



ECONOMIC DEVELOPMENT
AUTHORITY AGENDA





SPECIAL ECONOMIC DEVELOPMENT AUTHORITY AGENDA

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

May 26, 2026 - 6:03 PM

Presiding members: Chairman Rick Rice

Trustee Brian Triger

Trustee Pat Byrne

Trustee Raymond Melton

Trustee Marc Thompson

Trustee Sara Bana

Trustee Rick Favors

City Staff:

General Manager Tim Lyon

Secretary Sara Hancock

Prosecuting Attorney Vicki Floyd

A. CALL TO ORDER.

B. **CONSENT AGENDA.** These items are placed on the Consent Agenda so the Council members, by unanimous consent, can approve routine agenda items by one motion. If any Council member requests to discuss an item(s) or if there is not unanimous consent, then the item(s) will be removed and heard in regular order.

1. Discussion, consideration and possible action of approving supplemental budget adjustments to the following fund for FY 2025-2026, increase: Economic Development Authority, revenues/Transfers In (00) \$22,090. (Finance - T. Cromar)
2. Discussion, consideration and possible action to approve the meeting minutes for February 24, 2026. (Secretary - S. Hancock)
3. Discussion, consideration and possible action of approving the management representation letter to Grant Thornton LLP and accepting the draft final report for Sooner Town Center, LLC for calendar years ending December 31, 2024 and 2025. (Finance - T. Cromar)

C. DISCUSSION ITEMS.

1. Public hearing with discussion, consideration and vote on a resolution of the Midwest City Economic Development Authority approving its budget for Fiscal Year 2026-2027 in the amount of \$2,004,080 and establishing budget amendment and budget supplement authority. (Finance - T. Cromar)

D. **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.**

E. ADJOURNMENT.



CONSENT AGENDA





Finance Department
100 N. Midwest Boulevard
Midwest City, OK 73110
tcromar@midwestcity.org
Office: 405-739-1245
www.midwestcityok.org

TO: Honorable Chairman and Trustees of the
Economic Development Authority

FROM: Tiatia Cromar, Finance Director

DATE: May 26, 2026

SUBJECT: Discussion, consideration and possible action of approving supplemental budget adjustments to the following fund for FY 2025-2026, increase: Economic Development Authority, revenues/Transfers In (00) \$22,090.

The supplement is needed to increase budget for expected Hotel/Motel sales tax revenue to complete FY 25.

Tiatia Cromar

Tiatia Cromar
Finance Director

SUPPLEMENTS

May 26, 2026

Fund ECONOMIC DEVELOPMENT AUTHORITY (353)		BUDGET AMENDMENT FORM Fiscal Year 2025-2026			
		Estimated Revenue		Budget Appropriations	
<u>Dept Number</u>	<u>Department Name</u>	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
00	TRANSFERS IN (225)	22,090			
		<u>22,090</u>	<u>0</u>	<u>0</u>	<u>0</u>
Explanation:					
To increase budget for expected Hotel/Motel sales tax revenue to complete FY 25.					

Notice for the Midwest City Economic Development Authority special meeting was filed with the City Clerk of Midwest City at least 48 hours prior to the meeting. Public notice of this agenda was accessible at least 24 hours before this meeting at City Hall and on the Midwest City website (www.midwestcityokorg).

Midwest City Economic Development Authority Minutes

February 24, 2026

This **special meeting** was held in Midwest City Council Chambers at City Hall, 100 N. Midwest Blvd, Midwest City, County of Oklahoma, State of Oklahoma.

Chairman Matt Dukes called the meeting to order at 07:34 PM with following members present:

Trustee Brian Triger	Trustee Marc Thompson	General Manager Tim Lyon
Trustee Pat Byrne	Trustee Sara Bana	Secretary Sara Hancock
Trustee Rita Maxwell	Trustee Rick Favors	Authority Attorney Don Maisch

DISCUSSION ITEMS.

1. Discussion, consideration or possible action to approve the special meeting minutes for January 27, 2026.

Bana made a motion to approve the minutes, seconded by Byrne. Voting Aye: Triger, Byrne, Maxwell, Thompson, Bana, Favors, and Dukes. Nay: none. Motion Carried.

2. Discussion, consideration, and possible action to approve a Resolution of the Midwest City Economic Development Authority and the Midwest City Utilities Authority amending that certain Amended and Restated Economic Development Assistance Agreement, Dated August 22, 2023, (the “Agreement”) by and between the Authority and American Glass, Inc. and AGI Properties LLC; authorizing and directing the execution and delivery of the First Amendment to the Agreement; and containing other provisions relating thereto.

Coleman addressed the Trustees. After discussion, Bana made a motion to approve Resolution EDA2026-01, seconded by Byrne. Voting Aye: Triger, Byrne, Maxwell, Thompson, Bana, Favors, and Dukes. Nay: none. Motion Carried.

PUBLIC DISCUSSION. There was no public discussion.

ADJOURNMENT. There being no further business, Chairman Dukes adjourned the meeting at 7:37 PM.

