



# City of Broken Arrow

## Meeting Agenda Broken Arrow Economic Development Authority

*Chairperson Craig Thurmond*

*Vice Chair Scott Eudey*

*Trustee Mike Lester*

*Trustee Johnnie Parks*

*Trustee Debra Wimpee*

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**Monday, June 18, 2018**

**Council Chambers**

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**TIME: Follows City Council meeting which begins at 6:30 p.m. and the Broken Arrow Municipal Authority meeting which follows City Council.**

1. Call to Order
2. Roll Call
3. Consideration of Consent Agenda

- A. [18-503](#) Approval of Broken Arrow Economic Development Authority Meeting Minutes of June 4, 2018

**Attachments:** [6-4-2018 BAEDA Minutes](#)

No Broken Arrow Economic Development Authority Claims List for June 18, 2018

4. Consideration of Items Removed from Consent Agenda
5. General Authority Business

- A. [18-713](#) Consideration and possible approval of the proposed Fiscal Year 2018-2019 Financial Plan for the Broken Arrow Economic Development Authority

**Attachments:** [BAEDA Budget Summary](#)

- B. [18-694](#) Consideration, discussion and possible directive regarding a thirty-day extension, with an option for an additional thirty-day extension, to the Contract for Economic Development Services between the Broken Arrow Economic Development Authority and the Broken Arrow Economic Development Corporation

**Attachments:** [Ted Cundiff letter, BAEDC Chairman](#)  
[Amendment to the Professional Services Agreement](#)

## **6. Executive Session -**

**Executive Session for the purpose of confidential communications between the Broken Arrow Economic Development Authority, the City Manager, Economic Development Coordinator and the City Attorney, and possible action in open session on matters pertaining to:**

**(1) economic development and specifically discussing an economic development proposal involving a commercial and retail establishment proposed for the north side of Tiger Hill (on the southwest corner of Lynn Lane and Kenosha), to include the potential transfer of property, financing, and the creation of a proposal to entice a business to locate within the City of Broken Arrow, and taking appropriate action in open session, including direction to the City Manager and staff to negotiate for an economic development proposal, under 25 O.S. §307(C)(10).**

**(2) A claim, potential litigation or action related to an Economic Development Agreement between the Broken Arrow Economic Development Authority, the City of Broken Arrow and SIG Broken Arrow, LTD., under 25 O.S. §307(B)(4).**

**In the opinion of the City Attorney, the Authority is advised that the Executive Session is necessary to protect the confidentiality of the businesses and also that disclosure will interfere with the development of products or services in the public interest and it is necessary to process the potential litigation in the public interest. After the conclusion of the confidential portion of executive session, the Authority will reconvene in open meeting, and the final decision, if any, will be put to a vote.**

## **7. Adjournment**

### **NOTICE:**

If you wish to speak at this evening's meeting, please fill out a "Request to Speak" form. The forms are available from the City Clerk's table or at the entrance door. Please turn in your form prior to the start of the meeting. Topics are limited to items on the currently posted agenda, or relevant business. All cell phones and pagers must be turned OFF or operated SILENTLY during meetings. Exhibits, petitions, pictures, etc., shall be received and deposited in case files to be kept at the Broken Arrow City Hall. If you are a person with a disability and need some accommodation in order to participate in this meeting, please contact the City Clerk at 918-259-2400 Ext. 5418 to make arrangements.

POSTED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at \_\_\_\_\_ a.m./p.m.

\_\_\_\_\_  
City Clerk



# City of Broken Arrow

## Request for Action

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**File #: 18-503, Version: 1**

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**Broken Arrow City Council  
Meeting of: 06-18-2018**

**Title:**

Approval of Broken Arrow Economic Development Authority Meeting Minutes of June 4, 2018

**Background:**

Minutes recorded for the Broken Arrow Economic Development Authority Meeting.

**Cost:** Estimated Average Cost \$20

**Funding Source:** City Clerk Operational Budget

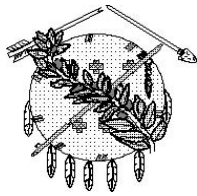
**Requested By:** Russell Gale, Assistant City Manager of Administration

**Approved By:** Michael L. Spurgeon, City Manager

**Attachments:** 6 4 18 BAEDA Meeting minutes

**Recommendation:**

Approve the minutes of June 4, 2018 for the Broken Arrow Economic Development Authority meeting.



