

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, July 31, 2023

Council Chambers

1. Call to Order

Chairperson Debra Wimpee called the meeting to order at approximately 7:27 p.m.

2. Roll Call

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

3. Consideration of Consent Agenda

- A. 23-48 Approval of the Broken Arrow Economic Development Authority Meeting Minutes of July 17, 2023**
 - B. 23-791 Approval of and authorization to execute third Amendment to the Economic Development Agreement by and among Oak Trust Development LLC, Steve Easley, the Broken Arrow Economic Development Authority and the City of Broken Arrow**
 - C. 23-1020 Approval of and authorization to execute a First Amendment to Ground Lease between the City of Broken Arrow, the Broken Arrow Economic Development Authority and Stoney Creek Investors of Broken Arrow, LLC, successor in interest to Stoney Creek Hospitality Corporation, an Iowa Corporation, for the purpose of correcting the legal description of the Conference/Convention Center**
 - D. 23-969 Approval of the Broken Arrow Economic Development Corporation's Innovation District Design Services Invoice**
 - E. 23-975 Ratification of the Claims List Check Register Dated July 24, 2023**
- 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 Justin Green.

Move to approve the Consent Agenda minus Item B

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

Chairperson Wimpee read Item B into the record: "Approval of and authorization to execute third Amendment to the Economic Development Agreement by and among Oak Trust Development LLC, Steve Easley, the Broken Arrow Economic Development Authority and the City of Broken Arrow."

Assistant City Manager Norm Stephens stated he was asking for an amendment to the Aspen Ridge Economic Development agreement. He explained that on June 29, 2021, in the initial agreement, the developer committed to the construction of a 60,000 square foot Reasor's Grocery store and the construction of a 168-unit multi-family apartment complex by June 30, 2023. He added that by June 30, 2024, a commitment had also been made for development of 200,000 square feet of new retail and commercial space.

Mr. Stephens said the third amendment became necessary as the developer needed additional time to meet the expectations of the agreement. He added there were a variety of reasons: the unforeseen sale of Reasor's to the Brookshire Brothers, the unforeseen cell tower with property rights issues, and the necessity to modify stormwater detention facilities to ensure there would be no adverse effects associated with downstream owners. He explained Staff began working with Mr. Easley in March of 2023 to obtain a better timeframe for completion of the project; in a May meeting he, Mr. Easley, and Mr. Schwab became aware of the easement issue with the cell phone tower which caused the additional delays. He stated Mr. Easley had done a presentation to the authority on April 18, 2023, but the issue of needing to amend the agreement was not mentioned. He stated in hindsight, he should have mentioned the delay at that time but felt he would be coming to the Council before the timeline expired. He continued that another contributing factor to the delay was the administration was waiting for the developer to make a \$1 million payment, and the payment had been made on June 30, 2023.

Mr. Stephens added there were several issues involving onsite detention of stormwater. He stated Mr. Schwab spent numerous hours working with the developer, the engineer and the property owners in an effort to ensure the stormwater detention area was adequate without being significantly oversized. He explained the initial design of the onsite stormwater detention area would significantly reduce the developer's plan to place 200,000 square feet of additional retail on the property. He stated Mr. Schwab worked to reduce the size of the detention area by roughly one-third, which allowed for additional retail restaurant space, but it would still have been problematic to achieve 200,000 square feet and because of this, Mr. Spurgeon approved incorporating land into the project area located north of Aspen Ridge currently owned by Mr. Easley. He noted this was fortunately in the TIF zone, and the monies which came from the area would be used to pay off the TIF note. He stated Mr. Easley requested an extension for the completion of Reasor's to June 30, 2024, and would provide updated information on when construction would begin upon request. He indicated Mr. Easley requested an extension for completion of the apartment complex to April 30, 2025. He said Mr. Spurgeon and he believed allowing the construction of the apartment units prior to the Reasor's would have been problematic for the homeowners in the area who may have felt a bait and switch had occurred. He indicated Mr. Easley requested an extension for completion of the 200,000-sf commercial and retail space to December 31, 2024, which was extra time but not outside the timeline.

City Manager Spurgeon asked Mr. Stephens to mention the stormwater change which would have dumped water downstream.

Mr. Schwab said the original agreement required a stormwater detention pond, and Mr. Easley and his team were verbally granted permission to start Reasor's without the pond. He reported his team designed the pond using a well-known stormwater engineer. He noted the design oversized the pond, which was above and beyond the design criteria and the team was now in the process of redesigning the pond which be submitted tomorrow. He indicated an earth change permit was granted, but Mr. Easley felt that space was being wasted.

