

WORK STUDY SESSION MINUTES

Tulsa Development Authority Board of Commissioners

One Technology Center
175 East 2nd Street
Tulsa, OK 74103
10th Floor North Conference Room

Thursday – August 6, 2015

8:30 a.m.

Present:

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

Absent:

Nancy Roberts, Commissioner

Also Present:

Kevin Anderson
Linn Cain
Andrew Coffey
Sam Combs
Leon Davis
David Dryer
Steve Ganzkow
Steve Hardt
Daryl Johnson
Norman Kildow
Jean Lu
Brent Lucas
Matt Mardis
Bob Martin
Matt Newman
Michael Sager

Also Present:

Jeff Scott
Buddy Stefnoff
Eric Swenton
Mike Thedford
Larry Vorba
Steven Watts
Judd Webb
Max Wells
Cecilia Wilkins
Will Wilkins
Dennis Whitaker
NaTasha Bunch-Everly
Jane Malone
Carol Young

The meeting was called to order at 8:32 a.m. by Chairman Peters. Chairman Peters welcomed everyone to the monthly Tulsa Development Authority Work Study Session and stated no votes would be taken at this meeting. The Board will receive reports and information on projects. All Reports and supporting documentation were distributed for the August 6, 2015 Tulsa Development Authority Work Study Session and will be incorporated by reference to these minutes. The agenda will be followed as filed.

1. **Roll Call:** Jane Malone called roll; Chairman Peters, Commissioner Bracy, and Commissioner Pegues were in attendance. Vice Chairman Mitchell arrived at 8:35 a.m. Commissioner Roberts was absent. A quorum was present.

Chairman Peters presented Commissioner Pegues with a plaque to recognize his tenure and leadership as TDA's Chairman. Chairman Peters stated Commissioner Pegues leadership is remarkable. Commissioner Pegues stated he enjoys working with the community to improve the City of Tulsa.

2. **Executive Director's Monthly Report-** A copy of this report was included in the Commissioner's packets. Chairman Peters requested the Executive Director to include all projects that TDA are involved with in the Report.

1. **Project Status Update**

- **Tulsa Urban Development Group, LLC, d/b/a Urban8:** 8 single family dwellings. On June 25, 2015, TDA was informed that there is a need for an additional underground utility easement to be assigned on Lot One (1), Block One (1), Third and Greenwood Subdivision for Public Service Company of Oklahoma. The additional easement is to grant access for an electrical transformer. Executive Director Walker stated the easement issues have been resolved and this is an Agenda item for today. [Location of the property: North of 3rd Street, between Greenwood Avenue and Kenosha Street.]
- **The Edge at East End Village (Hartford Commons, LLC):** 162 apartments. On July 27, 2015, TDA received a report dated July 23, 2015 from the Oklahoma Corporation Commission indicating that based on soil sampling, contamination does not exist at the site. Executive Director Walker stated Steve Ganzkow, a representative with American Residential Group, is present today to provide an update to the Board. Mr. Ganzkow stated construction of the project is on target and he is expecting to begin leasing apartments in January. The remediation costs were \$92,000.00, and a letter of certification was received from the Oklahoma Corporation Commission. [Location of property: SE corner of Greenwood Ave. and E. 2nd Street.]
- **100 Boulder, formerly Maplevue Associates, Inc.:** 18 Condominium units. The project is complete. The redeveloper is working with the City of Tulsa Permit Center for a Certificate of Occupancy. The redeveloper reported three units have been sold. [Location of the property: Southwest Corner of 1st Street and Boulder Ave.]

