WORK STUDY SESSION MINUTES

Tulsa Development Authority Board of Commissioners

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

Thursday – June 6, 2013
8:30 a.m.

Present:
Julius Pegues, Chairman
Carl Bracy, Commissioner
John Clayman, Commissioner
Roy Peters, Commissioner
O.C. Walker II, Executive Director
Jot Hartley, General Counsel

Absent:
Paula Bryant-Ellis, Vice Chairman

Also Present:
Roger Acebo
Kevin Anderson
Paul Burgard
Barry Burgard
Jim Coles
Leon Davis
Mike Dickerson
Reuben Gant
Dale Lancaster
Steve Larry
Tony Lombardi
Ray Meldrum

Also Present:
Clint Redwine
Stephen Schuller
Jeff Scott
Michael Thedford
Kathleen Watson
Joe Westervelt
Dennis Whitaker
Kajeer Yar
Jane Malone
Robin Watkins
Carol Young

The meeting was called to order at 8:30 a.m. by Chairman Pegues. Chairman Pegues welcomed everyone to the monthly Tulsa Development Authority Work Study Session and stated no votes would be taken at this meeting. All Reports and supporting documentation were distributed for the June 6, 2013 Tulsa Development Authority Work Study Session and will be incorporated by reference to these minutes. The agenda will be followed as filed.

1. Roll Call
a. Jane Malone called roll: Chairman Pegues and Commissioner’s Bracy, Clayman and Peters answered the roll. Vice Chairman Bryant-Ellis was absent. A quorum was present.

2. Staff Reports and Discussion - City of Tulsa (C.O.T.)

a. Mr. Leon Davis – Copy of this report was included in the Commissioner’s packets: Mr. Davis provided an updated Staff Report with the modifications indicated in “Bold” print. Mr. Davis advised the Board that there were no updates to his staff report. The report stands as presented with the following highlighted;

   Brady District Flats
   - Still seeking 9% tax credit from OHFA gap alternative funding source for the project purchased in 2010

   One Developers, L.L.C.
   - Certificate of Completion was issued on 2 of 3 tracts on May 24, 2013

   Ogan’s Circle
   - Indicated cost information to be submitted to the Executive Director regarding a possible re-acquisition
   - Contact was made with Robert Watson, d/b/a Redia, Inc.
   - Waiting for Chairman’s instructions

Commissioner Peters requested a better Project List. Chairman Pegues stated Mr. Robert Watson has purchased other lots and has sold those lots. Chairman Pegues asked why Mr. Watson was requesting that Tulsa Development Authority purchase Ogan’s Circle properties back.

Commissioner Bracy asked for an update on the Senior Living project in north Tulsa and requested an expiration date for the extension on this project.

Greenwood CDC/Mixed Use – GreenArch closed on May 16, 2012.
Mapleview Associates, Inc., American Equities, LLC, now Wintrust Homes - abstract has been ordered, Urban8 abstract has been ordered. An Open House for Hartford Building was held and only (1) potential purchaser came to Open House on June 3, 2013. Another open house is scheduled for June 10, 2013.

Commissioner Peters requested an update regarding Urban8, Hartford Commons and a comprehensive list of Tulsa Development Authority properties.
b. Mr. Roger Acebo – Copy of report is included in the Commissioner’s packets: Mr. Acebo provided an updated Staff Report and stated this report stands as presented, highlighting the following:

i. An update regarding City of Tulsa efforts in reconciling CDBG funded properties with HUD.
ii. Relocation tenant has received first installment of relocation payment.
iii. Block 53 – Smith Brothers Abstract was provided with a request by City of Tulsa staff to determine ownership on the eastern, triangular piece of Lot 3, Block 53.
iv. Wilkins survey has been delivered and appraisers have been selected: Mr. Arden Owens, d/b/a Integra Realty Resources, for Tulsa Development Authority and Mr. Knight for Wilkins.
v. Contracts have been sent to Appraisers, for signature.

Commissioner Peters requested the status of Urban8 abstract and Hartford Commons abstract.

