

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

FROM: Craig Freeman, General Manager

Acknowledgment and Consent to Collateral Assignment of Sublease Agreements among The City of Oklahoma City, the Oklahoma City Economic Development Trust, the Oklahoma City Riverfront Redevelopment Authority, the Riversport Foundation, and Boathouse Bark, LLC. (TIF)

Location:

901 S.E. 5th Street (in the Boathouse District).

Background:

On May 19, 2015 (Council Item No. VII.BF.), The City of Oklahoma City (City), the Oklahoma City Riverfront Redevelopment Authority (OCRRA), and the Oklahoma City Boathouse Foundation entered into a Lease and Operation Agreement (LOA) for the lease and operation of a public whitewater rafting and kayaking facility that opened in May 2016. The LOA was subsequently amended on March 28, 2017 (Council Item No. VII.BG.), on July 3, 2018 (Council Item No. VII.CI.), on September 24, 2019 (Council Item No. IX.W), and on August 4, 2020 (Council Item No. VII.AY.). The Oklahoma City Boathouse Foundation was subsequently renamed the Riversport Foundation (Foundation). The LOA allows the Foundation to enter into subleases of the leased premises with the consent of the City Manager.

On September 29, 2020 (OCRRA Item No. V.B.), OCRRA approved a Sublease Agreement (Master Sublease) with the Foundation and Bar K Dogbar, LLC (Bar K) for the use of a portion of the LOA's leased premises within the Boathouse District as a combination restaurant, bar, dog park, and event space. On October 13, 2020 (Council Item No. VIII.N.), the City concurred with the Master Sublease.

On September 28, 2020 (OCEDT Item No. IV.A.), the Oklahoma City Economic Development Trust (OCEDT) approved an Economic Development Agreement (EDA) with Bar K to provide up to \$750,000 in assistance in development financing from Tax Increment District No. 2 funds for the Bar K project. On September 29, 2020 (Council Item No. VIII.Q.), the City concurred with OCEDT's approval of the EDA with Bar K.

On March 22, 2021, the Foundation, Bar K, and Boathouse Bark entered into an Assignment and Assumption of Lease pursuant to which Boathouse Bark was assigned Bar K's sublease rights under the Master Sublease and assumed the Master Sublease as the sublessee. On March 30, 2021 (OCRRA Item No. V.F.), OCRRA consented to the assignment of the Master Sublease from Bar K to Boathouse Bark. Also on March 30, 2021 (OCEDT Item No. V.A.), OCEDT approved

Boathouse Bark as the developer for the Bar K project under the EDA. On April 13, 2021 (Council Item Nos. VIII.A. and VIII.E., respectively), the City concurred with OCEDT's approval of Boathouse Bark as the developer for the Bar K project under the EDA, and with OCRRA's consent to the assignment of the Master Sublease from Bar K to Boathouse Bark.

On or about April 15, 2021, Boathouse Bark and Bar K entered into a Sublease Agreement (Sublease Agreement) pursuant to which Boathouse Bark as sublessor leased the leased premises back to Bar K in a build-to-suit facility arrangement.

In furtherance of obtaining a construction loan for the Bar K project, Boathouse Bark intends to grant a leasehold mortgage to its lender. Boathouse Bark's lender requests that OCEDT acknowledge and consent to said leasehold mortgage by its approval of the attached Acknowledgment and Consent to Collateral Assignment of Sublease Agreements.

Recommendation: Acknowledgment and Consent to Collateral Assignment of Sublease Agreements be approved.