

Executive Summary:

Submission To:

Submission By:

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Gunboat Plaza - Aerial Sept. 2019

Property Address:

Gun Boat Plaza
 415 E 12th St, East Suite B/C
 Tulsa, OK 74120

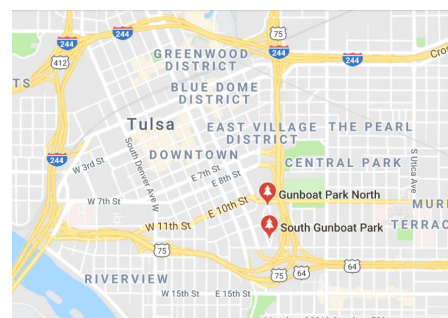
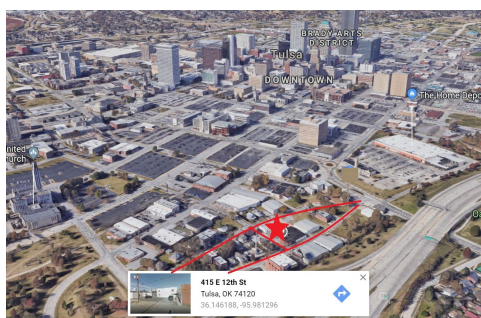
The Gun Boat Park Neighborhood is one of the last underdeveloped corners of the IDL and has been going through a rebirth in the last two years. The neighborhood's unique mixed live-work environment and central location make it the perfect area for any organization that connects with their community to thrive.

This is why, in addition to 20+ businesses, 60+ apartments, and 15 single family homes, the Gunboat neighborhood, and particularly the Gunboat Plaza is now home to Leadership Tulsa's new headquarters and The FC Tulsa Soccer Club's new headquarters. Both civic organizations saw the value and opportunity in locating inside the IDL, inside our newly revitalized buildings, and working with Carlson Group to create an amazing space that catered to their needs.

Located in the South East corner of the IDL, just south of the downtown Home Depot, there is the Gun Boat Park Neighborhood. Its boundaries are defined N/S by 11th to 13th and E/W from Highway 75 to Detroit. Centered in this neighborhood, the streets of Frankfort and Elgin run in convex arcs to each other forming a "boat" shape that is divided roughly in half by 12th St. This separates the "Gun Boat" into a North and South half – each featuring a park on their triangle tip (Gun Boat Park North and South). On the North island, Carlson Development Group and the Gun Boat L.P. has acquired roughly 60,000 square feet of land and 25,000 square feet of mixed use commercial buildings making up ~7.5% of the entire neighborhood (see aerial view attachment).

The Gun Boat Park Neighborhood is one of Tulsa's best central neighborhoods, centered between eight other community neighborhoods including Maple Ridge, Tracy Park, Cherry Street, 11th St, Pearl District, SoBo, Blue Dome, and the Cathedral District. It has almost immediate access to Highway 51, 11th St (the Mother Road), and the Midland Valley bike trail.

Outside of our development, there is a very low vacancy rate, with only one single-family home for lease and one being re-built. There are several grass lots that were single-family homes removed by the city years ago.



Gun Boat Plaza Mission:

The Gun Boat Plaza’s mission is to be a thriving commercial center at the heart of the Gunboat Neighborhood. It will be secure, well lit, with easy access to parking, easy to walk on sidewalks, and well-manicured green space. Our focus in construction and in tenancy is to create long-term value by seeking vendors, building materials, and tenant partners that are in it for the long haul. We will work to rebuild and then sustain the neighborhood association and engage the other businesses and residences in the area to make the Gun Boat Neighborhood and the Gun Boat Plaza a destination community.

Submission By: Carlson Development Group LLC

Company Background:

Carlson Development Group is a member of Carlson Group LLC, which consists of a development company, management company, and sales and acquisition company through its Principal, Thomas Carlson. Established in 2015, we have ~60,000 sqft of commercial and residential real estate under management or ownership valued at ~\$10MM.

President, Thomas Carlson, was born and raised in Tulsa, OK. He graduated from Holland Hall, and has a BSBA from Babson College, in Wellesley, MA. Prior to founding Carlson Group, he ran Carlson Design, his family’s Tulsa-based industrial design firm which specializes in the design and manufacturing of CNC fabric cutting systems. During his 10+ years, he led the company to over 10X net growth.



Company Mission:

Carlson Group’s mission is to create long-term accretive value through finding under developed, underutilized, and undercapitalized properties in quality locations, and acquiring them below market value with a plan to develop, improve, and lease to full occupancy.

