

OHCA orders SoonerCare budget cuts

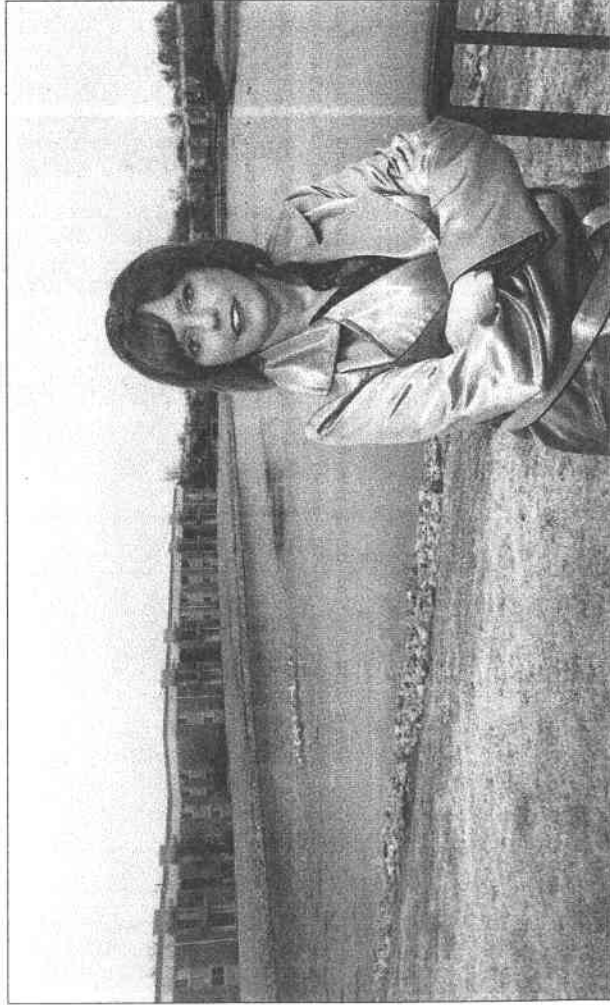
BY APRIL WILKERSON
THE JOURNAL RECORD

OKLAHOMA CITY — Bad news was tinged with a bit of good news Thursday when the Oklahoma Health Care Authority made difficult decisions about SoonerCare, the state's Medicaid program that serves 20 percent of the population.

The bad news could eventually affect access to SoonerCare for people seeking health insurance. To cut the mandated \$5 million from its budget for two months, the Oklahoma Health Care Authority (OHCA) made a 3.25-percent, across-the-board reduction in provider reimbursement rates. The total budget impact, because of lost federal matching dollars, is \$20 million. The provider rate reduction will go into effect in April.

This reduction comes on the heels of \$17 million in cuts in December, which affected SoonerCare prescription benefits, durable medical equipment and other items. Mike Fogarty, OHCA executive officer, said the agency tried to stay away from provider cuts as long as possible because of concerns it would lead to fewer physicians accepting SoonerCare patients. The OHCA has spent several years trying to bring reimbursement rates up to national par and increase the number of providers. On Thursday, the state's ongoing budget woes forced the OHCA board to take a step backward.

"For some providers, the SoonerCare part of their business is so small, they may say they can take it or leave it," Fogarty said.



Melissa Wheeler, general manager with Isola Bella Apartments in northwest Oklahoma City. PHOTO BY MAIKE SABOLICH

Breathing new life into old properties

BY TOM LINDLEY
THE JOURNAL RECORD

OKLAHOMA CITY — J.T. Barr readily admits it. He has a soft spot for 1970s-era properties.

"I'm 71 years old. That's my era," Barr, who is president of Barr Investments Inc., in Jonesboro, Ark., said Thursday.

There was another reason why he

spent \$2.3 million in 2008 to purchase the aging 252-unit Cypress Glenn Apartments at 413 W. Britton Rd. and is now spending more to bring the complex, which has been renamed Britton Crossing up to today's standards.

"I take old property that's run-down and bring it back to life," he said. "It's better than letting it go to waste."

Not everyone has such high regard for the 1970s when it comes to multi-

family housing in Oklahoma City, as evidenced recently by some historically low price-per-unit rates and the current glut of properties from that era.

