



# MEMORANDUM

Council Agenda  
Item No. X. L  
12/6/2022

## The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Concurring with Oklahoma City Economic Development Trust in approving a Cooperation and Funding Agreement with the Oklahoma City Redevelopment Authority for the Convergence Project, \$5,000,000.

### **Background:**

OCRA entered into an Economic Development Agreement for the Innovation District Convergence Project, dated February 1, 2022 (the "EDA") with BT Development, L.L.C. ("Developer"), for the development of a major mixed-use project consisting of an office tower building for research labs and office space, a parking garage, hotel, amenity deck, public realm open-air community environment, as well as a proposed building for Innovation Hall ("Project"). To make the Project financially feasible, OCRA agreed in the EDA to provide development financing assistance to the Project in the amount of \$13,750,000. However, due to substantial price increases of raw materials and labor necessary for the Project, the Developer will be unable to carry out the Project without additional public assistance.

OCRA currently receives annual revenue from both: (1) mortgage and lease payments from the Skirvin Hotel and (2) lease payments from Bass Pro, which OCRA pays over to OCEDT to be used for repayment of the Omni bonds, as required by the Omni Hotel Funding Plan, Pursuant this Plan, excess revenue is placed into a Revenue Stabilization Fund ("Fund") and funds that exceed two times the maximum annual debt service on the Omni bonds can be used for any other lawful purpose.

City Finance staff has certified that revenue in the Fund exceeds two times the maximum annual debt service amount, and OCEDT desires to use excess revenue from the Fund in the amount of \$4,000,000 for transfer to OCRA to use for the Project. Further it is OCEDT's desire to transfer to OCRA an additional amount of \$1,000,000 from 2017 General Obligation Limited Tax Bond funds for the Project. The agreement outlines the expectations for OCRA to transfer back to OCEDT the \$5,000,000, plus financing costs, via ad valorem increment revenues generated by the Project.

### **Cost:**

\$5,000,000.

### **Source of Funds:**

\$4,000,000 OCEDT – Convention Center Hotel – CC HOTEL CONTROL – CMTD – OKC Economic Development Trust – OCRA TIF 11 Transfer – Payments to OCRA (OCEDT – 130 – 5330 – 0400599 – ED1301 – 5205007)

\$1,000,000 OCEDT – GOLT Fund – ED Operations – RSTR – OKC Economic Development Trust – OCRA TIF 11 Transfer – Payments to OCRA (OCEDT-110-5709-0400599-ED1301-52050007)

**Review:** Finance – Economic Development

**Recommendation:** Concur with OCEDT in approving the Agreement.