

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 – April 7, 2016

8:30 a.m.

Present:

Steve Mitchell, Vice Chairman
Julius Pegues, Commissioner
Nancy Roberts, Commissioner
O.C. Walker II, Executive Director
Jot Hartley, General Counsel

Absent:

Roy Peters, Chairman
Carl Bracy, Commissioner

Also Present:

Kevin Anderson
Tom Baker
Clay Bird
Ron Bussert
Linn Cain
Stephen Carr
Jeremy Cimmeren
Jim Coles
Jim East
Derek Gates
Walker Hanson
Peyton Haralson
Hunt Hawkins
James Hawkins
Jack Henderson
Kevin Holmes
Chris Hudgins

Also Present:

Emily Hutton
Bob Jack
Norman Kildow
Gary King
Jean Lu
Matt Newman
Warren Ross
Jeff Scott
John Snyder
Cynthia Stewart
Mike Thedford
Steven Watts
Dennis Whitaker
Bill White
Richard Winton
NaTasha Bunch-Everly
Jane Malone

The regular meeting was called to order at 8:35 a.m. by Vice Chairman Mitchell. Decisions will be made, votes and action taken. A quorum was established. The Agenda will be followed as printed. 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: Vice Chairman Mitchell, Commissioner Pegues, and Commissioner Roberts were present. Chairman Peters and Commissioner Bracy were absent. A quorum was present.

Vice Chairman Mitchell recognized the presence of Councilman Jack Henderson.

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

- a. Minutes of March 3, 2016 Regular Meeting

Commissioner Pegues moved to approve the minutes, Agenda Item 2. a., subject to revision requested by Commissioner Roberts on page 5 to remove the phrase "in its entirety, and without City of Tulsa Legal Review" from Agenda item 7.a., seconded by Commissioner Roberts. The vote was recorded as follows:

Ayes: Mitchell, Pegues, and Roberts

Nays: None

The motion passed unanimously

- b. Minutes of March 3, 2016 Executive Session Meeting

Commissioner Pegues moved to approve the minutes, Agenda Item 2.b., seconded by Commissioner Roberts. The vote was recorded as follows:

Ayes: Mitchell, Pegues, 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 Redevelopers for Urban8 and The Edge at East Village reached a compromise regarding the placement of PSO boxes at a meeting held at the TDA Office. The overall project is 85% complete. The project is expected to open in May.

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

The drywall is near completion and interior paint should be completed by April 2016. Trim is scheduled to be complete by May 2016 and occupancy is expected to occur in June 2016. The Redevelopers for Edge

at East Village and Urban8 reached a compromise regarding the placement of PSO boxes.

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

The property is scheduled to close on April 11, 2016. This is an Agenda item for today's meeting.

D. Towne Place Suites-Wilkins Project:

This is an Agenda item for the Executive Session today.

E. The Flats on Archer:

No new information

F. East End Village:

The project is scheduled to be complete in May 2016. The project will be available for a tour of the property April 11-13, 2016 and the Redeveloper has invited the TDA Board and Staff on the tour.

G. Blue Dome Anchor, LLC:

The Developer will provide a status update today. Discussions are occurring for possible tenants in Medical, Wellness Services, and a national Title and Trust firm.

H. YMCA Lofts Project:

Executive Director Walker explained that the YMCA Lofts is an Agenda item today for another Draw Request.

I. River City Development, LLC a/k/a The Meridia, LLC:

The Redeveloper received the building permit and internal framing is being erected. Plumbing and electrical are being installed. This is an Agenda item for today for a Draw Request.

J. Blue Dome Box Yard:

The Redeveloper is awaiting the final building permit from the City of Tulsa and plans to close on the property by May 2016.

K. First Street Lofts:

This is an Agenda item for the Executive Session today.

2. Tax Increment Finance Study of Eastern Portion of Downtown Tulsa

The Blue Dome TIF has been terminated. A payment request was executed to return \$494,341.02 to Tulsa County for redistribution of the Ad Valorem taxes. The remaining funds will stay with the City of Tulsa until all projects are complete. The City of Tulsa is creating a TIF district for East Downtown. Mr. Clay Bird stated, the City of Tulsa is looking at different areas to possibly include in the East Village TIF and the process will be lengthy.

3. **Sector Plan Updates**

Houseal Lavigne prepared a document of a draft Recommendations for the North Tulsa Sector Plans, and they are working on the Recommendations for the Kendall Whitter Sector Plan. The North Tulsa Sector Plan Recommendations are included in the Commissioners Board Packets.

