

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 – February 2, 2017

9:00 a.m.

Present:

Roy Peters, Chairman
Julius Pegues, Commissioner
Carl Bracy, Commissioner
Nancy Roberts, Commissioner
O.C. Walker II, Executive Director
Jot Hartley, General Counsel

Absent:

Steve Mitchell, Vice Chairman

Also Present:

Tony Aaronson
Roger Acebo
Kevin Anderson
Tom Baker
Tom Biolchini
Linn Cain
Kevin Clark
Andrew Coffey
Lauren Colbert
Jim Coles
Doug DeJarnette
Taylor Finley
Neal Foster
Derek Gates
Jennifer Gates
Steve Ganzkow
Melvin Gilliam
Sarah Gould
Vanessa Hall-Harper
Jim Hawkins
Damien Hines
Preston Jones
Norman Kildow
Charity Marcus
Terry McGee
Rhett Morgan

Also Present:

James Murnane
Lottie Nealy
Matt Newman
Charles Okyere
Warren Ross
Brian Sachse
Lori Schram
Jeff Scott
CJ See
Marvin Shirley
Michael Smith
Casey Stowe
Kathy Taylor
Mike Thedford
Dawn Warrick
Jeff Weaver
Kandy Whitley-White
Bill White
Cecilia Wilkins
Kenya Williams
Kristi Williams
Stephen Williams
Richard Winton
NaTasha Bunch-Everly
Jane Malone
Carol Young

The Regular Meeting was called to order at 9:02 a.m. by Chairman Peters. Decisions will be made, votes and action taken. A quorum was established. 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 Pegues, Commissioner Bracy, and Commissioner Roberts were present. Vice Chairman Mitchell was absent. A quorum was present.

Chairman Peters recognized Commissioner Pegues for being recognized in the Tulsa World for his efforts in race relations and his induction into Tulsa Public Schools Athletics Hall of Fame.

2. **Routine, Repetitive Items for Action:**

- a. Minutes of January 5, 2017 Regular Meeting
- b. Minutes of January 5, 2017 Regular Executive Session Meeting

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

Ayes: Peters, Pegues, Bracy, and Roberts

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. **Tulsa Urban Development Group, LLC, d/b/a Urban8:**

The project is progressing with finishing final touches.

- B. **The Edge at East Village (Hartford Commons, LLC):**

The project is complete. TDA is waiting to receive a copy of the Certificate of Occupancy and will dovetail that with a Certificate of Completion.

- C. **Fire Station No. 1 - CORE Associates, LLC:**

No new information.

- D. **The Flats on Archer:**

This item will be discussed in Executive Session regarding a request for a low interest loan.

- E. Blue Dome Anchor, LLC:**
This project has not started yet because the Redeveloper is completing the YMCA Lofts project. Mr. Neal Bhow informed Executive Director Walker on January 23, 2017, that he will serve as the Project Lead and the project will start in March 2017.
- F. YMCA Lofts:**
The project is complete. Tenants are scheduled to move-in February 2017. One third of the units have been leased. The Redeveloper is excited about the YMCA Lofts Project being the newest and most affordable apartments in Downtown Tulsa.
- G. The Meridia, LLC - City Development LLC:**
This is an Agenda item today for a Subordination of Mortgage.
- H. Tulsa Box Yard:**
On January 2, 2017, the TDA Board of Commissioners reviewed and approved Resolution No. 6299 draw request of \$250,000.00 that was awarded by the Downtown Development Redevelopment Fund. Once the Certificate of Occupancy is received, TDA will dovetail it by issuing a Certificate of Completion.
- I. First Street Lofts:**
Drywall is continuing to be installed on the 2nd and 3rd floors. All wall framing is completed. Construction for staircase to the metal apartments has begun. Window installation has been completed throughout the building.
- 2. The Village at Central Park:** On January 5, 2017, the TDA Board of Commissioners reviewed and approved Resolution No. 6308, amending the existing Redevelopment Agreement with Pearl Development, LLC. The Board approved a revised timeline for completion. The remaining portion of the project by Redeveloper VCP, LLC is scheduled to pour slab the first week of February 2017, and framing for the units will start the following week.
- 3. Hampton Inn and Suites/One Place Hospitality, LLC**
The project is progressing on schedule. The Redeveloper will obtain a Temporary Certificate of Occupancy by January 30, 2017 and anticipates opening by March Madness 2017.
- 4. 1216 North Lansing Avenue, the Lansing Centre**
The front parking lot has been over-laid and striped.
- 5. A. Carland Group**
Executive Director Walker stated an article was published in the Oklahoma Eagle regarding this development. Tenants are living in the apartments;

