

City Council / Public Works Authority**Item # 10.B.1.****Meeting Date:** 05/12/2025**Submitted For:** Madeline Sawyer, City Attorney, City Attorney's Office
Email: Madeline.Sawyer@edmondok.gov , Phone: 405-359-4350**Submitted By:** Natalie Marshall-Cox, Executive Assistant, City Attorney's Office**Ward:** Citywide**City Council Strategic Plan:** N/A

Item

Discussion and Consideration of a Second Amended and Restated Festival Marketplace Ground Lease By and Between the City of Edmond and Lap 7 Development, LLC. (Ward 1)

Background

The Second Amended and Restated Festival Market Place Ground Lease would replace in its entirety all prior and contemporaneous agreements related to the project, including the Amended and Restated Festival Market Place Ground Lease dated April 8, 2024. The material terms modified are the Construction Start Date and Construction Completion Date. Previously, Lap 7 was required to commence construction no earlier than November 11, 2024 and no later than December 15, 2024. If approved, Lap 7 would now be required to commence construction by no later than August 4, 2025. Construction must be complete by no later than March 1, 2026 (previously July 31, 2025).

Festival Marketplace Ground Lease Timeline and Notes

September 12, 2022 City Council Meeting: Discussion and Consideration of the Issuance of a Request for Qualifications for Festival Marketplace. Discussion:

- Andy Conyers, Assistant City Manager for Administration, provided an overview of the potential request for qualifications for retail development of a portion of the Festival Market Place.
- Councilmember Moore questioned staff regarding how potential development would impact parking in the area. Mr. Conyers indicated that there would be no loss of parking.
- Mayor Davis questioned whether any artwork in the area would be removed. Mr. Conyers stated that the current artwork would not be impacted nor removed.
- Councilmember Moore emphasized that any potential development impact should be minimized as to not interfere with the Farmers' Markets hosted at the Festival Market Place.
- Councilmember Chapman supported the activation of the area but indicated that the City should inventory items currently stored at the site and ensure they are stored nearby.
- Janet Yowell, Director of the Edmond Economic Development Authority, spoke to the potential impact of the development.
- City Manager Scot Rigby provided an overview of the rationale for exploring development at the site.
- Mr. Conyers stated that the City would consider extending the amount of time the Request for Qualifications is open to ensure the opportunity was widely shared. He indicated that the information would be shared through the Downtown Business Association, the Oklahoma Chapter of the Urban Land Institute, the Commercial Real Estate Council of Oklahoma City, as well as information sent to all individuals who have submitted a site plan in the downtown area within the last five years.
- Stephanie Carel, Director of the Downtown Edmond Business Association, emphasized the importance of the Festival Market Place to the downtown community.
- Mr. Rigby indicated that staff could include constraints on construction to reduce impacts on events at the Festival Market Place.
- Mr. Conyers stated that staff would incorporate the comments from the discussion into the Request for Qualifications before it is issued.

- Motion by Moore, seconded by Mugg, to approve agenda item 5.A.2, provided that construction will be coordinated with the Parks and Recreation Department to reduce impacts on all events at the Festival Market Place. Motion carried as follows:
- AYES: Mayor Davis, Councilmembers Chapman, Moore, Mugg, and Peterson
- NAYS: None

May 22, 2023: City Council approved the Festival Market Place Ground Lease

- Developer: Lap 7 Development, LLC (Brandon Lodge)
- Location: West First Street and West Edmond Road
- Parties: City of Edmond and Lap 7 Development, LLC
- Provided for development of a microbrewery and taproom.
- Important Dates: The developer would have until January 1st, 2024 to begin construction and 12 months from that date to complete construction.