4. **Project Updates**

C. Dirty Butter - Heritage Hills Extension - Lamont Hawkins and Michael Smith's two properties are on the Agenda for today's meeting. No new information to report for the other projects listed under Project Updates.

Executive Director's report was accepted by the Board.

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

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

- **Blue Dome Lighting Project: Fund No. 6967** – Final coordination for First Street streetscape improvements are in process. Fixtures on Elgin between First Street and railroad tracks are being priced separately for an expedited schedule. The project will not be complete in time for the first Drillers ballgame, but should be complete by the summer time.
- **Proposed streetscape improvements to Cameron Street: Fund No. 6963** – Commissioner Pegues requested a date for the formal request to be made from the Brady District Owners Association. General Counsel Hartley recommended adding the expenditure to the May Meeting Agenda for approval because the property is located on public property.
- **Elgin streetscape improvements: Fund No. 6967** – No new information.

b. **North Peoria TIF Update – Derek Gates: A copy of the report is included in the Commissioner's packets:** Mr. Derek Gates stated the Lacy Park Council approved items on the Lacy Park Master Plan on March 8, 2016. The approval of items in the Lacy Park Master Plan Phase 1 is a collaborative effort between the City of Tulsa Parks and Recreation Department, the City of Tulsa Engineering Services Department, the Lacy Park Council, and TDA. Councilor Jack Henderson stated a broader outreach of community stakeholders should occur and not just the stakeholders in close proximity to Lacy Park. Derek Gates stated he has made every effort to notify and solicit community stakeholders, and letters have been sent to stakeholders in the North Peoria TIF Area. The Commissioners' suggested Councilor Henderson collaborate with Derek Gates to reach more community stakeholders. The Commissioners requested the funding for the Lacy Park Improvements be submitted for approval at the May Board meeting.

- c. **Elm Creek/6th Street Drainage Detention and Conveyance Plan – Roger Acebo: A copy of the report is included in the Commissioner’s packets:** Executive Director Walker stated Roger Acebo is absent today; however, his report stands as presented.

5. **General Counsel**

- a. **Pending Litigation Report was included in the Commissioner packets:** General Counsel Hartley provided the monthly pending litigation report. 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.

Lien Foreclosure:

- **Alpine Roofing, LLC v. MGT Construction Management, East End Village, LLC; Larson Development, TDA and others:** Depositions of representatives of East End Village and MGT Construction were conducted April 1, 2016.

Breach of Contract and Lien Foreclosure Counterclaims:

- **East End Village, LLC v. MGT Construction Management, Inc., et al:** Depositions of representatives of East End Village and MGT Construction were conducted April 1, 2016.

Other:

- **Novus Homes (Wilkins)** This is an Agenda item for the Executive Session today and further discussion will occur at that time.

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

- a. **February 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.
- 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 Pegues moved to accept the Tulsa Development Authority Financial Report for February 2016 and Comparative Financial Statements for February 2016, and approve **Resolution No. 6194**, seconded by Commissioner Roberts. The vote was recorded as follows:

Ayes: Mitchell, Pegues, and Roberts
Nays: None

The motion passed unanimously.

7. Receive, Discuss, and Vote:

- a. Discussion, consideration, and vote to approve a Resolution authorizing entering into negotiations with Evermore Services, LLC to draft the TDA Operational Plan in accordance with the TDA Strategic Plan:** Executive Director Walker stated this is the next step after the completion of the Strategic Plan. Cynthia Stewart stated the Operational Plan will implement the Strategic Initiatives and Outcomes from the Strategic Plan. After discussion, Commissioner Pegues moved to approve **Resolution No. 6195**, authorizing entering into negotiations with Evermore Services, LLC to provide services for the preparation of an Operational Plan for the Tulsa Development Authority. Commissioner Roberts seconded the motion. The vote was recorded as follows:

Ayes: Mitchell, Pegues, and Roberts
Nays: None

The motion passed unanimously.

- b. Discussion, consideration, and vote to enter into negotiations with Bill White for the purchase of TDA property for a community garden located South of East Virgin Street, between North Iroquois Avenue and the Osage Prairie Trail, Tulsa, Oklahoma:** Executive Director Walker stated an appraisal on the property will need to be obtained and Mr. Bill White's desire is to build a community garden. After discussion, Commissioner Roberts moved to approve **Resolution No. 6196**, authorizing negotiations for the sale of TDA owned land to Bill White for community garden use located South of East Virgin Street, between North Iroquois Avenue and the Osage Prairie Trail, Tulsa, Oklahoma. Commissioner Pegues seconded the motion. The vote was recorded as follows:

Ayes: Mitchell, Pegues, and Roberts
Nays: None

The motion passed unanimously.