ATTEST:

RICHARD R. RICE, Chairman

SARA HANCOCK, Secretary



Finance Department
100 N. Midwest Boulevard
Midwest City, OK 73110

TO: Honorable Chairman and Trustees of the
Economic Development Authority

FROM: Tiatia Cromar, Finance Director

DATE: May 26, 2026

SUBJECT: Discussion, consideration and possible action of approving the management
representation letter to Grant Thornton LLP and accepting the draft final report for
Sooner Town Center, LLC for calendar years ending December 31, 2024 and 2025.

Attached for your review and approval is the management representation letter and draft
financial statements for the entity leasing property associated with Sooner Town Center, LLC.

Tiatia Cromar
Finance Director



May 27, 2026

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

We are providing this letter in connection with your audits of the consolidated financial statements of Sooner Town Center, LLC and subsidiaries (collectively, the "Entity"), which comprise the consolidated balance sheets as of December 31, 2025 and December 31, 2024 and the related consolidated statements of operations, changes in members' deficit, and cash flows for the years then ended, and the related notes to the consolidated financial statements. We understand that your audits were made for the purpose of expressing an opinion as to whether the consolidated 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 consolidated 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 consolidated 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 May XX, 2026, 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 consolidated financial statements may be materially misstated as a result of fraud. We have no knowledge of fraud or suspected fraud affecting the Entity 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 consolidated financial statements.
2. We have no knowledge of any allegations of fraud or suspected fraud affecting the Entity's consolidated 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 consolidated financial statements, as a basis for recording a loss contingency or for disclosure.
4. The Entity has complied with all aspects of contractual agreements that would have a material effect on the consolidated financial statements in the event of a noncompliance.
5. The Entity 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 Entity'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 consolidated financial statements in accordance with US GAAP.

We understand that "related parties" include (1) affiliates of the Entity; (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 Entity and members of their immediate families; and (5) management of the Entity and members of their immediate families.

Related parties also include (1) other parties with which the Entity 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 have no knowledge of any business relationships, financial relationships, or other relationships that the Entity or its downstream affiliates (subsidiaries or investees) has with New Mountain Capital or its affiliates. We also acknowledge our responsibility for communicating to you all relationships, including business relationships, financial relationships, or other relationships, that the Entity or its downstream affiliates (subsidiaries or investees) are considering with New Mountain Capital or its affiliates. We have not identified any such relationships.
We understand that "business relationships" include (1) teaming arrangements, (2) alliances, (3) joint investments or joint ventures, and (4) vendor in the ordinary course arrangements. We also understand that "financial relationships" include (1) direct financial investments, (2) material, indirect financial investments, and (3) lending relationships.
8. We have no knowledge of any participation in, investment in, purchase of, or ownership of the debt of Grant Thornton Advisors LLC by the Entity or its downstream affiliates (subsidiaries or investees). We have informed the appropriate individuals that make investment decisions for the Entity and its downstream affiliates (subsidiaries or investees), including any investment committee and third-party investment advisors, if applicable, that participating in, investing in, purchasing, or owning the debt of Grant Thornton Advisors LLC may impair your independence. We also acknowledge that, if it comes to our attention that the Entity or its downstream affiliates (subsidiaries or investees) are considering participating in, investing in, purchasing, or otherwise owning the debt of Grant Thornton Advisors LLC, we will bring such matters to your attention immediately for further discussion and evaluation.
9. 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 consolidated 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.
10. The calculation of participation rent for the year ended December 31, 2025, as determined in the supplementary information including net operating income, debt service, net cash flow, and subtenant rents is prepared in accordance with the terms as defined in the Midwest City Downtown Redevelopment General Ground Lease (Agreement). We have reviewed the supplementary information and believe the information presented is consistent with and accurately reflects the provision contained in the Agreement.
11. Based on the Promissory Note Agreement with the City, the Entity 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 Entity did not reserve a cash balance in 2025 or 2024 related to the Participation Rent Expense calculation.
12. The information included in the Leases footnote to the consolidated financial statements, which describes the participation rent calculation, is consistent with our understanding of the Agreement.
13. Participation rent expense incurred totaled \$726,338 for the year ended December 31, 2025 and is properly recorded in the consolidated statement of operations.
14. On June 25, 2024, the Entity entered into an Ancillary Agreement (Ancillary Agreement) with the City. The Ancillary Agreement allows for cash transfers to Sooner Town Center II, LLC (STC II) from the Entity to cover any of STC II's excess expenses over available cash required to maintain and operate the project. The agreement was effective May 1, 2024 and is in effect until December 31, 2025 unless extended by mutual agreement of all parties, in writing. Advances to STC II are payable to the Entity based on available cash flow or on demand. The Ancillary Agreement was necessitated by the fact that a large anchor space at STC II remains vacant, resulting in expected cash flow deficits for STC II. Per the Ancillary Agreement, the advances are deducted from the Entity's participation rent calculation. As of December 31, 2024, \$775,220 had been advanced from the Entity to STC II. This balance is included in advances to affiliate on the accompanying consolidated balance sheets.
15. All events subsequent to the date of the consolidated financial statements through the date of this letter and for which US GAAP requires recognition or disclosure have been recognized or disclosed.



