City of Lawton

Lawton Economic Development Authority

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

Minutes

Thursday, March 26, 2026 **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 Madigan called the meeting to order at 2:00 PM in the 3rd floor conference room of City Hall.

ROLL CALL:

PRESENT: David Madigan, Rick Walker, Larry Neal, Kirby Brown, Ron Nance, Jason Hensley, *Randy Warren

ABSENT: Brandie Page (excused), Mark Brace (excused)

OTHERS PRESENT: Richard Rogalski, LEDA Executive Director; John Ratliff, City Manager; Tammy Branstetter, City Clerk's Office; Tim Wilson, Deputy City Attorney; Michaela Bertoch, Public Utilities Department; Heath Renschen, Public Utilities Department; Captain Justin Thorne, Lawton Police Department; Detective Brandon Becker, Lawton Police Department; Charlotte Brown, Deputy Director of Community Enrichment; Matthew Modeste, Hatch, Croke & Associates; Brad Cooksey, Lawton Economic Development Corporation; Brett Walford, President of Fisher59 Properties; Nick Anderson, CEO of Fisher59; Stephanie Bolton, Herring Construction; Trent Newell, Herring Construction; Levi Griggs, Herring Construction; Mike Ray, The Lawton Constitution; **Lisa Harden, Center for Economic Development Law; Ron Durbin, Guerrilla Publishing

*Left at 3:52 P.M.
**Attended virtually via Microsoft Teams

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

Chairman Madigan confirmed with Branstetter that the meeting notice and agenda were posted by the City Clerk's Office as required by the Oklahoma Open Meetings Act.

Business Items

1. Consider approving the minutes of the February 19, 2026, meeting.

A copy of the minutes from the February 19, 2026, meeting may be obtained from the City Clerk's Office upon request.

Motion by Walker, **Second** by Neal, to approve the minutes from the February 19, 2026, meeting as presented. **AYE:** Warren, Brown, Madigan, Nance, Neal, Hensley, Walker. **NAY:** None. **MOTION PASSED**.

2. Consider approving the January 2026 Financial Report from Hatch, Croke and Associates.

Matthew Modeste, Hatch, Croke & Associates, presented the January 2026 Financial Report. A copy of the report may be obtained from the City Clerk's Office upon request.

Modeste said the financials will start on page 20 of your agenda packet. Under your current assets, we have the seven bank accounts, which total $7.1 million. Interest receivable from BOK — that was all received in February. October, November, sales and use tax receivable and the property taxes for TIF 2, 3, and 6 — they were January property taxes, which were received in February. No change to the AR state matching for the prior years. So total current assets, $8.6 million. No change in the fixed assets or the other assets, so your total assets, $13.1 million.

Modeste said on page 21, total current liabilities, $233,754.80. Under your long-term liabilities, the only change for January is the payable to the Republic Paper Board for developmental assistance, so $4.1 million. So your total liabilities and net position at the bottom of the page, $13.1 million.

Modeste said the next page, page 22, is the combined statement of revenue and expenses. Total revenues, $1.1 million, made up of your December hotel motel tax. The state matching funds, those actually have not been received or applied for yet, but as soon as the amount is received from the city, then that entry is made to recognize that revenue, which would be owing from the state. Property income tax for December and sales and use tax that we received in the month of January — that's what made up your total revenues of $1.1 million. Under your operating expenses, the most significant item was the development assistance to Republic Paper and Fisher59 of the $4.4 million. $4.3 million is the amount for Republic Paper. So your total operating expenses, $4.5 million. At the bottom of the page gives you a change in net position, negative $3.4 million.

Modeste said the next page, page 23, is the statement of cash flows. If you look at the bottom of the page, you will see that there was a net increase in cash of $287,355.84. If you add that to cash at the beginning of the period, that gives us cash at the end of the period of $7.1 million.

Modeste said pages 24 through 25 of the packet are the details of the combined expenses which were on page 22.

<u>Motion</u> by Warren, **<u>Second</u>** by Hensley, to accept the January 2026 Financial Report. **AYE:** Warren, Brown, Madigan, Nance, Neal, Hensley, Walker. **NAY:** None. **MOTION PASSED**.

3. Consider and take action on the proposed 2026 budget for the Lawton Economic Development Authority.

Richard Rogalski, LEDA Executive Director, provided background information on this item. A copy of the proposed 2026 budget for the Lawton Economic Development Authority may be obtained from the City Clerk's Office upon request.

