

SPECIAL PROJECT AGREEMENT FOR DOWNTOWN DEVELOPMENT AND REDEVELOPMENT FUNDS – MERIDIA APARTMENTS

The purpose of this agreement effective the 12th day of March, 2015 (“Special Project Agreement”) is to outline roles and responsibilities of each the City of Tulsa (City) and Tulsa Development Authority (TDA) for the successful execution of a specific project. This Special Project Agreement is subject to the provisions of the Services Agreement between the parties dated October 20, 2014, which addresses the day to day operations and relationship between the parties (“Services Agreement”). Rates and services associated with the Services Agreement shall not apply to this Special Project Agreement unless specifically outlined and agreed to in this document. In the event of a conflict between this Special Project Agreement and the Services Agreement, the terms of this Special Project Agreement shall control.

Project Title: Downtown Development and Redevelopment Fund (a/k/a Phase I Downtown Housing and Retail Development Fund).

Project Location: Within the Inner Dispersal Loop, Tulsa, Oklahoma

Current Property Owner: Various – as selected and approved by the City of Tulsa Downtown Development and Redevelopment Fund Committee

Description: As part of the 2013 Improve Our Tulsa sales tax, \$4,000,000 was allocated for downtown development and redevelopment projects. The Tulsa Development Authority (TDA) has been selected to negotiate redevelopment loan agreements with redevelopers/developers for projects selected by the City of Tulsa Downtown Development and Redevelopment Funds Committee and approved by the City of Tulsa. The TDA has also been asked to thereafter administer distribution that portion of the \$4,000,000 fund approved for each selected project together with the inspection and certification of completion of each such project. The first project selected by the City for receipt of funds is the River City Development, LLC (“River City”) residential housing project, Meridia Apartments. This project consists of the redevelopment of a currently vacant commercial property located at 522 South Boston into 70 urban apartments, 66 with balconies and 8,000 square feet of street level retail space (hereinafter referred to as the “Project”). Upon the recommendation of the City of Tulsa Downtown Development and Redevelopment Funds Committee, the City selected River City Development as a recipient of a \$1.3 million loan for the Project contingent upon the satisfactory negotiation of a Redevelopment Agreement with TDA relating to the project (“Redevelopment Agreement”).

Services to be provided: The City requests TDA administer the \$4.0 million Downtown Development and Redevelopment Fund (a/k/a Phase I Downtown Housing and Retail Development Fund) for projects selected by the City of Tulsa Downtown Development and Redevelopment Funds Committee and approved by the City of Tulsa. The TDA shall negotiate redevelopment loan agreements with redevelopers/developers for approved projects in such amounts and terms as the City of Tulsa shall approve on a project by project basis. The TDA shall also verify ownership of title and secure appropriate promissory notes and second mortgages from each redevelopers/developers. The TDA shall also administer distribution of the

fund approved for each selected project and shall conduct inspections of each such project and shall issue a certification of completion of each such project. Unless otherwise instructed by City, TDA shall distribute funds for each project on the basis of the percentage of completion of the project times the total City funded project loan less any amounts previously advanced. A detailed description of services to be provided by TDA is set forth on ATTACHMENT A and is incorporated by reference as though fully set out herein.

Term: The term of this agreement shall begin upon the signature of the Mayor and shall terminate once all recipients of loan funds pay their respective loans in full and TDA returns such funds to the City.

Compensation Structure: City agrees to pay to TDA two per cent (2%) of the \$4,000,000 Downtown Development and Redevelopment Fund (a/k/a Phase I Downtown Housing and Retail Development Fund) for all services to be provided by TDA, and expenses incurred, under this Special Project Agreement. Such payment shall be made in proportion to the amount of loan funds provided to each selected and City approved project and shall be payable to TDA by City upon execution of the Redevelopment/Development Agreement for each such selected and approved project.

Reimbursement: City shall not reimbursement TDA for expenses incurred by TDA in performing services under this Special Project Agreement, including without limitation: administrative personnel compensation, abstracting and title clearance work; filing, recording and closing fees; and fees for legal services.

City's responsibilities: City shall promptly review Advance Request properly submitted by a Redeveloper/Developer pursuant to the Redevelopment/Development Agreement and reviewed and approved by TDA for payment. City shall thereafter, unless disputed, promptly issue payment of each such Advance Request.

Liability and Indemnification: TDA shall defend and indemnify City from and against legal liability for damages arising out of the performance of the Services for City by TDA including but not limited to any claims, costs, attorney fees, or other expenses of whatever nature where such liability is caused by the negligent act, error, or omission of TDA or any person, organization, or entity acting on behalf of, at the direction or request of TDA in performing Services for whom TDA is legally liable provided that any TDA liability shall be limited by the statutory limits established for public bodies by the State of Oklahoma.

Changes to this agreement must be in the form of a contract amendment executed by both parties.

This agreement was approved by the Tulsa Development Authority Board of Directors by Resolution on the 12th day of March, 2015(attached).