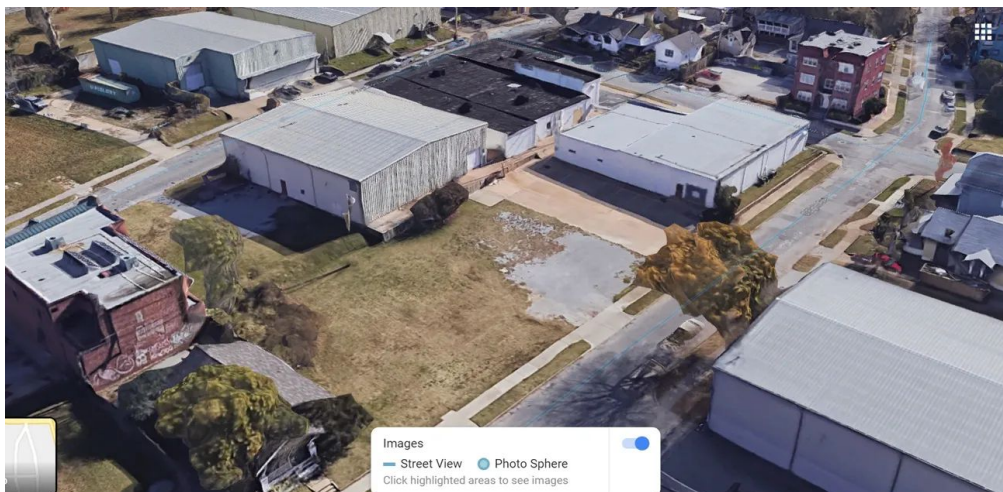
We strategically reshape each property using our extensive network of experienced vendors to complete our projects on time and on budget. This includes a focus on building more than the property, but the community that surrounds that property. Creating long-term value is a strategy that is good for our tenants, our investors, and our community.

Property Description:

Property Address: Gun Boat Office Building
415 E 12th St, East, Suite B/C
Tulsa, OK 74120

History:

Carlson Development Group acquired 67,000 sqft of the Gun Boat Park neighborhood area from the FC Ziegler Company in February of 2019. Starting in 1950, FC Ziegler bought his first 1200 square foot building (now the South East corner of 415 E 12th East). As neighboring lots became available he, and the company that bore his name, continued to acquire and expand their religious supply retail and manufacturing operations. By 1970, they had acquired most of the block along 12th street, building what is now 415 E 12th St, East. They continuously occupied and operated out of this space from its inception until 2016, when the company moved all of its Gun Boat Park facilities (about six or seven buildings) under a single roof at 11th and Lewis. While some of the outlying buildings on detroit and elgin were purchased and redeveloped, the majority of their offices, warehouse, and manufacturing sat empty for almost four years.



January 2019

Vision:

During this time of vacancy, many people attempted to purchase a single building from the island for redevelopment. Challenges about parking, easements, and access made this difficult. In 2018, Carlson Development solved these challenges by acquiring all of the FC Ziegler buildings in one purchase and the adjoining lots to re-develop them with a single “Master Plan” to create the Gunboat Plaza.

This plan consisted of paving and re-paving 62 new parking spaces, adding 300’ of fencing, providing night lighting and security, creating new green-space and landscaping, restoring and updating building facades, renovating interior space and updating to current code and ADA compliance, and then filling these spaces with quality, long-term tenants.

Real Results:

As of January 1st, 2020 we are now at 80% occupancy. We have signed long term leases in the Plaza with:

Leadership Tulsa - One of Tulsa's leading Non-Profit community building organizations will be moving into their new headquarters in the Gunboat Plaza on March 1st, 2020.

FC Tulsa - Formerly the Roughnecks Soccer Club, FC Tulsa will be Tulsa's premiere soccer league. Owned by the Craft Foundation, they will be running their operations and retail from this location.

Go Brands Inc - a nation wide, rapid delivery service. They warehouse and deliver convenience store style products to your home in 15 minutes or less.



The Office Plans For:

You all sent us the following office needs -

- Unknown

Not only is our project well capitalized to provide necessary tenant improvement dollars to transform the space to meet your needs, but we have also been looking for a community partner to join the plaza that will be a good fit with the mission of Leadership Tulsa and FC Tulsa.

Once we have your needs, we can have our architectural team at Silo Design Build put together a terrific layout for our ~6000 square foot space in the FCZ Building. Below is an outline of the proposed features, amenities, and opportunities in the Gunboat Plaza.

Quick Property Details:

Address: 415 E 12th St, East. Tulsa, OK 74120

Built: 1970. Remodeled: 2020

Building Size: ~5000 sqft tenant, ~1100 sqft Common, ~500 shared 30 person conference room

Offices:

Conference Rooms:

Features (all new):

Mechanical Space:

Construction Type: CMU Cinder-block and Brick.

Roof: New 2020

Electric: New, 400 amp and 200 amp, 120/240 Three Phase

HVAC: New, four RTU 5 Ton package units

Parking: 62 fenced parking spaces and 60+ additional street parking.

