

TIGER CROSSING

BROKEN ARROW, OKLAHOMA

December 5th, 2024

Michael Spurgeon, City Manager
c/o Jennifer Rush, Economic Development Director

Mr. Michael Spurgeon,

I am excited to present to you our most recent development project in Broken Arrow. Tiger Crossing is an 18-acre development site located on the northwest corner of County Line and Albany, directly north of Broken Arrow High-school. This location gives us a great opportunity to deliver family-oriented services and a wide variety of food options to satisfy the surrounding community and student body. The site will consist of two main development zones, a 10-acre tract bordering the arterial streets will be utilized for commercial development and the remaining 8 acres will be reserved for residential and/or light office use. When fully developed, this site will have a commercial value of approximately \$53 million.

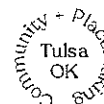
Significant infrastructure investment in the area reflects the City's commitment to growth. The recently completed Albany Street expansion, the 37th (209th) street widening, and plans for greater connectivity along County Line Road will benefit the school, the surrounding community, and this development. We too, remain committed and excited about developing in Broken Arrow and we take pride in the relationships we've cultivated within local government, the planning department, and with community leaders. I was honored by the Transformation Award received at Amplify Broken Arrow 2022 for our Tiger Hill development. We look to continue that momentum and success at Tiger Crossing. We have assembled a great development team to assist us with this project consisting of the following:

- Civil Engineer: Sisemore & Associates
- Architecture Studios: W Design, Parker & Associates
- Legal Counsel: Eller & Dietrich
- Real Estate Broker: Walman Commercial
- Lender: First National Bank of Broken Arrow & Others

The following pages outline our vision and time frame in detail. We have also identified areas where the City of Broken Arrow and the Economic Development Corporation could assist us in realizing this vision. I thank you in advance for your consideration and look forward to discussing this further.

Sincerely,

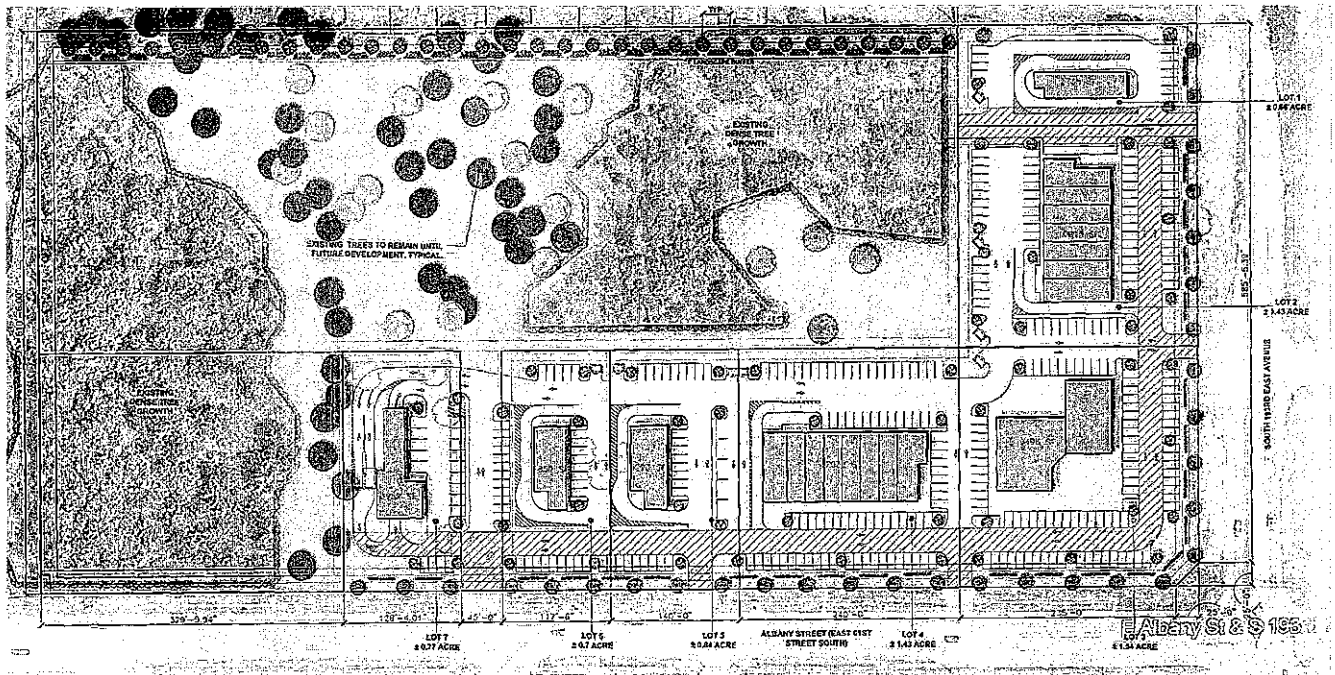
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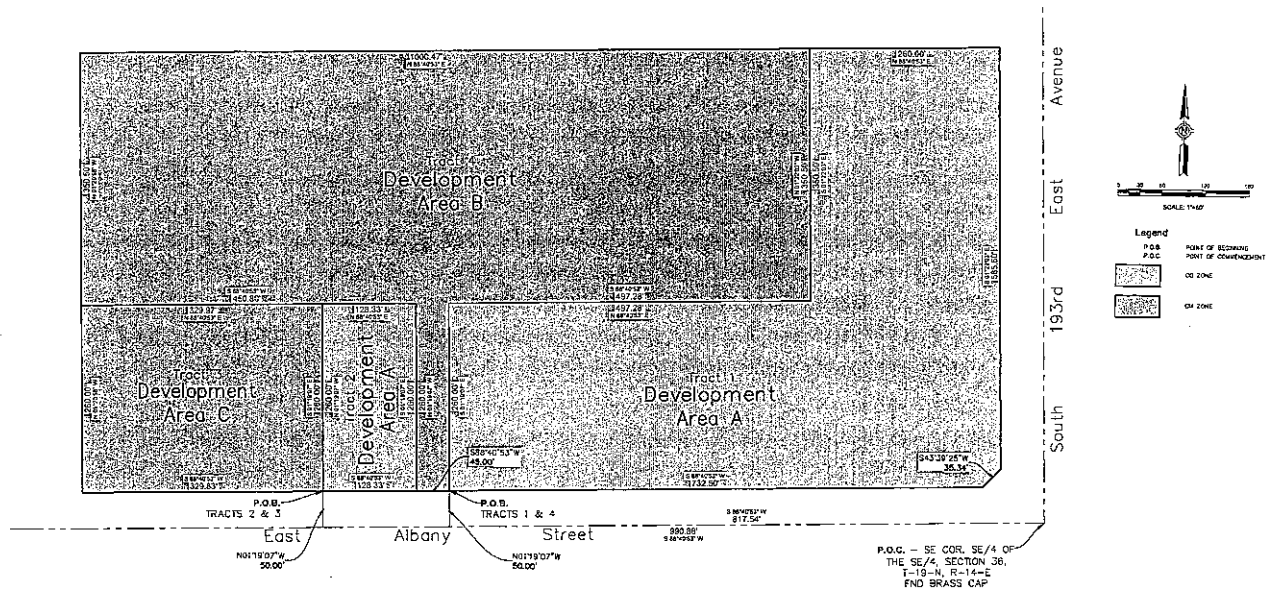
Over the last 2 years, we have acquired the unplatted, agriculturally zoned parcels that make up the site and gone through numerous design iterations that led us to the conceptual site plan below.