General Counsel Hartley requested separate abstracts.

c. Mr. Dennis Whitaker – Copy of report is included in the Commissioner’s packets: Mr. Whitaker provided an updated Staff Report and stated this report stands as presented. Mr. Whitaker highlighted the following:

i. Brady Arts District TIF Grant Streetscape Projects: Mr. Whitaker provided an aerial map of the Brady TIF Boundary and completed streetscaping projects as requested by the Board. There are six (6) TIF Grant Applications for a total of $4,349,101; this consists of 8,305 linear feet in streetscape improvements. Total TIF Grant Amount was $1,683,748.

- Two grants (No. 1 and No. 3) have been completed and reimbursed
- Tulsa Development Authority also approved a Resolution for streetscape enhancements to Tulsa Development Authority owned property in the Brady Arts District, currently utilized as an urban park space.

Mr. Whitaker responded to questions and concerns of the Commissioners.

Commissioner Peters complimented Mr. Whitaker on his report.
d. Mr. Jim Coles – Copy of report is included in the Commissioner’s packets:  Mr. Coles provided an updated Staff Report and stated this report stands as presented, highlighting the following:

Tax Increment Finance District Quarterly Update

General:
1. Six (6) Brady Village TIF Streetscaping Matching Grant Applications have been awarded.
2. Brady Hotel Center, LLC (Fairfield) and Metro at Brady have been completed and funds expended.
3. Griffin (KOTV) and George Kaiser Family Foundation (2), and Arts and Humanities Council Hardesty Arts Center are completed.
4. Baird Manufacturing streetscaping project is underway.
5. Several construction projects continue, including Mathews Building restoration and the Ward Building.
6. The Downtown Trolley continues operation in the Brady, Blue Dome and DECO Districts.

Central Park TIF No. 2:
1. Central Park TIF has expired and the 10th and Elgin roundabout construction is complete. Coordination with Public works to determine remaining project balance and an art component for the roundabout.

Technology TIF No. 3:
1. Purpose: provide public infrastructure for high tech corporate headquarters expansion downtown
2. Scope: garage and garage repairs, streetscaping, Boston Avenue bridge repairs
3. Remaining Projects: Boston Avenue Bridge repairs and enhancements and the Williams Green

North Peoria TIF No. 4:
1. Purpose: decades long planning effort to promote commercial, residential, and industrial redevelopment in this underserved area
2. Scope: Booker T. Washington High School and Lacy Park improvements, Peoria streetscaping and partnership development fund
3. Remaining Projects: Lacy Park Community Center and partnership development fund
Blue Dome TIF No.5:
1. Purpose: Improve lighting and amenities in emerging entertainment district
2. Scope: streetscaping, sidewalks, lighting, benches, landscaping and enhanced pathways
3. Remaining Projects: sidewalks, benches, landscaping, signage and national register historic district nomination

Tulsa Technology TIF Request:
General Information:
1. Purpose: make public improvements which will attract and retain downtown workers and residents, as well as attract new companies and housing projects
2. Projects (allowable projects in order of priority are):
   - North Garage Expansion
   - Streetscaping
   - North Garage Repairs
   - Williams Center Green & South Garage Repairs
   - Boston Avenue Bridge Repairs
   - West Garage Project (100 West Garage)

A Request was made from Jeff Scott, Scott Realty Company, for $24,999 from Technology TIF for a project. The Board complimented Mr. Coles and Mr. Scott on the visuals provided. This item will be on the Agenda for the Tulsa Development Authority Regular Meeting.

3. General Counsel
   a. Pending Litigation Report included in the Commissioner packets:
      Counsel Hartley provided the monthly pending litigation report. Counsel Hartley reported that any changes or new items are indicated in “BOLD” print. He also gave an overview of the report. The report will stand as presented. Counsel Hartley highlighted the following:

      i. Request for Trial Date:
         a. Richard Stufflebeam
         b. Michael S. Brown

      ii. Hardy Litigation – no bid at Sheriff’s sale on May 13, 2013
      iii. Tracy J. Edwards – closed
      iv. Lamar Central Outdoor Advertising will be going to trial
      v. Novus Homes (Wilkins) – when contract is closed, this case will be dismissed.
Items to be discussed in Executive Session

- Ruby Cornelius, property – 2016 N. Norfolk Ave.
- Mary Williams, property – 3313 N. Garrison Ave.
- Katherine Peters, property – 1049 N. Madison Pl.