- **Fire Station No. 1/CORE Associates, LLC:** A meeting was held on July 22, 2015 with representatives of CORE Associates. The developer has developed a program for use of Fire Station No. 1. The Redeveloper will visit with the Tulsa Fire Department to determine how to remove the Art on the northern wall of the building. This is an Agenda item for today and will be discussed in further detail. [Location of the property is 411 South Frankfort Ave.]
- **Hogan on Greenwood, LLC:** Office Building. Streetscaping, paving, has commenced. Late September is the target completion date. [Location of property: Northeast corner of South Greenwood Avenue and East 1st Street.]
- **Wilkins Project:** Mixed-use 160 unit hotel. The redevelopers have engaged with one investor/partner, and they are working on the financial structure of the partnership. This is an Agenda item for the Executive Session today, and will be discussed in further detail. [Location of property: Northwest corner of Archer and Elgin Avenue.]
- **The Flats on Archer:** 140 unit apartment building. The Redeveloper is reviewing the architects “first pass” at the revised plans which include 61 units and 2,200 sq. ft. of commercial space. Parking for the site remains a challenge, and the Redeveloper is considering several options to rectify the parking challenges. Executive Director Walker introduced Sam Combs, representative with the Flats on Archer. Mr. Combs provided a project status update to the Board of Commissioners. This is an Agenda item for today’s meeting. [Location of property: 110 N. Boston Avenue.]
- **East End Village:** 64 unit apartments. Buildings No. 2 through 6 are complete and nearly fully leased. Building No. 1 has contracts on all scopes of work and is progressing, according the Redeveloper’s estimated 90 days for completion. [Location of property: 401 and 405 South Elgin Avenue, 408 and 418 South Frankfort Avenue, 414 East 4th Street, and 415 East 5th Street.]
- **Blue Dome Anchor, LLC:** Mixed-use with 128 unit apartment building. The Redeveloper does not have a tenant for the existing structure. Blue Dome Anchor stated that there was a break-in at the Hartford Building, and all the copper wiring was removed. An insurance claim was filed. The new building on the west portion of the property is being designed. After the design is complete, the Redeveloper will appear before the Board of Commissioners for review and consideration. [Location of the property: 110 South Hartford Avenue.]
- **YMCA Lofts:** Mixed-use with 45 unit apartments. The Redeveloper is seeking a construction loan from Great Southern Bank to complete the

project. The right to obtain first mortgage position, subject to certain limitations and conditions as to the amount, has been approved as part of the TDA Redevelopment Agreement. The TDA Board of Commissioners will review and consider subordination documents. If all terms are complied with, the Agreement with TDA may not require additional Board approval. This is an Agenda item for today's meeting. [Location of the property: 515 South Denver Avenue.]

- **Vandever Lofts:** 40 apartment units. This project is complete. All units are leased. The first floor is being leased and filling with commercial tenants. The Redeveloper is working to open retail spaces by fall 2016. The Redeveloper has a final draw remaining. [Location of the property: 16 East 5th Street South.]
 - **River City Development, LLC:** The TDA Board of Commissioners previously approved an Agreement with River City Development, LLC. The TDA Board also approved an additional Resolution to negotiate and administer a Redevelopment Agreement. The terms and conditions set forth by the City of Tulsa is for a \$1.3 million loan over a seven (7) year period. General Counsel Hartley stated the Attorney for the Redeveloper contacted him via email regarding changing the limitation amount on the first mortgage. Counsel Hartley advised the change would have to be approved by the TDA Board of Commissioners, as well as The Downtown Development and Redevelopment Fund Committee. [Location of the property: 522 South Boston, Tulsa, Oklahoma.]
 - **IH Landlord LLC/The Ross Group:** The project has been renamed from "The Ross Group" to "IH Landlord, LLC." A meeting was held with Ross Group to discuss the terms and conditions of the Redevelopment Agreement. It appears all parties are in agreement with the suggested changes. This is an Agenda item for today's meeting. [Location of the property: 510 East 2nd Street, Tulsa, Oklahoma.]
 - **DG TUL MLK, LLC - The Petrous Group:** Retail - Dollar General. The Redevelopment Agreement has been executed and a Good Faith Deposit has been received and deposited into the escrow account. According to the Redevelopment Agreement, the Redeveloper has 90 days to perform Due Diligence. The Redevelopers are revising the Schematic Drawing to incorporate the terms and conditions of the Redevelopment Agreement. [Location of property: East of Martin Luther King, Jr. Blvd., between East Queen Street and East Reading Street.]
2. **Sector Plan Update:** Houseal Lavigne will return to Tulsa on August 11 - 14, 2015 to facilitate visioning workshops, as suggested by the Community Action Teams. On August 11, 2015, Houseal Lavigne will hold the Visioning

Workshop for the Kendall Whittier Sector Plan. On August 13, 2015, Houseal Lavigne will meet with Tulsa City Councilors to provide an update, as well as facilitate the Visioning Workshop for the North Tulsa Sector Plan. The Visioning Workshops will begin at 6:00 p.m. and will last approximately 1.5 to 2 hours. Houseal Lavigne will depart Tulsa on the morning of Friday, August 14, 2015.

