

REGULAR MINUTES

Tulsa Development Authority Board of Commissioners Regular Meeting

One Technology Center
175 East 2nd Street
Tulsa, OK 74103
10th Floor North Conference Room

Thursday – October 5, 2017

9:00 a.m.

Present:

Roy Peters, Chairman
Carl Bracy, Commissioner
Thomas Boxley, Commissioner
O.C. Walker II, Executive Director
Jot Hartley, General Counsel

Absent:

Steve Mitchell, Vice Chairman
Nancy Roberts, Commissioner

Also Present:

Roger Acebo
Tom Baker
Rocky Bright
Linn Cain
David Charney
Andrew Coffey
Mike Dickerson
Derek Gates
Vanessa Hall-Harper
Preston Jones
Norman Kildow
Charity Marcus
Joyce McClellan

Also Present:

Julie Miner
Rhett Morgan
Charles Okyere
Michael Patton
Jeff Scott
Michael Smith
Mike Thedford
Theron Warlick
Dawn Warrick
Dennis Whitaker
NaTasha Bunch
Jane Malone
Carol Young

The Regular Meeting was called to order at 9:01 a.m. by Chairman Peters. Decisions will be made, votes and action taken. Reports and supporting documentation were distributed for this meeting and will be incorporated by reference to the minutes and filed with the meeting packet.

- 1. Roll Call:** Jane Malone called roll: Chairman Peters, Commissioner Bracy, and Commissioner Boxley were present. Vice Chairman Mitchell and Commissioner Roberts were absent. A quorum was present.

2. Routine, Repetitive Items for Action:

- a. Minutes of September 7, 2017 Regular Meeting
- b. Minutes of September 7, 2017 Regular Executive Session Meeting

After discussion, Commissioner Bracy moved to approve the minutes, Agenda Items 2.a., and 2.b., seconded by Commissioner Boxley. The vote was recorded as follows:

Ayes: Peters, Bracy, and Boxley
Nays: None

The motion passed unanimously

3. Executive Director's Monthly Report - A copy of this report was included in the Commissioner's packets. Copies of the Report were available at the table in the rear of the room.

1. Project Status Update

A. Morton's Reserve, d/b/a Pine Place Development, LLC:

Mr. Michael Smith is present today. This is an Executive Session Agenda item today.

B. Peoria Realty Investments, Inc.:

TDA staff will need to determine a budget for acquisition and relocation for the properties located at 1128, 1132, 1136, and 1140 East Pine Place.

C. Dollar General Store/Rupe Helmer Group:

This is an Executive Session Agenda item today.

D. Ogan's Circle/Capital Homes, LLC:

The first two homes closed on September 28, 2017. Capital Homes is working with several prospects who are improving their credit score in order to purchase a home soon. Capital Homes is also working with City Officials on finalizing landscape easement.

E. East Latimer Lots/Capital Homes, LLC:

Capital Homes, LLC is working with the City of Tulsa and INCOG to revise zoning to conform to the vision of the proposed project. The Redeveloper is creating a marketing plan for the commercial/mixed-used corner.

F. The Flats on Archer:

On September 7, 2017, the TDA Board of Commissioners reviewed and approved the first draw request from the Flats on Archer, LLC in the amount of \$142,425.00, which represents 18.99% complete.

- G. Blue Dome Anchor, LLC:**
Window penetration and framing on the second floor is nearly complete and the window glass has been ordered. Interior fixtures (light fixtures, sinks, vanities, toilets) are currently being installed. A landscape architect has been chosen and they will provide a plan to the redeveloper. The potential tenant is working with a firm on architectural plans for tenant improvements as they finalize their decision to lease.
- H. The Village at Central Park:**
Pearl Development – The Redeveloper is currently finalizing their pro forma for the larger four story plans, which includes a cost estimate for the construction, as well as rental incomes for commercial and retail spaces.
- I. VCP, LLC (Sam Rader):**
Inspection passed regarding electric, plumbing, and mechanical. The Redevelopers are in the process of insulating all units. Exterior brick façade will commence in October 2017.
- J. Carland Group:**
On September 7, 2017, the TDA Board of Commissioners approved a Resolution to Declare Default by Carland Group LLC, Cherokee Meadows, LLP, and Omega Alpha Development, LLC, and approval of action to enforce TDA rights upon Breach of Contract for Sale of Land for Private Redevelopment for the Cherokee Meadows Project. This item will be discussed in Executive Session.
- K. Block 44:**
A meeting was held on August 31, 2017 between TDA and the Ross Group to discuss the Terms and Conditions of the proposed Redevelopment Agreement for Block 44.
- L. Annual Report 2017:**
TDA staff is working with Missy Kruse and Annette Overlease to gather information to start compiling the Annual Report.
- M. Dirty Butter – Heritage Hills:**
Mr. and Mrs. Tease are breaking ground on their home – 1860 North Hartford Avenue.
Mr. and Mrs. Roberts executed Contract for Sale of Land for Private Redevelopment. – 1980 North Hartford Avenue.