Rogalski said what I'm trying to do is take your budget to more of an operational budget. We generally, in the past, have talked about basically revenue and note payments. And now we're doing a little more operational things. You can see from the first page that between both plans, we actually have a net projected revenue for the year — an unspent net projected revenue. So it looks like LEDA is in a pretty good position. Now, a lot of that funding will be paid to different sources. There are obligations that aren't even on your books yet for things like Neal and Ard, Goodyear Boulevard, Lee Boulevard and the waterline out in the industrial center. So, it's not like it's going to just pile up in your bank account over the years—that's what it's for. The whole purpose is that you get ahead of your expenses, and then you can start actually paying the City back for some of their investments.

Rogalski said you have your TIF 1 and 2. Remember, you have two different project plans, for those of you who have been here for a while. That’s why I separate TIF 1 and 2 from TIF 3, 4, 5, and 6. They’re different project plans, so the money is held differently. TIF 1 and 2 is the one that has the note for the development of the downtown project that we're still obligated to pay, and it’s all downtown — pretty much it's the Downtown Project Plan. Then TIF 3, 4, 5, and 6 are from the STEDI Project Plan. You can see that they’re both doing pretty well. In fact, these days, your downtown plan is actually doing better, which is surprising. Some of you who have been here know that we’ve struggled many times to make that note payment year after year, and now we’re actually doing pretty well.

Rogalski said does anybody have any questions on this?

Brown said from my understanding, the project plan expenses you show on page 31 — it's your simplest breakdown — that includes paying the notes and things, so are those expenses inclusive?

Rogalski said no that doesn't include the note payment. It includes everything but the note payment. The note payment is $2.3 million in itself.

Brown said so wherever you calculated that, your looking at a net of $850,000? That's how I read this.

Rogalski said on the page for TIF 1 and 2, I do have the annual note payment in there under expenses. Sorry, I got myself confused. That's why the Downtown Project Plan expenses are $2.9 million, including the note payment. All the note payments are included there.

Brown said so again, at the end, you're looking at net revenue of $850,000 for this year.

Rogalski yes, for both plans. Now, they both have different uses, but yes, for both plans.

Warren said I appreciate it put together like this, because you can follow it through.

Chairman Madigan said I was just going to make a comment that pages 36 and 37 are really great documentation to show our long-term liabilities for this organization. That's very helpful. Let me just get some feedback from the voting members. Would you like more time to digest this budget, or do you feel comfortable enough to vote on it?

Warren said I'm good.

Brown said as I read through it, it's logical. The only thing that I see that I'm sure you're going to work on is a projection of the—I think I read when we finish next year, it's $11 million that we still have out that we owe.

Rogalski said I actually am working on it. That's all your TIF districts until they expire, and I'm trying to build all that stuff in there. I just didn't get it done. I have all the income, I just don't have the debt put in.

Brown said I'm just looking for long-term debt servicing — what we have to generate against what we have to owe.

Rogalski said I understand what you're saying. That's actually what I was working on, but I just didn't quite get it done.

Motion by Brown, **Second** by Warren, to approve the 2026 budget as presented. **AYE:** Warren, Brown, Madigan, Nance, Neal, Hensley, Walker. **NAY:** None. **MOTION PASSED**.

4. Receive a report from the City of Lawton Department of Public Utilities and consider approving Pay Application 009 from Fisher59 Properties in the amount of $299,478.24 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, Department of Public Utilities, gave a report regarding Pay Application 009 from Fisher59 Properties. A copy of Pay Application 009 from Fisher59 Properties may be obtained from the City Clerk's Office upon request.

Bertoch said we have Pay Application 009 in the amount of $299,478.24. All the work referenced in this pay request has been completed and verified by Public Utilities. We do recommend paying for this. I also brought Heath with me. He is our engineer on the project right now, just in case you have any technical questions.

Rogalski said if you go out there, it looks pretty done. The road is on the ground, and the utilities are on the ground. The last little bit of work often still takes a little bit of time sometimes.

Motion by Walker, **Second** by Nance, to approve Pay Application 009 from Fisher59 Properties. **AYE:** Warren, Brown, Madigan, Nance, Neal, Hensley, Walker. **NAY:** None. **MOTION PASSED**.