3. **Lansing Centre - Suite A:** Suite A is currently being advertised on Real Estate Xceligent website. Suite A is also being advertised on the TDA and City of Tulsa websites. The appraised value is \$7.00 per sq. ft. and the space is approximately 1,941 sq. ft. Per month the lease amount is \$1,358.70/\$1,400.00.

4. **TDA Website:** All contact information has been updated on the existing TDA Website. The content on the website will be updated after the approval of the Annual Report at next week's TDA's Regular Meeting. The Strategic Plan will also be incorporated in the website content update.

5. **Project Updates:**

- Tulsa North Community Development Corporation - Northeast corner of North Main Street and East Latimer Street. The Redeveloper is working with the Project Architect, Tony Paige, to determine a timeline of events. A ground breaking is scheduled for the fall of 2015.
- Omega Alpha Development/Carland Group - One quarter mile North of East Pine Street and one quarter mile East of North Peoria Avenue. The Carland Group is the preferred developer for Omega Alpha Development. All construction plans have been submitted for permit. The IPD should be issued by September 1, 2015. Oklahoma Housing Finance Agency approved Tax credits for the project.
- Dirty Butter – Heritage Hills Extension - West of Hartford Avenue, between East Seminole Place and East Virgin Street. Sold seven (7) Dirty Butter lots on behalf of the City of Tulsa to families that want to live in north Tulsa.

Commissioner Bracy requested Executive Director Walker add First Street Lofts to the Executive Director's Report.

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

- a. **Elm Creek/6th Street Drainage, Detention and Conveyance Plan – Leon Davis: A copy of the report is included in the Commissioner's packets:** Mr. Leon Davis presented an Executive Summary to the Board of Commissioners requesting TDA assistance with acquisition and relocation for 11 properties in the Pearl District. Mr. Davis explained

there is \$1,300,000.00 available in the 2006 Sales Tax Fund. A Special Project Agreement will need to be negotiated between TDA and the City of Tulsa. Commissioner Pegues stated TDA would be acquiring the property for the City of Tulsa, not TDA. Mr. Davis answered questions and concerns from the Board. This will be an Agenda item for TDA's Regular Meeting.

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

- **Blue Dome Lighting Project: Fund No. 6967** – Approximately 150 lights throughout the Blue Dome District. Mike Thedford presented to the Board with a schematic of the lights. Mr. Thedford met with Cytergy on July 29, 2015 to discuss the preliminary layout and design requirements.
- **Proposed streetscape improvements to Cameron Street: Fund No. 6963** – Commissioner Bracy questioned the status of the private funding for the John Hope Franklin Reconciliation Park. Mr. Thedford stated he would research the status and report the findings back to the Board. Mr. Steve Ganzkow, board member of the Brady TIF District, stated the street is in the TIF District and TIF funds can be obtained for the project. Commissioner Pegues stated, John Hope Franklin is not exploring private funding, and the report is in error.
- **Elgin streetscape improvements: Fund No. 6967** – The project is complete. A request was made to Release payment for Retainage.

4. 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:**
Lawsuit to foreclose subcontractor lien on East End Village project. TDA has entered its appearance in the lawsuit. General

Counsel is preparing an Answer in Defense of TDA mortgage lien position.

Damages - Relocation Assistance:

- **Plaintiff – Markus English:**
Case was dismissed. The Plaintiff has rights to Appeal.

Other:

- **Novus Homes (Wilkins)**
TDA is waiting on Redevelopers to provide financial ability to construct documentation. Construction Financial documents were to be submitted to TDA by July 11, 2015.

