

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 – June 1, 2017

9:00 a.m.

Present:

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

Absent:

Roy Peters, Chairman
Steve Mitchell, Vice Chairman

Also Present:

Roger Acebo
Kevin Anderson
Linn Cain
David Charney
Andrew Coffey
Jim Coles
Steve Ganzkow
Derek Gates
Vanessa Hall-Harper

Also Present:

Norman Kildow
Lottie Nealy
Charles Okyere
Kathy Taylor
Jim Weger
NaTasha Bunch
Jane Malone
Carol Young

Prior to Call to Order, General Counsel Hartley stated in the absence of Chairman Peters and Vice Chairman Mitchell, Commissioner Roberts will act as Chairman for the meeting. The Regular Meeting was called to order at 9:00 a.m. by Commissioner Roberts. 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: Commissioner Roberts, Commissioner Pegues, and Commissioner Bracy were present. Chairman Peters and Vice Chairman Mitchell were absent. A quorum was present.

2. Routine, Repetitive Items for Action:

- a. Minutes of May 4, 2017 Regular Meeting
- b. Minutes of May 4, 2017 Regular Executive Session Meeting

After discussion Commissioner Bracy moved to approve the minutes, Agenda Items 2.a., and 2.b., with one correction in Executive Session minutes, page 3 item "b" reads \$90,000.000 and should be \$90,000.00, seconded by Commissioner Pegues. The vote was recorded as follows:

Ayes: Pegues, Roberts, and Bracy

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:

On May 4, 2017, the TDA Board of Commissioners reviewed and approved Resolution No. 6338, accepting City of Tulsa surplus property. Also approved on May 2, 2017, a Redevelopment Agreement between Morton's Reserve and TDA. Schematic Drawings will be presented at the July 6, 2017 TDA meeting. Michael Smith will be speaking at the Leadership Tulsa's, Leadership Connections Luncheon on June 15, 2017. The luncheon will be held at the Tulsa Country Club.

B. Peoria Realty Investments, Inc.:

This is an Agenda item for the Executive Session today for discussion regarding the northwest corner of Pine and Peoria.

C. Dollar General Store/Rupe Helmer Group:

On May 4, 2017, the TDA Board of Commissioners reviewed and approved Resolution No. 6345 approving the construction drawings and specifications for the proposed Dollar General Store, subject to the following conditions:

- Full masonry façade on all four sides
- Streetscaping and landscaping in accordance with the Zoning Regulations buffering
- Sign Regulations
- Building is set back 75' from the edge of the north property line

Ms. Kathy Taylor stated, she is aware of the concerns from the Community and will have a discussion with the District 1 City Councilor and the Developer.

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

There was an event titled, "Dusty Shoe – Open House" held on Saturday, May 13, 2017. The event was an opportunity for interested residents to preview the existing model and review floor plans. The Redeveloper is working with Leon Davis on perimeter fencing, landscaping, and the entryway completion in time for the 2017 Parade of Homes. All 14 lots are under contract.

E. East Latimer Lots/Capital Homes, LLC:

On May 4, 2017, the TDA Board of Commissioners reviewed and approved Resolution No. 6341 to enter into a Redevelopment Agreement with Capital Homes, LLC for the purchase and Redevelopment of 14 vacant lots. The TDA Board approved the Resolution, subject to the Redeveloper providing a full masonry façade on all four sides of the structures.

F. Fire Station No. 1 – CORE Associates, LLC:

On May 4, 2017, the TDA Board of Commissioners reviewed and approved Resolution No. 6347, approving the Sixth Amendment to the Redevelopment Agreement with CORE Associates, LLC. The extension was for an additional 120 days of the deadline, as set forth in the Redevelopment Agreement.

G. The Flats on Archer:

On May 4, 2017, the TDA Board of Commissioners reviewed and approved Resolution No. 6340 approving a Loan Agreement, Promissory Note, and Second Mortgage. The loan amount is \$750,000.00 and will be paid as a percentage of completion for the project.

H. Blue Dome Anchor, LLC:

The demolition work has been completed. The Redeveloper met with many potential tenants, including a few national companies. HVAC update and roof repairs will begin in July 2017. Floor and window treatments are pending, and will be based on future tenant specifications. The Redeveloper submitted a schematic elevation, which is attached to the Executive Director's report.

I. First Street Lofts:

The project is 85% complete. The elevator is complete and awaiting final inspection. All drywall, millwork, and wood flooring are complete. Painting will be finished by the week of May 29, 2017. Vanities and countertops will be installed by mid-June. Repayment of Downtown Housing Fund in the amount of \$1.3 million dollars in annual payments of \$52,000.00 per year, until balloon payment balance is due in 2024.

J. The Village at Central Park:

Pearl Development – On May 4, 2017, the TDA Board of Commissioners reviewed and approved Resolution No. 6344, approving the second Amendment to the Redevelopment Agreement. The purpose of the amendment was to amend the date to December 20, 2017, to deliver the Construction documents to the TDA for review.

