

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 – September 1, 2016

9:00 a.m.

Present:

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

Absent:

Steve Mitchell, Vice Chairman

Also Present:

Roger Acebo
Kevin Anderson
Clay Bird
Linn Cain
Mitch Cain
Andrew Coffey
Mike Craddock
Derek Gates
Terri Gateward
Vanessa Hall-Harper
Karen Keith
Norman Kildow

Also Present:

Julie Miner
Lottie Nealy
Brant Pitchford
Lori Schram
Marvin Shirley
Mike Thedford
Jarrel Wal
Steven Watts
NaTasha Bunch-Everly
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 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: Chairman Peters, Commissioner Pegues, Commissioner Bracy, and Commissioner Roberts were present. Vice Chairman Mitchell was absent. A quorum was present.

2. Routine, Repetitive Items for Action:

- a. Minutes of August 4, 2016 Special Meeting
- b. Minutes of August 4, 2016 Special Executive Session Meeting

Commissioner Pegues moved to approve the minutes, Agenda Items 2.a., and 2.b., seconded by Commissioner Bracy. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, 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:

TDA issued a Certificate of Completion in April 2016. The Urban8 Project was recently in the news regarding lack of interested buyers.

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

The project is scheduled for completion in October 2016. The number of units available for lease is 96. Currently, 20 units are occupied and 40 units are leased.

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

The Redeveloper is in the process of finalizing details of the potential development partnership agreement. CORE Associates, LLC indicates this development will make a huge impact to Downtown Tulsa.

D. The Flats on Archer

The project is currently in the permitting stage with the City of Tulsa.

E. Blue Dome Anchor, LLC a/k/a The Hartford Building:

The Redeveloper is in the process of clearing and cleaning the site. The façade of rehabilitation mock-up is complete. Discussions are being held with Medical and Wellness Services, and a national Title and Trust Company for tenancy on Levels 1 and 2. The Redeveloper plans to utilize Level 3 for apartments.

F. YMCA Lofts:

No new information.

G. The Meridia, LLC - City Development LLC:

This is an Agenda item for today for approval of the Fifth Draw Request.

4. Sector Plan Update

Houseal Lavigne was scheduled to present and appear before the TMAPC on August 17, 2016 to begin the formal adoption process. The item was continued until September 7, 2016 because Houseal Lavigne needed additional time to complete the final edits. Houseal Lavigne will return to Tulsa for the September 7, 2016 TMAPC Hearing. General Counsel Hartley stated he is working with Dawn Warrick, Director of Planning and Economic Development for City of Tulsa, regarding placement of notices in the Sector Plan areas.

After discussion, Commissioner Bracy moved to accept TDA's Executive Director Report for September 2016. Commissioner Roberts seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously

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** – Project will be advertised for bid before October 1, 2016. Fixtures on Elgin, between 1st Street and railroad tracks, have bid and a PO number has been issued and lights have been ordered. Contractor will be ready for installation as soon as lights are delivered. Installation date is not confirmed but the hope is sometime in October.
- **Proposed streetscape improvements to Cameron Street: Fund No. 6963** – Project bid advertising is projected to start by October 1, 2016. Mylar's are being routed for signature.
- **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 met with The Lacy Park Council and The Joe Louis Homeowners Association about the status of the North Peoria TIF and future plans. Mr. Gates also met with Mr. Bill White, Business Development Specialist for the Chamber of Commerce to discuss improving economic development in the TIF area. Mr. Gates stated another community meeting will be held after the completion of a light study. Mr. Gates answered questions and concerns from the Board.

c. WIN's Department – Brant Pitchford: A copy of the report is included in the Commissioner's packets: Mr. Brant Pitchford presented

his Report and Expansion Proposal. The Expansion Proposal provided details for expanding the boundaries to include the North Tulsa Sector Plan to capture additional citizens to assist in home repairs. Mr. Pitchford answered questions and concerns from the Board. Norman Kildow clarified \$200,000.00 was transferred from the Hartford Building fund and not the CBDG fund. General Counsel Hartley recommended postponing action until next month to allow for clarity in regard to the Expansion Proposal.

