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TO: Chairman and Trustees of the Oklahoma City Economic Development Trust

FROM: Craig Freeman, General Manager

Resolution approving the American Indian Cultural Center Foundation's proposed 2021-2022 fiscal year budget and pre-opening costs in the amount of \$2,750,000 to be provided by the Oklahoma City Economic Development Trust as recommended by the American Indian Cultural Center Museum Finance Funding Committee ("Finance Funding Committee"); and authorizing staff to make quarterly distributions in the manner set forth in the Finance Funding Committee's adopted resolution and recommendation, and authorizing the Mayor or Chairman to facilitate disbursements from the escrow disbursement accounts. (GEN-ED)

**Location:**

659 First American Boulevard

**Background:**

On March 15, 2016, in compliance with 74 O.S. Section 1226.2(B)(5)(e), the City, the Native American Cultural and Education Authority ("NACEA"), and the Office of Management and Enterprise Services ("OMES") entered into the Operations Management and Maintenance Agreement ("OM&M Agreement") and the Completion and Real Estate Purchase and Sales Agreement ("CREPS Agreement"), which collectively set forth a plan for transferring title of the Museum Site Property and the Undeveloped Real Property, as defined therein, to the City, provided for completion and operation of the First American Museum ("FAM"), and for securing and displaying museum exhibits and artifacts, as necessary to complete and open the FAM to the public.

On August 29, 2017, The City of Oklahoma City ("the City") and AICCM Land Development, LLC, ("Land Development Company"), an Oklahoma limited liability company, wholly owned by the Chickasaw Nation, created and existing under the laws of the State of Oklahoma, entered into the Real Estate Purchase and Sale and Post-Closing Operations and Funding Agreement (the "Operations and Funding Agreement"), which provided for the transfer of the Undeveloped Real Property to AICCM Land Development, LLC in exchange for \$14,000,000 to be paid out to the City or a public trust of which the City is sole beneficiary, in accordance with the terms set forth in the Post-Closing Operations and Funding Agreement (Section IV) and the Future Operations Escrow Disbursement Account Disbursing Agreement.

On August 29, 2017, the City approved a resolution wherein the Council designated the Oklahoma City Economic Development Trust ("OCEDT"), a public trust whose sole beneficiary is The City, as its Designee under the OM&M Agreement and requested that OCEDT negotiate an agreement

with the Foundation for the pre and post-opening operations and maintenance of the FAM, in a timely manner and in accordance with the terms of the Real Estate Purchase and Sale and Post-Closing Operations and Funding Agreement (“Operations and Funding Agreement”) between The City of Oklahoma City and the AICCM Land Development, LLC, and designated that OCEDT assume all of the City’s obligations for operation and maintenance of the FAM and to be bound by the terms of this Agreement.

On November 14, 2017, the Trustees of OCEDT acknowledged the request and designation from the City Council and received a presentation concerning the FAM and its future operations.

The American Indian Cultural Center Foundation (“Foundation”), is an Oklahoma not-for-profit entity that in performance of pre-opening requirements has employed personnel and consultants that have been involved with the development, oversight and construction of the FAM for many years, and has a documented history of supporting the FAM by its extensive fund raising activities, by providing private sector capital and operating funds, by increasing public awareness and support for the FAM, and by promoting the highest educational, cultural and administrative standards for the FAM. The Foundation has retained a renowned museum director and specialist in Indian culture and artifacts and with experience in the operation of museums of the quality expected in the FAM.

On March 29, 2019, The City, the Oklahoma City Economic Development Trust (“OCEDT”) and the American Indian Cultural Center Foundation (the “Foundation”) entered into the Management and Operations Agreement and Multi-Purpose Theater Lease Agreement (the “Operations Agreement”), which Agreement provided for the Finance Funding Committee to meet at least annually to review the proposed fiscal year budget of the Foundation and to make recommendation to OCEDT as to the amount of the Annual Management Fee to be paid to the Foundation for operating the Museum and the distribution thereof.

A major goal and purpose of contracting with the Foundation is to provide professional management and operations services during the design and construction phase of the FAM, and to increase revenues from operations of the FAM in a manner that will allow the Foundation to generate additional private funding and support for the FAM, thereby reducing the City’s or OCEDT’s overall future costs to operate the FAM. In its role as a fund-raising entity, it is acknowledged that the Foundation has provided Sixteen Million Dollars (\$16,000,000.00), to date, to the State of Oklahoma that will be applied towards the completion of the FAM contemplated by CREPS Agreement.

The Operations and Funding Agreement with the Land Development Company required the formation and creation of the Finance Funding Committee consisting of six members as follows: two appointed by the Mayor, one which shall be a City Council member or the Mayor, one who is the City Manager or his or her designee from the Finance Department or City Manager’s staff, two appointed by mutual agreement between the Land Development Company and the Chickasaw Nation, and two appointed by the Foundation or other entity acting as operator of the FAM pursuant to a contract with the City or designee. The Finance Funding Committee may select one of its members to serve as Chairperson. The Finance Funding Committee shall cease to exist upon the final disbursement of all funds deposited in the Future Operations Escrow Disbursement

Account.

On May 14, 2021, the Foundation presented a budget for the 2021-2022 Fiscal Year to the Economic Development Program Manager and the Finance Funding Committee that is consistent with the services it proposes to provide during the 2021-2022 Fiscal Year and has submitted a request for a disbursement of funds from the Future Operations Escrow Disbursement Account in the amount of \$2,000,000. Additionally, the Finance Funding Committee requested an additional \$750,000 in support.

Adoption of the resolution will allow for \$2,000,000 in quarterly disbursements from the escrow account and \$750,000 to be paid in monthly disbursements from General Funds to be made to the AICCF for FY22 expenses.

**Cost:**

\$2,750,000

**Source of Funds:**

\$2,000,000: OCEDT - General Economic Development Fund – First Americans Museum - OKC Economic Development Trust – FAM - Professional Services-Other (OCEDT – 120 – 5980 – 0400599 – ECON – ED0980 – 52040046)

\$750,000: OCEDT - General Economic Development Fund – General Economic Development - OKC Economic Development Trust – FAM - Professional Services-Other (OCEDT – 120 – 5900 – 0400599 – ECON – ED0980 – 52040046) via a transfer from the General Fund

**Recommendation:** Resolution be adopted.