

OKLAHOMA STATE UNIVERSITY MEDICAL AUTHORITY

SPECIAL MEETING

July 21, 2020 – 4:00 p.m.

Join Zoom Meeting

Meeting ID: 930 8878 9723

Password: 646256

SUMMARY

A special meeting of the OSU Medical Authority was convened via Zoom located at 4:00 PM.

MEMBERS PRESENT:

Doug Evans
Jay Helm
Barry Steichen
Kayse Shrum
Kevin Corbit

MEMBERS ABSENT:

GUESTS PRESENT:

Bettye Paynter, Terri Tinkler, Johnny Stephens, Matt Adams, Eric Polak, Bill Major, Courtney Knoblock, David Crall from the Senate Staff, Will Robinson from the Legislative Staff

Notice of the meeting was given in writing to the Oklahoma Secretary of State more than forty-eight (48) hours prior to the meeting, and the agenda of this meeting was posted at all entrances of Oklahoma State University Center for Health Sciences, 1111 West 17th Street; twenty-four (24) hours prior to such meeting, excluding Saturdays, Sundays, and legal holidays, in compliance with the Oklahoma Open Meeting Act.

I. Call to order and establishment of a quorum – Chairman Keller

Chairman Keller called the meeting to order at 4:03 PM. A quorum of the OSU Medical Authority was present at the meeting.

**II. Receive information regarding academic medical campus expansion –
*Informational only, no action to be taken.***

Bill Major introduced himself and Courtney Knoblock and gave their professional backgrounds. They presented the attached power point going over the Academic Healthcare Center Expansion.

III. Motion and Vote for Adjournment – Chairman Keller

Jay Helm moved for adjournment. The motion was seconded by Kayse Shrum and carried. The recorded vote was:

AYE: Steichen, Helm, Shrum, Evans, Corbit, Shrum

NAY: None

ABSTAIN:

The meeting adjourned at 5:12 PM.