ADA Compliance: Yes

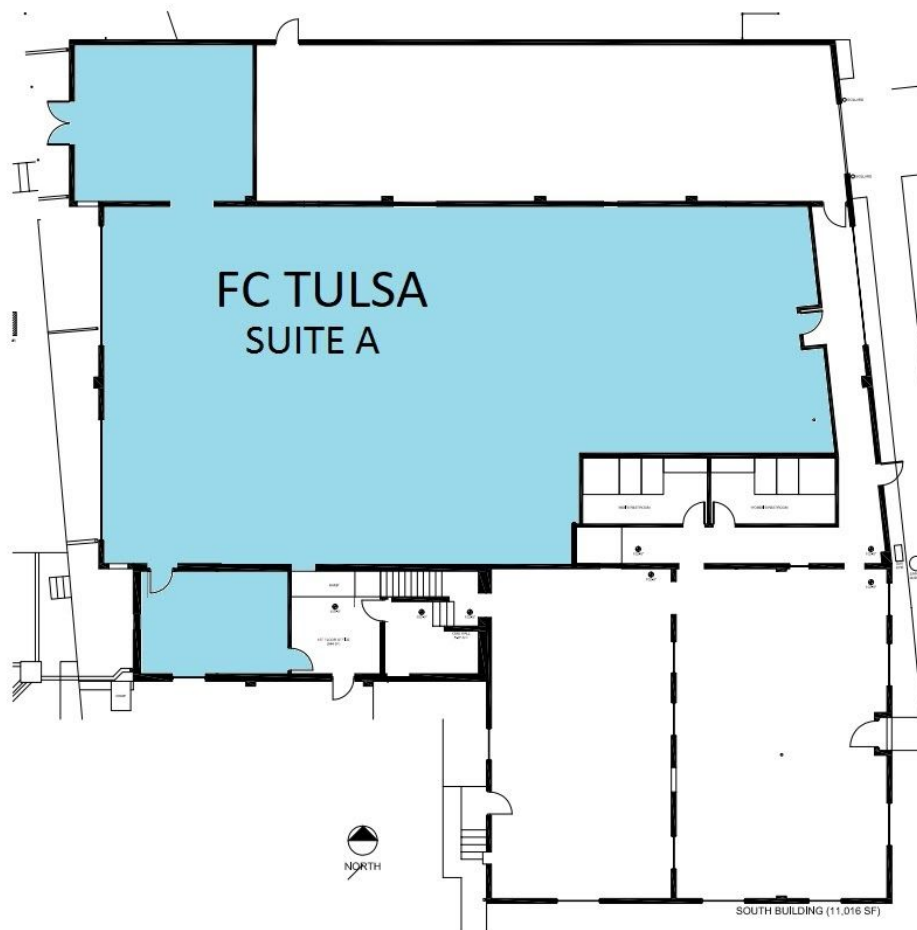
Proposed Renovation:

Carlson Development Group will begin renovating the FCZ Building for FC Tulsa starting in January, with an expected completion date of May 1. We would be looking for a June 1, target move-in date for a tenant, but have some flexibility to move this date forward or backward based on tenant needs.

The FCZ Building has three suites - A, B, and C. These suites all share a common area which consists of restrooms and access hallways to exits and the restrooms. FC Tulsa is occupying Suite A (see attached).



FC TULSA NE Entrance to FCZ Building



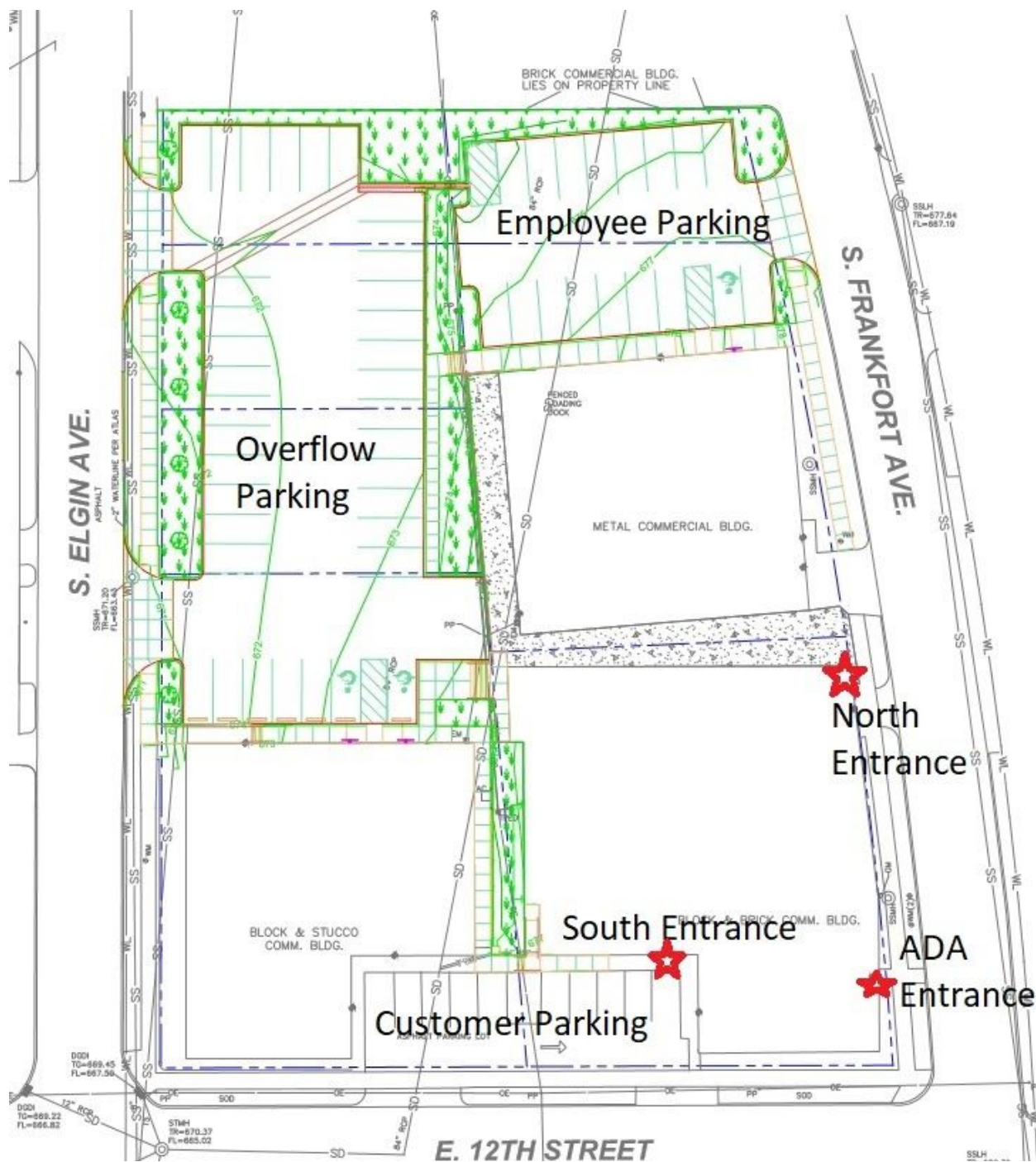
We think Suites B and C are perfect for a publishing company. You could do shipping and receiving and mechanical out of Suite C and offices out of Suite B.