After discussion, the Staff Reports were accepted.

d. 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 presented his Report and requested approval of Just Compensation for two (2) properties located in the project area. Commissioner Roberts requested the Appraised Value should also be added to the Report. Mr. Acebo responded to questions and concerns of the Board. After discussion, Commissioner Roberts moved to approve **Resolution No. 6261**, approving and authorizing the Offer of Just Compensation to Certain Property for Acquisition of Real Property for Elm Creek/6th Street Infill Project. Commissioner Bracy seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously

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:**

East End Village and MGT Construction Management have requested that the subcontractor liens be severed and stayed pending decision on the Owner/Contractor litigation. A hearing on subcontractors' issue was held on August 23, 2016. The case was given the first available trial setting for March 27, 2017. Request for special master re lien validity denied. Request for discovery master held in abeyance pending development of “realistic” scheduling order. All other pending motions not addressed.

Breach of Contract and Lien Foreclosure Counterclaims:

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

See discussion of consolidated case above.

- **Sunbelt Fire Protection, Inc. v. MGT Construction Management, Inc. et al:**

Action filed May 6, 2016 by Sunbelt Fire Protection, Inc. against a total of 17 defendants, including TDA, for breach of contract relating to the East End Village redevelopment. TDA has not been served. This case has been assigned to Judge Cantrell who also has the two cases listed above. See discussion of consolidated cases above.

Other:

- **Novus Homes (Wilkins)**

TDA Board approved participation in Arbitration of the “dispute.” Letter from Counsel Melissa East dated August 16, 2016 received with Open Records request to TDA regarding Wilkins, their companies, and Block 44 property. General Counsel is reviewing the request and will process documents for privilege claim prior to production.

- **Novus Homes (Wilkins).**

Filed by Wilkins seeking injunction against TDA proceeding with sale of its property in Block 44 pursuant to RFP issued following the April, 2016 TDA Board meeting. Request for Temporary Restraining Order was denied. Temporary injunction hearing pending. Special Counsel Jim Weger is assisting TDA General Counsel in defense of this matter. A hearing date has not been set for the Temporary Injunction.

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

- a. **July 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 Financial Report and Comparative Financial Statements for July 2016, and approve

Resolution No. 6262, seconded by Commissioner Bracy. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously.

- c. **Budget Amendment for the North Peoria Tax Increment Fund District No. 4:** Executive Director Walker stated this request is to Amend the North Peoria TIF fund to allow for payment for the North Peoria Lighting Project. After discussion, regarding the definition of Downtown and whether it includes IDL and North Tulsa, and can it be used for other development, on motion of Commissioner Pegues, **Resolution No. 6263**, approving expenditure from Tax Increment District No. 4 (a/k/a North Peoria TIF) for Engineering Services Agreement with D.W. Gates Engineering to provide Engineering services for the North Peoria Street Lighting Project, Tulsa, Oklahoma. Seconded by Commissioner Bracy. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously.

7. Receive, Discuss, and Vote:

- a. **Discussion, consideration, and vote to enter into a Redevelopment Agreement with Capital Homes for TDA owned property located South of East Virgin Street, between North Lansing Avenue and the Osage Prairie Trail, Tulsa, Oklahoma (Ogans Circle):** Executive Director Walker and General Counsel Hartley met with representatives of Capital Homes regarding the Redevelopment Agreement. General Counsel Hartley stated a new appraisal for the property should be obtained because the current appraisal is 12 months old. Counsel Hartley recommended tabling this item until next month's TDA meeting. After discussion, Commissioner Bracy moved to table this Agenda item. Commissioner Roberts seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously

