

---

**TULSA DEVELOPMENT AUTHORITY BOARD MEETING  
STAFF REPORT**

**MEETING DATE:** December 1, 2016  
**TO:** Chairman and Board Members  
**FROM:** Office of Tulsa Development Authority  
**SUBJECT:** Transfer of Old Morton Hospital

---

**Background:**      **Owner**                      **City of Tulsa**  
                         **Developer:**                **Tasha's Development Company**  
                         **Location:**                    **Northeast Corner Greenwood and Pine**  
                         **Development Area:**        **Old Morton Hospital**  
                         **Purchase Price:**            **\$35,000.00**  
                         **Executive Director:**        **O.C. Walker**

**Relevant Info:**      This site, the former Morton Healthcare location has been the object of development for some time. In Sept. 2016, a Memorandum of Understanding (MOU) was executed with Morton's Reserve Properties, LLC (MRP). It is now in the best interests of the City to formally surplus the property and transfer title to the Tulsa Development Authority who will complete the negotiations with MRP to achieve and enforce the best redevelopment agreement attainable for developing a mixed-use project with multifamily housing units and retail space.

---

**Attachments:**        Executed MOU  
                                 Copy of Proposal provided to Executive Director

**Recommendations:**    Staff recommends this item be approved as presented

**Reviewed By:**        O.C. Walker

**SPECIAL PROJECT AGREEMENT FOR SALE AND  
REDEVELOPMENT OF MORTON BUILDING PROPERTY  
LOCATED AT 660 EAST PINE STREET – CITY OF TULSA**

The purpose of this agreement, effective as of the \_\_\_\_\_ day of January, 2017, (“Special Project Agreement”) is to outline the roles and responsibilities of the City of Tulsa (City) and the 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:** Morton Building Property (the Property)

**Project Location:** 660 East Pine Street, Tulsa, Oklahoma

**Description:** Pursuant to a Request for Proposal (RFP) the City has selected Pine Place Development as the proposed redeveloper for the City owned Morton Building Property located at 660 East Pine Place, Tulsa, Oklahoma.

**Services to be provided:** The City requests TDA negotiate and enforce a Contract for Sale of Land for Private Redevelopment (Redevelopment Contract) with Pine Place Development (Redeveloper), incorporating the terms of the City’s RFP, the Proposal submitted by the Redeveloper to the extent approved by the City, and as directed by the City of Tulsa by the terms of this Special Project Agreement or otherwise in writing.

The sale price to the Redeveloper for the Property shall be \$35,000.00 with the condition that the plan for redevelopment shall include a provision for the retention of the original Morton Hospital Building brick façade and structure. The Redevelopment Contract shall require the Property to be redeveloped in conformity with the provisions of the Proposal submitted by the Redeveloper to the extent approved and accepted by the City. The TDA shall also verify ownership of title and secure appropriate releases of liens encumbering the Property in order to achieve marketable title.

**Term:** The term of this agreement shall begin upon the signature of the Mayor and shall terminate once a certificate of completion of the redevelopment project upon the subject parcel has been issued by TDA to the redeveloper and the TDA has been paid for its services as required herein.

**Compensation Structure:** From the proceeds of sale of the Property, City agrees for TDA to retain as payment and reimbursement to TDA an amount equal to the sum of all costs and expenses incurred by TDA in the negotiation, implementation, enforcement and certification of completion of the redevelopment project upon the Property covered by this Special Project Agreement. Such expenses are anticipated to include, but not be limited to, survey, legal, environmental, engineering, inspection, monitoring, administrative, insurance, maintenance, taxes, assessments and certification services. TDA may employ third parties and professionals in the provision of services under this Special Project Agreement.

**Unrelated expenses not subject to reimbursement:** City shall not reimburse TDA for expenses incurred by TDA for services not provided pursuant to this Special Project Agreement.

**City's responsibilities:** Unless disputed, City shall promptly pay each Advance Request which has been submitted by TDA for payment pursuant to this Special Projects Agreement Assuming funds are available and have been dedicated for such payment as provided herein.

