
Change in Net Position					2,639,810
Net Position, Beginning of Year					<u>24,026,909</u>
Net Position, End of Year					<u>\$ 26,666,719</u>

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Balance Sheets – Governmental Funds
June 30, 2015 and 2014

	2015		
	TIF 1	Skirvin Hotel Project	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 2,577,045	\$ 5,005,072	\$ 7,582,117
Investments, at fair value	8,113,000	1,470,000	9,583,000
Rent receivable	-	252,906	252,906
Interest receivable	-	25,620	25,620
Investment income receivable	11,264	3,121	14,385
Ad valorem taxes receivable	24,823	-	24,823
Federal grant receivable	505,244	-	505,244
Other assets	300,000	-	300,000
Total assets	<u>\$ 11,531,376</u>	<u>\$ 6,756,719</u>	<u>\$ 18,288,095</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 266,644	\$ -	\$ 266,644
Due to Urban Renewal	8,261	-	8,261
Advance PILOT payment	136,936	-	136,936
Total liabilities	<u>411,841</u>	<u>-</u>	<u>411,841</u>
Deferred Inflows of Resources	<u>537,808</u>	<u>43,029</u>	<u>580,837</u>
Fund Balances			
Restricted for			
Debt service	1,066,129	-	1,066,129
Economic development activities	-	6,713,690	6,713,690
Other TIF activities	9,515,598	-	9,515,598
Total fund balances	<u>10,581,727</u>	<u>6,713,690</u>	<u>17,295,417</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,531,376</u>	<u>\$ 6,756,719</u>	<u>\$ 18,288,095</u>

	2014		
	TIF 1	Skirvin Hotel Project	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 4,258,271	\$ 1,059,568	\$ 5,317,839
Investments, at fair value	5,390,000	4,900,000	10,290,000
Rent receivable	91,073	279,761	370,834
Interest receivable	-	26,135	26,135
Investment income receivable	6,480	5,551	12,031
Ad valorem taxes receivable	14,350	-	14,350
Other assets	300,000	-	300,000
Total assets	<u>\$ 10,060,174</u>	<u>\$ 6,271,015</u>	<u>\$ 16,331,189</u>

Liabilities, Deferred Inflows of Resources and Fund Balances

Liabilities			
Accounts payable	\$ 38,353	\$ -	\$ 38,353
Due to Urban Renewal	1,390	-	1,390
Advance PILOT payment	248,047	-	248,047
Total liabilities	<u>287,790</u>	<u>-</u>	<u>287,790</u>
Deferred Inflows of Resources	<u>18,760</u>	<u>43,595</u>	<u>62,355</u>
Fund Balances			
Restricted for			
Debt service	1,068,087	-	1,068,087
Economic development activities	-	6,227,420	6,227,420
Other TIF activities	8,685,537	-	8,685,537
Total fund balances	<u>9,753,624</u>	<u>6,227,420</u>	<u>15,981,044</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,060,174</u>	<u>\$ 6,271,015</u>	<u>\$ 16,331,189</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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Total fund balances	\$ 17,295,417	\$ 15,981,044
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	506,891
Building, net of accumulated depreciation of \$2,401,677 as of June 30, 2015, and \$2,110,565 as of June 30, 2014	4,876,134	5,167,246
Undivided ownership interest in buildings, net of accumulated depreciation of \$325,436 as of June 30, 2015, and \$271,938 as of June 30, 2014	1,011,967	1,065,465
Notes receivable	10,247,795	10,454,000
Earned but unavailable revenue	580,838	62,355
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the fund		
Long-term debt	<u>(5,792,528)</u>	<u>(6,570,282)</u>
Net position, per the statements of net position	<u>\$ 28,726,514</u>	<u>\$ 26,666,719</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, 2015 and 2014

	2015		
	TIF 1	Skirvin Hotel Project	Total Governmental Funds
Revenues			
Apportioned ad valorem taxes – TIF 1	\$ 1,717,051	\$ -	\$ 1,717,051
Payment in lieu of taxes	1,201,802	-	1,201,802
Rental income	-	642,496	642,496
Interest income paid on tax deposits held by the Oklahoma County Treasurer	143	-	143
Interest income on loans	-	310,528	310,528
Investment income	44,967	19,952	64,919
Principal payment on note receivable	-	206,205	206,205
Total revenues	<u>2,963,963</u>	<u>1,179,181</u>	<u>4,143,144</u>
Expenditures			
Biomedical, biopharmaceutical and technological research and development facilities and other public research park improvements	1,160,780	-	1,160,780
Administration	34,698	-	34,698
Implementation of economic development and redevelopment activities	85,912	-	85,912
Payment to the City	-	692,911	692,911
Debt service			
Principal	777,754	-	777,754
Interest	76,716	-	76,716
Total expenditures	<u>2,135,860</u>	<u>692,911</u>	<u>2,828,771</u>
Change in Fund Balances	828,103	486,270	1,314,373
Fund Balances, Beginning of Year	<u>9,753,624</u>	<u>6,227,420</u>	<u>15,981,044</u>
Fund Balances, End of Year	<u>\$ 10,581,727</u>	<u>\$ 6,713,690</u>	<u>\$ 17,295,417</u>