"We've seen a lot of this in the market over the years, but most of these types of properties haven't needed the level of work they now need, and we haven't seen the quantity of properties

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noted that 2010 will largely be categorized by Oklahoma City retailers focused on trying to lure shoppers back to their stores to spend money while landlords will be aggressive in trying to keep existing stores in place with attractive deals and concessions.

The report noted that most of the leasing activity will consist of renewals in 2010 with very little activity from new tenants. Now is a good time to be a retail tenant as

owners will be offering not just lower rent rates, but longer lease terms and concessions such as higher tenant improvements, according to Grubb & Ellis.

The firm's retail advisers added that the current state of the retail market will cause new construction to be nonexistent during the year, which will also contribute to a lull in new retail construction.

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better sense for us to buy it than pay rent for it.

"We'll always consider Bristow to be our official headquarters, but more of the corporate offices are here in this building," she said. "For all intents and purposes this is our headquarters."

Although once considered out of fashion from an investment standpoint, over the last few years several large corporations have moved to own their headquarters.

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trend-setting," he said. "I think you'll see a lot more of it, as states seek to protect their sovereignty."

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in this range that we are now," said Mike Buhl, owner of Norman-based Commercial Realty Resources.

Barr admits it takes a lot of hard work, planning and money to pull off what so far has been a successful formula for the almost 6,000 multifamily units in which he has invested.

It also helps if the old complex has a solid foundation and a good location, Barr said.

Renovations at Britton Crossing are now

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renewable-energy policy.

Price said Oklahoma also could consider authorizing the Oklahoma Corporation Commission to promulgate an "Oklahoma-

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richer way than we've ever done before," said Editor Ted Streuli. "The site also cleanly separates free content, such as blogs and columns, from subscription-based content so it's easier to navigate."

The *Journal Record* is leading a trend in the newspaper publishing industry that makes all news content available to sub-

Baker. "Not just a generic, multi-tenant building."

This sale's dramatic price seems to fly in the face of recession property value trends, although analysts cautioned against reading too much into that activity.

Although CBRE's year-end office market report is not finished, Baker said preliminary numbers indicate Tulsa experienced something of a neutral year in 2009, with both occupancy and rental rates showing little overall change.

"When you have a bank that's got a long-term lease and they've been willing to

"We're not pursuing and we haven't considered using RFID in our licenses," said OHP spokesman Major Rusty Rhoades. "We have no ink or chip that would fall under that statute in our licenses."

More than 2.4 million Oklahomans hold

"We think they present quite an opportunity, but you have to go in and really address the fundamentals of the property," Mansour said.

To him, that means there has to be an understanding from the start that the roof systems, the mechanical systems, appliances, windows, doors and cabinets will have to be replaced.

"In the end, you will spend a good deal more to renovate units than you did to buy a unit, but you can still bring in a quality product below replacement cost and at substantially less cost than what it would take to produce it new," Mansour said.

dioxide and nitrogen oxide.

Price also was on the offensive, claiming that coal lobbyists have been intellectually misleading in their portrayal of natural gas as the "crack cocaine of fuels."

Myers said he hopes the commission will help fill in the specifics of RPS legisla-

scribers while providing limited free content for the general public. All Web site content is available to those who subscribe to either the print or electronic product.

Mélon said the organization's opt-in e-mail update service would continue with a cleaner look and more easily navigable format, visually separating links to subscription-based stories from the limited free content.

put their credit on the line, that makes for a more valuable property even though you have an older structure," said Coates. "That bank's there and they operate out of there and they've been successful at that location."

"Any building you take a bank into and they increase their occupancy in that building, you've increased the value of that building substantially," Coates said. "They've probably paid a higher rent than the average tenant."

a driver's license. Last year more than 105,000 new driver's licenses were issued by the state.

Lawmakers will get a first look at Wesselhoff's bill when the Legislature convenes Feb. 1.

Like Barr, Mansour said he picked the property because it was in a good neighborhood.

"It also was large enough to create an impact in the city," he said. "And it had great bones."

The occupancy rate dipped as low as 10 percent during the peak of renovation, but has climbed to more than 70 percent.

"We don't flip properties," Mansour said. "We renovate with the idea we will hold this a long time. Going forward, we won't nearly have the maintenance costs other '70s properties have because we have replaced everything."

should take into account the broad-based economic and environmental impact on Oklahoma.

"It's painful for me to look at the state budget deficit we've got and hear people talk about alternatives that don't have anything to do with our underlying issue."