- c. Discussion, consideration, and vote to approve a Resolution for termination of a Redevelopment Agreement between Lamont Hawkins and TDA for the sale and redevelopment TDA property located at 1980 North Hartford Avenue, Tulsa, Oklahoma (Dirty Butter – Heritage Hills Subdivision) and to authorize return of Good Faith Deposit or declare a forfeiture of Good Faith Deposit:** Executive Director Walker stated Mr.

Lamont Hawkins sent a letter via his Attorney requesting to terminate the Redevelopment Agreement and return of the Good Faith Deposit. After discussion, Commissioner Pegues moved to approve **Resolution No. 6197**, declaring termination and refund of Good Faith Deposit pursuant to Contract for Sale of Land for Private Redevelopment with Lamont Hawkins for property located at 1980 North Hartford Avenue, Tulsa, Oklahoma. Commissioner Roberts seconded the motion. The vote was recorded as follows:

Ayes: Mitchell, Pegues, and Roberts

Nays: None

The motion passed unanimously.

- d. **Discussion, consideration, and vote to approve a Resolution for termination of Offers to Purchase between Michael Smith and TDA for the sale and redevelopment of TDA properties located at 1960 and 2020 North Hartford Avenue, Tulsa, Oklahoma (Dirty Butter – Heritage Hills Subdivision):** Executive Director Walker stated the Redeveloper did not respond to correspondence from TDA. Mr. Walker sent a copy of the staff report, and Mr. Smith did respond stating, he did not have any objections to the recommendations made in the staff report. After discussion, Commissioner Roberts moved to approve **Resolution No. 6198**, declaring termination and retention of Good Faith Deposit pursuant to Offers to Purchase land for Private Redevelopment with Michael Smith for property located at 1960 and 2020 North Hartford Avenue, Tulsa, Oklahoma. Commissioner Pegues seconded the motion. The vote was recorded as follows:

Ayes: Mitchell, Pegues, and Roberts

Nays: None

The motion passed unanimously.

- e. **Discussion, consideration, and vote to approve a Resolution authorizing the issuance of a Request for Proposals (RFP) for Qualified Developers to construct and develop TDA property located at East Virgin Street, between North Lansing Avenue and the Osage Prairie Trail, Tulsa, Oklahoma (Ogans Circle Subdivision):** Executive Director Walker stated this is a request to issue a RFP for development of Ogans Circle. Mr. Walker also thanked Leon Davis, a planner for the City of Tulsa, for coordinating the street and streetscaping of Ogans Circle. After discussion, Commissioner Pegues moved to approve **Resolution No. 6199**, authorizing the issuance of a Request for Proposals (RFP) from Qualified Contractors for the Redevelopment of TDA owned real property located at East Virgin Street, between North Lansing Avenue and the Osage Prairie Trail, Tulsa, Oklahoma (Ogans Circle Subdivision).

Commissioner Roberts seconded the motion. The vote was recorded as follows:

Ayes: Mitchell, Pegues, and Roberts

Nays: None

The motion passed unanimously.

- f. **Discussion, consideration, and vote to authorize a Resolution approving a request from the University Center at Tulsa (UCT) to allow Tulsa Public Schools to lease, occupy and utilize a portion of UCT owned real estate, located at 909 North Boston Avenue, Tulsa, Oklahoma, for expansion of Emerson Elementary School:** Executive Director Walker stated representatives with Tulsa Public Schools (TPS), University Center at Tulsa, and City of Tulsa are present today to provide information regarding the request. Mr. Chris Hudgins and Ms. Emily Hutton, representatives with Tulsa Public Schools, presented a power point presentation of the schematics and timeline of the proposed school expansion. Mr. Ron Bussert, representative with University Center at Tulsa, stated UCT is in agreement with the proposed plans for the school expansion. Vice Chairman Mitchell questioned the rationale of a lease opposed to deeding the property to Tulsa Public Schools. Commissioner Pegues stated the property should be transferred to TPS and TPS has a voice that should be considered. Ms. Emily Hutton stated TPS was not formally aware of the plans for the Drexel Academy until approximately two months ago. After discussion, the Board of Commissioners decided to table this request; therefore, no action was taken.