Suite C, located in the North East corner of the building is ~1800 sqft. This space would have its own entrance and we could easily provide any additional amenities (break room, additional windows, clerical, storage) as needed. Suite C is connected to the common bathrooms and Suite B by a 50' corridor. This corridor could easily be made dedicated if a tenant took both suites.

Suite B, Located in the South East corner of the building is roughly ~3600 sqft and would be ideal for offices.



The offices are surrounded by 62 Plaza parking spaces. However, we could make the 10 in the South of the Plaza dedicated for Suite B/C. The 17 spots located in the NE would be ideal for Staff parking and are only a 80' walk to the door.



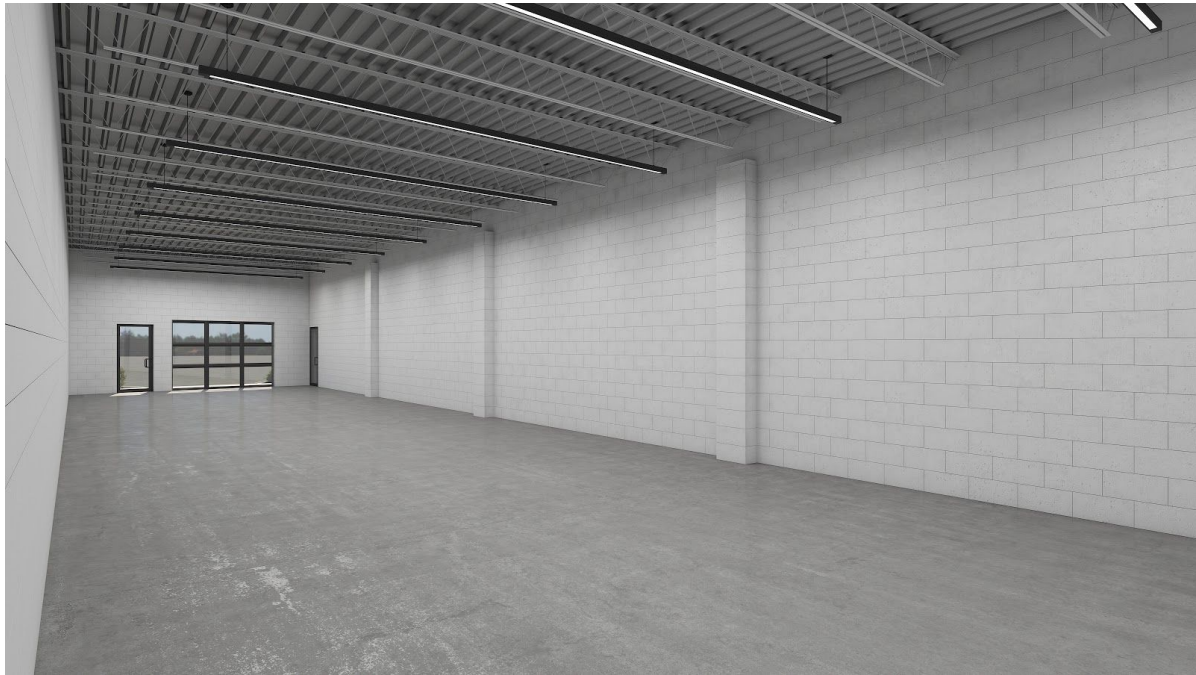


NE Entrance - FCZ Building - Current



New FCZ NE Entrance

State Interior: "White Boxed"



Tulsa Interior: Current







Upstairs - Ideal for break out rooms or Private Offices.

