TULSA DEVELOPMENT AUTHORITY BOARD MEETING
STAFF REPORT

MEETING DATE: July 11, 2019
TO: Chairman and Board Members
FROM: Office of Tulsa Development Authority
SUBJECT: Draw Request No. 3 - Ross Group Development, LLC – Utility Relocation

Background:

Owner: Ross Group Development, LLC
Developer: Ross Group Development, LLC
Engineer: Matt Newman
Location: Northwest Corner of East Archer Street and North Elgin Avenue, Tulsa, Oklahoma – Block 44
Property
Size of Tract: 0.96 acres/42,000 sq. ft.
Number of Lots: N/A
Development Area: Greenwood District
Fair Market Value: $500,000.00
Executive Director: O.C. Walker

Relevant Info:

This is a request from Ross Group Development, LLC to the TDA Board authorizing a Resolution issuing the Third (3rd) Advance Request for the Block 44 Project, for utility relocation assistance.

The TDA Board of Commissioners previously approved Resolution No. 6482 on September 6, 2018, approving a First Amendment to a Contract for Sale with Ross Group, dated November 2, 2017, for redevelopment of the property.

In addition, the TDA Board previously approved the following Resolution:

- Resolution No. 6550 – May 2, 2019 – Request No. 1 - $77,698.00 – 50% completion
- Resolution No. 6563 - June 6, 2019 – Request No. 2 - $226,186.09 – 27% completion

This request for $15,324.46 represents an additional 6% completion, for a total of 83%, according to the David Friedland of the Ross Group letter dated June 26, 2019 certifying percentage of completion of the utility relocation. To date the aggregate Advance Request amount is $319,208.55.

According to the Agreement between Tulsa Development Authority and Ross Group, this requires Board action to process any advance request.
Attachments:  May 28, 2019 letter from Ross Group – Request to Render Payment to Third Party

Advance Request No. 3

June 26, 2019 letter from David Friedland of the Ross Group certifying percentage of completion

Certificate of Liability Insurance

Recommendations:  Staff recommends that the TDA Board authorize a Resolution issuing Advance Request No. 3 for the Block 44 Utility Relocation Project.

Reviewed By:  O.C. Walker
Advance Request 03

Attn: O.C. Walker
Tulsa Development Authority
1216 N Lansing Ave.,
Tulsa, OK 74106
Phone: 918.592.4944
E-mail: ocwalker@tulsadevelopmentauthority.org

Date: 06.26.2019
Project Name: Utility Relocation - Block 44
Subject: Advance Request 03

Dear Mr. Walker:

Pursuant to the First Amendment to Redevelopment Agreement – Utility Relocation – Block 44 Project, dated September 06, 2018, Ross Group Development, LLC submits the Advance Request 03 in the amount of $15,324.46. We request that the total amount of Advance Request 03 be made to PHSD Investments, LLC as they are the responsible party that is contracting the work with the construction company and the service providers.

Along with this letter, we are including the following for review:

- Attachment “A” Advance Request 03
- Contractor certified application of payments (1 total)
- Project sources and uses documents showing all costs incurred and paid to date.
- Ross Group certificate of insurance

As there is no true Architect of Record, Ross Group as Redeveloper can confirm that the project is currently 83% complete and our costs (including what is currently being requested) is only 76% of the project costs. The requested funds cover work that was completed in June 2019. It is important to note as well that a Change Order Proposal was issued to complete the third tier of utility relocation work, but is not showing on the Ross Group Schedule of Values for this month.

If you should have any questions or need further documentation, please let me know.

Sincerely;

David Friedland
Ross Group
918.878.2844
David.Friedland@withrossgroup.com

CC: Warren Ross, Ross Group
Matt Newman, Ross Group
Tom Biolchini, Vast Bank
Stan Pinkham, Vast Bank
Pete Patel, Promise Hotels
ATTACHMENT “A” - ADVANCE REQUEST

Pursuant to the Redevelopment Agreement dated September 06, 2018, as amended (the “Redevelopment Agreement”), by The Tulsa Development Authority (“TDA”) and ROSS GROUP DEVELOPMENT, LLC, and VALLEY NATIONAL BANK (“Developer”), Developer hereby requests an Advance in the amount of $15,324.46 for the account of Developer from the account in the City of Tulsa established for the Overhead Public Utility Line Relocation Project Redevelopment Agreement.

Developer does hereby certify to the TDA that, as of the date hereof: (i) the representations in the Redevelopment Agreement are hereby ratified and confirmed, (ii) the requested Advance herein is for the pro rata share of the Expenditures Eligible for Reimbursement of Development Costs (as defined in the Redevelopment Agreement), (iii) there exists no default in or breach of the terms and provisions of the Redevelopment Agreement by Developer, (iv) the Redevelopment Agreement is in full force and effect, and (v) all conditions precedent to payment of the requested Advance herein have been met and payment of the Advance requested herein is proper pursuant to the terms of the Redevelopment Agreement, (vi) attached hereto are copies of the AIA form (when applicable), architect certification of the percentage of completion of the Project, schedule of values for all elements of work performed, invoices, and other documentation required to be received by TDA under the Redevelopment Agreement in connection with such Expenditures Eligible for Reimbursement, (vi) there has not been filed with or served upon TDA notice of any lien, right to lien, or attachment upon or claim affecting the right to receive payment of, any of the monies payable to any of the persons, firms, or corporations named in such invoices, which have not been released or will not be released simultaneously with the payment of such obligation, and (vii) TDA has received from Developer all documents required by the Redevelopment Agreement, including, but not limited to the certificate evidencing all-risk builders risk insurance.

