

## Skirvin renovation cost goes up to \$50.4 million

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The expected cost of renovating the Skirvin Hotel has gone up again -- to \$50.4 million -- but the amount of public assistance is less than once expected, Oklahoma City Council members were told Tuesday.

Interior demolition started this month, and sale of the property to developer Skirvin Partners is scheduled in the next four weeks.

At Tuesday's meeting, council members approved financial agreements required to allow the sale to close. They include:

Transfer ownership to Oklahoma City Redevelopment Authority;

Amend the funding plan, which adds \$5.4 million in new market tax credits and an increase in private financing;

Provide federal grant funds to the Oklahoma City Redevelopment Authority for hotel construction funding.

"This has been the most complex transaction I've ever been involved with," developer John Weeman said. "There is not another city that compares to Oklahoma City in terms of your cooperation, collaboration and ability to respond to challenges and turn them into opportunities."

Weeman promised the hotel will be open by December 2006 -- in time for state centennial celebrations and the 2007 Big 12 Basketball Tournament.

New designs unveiled Tuesday show art deco mosaic columns and floor tiles in the former coffee shop will be restored as part of its conversion into a dining area. Weeman also showed sketches of a new ballroom wing and Broadway Avenue entrance for what will become the Skirvin Hilton. "We fully expect the Skirvin will return to its position as the most prominent hotel in your community," Weeman said.

After the city bought the closed property and signed a development deal with Texas-based Skirvin Partners two years ago, the cost to renovate the downtown landmark was estimated at \$42 million. The estimate was revised to \$46.4 million in May 2004.

The new analysis predicts the city will recoup all of the \$18 million in public financing for the project under even the worst-case scenario, whereas previous forecasts showed the city might be out \$4.4 million if the hotel performed poorly. The agreement calls for Skirvin Partners to pay back the assistance through loan payments and a ground lease.

"Without public assistance, renovation of the hotel would not be possible," said Assistant City Manager Cathy O'Connor, who has overseen funding negotiations. "Our overriding goal has been to find ways for the city's funding for the project to be repaid."

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