5. Financial Reports

- a. **June 2015 - 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. Mr. Kildow also requested this item be placed on the Agenda for TDA's Regular Board Meeting.
- b. **June 2015 - Program Income Report - included in the Commissioner packets:** Norman Kildow provided an updated report and an overview of the Program Income Report for Fund No. 5540 to the Commissioners and answered questions. The report stands as presented. Mr. Kildow also requested this item be placed on the Agenda for TDA's Regular Board Meeting.
- c. **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 also requested this item be placed on the Agenda for TDA's Regular Board Meeting.
- d. **Possible Disposition of Remnant TDA owned properties:** Norman Kildow explained a fee was assessed for Downtown properties inside the IDL. The remnants are properties that are undeveloped. Mr. Kildow also made the suggestion to the TDA Board and Executive Director to dispose of the properties. Commissioner Pegues stated the land should be deeded back to the City of Tulsa as the land is "raw" and does not have a building on the properties. Mr. Kildow also requested this item be placed on the Agenda for TDA's Regular Board Meeting.

Mr. Kildow also stated the Financial Department is preparing for the Auditor's visit in October.

- 6. Discussion and consideration to review a request to enter into a Contract with Darryl Johnson for the sale of TDA owned property located at 1310 North Olympia Avenue, Tulsa, Oklahoma:** Executive Director Walker explained Darryl Johnson is interested in purchasing the property for the fair market value of \$8,500.00, and a letter from Mr. Johnson is included in the Commissioner's packets. Mr. Darryl Johnson was present and stated he is able to make an Earnest Deposit of \$4,000.00 and has secure financing to rehabilitate the property. Mr. Johnson is estimating a few months to complete rehabilitation. Executive Director Walker requested the Board to authorize a Resolution to enter into an Agreement with Mr. Johnson. This item will be placed on the Agenda for TDA's Regular Meeting.
- 7. Discussion and consideration to review a request to enter into a Contract with Carl Stevenson for the sale of TDA owned property located at 1807 North Owasso Avenue, Tulsa, Oklahoma:** Executive Director Walker stated the property is a vacant lot and Mr. Carl Stevenson is interested in purchasing for lawn expansion. The fair market value is \$5,500.00. This item will be placed on the Agenda for TDA's Regular Meeting.
- 8. Discussion and consideration to review a request to amend an existing Redevelopment Agreement between The Flats on Archer, LLC and TDA for property located on the Northwest Corner of East Archer Street and North Boston Avenue, Tulsa, Oklahoma. (110 North Boston Avenue):** Executive Director Walker stated specifications were received from the Redeveloper, and parking issues continue to remain a challenge. Mr. Sam Combs, a representative with The Flats on Archer, presented an overview of the plans to the Board of Commissioner's. Mr. Combs stated The Flats on Archer is ready to close on the property, and answered questions and concerns from the Board. This item will be placed on the Agenda for TDA's Regular Meeting.
- 9. Discussion and consideration to review a request from TDL NOW, LLC, for the YMCA Lofts Project to obtain first mortgage financing, subject to certain limitations as to amount and subordination Documents, for property located on the Northeast Corner of East 6th Street and South Denver Avenue, Tulsa, Oklahoma (515 South Denver Avenue):** General Counsel Hartley stated John Snyder could not be at the meeting today but will be at TDA's Regular Meeting. This item will be placed on the Agenda for TDA's Regular Meeting.
- 10. Discussion and consideration to review an update from CORE Associates, LLC for redevelopment of City of Tulsa owned property known as Fire Station No. 1, located at 411 South Frankfort Avenue, Tulsa, Oklahoma:** Executive Director Walker stated a meeting was held on July 22, 2015 with representatives from CORE Associates, LLC, Commissioner Pegues, and the Executive Director. A program layout for Fire

Station No. 1 was distributed and is included in the Commissioner's packets. This item will be placed on the Agenda for TDA's Regular Meeting.

11. **Discussion and consideration to review a Redevelopment Agreement and Schematic Drawings with The Ross Group Construction Corporation for redevelopment of the International Harvester Building, located on the Southeast Corner of East 2nd Street and South Frankfort Avenue, Tulsa, Oklahoma (510 E. 2nd Street):** Executive Director Walker stated Ross Group has submitted Schematic Drawings and are in Agreement with the conditions of the Redevelopment Agreement. Mr. Matt Newman, a representative with Ross Group, presented Schematic Drawings to the Board, and answered questions and concerns of the Board. Mr. Newman stated the project is 50% complete, and anticipates a move-in date in December. General Counsel Hartley stated the Redevelopment Agreement is different in that the Redeveloper will request one single advance, after completion of the project. This item will be placed on the Agenda for TDA's Regular Meeting.

