City of Lawton

Lawton Economic Development Authority

Lawton City Hall
212 SW 9th Street
Lawton, Oklahoma
73501-3944

Minutes

Thursday, October 23, 2025 | **2:00 PM** | **Lawton City Hall 3rd Floor Conference Room**

Meeting Called to Order and Roll Call

"Official action can be taken only on items which appear on the agenda. The Authority may adopt, approve, ratify, deny, defer, recommend, or continue any agenda item. The Authority may also propose and enact floor amendments to any matter presented before them. When more information is needed to act on an item, the Authority may refer the matter to City Staff. Under certain circumstances, items are deferred to a specific later date or stricken from the agenda entirely."

Chairman Fitch called the meeting to order at 2:00 PM in the 3rd floor conference room of City Hall.

ROLL CALL:

PRESENT: Fred Fitch, David Madigan, Larry Neal, George Gill, Jason Hensley, Mark Brace, *Ron Nance

ABSENT: Randy Warren (excused), Brandie Page (excused)

OTHERS PRESENT: Richard Rogalski, LEDA Executive Director; John Ratliff, City Manager; Timothy Wilson, Interim City Attorney; Garrett Lam, Assistant City Attorney; Tammy Branstetter, City Clerk's Office; Michaela Bertoch, Public Utilities Department; Matthew Modeste, Hatch, Croke & Associates; Kirby Brown, Ward 3 Councilman Elect; Kim McConnell, Lawton Consitution

*Arrived at 2:05 PM

Statement of Compliance with Oklahoma Open Meeting Act, 25 O.S. 301-314

Chairman Fitch confirmed with Branstetter that the meeting notice and agenda were posted by the City Clerk's Office as required by State Law.

Business Items

1. Consider approving the minutes of the September 18, 2025, meeting.

A copy of the minutes from the September 18, 2025, meeting may be obtained from the

City Clerk's Office upon request.

Motion by Madigan, **Second** by Hensley, to approve the minutes from the September 18, 2025, meeting as presented. **AYE:** Gill, Madigan, Brace, Neal, Hensley, Fitch. **NAY:** None. **MOTION PASSED**.

2. Consider approving the August 2025 Financial Report from Hatch, Croke and Associates.

Matthew Modeste, Hatch Croke and Associates, presented the August 2025 Financial Report. A copy of the August 2025 Financial Report may be obtained from the City Clerk's Office upon request.

Modeste said the financials will start on page 18 of your agenda packets. We'll look at the statement of net position. On your current assets, your six bank accounts had a total of $8.7 million. Interest receivable from BOK, all of that $1,741.60 was received in September. The sales and use tax receivable, that's May and June sales tax, and that all was received in September. Property tax receivable for TIF 1 and 2, these were August property taxes which were received in September. The next item was the AR state matching, and this month there was a decrease of $1.19 million which was received in August, so the remaining balance is $586,995. Total current assets are $9.5 million, there was no change in the fixed assets, no change in the note receivable, so total assets are $14 million.

Modeste said on the next page, page 19, liabilities and net position, total current assets are $406,640.34, and that was made up of your accounts payable, your accrued interest payable, and the TIF 3 distributions payable, and I will go through the breakdown of the $68,158.45 when we review the next page. There was no change in total long-term liabilities, so your assets less your liabilities give you a net position of negative $14.9 million.

Modeste said on the next page, page 20 of your agenda packet, total revenue was $88,045, made up of July hotel motel tax, and August property tax. Operating expenses, total operating expenses were $162,281.16, and the TIF distributions, which the checks were written in September, but the liability was booked in August because we received that money. So for Cache Public Schools, the check that was written in September was $23,455.21; Comanche County Commissioner, $16,309.35; the Comanche County Health Department, $4,081.32; and Great Plains Tech Center, $24,312.57. So, the total TIF checks written were $68,158.45. Interest income was $14,445.63, so your change in net position was a decrease of $59,791.