Chairman Madigan said I'm going to move up Item #9 just out of consideration for our group from Herring Construction. They're here to give us a progress report on the Firehawk Aerospace construction project.

The Authority next considered Business Item #9.

5. Receive a presentation from Brett Walford, President of Fisher59 Properties, regarding the alleged fraudulent activity associated with Payment Application No. 3.

Brett Walford, President of Fisher59 Properties, gave a presentation regarding the alleged fraudulent activity associated with Payment Application No. 3.

Chairman Madigan said this was almost a year ago, correct?

Mr. Walford said that's correct. Thanks for having us. I put together a letter with the thought that if I wasn't here or needed to share this, I could do so in this format, so I'm sharing that letter with everyone. It's just to give a little bit of additional color. It's not all about just the fraud piece of it, right? So I'm going to read through it. I may not hit everything, but I will hit the highlights. The reimbursement process started about a year ago when the documents were put together for Pay App 003. I had already done Pay Apps 001 and 002, and those were both paid via check, just so you know how things were being handled up to that point.

Mr. Walford said as mentioned, Bob Moore, our general contractor, was paid on 3/20/2025 for the amount of $224,840.34 for the road, so that gives a timeline of when this started. We were without the funds as of March 20th, and there was some back and forth. I submitted my reimbursement request on April 9th. Then around the 15th, LEDA received a request for reimbursement of Pay App 003 via ACH via an email that appeared to come from my account. As mentioned, this was the third reimbursement request; the first two were paid by check and mailed to me.

Mr. Walford said as I inquired about the check for this reimbursement, we found out it had already been paid via ACH—unfortunately, as disappointing as that sounds. I also want to mention that the account information was not verified. There was no test amount sent and no phone call confirming that's what we wanted to do. I consider this standard practice when wiring money, ACH, or other electronic funding, and it is currently something we do at Fisher59. I also wanted to share a few other things as well.

Ratliff said you said that it had already been paid via ACH. You mean it had already been wired?

Mr. Walford said it had been wired.

Mr. Walford said to date, we have not charged any interest to the City, so this was something we stepped up, and really, self-financed. At the City's request, they asked us to have our general contractor build the road, and at the time it made sense to everyone to move forward with that approach. The contract details and negotiations for the road were lengthy. I just want to point out that it did add about six to eight months to the front end of our building, so it pushed us back a bit from when we originally got started. We started the first pass work back in February of '24 and really didn't get going until late '24.

Mr. Walford said the contract added several conditions that added carrying costs to Fisher59. There were a few pieces—engineering and project management—that couldn't be paid until the end of the project and haven't been paid yet, and that amounted to about $100,000. I went back and reviewed the contract. It states that if the City is delinquent in paying, the City would be on the hook for 5% interest on those funds, so that was the number I used for my calculations. You'll note that the $98,000 carrying cost at 5% is roughly $5,000. Added to this now a year later, for Pay App #3, 12 months of interest on $224,000 is roughly $11,000 at 5%.

Mr. Walford said for the record, at the time of the contract, we did work through an addendum that allowed us to submit pay requests monthly or every other month, which helped us get the money back sooner. So that was a good piece, but but it did add a little bit to the negotiations and/or the paperwork that went with it.

Mr. Walford said so far to date, and including additional upcoming payments, you're going to have about $1.5 million above and beyond the $224,000 that we essentially carried those costs for, on average, two months at a time, and at 5% for two months out of the year, that's an additional $13,000.

Mr. Walford said financing alone cost us about $30,000. Not to mention the time that I put into the project as far as tracking these payments, putting together the pay apps, following up on the pay apps, and so I put a dollar amount associated with that as well. As the board is aware, Fisher59 has invested $20 million into a brand-new facility here on the edge of Lawton, so we're invested in Lawton and want to be around for a long time. We've been here since 1984. To date, the financial burden has fallen solely on Fisher59, and for that reason we're asking for the entire amount to be paid back - the $224,840.34.

Chairman Madigan said thank you for that overview. Are there any questions for Brett?

Walker said the main questions I would have would just really be around the process of how the payment was made and how it was approved. I know, also being in the banking industry, we have a product called positive pay. A lot of times for those to clear, it requires a certain issue. Now, I know this was a wire, and there had to be callback procedures and things like that. But were those followed? And were there any others? Could there be any other parties to blame other than anybody sitting here at this table?

Chairman Madigan said who did the email go to? What's the process?

