



SPECIAL URBAN RENEWAL AUTHORITY AGENDA

City Hall - Midwest City Council Chambers, 100 N. Midwest Boulevard

June 28, 2023 – 8:15 AM

- A. **CALL TO ORDER.**
- B. **ADMINISTER OATH OF OFFICE.**
- C. **CONSENT AGENDA.** These items are placed on the Consent Agenda so the Trustees, by unanimous consent, can approve routine agenda items by one motion. If any Trustee requests to discuss an item(s) or if there is not a unanimous consent, then the item(s) will be removed and heard in regular order.
- 1.** Discussion, consideration, and possible action of approving the minutes of the December 21, 2022 special meeting. (Economic Development - R. Coleman)
 - 2.** Discussion and consideration for adoption, including any possible amendments, of the Fiscal Year 2023 – 2024 Operating Budget. (Economic Development - R. Coleman)
 - 3.** Discussion and consideration for adoption, including any possible amendments, in accepting the management representation letter to Grant Thornton LLP, and accepting the draft of the Final Report Associated Combined Finance Statements of Sooner Town Center IV for calendar years ending December 31, 2021 and December 31, 2022. (Economic Development - R. Coleman)
- D. **DISCUSSION ITEM.**
- 1.** Discussion and consideration of a presentation from Emily K. Pomeroy with the Center for Economic Development Law regarding the Heritage Park Mall Area Urban Renewal Plan. (City Attorney - D. Maisch)
- E. **PUBLIC DISCUSSION.** The purpose of the "Public Discussion" section of the agenda is for members of the public to speak to the Authority on any subject not scheduled on the regular agenda. The Authority shall make no decision or take any action, except to direct the City Manager to take action, or to schedule the matter for discussion at a later date. Pursuant to the Oklahoma Open Meeting Act, the Authority will not engage in any discussion on the matter until that matter has been placed on an agenda for discussion. **THOSE ADDRESSING THE AUTHORITY ARE REQUESTED TO STATE THEIR NAME AND ADDRESS PRIOR TO SPEAKING TO THE AUTHORITY.**
- F. **ADJOURNMENT.**



City Manager
100 N. Midwest Boulevard
Midwest City, OK 73110
office 405.739.1204

MEMORANDUM

TO: Urban Renewal Authority Board Members

FROM: Tim Lyon, General Manager/Administrator

DATE: June 28, 2023

SUBJECT: Discussion and consideration for adoption, including any possible amendments, of the December 21, 2022 special meeting minutes.

Attached for your review and approval are the minutes from the last meeting of the URA.

Staff recommends approval.

A handwritten signature in black ink, appearing to read "Tim Lyon", is written over a horizontal line.

Tim Lyon
General Manager/Administrator

Attachments: 12/21/2022 URA Special Meeting Minutes

Notice of this special Midwest City Urban Renewal Authority meeting was filed with the City Clerk of Midwest City more than 48 hours prior to the meeting and copies of the agenda for this special meeting were posted at City Hall and on the City's website, accessible to the public for at least 24 hours in advance of the meeting.

**MINUTES OF THE SPECIAL
MIDWEST CITY URBAN RENEWAL AUTHORITY MEETING**

December 21, 2022 – 8:15 AM

A special meeting of the Midwest City Urban Renewal Authority (“URA”) was held on December 21, 2022 at 8:15 a.m. in the Council Chambers, Midwest City Hall, 100 N. Midwest Blvd, MWC, OK 73110.

Chairman Fry called the meeting to order at 8:15 AM with the following Trustees present: Vice-Chairman Dave Herbert, Secretary Sherry Beard, Commissioner Russell Smith and Commissioner Wade Moore present. Staff present included General Manager/Administrator Tim Lyon and Counselor Don Maisch.

City of Midwest City Staff Present: Assistant City Manager Vaughn Sullivan, Operations Director Ryan Rushing, City Clerk Sara Hancock, and Economic Development Director Robert Coleman.

Others Present: Emily Pomeroy, Center for Economic Development Law, and John Williams of Williams, Box, Foshee & Bullard, P.C. also appeared on behalf of the URA.

DISCUSSION ITEMS.

1. Discussion, consideration, and possible action of approving the minutes of the July 13, 2022 special meeting.

Vice-Chairman Herbert motioned to approve the minutes of the July 13, 2022 special meeting as submitted and Secretary Beard seconded. The item was approved 5 – 0.

2. Discussion, consideration, and possible action on a Resolution recommending approval of the Heritage Park Mall Area Urban Renewal Plan to the City of Midwest City.

Mr. Maisch introduced Ms. Pomeroy and Mr. Williams. Ms. Pomeroy provided a brief overview of her previous experience working with Midwest City before conducting a slide presentation highlighting aspects of the Heritage Park Mall Urban Renewal Plan (the “Plan”).

Ms. Pomeroy described how the Plan conformed to the Oklahoma Urban Redevelopment Law and outlined the next steps involved in reviewing the plan, which includes consideration by the planning commission and city council.

Commissioner Smith asked if his role as chairman of the Midwest City Planning Commission was a potential conflict of interest. Ms. Pomeroy was uncertain but suggested that he recuse himself from voting on the item.

Commissioner Smith removed himself from the quorum at 8:26 AM

William Hickman, Hickman Law Group, Norman, OK, appeared claiming to represent Heritage Park Mall's owners. Mr. Hickman further stated that his clients "object and protest" the action being contemplated, and that his client "regretted that this was happening" since his client had attempted to make repairs.

Vice-Chairman Herbert asked Mr. Hickman to specify the owners' names. Mr. Hickman said ownership consists of "multiple owners" including a husband and a wife and an LLC, and that such information should already be in the City's possession.

Vice-Chairman Herbert motioned to approve the Resolution, which was seconded by Secretary Beaird and approved 4 – 0.

Commissioner Smith rejoined the quorum at 8:30 AM

C. PUBLIC DISCUSSION.

No others appeared to speak.

ADJOURNMENT.

Being no further business, Vice-Chairman Herbert motion for adjournment at 8:31 AM, which was seconded by Chairman Fry and approved 5 – 0.

JACK FRY, Chairman

ATTEST:

SHERRY BEAIRD, Secretary



City Manager
100 N. Midwest Boulevard
Midwest City, OK 73110
office 405.739.1204

MEMORANDUM

TO: Urban Renewal Authority Board Members

FROM: Tim Lyon, General Manager/Administrator

DATE: June 28, 2023

SUBJECT: Discussion and consideration for adoption, including any possible amendments, of the Fiscal Year 2023 – 2024 Operating Budget.

Attached for your review and approval is the proposed budget for FY 2023 – 2024.

Staff recommends approval.

A handwritten signature in black ink, appearing to read "Tim Lyon", is written over a horizontal line.

Tim Lyon
General Manager/Administrator

Attachments: FY 2023 – 2024 Proposed Budget

FUND: URBAN RENEWAL (201)
 DEPARTMENT: URBAN RENEWAL
 DEPARTMENT HEAD: TIM LYON

FINAL BUDGET 2023-2024

OTHER SERVICES
 30-44 ADMIN/PROFESSIONAL SVCS 55,000
TOTAL OTHER SERVICES & CHARGES 55,000

EXPENDITURES	ACTUAL	AMENDED	ESTIMATED	
	2021-2022	BUDGET	ACTUAL	BUDGET
	2021-2022	2022-2023	2022-2023	2023-2024
OTHER SERVICES	71,892	50,000	37,500	55,000
TOTAL	<u>71,892</u>	<u>50,000</u>	<u>37,500</u>	<u>55,000</u>

TOTAL DEPARTMENT REQUEST 55,000

REVENUES	ACTUAL	AMENDED	ESTIMATED	
	2021-2022	BUDGET	ACTUAL	BUDGET
	2021-2022	2022-2023	2022-2023	2023-2024
CHARGES FOR SERVICES	94,006	56,612	56,612	56,530
INVESTMENT INTEREST	55	100	702	495
TRANSFER IN	4,745	-	-	-
TOTAL	<u>98,806</u>	<u>56,712</u>	<u>57,314</u>	<u>57,025</u>

BUDGETARY	BUDGET			FUND	
FUND BALANCE:	FUND BAL.	REVENUES	EXPENSES	BALANCE	
6/30/2020	81,861	45,325	105,389	21,797	6/30/2021
6/30/2021	21,797	98,806	71,892	48,711	6/30/2022
6/30/2022	48,711	57,314	37,500	68,525	6/30/2023 - EST
6/30/2023	68,525	57,025	55,000	70,550	6/30/2024 - EST



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office 405.739.1204

MEMORANDUM

TO: Urban Renewal Authority Board Members

FROM: Tim Lyon, General Manager/Administrator

DATE: June 28, 2023

SUBJECT: Discussion and consideration for adoption, including any possible amendments, in accepting the management representation letter to Grant Thornton LLP, and accepting the draft of the final report associated Combined Financial Statements of Sooner Town Center IV for calendar years ending December 31, 2021 and December 31, 2022.

Attached for your review and approval are the management representation letters and financial statements for the entity leasing property associated with STC IV for calendar years 2021 and 2022.

Staff recommends approval.

A handwritten signature in black ink, appearing to read "Tim Lyon", is written over a horizontal line.

Tim Lyon
General Manager/Administrator

Attachments



100 N. Midwest Boulevard
Midwest City, OK 73110
Office 405.739.1245

June 28, 2023

Grant Thornton LLP
1415 Vantage Park Dr
Suite 500
Charlotte, NC 28203

We are providing this letter in connection with your audits of the financial statements of Sooner Town Center IV, LLC (the "Company"), which comprise the balance sheets as of December 31, 2022 and December 31, 2021 and the related statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements. We understand that your audits were made for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and whether the supplementary information is fairly presented, in all material respects, in relation to the financial statements as a whole.

We have fulfilled our responsibility, as set out in the terms of the Engagement Letter, for the preparation and fair presentation of the financial statements in accordance with US GAAP. 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 error or fraud, including programs and controls to prevent and detect fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of the 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, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, as of June 13, 2023, the following representations made to you during your audits.

1. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have no knowledge of fraud or suspected fraud affecting the Company involving:
 - a. Management
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
2. We have no knowledge of any allegations of fraud or suspected fraud affecting the Company's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
3. There are no known violations or possible violations of, or no known instances of noncompliance or suspected noncompliance with, laws and regulations whose effects should be considered by management when preparing the financial statements, as a basis for recording a loss contingency or for disclosure.
4. The Company has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of a noncompliance.
5. The Company has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
6. We have disclosed to you the identity of all the Company's related parties and all related party relationships and transactions of which we are aware. Related party relationships and transactions and related amounts receivable from or payable to related parties (including sales, purchases, loans, transfers, leasing arrangements, and

guarantees) have been properly accounted for and disclosed in the financial statements in accordance with US GAAP.

We understand that "related parties" include (1) affiliates of the Company; (2) entities for which investments in their

equity securities would be required to be accounted for by the equity method by the investing entity; (3) trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; (4) principal owners of the Company and members of their immediate families; and (5) management of the Company and members of their immediate families.

