



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

Monday, June 17, 2024

Council Chambers

1. Call to Order

Chairperson Debra Wimpee called the meeting to order at approximately 8:11 p.m.

2. Roll Call

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

3. Consideration of Consent Agenda

- A. 24-108 **Approval of the Broken Arrow Economic Development Authority Meeting Minutes of June 3, 2024**
- B. 24-777 **Approval of and authorization to execute a Global Financial Professional Services Agreement with Municipal Finance Services**
- C. 24-784 **Approval of and authorization to execute Resolution No. 1588 extending the current contract for Economic Development Services between the Broken Arrow Economic Development Authority and the Broken Arrow Economic Development Corporation from June 30, 2024 until July 31, 2024**
- D. 24-692 **Notification of the Aspen Ridge Development May 2024 Update**
- E. 24-787 **Ratification of the Claims List Check Register Dated June 07, 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 Justin Green, 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

There were no public hearings, appeals, presentations, recognitions, or awards.

6. General Authority Business

- A. 24-735 **Consideration, discussion, and possible approval of the proposed Fiscal Year 2024-2025 Financial Plan for the Broken Arrow Economic Development Authority**
Finance Director Cindy Arnold reported during the City Council Meeting, City Council approved Resolution No. 1584, and this was adopting the Broken Arrow Economic Development Authority Financial Plan for \$15,966,000 dollars.

MOTION: A motion was made by Lisa Ford, seconded by Christi Gillespie.

Move to approve the proposed Fiscal Year 2024-2025 Financial Plan for 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. 24-813 Consideration, discussion and possible approval of and authorization to execute an Economic Development Agreement between Walman Brown Aspen Development LLC and the Broken Arrow Economic Development Authority

Economic Development Manager Jennifer Rush stated she was presenting on behalf of Norm Stephens. She reported this Economic Development Agreement was for the Shops at Aspen Creek. She reported in September 2013, the City of Broken Arrow, the Broken Arrow Economic Development Authority and Sig-Broken Arrow, LTD., entered into an Economic Development Agreement for an approximate 100-acre tract of land located adjacent to the Creek Turnpike between South Aspen Avenue and South Elm Place, now known as the Shoppes at Aspen Creek. She stated although a luxury, multi-screen movie theatre was located in the development, much of the remainder of the development had not enjoyed the success originally intended. She stated recently the owner of the Shoppes at Aspen Creek approached City Staff with a request for additional incentives, designed to improve the likelihood the development would attract additional retail growth. She stated during these discussions, the decision was made to request that Broken Arrow Economic Development Authority authorize the City Manager to enter into negotiations with the owner of Sig-Broken Arrow, for the purchase of a significant portion of the Shoppes at Aspen Creek. She reported through those negotiations, an agreement was made that the Developer would sell 38.26 acres to the City of Broken Arrow for \$7 million dollars; the transaction would be completed by June 28, 2024. She stated in the event the Authority was unable to complete the transaction for the 38.26 acres, this Economic Development would become null and void. She indicated highlights of the agreement included: Phase 1 would include an estimated \$41 million dollars in annual sales and a commitment to build 160,000 sq. ft. of retail commercial space; Phase 2 would produce annual sales of an additional \$25 million dollars and additional commercial retail space of 100,000 sq. ft.; and Phase 3 would be an additional \$10 million dollars in sales and additional 20,000 sq. ft. of commercial retail space. She noted the total capital investment in the Project on behalf of the Developer was projected to be approximately \$24 million dollars, plus \$6 million dollars for the cost of Project Site Infrastructure Improvements. She indicated in an effort to facilitate a Public/Private Partnership, certain incentives were necessary to increase the probability for success of the project. She stated Staff was requesting the following: 1) Phase 1 - Property Sale of approximately 22.75 acres to the Developer for the sum of \$10 million dollars (ten million dollars); 2) Phase 2 - Property Sale - Upon the developer's construction of Phase 1, the Authority would sell to the Developer the North 13.21 Acres for the Sum of \$2.00 per square foot totaling \$1,150,855.20 million dollars to be paid on or before twelve months after the substantial completion date of Phase 1; 3) Phase 3 - Property Sale - Upon the developer's construction of Phase 2, the Authority would sell to the Developer the remaining 2.30 acres for the sum of \$6.00 per sq. ft. totaling \$601,128 dollars to be paid at closing to occur on or before twenty-four months from substantial completion date of Phase 1; 4) The Authority would provide incentives in an amount not to exceed \$6 million dollars for reimbursement of Project infrastructure; all infrastructure paid for by the Authority would be dedicated to the Authority by the Developer once it was completed; and the Developer would maintain ownership of the parking lot as constructed and would be solely responsible for its upkeep and maintenance.