Dated this 25th day of June, 2019.

ROSS GROUP DEVELOPMENT, LLC

By: __________________________

Warren Ross, Manager

Dated this 25th day of June, 2019.

The above Advance Request is hereby approved this _______ day of________________, 2019.

TULSA DEVELOPMENT AUTHORITY

By: __________________________

Executive Director
Request to Render Payment to Third Party

Attn: O.C. Walker
Tulsa Development Authority
1216 N Lansing Ave.,
Tulsa, OK 74106
Phone: 918.592.4944
E-mail: ocwalker@tulsadevelopmentauthority.org

Date: 05.28.2019
Project Name: Utility Relocation - Block 44
Subject: Third Party Payment

Dear Mr. Walker:

Pursuant to the First Amendment to Redevelopment Agreement — Utility Relocation — Block 44 Project, dated September 06, 2018, Ross Group Development, LLC and Valley National Bank request that PHSD Investments, LLC, a third-party entity, be assigned the right to issue draw requests on their behalf.

We request that the total amount of all advance requests be made to PHSD Investments, LLC as they are the responsible party that is contracting the work with the construction company and the service providers. This request is in agreement to the First Amendment to Redevelopment Agreement — Utility Relocation — Block 44 Project, section 9A, which assigns the Developer the right, at any time, to assign the right of payment of an advance or an advance to a third party.

Ross Group Development will provide on behalf of PHSD Investments, LLC, the following documents for review of each draw request:

- Attachment “A” of the Advance Request
- Contractor certified application of payments, if applicable
- Additional vendor invoices, if applicable
- Project sources and uses documents showing all costs incurred and paid to date.
- Ross Group certificate of insurance

If you should have any questions or need further documentation, please direct them to Matt Newman at 918.878.2258 or matt.newman@withrossgroup.com.

Sincerely,

Warren Ross
Ross Group Development, LLC
918.234.7675
warren.ross@withrossgroup.com

Tom Biolchini
Vast Bank
918.495-1700
tom.biolchini@sblaw.com

CC: Matt Newman, Ross Group
Stan Pinkham, Vast Bank
Pete Patel, Promise Hotels
CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERs NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Lockton Companies
444 W. 47th Street, Suite 900
Kansas City MO 64112-1906
(816) 960-9000

INSURED
1418869
ROSS GROUP CONSTRUCTION CORPORATION
P.O. BOX 69060
TULSA OK 74169

CONTACT NAME

PHONE
(ARC. No. EX:
EMAIL
(ARC. No.:
ADDRESS:

INSURER(S) AFFORDING COVERAGE

INSURER A: Zurich American Insurance Company

NAI #: 16535
26247

COVERAGES
CERTIFICATE NUMBER: 15651052
REVISION NUMBER: XXXXXXX

This is to certify that the policies of insurance listed below have been issued to the insured named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

INSR. LTD. TYPE OF INSURANCE ADQ. SUB- INSUR. WO. POLICY NUMBER POLICY EFF IMM/DD/YYYY POLICY EXP IMM/DD/YYYY LIMITS
A X COMMERCIAL GENERAL LIABILITY
CLAIMS-MADE X OCCUR
GEN. AGG. LIMIT APPLIES PER:
POLICY X PER EXT. LO CAT.
OTHER
1 Y N GLO016506301 1/1/2019 1/1/2020 EACH OCCURRENCE $1,000,000
DAMAGE TO RENTED PREMISES (EA occurrence) $1,000,000
MED EXP (Any one person) $15,000
PERSONAL & ADV. INJURY $1,000,000
GENERAL AGGREGATE $2,000,000
PRODUCTS - COM/PNR AGG. $2,000,000
A X AUTOMOBILE LIABILITY
OWNED Autos Only
Hired Autos Only
SCHEDULED AUTOS
NON-OWNED AUTOS
1 N BA0016506502 1/1/2019 1/1/2020 COMBINED SINGLE LIMIT (EA accident) $1,000,000
BODILY INJURY (Per person) XXXXXXX
BODILY INJURY (Per accident) XXXXXXX
PROPERTY DAMAGE (Per accident) XXXXXXX
B X UMBRELLA LIABILITY
EXCESS LIABILITY
CLAIMS-MADE
1 Y N AUC01650702 1/1/2019 1/1/2020 EACH OCCURRENCE $1,000,000
AGGREGATE $1,000,000
DED RETENTION
A Y WORKERS COMPENSATION AND EMPLOYERS' LIABILITY
ANY PROPRIETOR/SPOUSE/EXECUTIVE OFFICER/REMEMBER EXCLUDED? (Mandatory in NH)
Y/N N N WC0016506402 1/1/2019 1/1/2020 E.L. EACH ACCIDENT $1,000,000
E.L. DISEASE - EA EMPLOYEE $1,000,000
E.L. DISEASE - POLICY LIMIT $1,000,000
A N CONTRACTORS' EQUIPMENT
1 N CPP0164787502 1/1/2019 1/1/2020 SCH EQP: $242,910
LEASED/RENTED: $450,000
$5,000 DED

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
04537.10 BRADY OVERHEAD POWER LINE BURIAL. TULSA DEVELOPMENT AUTHORITY IS NAMED AS ADDITIONAL INSURED WHERE REQUIRED BY WRITTEN CONTRACT.

CERTIFICATE HOLDER
15651052
PHSD INVESTMENTS
2201 N 77TH E AVENUE
TULSA OK 74115

CANCELLATION
See Attachments

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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