- b. **Discussion, consideration, and vote to approve a Resolution requesting approval for the disposition of a parcel of land owned by TDA located on the Southeast corner of West Archer Street and**

South Guthrie Avenue, Tulsa, Oklahoma: Executive Director Walker stated the property was appraised for \$40,000.00 and this request is to transfer the property to Tulsa County. Tulsa County Commissioner Karen Keith was present and thanked TDA's Executive Director and Board for considering donating the land to Tulsa County to aid in the development of the new Juvenile Justice Center. After discussion, Commissioner Pegues moved to approve **Resolution No. 6264**, approving Donation and Conveyance of TDA owned property located on the Southeast corner of West Archer Street and South Guthrie Avenue to Tulsa County. Commissioner Roberts seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously

- c. **Discussion, consideration, and vote to approve an amendment to the Offer of Purchase by Michael Jackson for the sale of 1310 North Olympia Ave., Tulsa, Oklahoma:** Executive Director Walker stated the \$8,500.00 appraisal covered the exterior of the property and not the interior. The interior of the property will require substantial renovations. He stated, he advised Michael Jackson to gather all paperwork regarding interior renovation and then come back to the Board for approval of price reduction for the property. Commissioner Bracy questioned if the purpose of Mr. Jackson purchasing the property is to resale the property at a higher price. Chairman Peters requested all appraisals to include exterior and interior valuations to receive accurate appraisals. After discussion, Commissioner Bracy moved to table this Agenda item. Commissioner Roberts seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously

- d. **Discussion, consideration, and vote to approve a Resolution authorizing the Fifth 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 is a routine item and this request represents 65% completion and is for \$91,000.00. After discussion, Commissioner Pegues moved to approve **Resolution No. 6265**, approving payment of Advance Number Five to The Meridia, LLC pursuant to Redevelopment Agreement for the Meridia project located at 522 South Boston Avenue, Tulsa, Oklahoma. Commissioner Bracy seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously

- e. Discussion, consideration, and vote to approve a Resolution authorizing Brady Arts District Owners Association request from the Brady District TIF Streetscaping funds for the following:**

i. Main Street Streetscaping GKFF

1. North Main Street between East Mathew Brady Street and East Cameron Street

Project Cost \$320,000.00

Amount Requested \$320,000.00

Mr. Marvin Shirley, representative for Brady Arts Districts Owners Association was present to provide explanations and details regarding the projects. Mr. Clay Bird suggested the City of Tulsa Planning Department is included in the distribution of TIF documents. Mr. Shirley explained the City of Tulsa is included in the distribution and approval of TIF Grant Applications. Julie Miner, representative for INCOG stated the TIF was established for public improvements. General Counsel Hartley recommended approving this application and requested competitive sealed bidding for the project. After discussion, Commissioner Roberts moved to approve **Resolution No. 6266**, approving request to fully fund the Streetscape Cost of Materials, Construction and Engineering from Tax Increment District No. 1 (a/k/a Brady Village TIF) for purchase and installation of improvements located in the public right-of-way of Main Street, between East Mathew Brady Street and East Cameron Street, Tulsa, Oklahoma in an amount not to exceed \$320,000.00 - Brady TIF Grant Application No. 10. Commissioner Bracy seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously

ii. Archer Building Streetscaping GKFF

1. 215 East Archer Street

Project Cost \$555,750.00

Amount Requested \$147,500.00

After discussion, Commissioner Pegues moved to approve **Resolution No. 6267**, approving Grant Application No. 11. Authorizing Expenditure of funds from Tax Increment District No.

