
**TULSA DEVELOPMENT AUTHORITY
STAFF REPORT**

MEETING DATE: January 4, 2018
TO: Chairman and Board Members
FROM: O.C. Walker
SUBJECT: Amendment to an existing Redevelopment Agreement between Pearl Development, LLC and TDA
LOCATION: Southwest Corner of South Peoria Avenue and East 6th Street South, Tulsa, Oklahoma

Background:	Redeveloper:	Pearl Development, LLC
	Owner:	Pearl Development, LLC
	Location:	Southwest Corner of South Peoria Avenue and East 6th Street South, Tulsa, Oklahoma
	Size of Tract:	1.27 Acres
	Zoning:	Mixed-Use Corridor
	Development Area:	Pearl District
	Fair Market Value	\$600,000.00
	Executive Director:	O.C. Walker

Relevant Info: On May 4, 2017, the TDA Board of Commissioners executed Resolution No. 6344, approving the second amendment to the Redevelopment Agreement with Pearl Development, LLC. The amendment allowed until December 20, 2017 for the Redeveloper to provide the Construction Financial Documentation for consideration at the January 4, 2018 TDA Regular meeting. The request is in accordance with the Redevelopment Contract, Section 5(c), and Construction Financial Documentation Phase. This is a request from Pearl Development, LLC for the TDA Board of Commissioners to grant additional time to produce the subject documentation until July 2018.

The Redeveloper is in the process of finding more suitable investors to proceed with the larger development. As a result the project banker is in talks with some more suitable investors which the project will need to move forward in the construction documents for the bigger project. As for now, they are allowing several other potential investors the opportunity to partner for the project before completing the plans. This request from the last deadline is to modify the completion date. This date has stayed constant from the original contract with TDA which is to construct at least a 7,500 square foot project to be completed by December 2020. Construction time will be 12 – 14 months.

Attachments: Letter from Darin Ross dated December 14, 2017.

Recommendation: Staff recommends the TDA Board of Commissioner approve this request as presented.

Reviewed By: O.C. Walker

O.C.,

Currently I am still in the process of finding a more suitable investor to proceed with the larger development . In short, I parted ways with Paine and Assoc. whom I had been working with for the past 6 + months after I realized they were acting more as a broker as opposed to an investor and bringing in a third party. As a result, my banker, Brain Humphrey (copied him) have been in talks with some more suitable investors which I would need in order to move forward into construction documents for the bigger project. My second plan, which was the original smaller 3.5 million dollar project, may be the more feasible way (a frankly less risky for me). This would not require investors and thus would be more easier to execute. As for now, we are allowing several other potential investors the opportunity to partner with the bigger project before scrapping the larger plans . (I now have over 80k of my personal money invested in architectural and civil engineering plans). Regardless of plans, we have discovered what needs to be accomplished in regard to easements, utilities etc. for any building to take place on the lot which took months for the civil engineers to determine. (Sisemore Weisz).

What I would like to request is to work from the last deadline, the completion date. This date has stayed constant from the original contract I have had with the TDA which is to have at least 7500 square feet completed by 12/31/20. The larger project, according to the contractors we are using for cost calculators for the project, would need 12-14 months to build. (Cowen Construction) and obviously several months needed for TDA approval.

In conclusion, I have made very several critical mistakes with architects / developers that have cost thousands of dollars and months of time. I did not want to settle for these partners/ investors just for the sake to meet deadlines, which I know are important for development.

Moving forward, I would like to have all financial and construction documents completed, at the latest, by July 20,2018. This deadline is approximately 1.5 years before the original completion due date. If I do not have investors on board for the larger project by the end of January of 2018, I am more than likely will settle for the smaller project. Regardless, I must get the right people who has our best interest. Please call me if you have any more questions.

Thank you,

Darin Ross
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