Related parties also include (1) other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and (2) other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

7. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments whose effects should be considered by management when preparing the financial statements and that should be accounted for and disclosed in accordance with US GAAP (ASC 450, *Contingencies*), and we have not consulted legal counsel concerning such litigation, claims, or assessments.
8. The calculation of participation rent for the year ended December 31, 2022 as determined in the supplementary schedules of net operating income, debt service, net cash flow, and subtenant rents is prepared in compliance with the terms as defined in the Outparcel 10 General Ground Lease (the Agreement). We have reviewed the supplementary schedules and believe the information presented is consistent with and accurately reflects the provisions contained in the Agreement.
9. The information included in the Leases footnote to the financial statements, which describes participation rent calculation, is consistent with our understanding of the Agreement.
10. Rent expense incurred totaled \$64,457 for the year ended December 31, 2022 and is properly recorded in the statement of operations.
11. Based on the Agreement with the City, the Company is able to factor in a cash reserve to the Net Operating Income section of the Participation Rent Expense calculation. Per the agreement, both parties must agree to any cash reserve amounts. The Company did not reserve a cash balance in 2022 related to the Participation Rent Expense calculation.
12. No events have occurred subsequent to the date of the financial statements through the date of this letter that would require, in accordance with US GAAP, recognition or disclosure in the financial statements.



100 N. Midwest Boulevard
Midwest City, OK 73110
Office 405.739.1245

SOONER TOWN CENTER IV, LLC

Robert C. Collett, Managing Member

John Cheek, Consultant to Collett as an agent for Sooner Town Center IV, LLC

Katherine Fox, Chief Financial Officer of Collett as an agent for Sooner Town Center IV, LLC

MIDWEST CITY URBAN RENEWAL AUTHORITY

Tim Lyon, General Manager

Financial Statements and Report of
Independent Certified Public
Accountants

Sooner Town Center IV, LLC

December 31, 2022 and 2021

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GRANT THORNTON LLP

Address 1
Address 2
City, State Zip

D +1 000 000 0000
F +1 000 000 0000

INSERT OPINION HEADING PROVIDED BY AUDIT TEAM HERE

Audit Committees and Management
ABC Company and XYZ Fund

Heading 1 (apply this style only if this level is presented in original file (GEL Template))

[Content]

Subheading 1

[Content]

Subheading 2 (apply only when italicized subheading appears immediately after bolded subheading in original file (GEL template))

Subheading 3

[Content]

Subheading 3

[Content]

GRANT THORNTON LLP (signed manually)

City, State
Month XX, 2023

Sooner Town Center IV, LLC

BALANCE SHEETS

December 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
Real property, at cost		
Signage	\$ 18,527	\$ 18,527
	18,527	18,527
Less - accumulated depreciation	<u>(9,228)</u>	<u>(8,135)</u>
Real property, net	9,299	10,392
Other assets		
Cash and cash equivalents	119,745	61,655
Accounts receivable	200	200
Deferred charges, net	98,769	109,213
Deferred rents receivable	<u>79,591</u>	<u>71,342</u>
Total assets	<u>\$ 307,604</u>	<u>\$ 252,802</u>
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Unearned rent	\$ 8,250	\$ -
Accounts payable and accrued expenses	<u>54,286</u>	<u>25,241</u>
Total liabilities	62,536	25,241
Members' equity		
Total liabilities and members' equity	<u>\$ 307,604</u>	<u>\$ 252,802</u>

The accompanying notes are an integral part of these financial statements.

Sooner Town Center IV, LLC
STATEMENTS OF OPERATIONS
Years ended December 31,

	<u>2022</u>	<u>2021</u>
Rental revenues	<u>\$ 158,849</u>	<u>\$ 158,849</u>
Operating expenses		
Rent expense	64,458	61,977
Selling, general and administrative expense	29,935	26,647
Depreciation and amortization	<u>11,537</u>	<u>11,598</u>
Total operating expenses	<u>105,930</u>	<u>100,222</u>
NET INCOME	<u><u>\$ 52,919</u></u>	<u><u>\$ 58,627</u></u>

The accompanying notes are an integral part of these financial statements.

Sooner Town Center IV, LLC

STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Years ended December 31, 2022 and 2021

Members' equity, December 31, 2020	\$ 227,528
Net income	58,627
Distributions	<u>(58,594)</u>
Members' equity, December 31, 2021	227,561
Net income	52,919
Distributions	<u>(35,412)</u>
Members' equity, December 31, 2022	<u><u>\$ 245,068</u></u>

The accompanying notes are an integral part of these financial statements.

Sooner Town Center IV, LLC

STATEMENTS OF CASH FLOWS

Years ended December 31,

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Net income	\$ 52,919	\$ 58,627
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,093	1,154
Amortization	10,444	10,444
Deferred rents receivable	(8,249)	(8,249)
Changes in operating assets and liabilities:		
Unearned rent	8,250	-
Accounts payable and accrued expenses	29,045	3,381
	<u>93,502</u>	<u>65,357</u>
Net cash provided by operating activities		
Cash flows from financing activities:		
Distributions	<u>(35,412)</u>	<u>(58,594)</u>
	<u>(35,412)</u>	<u>(58,594)</u>
Net cash used in financing activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS	58,090	6,763
Cash and cash equivalents, beginning of year	<u>61,655</u>	<u>54,892</u>
Cash and cash equivalents, end of year	<u>\$ 119,745</u>	<u>\$ 61,655</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 1 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Sooner Town Center IV, LLC (an Oklahoma limited liability company) (the Company) was organized in February 2015 for the purpose of leasing land to commercial tenants in Oklahoma. The Company operates a retail center (the Project) located in Midwest City, Oklahoma. The Project is defined by a Ground Lease Agreement between Midwest City Urban Renewal Authority, an affiliate of Midwest City, Oklahoma (collectively, the City) and the Company. The City is considered to be a related party for financial reporting purposes. The Company is responsible for leasing and management of the Project. Income and loss will be allocated to members in accordance with the operating agreement.

Cash and Cash Equivalents

The Company classifies highly liquid investments with original maturity dates of three months or less as cash equivalents.

Concentration of Credit Risk

The Company's operating property is located in Midwest City, Oklahoma. The Company's ability to generate future revenues is dependent upon the economic conditions within this area.

As of December 31, 2022 and 2021, the Company had two tenants. Each tenant comprised more than 10% of total base rental revenue for the years ended December 31, 2022 and 2021.

The Company maintains its cash in a commercial bank. Regularly during the year, the Company maintained cash and cash equivalents in accounts in excess of the amount insured by the Federal Deposit Insurance Corporation. The Company's management regularly monitors the financial stability of these financial institutions.

Revenue Recognition

Rental revenue is generally recognized based on the terms of leases entered into with tenants. Rental revenue from leases with scheduled rent increases, abatements or other incentives is recognized on a straight-line basis over the noncancelable term of the respective leases. If it becomes probable that a tenant will fail to perform according to the terms of the lease, a loss equal to the deferred rents receivable unlikely to be received from that tenant would be charged to operations.

Rental revenue recognized on a straight-line basis over rents due amounted to \$8,249 for the years ended December 31, 2022 and 2021.

The Project has two executed ground leases with tenants who own their restaurant buildings on the land, completed in 2015 and 2018. At December 31, 2022, these two tenants occupying the spaces were operating noncancelable ground leases providing for future minimum rents of \$1,799,603 with the latest expiration date of December 20, 2038.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

Future minimum rents receivable under noncancelable ground leases for all known tenants at December 31, 2022 is as follows. The leases have renewal options, which are not included below.

	Amount
2023	\$ 149,000
2024	154,000
2025	154,000
2026	163,900
2027	163,900
Thereafter	<u>1,014,803</u>
	<u>\$ 1,799,603</u>

Accounts receivable are reported at their estimated net realizable value. When necessary, the Company provides an allowance for doubtful accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. Past due status is based on the contractual terms of the receivables. Accounts receivable are written off based on individual credit evaluation and specific circumstances of the customer. Management has concluded that all of the Company's accounts receivable amounts will be realizable and, accordingly, has not recorded an allowance for doubtful accounts at December 31, 2022 or 2021.

Real Property

Signage is depreciated using an accelerated method of depreciation over the useful life of the assets, usually 15 years.

Depreciation on real property charged to operations was \$1,093 and \$1,154 for the years ended December 31, 2022 and 2021, respectively.

Repairs are charged against operations. Renewals and betterments that materially extend the life of an asset are capitalized.

The Company reviews the real property for impairment whenever events or changes in circumstances indicate that the carrying amount of the real property may not be recoverable. Recoverability of the real property is measured by a comparison of the carrying amount of the real property to undiscounted future net cash flows expected to be generated by the real property. If the real property is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the real property exceeds its fair value. No impairment was recorded during the years ended December 31, 2022 and 2021.

Deferred Charges, net

Deferred charges consist of lease commissions and lease costs and are stated at cost net of accumulated amortization. At December 31, 2022 and 2021, total deferred charges capitalized were \$166,693 with accumulated amortization of \$67,924 and \$57,480, respectively. The lease commissions and lease costs are amortized on the straight-line method over the term of the respective lease. Lease commission and lease costs amortization expense of \$10,444 is included in depreciation and amortization in the accompanying statements of operations for the years ended December 31, 2022 and 2021.

NOTES TO FINANCIAL STATEMENTS - CONTINUED**December 31, 2022 and 2021*****Income Taxes***

The Company is a limited liability company treated as a partnership for federal and state income tax purposes. As a result, the Company's results of operations are included in the income tax returns of its individual members. Accordingly, no provision for federal or state income taxes has been recorded in the accompanying financial statements. The Company files income tax returns in the U.S. federal jurisdiction and in the Oklahoma state jurisdiction. The Company is no longer subject to examination by taxing authorities for years before 2020 and it is not aware of any audits by any taxing authority.

The Company follows applicable authoritative guidance on accounting for uncertainty in income taxes which, among other things, prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods and disclosure. The Company has no uncertain tax positions.

Use of Accounting Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies and the results of operations for the years ended December 31, 2022 and 2021. While management has based their assumptions and estimates on the facts and circumstances known at December 31, 2022 and 2021, actual results may differ from those estimates.

NOTE 2 - LEASES

The Company has a ground lease with the City, an affiliated entity, which provides for participation rent equivalent to 50% of net operating income in excess of debt service, measured on a cumulative basis. The lease commenced on June 2, 2015 and expires on October 31, 2062. In addition to participation rent, starting one year after the commencement date, annual rent is \$1. Participation rent is due and payable only to the extent that cumulative net cash flows are positive. Participation rent expense was \$64,457 and \$61,976 for the years ended December 31, 2022 and 2021, respectively. Participation rent, net operating income, and debt service are defined terms in the lease with the City.

NOTE 3 - RELATED-PARTY TRANSACTIONS AND BALANCES

John S. Cheek, Inc. (Cheek), an affiliated entity, provides tax and accounting services to the Company. The Company paid \$3,276 and \$2,500 in fees to Cheek for the years ended December 31, 2022 and 2021, respectively, which are recorded as general and administrative expenses.

Collett & Associates, LLC (Collett), an affiliated entity, provides leasing, development and brokerage services to the Company. Collett receives a monthly fee of 4% of gross monthly collections or a minimum of \$500 per month for providing property management services. Such fees totaled \$6,387 and \$6,061 for the years ended December 31, 2022 and 2021, respectively, and are recorded as general and administrative expenses. The Company paid \$939 and \$40 for various expense reimbursements to Collett, which are recorded as general and administrative expenses, for the years ended December 31, 2022 and 2021, respectively.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE 4 - SUBSEQUENT EVENTS

The Company has analyzed its operations subsequent to December 31, 2022 through June 13, 2023, the date the financial statements were available to be issued. All subsequent events requiring recognition or disclosure have been incorporated into these consolidated financial statements.