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

SOONER TOWN CENTER, LLC

Robert C. Collett, Managing Member

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

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

CITY OF MIDWEST CITY

Tim Lyon, City Manager

Consolidated Financial Statements and
Report Title Here

Sooner Town Center, LLC

December 31, 2025 and 2024

Contents

	Page
Opinion Header Here	3
Consolidated Financial Statements	
Consolidated balance sheets	6
Consolidated statements of operations	7
Consolidated statements of changes in members' deficit	8
Consolidated statements of cash flows	9
Notes to consolidated financial statements	10
Supplementary Information	
Schedule I - net operating income	19
Schedule II - debt service	20
Schedule III - net cash flow	21
Schedule IV - subtenant rents	22

GRANT THORNTON LLP

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Address 2
City, State Zip

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

INSERT OPINION HEADER 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

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Subheading 3

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GRANT THORNTON LLP (signed manually)

City, State
Month XX, 20XX

Sooner Town Center, LLC
CONSOLIDATED BALANCE SHEETS

December 31,

	2025	2024
ASSETS		
Real property, at cost		
Buildings and building improvements	\$ 33,540,894	\$ 33,440,894
Land improvements and signage	13,217,019	13,217,019
Total real property, at cost	46,757,913	46,657,913
Less: accumulated depreciation	(28,614,160)	(27,483,331)
Real property, net	18,143,753	19,174,582
Other assets		
Cash	272,016	324,605
Restricted cash	4,589,781	4,552,678
Accounts receivable, net	142,985	214,900
Advances to affiliate	775,220	450,230
Security deposit trust account	51,864	54,179
Deferred rent receivable	513,051	516,146
Deferred charges and other assets, net	945,698	1,038,578
Right-of-use assets	13,026,778	13,134,846
Total assets	\$ 38,461,146	\$ 39,460,744
LIABILITIES AND MEMBERS' DEFICIT		
Liabilities		
Unearned rent	\$ 368,558	\$ 320,033
Notes payable (net of deferred loan costs of \$1,489,739 and \$1,557,567 at December 31, 2025 and 2024, respectively)	41,774,442	43,006,651
Note payable to members and affiliates	1,000	1,000
Accounts payable and accrued expenses	1,092,090	996,895
Security deposits	51,864	54,179
Lease liabilities	13,026,778	13,134,846
Total liabilities	56,314,732	57,513,604
Members' deficit	(17,853,586)	(18,052,860)
Total liabilities and members' deficit	\$ 38,461,146	\$ 39,460,744

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

Sooner Town Center, LLC

CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended December 31,

	2025	2024
Rental revenues	\$ 8,146,481	\$ 7,947,683
Operating expenses		
Common area maintenance	925,848	623,074
Repairs and other operating expenses	49,007	70,466
Taxes and insurance	931,868	1,053,106
Administrative	122,286	185,299
Rent expense	1,541,339	1,486,301
Property management fees	309,696	299,727
Depreciation and amortization	1,320,204	1,300,609
Total operating expenses	5,200,248	5,018,582
Other income (expense)		
Interest income	147,236	178,502
Interest expense	(2,149,977)	(2,204,219)
NET INCOME	\$ 943,492	\$ 903,384

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

Sooner Town Center, LLC

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' DEFICIT

Years ended December 31, 2025 and 2024

Members' deficit, December 31, 2023	\$ (18,215,162)
Net income	903,384
Distributions	<u>(741,082)</u>
Members' deficit, December 31, 2024	(18,052,860)
Net income	943,492
Distributions	<u>(680,000)</u>
Members' deficit, December 31, 2025	<u><u>\$ (17,789,368)</u></u>

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

Sooner Town Center, LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31,

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Net income	\$ 943,492	\$ 903,384
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,066,611	1,032,249
Amortization	253,593	268,360
Amortization of right-of-use assets	108,068	102,370
Deferred rent receivable	(13,621)	(23,811)
Changes in operating assets and liabilities:		
Accounts receivable, net	71,915	85,108
Deferred charges and other assets	(92,885)	(101,505)
Unearned rent	48,525	64,860
Accounts payable and accrued expenses	111,911	(58,653)
Lease liabilities	<u>(108,068)</u>	<u>(102,370)</u>
Net cash provided by operating activities	<u>2,389,541</u>	<u>2,169,992</u>
Cash flows from investing activities:		
Additions to buildings and improvements	(100,000)	(212,500)
Advances to affiliate	<u>(324,990)</u>	<u>(450,230)</u>
Net cash used in investing activities	<u>(424,990)</u>	<u>(662,730)</u>
Cash flows from financing activities:		
Repayments on notes payable	(1,060,000)	(1,025,000)
Proceeds from line of credit	1,187	277,032
Payments on line of credit	-	-
Payments on notes payable	(241,224)	(184,966)
Cash paid for deferred financing costs	-	-
Member distributions	<u>(680,000)</u>	<u>(741,082)</u>
Net cash used in financing activities	<u>(1,980,037)</u>	<u>(1,674,016)</u>
NET (DECREASE)/INCREASE IN CASH AND RESTRICTED CASH	(15,486)	(166,754)
Cash and restricted cash, beginning of year	<u>4,877,283</u>	<u>5,044,037</u>
Cash and restricted cash, end of year	<u>\$ 4,861,797</u>	<u>\$ 4,877,283</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 2,167,854</u>	<u>\$ 2,218,139</u>