	2014		
	TIF 1	Skirvin Hotel Project	Total Governmental Funds
Revenues			
Apportioned ad valorem taxes – TIF 1	\$ 2,741,955	\$ -	\$ 2,741,955
Rental income	190,291	633,220	823,511
Interest income paid on tax deposits held by the Oklahoma County Treasurer	438	-	438
Interest income on loans	-	316,620	316,620
Investment income	27,145	26,152	53,297
Principal payment on note receivable	-	200,000	200,000
Other income	21,131	-	21,131
Total revenues	<u>2,980,960</u>	<u>1,175,992</u>	<u>4,156,952</u>
Expenditures			
Biomedical, biopharmaceutical and technological research and development facilities and other public research park improvements	571,846	-	571,846
Parking facilities and other public improvements	830	-	830
Administration	43,537	-	43,537
Debt service			
Principal	1,084,712	-	1,084,712
Interest	130,754	-	130,754
Total expenditures	<u>1,831,679</u>	<u>-</u>	<u>1,831,679</u>
Change in Fund Balances	1,149,281	1,175,992	2,325,273
Fund Balances, Beginning of Year	<u>8,604,343</u>	<u>5,051,428</u>	<u>13,655,771</u>
Fund Balances, End of Year	<u>\$ 9,753,624</u>	<u>\$ 6,227,420</u>	<u>\$ 15,981,044</u>

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Reconciliation of the Statements of Revenues, Expenditures and Changes
in Fund Balances – Governmental Funds to the Statements of Activities
Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Change in fund balances – governmental funds	\$ 1,314,373	\$ 2,325,273
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures while government-wide activities report depreciation expense to allocate those expenditures over the lives of the assets		
Depreciation expense	(344,609)	(503,659)
Certain income is not derived from current financial resources and, therefore, not reported as income in governmental funds		
Apportioned TIF 1 ad valorem taxes	10,473	7,992
Rental income on Skirvin Hotel project	869	773
Federal grant receivable	505,244	-
Interest income	(517)	(500)
Investment income receivable	2,413	(684)
Loss on sale of PHF parking garages is not reported in governmental funds	-	(53,017)
Proceeds from sale of PHF parking garages recorded as income in governmental funds	-	(21,080)
Principal payment on note receivable is recorded as revenue in governmental funds	(206,205)	(200,000)
Advances from debt agreements, principal repayments and changes in certain other assets are not reflected as revenues and expenditures in the statements of activities		
Principal payments on debt agreements and notes payable	<u>777,754</u>	<u>1,084,712</u>
Change in net position, per the statements of activities	<u>\$ 2,059,795</u>	<u>\$ 2,639,810</u>

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2015 and 2014

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 of the City. 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.

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

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. Accounting principles generally accepted in the United States include 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.

Government-Wide Financial Statements

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

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Fund Financial Statements

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

- TIF 1
- Skirvin Hotel Project

One of the funds account for the activity of the TIF. The other fund is as follows:

Skirvin Hotel Project – The Authority, Urban Renewal and the City have assisted in the renovation of the historic Skirvin Hotel. The renovation involved both public and private funds.

Measurement Focus and Basis of Accounting

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

Measurement Focus

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

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

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

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

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Basis of Accounting

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

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

Accounting Policies

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

Capital Assets

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

Use of Estimates

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

Income Taxes

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

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Net Position Classifications

Government-Wide Statements

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

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

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

Unrestricted – Represents the remaining net position, if any.

Fund Financial Statements

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

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

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

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

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

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

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

Restricted – The Skirvin Hotel Project activities in TIF 2 are reflected as restricted due to conditions imposed by either financing documents or the City's approvals. TIF 2 is now being administered by the City. As more fully described in *Note 9*, certain notes require a reserve fund as well as encumbered revenues to be maintained. The restricted fund balance for debt service in TIF 1 was \$1,066,129 and \$1,068,087 as of June 30, 2015 and 2014, respectively. The remaining fund balance in TIF 1 is reflected as restricted for other TIF activities.

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Program Revenues

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

Annual Budget-to-Actual Comparison

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

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

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor’s Report, which is the date the financial statements were available to be issued.