**City of Broken Arrow**  
**Minutes**  
**Broken Arrow Economic Development Authority**

City Hall  
220 S 1st Street  
Broken Arrow OK  
74012

*Chairperson Craig Thurmond*  
*Vice Chair Scott Eudey*  
*Trustee Mike Lester*  
*Trustee Johnnie Parks*  
*Trustee Debra Wimpee*

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**Monday, June 4, 2018**

**Council Chambers**

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**1. Call to Order**

Chairman Craig Thurmond called the meeting to order at approximately 7:24 p.m.

**2. Roll Call**

**Present: 5 -** Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

**3. Consideration of Consent Agenda**

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

MOTION: A motion was made by Mike Lester, seconded by Johnnie Parks.

**Move to approve the Consent Agenda**

The motion carried by the following vote:

**Aye: 5 -** Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

**A. 18-498 Approval of Broken Arrow Economic Development Authority Meeting Minutes of May 15, 2018**

**B. 18-36 Approval of the Broken arrow Economic Development Authority Claims List for June 04, 2018**

**4. Consideration of Items Removed from Consent Agenda**

There were no items removed from the Consent Agenda. No action was required or taken.

**5. General Authority Business**

**A. 18 658 Consideration, discussion, and possible directive regarding the Contract for Economic Development services between the Broken Arrow Economic Development authority (BAEDA) and the Broken Arrow Economic Development Corporation (BAEDC) and authorization for the City Manager to execute a professional services agreement between BAEDA and Crawford Associates, P.C. for an audit of contractually expended funds pursuant to the BAEDA and BAEDC contract**

Economic Development Coordinator, Norm Stephens, reported on July 21, 2009 the Broken Arrow Economic Development Authority began contracting with the Broken Arrow Economic Development Corporation for Economic Development Services for BAEDA. He stated the current contract was in effect from July 1<sup>st</sup>, 2015 until June 30, 2018. He stated the contract provided BAEDA had the right to annually order an audit by an independent auditor be made of the record of the BAEDC to the extent that they involve directly or indirectly the expenditure of funds appropriated to the Broken Arrow Economic Development Corporation by BAEDA pursuant to the agreement. He reported pursuant to the records and audit provision of the contract, in order to provide maximum transparency on City funds, the City Manager recommended BAEDA enter into a professional service agreement for an independent audit

pursuant to the records and audit provision of the contract. He stated staff recommended Crawford and Associates be retained for completion of the audit which would not exceed a cost of \$25,000. He asked if there were questions.

Trustee Johnnie Parks asked what period of time the audit would cover. Mr. Stephens responded the last two years of the contract. Vice Chair Scott Eudey asked about contract extension, as BAEDA would need time to review the audit. City Manager Spurgeon stated on June 18<sup>th</sup> he planned to recommend a 60 day contract extension which would allow time for audit completion, audit review and contract renegotiation.

MOTION: A motion was made by Debra Wimpee, seconded by Mike Lester.

**Move to approve and authorize execution of a Profession Services Agreement with Crawford and Associates, P.C., for an audit pursuant to the Broken Arrow Economic Development Authority (BAEDA) and the Broken Arrow Economic Development Corporation (BAEDC) Contract**

The motion carried by the following vote:

**Aye: 5 -** Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

**6. Executive Session**

There was no Executive Session.

**7. Adjournment**

The meeting adjourned at approximately 7:28 p.m.

MOTION: A motion was made by Johnnie Parks, seconded by Scott Eudey.

**Move to adjourn**

The motion carried by the following vote:

**Aye: 5 -** Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

Attest:

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary



# City of Broken Arrow

## Request for Action

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**File #: 18-713, Version: 1**

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**Broken Arrow Economic Development Authority  
Meeting of: 06-18-2018**

**Title:**

Consideration and possible approval of the proposed Fiscal Year 2018-2019 Financial Plan for the Broken Arrow Economic Development Authority

**Background:**

The proposed Fiscal Year 2018-2019 Financial Plan was presented at the City Council meeting on May 22, 2018 and a Public Hearing on the proposed Fiscal Year 2018-2019 budget including the Financial Plan was held at the regularly scheduled June 4, 2018 City Council meeting. The proposed Financial Plan under consideration has no changes from the Financial Plan previously presented and available to the public. The City Council earlier tonight approved Resolution 1096 adopting the proposed 2018-2019 Fiscal Year Budget for the City. The Fiscal Year 2018-2019 Financial Plan is included in the budget document adopted by the City Council.