SUPPLEMENTARY INFORMATION

Sooner Town Center IV, LLC

SCHEDULE I - NET OPERATING INCOME

Year ended December 31, 2022

Rental revenues per audited financial statements	\$ 158,849
Adjustments to cash basis:	
Unearned revenue	8,250
Deferred rents receivable	<u>(8,249)</u>
Gross operating revenue (cash basis)	<u>158,850</u>
Allowable expenses	
Total operating expenses	105,930
Adjustments for noncash expenses:	
Depreciation and amortization	(11,537)
Other adjustments:	
Participation rent, accrued or paid	<u>(64,458)</u>
Allowable expenses, net	<u>29,935</u>
Net operating income per Ground Lease Agreement (1)	<u><u>\$ 128,915</u></u>

(1) The Ground Lease Agreement between the City and the Company defines Net Operating Income per the Redevelopment Agreement as the difference between Gross Operating Revenue and the actual Operating Expenses for the same period. The agreement specifically defines Gross Operating Revenue as all revenues derived from the project, determined in accordance with GAAP, computed on a cash basis, exclusive of subtenant security deposits and other refundable deposits and exclusive of proceeds derived from a sale, condemnation, financing, insurance settlement or other transaction that is capital in nature. Further, Operating Expenses are defined as those costs determined in accordance with GAAP, including all necessary and reasonable expenditures of any kind made with respect to the operations of the project typical of a Class A shopping center, without limitation, ad valorem taxes, insurance premiums, R&M expenses, management fees, leasing and advertising expenses, professional fees, wages and utility costs. Non-cash expenditures such as depreciation and amortization shall not be included in the computation of Operating Expenses. Operating Expenses shall include all project development costs incurred by the Company, that are not financed, in further developing and leasing available space within the Project including, without limitation, tenant upfitting costs, market rate brokerage commissions, tenant improvement allowances, building improvements and legal fees.

Sooner Town Center IV, LLC

SCHEDULE II - DEBT SERVICE

Year ended December 31, 2022

Debt service

Payments on notes payable	\$	-
Interest expense per audited financial statements		-
		<hr/>
Total Debt Service (2)	\$	-
		<hr/> <hr/>

(2) The Ground Lease Agreement defines Debt Service as the net principal paydown on all loans and accrued interest on all loans and all costs associated with obtaining the loans on the Project or any portion thereof for which a certificate of completion has been issued that are not and have not previously been accrued or paid as Operating Expenses.

Sooner Town Center IV, LLC

SCHEDULE III - NET CASH FLOW

Year ended December 31, 2022

Net operating income per Ground Lease Agreement	\$ 128,915
Less - debt service	<u>-</u>
Net cash flow	128,915
Cash reserve	<u>-</u>
Net cash flow, after cash reserve	128,915
Cumulative net cash flow, beginning of year	<u>-</u>
Cumulative net cash flow, end of year	128,915
Participation rent factor	<u>50%</u>
Participation Rent (minimum of \$0) (3)	<u><u>\$ 64,458</u></u>

(3) For purposes of determining Participation Rent, the Ground Lease Agreement defines Net Cash Flow as Net Operating Income less Debt Service. Participation Rent shall be an amount equal to fifty percent (50%) of Net Cash Flow remaining after any additional cash reserve.

Sooner Town Center IV, LLC

SCHEDULE IV - SUBTENANT RENTS

Year ended December 31, 2022

Tenants rents	<u>\$ 158,850</u>
Gross operating revenue (cash basis) (4)	<u><u>\$ 158,850</u></u>

(4) Refer to page 14 for the calculation of Gross operating revenue (subtenant rents) which is computed on the cash basis.



City Manager
100 N. Midwest Boulevard
Midwest City, OK 73110
office 405.739.1204

MEMORANDUM

TO: Urban Renewal Authority Board Members

FROM: Donald D. Maisch, City Attorney

DATE: June 28, 2023

SUBJECT: Discussion and consideration of a presentation from Emily K. Pomeroy with the Center for Economic Development Law regarding the Heritage Park Mall Area Urban Renewal Plan.

(No action is necessary, this item is presented only for informational purposes.)

Attachments: Resolution 2023-09
Heritage Park Mall Urban Renewal Plan

RESOLUTION 2023- 09

**RESOLUTION OF THE COUNCIL OF THE CITY OF MIDWEST CITY
APPROVING THE HERITAGE PARK MALL AREA URBAN RENEWAL PLAN**

WHEREAS, on August 23, 2022, the City of Midwest City (“City”) adopted Resolution 2022-23, declaring blighted the area located at the northwest corner of N. Air Depot Boulevard and Reno Avenue (portions of the former Heritage Park Mall and other adjacent property (“Urban Renewal Area”), within the meaning of the Oklahoma Urban Redevelopment Law, 11 O.S. § 38-101, *et seq.* (“Act”); and

WHEREAS, in accordance with the Act, at its meeting on December 21, 2022, the Midwest City Urban Renewal Authority determined the proposed Heritage Park Mall Area Urban Renewal Plan (“Urban Renewal Plan”), to be desirable and recommended its approval to City Council; and

WHEREAS, in accordance with the Act, by Resolution 2023-01, the Planning Commission of the City determined the proposed Urban Renewal Plan to be desirable, designated the Urban Renewal Area as appropriate for an urban renewal area as defined by the Act, found that the proposed Urban Renewal Plan conforms to and assists in the execution of Comprehensive Plan 2008, and recommended approval of the Urban Renewal Plan to the City; and

WHEREAS, the exercise of the powers granted to the Midwest City Urban Renewal Authority by the Act and the resolution of the City approving the Urban Renewal Plan, including the acquisition of real property, whether improved or unimproved, are necessary to the execution of the Urban Renewal Plan and to achieve the objectives for redevelopment of the Urban Renewal Area; and

WHEREAS, notice of the times and place of the public hearings before City Council on the Urban Renewal Plan was posted on the City’s website, was published in a newspaper of general circulation in the City not less than 14 days prior to the public hearings, and not less than five signs were posted in the Urban Renewal Area, as required by Section 38-106 of the Act; and

WHEREAS, pursuant to said notice, said public hearings were held on March 28, 2023, and on April 25, 2023, during regular meetings of the City Council, and all persons present were given an opportunity to be heard for and against the proposed Urban Renewal Plan; and

WHEREAS, the Urban Renewal Plan may require, among other things, changes in zoning, vacating and removal of streets, alleys, and other public ways, the relocation of utilities and other public facilities, and other public actions; and

WHEREAS, a feasible method exists for the relocation of families and businesses who may be displaced from the Urban Renewal Area as a result of carrying out the Urban

Renewal Plan into decent, safe and sanitary accommodations within their means and without undue hardship to such families and businesses; and

WHEREAS, Comprehensive Plan 2008 contains a Land Use Plan and land use maps, which designates various levels of land use types throughout the City and which designates certain areas as Special Planning Areas, which are areas of specific City focus and effort to support redevelopment, and specifically contemplates the utilization of the Midwest City Urban Renewal Authority to address blighted areas within the community, specifically Special Planning Areas; and

WHEREAS, on April 11, 2023, the Planning Commission of the City found and determined that Comprehensive Plan 2008 and the Land Use Plan which is a part thereof designates and delineates the Urban Renewal Area as an urban renewal area as defined by the Act, and such Urban Renewal Area is a Special Planning Area, as defined by Comprehensive Plan 2008, appropriate for redevelopment, and a part of the long-range development strategy for the City of Midwest City; and, further, recommended that the City make the same designation and delineation within Comprehensive Plan 2008.

WHEREAS, the Urban Renewal Plan conforms to and assists in the execution of the general plan of the City, Comprehensive Plan 2008; and

WHEREAS, the Urban Renewal Plan contains feasible methods for financing of the project; and

WHEREAS, the Urban Renewal Plan affords maximum opportunity, consistent with the sounds needs of the City as a whole, for the continued redevelopment of the area by private enterprise; and

WHEREAS, the City Council deems it appropriate and desirable to accomplish the objectives of the Urban Renewal Plan and to adopt and approve the Urban Renewal Plan.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Midwest City as follows:

1. It is hereby found and determined that the Urban Renewal Plan conforms to and assists in the execution of the general plan of the City, Comprehensive Plan 2008.

2. It is hereby found and determined that Comprehensive Plan 2008 and the Land Use Plan which is a part hereof designates and delineates the Urban Renewal Area as an urban renewal area as defined by the Act, and such Urban Renewal Area is a Special Planning Area, as defined by Comprehensive Plan 2008, appropriate for redevelopment, and a part of the long-range development strategy for the City.

3. It is hereby found and determined that the redevelopment of the area is essential to accomplish the objectives of the Urban Renewal Plan.

4. It is hereby found and determined that the Urban Renewal Plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the area by private enterprise.

5. It is hereby found and determined that a feasible method exists for the relocation of families and businesses who may be displaced from the Urban Renewal Area as a result of carrying out the Urban Renewal Plan into decent, safe and sanitary accommodations within their means and without undue hardship to such families and businesses.

6. It is hereby found and determined that the Urban Renewal Plan includes feasible methods for financing the project.

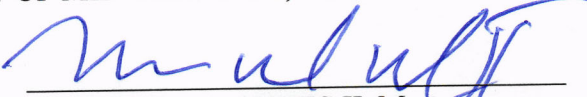
7. It is hereby found and determined that certain official actions may be necessary to be taken by this body with respect to, among other things, changes in zoning, vacating and removal of streets, alleys, and other public ways, the relocation of utilities and other public facilities, and other public actions, and accordingly this body hereby pledges its cooperation in helping to carry out the Urban Renewal Plan and requests various officials, departments, boards, and agencies having administrative responsibilities in the area to cooperate to such end and to exercise their respective functions and powers in a manner consistent with the Urban Renewal Plan.

8. It is hereby found and determined that the exercise of the powers granted to the Midwest City Urban Renewal Authority by the Act and the resolution of City Council approving the Urban Renewal Plan, including the acquisition of real property, whether improved or unimproved, are necessary to the execution of the Urban Renewal Plan and to achieve the objectives for redevelopment of the area and are hereby authorized and approved.


9. The proposed Urban Renewal Plan is determined to be desirable and is approved.

ADOPTED by the Council and signed by the Mayor of the City of Midwest City, Oklahoma, this 25th day of April, 2023.

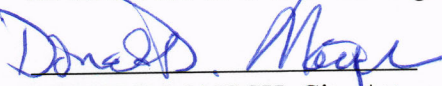
CITY OF MIDWEST CITY, OKLAHOMA


MATTHEW D. DUKES II, Mayor

ATTEST:


SARA HANCOCK, City Clerk

APPROVED as to form and legality this 25 day of April, 2023.