12. **Discussion and consideration to review a request to amend an existing Contract for Sale of Land for Private Redevelopment between One Place SE, LLC and TDA for property located on the Northeast Corner of South Denver Avenue and West Third Street South, Tulsa, Oklahoma:** General Counsel Hartley stated One Place SE will change its name to One Place SW. The Fifth Amendment records the property sale to the Hotel, and states that property sale is the only transaction the Redeveloper can make without the approval of the TDA Board of Commissioners. One Place SE will no longer be responsible for the development of the property in which the Hotel will be built. Commissioner Pegues stated the Agreement gives free-will to the Developer, and TDA is not in the profiteering business. General Counsel Hartley stated he will review and revise the Agreement. This item will be placed on the Agenda for TDA's Regular Meeting.

13. **Discussion and consideration to review a request to accept the Five Year Report 2010 - 2015, drafted by The Write Company (Missy Kruse):** Executive Director Walker stated the report is included in the Commissioner's packets and request it be approved as presented. This item will be placed on the Agenda for TDA's Regular Meeting.

Commissioner Pegues moved to go into Executive Session at 9:45 a.m., seconded by Vice Chairman Mitchell. The vote was recorded as follows:

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

The motion passed unanimously.

14. 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 TDA's Policy and Procedures concerning Good Faith deposits. [25 O.S. §307(b) (4) and §307(c) (10).]
- b. Confidential communication with Counsel regarding an update on the First Street Lofts project, located one-quarter (¼) mile East of Detroit Avenue, and South of 1st Street, (310 E. First Street) Tulsa, Oklahoma. [25 O.S. §307(b) (4) and §307(c) (10).]
- c. Confidential communication with Counsel regarding an update on Towne Place Suites — Wilkins Project, located on the Northwest Corner of East Archer Street and North Elgin Avenue, Tulsa, Oklahoma. [25 O.S. §307(b) (4) and §307(c) (10).]

15. Vote to return to Open Session: Commissioner Pegues moved to return to Open Session at 10:27 a.m., seconded by Commissioner Bracy. The vote was recorded as follows:

Ayes: Peters, Mitchell, Pegues, and Bracy

Nays: None

The motion passed unanimously.

16. Statement of the Executive Session: During the 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

17. Discussion and consideration on items discussed in Executive Session:

Executive Session Items:

- 14(a). Good Faith Deposits
- 14(b). First Street Lofts
- 14 (c). Wilkins

Agenda Items for August 13, 2015 Regular Meeting:

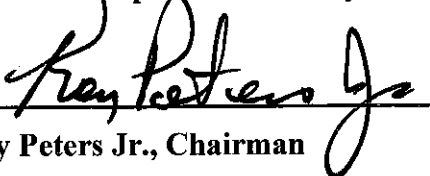
- 3(a). Special Project - City of Tulsa
- 5(a.b.c). June 2015 Financials
- 5(d). Remnant properties
- 6. Johnson, Darryl – sale of 1310 N. Olympia
- 7. Stevenson, Carl – sale of 1807 N. Owasso Ave
- 8. The Flats on Archer – Amendment
- 9. TDL Now – YMCA Lofts Request
- 10. CORE Associates, LLC – Plans
- 11. Ross Group – Schematic Drawings
- 12. One Place SE – Amendment
- 13. Annual Report – Missy Kruse

18. **New Business:** Chairman Peters stated he would like a discussion at the TDA Regular Meeting regarding experimenting with one meeting per month.

General Counsel Hartley stated he is revising the Agreement with Hartford Commons and Urban8 to protect the rights of the Redeveloper for Urban8.

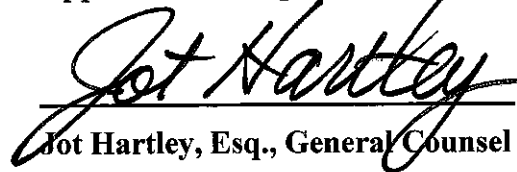
19. **Adjournment:** The meeting adjourned at 11:28 a.m.

Tulsa Development Authority



Roy Peters Jr., Chairman

Approved as to legal form and adequacy:



Jot Hartley, Esq., General Counsel

[8-6-2015 – Work Study Minutes (nbe-)]