



City of Broken Arrow

Minutes Broken Arrow Economic Development Authority

City Hall
220 S 1st Street
Broken Arrow OK
74012

Chairperson Debra Wimpee
Vice Chair Christi Gillespie
Trustee Johnnie Parks
Trustee Lisa Ford
Trustee Justin Green

Tuesday, August 20, 2024

Council Chambers

1. Call to Order

Chairperson Debra Wimpee called the meeting to order at approximately 8:29 p.m.

2. Roll Call

Present: 5 - Justin Green, Lisa Ford, Johnnie Parks, Christi Gillespie, Debra Wimpee

3. Consideration of Consent Agenda

- A. 24-114 **Approval of the Broken Arrow Economic Development Authority Meeting Minutes of August 5, 2024**
- B. 24-1125 **Approval of and authorization to execute Budget Amendment Number 3 for Fiscal Year 2025**
- C. 24-1028 **Notification of the Aspen Ridge Development July/August 2024 Update**
- D. 24-1105 **Ratification of the Claims List Check Register Dated August 12, 2024**

Chairperson Wimpee asked if there were any items to be removed from the Consent Agenda. There were none.

MOTION: A motion was made by Christi Gillespie, seconded by Johnnie Parks.

Move to approve the Consent Agenda

The motion carried by the following vote:

Aye: 5 - Justin Green, Lisa Ford, Johnnie Parks, Christi Gillespie, Debra Wimpee

4. Consideration of Items Removed from Consent Agenda

There were no Items removed from the Consent Agenda; no action was taken or required.

5. Public Hearings, Appeals, Presentations, Recognitions, Awards

- A. 24-1072 **Presentation, discussion, and possible acceptance of the 2024 Broken Arrow Economic Development Corporation Midyear Report**

Economic Development Manager Jennifer Rush introduced Amber Miller, the Director of Economic Development for the Broken Arrow Economic Development Corporation. She stated the City contracted with the Economic Development Corporation for certain services related to economic development. She noted the Economic Development Corporation was asked to come before BAEDA twice a year to provide a report. She stated the EDC was finalizing the last contract which required a presentation in August; the new contract required presentations in April and October, so the EDC would present again in a couple of months providing an opportunity to review the new contract.

Ms. Amber Miller reported the first half of this year was marked with change; there were a few new faces on staff including Jim Fram, Interim President and CEO. She commended and thanked Mr. Fram for his time and efforts. She noted in addition, she came on board in April, next the EDC welcomed Mindy Lyons as the Marketing and Research Manager in May, and De'Andre Fahie was the Director of Talent Attraction and Workforce Development. She

noted there was one more staff position to fill, the Business Retention and Expansion Manager, and she hoped to have this decision made in the coming weeks. She indicated once this position was filled the EDC would be fully staffed for the first time in a long time. She reviewed a slide illustrating the mid-year snapshot as of July 31, 2024: there were 22 business retention and expansion projects open; 20 new business attraction projects; 8 RFP responses; 4 site visits; 111 job seekers were engaged resulting in 7 direct job placements, 78 company engagements, and over 2900 students engaged through career awareness efforts. She reviewed Business Retention and Expansion accomplishments including 60 new jobs coming to Broken Arrow through bdtronics; Creoks building a new facility with 130 healthcare jobs; \$900,000 dollars awarded to 8 Broken Arrow companies through the Oklahoma Innovation and Expansion Program; a marketing campaign launched to highlight local manufacturers; and PACCAR Winch celebrated 100 years in business. She reported with New Business Attraction, Drilling Resources Equipment broke ground on a 16,000 square foot facility at Creek 51; five industrial sites were visited for OKSITES Ready program in coordination with COBA and Wagoner County economic developers which would be evaluated by a national site consultant for readiness; and she participated in Tulsa's Future NYC Marketing trip, engaging with 10 site selectors which were heavily in the manufacturing and industrial sector. She reported in terms of Workforce and Talent Attraction, the EDC launched a new talent and attraction website, BeInBA.com in January featuring an updated logo and branding; hosted a Healthcare Career Day in April impacting over 2,800 students; hosted the second annual Summer STEM Camp with 28 student participants and 10 local employers; and hosted the Spring Career Fair with 28 employers in attendance. She reported in terms of Entrepreneurship the EDC initiated a project to assist and foster entrepreneurship in Broken Arrow, conducted a study to identify innovative business models, entrepreneur activities, and clusters in Broken Arrow; this study was completed but on hold until the new Broken Arrow Economic Development Corporation CEO was named. She reported Arrow Forge had a name, logo, and branding for the District in South Broken Arrow; October 4, 2024 would be the groundbreaking for Arrow Forge. She stated from a Research Administration and Advocacy perspective the annual publication, Grounds for Development, was published in 2024; a new CRM was onboarded, EDOIQ, the same CRM the City used, which would help improve project management and sharing of information with the City; EDC Staff participated in BA Day at the Capitol to advocate for economic development in Broken Arrow with the Legislators. She stated tremendous progress has been made, and there was even more to come, driving economic growth in Broken Arrow. She thanked the Authority.