DONALD MAISCH, City Attorney



NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PERSONS:

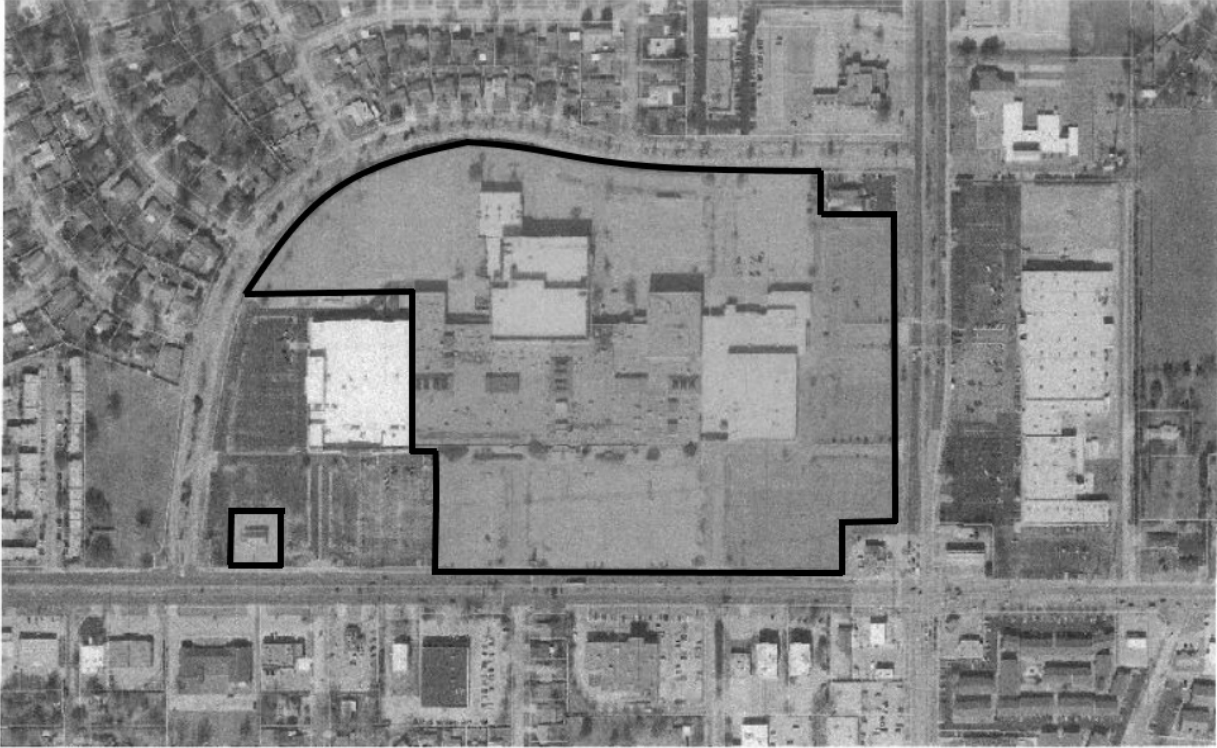
The City Council of The City of Midwest City Oklahoma, will hold the second of two public hearings to consider approval of the proposed Heritage Park Mall Area Urban Renewal Plan, which is an urban renewal plan in accordance with the Oklahoma Urban Redevelopment Law, 11 O.S. §38-101, *et seq.*, during a regular meeting of the City Council on the 25th day of April, 2023, at 6:00 p.m., or as soon after that time as the matter may be heard, for the purpose of providing any interested persons the opportunity to express their views on the proposed Heritage Park Mall Area Urban Renewal Plan prior to any vote thereon. The meeting will be held at the City Council Chambers in Midwest City Hall, 100 N Midwest Boulevard, Midwest City, Oklahoma. Any person or organization or representative of any organization desiring to be heard will be afforded an opportunity to be heard. The first hearing was held during a regular meeting of City Council on the 28th day of March, 2023.

The proposed Heritage Park Mall Area Urban Renewal Plan seeks to facilitate and promote the redevelopment of a distressed and blighted area in order to create economic development opportunities and contribute to the economic and community health of the area. The proposed Heritage Park Mall Area Urban Renewal Plan includes property acquisition and disposition authorizations. The urban renewal area is located on the northwest corner of Reno Avenue and N. Air Depot Boulevard, primarily consisting of the former Heritage Park Mall, in the City of Midwest, Oklahoma County, State of Oklahoma. The boundaries are depicted and more specifically described on Exhibit 1 below. The proposed Heritage Park Mall Area Urban Renewal Plan will be implemented by the Midwest City Urban Renewal Authority.

The proposed Heritage Park Mall Area Urban Renewal Plan, and supporting documentation can be found at <https://www.midwestcityok.org/citycouncil/page/council-actions-heritage-park-mall>. A link to the web page can be found in the banner of the main web page for the City of Midwest City at www.midwestcityok.org. The Plan and supporting documentation are also available for examination during normal business hours at the office of the City Clerk of the City of Midwest City in Midwest City Hall, 100 N. Midwest Boulevard, Midwest City, Oklahoma.

EXHIBIT 1

Depiction and Legal Description of Urban Renewal Area



Blocks 5, 6, 7, and 8 in Heritage Park Mall, a Re-Subdivision of Blocks 3, 4, and 5 of Miracle Mile Addition, an Addition to Midwest City, Oklahoma County, Oklahoma, as shown by the recorded plat thereof (former What-A-Burger and Remainder of Heritage Park Mall); and

Lot 3 in Heritage Park Mall (a Re-Subdivision of Block 3, 4, and 5 of Miracle Mile Addition) in Midwest City, Oklahoma County, Oklahoma, according to the recorded plat thereof, recorded in Book 47 at Page 96, Oklahoma County Records, Oklahoma (former Montgomery Wards building); and

Block 2 of Heritage Park Map, a Re-Subdivision of Blocks 3, 4, and 5 of Miracle Mile Addition, an Addition to the City of Midwest City, Oklahoma County, Oklahoma, according to the recorded plat thereof. Together with Construction, Operation and Reciprocal Easement Agreement recorded August 1, 1977, in Book 4388, Page 784; and Amendment, Ratification and Adoption of Construction, Operation and Reciprocal Easement Agreement recorded November 14, 1977, in Book 4415, Page 935 together will all improvement thereon and the appurtenances thereunto belonging. (Former Sears building).



HERITAGE PARK MALL AREA URBAN RENEWAL PLAN

DECEMBER 21, 2022

I. Description of Project

a. Background and Purpose

This plan addresses a specific, small in size, distressed area near the western gateway to the City of Midwest City (“City”), specifically the northwest corner of Reno Avenue and N. Air Depot Boulevard, primarily consisting of the former Heritage Park Mall. The City has made significant progress in its effort to create a desirable community within which to live, work, play, and invest. Public investment through streetscape and drainage improvements, water and sewer infrastructure, and trails and public spaces have contributed to this effort. The City’s Comprehensive Plan identifies the current uses in this area as office and retail and designates future land use of the area as a focal point of the community where the City seeks to encourage quality development and contemplates major redevelopment, whether through new land uses and buildings or the repurposing of the existing structures.

The Heritage Park Mall Area Urban Renewal Plan (“Urban Renewal Plan”) is an urban renewal plan as defined by and in accordance with the provisions of the Oklahoma Urban Redevelopment Law, 11 O.S. §38-101, *et seq.* It is a primary element of the City’s intent to facilitate the redevelopment of the area, creating new economic development opportunities. Implementation of this Urban Renewal Plan is critical to remedying blighting conditions, in order to contribute to the economic and community health of the City into the foreseeable future.

b. Urban Renewal Area Map

The Urban Renewal Area Map is attached as Exhibit 1.

c. Legal Description of Urban Renewal Area

The Urban Renewal Area is located in Midwest City, Oklahoma County, State of Oklahoma, and is specifically described on Exhibit 2.

d. Eligibility for Redevelopment

The Urban Renewal Area is a blighted area within the meaning of the Oklahoma Urban Redevelopment Law, as found and declared by the City in Resolution 2022-23, dated August 23, 2022.

e. Urban Renewal Plan Objectives

The Urban Renewal Plan will be undertaken as approved and authorized by the City. The principal activities consist of acquisition, disposition, and redevelopment to remedy blighting conditions in the Urban Renewal Area.

Administrative implementation and support with respect to acquisition and disposition of property will be provided primarily by the Midwest City Urban Renewal Authority, a public body corporate (“MWCURA”).

The primary development and redevelopment objectives of the Urban Renewal Plan are to:

- i. Remove the blighting conditions in the Urban Renewal Area.

- ii. Create one or more new redevelopment sites in the City.
- iii. Return the under-utilized land to full economic productivity.
- iv. Build on the City's past and ongoing investment in the immediate area.
- v. Encourage investment in and redevelopment in accordance with the City's Comprehensive Plan.
- vi. Reinforce the City's image through quality urban design practices.
- vii. Encourage the redevelopment of the underutilized shopping mall to become one of the focal points of the community.
- viii. Provide economic development tools to assist in the revitalization of the Urban Renewal Area.
- ix. Address any environmental conditions impacting redevelopment and public health through identification and remediation.
- x. Improve the economic viability of the commercial corridor.
- xi. Acquire property to create development parcels.
- xii. Proactively recruit private reinvestment in the Urban Renewal Area.
- xiii. Support consistent code enforcement to beautify the area.
- xiv. Support and reinforce adopted policies of the City outlined in the Comprehensive Plan, the zoning code, and other regulatory documents.

f. Types of Renewal Actions

The primary actions of the Urban Renewal Plan are to:

- i. Facilitate the acquisition of parcels and clearance of dilapidated structures to create individual and large tract assemblages as redevelopment sites for investment and to eliminate blight.
- ii. Make properties available for redevelopment as contemplated by this Urban Renewal Plan.
- iii. Rehabilitate and bring up to a standard compatible with objectives of the Urban Renewal Plan, meeting all applicable requirements of City codes and ordinances, for any structures that may remain.
- iv. Identify key development sites and market to the development community.
- v. Coordinate needed public infrastructure and neighborhood amenity improvements related to redevelopment sites.
- vi. Coordinate any needed zoning, architectural, or urban design standards that would enhance the redevelopment efforts.

II. Land Use Plan and Provisions

a. Land Use Plan

The existing zoned uses of the properties within in the Urban Renewal Area are depicted on the attached Exhibit 4, Existing Land Use Map. The Land Use Plan consists of the current and future Land Use Plan Map contained in Exhibit 5 and the Land Use Provisions in Section II of this Urban Renewal Plan. The Land Use Plan will be consistent with the City's Comprehensive Plan and the land use provisions contained herein.

b. Permitted Land Use Categories

Permitted land use categories are shown on Exhibit 5, the Land Use Plan Map. The current and future permitted land use categories include office, retail, residential, institutional, and public. Private and public uses (including institutional) shall permit accessory uses and complementary uses, whether public or private. Specific land uses will be controlled by applicable zoning approved by the City. The Land Use Plan Map is a general guide subject to specific adjustment and modification by the City without amendment of this Urban Renewal Plan.

c. Specific Regulations, Controls, and Restrictions to Be Imposed by the Urban Renewal Plan on the Sale, Lease, or Other Disposition of All Real Property Acquired

In order to achieve the objectives of the Urban Renewal Plan and in order to assist redevelopers in redeveloping property, MWCURA, acting on behalf of the City, will subject land to be redeveloped to specific regulations and controls at the time of land disposition. Such specific regulations and controls may include, but are not limited to, floor area ratio, building coverage, height, setback, open areas, uses, off-street parking, and landscaping.

MWCURA shall review the proposals and plans for redevelopment, and it shall prescribe such controls, regulations, restrictions, and obligations in the redevelopment contract, deeds of disposition, and other related documents as it determines to be appropriate to carry out the objectives of the Urban Renewal Plan.

d. Duration of Controls, Effective Date and Renewal Provisions

Building requirements which are implemented by covenants in disposition or other documents shall be effective for the period provided in the redevelopment documents, but in any event until January 1 of the year 2045, unless otherwise extended by the City.