VCP, LLC – The Redeveloper indicates that all units are framed and the Brick Masons and Roofers should start soon.

K. The Meridia, LLC- River City Development, LLC:

The project is complete. The current occupancy rate is 41% leased. Repayment for the Downtown Redevelopment Funds in the amount of \$1,300,000.00 is due October 2020.

L. Tulsa Boxyard:

This project is complete. The current occupancy rate is 100%. Repayment of Downtown Development Fund in the amount of \$250,000.00 is due February 2020.

M. Hampton Inn and Suites/One Place Hospitality, LLC:

The project is complete. TDA issued a Certificate of Completion.

N. Tulsa Urban Development Group, LLC/Urban8:

No new information.

O. YMCA Lofts

This project is complete. The Certificate of Completion has been issued. Repayment to the Downtown Development Redevelopment fund in the amount of \$1,750,000.00 is due in full September 2021.

Executive Director Walker stated items K through O will be removed from the Executive Director Report next month.

P. 1216 North Lansing Avenue, The Lansing Centre

A tenant will be moving into Suite A in July. The current negotiations are the tenant will pay a reduced rate of \$5.26 per square foot for the first year, with increment increases each year to reach the current market value rate.

Q. Carland Group

On May 4, 2017, the TDA Board of Commissioners reviewed and approved Resolution No. 6348 authorizing the issuance of Notice of Default pursuant to Contract of Land for Private Redevelopment with Carland Group LLC, and Cherokee Meadows project. On May 19, 2017, the TDA office formally sent the Notice of Default to the Carland Group LLC and Cherokee Meadows. The Redeveloper will have 60 days to cure the Default from the date of receipt of the Notice. Ms. Kathy Taylor stated there have been several internal meetings to discuss the numerous

issues with this development. She also stated, the City's hands are tied because it is on private property.

Executive Director Walker thanked Ms. Taylor for hosting the Drillers Night Outing.

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

Ayes: Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously

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

a. 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. The Report stands as presented.

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

Executive Director Walker stated, Mr. Thedford is not present today; however, his report stands as presented. He also noted, there will be 3 contractor bids for the Lansing Centre roof repairs.

- **Blue Dome Lighting Project: Fund No. 6967** – Approximately 150 lights throughout Blue Dome District. Engineering Design – Pre-Bid Meeting was on March 20, 2017 and Bid opening on March 30, 2017. Crossland Construction won the bid and they have obtained paperwork in preparation for execution of the contract. After execution of the contract and Mayor's signature, the Contract will be awarded. The light fixture color will change; however, cost will not increase. The color will be confirmed prior to procurement. There has been discussion with the Santa Fe Station project team regarding the light installation schedule.
- **Proposed streetscape improvements to Cameron Street: Fund No. 6963** – Streetscape enhancements meeting Brady District Standards - Bid was awarded to Crossland Construction. Construction is progressing well, considering weather delays. The north side is almost complete.
- **Brady District Streetscape Improvements: Fund No. 6963** – Streetscape Enhancements matching Downtown Streetscape

Master Plan guidelines. Revised plans for Main Street are complete, budget amendment was approved and Engineer approval is complete and we are preparing the documents to advertise for bids. Review of TDA requirements are underway.

- **TDA – Lansing Center: Roof/Gutter Work** – One proposal received, obtaining 2 more for review.

- c. **North Peoria TIF Update – Derek Gates: A copy of the report is included in the Commissioner’s packets:** Contract for the North Peoria Lighting project has been signed and executed. The Contractor has begun gathering documents and identifying equipment to be installed for the Engineer to review and approve. A project kickoff meeting is being set for the week of June 5, 2017 and a project construction schedule will be provided at that time. Coordination of the Peoria Lighting will be made with the BRT system for this area of Peoria. Discussions have started with Michael Smith, the developer of the Morton’s Reserve Project. The North Peoria TIF has expired and additional funds are no longer being collected. Mr. Jim Coles provided information regarding use of TIF funds to drive economic development in the area. Mr. Coles and Counsel Hartley will meet to determine the language of the TIF regarding economic development and the possibility of amending the TIF to include economic development. Ms. Kathy Taylor suggested Mike Dickerson prepare an economic impact analysis.

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:** Certificate of Completion has been issued by TDA to East End Village. Judge Cantrell has denied all motions for Summary Judgment; therefore, claims and defenses of the parties will proceed to trial.

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).**

Parties have completed responses to interrogatories and document requests. Depositions were taken in May 2017. The Wilkins Counsel, Melissa East, has filed a motion to withdraw as Counsel and has requested a 30 day stay of the arbitration proceedings to allow Wilkins time to obtain other Counsel. This item will be further discussed in Executive Session and Special Counsel, Jim Weger, will be present.