- g. **Discussion, consideration, and vote to approve a Resolution authorizing the First Draw Request from The Meridia, LLC in accordance with the terms and conditions of the Downtown Development Redevelopment Fund Committee for property located at 522 South Boston Avenue, Tulsa, Oklahoma:** Executive Director Walker stated this project is a recipient of the Downtown Development and Redevelopment Fund. Mr. James Hawkins was present to provide a status update and answer questions and concerns from the Board. After discussion, Commissioner Pegues moved to approve **Resolution No. 6200**, approving payment of Advance Number One to the Meridia, LLC pursuant to Redevelopment Agreement for the Meridia Project. Commissioner Roberts seconded the motion. The vote was recorded as follows:

Ayes: Mitchell, Pegues, and Roberts

Nays: None

The motion passed unanimously.

- h. Discussion, consideration, and vote to approve a Resolution authorizing the Sixth Draw Request from TDL, NOW, LLC for the YMCA project located at 515 South Denver Avenue, Tulsa, Oklahoma:** Executive Director Walker stated the project is 55% complete. Mr. Bob Jack, a representative with TDL, NOW, LLC, provided a status update and answered questions and concerns from the Board. After discussion, Commissioner Pegues moved to approve **Resolution No. 6201**, approving payment of Advance Number Six to TDL, NOW, LLC pursuant to Redevelopment Agreement for the YMCA Lofts, a/k/a YMCA Building Project - 515 South Denver Avenue, Tulsa, Oklahoma. Commissioner Roberts seconded the motion. The vote was recorded as follows:

Ayes: Mitchell, Pegues, and Roberts

Nays: None

The motion passed unanimously.

- i. Discussion, consideration, and vote to determine planned construction for redevelopment of Tulsa Fire Station No. 1 to be nominal and authorize credit of the Good Faith Deposit against the purchase price to be paid at closing, in accordance with Section 3 (b) of the Contract for Sale of Land for Private Redevelopment between TDA and Big Mo, LLC, as assignee of CORE Associates, LLC:** General Counsel Hartley stated the Redeveloper is ready to close on the property. The Redeveloper wants the \$33,500.00 Good Faith Deposit to be used against the purchase price, rather than being retained by TDA until Completion of the Redevelopment. A discussion occurred regarding the definition of nominal value. The Commissioner's suggested clearly defining nominal value before a decision can be made. After discussion, the Board of Commissioners decided to table this request; therefore, no action was taken.

Commissioner Pegues moved to go into Executive Session at 10:00 a.m., seconded by Commissioner Roberts. The vote was recorded as follows:

Ayes: Mitchell, Pegues, 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 TDA General Counsel regarding:
 - (1) Communication from counsel relating to Redevelopers' request for reconsideration of denial of an amendment to Contract for Sale of Land for Private Redevelopment between William (Will) Wilkins, Cecilia Wilkins, Novus Homes, LLC and W3 Development for extension of time to cure default and negotiate participation by Parkes Development Group, LLC for the Towne Place Suites project located on the Northwest Corner of East Archer Street and North Elgin Avenue, Tulsa, Oklahoma; and
 - (2) Recommendation for action by TDA Board of Commissioners to terminate Contract for Sale of Land for Private Redevelopment between TDA and William (Will) Wilkins, Cecilia Wilkins, Novus Homes, LLC and W3 Development dated April 16th, 2013 by reason of default by the Redevelopers in satisfaction of contract terms and requirements.
[Lots 1, 2, and 3, Block 44, Original Town, now City of Tulsa, Tulsa County, State of Oklahoma, according to the recorded Plat thereof].
[25 O.S. §307(b) (4) and §307(c) (10).]
- b. Confidential communication with Counsel regarding a proposal for the loan of TDA unrestricted funds in support of the purchase of real property and subsequent redevelopment to support an economic development initiative impacting the development of Downtown Tulsa, Oklahoma.
[25 O.S. §307(b) (4) and §307(c) (10).]
- c. Confidential communication with Counsel regarding an update on the First Street Lofts project, located at 310 E. First Street, Tulsa, Oklahoma.
[25 O.S. §307(b) (4) and §307(c) (10).]
- d. 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).]