Chairman Peters stated a meeting with the new Director at the Tulsa Housing Authority was held to discuss a potential partnership. Chairman Peters also stated there could be a conflict on July 5, 2018 of the TDA Board Meeting Schedule 2018, since this is the day after the July 4, 2018 Holiday. He requested the TDA staff review the dates.

Commissioner Bracy stated he attended the first meeting for creation of a new TIF area in North Tulsa. The TIF will include the 36th Street North Corridor. In attendance were Jim Coles, Kathy Taylor, Counsel Hartley, and Vanessa Hall-Harper.

Executive Director Walker responded to comments and concerns from the Board members. After discussion, Commissioner Bracy moved to accept TDA's Executive Director Report for October 2017. Commissioner Boxley seconded the motion. The vote was recorded as follows:

Ayes: Peters, Bracy, and Boxley

Nays: None

The motion passed unanimously

4. Staff Reports and Discussion – City of Tulsa (C.O.T.)

a. TIF Report Updates – Mike Thedford: A copy of the report is included in the Commissioner's packets:

- **Blue Dome Lighting Project: Fund No. 6967** – Approximately 150 lights throughout Blue Dome District. A minor scope change is required based on existing lights that were previous lights installed along Greenwood for the Urban8 and Hartford Commons projects. Five (5) light will be deducted from the project in order to eliminate conflicts. This will be required due to redundancy and minimum light level standards.
- **Brady District Streetscape Improvements: Fund No. 6963** – Streetscape Enhancements matching Downtown Streetscape Master Plan guidelines. The low bidder was Magnum Construction for \$414,000.00, contract is complete and proposed for approval by TDA Board today. On February 2, 2017, TDA approved funding for this phase is \$500,000.00
- **TDA – Lansing Center: Roof/Gutter Work** – Downspouts – Installation of south side downspouts is complete and contractor has submitted final invoice. Further repair work is being assessed on the north and west parapets. Roofing- It has been determined that one leak is due to the installation of an HVAC roof top unit. Currently, we are pursuing a fix to be done by the responsible contractor. Further claims for manufacturer's warranty will be pursued as needed.

b. North Peoria TIF Update – Derek Gates: A copy of the report is included in the Commissioner's packets: Mr. Derek Gates stated he is awaiting further action from developers and project leaders in regard to possible TIF funding of the Morton's Reserve Project and possible grocery

store on North Peoria. Third Generation Electric is continuing to work on the North Peoria Lighting Project and has received all materials and will begin installing pole bases and underground conduit. Initial work will include boring on the side of the road for the installation of buried conduit. Mr. Gates also explained, additional options are being explored for maintenance of the lights upon completion. He stated creating a General Fund for maintenance and upkeep is being discussed.

- c. **Elm Creek/6th Street Drainage Detention and Conveyance Plan – Roger Acebo: A copy of the report is included in the Commissioner’s packets:** Roger Acebo gave an update regarding the relocation efforts in the 6th Street Infill Project. He provided a list of Elm Creek Properties that should be transferred back to the City of Tulsa and stated the City is waiting for TDA to execute the Deed.

5. General Counsel

- a. **Pending Litigation Report was included in the Commissioner packets:** General Counsel Hartley provided the monthly pending litigation report and Counsel Hartley reported that any changes or new items are indicated in “**BOLD**” print. He also provided a status and overview of the report.