however, there are no landlines available and the installed driveways are not in compliance with City of Tulsa standards, even though the City of Tulsa Permit Center approved the driveways. Ms. Kathy Taylor stated the road in front of the Cherokee Meadows complex is a private road and there are different specifications for public and private roads. The road is owned by the Carland Group. Executive Director Walker is working with Dawn Warrick, Director of Planning for the City of Tulsa, and Counsel Hartley to determine what can be done to correct these issues.

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 February 2017. Commissioner Pegues seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

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:

i. Discussion, consideration, and vote to approve a Resolution for a budget amendment from the Brady Village TIF from \$320,000.00 to \$500,000.00 for the Main Street Streetscape project located on North Main Street, between Brady Street and Cameron Street, Tulsa, Oklahoma.

- **Elgin streetscape improvements: Fund No. 6967** – Revised plans for Main Street phase are complete. Revisions were required based on COT Planning comments recommending bump outs be added. These revisions require a budget amendment to the September 1, 2016 TDA Resolution. A budget increase for the Main Street phase requires an adjustment from \$320,000.00 to \$500,000.00 to cover the added scope, permits, and associated fees. Pending TDA approval, submission for IDP process, after design completion and projected review/construction process is 120 days. Supporting information and streetscape layout were submitted with this report. Mr. Marvin Shirley, representative for the Brady Property Owners Association, stated they did not request the bump outs and are not excited about the extra expense; however, they will support the City of Tulsa's recommendations. Commissioner Pegues requested a list of additional expenses and the costs associated with them. Mr. Thedford will provide the list to the Commissioners. After discussion, Commissioner Pegues moved to approve **Resolution No. 6311**, approving request for Amendment of Brady District

TIF Application #10 to fully fund the streetscape costs from Tax Increment District No. 1 (a/k/a Brady Village TIF) for purchase and installation of improvements located in the public right-of-way on Main Street, between East Mathew Brady Street and East Cameron Street, Tulsa, OK. Commissioner Bracy seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously

- **Blue Dome Lighting Project: Fund No. 6967** – Still waiting for final City/Utility company coordination – being sent for advertisement with expectation that final letter from utility review will be received. Bid advertisement expected in January 2017. Additional discussions regarding overall project scope are pending.
- **Proposed streetscape improvements to Cameron Street: Fund No. 6963** – Project bids received on December 2, 2016. Bids are currently being reviewed and processed for contracts. Award of low bid is expected sometime in February.
- **TDA Lansing Centre Parking Lot (Front)** – Asphalt was installed on January 23, 2017 and striping was complete on January 24, 2017.

Mr. Thedford responded to questions and concerns from the Board regarding the above mentioned projects.

- North Peoria TIF Update – Derek Gates: A copy of the report is included in the Commissioner’s packets:** Mr. Derek Gates stated the final plans for the Peoria Lighting are awaiting approval of the bidding time frame and action plan presented to the TDA Board. The hope is to get plans out to bid by February 9, 2017. A North Peoria TIF Community meeting was held on January 24, 2017. This will be addressed later in the Agenda. Mr. Gates continues to work and discuss with City of Tulsa officials regarding copper and aluminum wire thefts.
- WIN’s Department – Neal Foster: A copy of the report is included in the Commissioner’s packets:** Mr. Neal Foster stated the program is complete. As of December 14, 2016, 50 applications have been received, 36 applications were completed, 4 applications were canceled, 8 applications are in progress, and 2 applications are being processed. The amount of \$200,000.00 has been allocated, leaving a zero balance.
- Elm Creek/6th Street Drainage Detention and Conveyance Plan – Roger Acebo: A copy of the report is included in the Commissioner’s packets:** Mr. Roger Acebo provided an update and information on the 6th

Street/Elm Creek project. Nine properties have been acquired by TDA, two structures have been demolished, and one is scheduled for demolition.