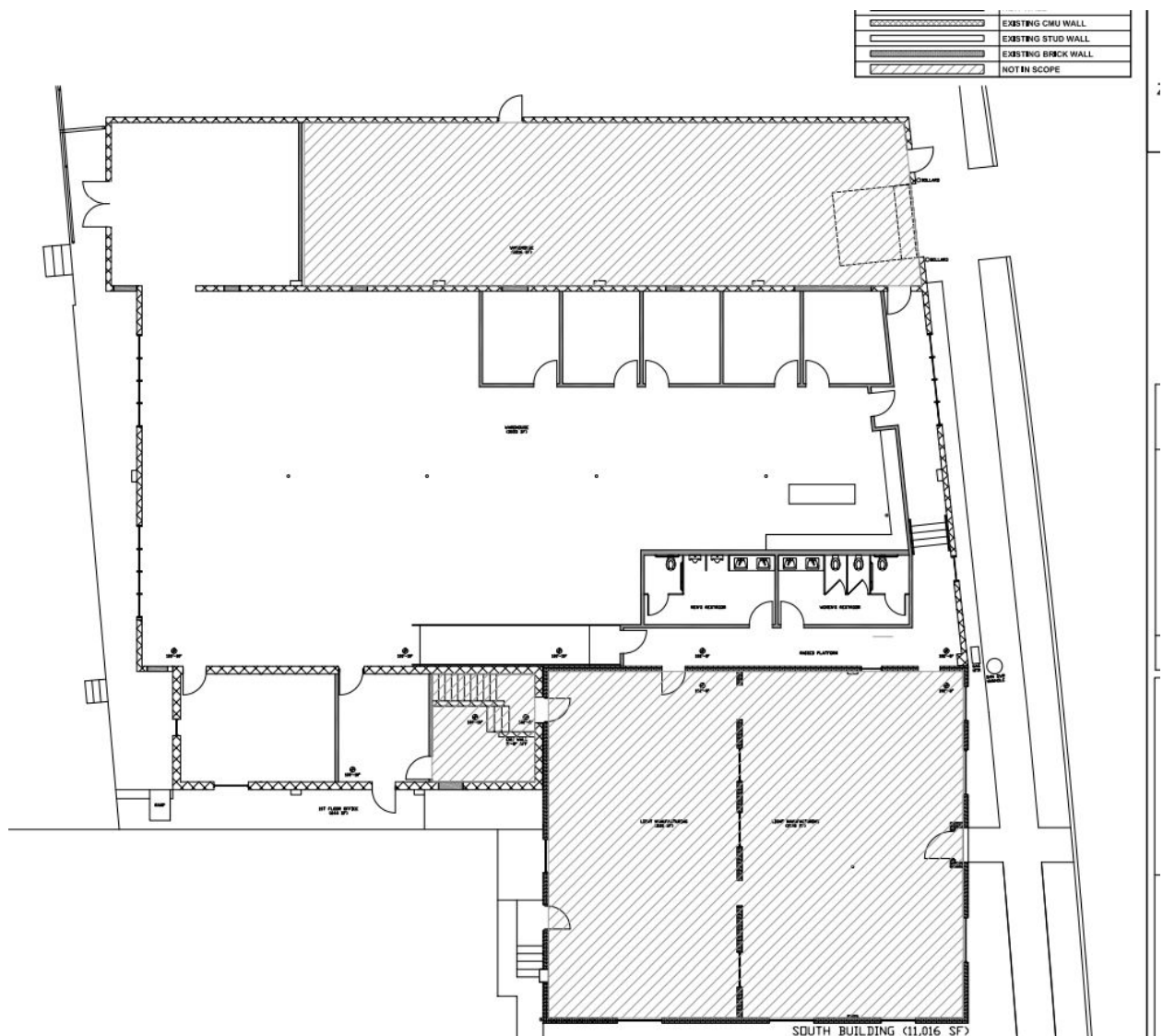
Next door Leadership Tulsa has two new training rooms. One is a 30 person and one is a 50 person. They are offering discounted rental rates to non-profit and neighboring organizations looking to use their rooms.



Timeline for Repairs:

Leadership Tulsa’s construction will be completed at the end of February with a March 1st move-in date. FC Tulsa’s construction will be completed in April 2020 for a May 1 move-in date.

For Leadership Tulsa we completed the Plaza’s parking lots, landscaping, and fencing. For FC Tulsa we will complete the roofing, HVAC, electrical, bathrooms, plumbing, exterior windows, and entry ways for the FCZ Building. This will leave much of the building in a “ready” state to be customized and finished for a tenants needs, regardless of your move-in timeline.



