

SPECIAL MEETING MINUTES

**Tulsa Development Authority Board of Commissioners
Special Meeting**

One Technology Center
10th Floor South Conference Room
175 East 2nd Street
Tulsa, Oklahoma 74103

Thursday – December 19, 2019
4:00 p.m.

Present:

Nancy Lynn Roberts, Chairwoman
Steve Mitchell, Vice Chairwoman
Carl Bracy, Commissioner
Thomas Boxley, Commissioner
Ashley Philippsen, Commissioner

Absent:

O.C. Walker II, Executive Director
Jot Hartley, General Counsel

Also, Present:

Jim Coles
Walker Hanson
Kian Kamas
Scott Moehlerbagck
John O'Connor

Also, Present:

Steven Watts
Jane Malone
Demauri Myers
Nicole Travis

The Special Meeting was called to order at 4:12 p.m. by Chairwoman Roberts. Decisions will be made, votes and action taken. 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: Chairwoman Roberts, Vice Chairman Mitchell, Commissioner Bracy, Commissioner Boxley and Commissioner Philippsen were present. A quorum was present.

2. Discussion, consideration and vote to approve a Resolution regarding a requested amendment of Mortgage and a Third Amendment to the terms and conditions of a Redevelopment Agreement with Mayfield, LLC for a loan of TDA unrestricted funds for the purchase and redevelopment of real property and subsequent redevelopment to support an economic development initiative by Mayfield, LLC, impacting the development of Downtown Tulsa, Oklahoma.

Walker Hanson, Mayfield, LLC, provided an update on the upcoming project and expressed gratitude towards Tulsa Development Authority (TDA) for moving this project forward. Hanson stated TDA has made a huge difference in making this possible, and that it will be a great addition to the downtown area. It will operate seven (7) days a week where people can gather and create a sense of activity for more hours of the day.

Hanson provided example drawings of the project. He stated the entity bringing the project to Tulsa has approximately five (5) different sites including: Austin, Dallas, Huntington, Las Vegas and Tulsa. Hanson also stated they are releasing special technologies in the cinema, in hopes it will help differentiate them from other locations.

Commissioner Bracy inquired about the outside capacity. Hanson responded and stated that six (6) to eight (8) cinemas will vary slightly in size and the outdoor amphitheater will hold up to 800-1000 seats.

Chairwoman Roberts explained the purpose of the meeting, stating Mayfield, LLC, is requesting to close on an exchange of properties. The initial property that TDA entered into a Redevelopment Agreement with Mayfield, LLC, is in a different location and the property would be exchanged for the proposed property, that would place this project closer to the Brady Theater to begin creating an Entertainment District.

General Counsel Hartley stated in addition to Substitution and Security, the Third Amendment of the Redevelopment Agreement, to accommodate the change in plans, as well as the change in location, they will need an extension of time to submit their construction plans until December 31, 2020, and complete construction by July 1, 2021. Counsel Hartley also stated they are in the process of making edits to ensure the original mortgage is now the amended mortgage and the original property is the amended property. John O'Connor was acknowledged as the General Counsel for Mayfield, LLC. Mayfield, LLC, agreed to reimburse TDA for out-of-pocket expenditures and accommodating the Amendment, Legal Appraisal, Survey and Title Work. Counsel O'Connor will send the commitment for the title company that Mayfield, LLC, is currently using to purchase and trade for Block 39. Counsel Hartley will check the record prior to TDA providing a partial release of mortgage for the existing LA King Property, and Mayfield will provide TDA the First Amendment to Mortgage that will encumber the Brady side of Block 39. Upon completion, the documents will be recorded, and the Third Amendment will be executed.

Chairwoman Roberts expressed that the TDA commissioners have already been concerned about this project moving forward. Mr. Hanson assured the Commissioners he is working diligently to honor the aggressive timeline schedule. Hanson stated he will move as quickly as possible to relieve TDA of its financial responsibility and secure a bank for replacement. General Counsel Hartley stated that the changes in use of the property needs to be amended to that stated in the Third Amendment to the Redevelopment Agreement.

