

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 – July 6, 2017

9:00 a.m.

Present:

Roy Peters, Chairman
Steve Mitchell, Vice Chairman
Carl Bracy, Commissioner
O.C. Walker II, Executive Director
Jot Hartley, General Counsel

Absent:

Julius Pegues, Commissioner
Nancy Roberts, Commissioner

Also Present:

Roger Acebo
Kevin Anderson
Ryan Beck
Alan Befeba
Rocky Bright
Donny Carreno
Josh Chesney
Jim Coles
Mike Dickerson
Derek Gates
Vanessa Hall-Harper
Mark Helmer
Preston Jones
Norman Kildow

Also Present:

Joyce McClellan
Rhett Morgan
Lottie Nealy
Matt Newman
Michael Patton
Warren Ross
Marvin Shirley
Michael Smith
Kathy Taylor
Sheila Thompson
Stuart VanDeWiere
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. A quorum will be established upon the arrival of Vice Chairman Mitchell. 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 and Commissioner Bracy were present. Vice Chairman Mitchell arrived at 9:02 a.m. Commissioner Pegues and Commissioner Roberts were absent. A quorum was present.

2. Routine, Repetitive Items for Action:

- a. Minutes of June 1, 2017 Regular Meeting
- b. Minutes of June 1, 2017 Regular Executive Session Meeting
- c. Minutes of June 26, 2017 Special Meeting

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

Ayes: Peters, Mitchell, 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:

The Redeveloper will request a 30-day extension to submit Schematic Drawings and Specifications. The Redeveloper plans to submit construction estimate and financial information for consideration by the Board in August 2017. This is an Agenda item today.

B. Peoria Realty Investments, Inc.:

The Redeveloper is preparing to submit two Site plan sketches for review and consideration. The larger of the two Site plans encompass a portion of East Pine Place and six existing lots to the North. The smaller Site plan will reflect a similar amount of commercial uses as the larger plan of in-line Commercial lease space shown in a multi-tenant neighborhood shopping center. This is an Agenda item for the Executive Session.

C. Dollar General Store/Rupe Helmer Group:

Construction drawings were submitted to TDA, City of Tulsa, and Tulsa Health Department on June 19, 2017. The Redeveloper is expecting comments from the City of Tulsa for the Plans and Specifications within the next month. The final Building Permit is expected to be issued by late July or early August. The Redeveloper will arrange for Construction Financing in July 2017. This is an Agenda item today.

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

The annual Parade of Homes was held on June 17, 2017 through June 25, 2017. There were over 40 families that reached out to Capital Homes. Capital Homes sold 9 of the 14 lots. Several homes are under construction and three more building permits will be obtained in July.

E. East Latimer Lots/Capital Homes, LLC:

The terms and conditions of the Contract for East Latimer has been agreed to by both parties. Capital Homes will execute the Contract after a final review. The Redeveloper is currently reviewing the proper plans needed for re-zoning. They will return to TDA to start the process of re-zoning.

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

Fire Station No. 1 is complete. The Certificate of Completion has been issued. TDA will refund the Good Faith Deposit.

G. The Flats on Archer:

There was a change order involving replacement of the existing dirt with more suitable select "fill" material for the building pad. Approximately four feet of existing material was imported for the building pad. The site is now ready for the pad concrete. The Change Order involved 15 days of unplanned work and cost an additional \$95,987.66. TDA approved a \$750,000.00 loan and has filed the mortgage.

H. Blue Dome Anchor, LLC:

The demolition work has been completed. The interior of the building is currently being "white boxed" for tenant space build out. The redeveloper is seeking a Real Estate firm to start a marketing campaign for the former Hartford Building.

I. First Street Lofts:

The final elevator inspection is scheduled for July 13, 2017. The building inspection will be scheduled thereafter. All major construction is complete. The contractor is completing the construction punch list. Marketing the project started June 15, 2017. Two model units will be used to showcase the units.

J. The Village at Central Park:

Pearl Development – Existing infrastructure will be redesigned. The Redeveloper is in the process of finalizing the total construction budget of the project. Once the Construction budget is complete, the Redeveloper plans to identify a Construction Management company.

K. VCP, LLC (Sam Rader): Construction has slowed because of engineering for upgrading the roofing. The Project Engineer signed off the week of June 19, 2017 and roofing materials will be delivered the week of July 3, 2017. Things should progress in a faster pace now that the engineering issues are complete.

L. Carland Group:

The Carland Group has until July 21, 2017 to respond to the Notice of Default. Fox 23 News aired a story regarding the conditions of the curbs and seniors falling at the apartments. The news story stated the Federal government is investigating and the Carland Group is working on a response to TDA's Notice of Default. Counsel Hartley stated communications are ongoing between TDA and Representative Regina Goodwin. The Carland Group refused service of delivery at the address listed on the Agreement; however, successful service of the Notice of Default was received on May 21, 2017 at another address for Carland Group. Counsel Hartley advised the Board to allow Due Process to run its course before moving forward with action.

