TULSA DEVELOPMENT AUTHORITY
STAFF REPORT

MEETING DATE: September 7, 2017
TO: Chairman and Board Members
FROM: Mayor’s Office for Economic Development
SUBJECT: Redevelopment Agreement between First Place, LLC and Tulsa Development Authority
LOCATION: 419 South Main Street, Tulsa, Oklahoma

Background:
Owner: Tulsa Development Authority
Developer: First Place, LLC
Engineer: N/A
Location: 419 South Main Street, Tulsa, Oklahoma
Size of Tract: N/A
Number of Lots: N/A
Development Area: Deco District
Fair Market Value: $1,670,000.00
Staff: Jim Coles and Tom Baker

Other Relevant Information:

It is recommendation to the Tulsa Development Authority, a public body corporate, be designated and authorized as the public entity to carry out and administer the provisions of this Project.

On October 1, 2015, the TDA Board of Commissioners reviewed and approved Resolution No. 6146, accepting City of Tulsa (Downtown Development Redevelopment Fund Committee) request to negotiate and administer a Redevelopment Agreement with First Place LLC. Mayor Bynum and City of Tulsa staff has continued to work towards resolution to this negotiation and feel comfortable that a beneficial set of terms have now been reached. The Mayor approved the terms to be sent to TDA on 8-28-2017. The specific terms are included in the Attachment to this request.

Attachments:
1. Approved City of Tulsa Request for Action
2. Attachment A to Special Projects Agreement for Downtown Development and Redevelopment Fund dated August 24, 2017
3. Rendering of Garage

Recommendation: Staff recommends this item be approved as presented.

Reviewed By: O.C. Walker, Executive Director
Tulsa Development Authority
August 24, 2017

Attachment A to Special Project Agreement for
Downtown Development and Redevelopment Funds

The City of Tulsa hereby authorizes the Tulsa Development Authority ("TDA") to begin negotiating a Redevelopment Agreement with First Place, LLC.

Project: The construction and development of a multi-level parking structure (the "structure") with 3,000 sf of immediate retail and provisions for future retail development on the ground floor as presented on the attached architect rendering which shall become part of the final agreement. The structure is to be located at 405 South Main Mall Street East, 417 South Main Mall Street East, and 419 South Main Mall Street East. The project and agreement shall be in accordance with the Special Projects Agreement between TDA and City dated June 3, 2015 and the special terms and conditions as set forth herein.

Authorized Loan Amount: $1,670,000

Authorized Repayment Term: 12 years (120 months) Security: Second Mortgage on the real property comprising the Project to TDA in the amount of $1,670,000.

Special Terms and Conditions:

Term: The Downtown Development/Redevelopment Funds will remain outstanding, without interest, for twelve (12) years, beginning ninety (90) days from the date First Place LLC executes a Redevelopment Agreement with TDA. The Agreement shall be completed within 90 days of initial negotiations with TDA. Loan funds shall be fully due and payable upon refinancing of the first mortgage or sale of the property.

Project Criteria:

- The project shall maintain public access via the tunnel system between the Main Park Plaza garage and the new facility.
- The structure will provide and maintain a minimum of 500 parking spaces.
- The project will be designed to accommodate initial 3,000 sf of retail at the corner of Main and 4th streets with future retail development to be located on the remaining street level which will generate sales tax revenue for the City.
- First Place LLC is pleased that this project will make available at least 500 additional parking spaces in the structure that as a result will support adaptive reuse and redevelopment of existing downtown buildings that otherwise struggle with high vacancy rates.
Urban Design Considerations:

- Developments receiving assistance in the form of public funds shall comply with applicable adopted City codes, plans and policies.
- Project will be constructed in substantial conformance with attached rendering, plans and descriptions provided to the City for review of the requested financial assistance.
- TDA will engage City staff as needed to review plans and any proposed amendments to the project during the course of construction.
- Colors of decorative lateral bars on rendering are illustrative and not intended to be final colors; final colors shall be agreed between the Mayor and the developer.
- Structural Standards: The structure shall be engineered, designed and constructed, and the materials utilized in the construction thereof, in a manner to be of sufficient strength and load capacity to permit the future addition of additional signage, lighting, architectural, aesthetic and/or features developed from future technology and other similar components to the exterior of the structure.
- Lighting: Lighting will reflect styles complementary to the Streetscape Master Plan and architecture of surrounding buildings including those of historic significance. Lighting should also complement the architectural features of the building in addition to providing lighting for the street environment.
- Street environment: Improvements to the street environment must be in line with established plans for the city including the Tulsa Streetscape Master Plan and Centennial Walk Plan. This includes paving materials, lighting, landscaping and street furniture.
- Alleyway: Alleyways in the downtown are to be maintained as an integral part of the city street grid. The alley behind this development should be well lit and continue to allow for the flow of auto and pedestrian traffic between buildings.
- Retail: Retail spaces and entries must face the streets.
- Accessory: Awnings can be provided to provide shade for seating areas and window browsing in front of ground floor retail areas. Awnings should be visually appealing with a good degree of color, quality material, visual appeal and articulation.
- Use of right-of-way: Any permanent and functionally mandatory part of the structure that is proposed to be located in the public right-of-way, a vocational closure is preferred over a revocable license agreement which contemplates temporary features.

Loan Position: The Tulsa Development Authority shall be in second position on the loan. TDA shall ensure that the combined principal amount of the first mortgage lien and the TDA second mortgage lien will not be in an amount in excess of the “as completed” appraised value of the project and will take all appropriate actions to avoid the impairment of its lien and the preclusion of the recovery of the public funds awarded to this project.

Default Interest Clause: A default interest rate shall be 6% per annum on the unpaid balance.

City of Tulsa, a municipal corporation,
G. T. Bynum, Mayor

8/25/2017

Date

Attest:

Melissa C. Satterthwaite
Deputy City Clerk