Modeste said on the next page, page 21 of your packet, the statement of cash flows, if you look at the bottom of the page, you can see that we had a net increase in cash for the period of $2 million. If you add cash at the beginning of the period of $6.7 million, we have cash at the end of the period of $8.7 million.

Modeste said pages 22 to 26 of your agenda packet are the details of the combined expenses that we reviewed on the previous page.

Motion by Hensley, **Second** by Gill, to accept the August 2025 Financial Report as presented. **AYE:** Gill, Madigan, Brace, Neal, Hensley, Fitch, Nance. **NAY:** None. **MOTION PASSED**.

3. Receive a presentation on the proposed Third Amended Lawton Downtown Economic Development Project Plan, provide direction, and take action as deemed appropriate.

Richard Rogalski, LEDA Executive Director, presented background information on the proposed Third Amended Lawton Downtown Economic Development Project Plan. A copy of the proposed Third Amended Lawton Downtown Economic Development Project Plan may be obtained from the City Clerk's Office upon request.

Rogalski said you don't have action on this plan — it's in the process of getting reviewed now. The Review Committee has been set, and they will actually meet for the first time to consider the plan tomorrow. Then it goes to the Planning Commission, and then it goes to Council. But I thought I would just tell you all what's in it so you know what we're doing in case people ask about it, and you all will be administering the plan.

Rogalski said some of you were here back with the original Downtown Project Plan that started TIF districts in the City of Lawton, originally done in 2006. That created TIF 1, which is a very large area. Then we were working on the Lawton Town Center project, so we created TIF 2 to carve that piece out so that the revenue from that could pay for the note on that project. That was done in 2010. We just went underway; I mean, we repaved 2nd Street, we did about $20 million worth of public improvements—more than that, actually—and moved power lines, if you recall. It was just a major project. We had that Lawton Town Center there, but there were just some economic issues over the time that this has been going on, and it never really did perform like you all had hoped it would perform or like the people that thought about it originally hoped it would perform.

Rogalski said LEDA still owns Lot 3, which is on the south end of the Lawton Town Center behind the Hilton Garden Inn, and Lot 10, which is on the north side. You still own those, and they're still vacant. So, there's been no TIF income earned on them; they've just been sitting there vacant. The downtown plan had a lot of really cool ways—a great plan for the revitalization of the downtown—and the engine of that was supposed to be these TIF districts. Unfortunately, because of the slowed vitality of the plan, it hasn’t earned what we were hoping, and in fact, it has just made the note payments over the years. I mentioned to you recently that we’re actually getting ahead — the last note payment I made easily. So, financially, it is moving forward — it is doing a little better.

Rogalski said then, of course, in July, you all approved a purchase and sale agreement for a grocery store on Lot 10. That development goes in, and now we have serious new vitality on that lot. What this plan is really doing, what this revision is doing, is carving Lot 3 and Lot 10 out—they're now called TIF A and TIF B—carving them out of TIF 2, leaving the rest of TIF 2 alone, leaving the rest of TIF 1 alone, and just carving those two pieces out so that they can start anew. Again, your term on a TIF district is 25 years. So, we're already 15 years in, more or less, and so this would give them a new 25 years to earn and to actually do the work in the project plan that you intended to do in the first place. We didn’t change any of the categories of funding — we left all that the same. However, we did add STEM, but only for the new TIF districts. Since TIF 1 and TIF 2 are kind of dedicated towards paying that note, TIF A and B would provide STEM funding—10%, just like the STEDI Project Plan—and it would be administered just like the STEDI Project Plan. In fact, the language in here is exactly the same as the STEDI Project Plan.

Gill said what you've done or got accomplished sounds really good. My question is how will that affect what's left, though? Since you've taken some out, and we were barely making the payment on that anyway. When we carve these two pieces out, is that going to have a substantial effect on what's left?

Rogalski said first, we've had zero revenue on this, ever. So, if all it did was sit there and nothing happens, it won't change it at all. Second is, we can still use this funding to pay the note. It doesn't mean that we can't use it to pay the note. But I'm just saying, the idea is, if this thing goes in, we're going to have revenue to actually do some things.