Rogalski said it actually went to Public Utilities and myself. We were all on that because we were reviewing the pay application, and this was a payment in response to the pay application.

Mr. Walford said I created the pay app and sent it to Richard and Micheala, and I guess from there it was intercepted, and they went back to Richard with a request for wire.

Rogalski said there were actually several emails back and forth, which is really weird. I have a valid e-mail stream with invalid e-mails in that stream, and that's really what got us. In our opinion, we have that we were carrying on a secure conversation with Brett, and it turns out it wasn't.

Chairman Madigan asked Mr. Walford if his computer was just compromised, internally in his company.

Nick Anderson, CEO of Fisher59, said I think it's fair to say you received something that appeared to be us, or that you thought was us, that wasn't us.

Chairman Madigan said I was just curious, was your computer compromised?

Mr. Anderson said something was compromised, but his computer — no.

Rogalski said what Brett told me wwhen we discovered there was a problem is that your email had been hacked. That's what you said.

Mr. Walford said yeah, maybe the email was compromised.

Mr. Walford said the only other thing I'd like to emphasize is the fact that this happened in March of last year, and we're just finally getting to the point where we can talk about getting reimbursement, so I guess keep that in mind as well.

Chairman Madigan said we appreciate the 42 years and the $20 million plus in our community. We respectfully appreciate the contributions and partnership.

No action was taken on this item.

Chairman Madigan said at this time, I'm going to move up Executive Session Item #1 out of consideration for other guests that are in the room plus our guests from Fisher59.

The Authority next went into Executive Session to discuss Executive Session Item #1.

6. Consider authorizing the Executive Director to pay an invoice submitted by the City of Lawton in the amount of $522,156.30 to pay off the remaining principal and accrued interest pursuant to a City Series 2011 Promissory Note that provided funding to pay interest on the Authority's Economic Development Note, Series 2007, issued for the purpose of financing redevelopment activities for the downtown Phase IA - Project within Increment District No. 1, City of Lawton.

Richard Rogalski, LEDA Executive Director, provided background information on this item. A copy of the invoice submitted by the City of Lawton in the amount of $522,156.30 may be obtained from the City Clerk's Office upon request.

Rogalski said so again, this is an interest-bearing note from the City since 2008. At the last meeting, you asked me if the City had ever asked the money, and at the time they hadn't. Rogalski said they really can use the funding now. There are plenty of projects that can use it. The original funding came from the 2006 CIP and Hotel Motel Economic Development Fund, and those funds would be paid back, and then the City would be able to use those funds for projects within the city. So they are requesting that this be paid back at this time. You do have sufficient funding to cover this, and in fact, I put payment of it as a debt in your budget.

Motion by Warren, **Second** by Hensley, to authorize the Executive Director to pay the invoice submitted by the City of Lawton in the amount of $522,156.30. **AYE:** Warren, Brown, Madigan, Nance, Neal, Hensley, Walker. **NAY:** None. **MOTION PASSED**.

7. Consider and take action on a Resolution approving a Real Estate Purchase and Sale Agreement for the acquisition of approximately 320 acres from the Comanche County Industrial Development Authority; authorizing the issuance of a promissory note for the deferred purchase price; waiving competitive bidding as permitted by law; and authorizing the Chairman or Vice Chairman

to finalize and execute related documents.

Richard Rogalski, LEDA Executive Director, provided background information on this item. A copy of the Resolution approving the Real Estate Purchase and Sale Agreement and the Real Estate Purchase and Sale Agreement with CCIDA may be obtained from the City Clerk's Office upon request.

Rogalski said you all approved a term sheet with the exact terms here, and this is just the agreement for it.

Chairman Madigan said this is for the Firehawk project. Just a real quick recap, we're going to provide CCIDA $500,000 up front.

Rogalski said and then 24 months from the date of closing, we start consecutive payments of $275,000 each.

Wilson said I'd like to advise the board, too, waving competitive bidding takes three-fourths of the vote of membership, so everyone here will need to vote affirmatively.

Motion by Walker, **Second** by Hensley, to approve Business Item #7. **AYE:** Warren, Brown, Madigan, Nance, Neal, Hensley, Walker. **NAY:** None. **MOTION PASSED**.