The Project consists of three development areas. Development Area A (shown as tracts 1 and 2 on the Development Area Map) encompasses 7.37 acres of land and will be for commercial use with several one-story buildings fronting County Line Road and Albany Street, including parking and drives necessary for the development. Development Area B (shown as tract 4 on the map) will be for residential and light office use and encompasses 8.32 acres of land. Development Area C will be for mixed-use commercial and/or residential use and encompasses 1.97 acres of land shown as Tract 3 on the Development Area Map.



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Development Tracts A & C: Phase 1

We will fully develop site infrastructure, utilities, and entitlements to deliver 7 commercial pads for sale, ground lease, or build-to-suit. These will be marketed towards quick & full-service restaurants, service-oriented businesses, and retail end users. We will retain an additional 2 commercial pad sites to build and operate our own retail centers. The first of our two centers is actively being developed and marketed; we plan to break ground in June of 2025.

- Commercial development along Albany & County line will yield 60,000 - 65,000 GLA SF of commercial and retail space.
- Commercial activity will generate conservatively \$30-\$31 million in estimated annual sales.*
- Commercial activity will generate \$2,500,000 in estimated annual sales tax*
- \$21-22 million in total commercial building value will generate an estimated \$215,000 in Ad Valorem tax

*(60,000/sf retail x average \$500/sf annual gross sales x .08417 tax rate)

Development Tract B: Phase 2

We will deliver all necessary utilities, access, and entitlements to allow residential and/or light office development. Development plans for tract B remain fluid as our original plan to develop the site into a build-for-rent community are contingent upon financing.

We estimate the residential development will add \$31,000,000 value and additional Ad Valorem tax of approximately \$310,000 per year.