III. Project Authorizations

a. Implementation Authority

- i. The City shall provide overall policy direction and approvals as required under the Oklahoma Urban Redevelopment Law and applicable state law regarding development, redevelopment, and financing activities. The City may make budgetary appropriations and undertake land acquisitions and dispositions as it deems necessary and appropriate and in accordance with applicable law.
- ii. The Midwest City Economic Development Authority, a public trust whose beneficiary is the City (“MWCEDA”), and the Midwest City Memorial Hospital Authority, a public trust whose beneficiary is the City (“Trust”), may provide primary financing authorizations and establish financing priorities necessary or appropriate to implement the Urban Renewal Plan.
- iii. MWCURA may undertake acquisition (including relocation and other related activities) and disposition activities necessary or appropriate to undertake the Urban Renewal Plan in accordance with City approvals.

- iv. The City, the MWCEDA, the Trust, and MWCURA are each separately authorized to utilize powers, funds, employees, consultants, and members to accomplish the objectives of the Urban Renewal Plan to the extent permitted by law.
- v. MWCURA may devote properties acquired by it in the Urban Renewal Area, prior to the time such properties are needed for redevelopment purposes, to rental, lease, or other continuation of present uses or to temporary uses, such as parking, relocation, or recreation, etc., in accordance with such standards, controls and regulations as MWCURA and/or the City may deem appropriate.
- vi. Administrative interpretations of the land use provisions during the period of Urban Renewal Plan execution shall be provided by the appropriate and designated department of the City upon its own motion or within thirty (30) days after receipt of a written request for such interpretation.
- vii. The City shall be a beneficiary to all instruments and agreements incorporating land use provisions and building requirements and shall be entitled to enforce such provisions by actions of law or in equity including suits for injunctions both prohibitive and mandatory.

b. Project Coordination

Implementation and coordination actions shall be guided by the City Manager and such staff, employees, officers, consultants, and members of the City, the MWCEDA, the Trust, and MWCURA as may be necessary or appropriate from time to time. Implementation and coordination participation shall, at a minimum, include representatives of the City, the MWCEDA, the Trust, and MWCURA, and their legal counsel. Additional participants may be designated at any time by the City Manager. Public benefits, such as public improvements and financial assistance, should be conferred in a manner that leverages quality private development consistent with the City's development and redevelopment objectives, as reflected in this Urban Renewal Plan, the Comprehensive Plan, and applicable zoning. Whenever possible, development agreements shall be used to ensure that public resources generate corresponding private development.

c. Land Acquisition

Real property in the Urban Renewal Area may be acquired as shown on the Land Acquisition Map, Exhibit 3. Such property may be acquired by direct negotiation and/or by the exercise of the power of eminent domain granted by law to MWCURA, including specifically any currently vacant property as shown on the Existing Land Use Map, Exhibit 4, or which has become vacant by removal of structures thereon. In addition, title to and interests in street rights-of-way and other public use land will be acquired by MWCURA or the City as necessary to carry out the Urban Renewal Plan objectives. The City consents to the acquisition through eminent domain of any such property in which it may have a legal or beneficial interest. Under the provisions of this section, MWCURA may, as it determines appropriate, acquire a lesser interest in property than fee simple, which lesser interest may include acquisition of one or more structures, but excluding the land or some interest therein where the acquisition of such lesser interest will serve the objectives of this Urban Renewal Plan and where its requirements for redevelopment are otherwise met.

d. Reports to The City

MWCURA shall provide to the City upon request periodic reports detailing activities undertaken by MWCURA in the Urban Renewal Area.

e. Redevelopers' Obligations

Redevelopment of land in the Urban Renewal Area shall be made subject to the redevelopment requirements specified by MWCURA. The purpose of such redevelopment requirements is to assure the redevelopment of the Urban Renewal Area will conform to the planning and design objectives of the Urban Renewal Plan. It is therefore the obligation of all redevelopers not only to comply with these requirements, but also to familiarize themselves with the overall Urban Renewal Plan and to prepare development or redevelopment proposals which are in harmony with the Urban Renewal Plan. All such proposals will be subject to design review, comment, and approval by MWCURA prior to disposition and prior to commencement of construction.

Redevelopers will be obligated, under the terms of the disposition instrument, to carry out certain specified improvements, in accordance with the Urban Renewal Plan, within a reasonable period of time as set forth in the contract or agreement. Redevelopers will not be permitted to dispose of property until the improvements are completed, without the prior written consent of MWCURA, which consent will not be granted except under conditions that will prevent speculation and protect the interests of the City and MWCURA.

f. Underground Utility Lines

When required by MWCURA, utility distribution lines, whether public or private, shall be placed underground.

g. Other Provisions Necessary to Meet State and Other Local Requirements

The land in the Urban Renewal Area is to be made available to public or private enterprises for redevelopment as provided in this Urban Renewal Plan.

h. Modification of the Urban Renewal Plan

This Urban Renewal Plan may be modified as provided by state law as now in effect or as it may hereafter be amended.

i. Planning and Zoning

The land use provisions contained in this Urban Renewal Plan shall be implemented and supplemented by the zoning ordinances and other codes of the City.

IV. Land Disposition

a. Methods

Land disposition pursuant to this Urban Renewal Plan may be accomplished by methods which comply with the laws of the State of Oklahoma.

b. Procedures for Contracts

- i. Applicability. MWCURA shall comply with the following procedures when it proposes to enter into contracts or agreements with respect to land or the redevelopment thereof for residential, recreational, commercial, industrial, other uses, or for public uses, other than for retention of property for public use, in accordance with the Urban Renewal Plan. The procedure below will apply until such time as the City adopts and approves procedures by ordinance, resolution, or otherwise, which are intended to supersede these provisions.
- ii. Obligations to be Imposed. MWCURA shall require the purchaser or redeveloper to devote property to the uses provided in this Urban Renewal Plan and agree to development in accordance with the Urban Renewal Plan.
- iii. Notice. Prior to entering into any agreement for land disposition to a private purchaser or any agreement for private redevelopment, MWCURA shall give at least ten (10) days' notice by publication in a newspaper of general circulation in the City, which notice shall state the address and office hours of MWCURA, recite that MWCURA is considering a proposal to enter into an agreement for disposal of land and/or private redevelopment, containing the name of the proposed redeveloper, and setting forth a description of the land involved. The terms of the proposal shall be available for public inspection at the office of MWCURA.
- iv. Approval. Approval of any contacts, agreements, or disposition of land, land use, or redevelopment of land pursuant to negotiation shall be pursuant to a public meeting of MWCURA. Ten (10) days' notice of such meeting shall be given by publication in a newspaper of general circulation in the City, which notice shall specify the time and place of the meeting, the nature of the agreement to be approved, and the proposed purchaser or redeveloper. Such notice may be combined with the notice referred to in subsection IV(b)(iii) above.

V. Project Financing Plan

Financing authorizations and support will be primarily provided by the City, the MWCEDA, and/or the Trust. Implementation and financing of the Urban Renewal Plan may be phased. The scope, complexity, and execution times of the many projects and activities required to achieve the objectives of this Urban Renewal Plan may necessitate such an implementation and financing method. The Urban Renewal Plan may be undertaken in conjunction with other local and state economic development and redevelopment tools and programs, including by way of example, capital improvement bond issues, the Oklahoma Local Development Act, 62 O.S. §850, *et seq.*, and the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. §840, *et seq.* Financing approvals and authorizations shall be provided from time to time as deemed appropriate by the City, the MWCEDA, and the Trust.

VI. Relocation Plan

MWCURA shall carry out all relocation activities in accordance with 11 O.S. §38-108(8) of the Oklahoma Urban Redevelopment Law, this Urban Renewal Plan, and the Midwest City Urban Renewal Authority Relocation Policy and Procedures, as adopted and amended from time to time (“Policy”), in order to provide a feasible method for the relocation of families and businesses displaced by its actions into decent, safe, and sanitary accommodations within their means and without undue hardship to such families and businesses. The City may direct further benefits and financial assistance in a manner that is clear, uniform, and nondiscriminatory, in addition to the relocation assistance offered through the Policy.

MWCURA will provide reasonable notice to relocatees of all relocation actions as set out in the Policy. Likewise, appeals procedures shall be provided to all those to be relocated or displaced. MWCURA shall perform ongoing monitoring of all relocation or displacement activities, including adequate records keeping, site occupants’ needs and concerns, counseling and advisory services, claims processing, appeals processing, and other such activities.

Relocation activities shall be reviewed periodically to assure compliance with applicable laws and policies.

EXHIBIT 1

Urban Renewal Area Map

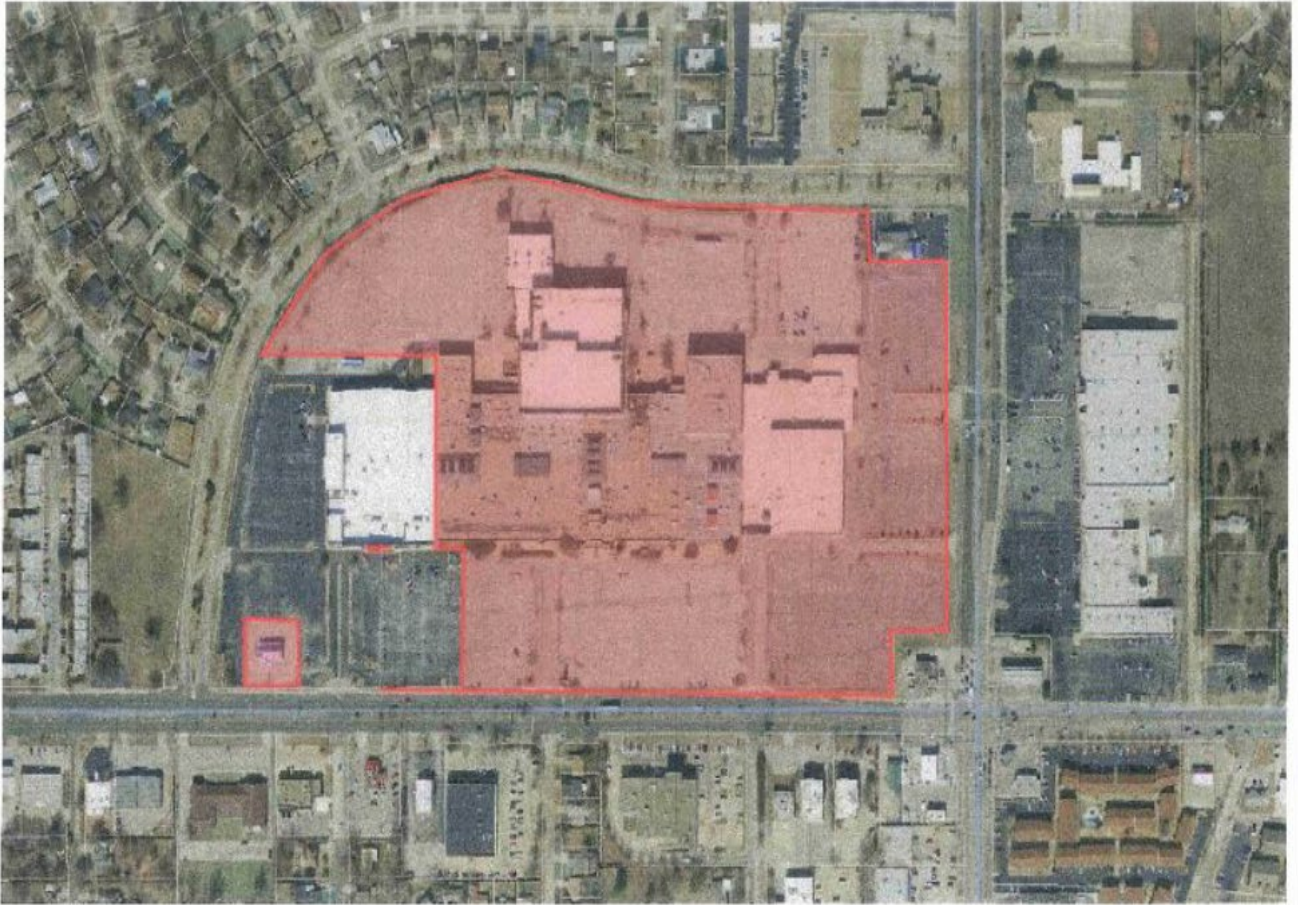


EXHIBIT 2

Legal Description of Urban Renewal Area

Blocks 5, 6, 7, and 8 in Heritage Park Mall, a Re-Subdivision of Blocks 3, 4, and 5 of Miracle Mile Addition, an Addition to Midwest City, Oklahoma County, Oklahoma, as shown by the recorded plat thereof (former What-A-Burger and Remainder of Heritage Park Mall); and