8. Consider and take action on a Resolution approving a Term Sheet by and among the City of Lawton, the Lawton Economic Development Authority, and Firehawk Aerospace, Inc. for the development of an industrial manufacturing facility; authorizing the preparation, negotiation, and execution of definitive agreements consistent with the term sheet; authorizing the incurrence of indebtedness and issuance of evidences of indebtedness by the Lawton Economic Development Authority pursuant to 60 O.S. §176; waiving competitive bidding for such obligations; authorizing the preparation, negotiation, and execution of all documents related thereto; designating a trustee, paying agent or other service provider, if necessary, and providing that all authorizations related to indebtedness are subject to City Council approval.

Richard Rogalski, LEDA Executive Director, provided background information on this item. A copy of the Resolution approving the Term Sheet and the Term Sheet by and among the City of Lawton, the Lawton Economic Development Authority, and Firehawk Aerospace may be obtained from the City Clerk's Office upon request.

Rogalski said there’s sort of two actions that are in here: the first is the lease and purchase option agreement with Firehawk, and then the other is a note for us to get the project built, which is also contemplated with the lease. I’ll tackle the second one first. The note is required because your funding from this comes from the Oklahoma Development Finance Authority. It’s a total amount of $22 million, but it’s paid in certain tranches, and those tranches may not exactly line up with the construction obligation. So you might get a little ahead and then have to catch up as the funding comes in. That note would be a pass-through note. You would actually be borrowing the money from LIDA (Lawton Industrial Development Authority), and LIDA would basically be holding the note. LIDA's meeting is on Monday, and this just simply authorizes that to get started now.

Rogalski said the $8 million—I did an analysis of the project costs versus the funding—and $8 million seems like a slightly conservative number, but it's not a huge number. Obviously, we could do $22 million, but I don't think we'll ever need that. So that's why I set that number at $8 million; I think that gets us where we need to be on that.

Rogalski said so now let's talk about the actual term sheet itself. All the site facilities are described in Exhibit A and on that binding site plan. The site plan went to the City Council a while back, and it's really substantially no different than that. Firehawk is paying for the design and plan preparation — it has been already, obviously. That's why we have some stuff ready to bid. That's estimated at about $4 to $6 million. Keep in mind these are the plans for the site that is on property that would be owned by LEDA, and so this facility would be owned by LEDA, built with that ODFA funding. So they are actually paying that for you. The project will be constructed in sort of phases—it's not really phases because they don't really stop—but there's an initial production phase that they're going to work on. That total cost is $44 million: $22 million from LEDA, $8 million from Firehawk for the site, and $14 million for equipment from Firehawk for that initial production facility. They never stop construction, but they actually start production while they build the rest of the facility out. The rest of the facility is no money from LEDA, $10 million in the site from Firehawk, and $11 million in equipment from Firehawk. So that's a total project expense or value of $65 million.

Rogalski said this project would be placed in a tax increment finance district, and so the revenue from that is around $17 to $18 million over 25 years. So that's one way that we recoup our costs on this project.

Rogalski said Firehawk is responsible in this agreement for any cost exceeding LEDA's grant revenue, and that includes our CMAR fees—so it's construction and CMAR fees. So anything beyond that to make an operational site is Firehawk's responsibility, and they've agreed to that in this sheet. And we have a description of what an operational site is. I think we're pretty well protected in that.

Rogalski said there's a lease term in there. The lease term is 11 years, but the first year there's no lease payment—they're still building it, that allows them to operate on the site. Then there are 10 years of lease payments contemplated at a total of $3.5 million. It ramps up and then levels out at about $400,000 and stays there throughout the rest of the term. We always want to get an operational covenant on these projects, and we do. We have a 10-year operational covenant. The operational covenant is secured by that $3.5 million. For example, if they operated for one year and then left, they would have to pay the remainder of that $3.5 million. You would also own the site, but they would still be responsible for paying that remaining balance.

Rogalski said each year, there is a job requirement. It starts with 25 jobs in the first operational year, then increases to 50, and then goes up to 100 thereafter. That is consistent with what was presented to City Council back in June—it's the same sheet. The average wage is $93,500. Based on just those jobs, and recognizing that these are primary jobs with additional secondary jobs created in the community, I looked at the employment credits based only on those direct jobs. Each employee is estimated to generate a little over $1,000 in sales tax to the City each year, and about $3,000 in property taxes. Altogether, that's approximately $4,000 per employee from their individual tax revenue to the community. We don't necessarily receive all of that at the City level, but the community benefits from it, so that's the basis for the $4,000 per employee per year job credit. Their rent forgiveness would be based on those employment credits. If they come up short, they pay us the difference. If they exceed it, that's great, but they don't earn additional credit beyond that, and they still have to maintain the required employment level in the following year.