**Cost:** \$2,000,000

**Funding Source:** Original Budget

**Requested By:** Cynthia Arnold, Finance Director

**Approved By:** Michael L. Spurgeon, City Manager

**Attachments:** Fiscal Year 2018-2019 Broken Arrow Economic Development Authority Financial Plan

**Recommendation:**

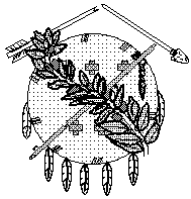
Approve the Fiscal Year 2018-2019 Financial Plan for the Broken Arrow Economic Development Authority

**CITY OF BROKEN ARROW**  
**FISCAL YEAR 2019 BUDGET & FISCAL YEAR 2020 FINANCIAL PLAN**  
**BROKEN ARROW ECONOMIC DEVELOPMENT AUTHORITY**  
**FUND 87**

**Description:**

A Public Trust created to promote and encourage development of industry and commerce and other related activities on behalf of the City. The City Council serves as Trustees for the Authority.

DESCRIPTION	ACTUAL 2017	BUDGET 2018	ESTIMATED ACTUAL 2018	BUDGET 2019	FINANCIAL PLAN 2020
<b>REVENUES :</b>					
Intergovernmental					
Interest	3,778	4,000	9,124	9,000	10,000
Miscellaneous (TIF Income)	667,300	835,000	1,100,000	1,111,000	1,122,000
<b>TOTAL REVENUES</b>	<b>671,078</b>	<b>839,000</b>	<b>1,109,124</b>	<b>1,120,000</b>	<b>1,132,000</b>
<b>Other Financing Sources:</b>					
Transfers In	1,159,992	1,200,000	1,200,000	1,200,000	1,200,000
<b>TOTAL REVENUES &amp; OTHER SOURCES</b>	<b>1,831,070</b>	<b>2,039,000</b>	<b>2,309,124</b>	<b>2,320,000</b>	<b>2,332,000</b>
<b>BEGINNING FUND BALANCE:</b>					
Reserved Fund Balances					
Reserved for Debt Service	0	0	0	0	0
Reserved for Other Purposes	(4,057,927)	(4,060,094)	(4,060,094)	(3,670,970)	(3,350,970)
<b>Total Reserved Fund Balances</b>	<b>(4,057,927)</b>	<b>(4,060,094)</b>	<b>(4,060,094)</b>	<b>(3,670,970)</b>	<b>(3,350,970)</b>
<b>Unreserved Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FUND BALANCE</b>	<b>(4,057,927)</b>	<b>(4,060,094)</b>	<b>(4,060,094)</b>	<b>(3,670,970)</b>	<b>(3,350,970)</b>
<b>TOTAL SOURCES</b>	<b>(2,226,857)</b>	<b>(2,021,094)</b>	<b>(1,750,970)</b>	<b>(1,350,970)</b>	<b>(1,018,970)</b>
<b>EXPENDITURES -</b>					
Other Services and Charges	1,150,711	1,250,000	1,200,000	1,250,000	1,250,000
Capital Outlay	380	0	0	0	0
Debt Service	682,146	627,700	720,000	750,000	750,000
<b>TOTAL EXPENDITURES</b>	<b>1,833,237</b>	<b>1,877,700</b>	<b>1,920,000</b>	<b>2,000,000</b>	<b>2,000,000</b>
<b>ENDING FUND BALANCE:</b>					
Reserved Fund Balances					
Reserved for Debt Service	0	0	0	0	0
Reserved for Other Purposes	(4,060,094)	(3,898,794)	(3,670,970)	(3,350,970)	(3,018,970)
<b>Total Reserved Fund Balances</b>	<b>(4,060,094)</b>	<b>(3,898,794)</b>	<b>(3,670,970)</b>	<b>(3,350,970)</b>	<b>(3,018,970)</b>
<b>Unreserved Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Fund Balance</b>	<b>(4,060,094)</b>	<b>(3,898,794)</b>	<b>(3,670,970)</b>	<b>(3,350,970)</b>	<b>(3,018,970)</b>



# City of Broken Arrow

## Request for Action

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**File #: 18-694, Version: 1**

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**Broken Arrow Economic Development Authority  
Meeting of: 06/18/2018**

**Title:**

Consideration, discussion and possible directive regarding a thirty-day extension, with an option for an additional thirty-day extension, to the Contract for Economic Development Services between the Broken Arrow Economic Development Authority and the Broken Arrow Economic Development Corporation

**Background:**

On July 21, 2009, the Broken Arrow Economic Development Authority began contracting with the Broken Arrow Economic Development Authority for economic development services for BAEDA. The current contract is in effect from July 1, 2015 until June 30, 2018. On June 04, 2018, the Authority was informed that the completion of an audit and negotiations for a new agreement is anticipated to take longer than June 30, 2018 and a short extension of the current agreement may be required. On June 12, 2018, Chairman of the BAEDC Ted Cundiff provided Broken Arrow Economic Development Coordinator Norman Stephens with a request for a 60-day extension to the contract. In the letter, Mr. Cundiff explains the extension will allow the BAEDC to complete a transition review as they negotiate the renewal on the contract with the City of Broken Arrow.