Vice Chair Gillespie stated she was happy to hear the EDC onboarded EDOIQ. She noted she had used this CRM her whole career. She understood it was difficult to move to a new CRM and share information, but when the City and the EDC worked as a team both would benefit immensely. She discussed how the CRM could be used.

Ms. Miller agreed, noting it would provide opportunities for transparency, open dialogue and collaboration.

Vice Chair Gillespie commended Ms. Miller. She indicated she and her daughter opened a business a few weeks ago, and Ms. Miller, Jennifer Rush and Brent Brassfield were very encouraging, providing much information, and this really made a difference. She stated she appreciated everything Ms. Miller was doing for business in Broken Arrow.

City Manager Michael Spurgeon asked Ms. Miller to speak regarding BR&E (Business Retention and Expansion).

Ms. Miller stated BR&E was the backbone of economic development and this new CRM was built by economic developers with a focus on Business Retention and Expansion, while the old CRM did not. She stated she demoed several CRMs with the goal of having a robust BR&E program with reporting, being able to be transparent and forthcoming with data, and

she believed EDOIQ would do this. She noted the CRM was fully customizable and the EDC could build the dashboard so that BR&E managers would have the necessary tools on hand, being able to focus and distinguish between an existing primary job, employer, collaborate with the City's TED Team, with visits as well. She stated it would provide cross collaboration and the teamwork necessary to be successful.

Trustee Green asked Ms. Miller to define CRM.

Ms. Miller explained CRM stood for Customer Relation Management tool; basically, CRM was a database to input company and contact names, used for project management, used for task management, it was basically a clearinghouse of company contacts to be shared in an effort to make communication seamless.

Vice Chair Gillespie discussed the importance of entering emails and phone calls into the CRM without delay.

Trustee Lisa Ford stated economic development was important, but she loved how well Broken Arrow took care of already established businesses; established businesses were of the highest importance to the City.

City Manager Spurgeon agreed Broken Arrow businesses were very important and needed to hear from the City and the EDC regularly and he was pleased with how well the EDC was doing with this type of communication.

6. General Authority Business

A. 24-1119 Consideration, discussion and possible approval of and authorization to execute an Economic Development Agreement between Solar Turbines Incorporated and the Broken Arrow Economic Development Authority