Budget Provided to make the space move in-ready:

We are ready to provide the Tenant Improvement dollars needed to finish the space to meet the needs of an office space. These funds do not include custom signage, furniture, interior décor, presentation or conferencing equipment, or custom security solutions. However, we are ready to make a significant financial commitment (~\$500K+ in improvements) for a long term tenant/partner in our community. These improvements are outlined in more detail below.

Rent Rate, CAM, Term, and Availability:

Rent rate will be \$\$14/ sqft. This will be a NNN lease, with all utilities, property tax, and insurance covered by the tenant. The tenant will also be responsible for their pro-rata share of the community area maintenance fees (CAM) which include parking lot and alleyway maintenance and expense. We anticipate these additional expenses to be ~\$3-\$4/ sqft.

We are looking for long-term partners, with a minimum 5 year lease term and a preferred 10 year term. Our ideal start date would be June 1st, 2020 or earlier.

Specifics of rate, term, and renewal will all be addressed in the lease, however an estimated break down is listed below.

Requirements:

We require a credit and background check of the signing officer of the company (required of all tenants) and three years of company financials. These will be held confidential.



Financials:

Rent Rate	\$14.00	Yearly	Monthly
Rent Sqft	4954	\$69,356.00	
Common SQFT	543	\$7,600.37	
	Total	\$76,956.37	\$6,413.03
		Yearly	Monthly
Additional Rent	\$2.66	\$14,629.65	
CMA	\$0.62	\$3,435.15	
Total	\$3.29	\$18,064.81	\$1,505.40
	Yearly	Monthly	
TOTAL RENT	\$95,021.18	\$7,918.43	
Per Sqft	\$17.29		

Suit BC	50%	Total SQFT
Common	10%	11,067
4954	415 E 12th St Suite B	Office
1093	415 E 12th Common Area	
	Monthly	Yearly
Power	Tenant Paid	Tenant Paid
Gas	Tenant Paid	Tenant Paid
Water	Tenant Paid	Tenant Paid
Trash	Tenant Paid	Tenant Paid
Property Tax	\$632.50	\$7,590.00
Ball Park Tax	\$168.21	\$2,018.55
Lessors Risk Insurance	\$750.00	\$9,000.00
Management Fee	\$903.81	\$10,845.66
Business GL Policy	Tenant Paid	Tenant Paid

Total	\$2,454.52	\$29,454.21
TOTAL PROPERTY PER SQFT		\$2.66
Total Per 4954 sqft sqft Offices	\$1,219.14	\$14,629.65
Total Per Common Area	\$242.41	\$2,908.96
Total	\$1,461.55	\$17,538.61
Over All CAM %	42.72%	
Share of Over All CAM	25%	
CAM	415 East	School
	Monthly	Yearly
Power for Lights	\$50	\$600
Sprinkler	\$250	\$3,000
Gen Repair and Maint	\$183.33	\$2,200.00
Landscaping	\$520	\$6,240
Property Tax	\$292	\$3,500
Lessors Risk Insurance	\$54	\$650
Business GL Policy	0	0
Total for CAM	\$1,349	\$16,190
Total for 415 E	\$576	\$6,916.07
Total for 415 E per sqft		\$0.62
	\$343	\$4,118.20
Combined Total		\$21,656.81
Per Sqft		\$3.58

Property Features and Improvement Details:

Secure Surroundings:

The area is an emerging neighborhood, and our goal is to provide a safe environment through fencing, lighting, and working with city partners for patrolling the Gun Boat Plaza. There will be a 6' perimeter fence surrounding the Plaza, with three main entrances, which can be shut at night with cantilevered gates. The parking lots are lit from overhead wall-pack lights on photosensors which come-on at dusk. Additional up-lighting around the exterior of the entire Plaza provide for well-lit walkways and beautification.



Tenants may add their own security camera and alarm systems. We work with the downtown PSA Ambassadors who are charged with patrolling the IDL to keep an active watch on the neighborhood. They work hand-in-hand with the Police Non-Emergency and Emergency service to provide immediate response to any disturbances in the neighborhood. We also partner, through the Gun Boat Neighborhood Association, with our neighbors to keep an active watch on our fellow Gun Boat Park Neighborhood residents properties.

Additionally, we have acquired the vacant house at 1116 S Elgin at the entrance of the Gunboat Park neighborhood at 11th and will be fencing, lighting, and remodeling this location to further transform the neighborhood.