M. Dirty Butter – Heritage Hills:

The lot located at 1960 North Hartford Avenue is on the Agenda today for approval to enter into a Redevelopment Agreement with a citizen interested in building a house on the lot.

Executive Director Walker also mentioned, Ms. Missy Kruse is preparing a cost estimate for completion of an Annual Report for TDA. He is expecting the estimate to be under \$10,000.00 and will not require Board approval.

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

Ayes: Peters, Mitchell, and Bracy

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:

Executive Director Walker stated, Mr. Thedford is not present today; however, his report stands as presented.

- **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 color has been chosen, it will be a shade of blue as a representation of the Blue Dome area.

- **Proposed streetscape improvements to Cameron Street: Fund No. 6963** – Streetscape enhancements meeting Brady District Standards - Bid was awarded to Crossland Construction. TIF funds are approved and account number assigned. The project is 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 complete. Mr. Marvin Shirley, representative for the Brady Arts District Owners Association, was present and stated the project is ready to advertise for bid and he is hopeful the project will be complete by Thanksgiving.
- **TDA – Lansing Center: Roof/Gutter Work** – One proposal received, obtaining 2 more for review.

- b. North Peoria TIF Update – Derek Gates: A copy of the report is included in the Commissioner’s packets:** The North Peoria TIF has expired as of June 28, 2017. The documents provided with the June report showed approximately \$2,600,000.00 to be allocated. The contract has been signed and executed for the addition of lighting on Peoria between Pine and Apache. At the TDA Special Meeting, it was mentioned that the Peoria Lighting project could be extended from Apache to 36th Street North. The additional length of approximately one mile would cost as follows: Engineering (including survey) \$45,000.00 and additional lighting from Apache to 36th Street North \$500,000.00. Due to the amount of extending the lighting project to 36th Street North, the project will need to be put out for bid. Mr. Gates also explained the necessity of ensuring the City of Tulsa will have funds for maintenance of the entire lighting project. He stated he would begin the process with the City of Tulsa. Chairman Peters suggested Mr. Gates talk with the community to determine if lighting is a top priority.

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:**

Defendant FE-NIX Construction Group, LLC was granted permission and has filed an Amended Counterclaim and Cross-Claim which named TDA in the Cross-Claim. TDA Counsel has prepared and filed an Answer asserting TDA's priority over Defendant FE-NIX's claims. Defendants Ark Wrecking and Prestige Builders have filed motions to Amend Counterclaims and Cross-Claims.

Breach of Contract and Lien Foreclosure Counterclaims:

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

See discussion of consolidated case above.

Vacation of Alley:

▪ **BOKE Foundation v. City of Tulsa, TDA, et al.**

Agreed Judgment entered June 13, 2017. Will be removed from Report.

Other:

▪ **Novus Homes (Wilkins).**

Clint Russel has entered an appearance as new counsel for Wilkins. This will almost certainly result in the striking of the August 14, 2017 arbitration hearing to be reset at a later date.

Novus Homes (Wilkins).

Counsel for TDA has filed a Motion for Summary Judgment. The Court has denied the Motion for Summary Judgment. Counsel for TDA has filed a Motion to Reconsider. Clint Russell has entered his appearance as Counsel for the Wilkins.

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

- a. **May 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 May 2017 and, **Resolution No. 6354**, approving TDA Financial Report for May 2017, and the Comparative Financial Statement, seconded by Vice Chairman Mitchell. The vote was recorded as follows:

Ayes: Peters, Mitchell, and Bracy

Nays: None

The motion passed unanimously.

- c. **Revised Fiscal Year Budget 2017 - 2018:** Mr. Kildow provided a Revised Fiscal Year Budget 2017 - 2018. At the Commissioners request, Mr. Kildow provided a comparison of the Budget vs. Actuals. After discussion, Vice Chairman Mitchell moved to approve **Resolution No. 6355**, approving Revised Fiscal Year Budget 2017 - 2018, seconded by Commissioner Bracy. The vote was recorded as follows:

Ayes: Peters, Mitchell, and Bracy

Nays: None

The motion passed unanimously.

7. Receive, Discuss, and Vote:

- a. **Discussion, consideration, and vote to enter into a Redevelopment Agreement with Shelia Thompson and Steve Murrell for the purchase and redevelopment of TDA owned property located at 1960 North Hartford Avenue, Tulsa, Oklahoma:** Executive Director Walker stated this is a Dirty Butter lot and Ms. Thompson and Mr. Murrell are interested in building a house on the lot. After discussion, Vice Chairman Mitchell moved to approve **Resolution No. 6356**, authorizing entering into a Redevelopment Agreement with Sheila Thompson and Steve Murrell for the purchase and redevelopment of TDA owned property located at 1960 North Hartford Avenue, Tulsa, Oklahoma. Commissioner Bracy seconded the motion. The vote was recorded as follows:

Ayes: Peters, Mitchell, and Bracy

Nays: None

The motion passed unanimously.