Lot 3 in Heritage Park Mall (a Re-Subdivision of Block 3, 4, and 5 of Miracle Mile Addition) in Midwest City, Oklahoma County, Oklahoma, according to the recorded plat thereof, recorded in Book 47 at Page 96, Oklahoma County Records, Oklahoma; (former Montgomery Wards building) and

Block 2 of Heritage Park Map, a Re-Subdivision of Blocks 3, 4, and 5 of Miracle Mile Addition, an Addition to the City of Midwest City, Oklahoma County, Oklahoma, according to the recorded plat thereof. Together with Construction, Operation and Reciprocal Easement Agreement recorded August 1, 1977, in Book 4388, Page 784; and Amendment, Ratification and Adoption of Construction, Operation and Reciprocal Easement Agreement recorded November 14, 1977, in Book 4415, Page 935 together will all improvement thereon and the appurtenances thereunto belonging. (Former Sears building).

EXHIBIT 3

Land Acquisition Map

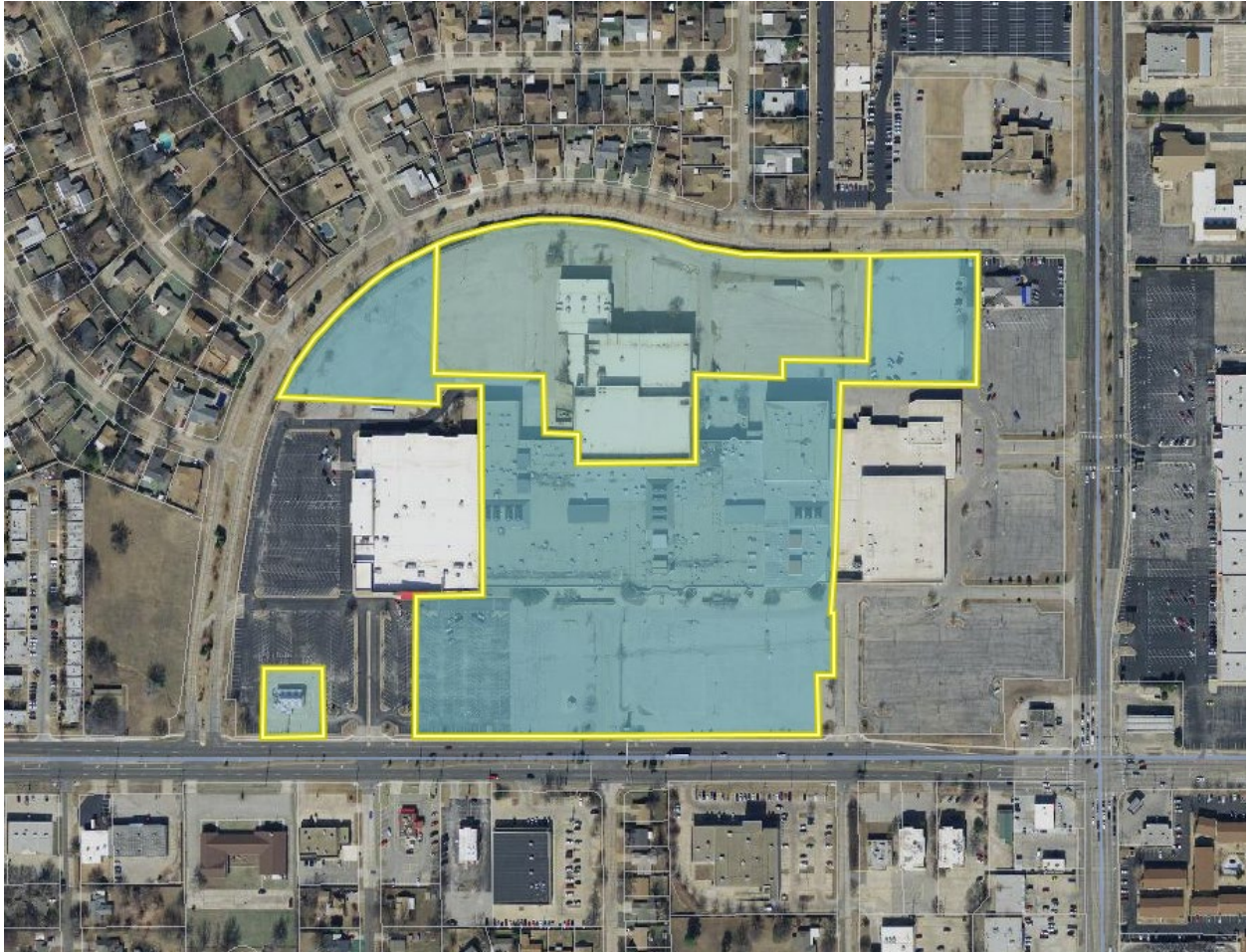


EXHIBIT 4

Existing Land Use Map

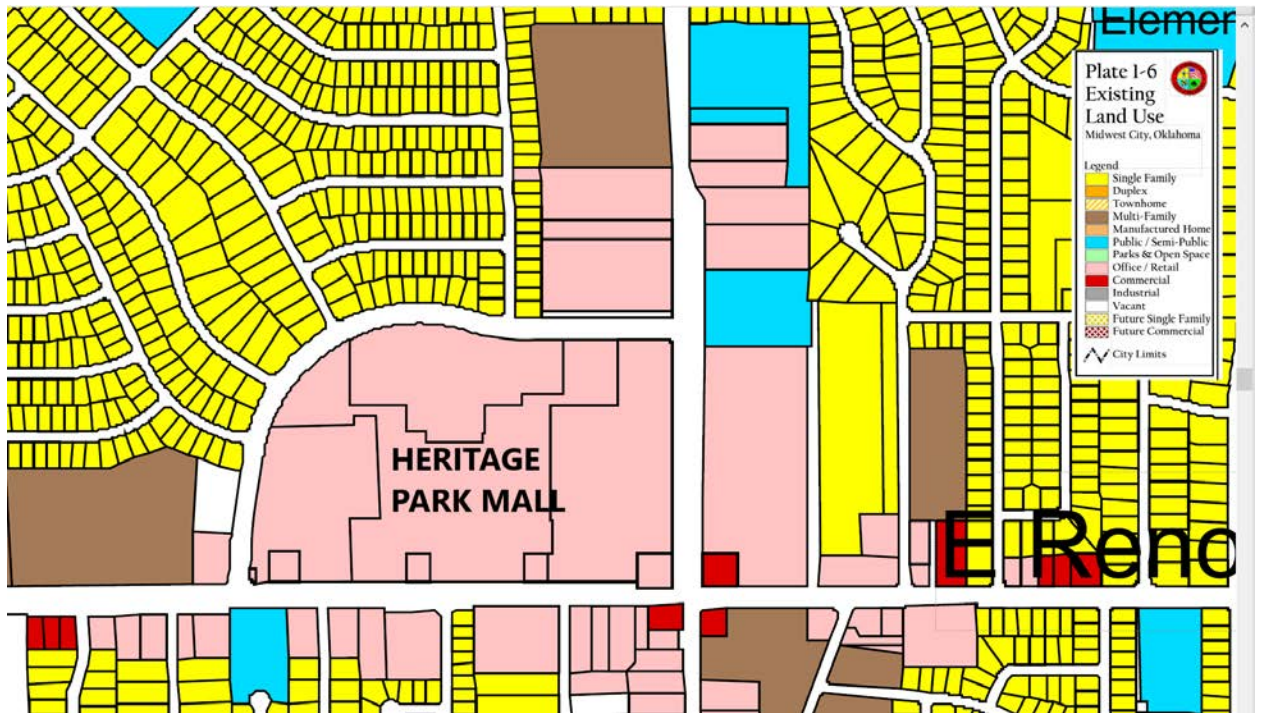
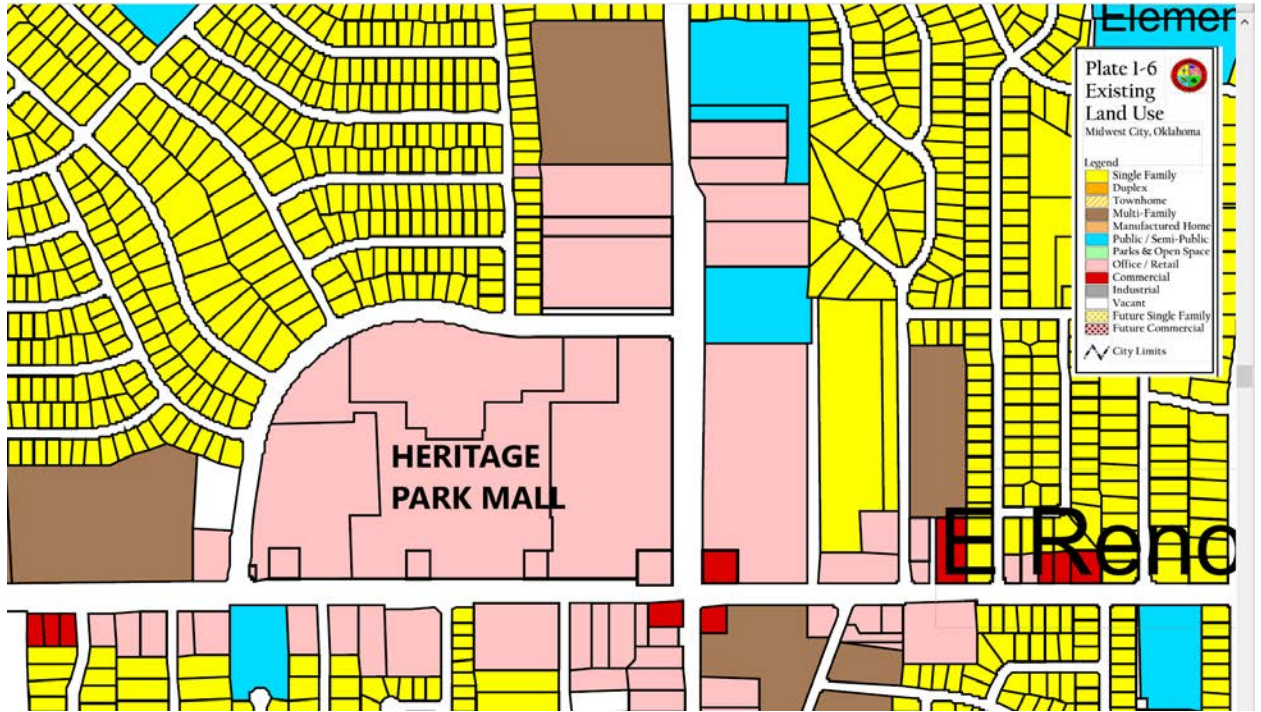
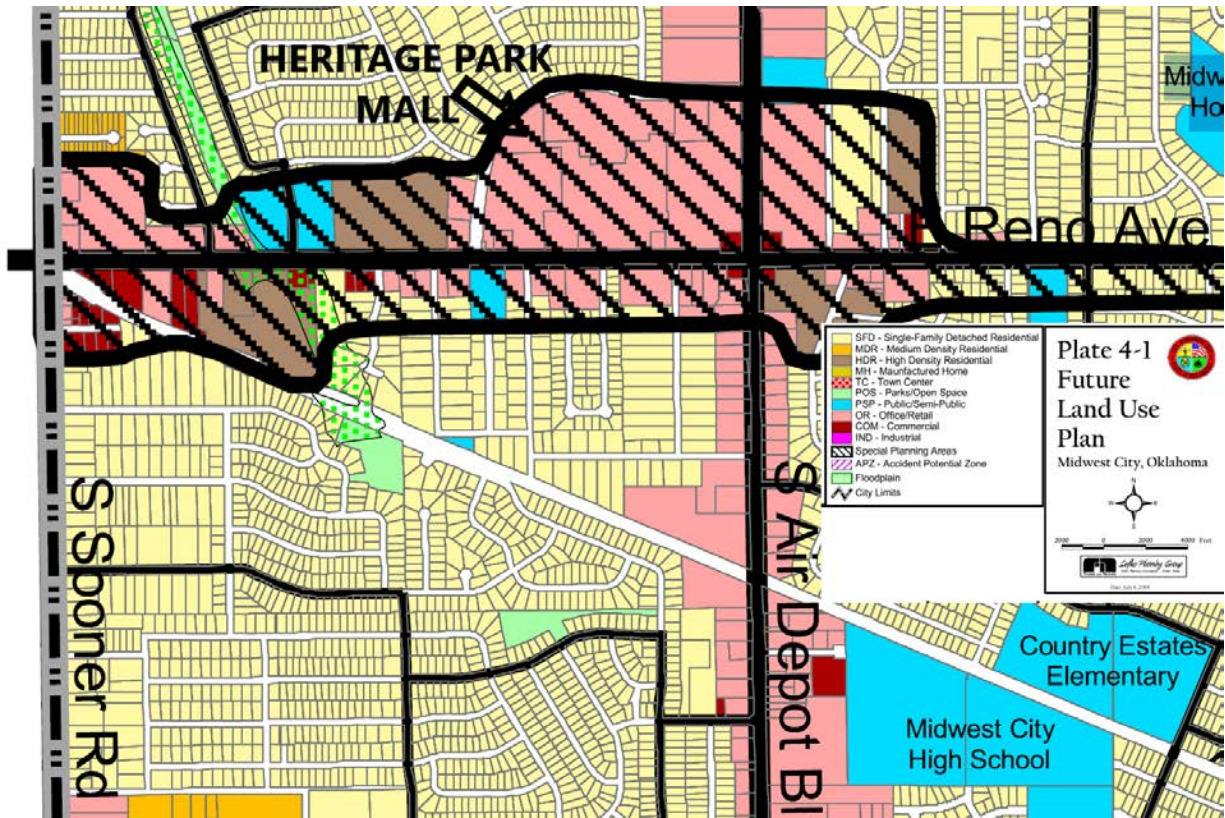


