

American Indian Cultural Center and Museum



AICCM Agreements

- Two agreements are included in the agenda item.
 - The Completion and Real Estate Purchase and Sale Agreement
 - The Management, Maintenance and Operations Agreement
- These Agreements are with the State of Oklahoma and the Native American Cultural and Educational Authority (NACEA)

AICCM Background

- AICCM started in 1994 with the creation of the Native American Cultural and Educational Authority (NACEA)
- The NACEA would build and operate the AICCM
- NACEA authorized economic impact study conducted in 2003 and updated in 2009
 - Estimated annual impact - local taxes of \$8.9 million and State taxes \$7.5 million
- The State has issued a total of \$63 million in bonds for construction

AICCM Background

- Construction was suspended in 2012 when the funding was exhausted
- No additional funding has been provided for construction since 2012
- The State has continued to pay for operating costs

HB 2237 Passed May of 2015

The City had no involvement in drafting HB 2237 which provides:

- The State will eliminate funding for AICCM operations after June 30, 2016
- The State will provide an additional \$25 million in bonds for completion of the AICCM
- The State will transfer the responsibility to the City to operate and maintain the AICCM, once complete
- The City will provide \$9 million for completion of the AICCM

HB 2237 Passed May, 2015

- The State will transfer the undeveloped property surrounding the AICCM to the City
- The State will transfer ownership of the AICCM to the City within five years after the bonds have been retired
- The City and the State must enter into an agreement consistent with HB 2237 by January 15, 2016
 - Later extended to March 15, 2016
- The City must use certain revenues from AICCM and undeveloped property for operation of the AICCM
- The State will create a new State Trust (AICCMTA)

Response to HB 2237

- The City authorized due diligence studies:
 - Completion Cost Analysis (Guernsey)
 - Operations Analysis (ConsultEcon, Inc.)
 - Commercial Development Study (PGAV)
- Results of the due diligence studies were presented to the Council's AICCM Committee

Response to HB 2237

- The Chickasaw Nation submitted a proposal to partner with the City
 - Assist with completion costs in excess of \$65 million
 - Develop the property surrounding the AICCM
 - Provide financial support for AICCM operations up to \$2 million per year for the first 7 years
 - Partner with the City to develop an operations plan for future success

Summary of Agreements

- Address the requirements of HB 2237
- Contingent upon acquiring clear title to undeveloped property
- Contingent on successfully reaching an agreement with the Chickasaw Nation
- Clarify that AICCMTA does not have authority to influence operations
- Assign responsibility to the City for AICCM operations and maintenance after it is open to the public

Summary of Agreements

- Funds contributed by the Chickasaw Nation used for the AICCM to address requirements of HB 2237
- State will transfer title of the AICCM to the City within 5 years of all bonds being retired
- Completion cost set at \$65 million
 - State issues \$25 million in bonds
 - AICCF contributes \$31 million
 - City commitment is limited to \$9 million
- City can increase completion cost if additional funds are available

Partnership for A Path Forward

- To preserve the State's commitment an agreement is needed by March 15th
- The partnership between the City and the Chickasaw Nation is the catalyst to get the project moving again
- These agreements provide another step forward to continue the conversation
- There are challenges ahead
- We remain hopeful the project will continue to move forward