Rogalski said there are extension options in the agreement, but there is also a purchase option. The purchase option is based on a total public investment of $23.6 million—$22 million from Oklahoma Development Finance Authority funding and $1.6 million that LEDA is paying for the land. In order to exercise the purchase option, they would need to repay or credit that amount. The purchase option can be exercised at any time after the initial facility is complete and once operations begin. The purchase price is essentially the difference between those figures. However, the agreement also credits them for design fees and site improvements that they build. So, that would go on their side of the scale. Our side stays at $23.6 million, so they pay the difference.

Rogalski said there is a lot more data on this, but that's the agreement in a nutshell.

Chairman Madigan said are there any questions?

Mr. Durbin said for those of us who don't know, can you explain to us what kind of manufacturing facility this is going to be, what they're going to be manufacturing, and what Phase One versus Phase Two will be and how they're building that out? And then second question related thereto—you talk about the fact that there's an $8 million tranche at the beginning. Ultimately, we're getting into almost $23 million. There's $3.5 million of guaranteed rent that's going to be paid. Are you requiring any kind of bond to bond those additional payments to ensure that if, for some reason they do fail, the City is not left with a building that it can't re-lease in an economically competitive way to somebody else? We had that car company that went out of business after all those economic incentives, and there was a bond requirement. Have you guys factored that into what they're doing here in this project?

Rogalski said they're an energetics manufacturing facility. Their site plan is basically a narrow strip down the middle of that 320-acre project, because they are energetics, and there is a 1,250-foot open-space setback requirement, so that is set in there, and it is a binding site for that project.

Mr. Durbin said there's $3.5 million they guaranteed in rent payments they're going to make. Your initial tranche is $8 million, so you've got essentially $4.5 million of unsecured debt there. Are you doing anything to require them to acquire a bond to ensure that they meet their economic development commitments as you're putting in the $23 million that they're matching, that they're doing the things that they say, and you're not holding the bag at the end without an insurance contract at a bankrupt company? We've experienced this before.

Rogalski said we have requirements for them to construct the site. But there is no bond after that. We would own those facilities.

And so there isn’t a bond on that. Now, to answer your question, the $8 million is a construction loan, which would be paid back in full by a $22 million grant from the state. The state has already approved a $22 million P3 grant, Oklahoma Development Finance Authority. So the construction funds come more or less from this, not more or less, exactly from the state. So once it’s done being built, we’re not out $8 million. That’s been paid off already, right? And the state has given us the other money. So we don’t have that debt that you’re talking about. So the $3.5 million is on top of that.

Mr. Durbin said but again, you're getting $22 million from the state of Oklahoma that's going to go into a project. Is there anything insuring that project to ensure that the company that's building and constructing is going to fulfill the terms of its obligations?

Rogalski said we are building $22 million's worth. They're going to operate. That's why this starts off as a lease project. It's a lease project where we're building $22 million worth, and they're building $8 million worth or $14 million worth. So those are like tenant improvements. So it's a little bit like a partially capitalized lease, but at the end of the day, we still own those improvements. So like you said, if they walked away, we own the improvements. And so that's how this is set up.

Wilson said I do have one comment for the board. Again, this will require a two-thirds vote because it is waiving competitive bidding, so everyone here will have to approve this. Second thing, bond counsel, in anticipation of this passing, is already working on the LIDA component of this to get the LIDA loan. She had a conversation with me before the LEDA meeting, and she is recommending to Richard—because Richard did say that the Oklahoma Development Finance Authority grant is basically going to be the collateral for the LIDA loan. Richard, please reach out to the Oklahoma Development Finance Authority and make sure whether they require written permission or not to do this, because we don’t want to slow the process down. Just make sure that is taken care of.

Motion by Walker, **Second** by Warren, to approve Business Item #8. **AYE:** Warren, Brown, Madigan, Nance, Neal, Hensley, Walker. **NAY:** None. **MOTION PASSED**.

Chairman Madigan said I believe we've taken care of #9, and we're moving on to #10.