1 (a/k/a Brady Village TIF) for purchase and installation of improvements located in the public right-of-way within the Boundaries of the Brady Village TIF - Archer Building, in an amount not to exceed \$147,500.00. Commissioner Bracy seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously

iii. The Flats on Archer Streetscaping

1. 110 North Boston Avenue

Project Cost \$225,000.00

Amount Requested \$75,000.00

After discussion, Commissioner Pegues moved to approve **Resolution No. 6268**, approving Grant Application No. 12 authorizing expenditure of funds from Tax Increment District No. 1 (a/k/a Brady Village TIF) for purchase and installation of improvements located in the public right-of-way within the boundaries of the Brady Village TIF - The Flats on Archer, in an amount not to exceed \$75,000.00. Commissioner Bracy seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously

iv. Western Supply by GKFF

1. 424 North Boulder Avenue

Project Cost \$975,000.00

Amount Requested \$306,000.00

After discussion, Commissioner Pegues moved to approve **Resolution No. 6269**, approving Grant Application No. 13 authorizing expenditure of funds from Tax Increment District No. 1 (a/k/a Brady Village TIF) for purchase and installation of improvements located in the public right-of-way within the boundaries of the Brady Village TIF - Western Supply, in an amount not to exceed \$306,000.00. Commissioner Bracy seconded the motion. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously

v. Holiday Inn Express by the Ross Group

1. 23 North Detroit Avenue

Project Cost \$112,500.00

Amount Requested \$37,500.00

After discussion, Commissioner Bracy moved to approve **Resolution No. 6270**, approving Grant Application No. 14 authorizing expenditure of funds from Tax Increment District No. 1 (a/k/a Brady Village TIF) for purchase and installation of improvements located in the public right-of-way within the boundaries of the Brady Village TIF - Holiday Inn, in an amount not to exceed \$37,500.00.. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

Nays: None

The motion passed unanimously

Commissioner Pegues moved to go into Executive Session at 10:27 a.m., seconded by Commissioner Bracy. The vote was recorded as follows:

Ayes: Peters, 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 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 by Mayfield, LLC impacting the development of Downtown Tulsa, Oklahoma. [25 O.S. §307(b) (4) and §307(c) (10).]
- b. Confidential communication with Counsel regarding responses to the Request for Proposal for TDA owned property located West of Elgin Street, between East Archer Street and East Brady Street, Tulsa,

Oklahoma (Block 44), and injunction action filed by Wilkins [25 O.S. §307(b) (4) and §307(c) (10).]

- c. Confidential communication with Counsel regarding 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).]
- 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).]
- e. Confidential communication with Counsel regarding possible action to approve revisions to and re-issuance of the RFP for TDA owned property located West of Elgin Street, between East Archer Street and East Brady Street, Tulsa, Oklahoma (Block No. 44). [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 11:22 a.m., seconded by Commissioner Bracy. The vote was recorded as follows:

Ayes: Peters, 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**

8.a. Mayfield, LLC

After discussion, Commissioner Roberts moved approve **Resolution No. 6271**, approving form of Promissory Note and Mortgage in the amount of \$2,000,000.00 pursuant to redevelopment Agreement with Mayfield, LLC, subject to review and approval of TDA's Chairman, seconded by Commissioner Bracy. The vote was recorded as follows:

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

The motion passed unanimously.

8.e. Block 44

After discussion, Commissioner Roberts moved to approve **Resolution No. 6272**, authorizing revision and reissuance 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, seconded by Commissioner Bracy. The vote was recorded as follows:

Ayes: Peters, Pegues, Bracy, and Roberts

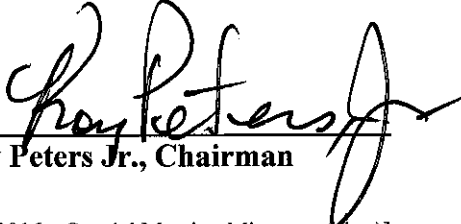
Nays: None

The motion passed unanimously.

12. New Business: None

13. Adjournment: Chairman Peters adjourned the meeting at 11:25 a.m.

Tulsa Development Authority



Roy Peters Jr., Chairman

Approved as to legal form and adequacy:



Jot Hartley, Esq., General Counsel

[9-1-2016 – Special Meeting Minutes - (hbc-)]