Tourism Manager Makala Barton introduced Dave Simon, General Manager of Solar Turbines. She reported in February 2023, Broken Arrow voters approved a 25-year renewal of the City's franchise with Public Service Company of Oklahoma (PSO). She stated as part of the franchise agreement, PSO collected a 2% franchise fee and a newly established 1% economic development fee, to be used as a fund for essential services and future prosperity. She stated upon passing the 1% economic development franchise fee, City Council adopted a formal Incentive Policy to support economic growth opportunities throughout the City. She stated projects considered within this policy must contribute to the growth of Broken Arrow through specific goals, such as diversifying the local economic base, retaining local jobs, creating quality new jobs, creating new capital investment, increasing sales tax revenues, and increasing ad valorem revenues and property values. She stated the project being presented checked many, if not all of these boxes. She stated Solar Turbines was the first to go through the formal application process per the new policy, submitting a request in January 2024. She stated the incentive application was reviewed by the Broken Arrow Economic Development Team, which included members of City leadership, as well as staff and board members from the Broken Arrow Economic Development Corporation. She stated the team reviewed the application to confirm eligibility based on the Economic Development Incentive Policy, and subsequently made a formal incentive recommendation to the City. She stated after a few rounds of revisions the proposed Economic Development Agreement was approved on August 15, 2024 by the EDC Board, as well as recommended by City Leadership. She stated Solar Turbines was working on an expansion project at the current Broken Arrow facility which included a 22,000 square foot facility expansion to allow for six additional machine tools, and 20 percent production increase over the current maximum capacity. She stated the expansion would encompass an extension of the current production space to include slab, walls, roof, and infrastructure, including additional electrical support and compressed air; additionally, the Project included an additional 38,000 square foot slab poured on the exterior for additional inventory storage. She stated the expansion plans would require a \$15,500,000

million dollar capital investment over the next 3 years and would create an additional 29-net new direct, full-time jobs at the facility. She stated subject to annual appropriations, the incentive included the following: 1) Reimbursement of \$2,000 to \$3,000 dollars per new job created up to a maximum of 29 new jobs created by December 31, 2028. Reimbursement amount would depend upon total annualized gross wage. Each job created with an annualized gross wage of between \$58,500 and \$62,474 would be reimbursed \$2,000 dollars, and \$62,475 or above would be reimbursed \$3,000 dollars; 2) The waiving of City of Broken Arrow permit fees in an amount not to exceed \$15,000 dollars; and 3) Reimbursement of capital expenditures (construction and equipment purchases) in an amount not to exceed \$75,000 dollars. She stated the total maximum incentive obligation under this Agreement shall not exceed \$177,000 dollars. She invited Dave Simon, General Manager of Solar Turbines, to speak.

Mr. David Simon thanked the Authority. He invited the Authority to visit the facility, which he said was more impressive on the inside than the outside. He stated the facility had a lot of big machinery which performed heavy machining of large engine and gas compressor components. He stated Solar Turbines was formally RDS; Solar Turbines purchased the company in 2015. He stated Solar had been growing and developing its employee base, expanding as much as possible within the existing footprint. He reported Solar Turbines was based out of San Diego, CA, had facilities in California, Texas, Oklahoma, Mexico and the Czech Republic and shipped products from the Broken Arrow facility to all these facilities, including the Czech Republic. He stated Solar manufactured gas turbine engines and gas compressors for the oil and gas industry, along with power generation and the database market. He stated this growth would contribute to the oil and gas industry, and now potentially data centers; Solar Turbines was growing very fast. He thanked the Authority for considering this agreement. He noted the existing Solar facility grew from 130 employees to 174 employees in the last three years. He noted Solar Turbines, through the Economic Development Corporation, was able to hire some of the employees let go by Baker Hughes, which was good reflection of the relationship between the City and Solar Turbines.

City Manager Spurgeon stated this was exciting for many reasons, one was the confidence the voters showed upon renewal of the Franchise Agreement; voters understood the importance of offering incentives to qualified businesses in Broken Arrow. He stated Solar Turbines was a company which had been in the City for many years and was making an additional investment in the City with 29 good paying jobs, and being able to reimburse these based on the policy was excellent. He stated he met with Solar Turbines, this was brought to the EDC, the Review Committee reviewed this, determined it to be a good investment of City dollars, and based upon some of his recommendations this agreement was put together. He stated he was excited to recommend this to the Authority for approval.