Vice Chair Gillespie said she had asked for this item to be pulled from the Consent Agenda because she had gotten many questions about it. She stated she felt it was important to have a public record of discussion about the issue. She stated she was glad to hear more retail was being developed. She added south Broken Arrow was ready to have a Reasor's.

Mr. Schwab stated if the apartments were built without the detention pond, they would be dealing with a lawsuit.

Trustee Parks added the project was important to south Broken Arrow, and he had heard much discussion of it at meetings. He indicated he responded that development was well on

the way, and he was surprised more work had not been done on the facility. He was not criticizing any staff but was requesting periodic progress updates, maybe every two months, so that he could report to constituents. He also stated the apartments should be developed along with the commercial space.

City Manager Spurgeon stated starting at the September 5th meeting under the Consent Agenda, there would be an update on the project broken down into several different deliverables.

Trustee Ford said she also would appreciate the updates, so she could be transparent with the public.

Chairperson Wimpee added it would be good to have these updates so people could understand what actually had taken place.

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

Move to approve the third Amendment to the Economic Development Agreement by and among OakTrust Development LLC, Steve Easley, the Broken Arrow Economic Development Authority and the City of Broken Arrow

The motion carried by the following vote:

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

5. Presentations

There were no Presentations.

6. General Authority Business

A. 23-884 Consideration, discussion, and possible approval of the Broken Arrow Economic Development Incentive Policy

Economic Development Manager Jennifer Rush introduced Nick Duffle, who was Vice President of Economic Development for the Economic Development Corporation. She added Chamber of Commerce President Jennifer Conway apologized for not being present.

Ms. Rush gave a history on the development of the policy. She said the Council had directed her and her team to develop an incentive policy which would generate \$1 million to \$1.2 million dollars per year. She stated the money would be used for economic capital improvements and also company relocations and the recruitment of job creators and high wage jobs. She added keeping residents in Broken Arrow and attracting new talent would keep money in the area as well. She said also included was information on defining retail projects.

Ms. Rush introduced Mr. Nik Duffle.

Mr. Nik Duffle, Vice President of Economic Development, said one of the key points of this policy was it helped create jobs and capital investments in Broken Arrow. He said the policy would require a minimum capital investment of \$500,000 dollars and the creation of at least 10 full time jobs in Broken Arrow. He explained to be eligible for the program, these two criteria must be met to become eligible to receive a minimum of \$2,000 dollars or maximum of \$5,000 dollars per new job created; also, a one to three percent cash or equivalent incentive could be received based on the amount of capital investment up to a maximum of \$1 million dollars. He stated all was dependent on the funds available in the incentive fund.

Mr. Duffle continued there would be a team of city employees who would review applications, which would include information such as capital investment, job creation, and a proforma document. He indicated this would be submitted to his department, the Economic Development Corporation and the Chamber of Commerce, and it would be reviewed and a

recommendation to City Council for approval would be made.

Trustee Parks asked if the funding would come from Public Service taxes.

Mr. Duffle responded in the affirmative.

Trustee Parks asked if it was 50 percent.

City Manager Spurgeon responded it was estimated to be between \$1 million to \$1.2 million dollars a year, which would be broken down to a capital development fund and a fund for incentives. He added until the money built over the next year or two, the city might have to consider what was in the fund to provide the incentives.

City Manager Spurgeon indicated the possibility of using some funds to partner with the relocation of the utility lines at New Orleans Square was being considered. He said this would need to be discussed during a meeting. He added he looked over the policy, and he would recommend approval.

MOTION: A motion was made by Lisa Ford, seconded by Johnnie Parks.

Move to approve the Broken Arrow Economic Development Incentive Policy

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

Vice Chair Gillespie remarked that Trustee Green and she attended the Eleven01 Barber Lounge's back to school bash, and it was a great event.

8. Remarks and Updates by City Manager and Staff

City Manager Spurgeon said he appreciated Trustee Parks and Trustee Green who helped raise additional funds to expand economic development administration. He said he would be sending information about new businesses coming to the area, and he would continue to do this on a quarterly basis.

9. Executive Session

There was no Executive Session.

10. Adjournment

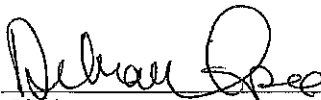
The meeting was adjourned at approximately 7:51 p.m.


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

Move to adjourn

The motion carried by the following vote:

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


Chairperson


Secretary