EXHIBIT 5

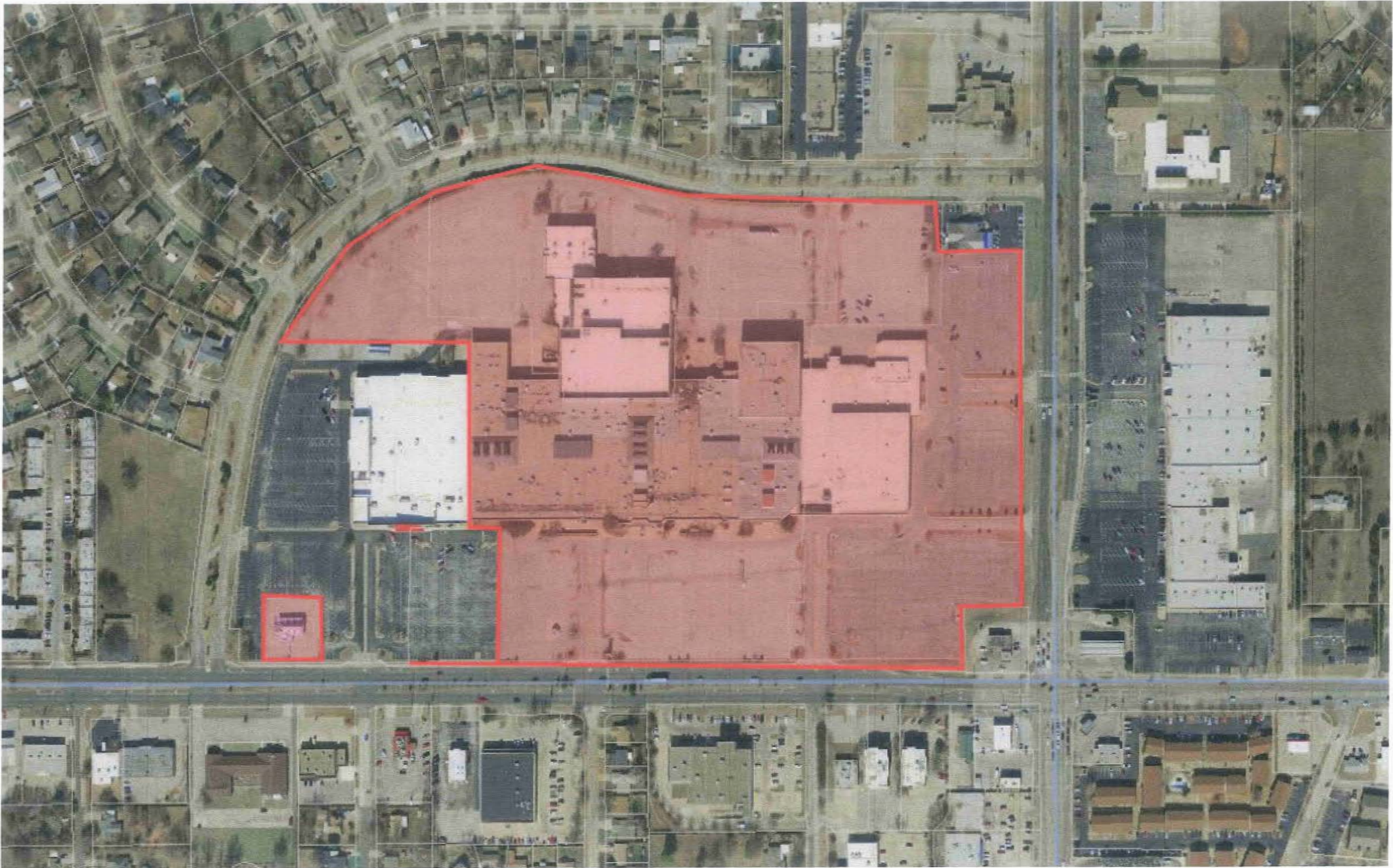
Land Use Plan





Specific land uses will be controlled by applicable zoning approved by the City. The Land Use Plan Maps are a general guide subject to specific adjustment and modification by the City without amendment to the Urban Renewal Plan.

**EXHIBIT 1
BLIGHTED AREA MAP**





PLANNING COMMISSION RESOLUTION NO. 2023-01

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MIDWEST RECEIVING THE PROPOSED HERITAGE PARK MALL AREA URBAN RENEWAL PLAN, DESIGNATING THE AREA AS APPROPRIATE FOR AN URBAN RENEWAL AREA, DETERMINING THE HERITAGE PARK MALL AREA URBAN RENEWAL PLAN TO ASSIST IN AND CONFORM TO THE GENERAL PLAN OF THE CITY OF MIDWEST CITY, AND RECOMMENDING ITS APPROVAL TO THE CITY COUNCIL OF THE CITY OF MIDWEST CITY

WHEREAS, on August 23, 2022, the City of Midwest City adopted Resolution 2022-23, declaring blighted the area located on the northwest corner of Reno Avenue and N. Air Depot Boulevard (“Urban Renewal Area”), within the meaning of the Oklahoma Urban Redevelopment Law, 11 O.S. § 38-101, *et seq.* (“Act”); and

WHEREAS, the City’s declaration of the Urban Renewal Area as a blighted area within the meaning of the Act was made based upon the Blight Report attached to and referenced in City Resolution 2022-23; and

WHEREAS, consistent with City Resolution 2022-23, a proposed urban renewal plan for the Urban Renewal Area has been prepared consistent with the Act; and

WHEREAS, such proposed urban renewal plan is entitled the Heritage Park Mall Area Urban Renewal Plan (“Urban Renewal Plan”); and

WHEREAS, the Act provides the procedure for adopting an urban renewal plan; and

WHEREAS, in accordance with the adoption procedure of the Act, the Board of Commissioners of the Midwest City Urban Renewal Authority, by Resolution No. 2022-01, has determined the proposed Urban Renewal Plan to be desirable, has presented the proposed Urban Renewal Plan to the Planning Commission for its consideration, findings, and recommendation, and has recommended approval of the proposed Urban Renewal Plan to City Council; and

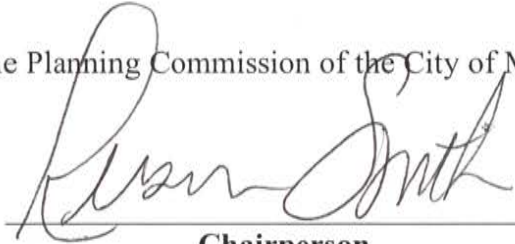
WHEREAS, the Planning Commission has reviewed the proposed Urban Renewal Plan; and

WHEREAS, in accordance with the adoption procedure of the Act, the Planning Commission finds it appropriate and desirable to: (1) receive the proposed Urban Renewal Plan; (2) designate the proposed Urban Renewal Area as appropriate for an urban renewal area as defined under the Act; (3) determine the proposed Urban Renewal Plan to conform to and assist in the execution of the general plan of the City; and (4) recommend approval of the Urban Renewal Plan to the City Council of the City of Midwest City.

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Midwest City that:

1. The proposed Urban Renewal Plan presented to the Planning Commission is hereby received by the Planning Commission.
2. The proposed Urban Renewal Plan is hereby determined to be desirable.
3. The proposed Urban Renewal Area is hereby designated as appropriate for an urban renewal area as defined by the Act.
4. The proposed Urban Renewal Plan conforms to and assists in the execution of the general plan of the City.
5. The Planning Commission hereby recommends to the City Council of the City of Midwest City the approval of the proposed Urban Renewal Plan.

ADOPTED and APPROVED by the Planning Commission of the City of Midwest City this 7th day of February, 2022.