Trustee Parks stated this was an excellent Agreement. He commended those who put the Agreement together and said he believed these funds were being used in the manner intended.

Vice Chair Gillespie stated the total amount in new payroll would be almost \$1.7 million dollars for the 29 new jobs. She stated she appreciated Solar Turbines' investment in the City of Broken Arrow.

MOTION: A motion was made by Johnnie Parks, seconded by Christi Gillespie.

Move to approve and authorize execution of an Economic Development Agreement between Solar Turbines Incorporated and the Broken Arrow Economic Development Authority

The motion carried by the following vote:

Aye: 5 - Justin Green, Lisa Ford, Johnnie Parks, Christi Gillespie, Debra Wimpee

B. 24-1132 Consideration, discussion, and possible approval of and authorization to execute a First

Amended Economic Development Agreement by and between the Broken Arrow Economic Development Authority and Peak Development Services, LLC

Assistant City Manager of Administration Norm Stephens stated he was present to discuss the 14 acre tract located north of the Creek Turnpike and west of Aspen. He stated sadly he was present because an agreement approved by the Authority in January 2024 had not progressed at the expected rate. He stated on January 16, 2024, City Staff presented an Economic Development Agreement (EDA) between BAEDA and Mohr Capital for the 14 acres of Authority controlled land on the west side of Aspen, north of the Creek Turnpike. He stated one item of particular interest to the Authority was a Texas Roadhouse restaurant or an alternative national credit tenant, having a minimum square footage of at least 8,000 sq. ft. He stated over the course of time, it became difficult to see progress and to get the agreement signed; although the Authority approved the EDA on January 16th, the Agreement was not signed by the developer until April 11, 2024. He stated it should be noted that during the gap, Mr. Solls, with Mohr Capital, brought the unsigned EDA to Peak Development Services, LLC and the Managing Member, Mr. Garrett Johnson, signed the EDA. He stated contractually Peak Development Services had until August 19, 2024, to complete their due diligence before they were required to purchase the property from the Authority for the sum of \$2 million dollars. He explained within the past 60 days, through conversations between Staff and Mr. Solls, it was determined Texas Roadhouse's site selector decided not to locate on the 14-acre site. He noted this was not uncommon. He stated additional conversations revealed the difficulty Mr. Solls was having to fulfill the requirement of the Agreement to bring in a national credit restaurant to the development; Mr. Solls did acknowledge they had a fast food restaurant, a lending institute and mid-level hotel ready to sign contracts and move forward with construction. He stated he and Mr. Spurgeon had long conversations with Mr. Solls, and it was decided through both the ownership of Peak Development and Mr. Spurgeon's leadership, that the City would bypass Mr. Solls and speak only with the partners of Peak Development. He stated he was not an optimistic person by nature, but after talking with Mr. Ben Paige and Clint Anderson, the partners in Peak Development, he had a modicum of optimism that something excellent would be developed on this land. He stated the ownership of Peak Development have assured him Peak Development was prepared to deliver. He stated he was bringing an Amendment to the Economic Development Agreement for the Authority to consider; the Amendment included the following modifications: 1) Peak Development would complete due diligence no later than September 18, 2024, and close on the property 30 days thereafter; 2) Immediately after closing on the property, Peak Development would start the process to replat the property, breaking the parcels apart for the different users; 3) Peak Development would recruit a mid-tier hotel like a Hilton Garden Inn, Ramada Inn, or Embassy Suites; 4) Peak Development would continue to recruit a national full-service restaurant; 5) In the event Peak Development was unable to recruit a national full-service restaurant, the Authority would have the option to purchase back the square footage of the restaurant to be no less than 2.00 acres for \$4.00 per square foot; and 6) Peak Development understood there would be no additional incentives provided by the Authority to Peak Development Partners for this project. He invited Mr. Ben Paige, a partner with Peak Development, to speak.