Gill noted that we're going to get a lot longer time — we're getting another 15 years.

Rogalski said that's exactly the purpose of this whole plan, and that's why the timing is important because we need to beat the closing on that property. Now, we're in due diligence on that, and we don't know what's going to come out of it still, but we're just doing what we should be doing to make it ready so that we can actually accomplish the goals of the project plan by using this funding and having it for a little longer term.

Chairman Fitch said the grocery store is not going to take all the 10.3 acres, and they had talked to us that there would be four or five other retail operations that they would be looking at to go into that. He asked if we should make the grocery store a separate TIF district so that if this other stuff doesn't take off for five years, then we haven't lost any years on it.

Rogalski said the short answer is yes, I could have made TIF A1, A2, A3, A4, A5 with little strips, but I don't know the size of it. I think we're doing our best by saying, okay, we're going to restart this property. Remember, it's TIF A - it doesn't start until after it's activated by the City of Lawton. It doesn't start immediately when this plan is done. It's just like our STEDI Project Plan, where we have 10 years to activate that TIF district. So let's just say the grocery store takes a year to get going — we don't have to activate it until then.

Nance said but on those other two, you could go back and do the same thing you're doing right now on those, can't you? You can come back and reset another TIF.

Rogalski said on the empty land, it's possible because we can restart those. It's an option of the TIF. Now, keep in mind, though, there was some concern in the Review Committee that we were going to do something to the original timeline on the existing property, and technically you could, but your new base value would be the current value — you would lose all the revenue you're currently getting and start from zero. So, there really is no purpose to do that, and so the law works well in this case. You activate what you have, and in this case, we have vacant lots that just never came out. They're zero for the last 15 years, and so now that we have an opportunity to develop them, we're just going to kind of restart those. And you're right, let's just say the grocery store comes out, and it's small — it's using just a part of that. We could go do another major amendment and create A1 and A2 if we wanted to.

Rogalski said we did do one more thing with this project plan. In looking at the existing project budget, the budget categories were: public improvements, project support and school improvements, which, you know, is not just a percent of revenue given to the school — this is actually physical school improvements that are in our project category. Then, there are other public facilities, which I see as being things like a park or something like that. Then there's the implementation, administration, of course, and miscellaneous contingencies. Then we added STEM strategic plan, and it's going to be ten percent only on TIF A and B. There are a lot of important things that we can do with this plan. When you're looking at the fact that you have two categories—school improvements and other public facilities—there is a limited number of those in the current project area. So, what this project does is, if you look at Exhibit A, it expands the project area to include Elmer Thomas Park, Central Middle School, and Lawton High School.

Chairman Fitch asked if the schools and the park create any ad valorem.

Rogalski said no. That's why they're not in the TIF district — they're in the project area.

Chairman Fitch said say, then, for the park, that they wanted three or four million dollars to do a project there. He asked if they could come to us for money.

Rogalski said yes, if we have it. It's a budget category, so it's there — we have a section for that.

Nance said the beauty of TIF districts for Lawton, Oklahoma is that it is better for us than most of the towns in the state because of our military. If you are a military-affiliated community, you get to capture the state's sales tax also, and that's a huge benefit. That's why these TIFs are doing so well.

Chairman Fitch said this thing is a good thing, and it's working well. Like with things that we're talking about now, the grocery store, and then there are other things that we're talking about that are really bringing more money into the community. He noted that we're building back money to pay back the city for infrastructure that they have done for us for projects, and I think that is very good.

Gill we're talking about being a military town, and you're right, there's a lot of money spent on Fort Sill that we don't see anything from. But our state's changing, and just recently, under some of the programs that we've got started with the City Manager, we're seeing some dividends all of a sudden from the state in the form of grants. We just got a grant— in fact, WSB is working on a grant on our roads for five thousand dollars because of military. We're seeing a lot of that come around now, finally. I mean, I'm talking recently, so because we are a military town, we do have to keep that in mind, and we're beginning to get grant money that I don't think normally we would get, just because we are a military town. So, our legislators at Washington, we need to keep our hand on their shoulders, so to speak. So, a lot of good things are coming around, and we're getting a lot of grants. We've got grants on these bridges that we're doing, we've got grants on some roads that we're doing, we've got grants on sidewalks that we're doing. So, they're giving us a lot of money back.