Commissioner Boxley inquired what time frame are you anticipating? Hanson responded and stated they are hoping to begin construction by June 2020 and would be working to relieve TDA of its position as a financier by that time.

After discussion, Vice Chairman Mitchell, moved to approve **Resolution No. 6620** approving Third Amendment to Redevelopment Agreement with Mayfield, LLC and Amendment of Mortgage from Mayfield, LLC to Tulsa Development Authority to encumber a portion of Block 39, City of Tulsa, Oklahoma Mayfield Project in exchange for a release of the real property currently encumbered by said Mortgage. Commissioner Bracy seconded the motion. The vote was recorded as follows:

Ayes: Roberts, Mitchell, Bracy, Boxley and Philippsen

Nays: None

The motion passed unanimously.

3. Discussion, consideration and vote to approve a Resolution approving a Subordination, Non-Disturbance and Attornment Agreement for 403 Cheyenne, LLC (the Adams Building) to allow the use of a leased antenna to be placed on the roof of the Adams Building located at 403 South Cheyenne Avenue, Tulsa, Oklahoma.

Steven Watts, Developer provided a brief update of the current project. He stated 403 Cheyenne has a total of sixty-five (65) units and are 100% leased. They received a \$490,000.00 loan as part of the Affordable Housing Loan Program. Watts also stated they are pleased with the success of the building and expressed appreciation towards TDA for providing the loan, which allowed them to keep the rent below market rate.

Watts provided a clear explanation regarding the antenna, stating it is leased to US Cellular. They plan to sell the interest in the lease to a third party called Tower Point. It will provide them with the additional capital needed to close out the project.

Chairwoman Roberts inquired about the amount of the construction loan. Steven Watts responded and stated \$6.3 million. He also stated they are selling the antenna site on top of the building for \$545,000.00 and Tower Point will become the landlord of U.S. Cellular. Watts further mentioned that Tower Point is doing a Master Lease and will collect payments from US Cellular. The Subordination, Non-Disturbance and Attornment Agreement simply states that, in the unlikely event of a default and a foreclosure of TDA's Second Mortgage Lien, TDA will not foreclose its lien against the

Master Lease with Tower Point and will not take action to prevent Tower Point from maintaining its position as US Cellular's landlord.

Commissioner Boxley inquired how does any other type of regulation impact that type of arrangement? General Counsel Hartley responded and stated the tower site is an interest in realty. TDA is subordinating its position on the mortgage and right to foreclose upon in the event of default.

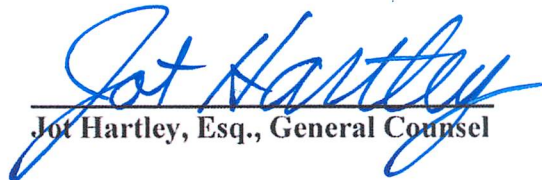
After discussion, Commissioner Boxley moved to approve **Resolution No. 6621** approving a Subordination, Non-Disturbance and Attornment Agreement, for 403 Cheyenne, LLC, and the Real Property Described on Exhibit "A" Attached Hereto. Commissioner Bracy seconded the motion. The vote was recorded as follows:

Ayes: Roberts, Mitchell, Bracy, Boxley and Philippsen
Nays: None

The motion passed unanimously.

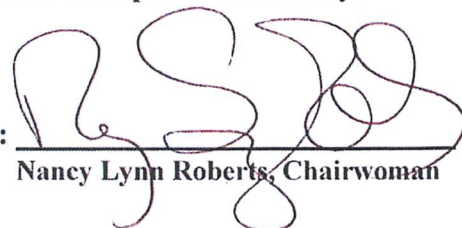
The meeting adjourned at 4:34 p.m.

Approved as to legal form and adequacy:



Jot Hartley, Esq., General Counsel

Tulsa Development Authority:

By: 

Nancy Lynn Roberts, Chairwoman

[12-23-19 – Special Meeting Minutes – nt/dm/nr]