Staff is recommending a thirty-day extension to the contract with an option for an additional thirty-day extension with the approval of the City Manager

**Cost:** \$32,292.00 for one month, \$64,584.00 for two months

**Funding Source:** Broken Arrow Economic Development Authority

**Requested By:** Norm Stephens, Economic Development Coordinator

**Approved By:** Michael L. Spurgeon, City Manager

**Attachments:** Ted Cundiff letter, BAEDC Chairman  
Amendment to the Professional Services Agreement

**Recommendation:**

Approve and authorize execution of a thirty-day extension, with an option for an additional thirty-day extension, to the Contract for Economic Development Services between the Broken Arrow Economic Development Authority and the Broken Arrow Economic Development Corporation





June 12, 2018

Norm Stephens  
City of Broken Arrow  
220 S First Street  
Broken Arrow, OK 74012

Norm,

The Broken Arrow Economic Development Corporation is requesting a 60 days extension to their contract. This will allow time for us to complete a transition review as we negotiate the renewal on the contract with the City of Broken Arrow.

Sincerely,

Ted Cundiff  
Chairman of the BAEDC

**TED CUNDIFF**

*President / CEO*

tcundiff@bankavb.com • 918.259.2726

**FIRST EXTENSION OF THE CONTRACT FOR ECONOMIC DEVELOPMENT  
SERVICES BETWEEN THE BROKEN ARROW ECONOMIC DEVELOPMENT  
AUTHORITY AND THE BROKEN ARROW ECONOMIC DEVELOPMENT  
CORPORATION**

This First Extension of the Contract is made and entered into this 18th day of June, 2018, by and between the Broken Arrow Economic Development Corporation, and Oklahoma non-profit corporation, hereinafter referred to as the "BAEDC," and the Broken Arrow Economic Development Authority, hereinafter referred to as the "BAEDA." The Contract being extended was entered into on March 17, 2015 and is set to expire by its own terms on June 30, 2018, hereinafter referred to as the "Original Contract."

**WHEREAS**, the BAEDC and BAEDA wish to renegotiate the terms of the Original Contract; and

**WHEREAS**, there is currently insufficient time to fully renegotiate the terms of the Original Contract prior to June 30, 2018 when it will expire; and

**WHEREAS**, the BAEDC and BAEDA wish to continue their contractual relationship without a lapse.

**NOW, THEREFORE, the BAEDC and BAEDA**, in consideration of the mutual promises, covenants and conditions herein and the mutual benefits, which will accrue, the receipt and sufficiency of which consideration is here by acknowledged, the parties agree as follows:

1. The provisions of the Original Contract shall remain in full force and effect with the exception of Section 8. Section 8: Term and Termination of Contract clause shall read as follows:

**SECTION 8: TERM AND TERMINATION OF CONTRACT**

This Contract shall be in full force and effect from July 1, 2015, through July 31, 2018. The Contract may be extended an additional 30 days to August 30, 2018, at the sole discretion of the City Manager. It is the intent of BAEDA that this Contract shall remain in effect for the term specified unless modified by mutual consent of the parties. It is acknowledged that the reimbursement provided for herein for fiscal years 2017 and 2018 are on a year-to-year basis subject to annual appropriation. It shall be a default and cause for termination if the BAEDC fails to keep, observe or perform any material agreements, terms or provisions of this Contract and such default continues for a period of thirty (30) days after written notice by BAEDA to the BAEDC. In the event of default, BAEDA has no further obligations under the terms of this Contract. This Contract, however, may be terminated by either party by thirty (30) days written notice.

Approved as to Form:

The City of Broken Arrow

\_\_\_\_\_  
Assistant City Attorney

By: \_\_\_\_\_  
City Manager

Date:

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Date:

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Attest:

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City Clerk (Seal)

Broken Arrow Economic Development  
Authority

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Attest:

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Secretary

Broken Arrow Economic Development  
Corporation

By: 

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Chairman

State of Oklahoma     )  
                                      ) ss:  
County of Tulsa         )

Before me, a Notary Public, on this \_\_\_\_\_ day of \_\_\_\_\_, 2018, personally appeared Kinnee Tilly, known to me to be the Senior Vice President of Economic Development for the Broken Arrow Chamber/EDC and the interim Chief Executive Officer of the Broken Arrow Economic Development Corporation and the identical person who executed the within and foregoing instrument, and acknowledged to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public