9. **Vote to Return to Open Session:** Commissioner Pegues moved to return to open session at 11:26 a.m., seconded by Commissioner Roberts. The vote was recorded as follows:

Ayes: Mitchell, Pegues, 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.b. **Main Street Development** – Approve or Deny request to enter negotiations. After discussion, on motion by Commissioner Pegues, seconded by Commissioner Roberts to approve Resolution No. 6203, approving the request to negotiate a Loan Agreement and a Redevelopment Agreement with a proposed Redeveloper (the identity of which is not to be publicly disclosed so as not to violate the confidentiality of the Redeveloper) for the issuance of up to a Two Million Dollar (\$2,000,000.00) loan from TDA unrestricted funds for the redevelopment of certain real estate located on North Main Street, Tulsa, Oklahoma, for mixed urban commercial uses. The vote was recorded as follows:

Ayes: Mitchell, Pegues, and Roberts

Nays: None

The motion passed unanimously.

8.c. **First Street Lofts** – Approve or Deny request for the negotiation of a Ninth Amendment. After discussion, on motion by Commissioner Pegues, seconded by Commissioner Roberts to approve Resolution No. 6204, authorizing the negotiation to a Ninth Amendment of the Redevelopment Agreement between TDA and FSL 2, LLC for the First Street Lofts project. The vote was recorded as follows:

Ayes: Mitchell, Pegues, and Roberts

Nays: None

The motion passed unanimously.

12. **Discussion, consideration, and vote on recommendation for action by TDA Board of Commissioners to terminate Contract for Sale of Land for Private Redevelopment between TDA and William (Will) Wilkins, Cecilia Wilkins, Novus Homes, LLC and W3 Development dated April 16th, 2013. [Lots 1, 2, and 3, Block 44, Original Town, now City of Tulsa, Tulsa County, State of Oklahoma, according to the recorded Plat thereof]:** General Counsel Hartley recommended terminating the Contract as the final and formal action. The Redeveloper has not provided documents and did not satisfy the requirements of the Contract. After discussion, Commissioner Pegues moved to approve

Resolution No. 6202, approving termination of Contract for Sale of Land for Private Redevelopment with William (Will) Wilkins, Cecilia Wilkins, Novus Homes, LLC, and W3 Development for the Redevelopment of TDA owned property located at the Northwest corner of North Elgin Avenue and East Archer Street, Tulsa, Oklahoma. Commissioner Roberts seconded the motion. The vote was recorded as follows:

Ayes: Mitchell, Pegues, and Roberts

Nays: None

The motion passed unanimously

13. **Discussion, consideration and vote to authorize TDA Staff to prepare a Request for Proposals (RFP) for purchase and redevelopment of TDA owned real estate located on the Northwest Corner of East Archer Street and North Elgin Avenue, Tulsa, Oklahoma. [Lots 1, 2, and 3, Block 44, Original Town, now City of Tulsa, Tulsa County, State of Oklahoma, according to the recorded Plat thereof]:** General Counsel Hartley stated this Agenda item also includes the release of the RFP. The Commissioner's stated the Wilkins will not be precluded from participating in the new RFP and a certified copy will be mailed to them. After discussion, Commissioner Pegues moved to approve **Resolution No. 6205**, authorizing issuance of a Request for Proposals (RFP) for the sale and redevelopment of TDA owned property located at the Northwest Corner of East Archer Street and North Elgin Avenue, Tulsa, Oklahoma. Commissioner Roberts seconded the motion. The vote was recorded as follows:

Ayes: Mitchell, Pegues, and Roberts


Nays: None

The motion passed unanimously

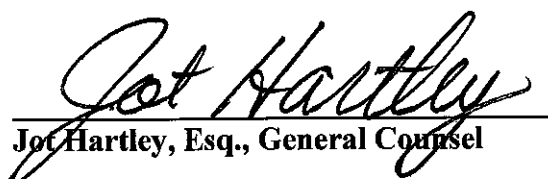
14. **New Business:** Executive Director Walker stated TDA would like to offer assistance to the victims of the tornado that affected the North Tulsa Community. Commissioner Pegues suggested preparing a proposal to offer low interest loans. Executive Director Walker will prepare a proposal and bring it before the Board at the May Regular Meeting.
15. **Adjournment:** Commissioner Pegues moved to adjourn at 11:36 a.m., seconded by Commissioner Roberts.

Tulsa Development Authority

Approved as to legal form and adequacy:



Roy Peters Jr., Chairman



Jot Hartley, Esq., General Counsel

[4-7-2016 – Regular Meeting Minutes - (nbc-)]