Oklahoma State University Medical Authority



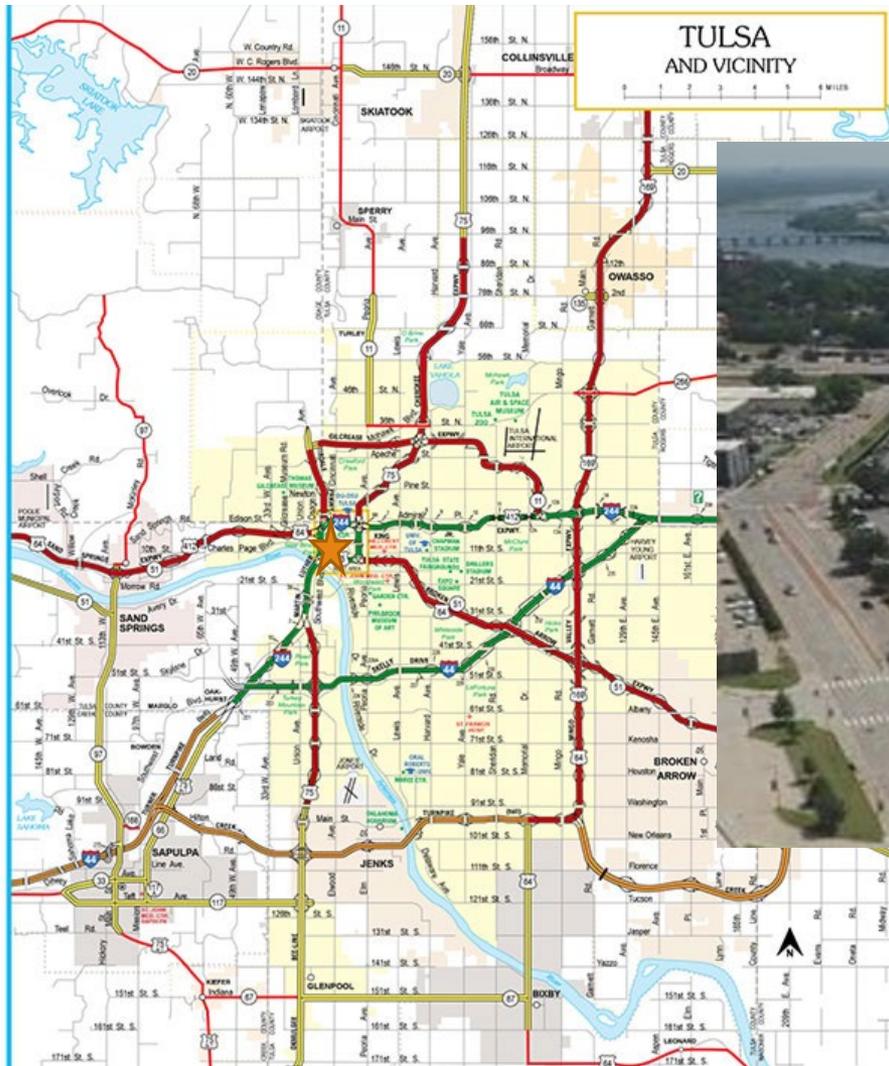
Secretary

Academic Healthcare Center Expansion

VETERAN'S HOSPITAL IN TULSA (VHIT)
PSYCHIATRIC HOSPITAL & EMERGENCY CENTER
PARKING

JULY 2020

Site Orientation



Site Orientation



\$210.5M

58 bed Veterans Hospital

- 273,000 SF
- Unique Public-Private Partnership via application for CHIP-IN Act approval

60-70 bed Psych Hospital

- 100,000 SF
- Replaces current OSDMH Tulsa Center for Behavioral Health with added police and EMSA security features as well as mental health court facilities
- Public-Private partnership: An OSU Medical Authority owned facility will be built with private support and OSUMA bonding capacity and operated by the State

436 car Parking Garage

- 3-floor, 436-car garage with city funding – VA requirement

(Existing 195-Bed Licensed Teaching Hospital)



Completed Campus



Expansion Drivers

- 2013-2020: Unprecedented Academic Growth at OSU
High % In-State Medical Retention
Psychiatry and Rural Investments
- 2017: Stability of OSU Medical Center Under
Saint Francis Management
- 2017: State Need Identified: ODMHSAS Tulsa Center for
Behavioral Health
- 2018: VA CHIP-IN Opportunity Presented (Expires 2021)
- 2018: OSU Agrees to Be Applicant (Pass Through & Financing)
Site Match & State Commitment
Senators Inhofe and Lankford Leadership
- 2020: Private Donors Secured
City Parking Commitment
Initial Design Commitment Secured

Case for the VA Hospital in Tulsa

Serving veterans closer to home: more than **two-thirds** of the 47,000 veterans treated in Muskogee VA come from the **Tulsa Metro area**.

Of the estimated **115,471 veterans** in the Northeast Oklahoma VA service area, **67.9%** are **closer to Tulsa** than to Muskogee. This indicates that a Tulsa hospital could reach up to **30% more veterans** (14,000) annually.

With the VA Hospital located near university medical resources, 50 new residents could be added (and 50 more with a new psychiatric hospital).

This is a rare opportunity for Oklahoma to **serve more veterans** needing hospitalization quicker with higher quality services.

34% of Oklahoma veterans served in **Vietnam**. This particular population is **most likely** to locate in **urban areas** and need a broader array of supporting **social services**. An **urban setting** in proximity to a **teaching hospital** will **improve physician and skilled nursing recruitment**.

Jack C. Montgomery in **Muskogee will receive \$28M** and become a Regional VA Behavioral Health facility.

Selling Points of the VHiT CHIP-IN

Demonstrated Financial Support

- Use of Donated Land, Structures
- OSU Medicine and Private Donor Confidence
- Unique combination of State, City, Private, University Contributions

Broad Endorsements

- 4 Area University Endorsements
- 2 State Senators Adopting Project Leadership
- 2 Governors & Full City Council & County Commissioners

Development as True Community-Controlled Build

- Pass Through Ownership via OSU
- Simultaneous Construction of VHiT Psych Hospital and Parking
- VHiT LLC as Lessee and Developer with Expert Regional Leadership

Site

- Prime Downtown Urban Location for Veterans
- Direct Access to 4-Pipe System / Geothermal
- Uncanny fit between VA requirements and the existing structure
- Efficiencies with OSU Medical Campus

\$210,500,000 Investment

\$37.5M Psych Hospital

- \$15M in OSUMA bonding capacity
- \$16.5M in private support
- \$6M for furniture, technology and equipment

\$165M 58-bed Veterans Hospital

- \$35M Kerr-Edmonson facilities (value if developed)
- \$10M private support
- \$120M federal allocation (+ \$100M in VA On-Boarding)

\$8M Parking Structure

- \$8M parking garage/space and related infrastructure

Community Support

\$210.5M Expansion Project:

Target Amounts	Commitments	Balance Needed	Description
\$35M	\$35M	\$0	Building and Land - State
\$8M	\$8M	\$0	Parking Garage - City
\$15M	\$0	\$15M	OSUMA Bonding - OSU
\$120M	\$0	\$120M	Federal Appropriation/VA Budget
\$26.5M	\$23M	\$3.5M	Philanthropic Support
\$6M	\$6M	\$0	ODMHS Equip and Furnishing

