TULSA DEVELOPMENT AUTHORITY
STAFF REPORT

MEETING DATE: August 2, 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 January 4, 2018, the TDA Board of Commissioners reviewed and approved Resolution No. 6405, authorizing the Third Amendment to the Redevelopment Agreement, granting an extension until July 20, 2018 to provide Construction Documents and Construction Financial Documents. On July 19, 2018, the Executive Director and General Counsel reviewed the Construction Documents and Construction Financial Documents. The scope of the project is smaller than first proposed. This will now be a two-phase project. The first will meet all the minimum project requirements. The proposal is as follows:

<table>
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<tr>
<th>Minimum Project Requirements</th>
<th>Proposed Changes</th>
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<tbody>
<tr>
<td>3,000 Sq. Ft. - Restaurant Facility</td>
<td>8,000 Sq. Ft. - Restaurant, Tenant and Garage Space</td>
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<tr>
<td>4,000 Sq. Ft. – Retail, Commercial or Residential space</td>
<td>8,468 Sq. Ft. - Apartment Space</td>
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<td>1,400 Sq. Ft. - Outdoor Dining</td>
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This is a request to approve an Amendment to the existing Redevelopment Agreement and revised Schematic Drawing for the Black Pearl Project. The total Construction estimate is $2,933,000.00.
Attachments: Letter from Darin Ross dated July 24, 2018
Schematic Drawings

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

Reviewed By: O.C. Walker
Wednesday, July 25, 2018

Attn: O.C. Walker II
Tulsa Development Authority
1216 N Lansing Ave
Tulsa, OK 74106

Re: Pearl Development, LLC Redevelopment and Central Park TIF

Dear Board of Commissioners,

For your consideration, I am submitting a request for an amendment to extend the construction documents deadline for the Pearl Development, LLC Redevelopment contract and a request to allocate $213,249** from the Central Park TIF towards this project. Per our prior meeting, the project has been reduced from 27,506 square feet to 13,965 square feet. Pending approval of the new schematic design from TDA construction documents will be ordered. The new design will still exceed the redevelopment requirement of 7,500 square feet. For your board’s review, (1) New Schematic Design of Pearl Development, (2) Financial Projections for 3 Years, (3) Bank Term Sheet, (4) Breakdown of Site Development Cost Eligible for Central Park TIF Allocation, and (5) an Appraisal have been provided.

I am grateful for Tulsa Development Authority patience and understanding with this project. I understand the construction documents deadline was July 20\textsuperscript{th}, however my primary focus has been to reengineer this project so it’s financially feasible, provides housing, retail, and beautification to the area. Due to civil work, including filing and determining easements that need to be vacated for the land there have also been more delays than expected.

My bank is comfortable with the new plans; however I need the additional Central Park TIF funds to assistance public infrastructure. This project is near Centennial Park and the Bus Rapid Transit bus stop and will generate jobs, increase property tax revenue, and increase sales tax revenue for the City of Tulsa. This development will have a public economic impact. Without the funds additional funds, due to the costs exceeding the appraisal valuation the outdoor dining and amenities may be eliminated.

Best Regards,

Darin Ross, Pearl Development, LLC

** This project has been allocated $99,722.40 from the Central Park TIF. The request is only an increase of $113,526.60.