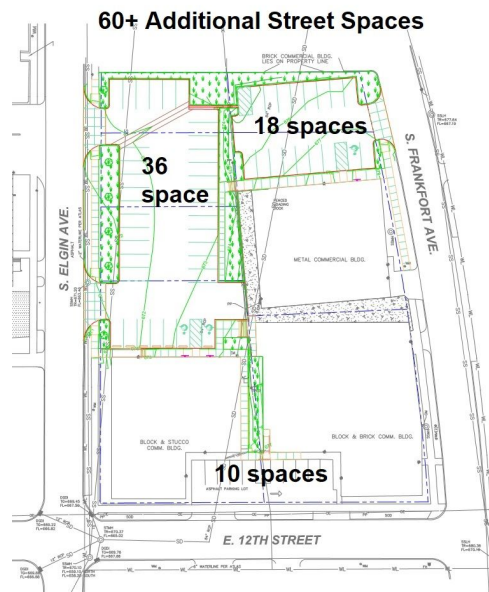


1116 S Elgin Rendering - Coming Spring 2020.

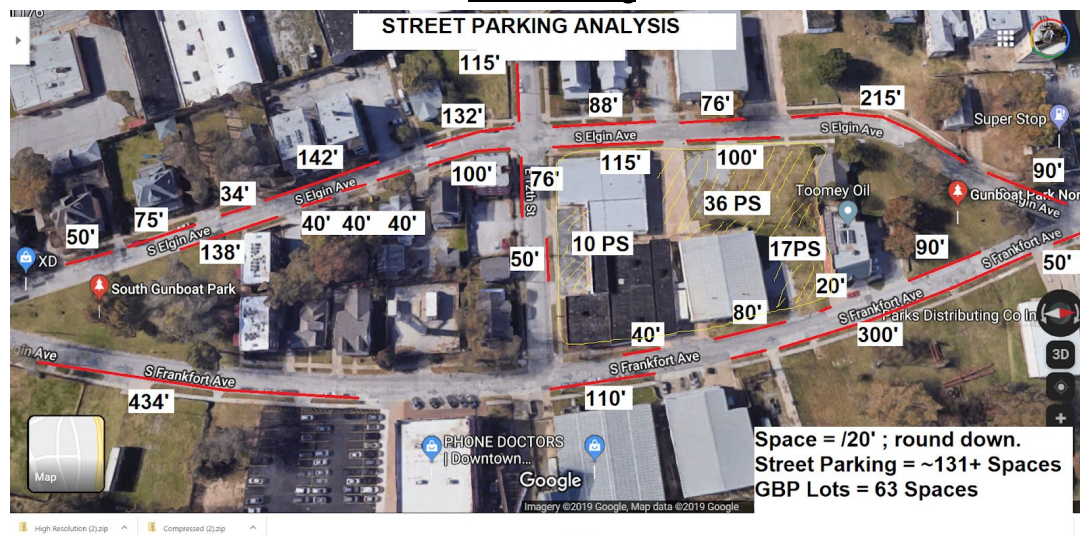
Parking:

We have 64 available fenced parking spaces. Thirty-six in front, 18 in the upper lot, and 10 in the rear lot – including ADA parking spaces. The roads on each side of the Gun Boat Plaza – Frankfort and Elgin – are both one-way. Elgin runs North to South and Frankfort runs South to North. These one-way streets allow for parking on both sides of the street, which allows another 141+ street-parking spaces around the perimeter of the Plaza and within similar walking distance to the entrance of the Gun Boat Office Building.

Plaza Parking



Street Parking



Modifications:

In the building is currently having the Roof, HVAC, Bathrooms, Plumbing, Electric, Lighting, Flooring, Entrances, and Windows upgraded. This means this is the perfect time to transform the space into the space of your dreams. We can provide offices, flooring, colors, outlets, kitchen styles, lighting, and more exactly how it would best fit your needs. Even better, we'll provide these improvements on our dime!

ADA Compliance:

The building will have an ADA compliant entrance on both North and South East doorways. All hallways, office entrances, bathrooms, community spaces, kitchen, light-fixtures, doorknobs, and thermostats will be ADA compliant. There will be ADA compliant parking spaces in the front (North E & W) and rear (South) parking lots.

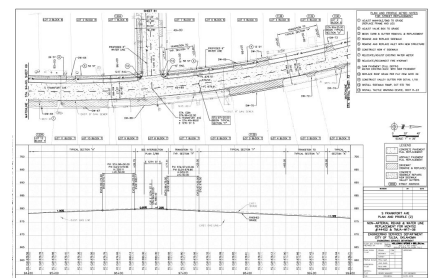
Accessibility, Opportunities, Fit, and Additional Considerations:

Organizational Fit with Values of Diversity, Equity, and Inclusion:

We believe in creating long-term value through large-scale community development efforts. That's why one of our first steps in the Gunboat Park Neighborhood was to revive the Gunboat Neighborhood Association: www.gbpna.com. We strive to work with and engage our neighboring businesses and residents to improve our corner of downtown Tulsa. We believe this area is unique to Tulsa, as one of the only true live-work communities where businesses and residents co-habitat side-by-side.

Highway Access and Planned Improvements:

The Gun Boat Park Neighborhood is a few blocks North East of the Detroit Exit and Cincinnati entrance to Highway 51 from and into the IDL. It is one block south of 11th Street (the Mother Road) and two blocks from the 11th and Peoria bus rapid transit stop. It is 1.5 Blocks from the Midland Valley bike trail. Access to the property is easy via the one-way wide-lane roads of Elgin and Frankfort that straddle either side of the property. We have attached our appraisal report on access to the location.