Mr. Ben Paige thanked Mr. Stephens and the Authority. He stated he was brought into this project a couple of weeks ago as a person with many connections nationally with sit down restaurants and national credit tenants. He noted he owned Peak Development with his partner Clint Anderson; Peak Development did a lot of development across the country focused on single tenant retail, usually as pad users and sit down restaurants. He said when he heard about this project, within a week he had a meeting with the person who ran real estate for the largest sit down restaurant, publicly traded company, in the U.S. who was a friend of his. He stated he did not own a sit down restaurant company and could not start building one today, but he had connections with all the sit down restaurants, had built a rapport with each and each would pick up a call from him right away. He said he was confident he would be able to execute this contract. He stated he had a lot of interest along

the frontage of Aspen Ave., had a tenant for the back of the site, and this left the sit down restaurant piece in the middle of the property. He stated he was not signing up for something he did not think he could deliver on; he was confident he would deliver.

Trustee Green stated the last individual who stood before the Authority mentioned a fast food entity as well. He asked if this was still being considered.

Mr. Paige responded in the affirmative.

Mr. Stephens stated he also spoke with the individual in charge of the fast food entity which is highly motivated to be on this site as soon as possible.

Trustee Green asked about the time frame.

Mr. Paige responded if approved, the plan was to close in mid-October and the property would begin the replatting process next week to parcel the land out and work the separate deals with the tenants.

Vice Chair Gillespie stated the citizens of south Broken Arrow wanted something other than fast food in this area.

Mr. Paige stated the fast food user took up approximately 1 acre of this property; there were 13 acres left and he would be focused on figuring out the remaining 13 acres; there was no additional fast food planned for the property.

Vice Chair Gillespie noted just down the street was the Indian Springs Sports Complex which held 300,000 to 400,000 people; this area needed a hotel and a sit down restaurant.

Mr. Paige stated he was very aware of the need and was confident he would be able to deliver a hotel. He stated Peak Development had one hotel and two sit down restaurants engaged with Peak Development right now. He stated south Broken Arrow was amazing and growing and it would be up to the City to decide to move forward with one of the entities engaged with Peak Development right now, or to wait for something the City really wanted. He stated this property was one of the last best spots for a sit down restaurant in south Broken Arrow and he believed the City would be able to get whatever it really wanted for this location.

MOTION: A motion was made by Christi Gillespie, seconded by Justin Green.

Move to approve and authorize execution of a First Amended Economic Development Agreement by and between the Broken Arrow Economic Development Authority and Peak Development Services, LLC

The motion carried by the following vote:

Aye: 5 - Justin Green, Lisa Ford, Johnnie Parks, Christi Gillespie, Debra Wimpee

7. Remarks and Inquiries by Governing Body Members

Trustee Green stated this week Friday began Leadership Broken Arrow, and he would be participating.

Trustee Ford stated she was excited to be Trustee Green's mentor for Leadership Broken Arrow but would not be at the Friday kick off.

Mayor Wimpee stated Leadership Broken Arrow was an excellent experience.

8. Remarks and Updates by City Manager and Staff

City Manager Spurgeon stated last week he and Jennifer Rush had coffee with Amber and Darla Heller, and communicated regularly with Wagoner County talking about infrastructure,

housing, etc. He noted there had been discussions about adding a Wagoner County Commissioner to the Housing Task Force. He stated he was working hard with Darla Heller to make these connections and to have direct communication when necessary. He stated Norm Stephens was on the Wagoner County Economic Development Authority Board. He stated Broken Arrow was working hard to partner with Wagoner County.

9. Executive Session

There was no Executive Session.

10. Adjournment

The meeting was adjourned at approximately 9:15 p.m.

MOTION: A motion was made by Lisa Ford, seconded by Justin Green.

Move to adjourn

The motion carried by the following vote:

Aye: 5 - Justin Green, Lisa Ford, Johnnie Parks, Christi Gillespie, Debra Wimpee

Chairperson

Secretary