Note 2: Deposits and Investments

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

The policy of the Authority is to require all deposits to be maintained in accounts which are fully insured or collateralized. As of June 30, 2015 and 2014, the Authority had no uninsured or uncollateralized deposits. The Authority requires that investment collateral be held by a third-party custodian with whom the Authority has a current custodial agreement in the Authority’s name.

Deposits, as considered for custodial credit risk under GASB Statement No. 40, include non-negotiable certificates of deposit. Consequently, deposits of the Authority at June 30, 2015 and 2014, are \$17,165,117 and \$15,607,839, respectively, which include the cash balances of \$7,582,117 and \$5,317,839, respectively, and the investment balances of \$9,583,000 and \$10,290,000, respectively, as shown on the Authority’s financial statements.

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Investments

The Authority's investments at June 30, 2015 and 2014, consist entirely of certificates of deposit. All certificates of deposit held at year-end were in separate financial institutions and were fully covered by the Federal Deposit Insurance Corporation.

The Authority adopted an investment policy during the year ended June 30, 2014, which stipulates that no more than 75% of the total funds available for investment may be placed in any one authorized institution. Of the funds invested, up to 100% may be invested with a maturity date of two years or less, up to 30% may be invested with a maturity of two to three years, up to 10% may be invested with a maturity of three to five years and up to 5% may be invested with a maturity of 5–30 years.

Note 3: Due from Other Governments

Amounts due to the Authority from other governments at June 30, 2015 and 2014, consisted of the following:

	2015	2014
TIF 1 funds held by the Oklahoma County Treasurer	\$ 24,823	\$ 14,350
Economic Development Act grant receivable	505,244	-
	<u>\$ 530,067</u>	<u>\$ 14,350</u>

Note 4: Rent Receivable

Rent receivable at June 30, 2015 and 2014, consisted of the following:

	2015	2014
Skirvin ground lease	\$ 252,906	\$ 279,761
Presbyterian Heath Foundation – Mobile Incubator Lease	-	75,275
Presbyterian Health Foundation – parking garage	-	15,798
	<u>\$ 252,906</u>	<u>\$ 370,834</u>

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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, the interest rate increased to 3.86%. The completion date for the Skirvin Hotel was February 26, 2007. The note matured December 31, 2012, and 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 in the amount of \$10,654,000 at an interest rate of 3%. The refinanced note included the assigned loan to the Fund. Under the new terms, accrued interest shall be paid semiannually on June 1 and December 1, starting June 1, 2013, with a prorated payment for five months of interest. Principal payments shall be payable annually on December 1. Principal payments were \$206,205 and \$200,000 as of June 30, 2015 and 2014, respectively. Interest income of \$310,528 and \$316,620 was recognized during the years ended June 30, 2015 and 2014, respectively, in the accompanying government-wide statements of activities.

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Note 6: Capital Assets

Capital assets at June 30, 2015 and 2014, consisted of the following:

	Beginning Balance	Additions	Disposals	Ending Balance
2015				
Land	\$ 506,891	\$ -	\$ -	\$ 506,891
Building	7,277,811	-	-	7,277,811
University of Oklahoma				
Undivided ownership				
interest in buildings	1,337,403	-	-	1,337,403
	8,615,214	-	-	8,615,214
Less accumulated depreciation	(2,382,503)	(344,609)	-	(2,727,112)
Building, parking garages and				
undivided ownership interest				
in buildings, net	6,232,711	(344,609)	-	5,888,102
Total capital assets, net	<u>\$ 6,739,602</u>	<u>\$ (344,609)</u>	<u>\$ -</u>	<u>\$ 6,394,993</u>
2014				
Land	\$ 506,891	\$ -	\$ -	\$ 506,891
Building	7,277,811	-	-	7,277,811
Presbyterian Health				
Foundation (PHF)				
PHF parking garage #1	9,621,463	-	(9,621,463)	-
PHF parking garage #2	6,283,556	-	(6,283,556)	-
Undivided ownership				
interest in buildings	1,337,403	-	-	1,337,403
	24,520,233	-	(15,905,019)	8,615,214
Less accumulated depreciation	(5,749,066)	(503,659)	3,870,222	(2,382,503)
Building, parking garages and				
undivided ownership interest				
in buildings, net	18,771,167	(503,659)	(12,034,797)	6,232,711
Total capital assets, net	<u>\$ 19,278,058</u>	<u>\$ (503,659)</u>	<u>\$ (12,034,797)</u>	<u>\$ 6,739,602</u>

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Building

The building relates to the Cytovance project, of which the Authority funded a portion of the construction. The building was completed during the year ended June 30, 2007, and depreciation commenced at that time. The building is being depreciated over a 25-year life using the straight-line method of depreciation. Depreciation expense was \$291,112 for each of the years ended June 30, 2015 and 2014.