Lien Foreclosure:

- **Alpine Roofing, LLC v. MGT Construction Management, East End Village, LLC; Larson Development, TDA and others:**
Pretrial conference was held in September 2017. Trial date stricken to be reset by Judge Cantrell and parties ordered to submit claims to mediation. Ruling on all pending motions on hold. Claims of Alpine Roofing dismissed by the Court in September, 2017. Case remains pending.

Breach of Contract and Lien Foreclosure Counterclaims:

- **East End Village, LLC v. MGT Construction Management, Inc., et al:**
See discussion of consolidated case above.

Other:

- **Novus Homes (Wilkins).**
Arbitration hearing has been continued and will now commence on November 7, 2017. Counsel for TDA has filed a Motion for Summary Judgment which, if granted, will cancel the Arbitration hearing.

Hall-Harper et. al v. TDA

Hearing scheduled on August 31, 2017, was continued to September 27, 2017. Second hearing cancelled at request of Plaintiffs. Plaintiffs to amend Petition by October 6, 2017. This is an Executive Session Agenda item and will be discussed at that time.

6. Discussion, consideration, and vote to accept Financial Reports

- a. **August 2017 - Income and Expenditure Report - included in the Commissioner packets:** Norman Kildow provided an updated report and an overview of the Income and Expenditure Report to the Commissioners and answered questions.
- b. **Comparative Financial Statements - included in the Commissioner's packets:** Norman Kildow provided an updated report, gave an overview of the Comparative Financial Statements, and answered questions from the Board.

After discussion, Commissioner Bracy moved to accept the Financial Report and Comparative Financial Statements for August 2017 and, **Resolution No. 6379**, approving TDA Financial Report for August 2017, and the Comparative Financial Statement, seconded by Commissioner Boxley. The vote was recorded as follows:

Ayes: Peters, Bracy, and Boxley
Nays: None

The motion passed unanimously.

7. Receive, Discuss, and Vote:

- a. **Discussion, consideration, and vote to enter into a Contract for Services with Magnum Construction, Inc., for the Main Street Streetscaping Project located on North Main Street, between Cameron Street and Brady Street, Tulsa, Oklahoma. Brady Village TIF District:** Executive Director Walker stated the Contract was reviewed by Counsel Hartley and is ready for approval. He also stated, TIF funds are funding this project 100%. After discussion, Commissioner Boxley moved to approve **Resolution No. 6380**, approving Contract with Magnum Construction, Inc. for the Main Street Streetscaping Project for installation of Improvements on North Main Street, between West Cameron Street and West Mathew B. Brady Street, Tulsa, Oklahoma. Brady Village TIF District. Commissioner Bracy seconded the motion. The vote was recorded as follows:

Ayes: Peters, Bracy, and Boxley
Nays: None

The motion passed unanimously.

- b. **Discussion, consideration, and vote to release a Request for Proposals (RFP) for Downtown Housing Funds for Residential Development within Tulsa, Oklahoma:** Executive Director Walker stated the RFP is ready for action. He also stated several developers are interested in applying for the funds. The Commissioners expressed concerns about the interest rate and Chairman Peters clarified the RFP states, minimum interest rate. After discussion, Commissioner Boxley moved to approve **Resolution No. 6381**, authorizing issuance of a Request for Proposals (RFP) for the Loan of Downtown Housing Funds for Residential Development within Tulsa, Oklahoma. Commissioner Bracy seconded the motion. The vote was recorded as follows:

Ayes: Peters, Bracy, and Boxley
Nays: None

The motion passed unanimously.

- c. **Discussion, consideration, and vote to approve an amendment to the Redevelopment Agreement between TDA and Capital Homes, for the Ogan Circle project located South of East Virgin Street, between North Lansing Avenue and the Osage Prairie Trail Tulsa, Oklahoma:** Executive Director Walker stated no action will be taken today regarding this Agenda Item. Mr. David Charney was present to provide the Board with a project status update. The Commissioners thanked Mr. Charney for his investment in North Tulsa.