**Tulsa Development Authority,
an Oklahoma urban renewal authority,**

Julius Pegues, Chairman

Date

Approved as to Form:

Jot Hartley, General Counsel
Tulsa Development Authority

City of Tulsa, a municipal corporation,

Dewey Bartlett, Mayor

Date

Attest:

City Clerk

Approved as to form:

Assistant City Attorney

Approved:

Contract Administrator/Director of Planning & Development

ATTACHMENT A

TDA shall perform the Services listed below which shall commence upon the effective date of this Special Projects Agreement.

1. Negotiate Agreements with Developers

- a. TDA shall negotiate and, if in the best interest of TDA and City, enter into a Redevelopment Agreement with Redeveloper/Developer for the development of each Project, as herein defined, selected by the Downtown Development and Redevelopment Fund Committee and approved by the City.
- b. In the event TDA is unsuccessful or unable to negotiate a Redevelopment Agreement, as to any particular project, with terms that are reasonably satisfactory to TDA or if a Redeveloper/Developer is unable to satisfy a due diligence requirement to the reasonable satisfaction of TDA then this Special Projects Agreement shall immediately terminate as to such project.
- c. TDA shall include the following provisions in each Redevelopment Agreement:
 - i. Performance measures, including a required number of housing units and square feet of retail space to be completed within a stated time, generally consistent with the proposal submitted by Redeveloper/Developer to the Downtown Development and Redevelopment Fund Committee ("Proposal") and approved by the City.
 - ii. Requirements that Redeveloper/Developer obtain and deliver to TDA a statutory payment bond in the amount of the value of the total improvements proposed.
 - iii. Requirements that Redeveloper/Developer provide TDA with a certificate of insurance evidencing all risk builders risk property insurance coverage in the amount of the funds being provided.
 - iv. Acknowledgment and agreement that Redeveloper/Developer shall require all contractors and subcontractors performing work on the Project to provide certificates of insurance evidencing general liability insurance coverage and workers compensation insurance in the statutory limits.
 - v. Acknowledgment and agreement that the housing units funded by the Project be limited to use as housing units at least until the funds are fully repaid and that the retail space remain retail space at least until the funds are fully repaid.
 - vi. Acknowledgment and agreement that Advance Requests for reimbursement shall not be submitted more frequently than monthly.
 - vii. Acknowledgment and agreement that all Advance Requests for reimbursement shall include documentation satisfactory to TDA.
 - viii. Acknowledgment and agreement that no subsequent Advance Request will be approved until satisfactory proof has been submitted to TDA that all subcontractors and suppliers from the previous Advance Request have been paid.

vii. That the principal amount of the loan may be repaid in whole or in part at any time during the term of the loan with no penalty for prepayment.

2. Conduct Due Diligence TDA shall conduct due diligence including, but not limited to the following:

- a. Prior to closing, to protect the security interest of TDA in the property being developed, including but not limited to, verifying the ownership of Redeveloper/Developer in the property, and the amount of outstanding indebtedness on the property by obtaining updated abstracts, title opinions and other documentation.
- b. Prior to approving any Advance Requests from Redeveloper/Developer for reimbursement, to assure the timely delivery of the Project:
 - i. Verifying that Redeveloper/Developer have secured the private funding necessary to deliver the proposed Project as presented in the Proposal;
 - ii. Determining that the development and construction plans for the Project are in general conformance with the Proposal;
 - iii. Verifying that Redeveloper/Developer delivered satisfactory certificates of insurance and payment bonds.

3. Monitoring TDA shall monitor and enforce the contract compliance of Redeveloper/Developer including, but not limited to:

- a. Determining that satisfactory progress is being made and that work being invoiced has been performed;
- b. Verifying that the invoices submitted by Redeveloper/Developer are accompanied by appropriate documentation, and supplies, equipment, services, and labor invoiced have been applied to the Project and have been paid by Redeveloper/Developer;
- c. Reviewing and approving, as appropriate, Advance Requests submitted by Redeveloper/Developer in a timely manner;
- d. Obtaining from Redeveloper/Developer a copy of the Certificate of Occupancy issued by the City, following the City's final building inspection;
- e. Issuing a Certificate of Completion, following a satisfactory final building inspection;
- f. Monitoring and enforcing the compliance of Redeveloper/Developer with the terms of the Redevelopment Agreement including, but not limited to, the timely payment of any amounts due under such agreements; and
- g. In the event that TDA elects to terminate the Redevelopment Agreement because of the breach of the agreement by Redeveloper/Developer prior to the reimbursement of the total amount of funds contractually available for reimbursement, then TDA shall take such further action as the City shall reasonably require as necessary and prudent to protect any funds previously advanced to the Redeveloper/Developer. In the event that such termination occurs, TDA and City shall agree as to the amount and method of reimbursement of TDA's costs and expenses incurred in pursuing such further actions directed by City.

4. Miscellaneous Tasks TDA shall:

- a. Maintain records and files for each Project which shall be available for inspection by the City. Upon completion of each Project, all records and files will be delivered to the City.
- b. Develop and maintain information about the cumulative and projected costs, construction schedule and progress of each Project. Submit monthly reports to the City containing such information.
- c. As requested, participate in public meetings and make presentations regarding each Project as needed.
- d. Upon repayment of loans, or payments of interest, to TDA, deposit the payments into a TDA account and pay to City an amount equal to the total of such payments within thirty (30) days of receipt(s).

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