Parking Garages

On October 1, 2013, the Authority sold two parking garages it had acquired in 2008 in exchange for two promissory notes to the Board of Regents of the University of Oklahoma (OU). The parking garages were being depreciated over a 25-year life using the straight-line method of depreciation. Depreciation expense was \$159,051 for the year ended June 30, 2014. The parking garages were subject to long-term lease agreements with PHF. As part of this sales transaction, PHF exercised its option to purchase the parking facilities from the Authority, and PHF endorsed the Parity Tax Apportionment Revenue Note No. A-3 (Note A-3) and Parity Parking Revenue Note No. B-1 (Note B-1) to OU (see *Note 9*). In consideration of the sale, the Authority received the cancellation of Note A-3 and Note B-1 as well as the termination of the lease agreement between PHF and the Authority.

Assets sold, net	\$ (12,034,797)
Liabilities transferred	11,960,700
Cash proceeds	<u>21,080</u>
Net loss	<u><u>\$ (53,017)</u></u>

Land

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

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

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Undivided Interest

The undivided interest represents a 1.89423% ownership interest in the former PHF Research Park Mobile Incubator buildings. As part of the sales transaction between PHF and OU (see above), PHF assigned the Mobile Incubator Agreement between PHF and the Authority to OU. The ownership interest was originally acquired in May 2009 for a total cost of \$1,337,403. The cost included \$200,000 as an allowance for tenant improvements. The undivided interest is being depreciated over a 25-year life using the straight-line method of depreciation. Depreciation expense was \$53,496 for each of the years ended June 30, 2015 and 2014.

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

The ownership interest also provides for the Authority to receive rental of \$1 per year plus net cash flow derived from the sublease of OU to the tenant. During the year ended June 30, 2015, there was no tenant. Lease payments of \$106,109 were received for the year ended June 30, 2014. Lease receivables of \$75,275 were received for the year ended June 30, 2014.

Note 7: Other Assets

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

	2015	2014
Deposits held by PHF	\$ 300,000	\$ 300,000

Note 8: Advance Payment in Lieu of Taxes (PILOT) Payment

In October 2011, a Supplemental Redevelopment Agreement was entered into by and among Urban Renewal, PHF and The Toby Keith Foundation (TKF) for the development of OK Kids Korral. As part of the sales transaction between PHF and OU (see *Note 6* above), 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 the completion of the improvements and each year thereafter. TKF has made a \$250,000 prepayment for payments in lieu of ad valorem taxes. The OK Kids Korral was completed in November 2013 and the Authority paid \$111,111 and \$1,953 in taxes on behalf of OK Kids Korral for the years ended June 30, 2015 and 2014, respectively. The balance of the prepayment is \$136,936 and \$248,047 as of June 30, 2015 and 2014, respectively.

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As a result of the sales transaction between PHF and OU (see *Note 6* above), the Authority will start receiving payments in lieu of ad valorem taxes from OU, as OU is considered a component unit of the state of Oklahoma. The Authority received \$1,090,691 in payments in lieu of ad valorem taxes in the year ended June 30, 2015.

Note 9: Long-Term Debt

The following is a summary of long-term obligations for the Authority for the years ended June 30, 2015 and 2014:

	Beginning Balance	Advances	Payments	Ending Balance
2015				
Dean A. McGee Note A-1	\$ 2,074,826	\$ -	\$ (245,607)	\$ 1,829,219
Biopharmaceutical Manufacturing Facility Note A-2	4,495,456	-	(532,147)	3,963,309
	<u>\$ 6,570,282</u>	<u>\$ -</u>	<u>\$ (777,754)</u>	<u>\$ 5,792,528</u>
2014				
Dean A. McGee Note A-1	\$ 2,316,814	\$ -	\$ (241,988)	\$ 2,074,826
Biopharmaceutical Manufacturing Facility Note A-2	5,019,765	-	(524,309)	4,495,456
PHF Note A-3	8,186,077	-	(8,186,077)	-
PHF Note B-1	4,093,038	-	(4,093,038)	-
	<u>\$ 19,615,694</u>	<u>\$ -</u>	<u>\$ (13,045,412)</u>	<u>\$ 6,570,282</u>

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

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 on August 1, 2010, both interest and principal are due on the note. The amount of interest paid for the years ended June 30, 2015 and 2014, was \$24,226 and \$28,450, respectively, and the interest rate as of June 30, 2015 and 2014, was 1.1865% and 1.2731%, respectively.