The Laura Dester Site – The City of Tulsa will execute a Quit Claim Deed to TDA which will allow TDA to obtain an appraisal on the property and issue an RFP for approval at the March TDA Board meeting

The Morton Site – The City of Tulsa selected Pine Place Development as the Redeveloper of the site. The City Council has to approve the Resolution. After that is complete, a Redevelopment Agreement can be executed by TDA and Pine Place Development. At the request of the Commissioner's, the Morton Site will be added to Mr. Acebo's report in the absence of Mr. Leon Davis. Mr. Acebo also answered questions and concerns from the Board.

- e. **Peoria Avenue Bus Rapid Transit Land Use Study – Jennifer Gates:** A copy of the report is included in the Commissioner's packets: Ms. Jennifer Gates, Planner for the City of Tulsa, and Mr. Kevin Clark, representative with LaKota Group, provided a presentation of 7 bus station areas proposed from focused research. The new bus stations will work in conjunction with the Sector Plans for the area and the Comprehensive Plan for Tulsa. The Board requested hard copies of the presentation and an economic impact analysis. The Board requested Ms. Gates return in March with the updates. Ms. Gates answered questions and concerns from the Board.

5. General Counsel

- a. **Pending Litigation Report was included in the Commissioner packets:** General Counsel Hartley provided the monthly pending litigation report and stated the Top TDA Issues were requested by Chairman Peters for a meeting with City of Tulsa Officials. The Report was prepared by Counsel Hartley and reflected his judgement of the most pertinent issues for TDA. General Counsel Hartley reported that any changes or new items are indicated in "BOLD" print. He also provided a status and overview of the report.

General Counsel stated his comments concerning his report will be expressed in Executive Session.

Lien Foreclosure:

- **Alpine Roofing, LLC v. MGT Construction Management, East End Village, LLC; Larson Development, TDA and others:** East End Village and MGT Construction Management continue with discovery requests. Lien claimant Ark Wrecking has filed a motion for summary judgement.

Breach of Contract and Lien Foreclosure Counterclaims:

- **East End Village, LLC v. MGT Construction Management, Inc., et al:**

See discussion of consolidated case above.

- **Sunbelt Fire Protection, Inc. v. MGT Construction Management, Inc. et al:**

Both East End Village, LLC and MGT Construction Management, Inc. (the general contractor) have filed motions to dismiss the claims – motions remain pending.

Other:

- **Novus Homes (Wilkins).**

The Parties have agreed upon an Arbitrator and the form of an Arbitration Agreement. Scheduling conference was held in January 2017.

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

- December 2016 - 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.
- 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. Mr. Kildow will provide an Earnest Deposits report to the Board at the March meeting.

After discussion, Commissioner Bracy moved to accept the Financial Report and Comparative Financial Statements for December 2016, **Resolution No. 6312**, approving TDA Financial Report for December 2016, and the Comparative Financial Statement, seconded by Commissioner Roberts. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously.

7. Receive, Discuss, and Vote:

- Discussion, consideration, and vote to approve a Resolution requesting approval for the donation of a parcel of land owned by TDA located on the Northeast corner of East 1st Street and South Lewis Avenue, Tulsa, Oklahoma, to the Tulsa City-County Library:** Chairman Peters stated TDA owns a small portion of land near the Kendall-Whittier Library and the Library would like to expand the

facilities. Executive Director Walker stated this request is for TDA to donate the land to Tulsa City-County Library for expansion of the Kendall-Whittier Library. After discussion, Commissioner Pegues moved to approve **Resolution No. 6313**, approving the donation of a parcel of land owned by TDA located on the Northeast corner of East 1st Street and South Lewis Avenue, Tulsa, Oklahoma, to the Tulsa City-County Library for Library use only. Commissioner Roberts seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously

- b. **Discussion, consideration, and vote to enter into an Agreement with Wollard Solutions, LLC and TDA for Installation of Sculptures and Associated Improvements located in and upon the Vest Pocket Park located on East Archer Street, between North Main Street and North Boulder Avenue, Tulsa, Oklahoma, and approve expenditure of Brady District TIF funds in the amount of \$60,000.00:** Executive Director Walker stated a copy of the Agreement is in the Board packets. Mr. Walker also stated, the insurance and maintenance for the sculpture will be paid by the Brady Property Owners Association. After discussion, Commissioner Bracy moved to approve **Resolution No. 6314**, approving entering into an Agreement with Wollard Solutions, LLC and TDA for Installation of Sculptures and Associated Improvements located in and upon the Vest Pocket Park located at East Archer Street, between North Main Street and North Boulder Avenue, Tulsa, Oklahoma, and approve expenditure of Brady District TIF funds in the amount not to exceed \$60,000.00. Commissioner Roberts seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously

- c. **Discussion, consideration, and vote to approve a Resolution consenting to the conveyance of land for the proposed Family Dollar Store located at 1553 North Peoria Avenue Tulsa, Oklahoma, by Antonio Perez and Eugenia Perez to Triple C Development, LLC, to be devoted only to, and in accordance with, the uses specified in the Urban Renewal Plan/Unity Heritage Neighborhoods Plan (Family Dollar Store):** Executive Director Walker stated this item appeared before the Board at the January meeting and at that time the Board requested feedback from the Community. A community meeting was held on January 24, 2017 and members of the Community were present to express their concerns. Executive Director Walker suggested allowing time for Counsel Hartley to thoroughly review the Contracts to accurately

determine TDA's role. Counsel Hartley stated the property has had 3 owners and he needs additional time to conduct research as to the legalities of this proposed deal and TDA's position. Counsel Hartley recommends the Board not take action today. Mr. Walker introduced the Developer, Ms. CJ See, representative for Triple C Development. Ms. See stated she has been working on this deal with Mr. Perez for 3 years and her client, the Family Dollar Store, has spent approximately \$96,000.00 on this project. She also attended the Community meeting and disagrees that the area is over saturated with Dollar Stores. She anticipates the store will produce \$1.1 million dollars per year for the TIF District.

Vanessa Hall-Harper, the City Councilor for District 1, displayed a map produced by INCOG of the number of Dollar Stores in North Tulsa. There are currently 10: 4 Dollar Generals and 6 Family Dollars. Councilor Hall-Harper also expressed she is not against Dollar Stores but strongly opposes another one in the Community. She also stated the Family Dollar located at North Pointe is not well maintained and may possibly close thereby leaving another vacant building in a community that does not need additional vacant structures.

Kandy Whitley-White, a new resident of the area, stated the Dollar Stores do not produce sustainable economic development. The prices are not competitive with larger retailers such as Wal-Mart. The only grocery store at Pine and Peoria has been reduced to a small convenience store that does not offer quality products. Ms. Whitley-White stated, as a member of the community and having recently invested in the community by purchasing property and building a home, deserves a quality grocery store with quality products.

Mr. Steven Williams, a member of the Tulsa Chapter of the Sierra Club and commonly known as "Chief" in the community, stated he would like to see something other than another Dollar Store. He stated there is a petition on Change.org to stop Dollar Stores from providing toxic products to customers. The petition has over 155,000 signatures. He stated, there are substantial toxic violations in the products sold at the Dollar Stores. These products are not allowed in foreign countries and wind up in America on shelves at these Dollar Stores; thereby, continually keeping people who patronize these establishments sick.

Commissioner Pegues recognized the young people in attendance that took time from their schedules to come out and speak against another Dollar Store. He further stated these young people want something better than a Dollar Store and suggested the Board listen to the voices spoken today.

Chairman Peters requested a thorough review and recommendation by Counsel Hartley. No action will be taken today.

- d. **Discussion and consideration to receive responses from the Request for Proposals (RFP) for TDA owned property located on the Northwest corner of East Archer Street and North Elgin Avenue, Tulsa, Oklahoma, commonly referred to as Block 44:**

i. **The Ross Group**

ii. **Pine Place Development, LLC:**

Executive Director Walker stated representatives from both Respondents are present today to provide presentations to the Board.

Warren Ross, Matt Newman, Sara Gould, and Brian Sachse, representatives with The Ross Group, were present to provide a presentation of the proposed mixed-use Office Complex. The representatives answered questions and concerns from the Board.

Michael Smith, Damien Hines, Charity Marcus, and James Murnane, representatives with Pine Place Development, were present to provide a presentation of the proposed B.C. Franklin Building. The representatives answered questions and concerns from the Board.

Chairman Peters stated, this item will be further discussed in Executive Session. No action taken at this time.