Development, Ownership and Oversight

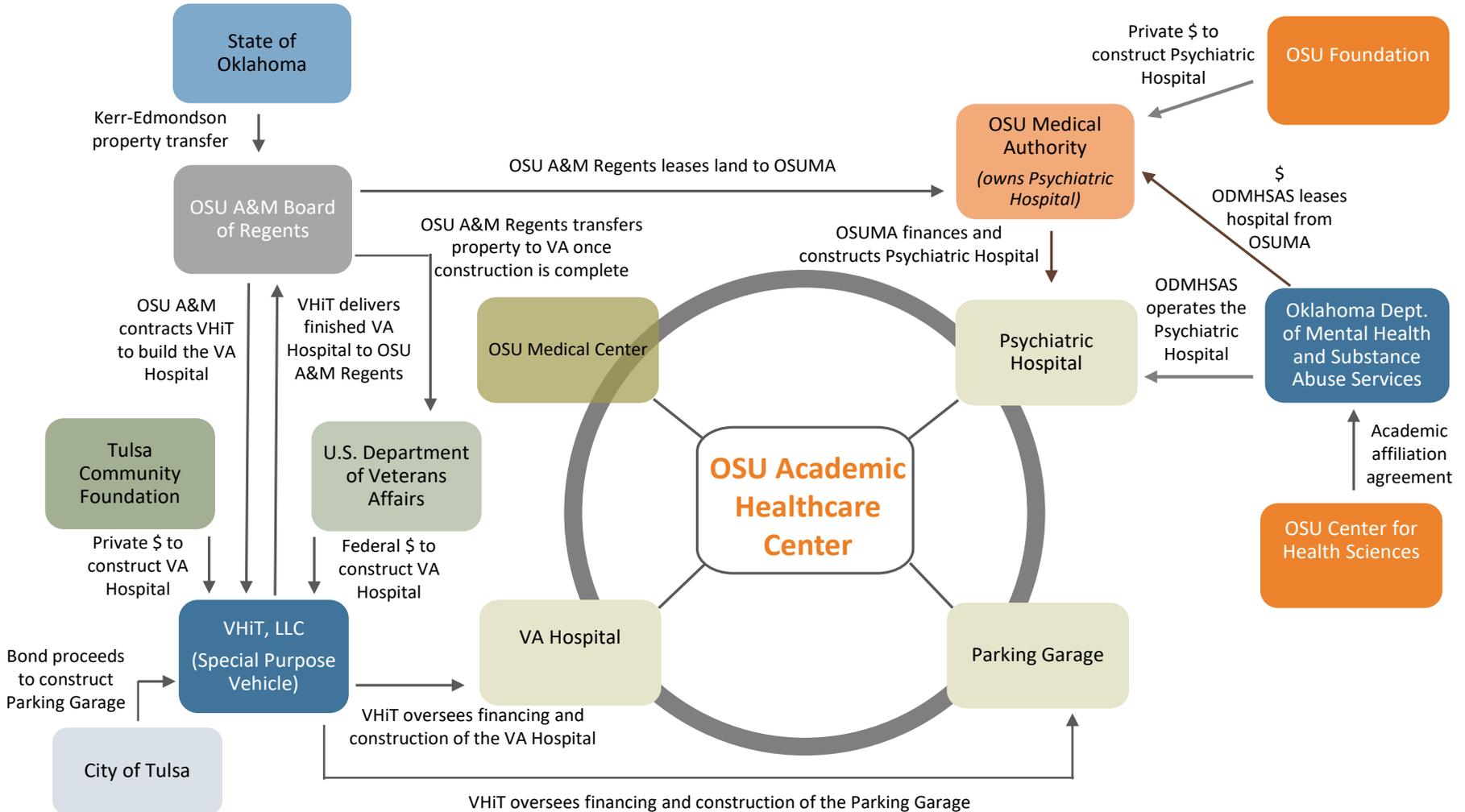
VA Hospital:

- State site transferred to OSU Regents
- Veterans Hospital in Tulsa (VHIT) Fund at TCF (501c3) holds all private support
- VHIT LLC provides oversight with:
 - Management Board & Staffing
 - Lease of site from OSU Regents during construction
- Upon completion site and building donated to the VA.
- VHIT LLC dissolves

Psych Hospital:

- OSU Regents lease to the OSUMA to construct the Psych Hospital.
- ODMHSAS provides a one-year lease with annual renewal clause for 15 years to secure OSUMA bonding.
- OSU Foundation holds private support for Psych Hospital