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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, 2015 and 2014, was \$67,315 and \$67,458, 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, 2015 and 2014, was \$269,259 and \$269,833, respectively.

TIF 1 Tax Apportionment Note (Presently 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 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% (1.1865% and 1.2731% at June 30, 2015 and 2014, respectively). The rate changes annually on July 1. The note matures July 1, 2022, and required interest only to be paid monthly until August 1, 2010, at which time interest and principal payments commenced. For the years ended June 30, 2015 and 2014, \$52,490 and \$61,641, respectively, of interest was paid on the note.

The note requires a reserve fund be maintained. The reserve fund is calculated as equaling 25% of the annual debt service determined to be due by the next recalculation date, July 1, of each year the note is outstanding. The amount of reserve fund required at June 30, 2015 and 2014, was \$145,911 and \$146,159, 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, 2015 and 2014, was \$583,644 and \$584,637, respectively.

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PHF Note A-3

The Authority issued a \$10,600,000 parity tax apportionment revenue note on August 31, 2007 (PHF Note A-3). The note matures on July 1, 2022, and interest on the note is calculated as either 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; then, commencing on August 1, 2010, both interest and principal were due on the note. This note was fully paid off as part of the sale of the Research Park parking garages (see *Note 6*). The amount of interest paid for the year ended June 30, 2014, was \$27,109.

PHF Note B-1

The Authority issued a \$5,300,000 parity parking revenue note on August 31, 2007 (PHF Note B-1). The interest on the note is calculated as either 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; then, commencing on August 1, 2010, both interest and principal were due on the note. This note was fully paid off as part of the sale of the Research Park parking garages (see *Note 6*). The amount of interest paid for the year ended June 30, 2014 was \$13,554.

Future principal and interest payments on the notes for the years ended July 1, 2015, are as follows:

Year Ended June 30,	Dean A McGee Note A-1		Biopharmaceutical Manufacturing Facility Note A-2	
	Principal	Interest	Principal	Interest
2016	\$ 248,916	\$ 20,344	\$ 539,547	\$ 44,097
2017	251,885	17,374	545,984	37,660
2018	254,890	14,369	552,497	31,147
2019	257,931	11,329	559,088	24,556
2020	261,008	8,251	565,758	17,886
	<u>1,274,630</u>	<u>71,667</u>	<u>2,762,874</u>	<u>155,346</u>
2021–2023	<u>554,589</u>	<u>7,147</u>	<u>1,200,435</u>	<u>15,490</u>
	<u>\$ 1,829,219</u>	<u>\$ 78,814</u>	<u>\$ 3,963,309</u>	<u>\$ 170,836</u>

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The following is a summary of the notes as of June 30, 2015 and 2014:

	2015	2014
Dean A. McGee Note A-1	\$ 1,829,219	\$ 2,074,826
Biopharmaceutical Manufacturing Facility Note A-2	3,963,309	4,495,456
	<u>5,792,528</u>	<u>6,570,282</u>
Less current maturities	<u>(788,463)</u>	<u>(777,754)</u>
Long-term debt, less current maturities	<u>\$ 5,004,065</u>	<u>\$ 5,792,528</u>

Note 10: Net Position

The accompanying government-wide statements of net position reflect the following types of net position as of June 30, 2015 and 2014:

Net Investment in Capital Assets – Represents a balance of \$2,431,684 and \$2,244,146 at June 30, 2015 and 2014, respectively. The debt associated with capital assets had a balance of \$3,963,309 and \$4,495,456 at June 30, 2015 and 2014, respectively.

Restricted – Represents net position which has been restricted by outside sources. The net position restricted for debt service was \$1,066,129 and \$1,068,087 at June 30, 2015 and 2014, respectively. The net position restricted for economic development activities was \$25,228,701 and \$23,354,486 at June 30, 2015 and 2014, respectively.

Note 11: Ad Valorem Tax Revenue

Revenue is generated through apportionment of ad valorem tax increments collected within TIF 1. The increment of ad valorem taxes, as defined by the *Oklahoma Local Development and Enterprise Zone Incentive Leverage Act*, in excess of ad valorem taxes generated by the base assessed value of the increment district may be apportioned and used to pay project costs authorized by the project plan. The taxes are collected and distributed by the Oklahoma County Treasurer. Monies not distributed to the Authority are maintained for the benefit of the Authority by the Oklahoma County Treasurer. Interest income is paid by the Oklahoma County Treasurer on monies collected and held for apportionment and distribution.