9. Receive a Report from Herring Construction (CMAR) regarding progress on the Firehawk Aerospace construction project, consider authorizing the CMAR to begin preparing bid packages as necessary to complete the construction of the improvements to be funded by LEDA, obtaining bids for same in accordance with Article 2 of the CMAR Agreement and in accordance with the Oklahoma Competitive Bidding Act, and reporting to LEDA the results of any such bidding for award by a majority vote of the board, and take other action as deemed necessary.

Stephanie Bolton, Herring Construction, provided a report regarding progress on the Firehawk Aerospace construction project.

Ms. Bolton said the project is in design right now. We started out trying to get a few items taken care of very quickly for LEDA to be able to hit those marks and get the funding released for this time. They released a mass grading plan that we have submitted, and I've had the first review back from Mike Hawkins. The NOI is submitted and in review with the ODEQ. The construction entrance is in and ready for the groundbreaking per the plans and specs. So we're a little bit ahead of how we typically do a project, but we did that specifically and uniquely for this project.

Ms. Bolton said we brought a sheet, which Trent has and can hand out, that just kind of lets you know this front end of the project and how it works out. We already have a contract with LEDA; it does not have a dollar amount on it yet. Once I receive a notice to proceed from LEDA, we are getting ready to bid this first project. Firehawk is ready to get boots on the ground, so that's why we worked a little bit ahead of what we typically do in construction. Normally, we would wait on the notice to proceed.

Ms. Bolton said where we're at now is that the plans and specs are being prepared by the architect, and we're waiting on the notice to proceed. As soon as we get that from you, I have the bid package ready to go for the mass grading. That will be advertised for legally 21 days; we will do it for at least 22 days to make sure we check that box. During that time, we will time- and date-stamp everything as it comes in to ensure it is all legally submitted at the correct time. We will conduct the bid opening here with you, record the bids, review them, and then present them to you for your consideration to award them. At that time, we issue our contracts and we start the construction.

Ms. Bolton said from what I understand, we will be here once a month with a progress report. If there is anyone who would like to be a contact for me, I can provide progress pictures of the job site. We have software that we use to take daily photos, and we can send those along with updated schedules and pay applications when I come to provide updates. So, it looks like where we're at right now is just waiting on that notice to proceed so that I can move forward with the mass grading. This is being done in order to complete the “shotgun start” as requested. Firehawk is ready to get started. The project will come out in phases, so mass grading allowed us to get started right away. We will have a three-building package coming next with drainage, followed by additional building packages until the project is complete. This allows LEDA to handle their portion and financing, and then whatever happens after that will be Firehawk.

Ms. Bolton said we also brought Rhonda with us today; she is our contract specialist in case you have any questions about our contract with you or the contracts we will have with our subcontractors. Levi will be the site superintendent. I will be the on-site project manager, and Larry Adair is our consulting project manager—I’m sure many of you know Larry. Trent is also a project manager, and he usually handles things on the front side, doing what I’m doing right now—preparing the bids, reviewing the RFP, and handling the advertisement. We brought our whole team in case there are any questions. We are a team, and so we support Ryan, and we wanted to just make sure if you had any questions for us, as we're starting this process, that we had a complete team for you to talk to.

Rogalski said just to add in, as she mentioned and as I talked about before, this is kind of a fast-track project, so they are doing bid packages in pieces. It’s not going to be a simple thing of presenting one giant set of plans, approving it, and moving on. That’s why we’re asking you to issue this notice to proceed—so they can begin bidding these packages as they are ready. Nothing gets awarded and nothing gets billed unless it comes to LEDA and gets approved. All they are doing is sending it out and getting the packages and cost together. Then they will bring it back to LEDA, piece by piece, to get awarded. They are simply asking to start the bid process.

John Ratliff, City Manager, said Richard, are you going to ensure that they're in compliance with the city's purchasing and payment policy?

Rogalski said yes. In fact, the construction management agreement requires that they meet all of Oklahoma’s competitive bidding requirements. In fact, it's got a little more stringent requirements because it's a CMAR agreement. It is essentially the same as the bid packages for any CMAR project that you have seen, but yes, they meet all of our requirements. They meet all the City’s requirements, and they meet the State’s requirements.

Brown said I assume the CMAR contract is where we're using the $22 million.

Rogalski said yes.

Brown asked if Herring Construction is also the CMAR for anything that Firehawk is building themselves?

Ms. Bolton said we believe so. I mean, they have that option when we're done with this part. They have that option to put anyone on board. If they choose to continue with us, we would love to. We hope to do a great job for them, and they continue with us.