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

Sooner Town Center, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE 1 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Sooner Town Center, LLC (an Oklahoma limited liability company) (STC) (the Company) was organized in June 2002 for the purpose of acquiring, developing and leasing commercial properties in Oklahoma. STC develops and operates a retail center (the Project) located in Midwest City, Oklahoma (the City). The Project is defined by a Redevelopment Agreement between the City and STC as authorized by the Oklahoma Local Development Act. Under the terms of the agreement, the City leases the Project land to STC under two ground leases. The City is considered to be a related party for financial reporting purposes. STC is responsible for the design, construction, financing, leasing and management of the Project, all subject to City approval. Income and loss will be allocated to members in accordance with the operating agreement.

Cash

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

Restricted Cash

The Company maintained restricted cash balances of \$4,589,781 and \$4,552,678 as of December 31, 2025 and 2024, respectively. The balance includes utility deposits of \$2,538 and \$4,538 as of December 31, 2025 and 2024, respectively. Additionally, the Company's Loan Agreement (as defined in Note 2) requires additional funds to be held in escrow.

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.

The Company's tenants engage in a wide variety of businesses. No tenants accounted for more than 10% of total base rental revenue for the years ended December 31, 2025 or 2024. Three tenants comprised roughly 49%, 40%, and 12% of accounts receivable, respectively, as of December 31, 2025. Five tenants comprised roughly 27%, 26%, 12%, 12% and 10% of accounts receivable, respectively, as of December 31, 2024.

The Company maintains its cash in a commercial bank. Substantially all of the Company's cash and cash equivalents are held in noninterest-bearing accounts. 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.

Leases

In accordance with Accounting Standards Codification (ASC) 842, the Company recognizes a lease liability and Right-of-use (ROU) asset on the consolidated balance sheets for contracts that it determines are leases or contain a lease. The leases to which the Company is a lessee consist of ground leases for Project land. ROU assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the present value of lease payments over the lease term. Lease payments are typically discounted at an incremental borrowing rate because the interest rate implicit in the lease cannot be readily determined. The discount rate was calculated as the current bond rate on the Company's bonds which was approximately 5.43%. Lease ROU assets include initial direct costs incurred by the Company and are presented net of deferred rent and lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Sooner Town Center, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise the options. The remaining lease term for the ground leases is 37 years.

The participation rent component of the Company's ground lease is excluded from the ASC 842 guidance as the payments are variable and not based on a rate or index.

On the consolidated statements of cash flows, the recognition of ROU assets and lease liabilities at lease commencement is considered to be a non-cash investing and financing activity. The decrease in lease liabilities is presented as part of changes in operating assets and liabilities to reconcile net income to net cash flows from operating activities.

The Company is also lessor in a number of retail shopping center leases. While the majority of these leases contain both lease and non-lease components, the Company has elected the practical expedient option and does not separate lease and non-lease components as the timing and pattern of transfer are essentially the same. These leases meet the criteria to be classified as operating leases. The accounting for these leases is further described in the Revenue Recognition footnote.

Revenue Recognition

Rental revenue is generally recognized based on the terms of tenant leases. Rental revenue from leases with scheduled rent increases, incentives or abatements is recognized on a straight-line basis over the noncancelable term of the respective leases. Property operating cost recoveries from tenants for common area maintenance, real estate taxes and other recoverable costs totaled \$1,756,198 and \$1,584,587 for the years ended December 31, 2025 and 2024, respectively, and are recognized in the period in which the related expenses are incurred and are included in rental revenues in the accompanying consolidated statements of operations. Receivables relating to these recoveries totaled \$170,630 and \$163,413 as of December 31, 2025 and 2024, respectively, and are recognized as accounts receivable, net on the accompanying consolidated balance sheets. If it becomes probable a tenant will fail to perform according to the terms of the lease, a loss equal to the accrued rental revenue unlikely to be received from that tenant would be charged to operations. Interest income is recognized as it is earned.

Rent payments received in advance from tenants is recognized as unearned rent on the accompanying consolidated balance sheets. Unearned rent as of December 31, 2025 and 2024 was \$368,558 and \$320,033, respectively.

The aggregate excess of rental revenue recognized on a straight-line basis over rents due in accordance with the provisions of the leases was \$513,051 and \$516,146 at December 31, 2025 and 2024, respectively, and is recognized as deferred rent receivable on the accompanying consolidated balance sheets.