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A summary of the ad valorem tax revenue as of June 30, 2015 and 2014, is as follows:

2015	
Tax year	
2012	\$ 57
2013	137,572
2014	1,579,422
	<hr/> 1,717,051
Interest received	143
Net change in tax receivable from Oklahoma County Treasurer	<hr/> 10,473
	<hr/> <hr/> \$ 1,727,667
 2014	
Tax year	
2010	\$ 28,041
2011	35,412
2012	2,678,502
	<hr/> 2,741,955
Interest received	438
Net change in tax receivable from Oklahoma County Treasurer	<hr/> 7,992
	<hr/> <hr/> \$ 2,750,385

Note 12: Lease Agreement

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

All rents collected under the lease agreement are to be used to repay Urban Renewal for funds loaned to the Authority, not to exceed \$1,500,000. Of the \$1,500,000, the Authority drew down \$651,731. The \$651,731 was repaid during the year ended June 30, 2009. The balance of rents collected will be retained by the Authority pending authorization and direction for the use of the revenue by the City Council of the City of Oklahoma City or its designee. During the year ended June 30, 2015, the City Council approved the use of Skirvin funds to pay off a Brownfield loan that the City had related to the cleanup of the Skirvin site. The Authority transferred \$692,911 to the City for this purpose.

Rent revenues recognized under the lease agreement were \$642,496 and \$633,220 for the years ended June 30, 2015 and 2014, respectively.

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Financial Statements
June 30, 2015 and 2014

Note 13: Related-Party Transactions

Urban Renewal

At June 30, 2015 and 2014, the Authority owed \$8,261 and \$1,390, respectively, of TIF 1 funds to Urban Renewal for project costs.

Supplementary Information

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Budget-to-Actual Expenditure Comparison (Project Life-to-Date)
June 30, 2015

TIF 1	Category A	Category B	Category C
Total budget	\$ 22,000,000	\$ 23,000,000	\$ 2,000,000
Expenditures			
For years 2013 through 2015	(1,595,908)	(830)	(153,321)
For year 2012 and prior	<u>(9,719,370)</u>	<u>(14,516,056)</u>	<u>(1,422,249)</u>
Budget amount remaining	<u>\$ 10,684,722</u>	<u>\$ 8,483,114</u>	<u>\$ 424,430</u>

TIF 7	Category A	Category B	Category C	Category D
Total budget	\$ 4,000,000	\$ 5,000,000	\$ 1,000,000	\$ 11,000,000
Expenditures				
For years 2013 through 2015	(241,093)	-	-	(85,912)
For year 2012 and prior	<u>-</u>	<u>-</u>	<u>-</u>	<u>(504,816)</u>
Budget amount remaining	<u>\$ 3,758,907</u>	<u>\$ 5,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 10,409,272</u>

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

Oklahoma City Redevelopment Authority
A Component Unit of the City of Oklahoma City, Oklahoma
Notes to Budget-to-Actual Expenditure Comparison (Project Life-to-Date)
June 30, 2015 and 2014

Note 1: Basis of Preparation

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

Note 2: Expenditures

TIF 1

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, and August 1, 2006, are as follows:

Category A – The cost of planning; financing; assistance in developing financing; acquiring and constructing biomedical, biopharmaceutical and technological research and development facilities; complementary commercial facilities; and other public research park improvements by the Authority, a public trust.

Category B – The cost of planning; financing; assistance in developing financing; acquiring, constructing and developing parking facilities; complementary commercial facilities; and related public improvements by the Authority, a public trust.

Category C – The cost of implementing and administering the project plan incurred or to be incurred by the City and Urban Renewal, 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. TIF 7 project cost categories follow the definitions above, with the addition of Category D, defined as follows:

Category D – The costs of implementing the economic development and redevelopment activities of Urban Renewal, in accordance with the Harrison-Walnut Urban Renewal Plan, and the project plan, including assistance in development financing and the negotiation, preparation, execution and implementation of development and redevelopment agreements, including agreements for financing, property acquisition, construction of public improvements and land disposition.

During the years ended June 30, 2008 through 2011, TIF 1 paid TIF 7 Category D costs. The project plan allows TIF 1 to advance funds for TIF 7 expenditures and TIF 7 to reimburse those amounts when funding is received. As of June 30, 2015, no TIF 7 funding has been received. As these funds will be repaid once funding is received, they have been included in the TIF 7 budget-to-actual schedule.

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

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 (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated October 22, 2015.

Internal Control over Financial Reporting

Management of the Authority is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit, we considered the Authority's internal control to determine the 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 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified.