May 22, 2023 City Council Meeting: Discussion and Consideration of a Ground Lease in the Festival Market Place with Lap 7 Development LLC. Discussion:

- Andy Conyers, Assistant City Manager for Administration, provided general information regarding the agenda item.
- Brandon Lodge, with Lap Seven Development, provided additional detail regarding the proposed use.
- Dan O'Neil, an Edmond resident, sought clarification if this would require moving any of the public art in the area. Mr. Conyers responded that it would not.
- Motion by Mugg, seconded by Robins, to approve agenda items 5.A.1. - 5.A.7. Motion carried as follows:
- AYES: Mayor Davis, Councilmembers Moore, Mugg, Peterson, and Robins

January 3, 2024: City sent a Notice of Default to Lap 7 Development, LLC because the January 1, 2024 deadline to commence construction had not been met.

- Due to continued interest in further activating the Festival Market Place in downtown to help accomplish the vision of the Downtown Master Plan, the City Council considered an Amended and Restated Festival Marketplace Ground Lease which proposed the following changes from the original lease:
- Section 2.3 - Updated construction timeline to provide that construction will begin no earlier than November 11, 2024 to avoid disruption of the 2024 Farmers Market season; required completion of construction no later than June 30, 2025; updated the building from one-story to two-story; increased the square footage of the building to 6,000 square feet; increased the construction budget to \$2.3 million; and deleted the authority of the City Manager to approve a one-time extension of the Construction Start Date.
- Section 4.1 - Rent will be paid beginning on the effective date of Amended and Restated Lease.
- Section 5.1 - Lessee shall submit a Construction Plan to Lessor on or before September 1, 2024, to include drawings, site plans, floor plans, elevations, and other documents illustrating, fixing, and describing the scale, size, and character of the Improvements necessary to submit a building permit application or as may be reasonably requested by Lessor.

April 8, 2024: City Council approved Amended and Restated Festival Market Place Ground Lease

- Parties: City of Edmond and Lap 7 Development, LLC
- Construction Start Date: No earlier than November 11, 2024 and no later than December 15, 2024
- Completion Date (receive final certificate of occupancy): July 31, 2025
- Two-story building to operate a microbrewery and tap room along with ancillary food services uses.
- Initial term of Ground Lease is 25 years, ending at midnight on April 30, 2049.
- Option to renew for five, five-year periods.
- Rent is \$12,750 per year for the first five calendar years. Rent escalation on commencement of fifth year and thereafter according to terms of Ground Lease.

August 26, 2024: site plan approved

April 8, 2024 City Council Meeting: Consideration of Approval of Amended and Restated Festival Market Place Ground Lease with Lap 7 Development, LLC for Development of a Two-Story Building to Operate a Microbrewery and Tap Room Along with Ancillary Food Service Uses. Discussion:

- Leana Dozier, Downtown Transformation Manager, provided general information regarding the agenda item.
- Mayor Davis asked if any Councilmember had any questions regarding the agenda item.
- Councilmember Peterson asked about the status of the storage building onsite.
- Ms. Dozier stated that a storage building had been purchased and that she was working with the Parks and Recreation department to find alternate solutions for storage.
- Councilmember Moore requested clarification on whether the amount of rent remained unchanged from the original ground lease.
- Ms. Dozier indicated that was correct.
- Councilmember Moore requested clarification of the impact of the development on the alleyways in the area.
- Ms. Dozier indicated that the alleyway between the development and the farmers' market will be closed during construction. She also indicated that the alleyways that go North-South won't be affected at all. Finally she mentioned that staff were looking into adding speed bumps into the alleyways to slow down traffic.
- Brandon Lodge, with Lap 7 Development, LLC, provided additional information regarding the agenda item.
- Councilmember Mugg asked if Mr. Lodge could reveal who the potential second floor tenant would be.
- Mr. Lodge stated that it likely would be a 'golf simulator' entertainment venue.
- Mayor Davis noted that the City of Edmond owns the land and that he originally voted for the project. He stated that he voted for the project originally because it was a smaller project and because the Council had an idea of what the project would look like, including scale and structure. He further noted that additional details on the proposed structure were not required to be submitted until September.
- Mayor Davis expressed concern about the project impacting the farmers' market and other downtown events, the length of the lease, and the capability of other uses to activate the area in question.
- Councilmember Moore noted that he shared a lot of the Mayor's thoughts on the project. Mr. Moore noted that he had called Mr. Lodge before the meeting to tell him he would vote no and why. Councilmember Moore noted that he appreciated Mr. Lodge's efforts except for the two-story element. Mr. Moore stated that instead of amending the agreement, his perspective was that the City should start the process over.
- Councilmember Robins discussed the growth of downtown Edmond and perspectives on development.
- Councilmember Peterson noted her concern about construction interfering with the farmers' market, storage on site, and the aesthetic of the design.
- Mr. Lodge stated that, if approved, the new project would be "the same type of structural masonry" as the original project approved by Council.
- Councilmember Robins asked if Mr. Lodge would commit to a monthly onsite meeting, during construction, with stakeholders such as businesses and farmers' market vendors, to address challenges and concerns.
- Mr. Lodge indicated his agreement.
- Councilmember Mugg noted the proposed agreement's strict timelines, rent payment structure, the lack of extensions, and working around the farmers' market schedule. Ms. Mugg also noted that the project would likely increase foot traffic to the area; that the footprint of the building remained the same; and that the project would enhance the area.
- Mayor Davis noted that the project would not just impact the farmers' market, but also other events held in the area.
- Mr. Lodge noted that any building constructed on the property would become the City's property at the end of the lease.
- Mayor Davis asked if anyone in the audience wished to speak regarding the agenda item.

- Lydia Lee, an Edmond resident, spoke about her concerns regarding the process to select and approve the original ground lease with Lap 7.
- Councilmember Robins noted his confusion why Ms. Lee had brought her concerns up at the meeting for the first time.
- Ms. Lee stated that she felt it was appropriate to convey her concerns to the full City Council and because she only found out this agenda item was being considered on the previous Thursday or Friday.
- Mary Lou Gresham, artist of Kentucky Daisey at Festival Market Place and Edmond resident, expressed concern that a two-story building next to the sculpture would diminish it.
- Ms. Gresham also noted that the original agreement was in default and that the process should start over.
- Bob Weiss, an Edmond business owner, noted that everyone that had spoken before was correct and that it was a tough decision on how to move forward.
- Bryce Thompson, owner of the Patriarch, noted how hard it is for food-beverage establishments in the current business climate. Mr. Thompson stated that the proposed project was a good idea for downtown Edmond.
- Charles Mulls, an Edmond resident, stated that the concern was the process and not the value of the project or capability of Mr. Lodge.
- Drew Dargen, an Edmond resident, expressed support for the project.
- Mr. Lodge discussed the process for how the project started.
- Janet Yowell, Executive Director of the Edmond Economic Development Authority, added additional information on how the original project was vetted.
- Robert Black, an Edmond resident and businessowner, spoke regarding his concerns over the process and support for Mr. Lodge.
- Leonard Scott, an Edmond resident, expressed concern over development and the impact on property taxes for elders.
- Motion by Councilmember Robins, seconded by Councilmember Mugg, to approve agenda item 9.C. Mayor Davis asked if any Councilmember wished to speak for or against the item. No Councilmember responded. Motion carried as follows:
 - YES: Councilmembers Mugg, Peterson, and Robins
 - NO: Mayor Davis and Councilmember Moore

April 17, 2024: Invoice for rent sent to Developer

April 29, 2024: Invoice paid by Developer

August 13, 2024: The Central Edmond Urban District Board Unanimously recommended approval

August 26, 2024: Case No. SP24-00011; Public Hearing and Consideration of a Commercial Site Plan for Prairie North Brewery at Festival Market Place to be Located on the South Side of First Street and East of the Railroad. (Lap 7 Development LLC; Ward 1)