The Project consists of 629,343 square feet of retail space and 13 outparcel sites and was completed in 2015. At December 31, 2025, tenants occupying 629,343 square feet and 13 of the outparcel sites were operating under noncancelable leases providing for future minimum rents of \$24,118,698.

Sooner Town Center, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

Future minimum rents receivable under noncancelable leases for all known tenants at December 31, 2025, is as follows. Most leases have renewal options, which are not included below.

	<u>Amount</u>
2026	\$ 5,736,741
2027	4,608,058
2028	3,051,470
2029	2,479,106
2030	1,601,527
Thereafter	<u>7,641,796</u>
	<u>\$ 25,118,698</u>

Rent and receivables are reported at their estimated net realizable value. When necessary, the Company provides an allowance for expected credit losses 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. Rent and receivables are written off based on individual credit evaluation and specific circumstances of the customer. Management has concluded that certain of the Company's accounts receivable amounts are likely not realizable and, accordingly, has recorded an allowance for expected credit losses of \$30,032 and \$53,484 as of December 31, 2025 and 2024, respectively.

Real Property

Buildings and building improvements are stated at cost and depreciated using the straight-line method over the estimated useful life of 39 years. Land improvements and signage are depreciated using an accelerated method of depreciation over the useful life of the assets, usually 15 years. Direct and indirect costs that relate to land development and building construction are capitalized. Costs are allocated to Project components by the specific identification method whenever possible. Otherwise, costs are allocated based on square footage or acreage.

Depreciation on real property charged to operations was \$1,066,611 and \$1,032,249 for the years ended December 31, 2025 and 2024, 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 recognized for the years ended December 31, 2025 and 2024.

Deferred Charges and Other Assets, net

Deferred charges consist of lease commissions and lease costs and are stated at cost net of accumulated amortization. At December 31, 2025 and 2024, total deferred charges capitalized were \$2,205,588 and \$2,150,394, respectively, with accumulated amortization of \$1,558,010 and \$1,379,935, respectively. During the year ended December 31, 2025, fully amortized deferred lease commissions and deferred lease costs and the related accumulated amortization of approximately \$7,690 were written off. The lease commissions and lease costs are amortized on the straight-line method over the terms of the respective

Sooner Town Center, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

leases. Lease commission and lease costs amortization expense of \$185,765 and \$200,532 is included in depreciation and amortization in the accompanying consolidated statements of operations for the years ended December 31, 2025 and 2024, respectively.

Other assets include debt issuance costs on the line of credit, regardless of whether there are any outstanding borrowings on the arrangement. The Company had debt issuance costs related to the line of credit of \$43,989 as of December 31, 2025 and 2024, and recognized \$0 in amortization expense during the years ended December 31, 2025 and 2024.

Deferred charges and other assets also include \$298,120 and \$268,119 of prepaid expenses at December 31, 2025 and 2024, respectively.

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 consolidated 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 2023, 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 (U.S. 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, 2025 and 2024. While management has based their assumptions and estimates on the facts and circumstances known at December 31, 2025 and 2024, actual results may differ from those estimates.

NOTE 2 - NOTES PAYABLE

Notes payable outstanding at December 31 consisted of:

	<u>2025</u>	<u>2024</u>
Principal balance	\$ 43,264,181	\$ 44,564,218
Less: unamortized deferred loan costs	<u>(1,489,739)</u>	<u>(1,557,567)</u>
Notes payable less unamortized deferred loan costs	<u>\$ 41,774,442</u>	<u>\$ 43,006,651</u>

On February 28, 2018, the Company entered into a Loan Agreement (the Loan) with the Midwest City Economic Development Authority (MWCEDA), a related party, in the amount of \$49,155,000. The MWCEDA is a public trust created for the benefit of the City, for the purpose of issuing Series 2018 Economic Development Revenue Bonds (Bonds), the proceeds of which were used to fund the Loan to the

Sooner Town Center, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

Company. Proceeds of the Loan were used to (1) repay all the Company's existing debt, (2) fund certain reserves defined in the Loan Agreement and (3) pay the cost of issuing the Bonds.

All the Company's assets are pledged to the MWCEDA as collateral for the Loan under a Leasehold Mortgage and Assignment of Rents. Additionally, the City conveyed all Project land and assigned the leases as collateral described in Note 3 to the MWCEDA. The MWCEDA in turn pledged the Leasehold Mortgage, Project land and leases as collateral for the Bonds. Payments required under the Loan Agreement mirror the Bonds repayment schedule. The City has provided additional collateral in the form of a guaranty by the Midwest City Municipal Authority, lessee and operator of the City water and sewer systems, of any shortfall in Loan payments. The Company pays the City a Credit Enhancement Fee equal to 0.5% of the outstanding Bonds balance as defined, as compensation for the additional collateral provided by the City.