4. Financial Reports

a. April 2013 – Income and Expenditure Report - included in the Commissioner packets: Mr. Steven Larry provided an updated report and an overview of the Income and Expenditure Report to the Commissioners in Mr. Norman Kildow’s absence. Mr. Larry and Executive Director Walker responded to questions from the Commissioners.

b. April 2013 - Program Income Reports included in Commissioner’s packets: Mr. Steven Larry, in the absence of Mr. Norman Kildow, provided information and gave an overview of the Program Income Report Fund No. 5540 and Fund No. 3105.

i. Fund No. 3117: Executive Director Walker advised that he received correspondence directed to the Tulsa Development Authority dated May 20, 2013 from Pat Connelly, Interim Manager, Division of Grants Administration for the City of Tulsa, regarding Fund No. 3105, 3117 and 3120, representing Program Income. Checks will be sent to clients representing any overpayments. Also, Tulsa Development Authority will deduct any legal fees prior to sending Program Income funds to the City of Tulsa.

c. Comparative Financial Statements – included in the Commissioner packets. Mr. Norman Kildow will give an overview of the Comparative Financial Statements Report and answer questions from the Board at the Tulsa Development Authority Regular Meeting.

d. Proposed Budget 2013 – 2014: Executive Director Walker stated Mr. Norman Kildow will present the Budget at the Regular Tulsa Development Authority Meeting. The Commissioners were concerned about a “deficit budget” and suggested reviewing the deficit and increasing the Tulsa Development Authority income (Fund No. 3101).

5. Discussion and consideration to review Construction Documents and Specifications from Mapleview Associates Inc. for City of Tulsa owned property located on the southwest corner of West 1st Street and South Boulder Avenue, Tulsa, Oklahoma:
Executive Director Walker gave an overview of the Mapleview project. Mr. Joe Westervelt provided copies of the Construction Documents and Specifications for the project located on the southwest corner of West 1st Street and South Boulder Avenue, commonly known as 100 South Boulder Avenue, consisting of nine (9) first floor units and nine (9) second floor walk-up units. The aggregate sales price of the 18 units is approximately $2,995,200 ($200 per sq. ft.), or $180,000 per unit. The developer is requesting approval of the documents.

Commissioner Peters expressed concern about the condo financing process as the condo purchaser will not own the land. Mr. Westervelt responded to this concern and explained the process. There are no written pre-sale commitments at this time. This item will be placed on the Agenda for the Tulsa Development Authority Regular Board Meeting.

6. Discussion and consideration to review responses to the Request for Qualifications (RFQ) for Consulting Services for oversight of TIF projects;

Executive Director Walker and Mr. Jim Coles gave an overview and explained the process and reason for management of the TIF projects. Review of the responses to the RFQ to receive bids for Project and Construction Management of Tax Increment Districts managed by the Tulsa Development Authority is the first step. Responses were received from the following Respondents: Magnum Construction, represented by Clint Redwine, Voy Construction, represented by Paul Burgard, and Thedford Enterprises, represented by Mike Thedford. They each gave a brief overview of their qualifications. Executive Director Walker and Mr. Jim Coles will interview the Respondents. Request that the Tulsa Development Authority Board of Commissioners choose the most qualified respondent for consulting services and oversight of TIF projects. This item will be placed on the Agenda for the Tulsa Development Authority Board Regular Meeting.

7. Discussion and consideration of a request to execute documents to cure title defects and to release covenants contained in a previous Special Warranty Deed from TDA for Oklahoma State University property located at the southeast corner of Southwest Boulevard and 23rd.

