



City of Broken Arrow

Request for Action

File #: 16-1279, Version: 1

**Broken Arrow Economic Development Authority
Meeting of: 10-18-16**

To: Chairman and Authority Members
From: Office of the City Attorney

Title: Consideration, discussion, and possible approval of and authorization to execute a Ground Lessor Estoppel Certificate for property leased to Stoney Creek Investors of Broken Arrow, LLC, successor in interest to Stoney Creek Hospitality Corporation, for the Stoney Creek Hotel Conference Center located along West Albany Street between North Elm Place and Lynn Lane across from Bass Pro Outdoor World

Background:

On November 15, 2014, the City of Broken Arrow, The Broken Arrow Economic Development Authority, and Stoney Creek Hospitality Corporation, entered into a comprehensive Economic Development Agreement and Ground Lease for the development of a conference/convention center and accompanying hotel. Both the Agreement and the Lease allowed the Developer to assign its interests to an affiliated party without formal approval by the City Council or the Authority. On May 13, 2016, the City received notification of Stoney Creek Hospitality Corporation's Assignment and Assumption to Stoney Creek Investors of Broken Arrow, L.L.C. ("Stoney Creek").

In addition to the land purchase price, which came from approved General Obligation Bond proceeds, the City of Broken Arrow, through Vision Surplus Funds, contributed the sum of \$6,335,573.33 to this project for the purposes of grading, infrastructure, engineering design, architectural design and construction of utilities, among other things. In order to complete the hotel and conference center, it was always contemplated that the Developer would need to obtain financing secured by a mortgage of the real property and the improvements. In order to finalize the process, Stoney Creek has requested approval of the attached Ground Lessor Estoppel Certificate. The Legal Department has reviewed the Certificate and found it acceptable.

Cost: None
Prepared By: Beth Anne Wilkening, City Attorney
Reviewed By: Assistant City Manager-Administration
Development Services Director
Director of Economic Development

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Approved By: Michael L. Spurgeon, City Manager

Attachments: Ground Lessor Estoppel Certificate

Recommendation:

Approve the Ground Lessor Estoppel Certificate and authorize its execution.