Loan payment terms specify that the annual payment be an amount sufficient to fund the Bonds repayment schedule, the Credit Enhancement Fee, administrative expenses, tenant improvements and maintain certain escrow balances as defined in the Loan Agreement. The Bonds are administered by a Trustee appointed by the MWCEDA. The Trustee provides the Company with an annual payment amount required to fund the Bonds obligation, which the Company remits to the Trustee in 12 equal installments. The effective interest rate of the Bonds issued is 4.94% and the Company incurred interest expense of \$2,087,713 in 2025 and \$2,130,490 in 2024 applicable to the Loan. Scheduled future Bonds principal payments are the following:

	<u>Amount</u>
2026	\$ 1,100,000
2027	1,140,000
2028	1,180,000
2029	1,225,000
2030	1,275,000
Thereafter	<u>36,550,000</u>
	<u>\$ 42,470,000</u>

Escrow and reserve balances required by the Bonds Indenture were \$4,587,243 and \$4,548,140 at December 31, 2025 and 2024, respectively, and are included in restricted cash on the consolidated balance sheets.

The Loan Agreement requires, among other things, that the Company maintain a debt Coverage Ratio of 1.20. If this is not achieved, the Company must make additional payments to a Supplemental Reserve Fund maintained by the Bonds Trustee. The coverage is tested annually for the 12 months ending January 31, and the Company was in compliance for the January 31, 2025 testing period and continued to be in compliance as of December 31, 2025.

On October 21, 2022, the Company entered into a line of credit agreement with FNB Community Bank. The line of credit is for a maximum principal amount of \$2,000,000 with a maturity date of November 1, 2025. The interest rate on the line of credit is 6.54% per annum. The purpose of the line of credit is to fund tenant upfit work. The outstanding principal balance on this line of credit at December 31, 2025 and 2024 was \$2,731 and \$1,544, respectively. Interest expense incurred for the years ended December 31, 2025 and 2024 was \$113 and \$9,020, respectively.

As tenant upfit work was completed, the associated principal balance drawn from the line of credit was rolled into notes payable. There are five such notes payable as of December 31, 2025, entered into during 2023 and 2024 with FNB Community Bank. The maturity dates of these notes range between January 10,

Sooner Town Center, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

2028 and October 30, 2029. The interest rates range between 6.54% and 7.29%. The total outstanding principal balance on these notes payable totaled \$791,449 and \$1,032,674 as of December 31, 2025 and 2024, respectively. Interest expense incurred for the years ended December 31, 2025 and 2024 was \$62,151 and \$64,709, respectively. Schedule future notes payable principal payments are the following:

	Amount
2026	\$ 258,706
2027	277,434
2028	199,416
2029	55,893
	<hr/>
	\$ 791,449

Loan costs consist of various debt issuance costs and are amortized on the straight-line method, which approximates the effective interest method, based on terms of the debt agreement. The Company's loan costs total \$2,107,170 and \$2,017,170 as of December 31, 2025 and 2024, respectively, with accumulated amortization totaling \$527,431 and \$459,603 as of December 31, 2025 and 2024, respectively. Loan cost amortization expense of \$67,828 is included in depreciation and amortization in the accompanying consolidated statements of operations for the years ended December 31, 2025 and 2024.

NOTE 3 - LEASES

Sooner Town Center, LLC leases the Project land from the City under two ground leases, designated anchor and general. Both leases have terms commencing on June 1, 2004, with rent commencement on February 12, 2006, and expiring on October 31, 2062. Subsequent to rent commencement, the anchor ground lease rent is \$510,000 annually. The general ground lease provides for three tiers of rent - general ground rent of \$1 per year, preferred rent of \$305,000 annually, payable to the extent of net operating income in excess of debt service as defined in the Redevelopment Agreement, and participation rent equivalent to 50% of net operating income in excess of debt service remaining after payment of preferred rent. Preferred rent is cumulative after the Project is 50% leased. To the extent that calculated preferred rent payable is less than \$305,000, the difference is accrued and is payable when future net operating income in excess of debt service is sufficient. Participation rent expense totaled \$726,338 and \$671,300 for the years ended December 31, 2025 and 2024, respectively. Total rental expense totaled \$1,541,339 and \$1,486,301 for the years ended December 31, 2025 and 2024, respectively. Rent expense incurred and unpaid totaled \$232,213 and \$191,300 as of December 31, 2025 and 2024, respectively. These balances are included in accounts payable and accrued expenses on the accompanying consolidated balance sheets.