Regarding the US62 highway interchange project, Gill said the state's picking up a big portion of that. I think the state's giving us like $18 million, and we'll come up with about $11 million. So, the state's coming around. I can't help but believe that Firehawk was pretty well promoted by the state for us also because of Fort Sill. So, it's time that they're doing that, and they are. So, that's good for us.

Rogalski said you can call me if you have any questions about what's going on. We really are trying to do as little as possible to get those two things pulled out — I didn’t rewrite the whole thing or anything like that. There are a lot of things that we would want to do. We’ve talked about carving the mall out, making an arts district, that sort of thing. I think that’s another conversation, and this one was just, "let’s just get as little bit done as possible." But I couldn’t help but add the park and the schools when I have funding categories for those, and they’re right next door. So, it just seems like the thing to do.

No action was taken on this item.

4. Consider approving a funding agreement between the Lawton Economic Development Authority and the Oklahoma Development Finance Authority in the amount of $18,000,000, entitled Lawton Economic Development Authority Project, Series 2025, as part of the Oklahoma Business Expansion Incentive Program.

Richard Rogalski, LEDA Executive Director, provided background information on this item. A copy of the funding agreement between the Lawton Economic Development Authority and the Oklahoma Development Finance Authority in the amount of $18,000,000 may be obtained from the City Clerk's Office upon request.

Rogalski said you are all aware of the project. We've discussed it a few times. Firehawk 3D prints rocket fuel. They’re basically an energetics manufacturer. So, we’re looking at putting them on the 320 acres north of Goodyear. It’s currently owned by CCIDA. The rezoning is ongoing — it went to CPC recently, and I believe it goes to the Council on the 28th.

Rogalski said we’re working with those folks on agreements, even with CCIDA as well. But, this is the grant agreement, and this is exactly what you were talking about during the last item. This grant is called a P3 grant. It’s actually paid for by state withholdings from soldiers. So, it is Fort Sill, more or less, paying for this. Now, the state's getting that money that they would normally get.

John Ratliff, City Mananger, said that's revenue generated on the installation, right?

Rogalski said they use all DOD, but they use a number of 15%, which is generally considered the amount that comes from Fort Sill. So, we get 15% of all DOD, which they say is equivalent to Fort Sill. So, it’s a great grant program. If you consider this agreement here, and the ones we’ve gotten just since 2020, it’s about $38 million in five years. This is a wonderful program. Again, it’s paid for by that association with Fort Sill and their understanding that this project supports Fort Sill. And we actually had a letter from Dr. Peterson that went with our application, and they’re accepting that this project benefits Fort Sill, and therefore, it’s eligible for this P3 program, and they awarded us $18 million.

Rogalski said I’ve also talked about the fact that the project is $22 million. And so, we’ve been working with the state on the other $4 million. You all have heard me say that a couple of times. There was consideration that it would be the SIDE Act, and we actually submitted an application for that, along with Firehawk. But all of a sudden yesterday, the state said I think it’s better if we go back to the Oklahoma Development Finance Authority for another $4 million. So, they’re going to be considering $22 million on Wednesday. I’ll go up there and say we want that. So, this agreement is possibly moot, but I think it’s best to just approve it. I would ask you just to consider it. We won’t forward it until after we know what happens next Wednesday, but there’s a good likelihood that you’ll have an agreement for $22 million. I'm thinking, get what you have right here and move forward. Then, whatever comes up, if it comes up with an additional $4 million, I just bring you that agreement. If it comes up with a whole new agreement for $22 million, I will bring you that one.

Madigan said don't we have to front the money and get the construction completed, and then we draw down quarterly up to the $18 or $22 million?

Rogalski said that's good policy, and I believe this is the way to go. We could basically get a construction loan or bridge loan where we have a guarantee of having the money before we award the construction contract.

