
**TULSA DEVELOPMENT AUTHORITY BOARD MEETING
STAFF REPORT**

MEETING DATE: May 5, 2016
TO: Chairman and Board Members
FROM: Office of Tulsa Development Authority
SUBJECT: Lease Proposal for 1216 N. Lansing Ave. – Suite B,
Tulsa, OK

Background:

Owner	Tulsa Development Authority
Tenant (Proposed):	Leon Rollerson
Location:	1216 North Lansing, Suite B
Size of Space:	1,941 SF per TDA
Number of Spaces:	One (1)
Development Area:	Lansing Business District
Fair Market Value:	\$1,132.25 per month
Current Contract Amount:	\$267.00 per month
Executive Director:	O.C. Walker

Relevant Info: On February 6, 2007, the TDA Board of Commissioners entered into a one (1) year Lease Agreement with Leon Rollerson to occupy 800 square feet of Suite B. The remaining balance of the suite was to remain vacant. After the first year, the Lease Agreement reverted into a “month-to-month” arrangement. The agreed upon amount for the first year was \$3,200.00 or \$267.00 per month.

Mr. Rollerson has occupied the subject space for over ten years, with no rate increase. Also, he has utilized space not included in the lease and is not part of the agreement. The additional space occupied is used to store production equipment. On July 28, 2010 the TDA office notified Mr. Rollerson that payment for Suite B had been delinquent in the amount of \$1,268.00. He was also notified that he was using additional space not included in the original agreement.

On February 24, 2016 the TDA Executive Director met with Mr. Rollerson to discuss the following:

- Delinquent rent would be paid within 60 days of our meeting in the amount of \$1,672.00.
- All utilities are to be restored to full service (gas and lights).
- Terms of a new lease will be negotiated at market rate, together with providing an option to lease space, not included the original lease agreement.

It was agreed that Mr. Rollerson would adhere to all requests as noted above by April 29, 2016.

On February 26, 2016 the office of TDA prepared a memorandum to the file to document the discussion with Mr. Rollerson, stating the following:

- Rent was delinquent in the amount of \$1,939.00, which represented nine (9) months' rent. This amount included January 2016 rent that was not paid.
- Suite B has not had full electric or gas service over a four (4) year period.
- The initial agreement was executed for 800 square feet, constituting only a portion of Suite B.
- This suite is primarily being used for storage.

In accordance to Section 7. Holding Over: Tenant shall be deemed to be occupying the Lease premises as a tenant from month to month, and such tenancy may be terminated by Landlord as provided by law. During said tenancy, the rent payable to landlord by Tenant shall be double the Rent set forth in Section 5 hereof, unless a different amount is agreed upon by Landlord and Tenant in writing, and Tenant shall occupy the Leased Premises pursuant to all the other terms, covenants and conditions set forth in the Lease so far as the same are applicable.

This is a request for the TDA Board of Commissioners to increase the rent rate to a more competitive rate. Fair market value is \$1,132.25 per month.

Attachments:

- Lease Agreement between TDA and Leon Rollerson dated February 6, 2007
- Letter to Mr. Rollerson dated July 28, 2010
- Memorandum to TDA file dated February 26, 2016
- Letter to Mr. Rollerson dated February 29, 2016.

Recommendations:

Staff recommends the TDA Board of Commissioners revise the Lease Agreement between TDA and Leon Rollerson to include the entire suite consisting of 1,941 square feet. Staff also recommends increasing the monthly rate to fair market value of \$1,132.25, and forgive the delinquent amount of \$1,939.00.

Reviewed By:

O.C. Walker