Sooner Town Center, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

Supplemental balance sheet information related to the Company's leases with respect to general ground rent and preferred rent is as follows:

Maturities of lease liabilities by fiscal year as of December 31, 2025 are as follows:

2026	\$ 815,000
2027	815,000
2028	815,000
2029	815,000
2030	815,000
Thereafter	<u>25,944,168</u>
Total lease payments	30,019,168
Less: imputed interest	<u>(16,992,390)</u>
Present value of lease liabilities	<u>\$ 13,026,778</u>

NOTE 4 - RELATED-PARTY TRANSACTIONS AND BALANCES

Collett & Associates, LLC (Collett), an affiliated property management company, provides management and brokerage services to the Company. Collett receives a monthly fee of 4% of gross monthly collections, net of anchor ground lease rent, for providing property management services. Such fees totaled \$308,250 and \$298,531 for the years ended December 31, 2025 and 2024, respectively, and are included in property management fees on the consolidated statements of operations. Additionally, tenant security deposits are held in a trust account maintained by Collett, consistent with industry practice and regulatory requirements. Amounts due under this arrangement are recognized as security deposit trust account and totaled \$51,864 and \$54,179, as of December 31, 2025 and 2024, respectively. The Company paid nominal amounts for various expense reimbursements to Collett, which are recorded as general and administrative expenses, for both years ended December 31, 2025 and 2024.

The Company paid \$29,896 and \$22,920 in construction management and accounting fees during the years ended December 31, 2025 and 2024, respectively, which are included in various operating expense captions on the consolidated statements of operations. In addition, the Company paid \$0 and \$0 leasing commissions to Collett for the years ended December 31, 2025 and 2024 respectively, which are included within deferred charges and other assets on the consolidated balance sheets.

Sooner Investment Realty (SIR), an affiliated entity, provides leasing services to the Company. The Company paid \$33,226 and \$25,320 in leasing commissions to SIR for the years ended December 31, 2025 and 2024, respectively, which is included within deferred charges and other assets on the consolidated balance sheets.

The Company paid \$22,355 and \$25,215 in utilities expense to the City for the years ended December 31, 2025 and 2024, respectively, which is included in common area maintenance expenses in the consolidated statements of operations.

The Company subleases part of the Project land to Sooner Town Center II, LLC (STC II), a related party. The lease commenced on July 19, 2012, with rent commencement on October 31, 2012. The lease expires on October 31, 2062, with a five-year renewal option. Annual rent for the first 10 years is \$45,000. The monthly rent amount increases by 10% on the 10th anniversary of the commencement date, and every five years thereafter. Straight-line rental income for this lease totaled \$65,609 for the years ended

Sooner Town Center, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

December 31, 2025 and 2024. These amounts are included in the future minimum rents receivable schedule included in Note 1.

On June 25, 2024, the Company entered into an Ancillary Agreement (“Agreement”) with the City. The Agreement allows for cash transfers to STC II from the Company to cover any of STC II’s excess expenses over available cash required to maintain and operate the project. The agreement was effective May 1, 2024 and is in effect until December 31, 2025 unless extended by mutual agreement of all parties, in writing. Advances to STC II are payable to the Company based on available cash flow or on demand. The Agreement was necessitated by the fact that a large anchor space at STC II remains vacant, resulting in expected cash flow deficits for STC II. Per the Agreement, the advances are deducted from the Company’s participation rent calculation. As of December 31, 2025 and 2024, \$775,220 and \$450,230 had been advanced from the Company to STC II, respectively. This balance is included in advances to affiliate on the accompanying consolidated balance sheets.

As of December 31, 2025 and 2024, the Company has an outstanding loan balance with RC Collett, Inc., an affiliated entity, of \$1,000.

NOTE 5 - SUBSEQUENT EVENTS

The Company has analyzed its operations subsequent to December 31, 2025 through **Month XX**, 2026, the date the consolidated 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, LLC

SCHEDULE I - NET OPERATING INCOME

Year ended December 31, 2025

Rental revenues		\$	8,146,481
Less: anchor ground lease revenue up to related expense			<u>(510,000)</u>
	Rental revenues excluding anchor tenant		7,636,481
Adjustments for cash basis			
Deferred rent receivable, net			(13,621)
Common area maintenance receivable			71,915
Unearned rent			<u>48,525</u>
	Gross operating revenue (subtenant rents, cash basis)		<u>7,743,300</u>
Allowable expenses			
Operating expenses			5,200,248
Less: anchor tenant rent expense			(510,000)
Plus: advances to affiliate			324,990
Plus: additions to project development costs			<u>110,329</u>
	Allowable expenses, net of anchor tenant rent expense		5,125,567
Adjustments for noncash expenses			
Depreciation and amortization			(1,320,204)
Other adjustments			
Interest income			(147,236)
Preferred rent expense, accrued or paid			(305,000)
Participation rent expense, accrued or paid			<u>(726,338)</u>
	Allowable expenses, net		<u>2,626,789</u>
	Net operating income per Redevelopment Agreement ⁽¹⁾		<u><u>\$ 5,116,511</u></u>

⁽¹⁾ The Midwest City Downtown Redevelopment (Redevelopment Agreement) Ground Lease 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 (excluding anchor ground lease up to \$510,000), determined in accordance with U.S. 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 U.S. GAAP, including all necessary and reasonable expenditures of any kind made with respect to the operations of the project (excluding anchor ground lease) 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. After the City issues Certificates of Completion on Improvements, the construction loan interest will be included in Operating Expenses to the extent that such interest can no longer be drawn on under the applicable construction loan. Non-cash expenditures such as depreciation and amortization shall not be applicable construction loan. 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, LLC

SCHEDULE II - DEBT SERVICE

Year ended December 31, 2025

Debt service

Interest expense on debt	\$ 2,149,977
Debt principal payments	1,301,224
Net change in bond escrows	<u>(92,366)</u>
Total debt service ⁽²⁾	<u>\$ 3,358,835</u>

⁽²⁾ The Redevelopment Agreement defines Debt Service as principal and interest on all loan(s) on the Project (excluding those under the anchor ground lease) or any portion thereof, exclusive of (1) any interest under any construction loan which is funded by draws under such Construction Loan and (2) interest carry costs treated as preferred rent.