Transaction Structure



Expertise Engaged

- Oklahoma State University
- Dewberry Architecture
- Stonebridge Group
- City of Tulsa
- Tulsa County
- State of Oklahoma
- MKSK & Ayers Saint Gross
- Capitol Ventures
- Oklahoma Department of Mental Health and Substance Abuse Services
- GH2 Architecture
- Law Enforcement
- Tulsa Chamber of Commerce
- The Anne and Henry Zarrow Foundation
- Heritage Services of Omaha

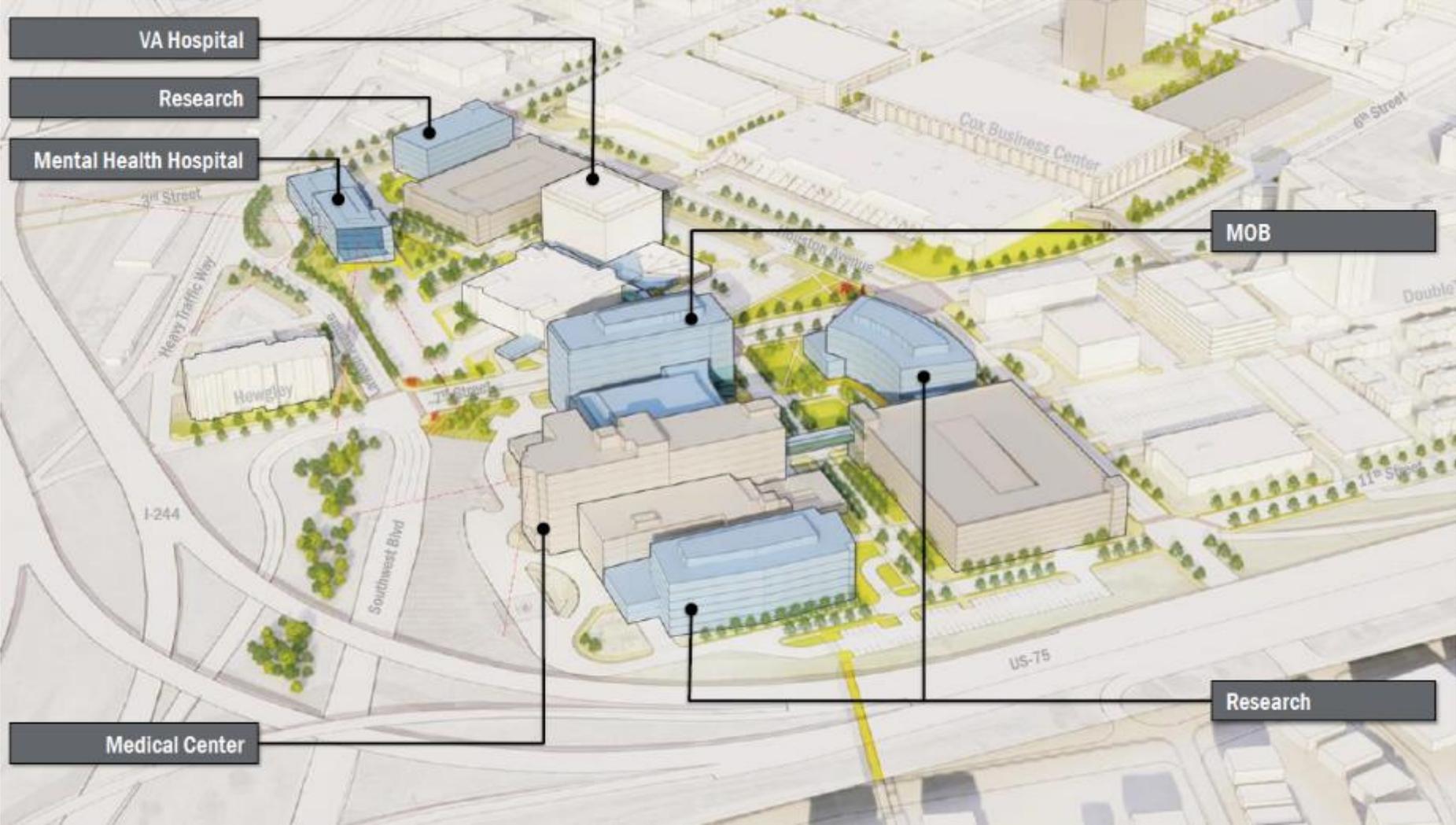
Campus Planning Completed



In-depth Assessment: HKSK and Ayers Saint Gross completed a 7-month community engagement planning process to ensure the campus incorporates best vehicular and pedestrian circulation, opportunities for supportive retail development, safety, and connectedness.