Ms. Rush explained the City had a long relationship with this developer who brought many good things to Broken Arrow and the surrounding region. She stated the City was excited about the developer's investment in the area and it was believed the area was ready to flourish. She reported there were timelines set forth through the Agreement regarding the start and completion of the phases.

Mr. Steve Walman, with Walman Commercial, stated he was engaged by the developer to try and create some interest from national tenants to come to south Broken Arrow. He stated he

worked very hard for a year and a half to make this happen and came up with many Letters of Intent. He stated the conditions within the market relative to the cost of money, labor, materials, etc., all became factors against out of the ground construction, particularly for retail. He noted tenants could not pay what was necessary to build new units which led to stagnation. He stated he understood when this kind of momentum was achieved, it was important not to let the momentum go or it would not return for a long time. He stated the circumstances were there were tenants, but no developer. He indicated he worked with Norm Stephens, City Manager Spurgeon, Kenny Schwab, Jennifer Rush, etc., and there was an excellent team approach. He said there was potential for this area to become the hub of the retail community of south Broken Arrow and would be a catalyst for other tenants and restaurants and businesses. He stated he saw Phase 1 as the critical part of the process; Phase 2 and Phase 3 would be functions of whether Phase 1 was successful. He said this Agreement needed to move forward. He stated at his stage in his career he had done a lot of retail, over 15 shopping centers, and his goal would be on the tenant's timeframe. He indicated he appreciated some of the obligations in the Agreement noting he suggested some of the buybacks which would benefit the City of Broken Arrow. He stated he was committed from a personal standpoint, and from a professional standpoint he was excited to have this much interest in south Broken Arrow. He stated he believed this development would serve the community over a long period of time. He noted there was already more investment going on at the peripheral of this site and some was a function of anticipating this development. He noted it was a tall hill to climb in a market which was not conducive to climbing, but he had the tenants, he had the backstop of the general partnership which would finance this, and he was ready to move forward right away.

City Manager Spurgeon noted last August he mentioned the possibility of this Economic Development Agreement. He said he understood the concerns related to use of City money, to try to find the best deal, and not being in the real estate holdings, but what was most important about this Agreement was it would start generating sales tax dollars for the City as soon as the businesses open. He recommended strongly considering approval.

Vice Chair Gillespie noted this area was in her ward and was one of the reasons she was elected originally. She stated she did not agree with the government owning land generally, but this deal, because these would be businesses which benefited the whole community, not just a select few, and because there would be an immediate return on investment, this was a good Economic Development Agreement. She stated she felt this was an investment, not an expense. She said she was excited to hear the development would move forward quickly.

Mr. Walman concurred development would move quickly. He agreed generally the government should not own land, but looking at the economy, understanding if the government was not proactive, there would be no development of a shopping center in this location, it would not be viable otherwise. He stated he represented Ross Dress for Less and Sprouts in Oklahoma and he was unaware of any project these two companies were considering which did not have an incentive attached.

Trustee Green stated, as a resident of south Broken Arrow, and the newest City Council Member, one of his priorities was making certain the City was on top of economic development and being equitable throughout the City. He noted many businesses moved from south to north Broken Arrow, and things were happening in north Broken Arrow, and it was time for some businesses to move to south Broken Arrow. He said this was an important development. He thanked Mr. Walman for his efforts, noting he believed this development would make a big impact on the City as a whole. He stated this would encourage many south Broken Arrow residents to shop in Broken Arrow as opposed to driving into Bixby.

Mr. Walman thanked Trustee Green. He noted there were several national companies who felt south Broken Arrow was the future trade area. He stated once the bigger companies

came in, the rest would follow.

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

Move to approve and authorize execution of an Economic Development Agreement between Walman Brown Aspen Development LLC 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

7. Remarks and Inquiries by Governing Body Members

Trustee Ford noted the Economic Development Agreement just approved was very exciting, not only for south Broken Arrow, but for the whole City.

8. Remarks and Updates by City Manager and Staff

City Manager Spurgeon reported the recruitment process was underway to select the next Chamber President and CEO. He stated applications were being received and the interview process would begin next month. He indicated there was another meeting today regarding renewal of the Economic Development Corporation contract at which there were several members of the Board of Directors present, as well as Mr. Fram, himself, and Jennifer Rush. He stated it was a very positive meeting. He indicated he believed he would have a new agreement for the Authority's consideration at the July meeting.

9. Executive Session

There was no Executive Session.

10. Adjournment

The meeting was adjourned at approximately 8:20 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