
**TULSA DEVELOPMENT AUTHORITY
STAFF REPORT**

MEETING DATE: August 4, 2016
TO: Chairman and Board Members
FROM: O.C. Walker
SUBJECT: Request to enter into a Redevelopment Agreement for Redevelopment of Ogan's Circle
LOCATION: South of East Virgin Street, between North Lansing Avenue and the Osage Prairie Trail, Tulsa, Oklahoma

Background:	Redeveloper:	Tulsa Development Authority
	Owner:	Tulsa Development Authority
	Location:	South of East Virgin Street, between North Lansing Avenue and the Osage Prairie Trail Tulsa, Oklahoma
	Size of Tract:	3.21 Acres
	Zoning:	Single Family Residential
	Development Area:	Lacy Park Neighborhood
	Fair Market Value	Appraisal - \$140,000
	Staff Planner:	O.C. Walker

Relevant Info: On July 12, 2016, the TDA Board of Commissioners reviewed and approved Resolution No. 6237, authorizing negotiations with Capital Homes for the sale and redevelopment of TDA Owned lots located at Ogan's Circle. On Tuesday, July 26, 2016, TDA's Executive Director and General Counsel met with Capital Homes to discuss the terms and conditions of the proposed agreement. Two items that came up were Development Details and assistance with down payment.

In regard to the Development Details, the City of Tulsa has provided a newly constructed street. According to Leon Davis, Project Manager – Real Estate Department for City of Tulsa, there are funds available to support additional Development Details. The following is to occur prior to the commencement of construction:

- Stockade fencing around the perimeter of the lots
- Light lighting
- Decorative entryway into the development
- Ensure the Redeveloper has access to all utilities on site

Capital Homes proposes that TDA contribute a total of \$80,000 toward down payment assistance loans. Each loan will be in a form of a Promissory Note from the new home buyer to TDA secured by a second mortgage. The loan is not a gift; although it will bear no interest, and the loan will become due upon the sale or refinancing of the home. These loans will help address obstacles related to cash down payments, buyers' credit issues and other barriers to home ownership. Capital Homes will contribute up to \$4,000.00 toward the closing cost. These two forms of assistance will stimulate demand, establish comparable sales, and create momentum in an area with limited new construction activity. As momentum and comparable sales develop, buyers require assistance.

Down Payment Assistance Loans	No. of Homes	Per Home	Total
First Four Homes	4 Each	\$8,000	\$32,000
Second Four Homes	4 Each	\$6,000	\$24,000
Last Six Homes	6 Each	\$4,000	\$24,000
Total	14 Homes		\$80,000

Recommendation: Staff recommends this item be approved as presented.

Reviewed By: O.C. Walker

AGREEMENT FOR TERMS AND CONDITIONS OF NEGOTIATIONS
BETWEEN TULSA DEVELOPMENT AUTHORITY AND
CAPITAL HOMES, LLC FOR REDEVELOPMENT OF OGAN'S CIRCLE
SUBDIVISION

WHEREAS, The Board of Commissioners of the Tulsa Development Authority (TDA) has authorized the TDA Chairman, TDA Executive Director and the TDA General Counsel to enter into negotiations with Capital Homes (Capital) for the execution of a Redevelopment Agreement for the sale and redevelopment of TDA owned Lots in the Ogan's Circle Subdivision to the City of Tulsa, Oklahoma; and,

WHEREAS, said authorization is conditioned upon Capital's prior written acknowledgement of, and agreement to, certain conditions precedent to said negotiations; and,

WHEREAS, Capital is willing to so acknowledge and agree to such conditions as hereafter set forth.

NOW THEREFORE, TDA agrees and Capital Homes, LLC, on behalf of itself, and its owners, officers, managers, members and successors, agrees that any and all negotiations by and between TDA and Capital relating to the redevelopment of the TDA owned Lots in the Ogan's Circle Subdivision to the City of Tulsa, Oklahoma, shall be subject to and conditioned upon the following:

- (1) That no Redevelopment Agreement or other contract with Tulsa Development Authority for the sale and redevelopment of the said real estate shall be in effect unless and until it shall have been approved by a majority vote of the Tulsa Development Authority Board of Commissioners in a public meeting; and,
- (2) That either party (i.e. TDA or Capital) shall have the right to terminate the negotiations at any time without cause and without any further liability to the other, including within such exclusion of liability, without limitation, any costs, fees or other expenses incurred by either party in the course of preparation for and/or participation in such negotiations.

Dated this 26th day of July, 2016.

TULSA DEVELOPMENT AUTHORITY

By _____
Roy Peters, Jr., Chairman

CAPITAL HOMES, LLC

By _____
David Charney, Manager