Result: added catwalk, added parking, reoriented building elements, added greenspace, flattened curbs, added traffic lights and lighted crossings.

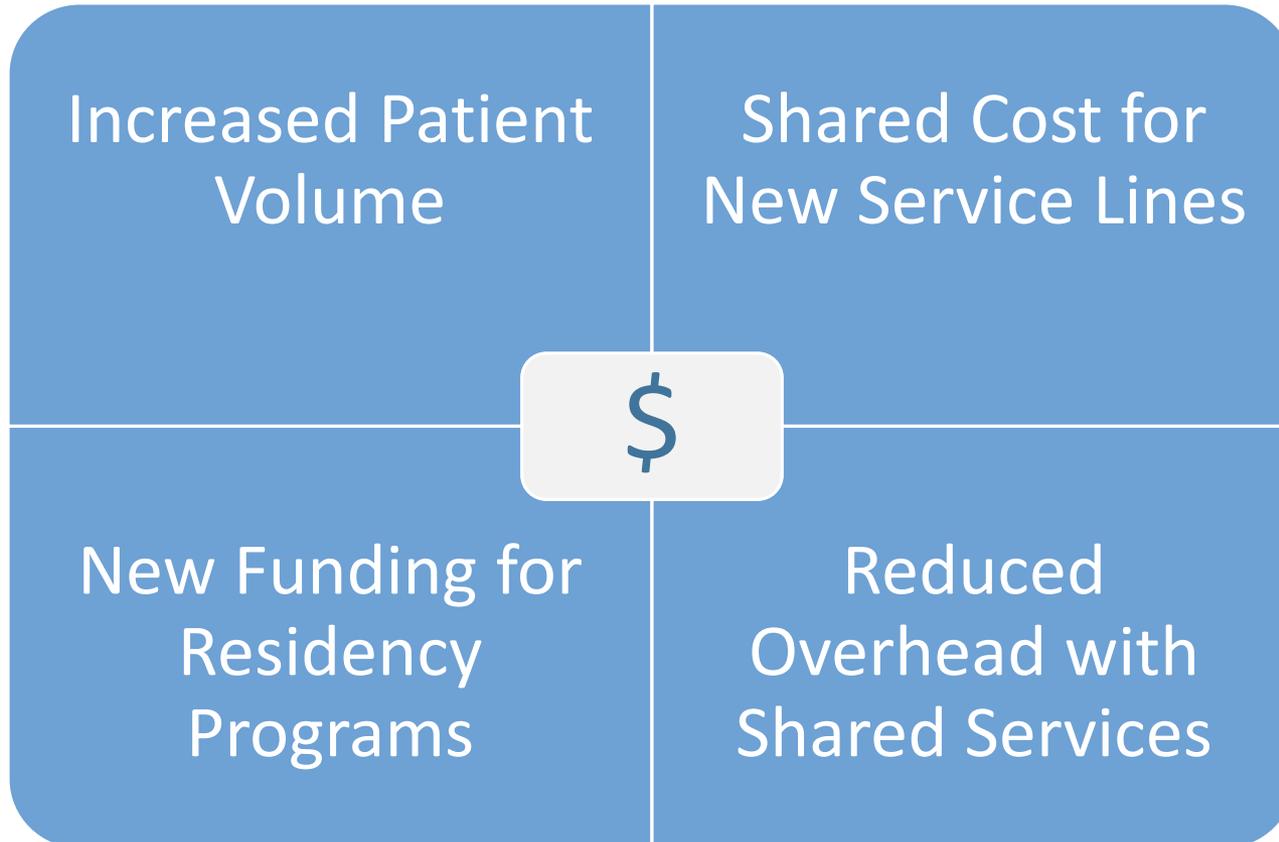
Completed Healthcare Center



Projected Timing

- 2020 VA CHIP-IN Approval and Appropriation \$ Set
- 2021 Build Start VA and Final Planning Psych Hospital
- 2023 Campus Construction Completion

Healthcare Center Financial Impact on OSUMC



Healthcare Center Economic Impact on Oklahoma

\$201 million federal dollars immediate inflow into Oklahoma

2,287 new jobs during construction

1,334 new jobs recurring from ongoing operations

\$353 million economic impact during construction

\$218 million economic impact recurring from ongoing operations



Long-Term Health Benefits



\$210.5 million capital project anchored by THREE exceptional healthcare facilities working in tandem to create a healthier Oklahoma.

- ✓ **Increased Access to Care**
- ✓ **Better Health Outcomes**
- ✓ **More Residency Training Slots**

Academic Healthcare Center Expansion

QUESTIONS?