Gill said I think we have to do that by law — I know we do at the city level. We can't award a contract if we don't have money in escrow, or some form of it.

Rogalski said absolutely for the city level. On the LEDA level, I'm told that it's our decision, but it's a decision that we'd always want to make. Because again, you could have a government shut down, and all of a sudden we don't get the money. Let's say construction starts in January, I don't think they're going to try to award the whole thing because we have a construction manager at risk — we can award it in trances as they get parts of their plan together.

Brace said I think the way that it works is it does come in those quarterly tranches, except the fund is a 200 million dollar revolving fund in total. So, if there were those funds available once you begin the project, they would fund it in the past. But because the fund peaks out, and they constantly are getting money and reinvigorating the fund rate, then they often go to the quarterly advancements. But we've seen it other ways. So, once you begin the project—and it has to be begun, and now they're saying actual construction has to be started, not just your engineering design work — if they did have that much money, they'd fund it all. But you don't know that, because you don't know how the funds are going to go.

Gill said if we have a bridge loan, we're going to have interest involved. So, are they going to pay that interest, or are we going to have to eat that?

Rogalski said that would be part of our costs. He noted that the project is in the early stages of design.

Chairman Fitch said if we don't need all the $22 million, can we take some of that overage and apply it towards the interest that we've had to pay for the bridge loan?

Rogalski said it's a question we would have to ask them more intently. I don't know the answer to that. Let's think about the other side of this, though, that we are getting an aerospace industry coming to Lawton, and the state is giving us $22 million to do it. And so far, our outflow is kind of zero right now. Now, we do have to build a sewer line for it. That's going to be about $2 million. But, that's a small price to pay for what we're getting out of this. And the TIF revenue will come to LEDA.

Gill said I don't believe anybody's having second thoughts.

Rogalski said even if we pay interest, it's a great deal for us.

Madigan asked legal counsel if we're allowed to make a motion of up to $22 million.

Wilson said I think we could do a motion to say up to $22 million. That way if it passes, we're okay.

Ratliff noted that there is language on the agenda that specially talks about enacting floor amendments.

Wilson said if it says make floor amendments, I think that would be permissible in this case. Wilson said I have two comments before we vote or make a motion. So legal was asked one thing to do also, and that was, did this need to go to Council to approve? Because there's a FISTA item — they have a P3 agreement where the city is a party, and it is going to Council. It's on this next agenda. And so we looked into that, and I actually asked our bond council too, since it was a tax question. She is recommending that this one go to Council too, even though the city's not a party. But we are talking about doing construction tied to quarterly tax payments, and the city's making a commitment to do an off-site sanitary sewer expansion and public water improvements for this. So we are recommending that this also be ratified by Council. So we'll be putting that on the agenda too.

Wilson said another small thing: when we looked at this originally a few weeks ago, we made a couple small recommendations on the hold harmless clause, and we try to get those out ususally. But this is an award for $18 million dollars, and that language that's in there, because it's a state agreement, I think we're going to be fine. The risk is relatively low. We want to make sure the board's aware. There are two clauses. But I think we did one a year ago with FISTA, and that language made it in there. So we're not saying don't approve of this — there was some language in there, but I think it's good.

Gill said I would say that it probably should go to Council, since Council's going to be involved in it. So we could just send the whole thing, as we were saying, to Council. Gill said we need to let our media partners know on these things that we're getting grants or we are getting money from entities like the federal government or the state. I think that's a good thing for not only the Council for sure, but for these boards and authorities, because we don't do that, and we need to.

Ratliff said since this will be considered before Council, we can do it then.

Motion by Madigan, **Second** by Gill, to approve the funding agreement between LEDA and the Oklahoma Development Finance Authority in the amount of up to $22 million. **AYE:** Gill, Madigan, Brace, Neal, Hensley, Fitch, Nance. **NAY:** None. **MOTION PASSED**.