Board of Trustees
Oklahoma City Redevelopment Authority

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Oklahoma City, Oklahoma
October 22, 2015

Oklahoma City Redevelopment Authority
Statement of Net Position
and Reconciliation of Net Position to Fund Balance
as of November 30, 2015

Assets	
Current Assets	
Cash & Cash Equivalents	7,382,149
Investments	9,108,000
Rent Receivable	90,099
Interest Receivable	102,478
Investment Income Receivable	-
Due from Other Governments	763,774
Total Current Assets	17,446,499
Capital Assets	
Land	506,891
Building & Undivided Ownership	8,615,214
Accumulated Depreciation	(2,870,700)
Total Capital Assets	6,251,405
Other Noncurrent Assets	
Notes Receivable	10,247,795
Other Assets	300,000
Total Other Noncurrent Assets	10,547,795
Total Assets	34,245,699
Liabilities	
Current Liabilities	
Current Portion of Long-term Debt	792,011
Accounts Payable	17,318
Due to Urban Renewal	9,022
Total Current Liabilities	818,350
Noncurrent Liabilities	
Deferred Revenue	136,936
Long-term Debt, less current portion	4,673,181
Total Noncurrent Liabilities	4,810,118
Total Liabilities	5,628,468
Net Position	28,617,231
Reconciliation of Net Position to Fund Balance	
<i>Not Reported in Governmental Funds Balance Sheet</i>	
Land	(506,891)
Building & Undivided Ownership	(8,615,214)
Accumulated Depreciation	2,870,700
Notes Receivable	(10,247,795)
Long-term Debt	5,465,192
Total Fund Balance	17,583,223

Oklahoma City Redevelopment Authority
Governmental Funds Balance Sheet and Statement of Revenues
as of and for the Five Months ending November 30, 2015

	<u>TIF 1</u>	<u>Skirvin</u>	<u>Total</u>
Assets			
Cash & Cash Equivalents	593,282	6,788,866	7,382,149
Investments	9,108,000	-	9,108,000
Rent Receivable	-	90,099	90,099
Interest Receivable	-	102,478	102,478
Investment Income Receivable	-	-	-
Due From Other Governments	763,774	-	763,774
Other Assets	300,000	-	300,000
Total Assets	10,765,057	6,981,443	17,746,499
Liabilities			
Accounts Payable	17,318	-	17,318
Due to Urban Renewal	9,022	-	9,022
Deposit	136,936	-	136,936
Total Liabilities	163,276	-	163,276
Fund Balance	10,601,781	6,981,443	17,583,223
Total Liabilities & Fund Balance	10,765,057	6,981,443	17,746,499
Revenues			
Apportioned Ad Valorem Taxes/PILOT - TIF 1	-	-	-
Rental Income	-	163,230	163,230
Interest Income	-	76,859	76,859
Investment Income	17,859	1,178	19,036
Other Income	233,707	-	233,707
Total Revenues	251,566	241,266	492,832
Expenditures			
Bioscience Development & Improvements	388,975	-	388,975
Public Parking & Related Public Improvements	-	-	-
Implementation & Administration of Project Plan	24,803	-	24,803
Other Project Redevelopment Activity Costs	-	-	-
City of OKC- Brownfields loan repayment	-	-	-
Debt Service - Principal	327,337	-	327,337
Debt Service - Interest	28,204	-	28,204
Total Expenditures	769,318	-	769,318
Changes in Fund Balance	(517,753)	241,266	(276,486)
Fund Balance, Beginning of Year	11,119,533	6,740,176	17,859,710
Fund Balance, Current	10,601,781	6,981,443	17,583,223