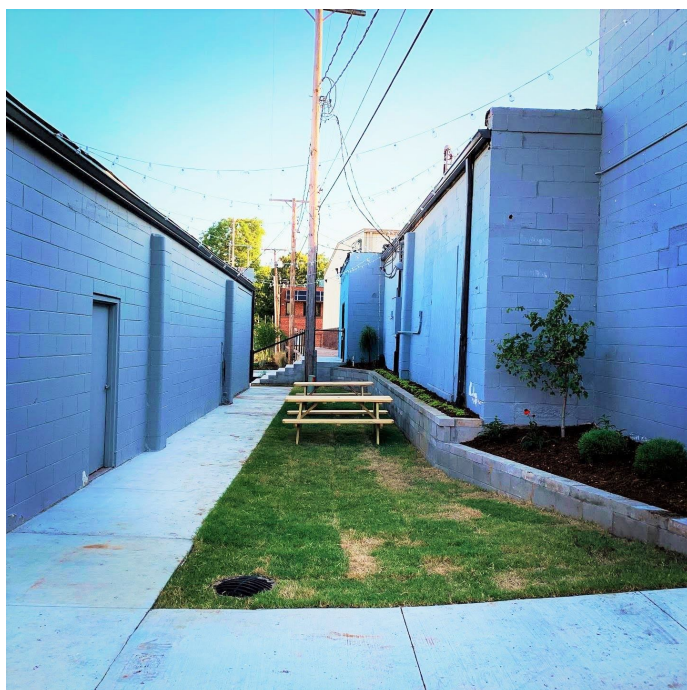
The city has bonded the non-arterial road repair of Frankfort and Elgin, from 11th to 13th Street, and the bisecting 12th Street corridor from Frankfort to Detroit. This \$4MM bond was passed in 2013 and the road work was designed in 2017, finalized in 2018, and is set to begin in 2021. We think this will be a huge improvement for the neighborhood and a great addition to any tenant already signed under a long-term lease.

Aesthetics and Services Available:

The Location is centrally located within Tulsa. It has great access to food and shopping via 11th St, Blue Dome, Cherry Street, and the Pearl District. It is close to several budget and luxury hotels including the Ambassador (0.5mi) and the downtown Holiday Inn (0.7mi), as well as the many other hotels that specifically service the downtown area. In the attached exhibit, we show our various neighbors, area anchors, nearby restaurants, and nearby destinations.

Our proximity to the new Bus Rapid Transit system stop at 11th and Peoria and the Midland Valley bike path make the Gun Boat Neighborhood location more accessible and eco-friendly. It also allows Leadership Tulsa to engage a more diverse crowd, more equitably and inclusively by opening access to those without a vehicle.

The area aesthetics are getting the first “face lift” with our addition of parking, lighting, fencing, and landscaping in an area that was previously grass lots. In January 415 West, Leadership Tulsa’s new location, will be getting 12 windows, new commercial glass doors, and the creation of a new glass entrance in front of the new parking. In the spring we will be growing Boston Ivy around the perimeter. Both FC Tulsa and LT hope to work together to paint a mural in the community “Picnic Alley”.



Arterial Visibility, and Visible Branding inside/outside:

415 is located in the heart of the Gun Boat Neighborhood, and will be immediately visible if driving down Elgin, Frankfort, or 12th St. There would be an opportunity to “Brand” the exterior of the building with facia-mounted signage on the front and rear of the building, or roof-mounted signage. The East side of the building consists of an uninterrupted (except for new windows) 50’x14’ concrete wall that is ready to be converted into a large mural detailing famous Tulsa leaders over the years (or whatever you’d like it to be). This is not included in the renovation budget, but we have received quotes from well-known Tulsa muralists ranging from \$5K-\$15K. With the added enhancement of up-lighting, this mural alone would be a destination piece.

Finally, we think there is a unique publicity advantage to anyone moving into an up-and-coming neighborhood next to FC Tulsa and Leadership Tulsa. We can put out press releases and get wide-spread news coverage about the plan that would not be available if someone simply moved into an established area or property. We plan to work with Leadership Tulsa and FC Tulsa to maximize this exposure.

Future Expansion:

In the future, if your space needs grew, we have an additional space available to the North West of the Plaza on the West side of Elgin. This 1200 sqft cinder block building is on a year-to-year lease agreement. This building sits on a 7665 sqft lot. If necessary, this building could be leased by the tenant for overflow space, project space, or we could pave the lot to create an additional 18-30 parking spaces.



1128 S Elgin - 1200 sqft overflow

Neighbors: Attached.

References: Available on request.

Disclosures:

Realtor: Thomas Carlson, the President of Carlson Group, and managing partner of Carlson Development Group is a licensed realtor and managing broker of Carlson Agency. RE #180271.

Floodplain: 415 E 12th St. East has 2% of the building - the corner located in the SW alley side of the building - located in a regulatory floodplain. We are raising the finished floors above the floodplain during construction.

