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

[Signature]

Secretary
Academic Healthcare Center Expansion

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

JULY 2020
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:

<table>
<thead>
<tr>
<th>Target Amounts</th>
<th>Commitments</th>
<th>Balance Needed</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$35M</td>
<td>$35M</td>
<td>$0</td>
<td>Building and Land - State</td>
</tr>
<tr>
<td>$8M</td>
<td>$8M</td>
<td>$0</td>
<td>Parking Garage - City</td>
</tr>
<tr>
<td>$15M</td>
<td>$0</td>
<td>$15M</td>
<td>OSUMA Bonding - OSU</td>
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<tr>
<td>$120M</td>
<td>$0</td>
<td>$120M</td>
<td>Federal Appropriation/VA Budget</td>
</tr>
<tr>
<td>$26.5M</td>
<td>$23M</td>
<td>$3.5M</td>
<td>Philanthropic Support</td>
</tr>
<tr>
<td>$6M</td>
<td>$6M</td>
<td>$0</td>
<td>ODMHS Equip and Furnishing</td>
</tr>
</tbody>
</table>
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
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**Transaction Structure**

**State of Oklahoma**
- Kerr-Edmondson property transfer

**OSU A&M Board of Regents**
- OSU A&M contracts VHIT to build the VA Hospital
- OSU A&M Regents leases land to OSUMA
- OSU A&M Regents transfers property to VA once construction is complete

**VHIT, LLC (Special Purpose Vehicle)**
- VHIT delivers finished VA Hospital to OSU A&M Regents

**Tulsa Community Foundation**
- Private $ to construct VA Hospital

**U.S. Department of Veterans Affairs**
- Federal $ to construct VA Hospital

**OSU Medical Center**

**OSUMA**
- Finances and constructs Psychiatric Hospital
- ODMHSAS leases hospital from OSUMA

**OSU Medical Authority (owns Psychiatric Hospital)**

**Psychiatric Hospital**
- Operates the Psychiatric Hospital

**OSU Center for Health Sciences**
- Academic affiliation agreement

**OSU Foundation**
- OSU Foundation

**Oklahoma Dept. of Mental Health and Substance Abuse Services**
- ODMHSAS

**VA Hospital**
- VHIT oversees financing and construction of the VA Hospital

**Parking Garage**
- VHIT oversees financing and construction of the Parking Garage

**City of Tulsa**
- Bond proceeds to construct Parking Garage
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**: HKS 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

- VA Hospital
- Research
- Mental Health Hospital
- Medical Center
- MOB
- Research
## Projected Timing

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>2020</td>
<td>VA CHIP-IN Approval and Appropriation $ Set</td>
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<tr>
<td>2021</td>
<td>Build Start VA and Final Planning Psych Hospital</td>
</tr>
<tr>
<td>2023</td>
<td>Campus Construction Completion</td>
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Healthcare Center Financial Impact on OSUMC

- Increased Patient Volume
- Shared Cost for New Service Lines
- New Funding for Residency Programs
- Reduced Overhead with Shared Services

$
Healthcare Center Economic Impact on Oklahoma

- **$201 million** federal dollars immediate inflow into Oklahoma
- **2,287 new jobs** during construction
- **$353 million** economic impact during construction
- **$218 million** economic impact recurring from ongoing operations
- **1,334 new jobs** recurring from ongoing operations
$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
QUESTIONS?