Chairperson

ATTEST


Secretary

RESOLUTION NO. URA 2022-01

A RESOLUTION OF THE MIDWEST CITY URBAN RENEWAL AUTHORITY RECOMMENDING APPROVAL OF THE HERITAGE PARK MALL AREA URBAN RENEWAL PLAN TO THE CITY OF MIDWEST CITY

WHEREAS, the Midwest City Urban Renewal Authority (“Authority”) is a public body corporate created pursuant to the Oklahoma Urban Redevelopment Law, 11 O.S. §38-101, *et seq.* (“Act”), and authorized by City Council of the City of Midwest City (“City”) to exercise its powers; and

WHEREAS, plans for redevelopment, rehabilitation, and conservation may be recommended by the Authority to the City for undertaking projects in accordance with the Act; and

WHEREAS, a proposed urban renewal plan has been prepared for a specified area located on the northwest corner of Reno Avenue and N. Air Depot Boulevard, declared by the City in Resolution 2022-23, dated August 23, 2022, to be a blighted area within the meaning of the Act; and

WHEREAS, such proposed urban renewal plan is entitled the Heritage Park Mall Area Urban Renewal Plan; and

WHEREAS, the Act provides the procedure for adopting an urban renewal plan; and

WHEREAS, the Heritage Park Mall Area Urban Renewal Plan has been reviewed by the Authority; and

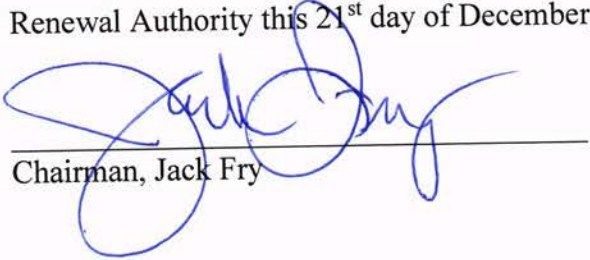
WHEREAS, in accordance with the adoption procedure of the Act, the Board of Commissioners of the Authority finds it appropriate and desirable to determine that the proposed Heritage Park Mall Area Urban Renewal Plan is desirable in order to accomplish redevelopment of the blighted area, and to recommend that the City approve the Heritage Park Mall Area Urban Renewal Plan.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Midwest City Urban Renewal Authority that:

1. The Heritage Park Mall Area Urban Renewal Plan is hereby determined to be desirable, is approved for submission to the City in accordance with the Act and applicable law, and is recommended for approval by the City.
2. The Heritage Park Mall Area Urban Renewal Plan complies with the laws of the State of Oklahoma.

3. The Secretary of the Authority is hereby directed to file a certified copy of the Meritage Park Mall Area Urban Renewal Plan with the minutes of the meeting at which this resolution is approved.
4. The Executive Director of the Authority is directed to submit the Heritage Park Mall Area Urban Renewal Plan to the Planning Commission of the City for its consideration, review, and findings as required by law, and is further directed to file the Heritage Park Mall Area Urban Renewal Plan with the City Clerk of the City.

ADOPTED and APPROVED by the Board of Commissioners of the Midwest City Urban Renewal Authority this 21st day of December, 2022.



Chairman, Jack Fry

I, Sara Hancock, Secretary of the Board of Commissioners for the Midwest City Urban Renewal Authority, certify that the foregoing resolution was duly adopted at a meeting of the Board of Commissioners of the Midwest City Urban Renewal Authority, held in City Hall at 100 N. Midwest Boulevard, Midwest City, Oklahoma, on the **21st day of December, 2022**; that said meeting was held in accordance with the Bylaws of the 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 said meeting; and that the resolution was duly adopted by a legally sufficient number of the Commissioners.





SECRETARY

RESOLUTION 2022- 23

**RESOLUTION OF THE COUNCIL OF THE CITY OF MIDWEST CITY
DECLARING CERTAIN PROPERTY LOCATED AT THE NORTHWEST
CORNER OF N. AIR DEPOT BOULEVARD AND RENO AVENUE
(PORTIONS OF THE FORMER HERITAGE PARK MALL [AND OTHER
ADJACENT PROPERTY]), AS BLIGHTED AND APPROPRIATE FOR AN
URBAN RENEWAL PROJECT PURSUANT TO 11 O.S. §38-101, *ET SEQ.***

WHEREAS, the Oklahoma Urban Redevelopment Law, 11 O. S. §38-101, *et seq.*, declares that there exist in certain municipalities blighted areas, which, among other things, constitute an economic and social liability imposing onerous burdens which decrease the tax base and reduce tax revenues, substantially impair or arrest sound urban growth, and retard sound economic development; and that by prevention and elimination of same, property values will be stabilized and tax burdens will be more equitably distributed and the financial and capital resources of the state will be strengthened; and that this menace can best be remedied by cooperative participation of private enterprise, municipal governing bodies and public agencies, 11 O.S. §38-102; and

WHEREAS, 11 O.S. §38-102 further declares that certain blighted areas, or portions thereof, may require acquisition, clearance and disposition subject to use restrictions, so that the blighting conditions may be eliminated, remedied, or prevented; and

WHEREAS, 11 O.S. §38-102 further declares that the powers conferred by the Oklahoma Urban Redevelopment Law are for public uses and purposes, for which the power of eminent domain and police power may be exercised, and declares that it is a matter of legislative determination that the provisions of the Oklahoma Urban Redevelopment Law are enacted in the public interest; and

WHEREAS, the Oklahoma Urban Redevelopment Law defines a “blighted area” as follows

“Blighted area” shall mean an area in which there are properties, buildings, or improvements, whether occupied or vacant, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation or open spaces; improper subdivision or obsolete platting of land; deterioration or demolition of structures without repair, replacement or reinvestment; improper street layout in terms of existing or projected traffic needs, traffic congestion or lack of parking or terminal facilities needed for existing or proposed land uses in the area, predominance of defective or inadequate street layouts; faulty lot layout in relation to size, adequacy, accessibility or usefulness; insanitary or unsafe conditions, deterioration of site or other improvements; diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title including, but not limited to, highly fragmented interests; any one or combination of such conditions which the municipal governing body determines substantially impairs or arrests the sound growth of the municipality and constitutes a substantial liability, or which endangers life or property by fire or other causes, or is

conducive to ill health, transmission of disease, mortality, juvenile delinquency, or crime and by reason thereof, is detrimental to the public health, safety, morals or welfare; and

WHEREAS, The City of Midwest City, Oklahoma (“City”) is engaged in economic development and redevelopment activities to enhance the City’s capabilities for economic growth and redevelopment; and

WHEREAS, the area located on the northwest corner of Reno Avenue and N. Air Depot Boulevard (made up of the following parcels: the former Heritage Park Mall property that is being used for unapproved and unsafe purposes, the former Montgomery Ward property that is being used for unapproved and unsafe purposes, the former Sears property, and the abandoned and vacant former What-A-Burger property), as reflected on the map attached hereto as Exhibit A hereto (“Blighted Area”), is an area suffering from numerous conditions of blight, including dilapidation and deterioration, age and obsolescence, deterioration of structures without repair, replacement, or reinvestment, inadequacy of provision for ventilation and sanitation, improper street layout, faulty lot layout, insanitary or unsafe conditions, and deterioration of the site and improvements; and

WHEREAS, the Blighted Area is more specifically described as the area within the following legal descriptions: Blocks 5, 6, 7, and 8 in Heritage Park Mall, a Re-Subdivision of Blocks 3, 4, and 5 of Miracle Mile Addition, an Addition to Midwest City, Oklahoma County, Oklahoma, as shown by the recorded plat thereof; and Lot 3 in Heritage Park Mall (a Re-Subdivision of Block 3, 4, and 5 of Miracle Mile Addition) in Midwest City, Oklahoma County, Oklahoma, according to the recorded plat thereof, recorded in Book 47 at Page 96, Oklahoma County Records, Oklahoma; and Block 2 of Heritage Park Map, a Re-Subdivision of Blocks 3, 4, and 5 of Miracle Mile Addition, an Addition to the City of Midwest City, Oklahoma County, Oklahoma, according to the recorded plat thereof; and

WHEREAS, based on the information and data contained in the files of the City and reflected in the Blight Study, attached as Exhibit B hereto, the Blighted Area is characterized by dilapidated, deteriorated, and aging buildings and improvements that do not meet current building codes, vacant and unimproved properties, lack of new construction or renovation of existing structures, insanitary and unsafe conditions including significant safety hazards; and

WHEREAS, these conditions, both singly and in combination, constitute a blighted condition within the statutory definition; and

WHEREAS, the existence of such conditions in the Blighted Area substantially impairs and arrests the sound growth of the municipality and constitutes a substantial liability, endangers life and property by fire and other causes, and is conducive to ill health, transmission of disease, mortality, juvenile delinquency, and crime, and, by reason thereof, is detrimental to the public health, safety, morals, and welfare of the residents of the City; and

WHEREAS, for the foregoing reasons, the Blighted Area is suitable and appropriate for an urban renewal project or an urban redevelopment project; and

WHEREAS, the Midwest City Urban Renewal Authority (“Renewal Authority”) is requested and authorized to prepare a proposed urban renewal plan for the Blighted Area, to

consider such proposed plan, and to submit the proposed plan to the City Planning Commission and to City Council for their respective consideration, public hearings, and adoption, if appropriate.

NOW, THEREFORE, BE IT RESOLVED by the City Council of The City of Midwest City as follows:

1. Based on the information and data available to the City Council, including the facts reflected in the Blight Study attached as Exhibit B hereto, the area located on the northwest corner of Reno Avenue and N. Air Depot Boulevard, as reflected on the map attached as Exhibit A hereto and described below, is hereby declared to be a blighted area and appropriate for an urban renewal project within the contemplation of the Oklahoma Urban Redevelopment Law, 11 O.S. §§38-101, *et seq.*; such area is more particularly described as the area within the following legal descriptions:

Blocks 5, 6, 7, and 8 in Heritage Park Mall, a Re-Subdivision of Blocks 3, 4, and 5 of Miracle Mile Addition, an Addition to Midwest City, Oklahoma County, Oklahoma, as shown by the recorded plat thereof; and Lot 3 in Heritage Park Mall (a Re-Subdivision of Block 3, 4, and 5 of Miracle Mile Addition) in Midwest City, Oklahoma County, Oklahoma, according to the recorded plat thereof, recorded in Book 47 at Page 96, Oklahoma County Records, Oklahoma; and Block 2 of Heritage Park Map, a Re-Subdivision of Blocks 3, 4, and 5 of Miracle Mile Addition, an Addition to the City of Midwest City, Oklahoma County, Oklahoma, according to the recorded plat thereof.

2. The redevelopment of the area is deemed to be necessary in the public interest of the public health, safety, morals, and welfare of the residents of the City.

3. The Renewal Authority is requested to prepare a proposed urban renewal plan in accordance with the Oklahoma Urban Redevelopment Law for the Blighted Area, to consider such urban renewal plan, and to submit the proposed plan to the City Planning Commission and to City Council for their respective consideration, public hearings, and adoption, if appropriate.


ADOPTED by the Council and signed by the Mayor of The City of Midwest City, Oklahoma, this 23 day of August, 2022.





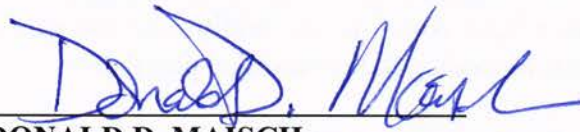
MATTHEW D. DUKES, II
MAYOR

ATTEST



SARA HANCOCK,
CITY CLERK

Approved as to form and legality:



DONALD D. MAISCH,
CITY ATTORNEY