Unaudited - For management use only

Oklahoma City Redevelopment Authority
Schedule of Investments
November 30, 2015

<u>Investments</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Settlement</u> <u>Date</u>	<u>Amount</u>
Goldman Sachs Bank NY	0.50%	04/11/16	04/09/14	245,000
Barclays Bank DE	0.55%	05/06/16	05/06/14	245,000
Washington Trust Co	0.70%	07/29/16	07/31/14	245,000
NCB FSB	0.70%	08/08/16	08/08/14	245,000
Talmer Bank	0.70%	08/08/16	08/06/14	245,000
Capital One Bank	0.70%	09/06/16	09/04/14	245,000
Web Bank	0.80%	09/19/16	09/19/14	250,000
People's United Bank	0.85%	10/11/16	10/08/14	245,000
Sallie Mae Bank	1.05%	10/24/16	10/22/14	245,000
Merchantile Commerce Bank	1.00%	12/19/16	12/17/14	245,000
Amalgamated Bank	0.75%	02/27/17	02/27/15	250,000
Capital Bank NA	1.05%	03/20/17	09/19/14	245,000
Berkshire Bank	0.75%	03/31/17	03/31/15	245,000
Cathay Bank	0.85%	03/31/17	03/31/15	245,000
Merrick Bank Corp	0.85%	05/11/17	05/11/15	250,000
American Express Centurion Bank	0.95%	05/15/17	05/14/15	250,000
Investors Bank	0.85%	05/19/17	05/20/15	248,000
Flushing Bank	1.00%	06/26/17	06/26/15	250,000
Cambridge Trust Co	1.00%	07/07/17	07/07/15	250,000
Ally Bank	1.15%	07/10/17	07/13/15	245,000
Comenity Capital Bank	1.15%	07/15/17	07/13/15	250,000
Capital One NA	1.15%	07/17/17	07/17/15	245,000
Branson Bank	1.00%	07/25/17	08/04/14	245,000
Discover Bank DE	1.25%	08/28/17	08/26/15	245,000
American Express Bank FSB	1.30%	09/05/17	09/04/14	245,000
BMO Harris Bank NA	1.10%	09/22/17	09/22/15	245,000
Firstbank of Puerto Rico	1.25%	10/02/17	10/02/15	245,000
First Niagara Bank	1.10%	10/10/17	10/09/15	245,000
Synovus Bank GA	1.10%	10/16/17	10/15/15	245,000
BMW Bank Salt Lake City UT	1.15%	10/16/17	10/27/15	245,000
Key Bank NA	1.05%	10/30/17	10/28/15	245,000
Enerbank USA UT	1.05%	10/30/17	10/29/15	245,000
TCF National Bank SD	0.95%	11/06/17	11/04/15	245,000
FirstMerit Bank OH	1.00%	11/13/17	11/13/15	245,000
Compass Bank	1.15%	11/16/17	11/16/15	245,000
Wex Bank	1.05%	11/20/17	11/20/15	245,000
Connectone Bank	1.10%	11/20/17	11/20/15	250,000
Total TIF 1 Investments	0.96%			9,108,000

Oklahoma City Redevelopment Authority
Schedule of Investments
November 30, 2015

<u>Investments</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Settlement</u> <u>Date</u>	<u>Amount</u>
Goldman Sachs Bank NY	0.50%	04/11/16	04/09/14	245,000
Barclays Bank DE	0.55%	05/06/16	05/06/14	245,000
Washington Trust Co	0.70%	07/29/16	07/31/14	245,000
NCB FSB	0.70%	08/08/16	08/08/14	245,000
Talmer Bank	0.70%	08/08/16	08/06/14	245,000
Capital One Bank	0.70%	09/06/16	09/04/14	245,000
Web Bank	0.80%	09/19/16	09/19/14	250,000
People's United Bank	0.85%	10/11/16	10/08/14	245,000
Sallie Mae Bank	1.05%	10/24/16	10/22/14	245,000
Merchantile Commerce Bank	1.00%	12/19/16	12/17/14	245,000
Amalgamated Bank	0.75%	02/27/17	02/27/15	250,000
Capital Bank NA	1.05%	03/20/17	09/19/14	245,000
Berkshire Bank	0.75%	03/31/17	03/31/15	245,000
Cathay Bank	0.85%	03/31/17	03/31/15	245,000
Merrick Bank Corp	0.85%	05/11/17	05/11/15	250,000
American Express Centurion Bank	0.95%	05/15/17	05/14/15	250,000
Investors Bank	0.85%	05/19/17	05/20/15	248,000
Flushing Bank	1.00%	06/26/17	06/26/15	250,000
Cambridge Trust Co	1.00%	07/07/17	07/07/15	250,000
Ally Bank	1.15%	07/10/17	07/13/15	245,000
Comenity Capital Bank	1.15%	07/15/17	07/13/15	250,000
Capital One NA	1.15%	07/17/17	07/17/15	245,000
Branson Bank	1.00%	07/25/17	08/04/14	245,000
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American Express Bank FSB	1.30%	09/05/17	09/04/14	245,000
BMO Harris Bank NA	1.10%	09/22/17	09/22/15	245,000
Firstbank of Puerto Rico	1.25%	10/02/17	10/02/15	245,000
First Niagara Bank	1.10%	10/10/17	10/09/15	245,000
Synovus Bank GA	1.10%	10/16/17	10/15/15	245,000
BMW Bank Salt Lake City UT	1.15%	10/16/17	10/27/15	245,000
Key Bank NA	1.05%	10/30/17	10/28/15	245,000
Enerbank USA UT	1.05%	10/30/17	10/29/15	245,000
TCF National Bank SD	0.95%	11/06/17	11/04/15	245,000
FirstMerit Bank OH	1.00%	11/13/17	11/13/15	245,000
Compass Bank	1.15%	11/16/17	11/16/15	245,000
Wex Bank	1.05%	11/20/17	11/20/15	245,000
Connectone Bank	1.10%	11/20/17	11/20/15	250,000
Total TIF 1 Investments	0.96%			9,108,000