- d. **Discussion, consideration, and vote to approve additional revisions to Redevelopment Agreement with First Place, LLC to administer the Downtown Development and Redevelopment Fund loan in the amount of \$1,670,000.00 and redevelopment of real property located at 419 South Main Street, Tulsa, Oklahoma:** The Board discussed the additional revisions to the Redevelopment Agreement for First Place, LLC parking garage requested by the Redeveloper. General Counsel Hartley advised the Board of its options with respect to approval of a revised Redevelopment Agreement. After discussion, Commissioner Bracy moved to approve **Resolution No. 6382**, to approve a revised Redevelopment Agreement substantially in the form of that presented to the TDA Board at today's meeting, subject to approval of the final form of the Redevelopment Agreement by TDA Chairman Peters, TDA Executive Director Walker and a representative of the Tulsa Mayor. Commissioner Boxley seconded the motion. The vote was recorded as follows:

Ayes: Peters, Bracy, and Boxley
Nays: None

The motion passed unanimously.

e. Discussion, consideration, and vote to approve a Resolution for preparation of establishing a preliminary budget and authorization for the TDA Executive Director to employ appropriate professional and support staff for the creation of the Tulsa Development Authority Sector Plans for the following:

i. The Crutchfield Area Neighborhood

The southern boundary is the Burlington Northern/Santé Fe Railroad Tracks; the Eastern boundary is Utica Avenue; the Northern boundary is Pine Street and the Western Boundary is I-75.

ii. Elm Creek Area Neighborhood

Beginning at the intersection of the south right-of-way line of 11th Street and the west right-of-way line of I-44; thence west along said south right-of-way line to the east right-of-way line of St. Louis Avenue; thence north along said east right-of-way line to the north right-of-way line of 7th Street; thence west along said north right-of-way line to the east right-of-way line of Rockford Avenue; thence north along said east right-of-way line to the north right-of-way of Admiral Boulevard; thence west on said north right-of-way line to the west right-of-way of I-244; thence southerly along said west right-of-way line to the point of beginning; said area referred to as the Existing Downtown Neighborhood Sector.

iii. Elm Creek Proposed Expanded Area Boundary

Beginning at the intersection of the east right-of-way line of St. Louis Avenue and the south right-of-way line of 11th Street; thence north along said east right-of-way line to 7th Street; thence west along said north right-of-way line to the east right-of-way line of Rockford Avenue; thence north along said east-right-of-way line to the north right-of-way of Admiral Boulevard; thence east on said north right-of-way line to the east right-of-way line of Utica Avenue; thence south on said east right-of-way line to the south right-of-way line of 11th Street; thence west on said south right-of-way line to the point of beginning; said area referred to as the Proposed Addition to the Downtown Neighborhood Sector.

iv. Crosbie Heights Neighborhood

Southern right-of-way line of US 412 East and South 25th West Avenue; thence east to the west right-of-way line of Interstate 244 (IDL); thence south and parallel to the IDL to West 7th Street; Thence southerly, parallel to St. Louis – San Francisco Railway Rail line to the North bank of the Arkansas River south of West 11th Street, Westerly to South Quanah Avenue; thence north along South Quanah Avenue to West 7th

Street, thence north along the eastern boundary of Newblock Park to Charles Page Blvd.; thence westerly along Charles Page Blvd.; thence westerly on Newblock Park Drive to South 25th West Avenue; thence to the point of the beginning.

The TDA Board and Executive Director discussed a proposal from the City of Tulsa Planning Department for preparation of Sector Plans for the Crutchfield, Pearl, and Crosbie Heights areas. The City of Tulsa proposes to facilitate the development of Sector Plans for each of the three areas as a part of and utilizing its small area plan services consultant for the total amount of \$60,160.00 to be paid by TDA to the City of Tulsa, plus costs of Leon Davis to manage the Sector Plan development and associated costs for development and approval of the Crutchfield, Pearl, and Crosbie Heights Sector Plans; all pursuant to a special project addendum to the City of Tulsa/Tulsa Development Authority Services Agreement. After discussion, Commissioner Bracy moved to approve **Resolution No. 6383**, to approve the expenditure of \$60,160.00 by TDA to the City of Tulsa, plus costs of Leon Davis to manage the Sector Plan development and associated costs for development and approval of the Crutchfield, Pearl, and Crosbie Heights Sector Plans; all pursuant to a Special Project Addendum to the City of Tulsa/Tulsa Development Authority Services Agreement. Commissioner Boxley seconded the motion. The vote was recorded as follows:

Ayes: Peters, Bracy, and Boxley
Nays: None

The motion passed unanimously.