Sooner Town Center, LLC

SCHEDULE III - NET CASH FLOW

Year ended December 31, 2025

Net operating income per Redevelopment Agreement	\$ 5,116,511
Less: debt service	<u>\$ (3,358,835)</u>
Net cash flow	\$ 1,757,676
Less: preferred rent	\$ (305,000)
Less: general ground lease	<u>\$ (1)</u>
Net cash flow, after preferred rent and general ground lease	\$ 1,452,675
Participation rent factor	<u>50%</u>
Participation rent ⁽³⁾	<u><u>\$ 726,338</u></u>

⁽³⁾ For purposes of determining Participation Rent, the Redevelopment Agreement defines Net Cash Flow as Debt Service. Participation Rent shall be an amount equal to fifty percent (50%) of Net Cash Flow remaining after Lease payment and Preferred Rent. All Participation Rent is subordinate to these payments. The annual Ground Lease is \$1, due to the City annually. Preferred Rent is the first \$305,000 of Net Operating Income after General Ground Lease Payment and Debt Service.

Sooner Town Center, LLC

SCHEDULE IV - SUBTENANT RENTS

Year ended December 31, 2025

Subtenant rents, excluding the anchor ground lease	<u>\$ 7,743,300</u>
Gross operating revenue (subtenant rents, cash basis) ⁽⁴⁾	<u><u>\$ 7,743,300</u></u>

⁽⁴⁾ Refer to page 19 for the calculation of Gross operating revenue (subtenant rents) which is computed on the cash basis.



DISCUSSION ITEMS





Midwest City Economic Development Authority
100 North Midwest Boulevard
Midwest City, Oklahoma 73110
Office (405) 739-1207/Fax (405) 739-1208
www.midwestcityok.org

MEMORANDUM

To: Honorable Chairman and Trustees

From: Tiatia Cromar, Finance Director

Date: May 26, 2026

Subject: Public hearing with discussion, consideration and vote on a resolution of the Midwest City Economic Development Authority approving its budget for Fiscal Year 2026-2027 in the amount of \$2,004,080 and establishing budget amendment and budget supplement authority.

The budget for fiscal year 2026-2027 is being submitted for adoption. There has been due diligence on the part of the Trustees and Administration to provide the attached resolution. Additional information by fund and department can be seen in the appendix of the city council agenda. Budget meeting was held on April 30th with the Trustees. A public hearing will be held prior to adoption. Staff recommend that the budget be adopted by resolution in the budget meeting with adjustments.

A handwritten signature in black ink that reads "Tiatia Cromar".

Tiatia Cromar
Finance Director

Attachment: Proposed Resolution

RESOLUTION NO. EDA2026-_____

A RESOLUTION OF THE MIDWEST CITY ECONOMIC DEVELOPMENT AUTHORITY ADOPTING ITS BUDGET FOR FISCAL YEAR 2026-2027 IN THE AMOUNT OF \$2,004,080 AND ESTABLISHING BUDGET AMENDMENT AND BUDGET SUPPLEMENT AUTHORITY.

WHEREAS, a public hearing was held on May 26, 2026, for the purpose of receiving citizens' comments, recommendations or information on any part of the proposed budget;

NOW, THEREFORE, BE IT RESOLVED BY THE CHAIRMAN AND TRUSTEES OF THE MIDWEST CITY ECONOMIC DEVELOPMENT AUTHORITY that the following budget be adopted for Fiscal Year 2026-2027:

MIDWEST CITY ECONOMIC DEV AUTHORITY:

Midwest City EDA (353-9550)	\$	2,004,080
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The Trustees of the Economic Development Authority do hereby authorize the General Manager to transfer any unexpended and unencumbered appropriations, at any time throughout FY 2026-2027, from one line item to another, one object category to another within a department, or one department to another within a fund, without further approval by the Authority.

All supplemental appropriations or decrease in the total appropriation of a fund shall be adopted at a meeting of the Authority.

PASSED AND APPROVED by the Chairman and Trustees of the Midwest City Economic Development Authority this 26th day of May, 2026.

MIDWEST CITY ECONOMIC DEVELOPMENT AUTHORITY

Chairman

ATTEST:

Secretary

APPROVED as to form and legality
this 26th day of May, 2026.

City Attorney



PUBLIC DISCUSSION