**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 Commissioners (Resolution No. 6138) on the 3rd day of September, 2015, (attached).

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

---

Roy Peters, Jr., Chairman

---

Date

Approved as to Form:

---

Jot Hartley, General Counsel  
Tulsa Development Authority

**City of Tulsa, a municipal corporation,**

---

G. T. Bynum, Mayor

---

Date

Attest:

---

City Clerk

Approved as to form:

---

Assistant City Attorney

Approved:

---

Contract Administrator/Director of Planning & Development

# REQUEST FOR ACTION: CONTRACT

Version: 01/27/2014

AGENDA FOR:  MAYOR  COUNCIL AUTHORITY:  DATE: August 1, 2016  
 Tulsa City Clerk's Office: 596-7513 or 596-7514

**FOR INFORMATION CONTACT:**

DEPARTMENT: PLANNING & DEVELOPMENT CONTACT NAME: Leon Davis  
 ADDRESS: 175 E. 2nd Street 5th Floor TELEPHONE: 918-576-5564  
 CONTRACT TYPE: MEMORANDUM OF UNDERSTANDING CONTRACT #: 32867  
 CONT. DOC. TYPE: CONTRACT AMOUNT: \_\_\_\_\_  
 PROJECT TITLE: Old Morton Healthcare redevelopment  
 CONTRACTOR: Morton's Reserve Properties, LLC  
 BID/TAC/PROJECT #: \_\_\_\_\_ EXTENSION DAYS: \_\_\_\_\_ COMMODITY CODE: \_\_\_\_\_  
 RENEWAL, AMENDMT, CHNG # \_\_\_\_\_ of x PERCENT: \_\_\_\_\_ TOTAL PERCENT: \_\_\_\_\_ COUNCIL DIST: \_\_\_\_\_

**SUMMARY:**

Memorandum of Understand between City of Tulsa and Morton's Reserve Properties, LLC. Clarifies relationship and roles between Respondent and City related to the possible, future redevelopment of Old Morton Healthcare location. Respondent desires to develop mixed-use project on location. Two options were submitted with Respondent's RFP for consideration (attached). Option 1 involved 96 apts, 28k sf office/comm., 21k sf retail, and 12-14k sf historic preservation of original Old Morton Building. Option 2 (if Old Morton building determined structurally unsound) involves 16-20 townhomes, 32k sf office/comm. and 24k sf retail. Respondent is to engage the affected community to discuss project intent and engage in due diligence with intent to negotiate an eventual redevelopment agreement.

APPROVED BY MAYOR  
CITY OF TULSA

SEP 21 2016

**BUDGET:**

**FINANCE DIRECTOR APPROVAL:**

CHECKLIST	FUNDING SOURCE(S):
<input type="checkbox"/> No Payments Involved	N/A
<input type="checkbox"/> Purchase Order	
<input checked="" type="checkbox"/> Contract Encumbrance	
<input type="checkbox"/> Affidavit Needed?	

**REQUEST FOR ACTION:**

*All department items requiring Council approval must be submitted through Mayor's Office.*

Request Mayoral approval of MOU between City of Tulsa and Morton's Reserve Properties, LLC. Please forward copies with original signatures to Bob Edminston, Legal Department, 6th Floor. PDF copy sent to Leon Davis, Jr.

DEPARTMENT HEAD APPROVAL: *Leon Davis* DATE: 9/2/16  
 ASST CITY ATTORNEY APPROVAL: *Robert R. Edminston* 9/16-16  
 BOARD APPROVAL: \_\_\_\_\_  
 MAYORAL APPROVAL: *[Signature]* SEP 21 2016  
 OTHER: \_\_\_\_\_

**FOR CITY COUNCIL OFFICE USE ONLY:**

DATE RECEIVED: \_\_\_\_\_  
 COMMITTEE: \_\_\_\_\_ COMMITTEE DATE(S): \_\_\_\_\_ FIRST AGENDA DATE: \_\_\_\_\_  
 HEARING DATE: \_\_\_\_\_ SECOND AGENDA DATE: \_\_\_\_\_ APPROVED: \_\_\_\_\_