Commissioner Boxley moved to go into Executive Session at 10:16 a.m., seconded by Commissioner Bracy. The vote was recorded as follows:

Ayes: Peters, Bracy, and Boxley
Nays: None

The motion passed unanimously

- 8. Executive Session: Discussion, consideration and vote to go into Executive Session as authorized by 25 O.S. §307(b)(4) for confidential communications with TDA General Counsel regarding a pending investigation, claim or action upon determination by the TDA Board of Commissioners, with the advice of its General Counsel, that disclosure will seriously impair the ability of the TDA Board of Commissioners to process the claim or conduct a pending investigation, litigation, or proceeding in the public interest and/or 25 O.S. §307(c)(10) for the purpose of conferring on matters pertaining to economic development for which public disclosure of the matter discussed would interfere with the development of products or services or if public disclosure would violate the confidentiality of the business:**

- a. Confidential communication with Counsel regarding pending litigation for property located at 744 East Pine Street, Tulsa, Oklahoma (Rupe Helmer Group/Tulsa 18537, LLC - Dollar General Project). [25 O.S. §307(b) (4) and §307(c) (10).]
- b. Confidential communication with Counsel regarding the status of the Redevelopment Agreement dated June 30, 1986 between the University Center at Tulsa (UCT) and the Tulsa Development Authority (TDA). [25 O.S. §307(b) (4) and §307(c) (10).]
- c. Confidential communication with Counsel regarding the status of action to enforce contract rights following termination of Contract for Sale of Land for Private Redevelopment with The Carland Group for redevelopment of the Cherokee Meadows Senior Housing Addition located east of Gateway Plaza, Tulsa, Oklahoma. [25 O.S. §307(b) (4) and §307(c) (10).]
- d. Confidential communication with Counsel regarding approval of Financial Documents for the Morton Reserve Properties, LLC for redevelopment of the former Morton Hospital Site located at 605 East Pine Street, Tulsa, Oklahoma. [25 O.S. §307(b) (4) and §307(c) (10).]

9. **Vote to Return to Open Session:** Commissioner Bracy moved to return to Open Session at 12:12 p.m., seconded by Commissioner Boxley. The vote was recorded as follows:

Ayes: Peters, Bracy, and Boxley
Nays: None

The motion passed unanimously.

10. **Statement of the Executive Session:** During Executive Session, all Commissioners of the Authority who were present for this meeting were present for the Executive Session. The Authority maintained a quorum. During the Executive Session, the items on the published Agenda were the only items discussed. No votes were taken during the session. This will constitute the minutes of the Executive Session.
11. **Discussion, consideration, and vote on items discussed in Executive Session:**

8.d. Morton Reserve Properties, LLC

After discussion, Commissioner Bracy moved to approve **Resolution No. 6384**, to approving Second Amendment to Redevelopment Contract with Morton's Reserve Properties, LLC for the Sale and Redevelopment of TDA owned land located at 605 East Pine Street, Tulsa, Oklahoma – Former Morton Hospital Site. Commissioner Boxley seconded the motion. The vote was recorded as follows:

Ayes: Peters, Bracy, and Boxley
Nays: None

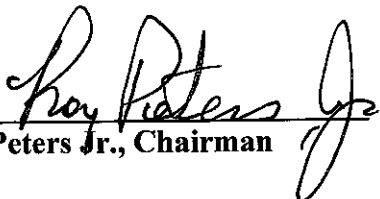
The motion passed unanimously.

12. New Business: None.

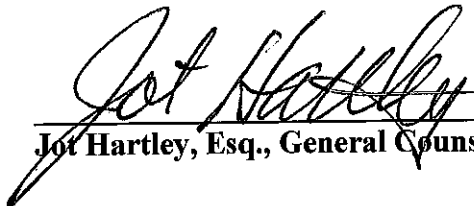
13. Adjournment: Chairman Peters adjourned the meeting at 11:30 a.m.

Tulsa Development Authority

Approved as to legal form and adequacy:



Roy Peters Jr., Chairman



Jot Hartley, Esq., General Counsel

[10-5-2017 – Regular Meeting Minutes - (nbe-)]