- e. **Discussion, consideration, and vote to approve a Resolution authorizing subordination of TDA mortgage to an increase of the first mortgage loan to Arvest Bank in the amount of \$294,000.00 for The Meridia, LLC project (increase from \$10,045,000.00 to \$10,339,000.00) for the redevelopment located at 522 South Boston Avenue, Tulsa, Oklahoma:** Mr. Jim Hawkins, representative for The Meridia, LLC, was present to provide rationale for the loan increase. He stated the additional amount is less than 3% of the original loan amount and is not a significant risk to TDA. After discussion, Commissioner Pegues moved to approve **Resolution No. 6315**, approving First Amendment to Redevelopment Agreement with Meridia, LLC for the Redevelopment of real property located at 522 South Boston Avenue, The Meridia Project. Commissioner Bracy seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously

Prior to a Motion to enter into Executive Session, Counsel Hartley requested an additional item to be added to New Business in the Executive Session Agenda. The item is Peoria Realty Investments and the reason for the late addition to the

Executive Session Agenda is because the terms of the contract were finalized late last night (February 1, 2017).

Commissioner Bracy moved to go into Executive Session at 11:39 a.m., seconded by Commissioner Pegues. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

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 the Redevelopment of TDA land located on the Northwest corner of North Elgin Avenue and East Archer Street, Tulsa, Oklahoma. [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 and the Tulsa Development Authority. [25 O.S. §307(b) (4) and §307(c) (10).]
 - c. Confidential communication with Counsel regarding a letter from The Flats on Archer, LLC dated November 28, 2016 regarding a redevelopment project located at 110 North Boston Avenue, Tulsa, Oklahoma. (Block 53, Original Township). [25 O.S. §307(b) (4) and §307(c) (10).]
 - d. Confidential communication with Counsel regarding the status of arbitration of Redeveloper's objection to termination of the Contract for Sale of Land for Private Redevelopment dated April 13, 2013, as amended, between William (Will) Wilkins, Cecilia Wilkins, Novus Homes, LLC and W3 Development, LLC, (Redeveloper) and the Tulsa Development Authority. [25 O.S. §307(b) (4) and §307(c) (10).]

9. **Vote to Return to Open Session:** Commissioner Roberts moved to return to Open Session at 1:25 p.m., seconded by Commissioner Pegues. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts
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.a. Block 44

After discussion, Commissioner Roberts moved to approve Resolution No. 6316, selecting response of the Ross Group Construction Corporation to the Request for Proposals (RFP) and authorize negotiations for Redevelopment Contract for the Sale and Redevelopment of TDA owned property located at the northwest corner of East Archer Street and North Elgin, Avenue, Tulsa, Oklahoma - Block 44. Commissioner Pegues seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts
Nays: None

The motion passed unanimously.

8.c. The Flats on Archer

After discussion, Commissioner Bracy moved to approve Resolution No. 6317, approving Agreement for the loan of funds by TDA to the Flats on Archer, LLC for assistance in the Redevelopment of property located at 110 North Boston Avenue, Tulsa, Oklahoma. Commissioner Pegues seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts
Nays: None

The motion passed unanimously.

8.e. Peoria Realty Investments

After discussion, Commissioner Bracy moved to approve Resolution No. 6318, authorizing execution of an Agreement between Peoria Realty Investments Inc. and TDA for the acquisition and Redevelopment of privately owned land located at 1128, 1132, 1136, and 1140 East Pine

Place, Tulsa, Oklahoma. Commissioner Roberts seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts
Nays: None

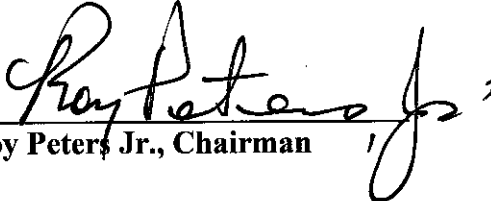
The motion passed unanimously.

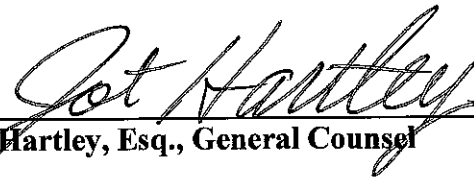
12. New Business: None

13. Adjournment: The meeting adjourned at 1:32 p.m.

Tulsa Development Authority

Approved as to legal form and adequacy:


Roy Peters Jr., Chairman


Jot Hartley, Esq., General Counsel

[2-2-2017 – Regular Meeting Minutes - (nbe-)]