General Counsel Hartley explained the request to execute documents to cure title defects and to release covenants contained in a previous Special Warranty Deed from Tulsa Development Authority for Oklahoma State University property located at the southeast corner of Southwest Boulevard and West 23rd Street. OSU is requesting the curative documents so that the restrictive covenants can be removed of record and a title defect as to a vacated alley can be resolved.
Mr. Stephen Schuller, representing OSU, responded to questions from the Commissioners. In addition, he requested approval to the execution by Tulsa Development Authority of the following documents:

1. Release of Covenants
2. Release and Termination of Memorandum of Agreement
3. Quit Claim Deed

The Board of Regents of Oklahoma State University is also requesting a letter from Tulsa Development Authority that states that the Urban Renewal Plan is no longer in effect as to the subject property, satisfying the title issues, as requested in an April 18, 2013 letter to Jot Hartley, General Counsel for Tulsa Development Authority, from Douglas F. Price, Associate General Counsel for the Board of Regents for Oklahoma State University. After discussion, this item will be on the Agenda for the Regular meeting of Tulsa Development Authority.

Commissioner Bracy moved to go into Executive Session at 9:36 a.m., seconded by Commissioner Clayman. The vote was recorded as follows:

Ayes: Pegues, Bracy, Clayman and Peters
Nays: None

The motion passed unanimously.

8. Executive Session: Discussion, consideration and vote to go into Executive Session as authorized by 25 O.S. §307(b)(4) and 307(c)(10) for the purpose of conferring on matters for a proposed Economic Development initiative;

a. Confidential communication with Counsel regarding responses to the Request for Qualifications (RFQ) for Consulting Services for oversight of TIF projects.

b. Confidential communication with Counsel regarding an update on the First Street Lofts project, located one-quarter (¼) mile east of Detroit Avenue, and south of 1st Street (310 E. First Street), Tulsa, Oklahoma.

c. Confidential communication with Counsel regarding a request from Arrington Development, LLC for a project located at 266 East Independence Street, Tulsa, Oklahoma, a/k/a Sunset Plaza Apartments.

d. Confidential communication with Counsel regarding a request from GreenArch LLC and potential amendments to Redevelopment Agreement for the GreenArch project located on the Southwest corner of North Greenwood Avenue and East Archer Street, Tulsa, Oklahoma.
e. Confidential communication with Counsel regarding a letter dated May 20, 2013, from the City of Tulsa, Division of Grants Administration.

f. Confidential communication with Counsel regarding Economic Development – Agreement for extension of a Contract for Technical and Professional Services Part 1, between the City of Tulsa and the Tulsa Development A.

9. Vote to return to open session: Commissioner Bracy moved to return to Open Session at 10:48 a.m., seconded by Commissioner Clayman. The vote was recorded as follows:

Ayes: Pegues, Bracy, Clayman and Peters
Nays: None

The motion passed unanimously.

10. Statement of the Executive Session: During the Executive Session, all Commissioners of the Authority who were present for this meeting were present for the Executive Session. The Authority maintained a quorum. During the Executive Session, the items on the published Agenda were the only items discussed. No votes were taken during the session. This will constitute the minutes of the Executive Session.

11. Discussion on items discussed in Executive Session.

Items to be placed on the Regular Meeting Agenda:

- Work Study Agenda Items:
  2 d. Tulsa Technology TIF
  3 General Counsel – Three (3) Mortgage Foreclosures
  4 Financial Reports April 2013 – Income and Expenditure
     April 2013 – Program Income Fund No. 3117
     Comparative Financial Statements
  5 Mapleview Associates, Inc. specifications and construction drawings
  6 Project Manager responding to the Request For Qualification of the TIF districts
  7 Oklahoma State University Request to execute documents to cure title defects and to release covenants contained in a previous Special Warranty Deed from TDA
• Executive Session Agenda Items:
  8 b. First Street Lofts Update
  d. Amendments to Redevelopment Agreement for the GreenArch, LLC project
  e. Letter dated May 30, 2013 from the City of Tulsa, Division of Grants and Administration

12. New Business:
   Executive Director Walker advised the Board that Metro Plains was unable to proceed without tax credits.

13. Adjournment:
   Commissioner Bracy moved to adjourn at 10:56 a.m., seconded by Commissioner Peters. The vote was recorded as follows:

   Ayes: Pegues, Bracy, Clayman and Peters
   Nays: None

   The motion passed unanimously

Tulsa Development Authority

[Signature]
Julius Pegues, Chairman

Approved as to legal form and adequacy:

[Signature]
Jot Hartley, Esq., General Counsel

[6-6-2013 – Work Study Minutes (rw-jm-ar)]