- Discussion:
- Becca Patrick, Planner, provided general information regarding the agenda item, noting that the Central Edmond Urban District Board unanimously recommended approval at their August 13, 2024, meeting.
- Eric Schmidt, representing the applicant, provided additional information.
- Mayor Davis asked if any trees would be relocated from the property.
- Mr. Schmidt responded that trees would be relocated from the property.
- Mayor Davis asked if any Councilmember had any questions regarding the agenda item.
- Councilmember Peterson requested clarification on whether any trees could be added back to the area.
- Mr. Schmidt responded that it would not be possible in the area where the building would be located.
- Councilmember Robins expressed support for the project and the design.
- Councilmember Mugg asked if staff could speak regarding trees in the area.
- Ryan Oschner, Director of Community Quality, noted that the site was compliant with site plan requirements for trees. He stated that his understanding was the trees east of the current shed would be

removed, potentially four or five trees. He was unaware, nor would he recommend, relocating those specific trees. Finally, he noted that trees would be planted as part of the landscape plan.

- Councilmember Mugg asked whether the funds from lease payments could be used for adding additional trees in the area.
- Randy Entz, Assistant City Manager for Development Services, responded that was accurate.
- Councilmember Moore asked if the brick pavers in the area would be harmed.
- Mr. Schmidt responded that the brick pavers, with people's names on them, would not be moved or harmed.
- Councilmember Moore asked why the trees were being removed.
- Mr. Schmidt responded that they were in the footprint of where the building will be located.
- Mayor Davis asked if anyone in the audience wished to speak regarding the agenda item. No one responded.
- Councilmember Moore expressed opposition to the agenda item because of the removal of the trees.
- Motion by Councilmember Moore, seconded by Councilmember Robins, to approve agenda item 13.D. Mayor Davis asked if any Councilmember wished to speak for or against the item. No Councilmember responded. Motion carried as follows:
 - YES: Mayor Davis, Councilmembers Mugg, Peterson, and Robins
 - NO: Councilmember Moore

September 6, 2024: Building Plans submitted

October 28, 2024: Building Plans fully reviewed and returned to developer for resubmittal

November 8, 2024: Demolition permit applied

November 15, 2024: Demolition permit accepted

November 19, 2024: Edmond Economic Development Authority voted unanimously to approve an incentive for reimbursement of infrastructure for the Prairie Ale Project in an amount not to exceed \$60,000.

- This was specifically for the extension of utility lines in Festival Market Place for the development. With the following requirements, reimbursement payments up to \$60,000 may be paid to Lap 7 Development, LLC, the developer of this project: (1) Proof of payment for the completed work; and (2) written approval from the City of Edmond for required inspections related to the infrastructure project.

November 27, 2024: Demolition permit reviewed

December 5, 2024: Demolition site checked by City staff

December 9, 2024: Demolition permit issued

December 26, 2024: Demolition site final inspected and accepted

March 18, 2025: Second Notice of Default Letter sent to developer

April 1, 2025: Developer responded via email to Second Notice of Default.

April 28, 2025 City Council Meeting: Discussion and Consideration of Remedies Available Pursuant to Section 24.3 of the Amended and Restated Festival Marketplace Ground Lease Dated April 8, 2024, By and Between the City of Edmond and Lap 7 Development. (Ward 1)

- This item was continued to the May 12, 2025 City Council Meeting.
- Council indicated it would like to consider this item in addition to a potential amended agreement allowing for an extension of the construction start date.

Costs incurred by the City of Edmond in Preparation for Development

- Demolition of shed: \$7,880
- New Tuff Shed: \$24,157
- Demolition Electrical Work: \$3,866.77
- Electrical to new building: \$4,726.12

Time Frame

Upon Approval.

Issue

N/A

Recommendations

N/A

Action Needed

Motion to Approve.

Public Notifications

Posted Agenda.

Attachments

Second Amended & Restated Festival Marketplace Ground Lease

2023 Festival Marketplace Ground Lease

2024 Amended and Restated Festival Marketplace Ground Lease

2025 Notice of Default

2024 Notice of Default