- b. **Discussion, consideration, and vote to approve a Resolution to approve the construction drawings and specifications submitted by Rupe Helmer Group, for TDA owned property located at 744 East Pine Street, Tulsa Oklahoma – Dollar General Store:** Executive Director Walker stated the developer submitted plans and at the suggestion

of TDA, modified the plans to incorporate the recommendations by TDA. The modified plans includes some of the modifications and Mr. Mark Helmer is present today to explain the modifications and provide clarification as to why all the recommendations could not be satisfied. Mr. Mark Helmer presented revised plans and submitted construction documents that are more detailed to TDA and the City of Tulsa Permit Center. Commissioner Bracy expressed concerns for parking in rear of building and collaboration with the City of Tulsa Planning Department. Ms. Kathy Taylor expressed concerns for healthier food options, Tulsa Public Schools and the community voicing concerns, and TDA being mindful of development projects because it is a Public corporation. Mr. Helmer explained, the parking will not work in the rear because the 18 wheeler trucks would not have adequate space to turn around, and they have submitted plans to the City of Tulsa, and the plans are in compliance with City of Tulsa Code regulations. Vice Chairman Mitchell expressed concerns of making it difficult for companies to bring goods and services to North Tulsa by enforcing unnecessary stipulations. Chairman Peters stated he was in agreement with Vice Chairman Mitchell's observations. After discussion, Vice Chairman Mitchell moved to approve **Resolution No. 6357**, approving the construction drawing and specifications submitted by Rupe Helmer Group, for TDA owned property located at 744 East Pine Street, Tulsa, Oklahoma. Chairman Peters seconded the motion. The vote was recorded as follows:

Ayes: Peters and Mitchell

Nays: Bracy

The motion passed unanimously

- c. **Discussion, consideration and vote to approve a Resolution approving an amendment to the existing Redevelopment Agreement with Morton Reserve Properties, LLC, for redevelopment of the former Morton Hospital Site located at 605 East Pine Street, Tulsa, Oklahoma:** Executive Director Walker stated the Redeveloper is requesting a 30-day extension to submit schematic plans. Mr. Michael Smith was present to provide a status update on the completion of the schematic plans and of the project. After discussion, Vice Chairman Mitchell moved to approve **Resolution No. 6358**, approving an Amendment to the existing Redevelopment Agreement with Morton Reserve Properties, LLC, for the redevelopment of the former Morton Hospital Site located at 605 East Pine Street, Tulsa, Oklahoma. Commissioner Bracy seconded the motion. The vote was recorded as follows:

Ayes: Peters, Mitchell, and Bracy

Nays: None

The motion passed unanimously.

- d. **Discussion and consideration of exploring the possibility of the creation of a new Tax Increment Finance (TIF) District in the North Tulsa area:** Executive Director Walker stated this is an opportunity to open discussions for exploring a new TIF district in North Tulsa, since the North Peoria TIF has expired. Ms. Kathy Taylor stated the City of Tulsa's Planning and Economic Development departments are having discussions regarding creating new TIF districts to drive economic development in industrial areas. Ms. Taylor also suggested TDA appoint the Executive Director, General Counsel, and a Board Member to serve on a committee to discuss how to move forward with creation of new TIF districts. Chairman Peters requested Commissioner Bracy to serve on the Committee and Commissioner Bracy accepted.

Commissioner Bracy moved to go into Executive Session at 10:04 a.m., seconded by Vice Chairman Mitchell. The vote was recorded as follows:

Ayes: Peters, Mitchell, and Bracy

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 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).]
 - b. 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).]
 - c. 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).]

- d. 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).]
- e. 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:** Vice Chairman Mitchell moved to return to Open Session at 10:38 a.m., seconded by Commissioner Bracy. The vote was recorded as follows:

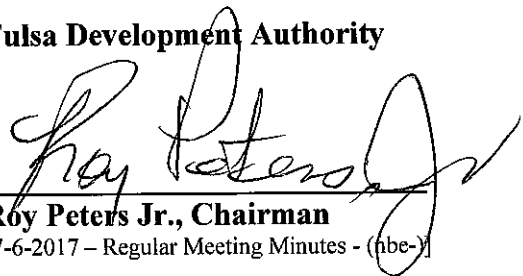
Ayes: Peters, Mitchell, and Bracy
Nays: None


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:** Commissioner Bracy announced Tulsa Community College Center for Creativity is holding an event today with a guest speaker and lunch from noon until 1:00 p.m. The event is sponsored by the City of Tulsa.
13. **Adjournment:** The meeting adjourned at 10:40 a.m.

Tulsa Development Authority

Approved as to legal form and adequacy:


Roy Peters Jr., Chairman


Jot Hartley, Esq., General Counsel

[7-6-2017 - Regular Meeting Minutes - (hbe-)]