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2024

Land Acquisition
Internal conceping
Assembling development team
Comprehensive Plan Change
Site Design
PUD & Zoning Application
Earth Change & Site Clearing

Q1-Q2
2025

PUD & Zoning Approval
Civil Design & Permitting
Platting & Entitlements
Retail Design & Preleasing
Civil Infrastructure Development
Retail Permitting

Q3 2025

Pads ready for delivery
Retail construction begins.

Q1 2026

Bhow Capital retail
center complete.

When all tract A & C lots are developed, the site will consist of roughly 65,000 square feet of commercial development with an approximate value of \$21.5 million.

Direct economic impacts:

- Creation of over 200 construction related jobs for both phases
- Estimated annual Ad Valorem taxes for Phase 1 - \$215,000
- Estimated annual Ad Valorem taxes for Phase 2 - \$310,000
- Estimated annual sales tax revenue - \$2,500,000
- Over 125 new FTE jobs created

Indirect economic impacts:

- Increased property value of surrounding homes and businesses
- Attraction of new retailers to the market improving the quality of life of the surrounding residents.

We will be expending significant time and capital to transform this undeveloped agricultural land into a vibrant community center.

COST Land acquisition, site infrastructure, entitlements, commission, interest burden, developers fees, and reasonable profit will have an approximate total cost basis of **\$6,550,000**. Development of two retail shopping centers, totaling 21,500 square feet, will cost approximately **\$8,062,500** or \$375/sf.

VALUE The total aggregate real market value of the commercial and multifamily land will be approximately **\$5,375,000** which equates to a shortfall of **\$1,175,000**.

Market rents have not increased at the same rate as interest and construction costs. A cost of \$375/sf should command an average rental rate of \$31.75. We're forecasting an effective rental rate \$25/sf. Over a 10 year term with a 5% rental bump at year 5, we are left with a shortfall of **\$1,316,875** on the retail developments.

DELTA This leaves a combined negative delta of **\$2,491,875**. It is our hope that with the following assistance from the City of Broken Arrow and the Economic Development Corporation we can reduce the cost / value delta and successfully transform this site for the utilization and enjoyment of the surrounding community.



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Requested Assistance from the City of Broken Arrow and/or Economic Development Corporation

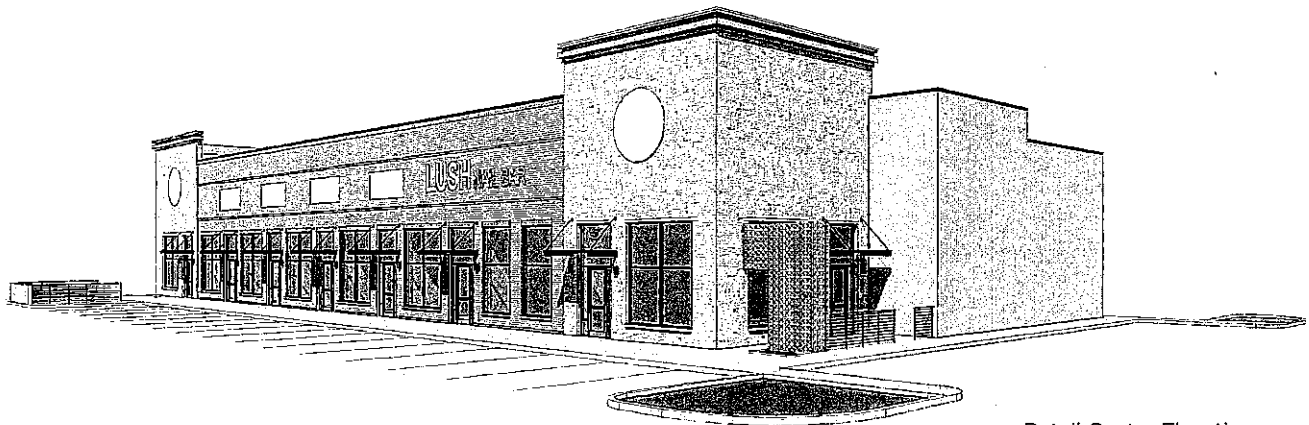
Assistance with a total value of \$2,491,875 through the following mechanisms:

In-kind assistance with development fees and infrastructure:

- 575 LF of sidewalk along County Line
- Permit fees
- Tap & street crossing fees
- 6 curb cuts and drive aprons
- Fire hydrants
- Fee-in-lieu of detention

15 Year 100% sales-tax-only TIF with a value cap set at \$____,____ (Once the total value of the in-kind assistance is established, that figure will be backed out of the total delta to establish the value cap of the TIF).

Additionally we would like to propose the construction of a HAWK pedestrian signal crossing along Albany near the western property boundary. We anticipate this development will see substantial foot traffic from the school and we want to facilitate access to the development while maintaining safety for the pedestrians.



Retail Center Elevation



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