5. Receive a report from Rusty Whisenhunt, Director of Public Utilities for the City of Lawton, and consider approving Pay Application 006 from Fisher59 Properties in the amount of $20,423.51 for the cost of public improvements associated with the construction of a new warehouse and distribution center made in accordance with the First Amended Redevelopment Agreement between LEDA and Fisher59 Properties, approved on January 14, 2025.

Michaela Bertoch, Public Utilities Department, gave a report on behalf of Rusty Whisenhunt regarding Pay Application 006 from Fisher59 Properties.

Bertoch said the sewer is fully installed. It just needs testing. The water is complete, and they're working on roads.

Bertoch said this pay app is for the amount of $20,423.51. Everything looks in order. Joe Castillo is our inspector, and he goes out to the sites daily to make sure everything is in order.

Hensley said as we move forward, how are we supposed to manage the amount of jobs this is supposed to create? He said I'm asking for a specific reason, because two weeks ago they fired three people. They said that they were eliminating positions. I work with one of the ladies whose husband got cut. So how do we monitor that? Because that really has bothered me since then.

Rogalski said I'd have to review their development agreement. How we monitor it now is that we actually require them to give us documents, basically tax documents. When it's a requirement of the project to get funding, we require them to give us such documents. I'm not sure that the jobs were a measurable requirement on this project, because all we're doing is reimbursing for public improvements. We're not actually giving them any money for their improvements at all. But if it’s part of the requirements, we do actually require them to submit annual certifications of employment.

Motion by Hensley, **Second** by Neal, to approve the $20,423.51 cost of public improvements to Fisher59. **AYE:** Gill, Madigan, Brace, Neal, Hensley, Fitch, Nance. **NAY:** None. **MOTION PASSED**.

6. Consider approving the 2026 Annual Meeting Notice for the Lawton Economic Development Authority.

Tammy Branstetter, City Clerk's Office, noted that the Authority meets on the third Thursday of the month at 2:00PM.

Motion by Madigan, **Second** by Brace, to approve the 2026 Annual Meeting Notice. **AYE:** Gill, Madigan, Brace, Neal, Hensley, Fitch, Nance. **NAY:** None. **MOTION PASSED**.

Reports

1. Receive a report from the LEDA Executive Director

Rogalski said you saw that we did receive the other past state match, about a million dollars, in September. For the current one—I'll be getting the documentation from the city this week for the next state match request. So, we should get that letter out to the state next week.

Rogalski said I'm also working with the Center for Economic Development Law to finalize all the documentation to start making the payments to Republic, because I want to make sure we start it in a way that it's sustainable, because they go on for 20 years. I won’t be here for some of that time, I think, so I want to make sure it’s started well, and that all the documentation is clean. So I’m actually going to have her send me a letter with all the backup documents in one fell swoop. And then basically, they’re going to send us a payment reminder. It’s just a matter of getting it set up right. It’ll be the same amount every year for 20 years, but it just needs to be done well. We want to know what number it is—like, payment number 1 of 20.

Executive Session

Motion by Nance, **Second** by Hensley, to convene in executive session. **AYE:** Gill, Madigan, Brace, Neal, Hensley, Fitch, Nance. **NAY:** None. **MOTION PASSED**.

The Authority convened in executive session at 2:55 PM and remained in executive session until 3:06 PM.

Motion by Hensley, **Second** by Brace, to return to session. **AYE:** Gill, Madigan, Brace, Neal, Hensley, Fitch, Nance. **NAY:** None. **MOTION PASSED**.

1. Pursuant to Section 307C.11, Title 25, Oklahoma Statutes, consider convening in executive session for the purpose of conferring on matters pertaining to economic development, including the transfer of property, financing, and the creation of a proposal to entice a business to locate within their jurisdiction if the public disclosure of which would violate the confidentiality of prospective business entities.

No action was taken on this item.

Adjournment

Motion by Gill, **Second** by Hensley, to adjourn the October 23, 2025, meeting. **AYE:** Gill, Madigan, Brace, Neal, Hensley, Fitch, Nance. **NAY:** None. **MOTION PASSED**.

There being no further business to discuss, the meeting adjourned at 3:07 PM.