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

- a. **April 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 April 2017 with modifications to Report Dates that should read 2017 - 2016 and not 2016 - 2015, **Resolution No. 6349**, approving TDA Financial Report for April 2017, and the Comparative Financial Statement with date modifications, seconded by Commissioner Pegues. The vote was recorded as follows:

Ayes: Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously.

- c. **Fiscal Year Budget 2017 - 2018:** Mr. Kildow provided a Fiscal Year Budget, and gave an overview of the Fiscal Year Budget 2017 - 2018. The Commissioners requested Mr. Kildow provide a comparison of the Budget vs Actuals, either monthly or quarterly. Commissioner Roberts suggested approving this budget as a Preliminary Budget and Mr. Kildow present a Final Budget at next month's TDA meeting. After discussion, Commissioner Bracy moved to approve **Resolution No. 6350**, approving Preliminary Fiscal Year Budget 2017 - 2018 as presented, seconded by Commissioner Pegues. The vote was recorded as follows:

Ayes: Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously.

- d. Capital Project Expenditure Fund:** Norman Kildow provided a Capital Project Expenditure Fund report, gave an overview of the Report, and answered questions from the Board. He requested approval to release unused funds on old complete projects. After discussion, Commissioner Pegues moved to approve **Resolution No. 6351**, approving the release of unused funds, seconded by Commissioner Bracy. The vote was recorded as follows:

Ayes: Pegues, Bracy, and Roberts
Nays: None

The motion passed unanimously.

7. Receive, Discuss, and Vote:

- a. Discussion, consideration, and vote to release a Request for Qualifications (RFQ) for consultant services to draft an Annual Report for the Tulsa Development Authority:** Executive Director Walker stated no action will be taken today. He has contacted Missy Kruse, d/b/a The Write Company, to update the report previously provided. He will meet with her next Tuesday.
- b. Discussion, consideration, and vote approving a Resolution authorizing offering Just Compensation to property owners for the 6th Street infill project located below:**

Property Owner	Address	Just Compensation
Wiltom Enterprises, LLC [Bus Barn]	414 South Owasso Avenue	\$825,000.00

Mr. Roger Acebo, with the City of Tulsa Planning Department, stated the Review Appraiser reviewed two appraisals and two City of Tulsa Funding Sources will be used to obtain the property. The funding sources are Improve our Tulsa and a Street Package. After discussion, Commissioner Bracy moved to approve **Resolution No. 6352**, authorizing offering Just Compensation to property owners for the 6th Street Infill Project located at 414 South Owasso Avenue, Tulsa, Oklahoma. Commissioner Pegues seconded the motion. The vote was recorded as follows:

Ayes: Pegues, Bracy, and Roberts
Nays: None

The motion passed unanimously

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

Ayes: 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 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).]
 - b. Confidential communication with Counsel regarding possible amendment of the Redevelopment Agreement with Peoria Realty Investments for the acquisition of certain properties located within the Unity Heritage Neighborhood Sector Plan/Greenwood Heritage Neighborhoods Sector Plan. [25 O.S. §307(b) (4) and §307(c) (10).]
 - c. 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 (Block 44). [25 O.S. §307(b) (4) and §307(c) (10).]
 - d. Confidential communication with Counsel regarding the status 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 and possible action. [25 O.S. §307(b) (4) and §307(c) (10).]
 - e. 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) and

discussion of possible action to approve and authorize conveyance of title to a portion of the UCT real estate to Langston University Tulsa for the Allied Health Project. [25 O.S. §307(b) (4) and §307(c) (10).]

f. Confidential communication with Counsel regarding the Tulsa Development Authority's Executive Director Annual Evaluation. [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 12:29 p.m., seconded by Commissioner Bracy. The vote was recorded as follows:

Ayes: 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:** None.

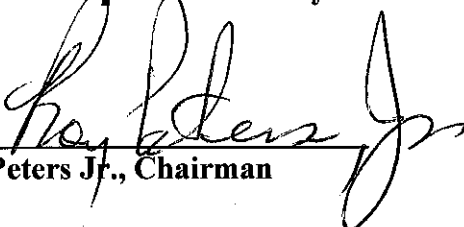
12. **New Business:** None.

13. **Adjournment:** Commissioner Bracy moved to adjourn the meeting at 12:31 p.m., seconded by Commissioner Pegues. The vote was recorded as follows:

Ayes: Pegues, Bracy, and Roberts
Nays: None

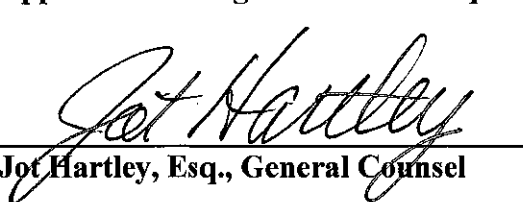
The motion passed unanimously.

Tulsa Development Authority



Roy Peters Jr., Chairman

Approved as to legal form and adequacy:



Jot Hartley, Esq., General Counsel