For City Clerk's Office Use Only (Agenda Date: MMDDYYYY; Sec #; Dept ##, Item ##, Sub-Item ##, Status: S=Synopsis):

09 - 21 - 2016
3
19
02

CITY OF TULSA  
LEGAL DEPARTMENT

2016 SEP -2 P 4:02

RECEIVED

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE CITY OF TULSA AND  
MORTON'S RESERVE PROPERTIES, LLC  
REGARDING THE OLD MORTON  
HEALTHCARE LOCATION**

This Memorandum of Understanding (MOU) is entered into this 1st day of August, 2016, by and between the City of Tulsa, a municipal corporation, hereinafter referred to as the "City", and Morton's Reserve Properties, LLC, a private developer, hereinafter referred to as "Respondent" for the purpose of clarifying the relationship between the Respondent and City related to time to allow Respondent to directly and formally engage the adjacent and local community on the intent and design of their project.

WHEREAS, on June 17, 2015, a Request for Proposal was released to develop the Old Morton Healthcare site located at the 600 block of E. Pine; and

WHEREAS, on July 27, 2015, Pine Place Development, LLC, with Michael E. Smith as its sole member was one of three firms to submit a proposal in response; and

WHEREAS, Michael E. Smith has chosen to proceed in this process through Morton's Reserve Properties, LLC, as its sole member, rather than through Pine Place Development, LLC, and

---

WHEREAS, the Respondent is being requested to provide the City with additional information prior to entering a Redevelopment Agreement.

IT IS THEREFORE AGREED between the City and Respondent as follows:

**1. ROLE OF THE RESPONDENT:**

Respondent shall conduct neighborhood/community meeting(s) to discuss their project with the adjacent neighborhood and interested parties. At these meetings, Respondent is expected to provide to those present renderings of the proposed project. This is especially important due to the historical significance of the property. Any feedback provided at the community meetings, such as: 1) level of support; 2) recommended design changes; and 3) extent of participation, shall be presented to the City for consideration.

Respondent shall formally notify the city in writing within 90 days of the date of this MOU the results of their final due diligence involving the community meetings and whether or not Respondent desires to proceed with the project.

**2. ROLE OF THE CITY:**

Upon receiving the written results of the Respondent's final due diligence efforts, the City's internal review committee shall determine within 30 days of the receipt thereof, whether or not to proceed with the project.

If the City hasn't notified the Respondent within 30 days after receiving the Respondent's written results of its due diligence, then by default, all negotiations are terminated and neither party shall have any obligation to the other.

3. TERM

This MOU automatically expires 90 days from its date if any of the items to be submitted to the City are not provided and accepted. If either party intends to terminate this Agreement prior to the MOU expiration date, a written notice of termination shall be provided to the other party and this Agreement shall terminate.

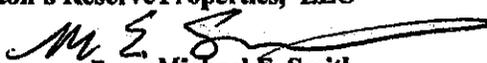
4. MODIFICATION OF THIS AGREEMENT

The terms of this MOU may be modified in writing by mutual agreement of the parties.

IN WITNESS WHEREOF, the Respondent and the City have executed this Agreement as of the date first written above.

Morton's Reserve Properties, LLC

By:

  
Michael E. Smith

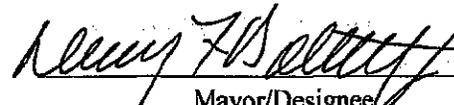
Manager

Date:

1<sup>st</sup>, AUGUST, 2016

CITY OF TULSA

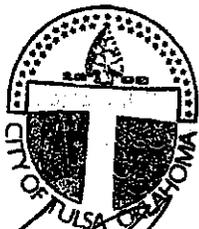
By:

  
Mayor/Designee

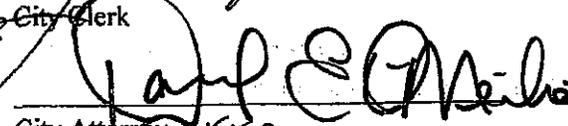
Date:

SEP 21 2016

Attest:



  
City Clerk

  
City Attorney