Brown said thank you for bribing your team.

Chairman Madigan said what do you anticipate in the bidding? Is it going to be robust? Do you think you're going to have a number of subs bidding?

Ms. Bolton said the interest in this project is huge. We believe that you'll have a decent pool of subs to choose from, and that is one thing with Ryan being in construction here for 20 years. His reach goes quite a way, and he has dealt with quite a few people over the years. He will come up with recommendations as well as to who he feels like is the best fit, but it's totally your call as board as to who you choose. But we feel like the pool will be very well populated.

Chairman Madigan said okay, voting members, the action item, again to summarize, is to authorize the CMAR to begin preparing bid packages and to release those in accordance to all city and state regulations.

Motion by Walker, **Second** by Warren, to approve Business Item 9. **AYE:** Warren, Brown, Madigan, Nance, Neal, Hensley, Walker. **NAY:** None. **MOTION PASSED**.

Chairman Madigan said we're back on track now, going to Business Item #5.

The Authority next considered Business Item #5.

10. Consider appointing a LEDA Representative to the LURA Downtown Revitalization Steering Committee.

Rogalski provided background information on this item.

Rogalski said LURA is putting together a steering committee to look at the downtown area and the effectiveness of the urban renewal plan, and it will probably result in an update of some of the planned contents. It was prepared about 20 years ago, I think, and it just wasn't very strong. I actually helped work on it 20 years ago, and it's just not—well, it's not what urban renewal plans are now. So there are some better things we can do and try to get a better vision for downtown, and that's kind of what this is about.

Chairman Madigan said at this point, I'll ask for a volunteer.

Hensley volunteered. Hensley said I work downtown — I might as well.

Walker made a motion to approve appointing Jason Hensley.

Warren seconded the motion.

Mr. Durbin said I'm sorry, is there any way you all would move this one to Monday and put "consider and vote on"? Because you just have to consider—you don't have appoint and approve, and that's an Open Meetings issue. I'm a stickler for the Open Meetings Act. I'm sorry, but I just want to point that out.

Wilson said we can do that.

Chairman Madigan said it can wait until Monday. As far a business items, I think we've covered everything.

No action was taken on this item.

Reports

1. Receive a report from the LEDA Executive Director

Rogalski said I will say that we actually have submitted our second state match. We don't have the prior one back yet, but we've submitted the other one. So we're current in our submittals. So what I mean by the second—the one from July to December 2025—we've submitted that one as well. And we submitted the one before that as well. So we've got the whole year out there.

Brown said have you run across the redesignation of the TIF numbers on the FISTA?

Rogalski said this has not been done yet—I was wondering if you were thinking of something that was already done. We're working with FISTA to basically redesignate some of those items. Now, that would be a major amendment of the Downtown Project Plan, which is actually a tool that belongs to the City Council. But we are aware of that, and we're moving forward on that along with this other stuff as well. What we think we're going to start with is by replatting them all. The underlying plat still exists—the original town site stuff still exists—so we're going to replat it. Then we'll have those specific blocks that we can put into different TIF Districts.

No action was taken on this item.

The Authority next considered Executive Session Item #2.

Executive Session

1. Pursuant to Section 307B.4, Title 25, Oklahoma Statutes, consider convening in executive session to discuss the status of a pending investigation / claim concerning a fraudulent wire transfer and other related matters, and if necessary, take appropriate action in open session.

Motion by Hensley, **Second** by Walker, to convene in Executive Session. **AYE:** Warren, Brown, Madigan, Nance, Neal, Hensley, Walker. **NAY:** None. **MOTION PASSED**.

The Authority convened in Executive Session at 2:37 P.M. to discuss Executive Session Item #1, and returned to open session at 3:15 P.M.

Motion by Walker, **Second** by Nance, to return to Open Session. **AYE:** Warren, Brown, Madigan, Nance, Neal, Hensley, Walker. **NAY:** None. **MOTION PASSED**.

Tim Wilson, Deputy City Attorney, said so far we've just covered Item #1 of Executive Session. Wilson read the title of Executive Session Item #1 as follows: "Pursuant to Section 307B.4, Title 25, Oklahoma Statutes, the board convened in executive session to discuss the status of a pending investigation / claim concerning a fraudulent wire transfer and other related matters, and take action if necessary."

Wilson said that conversation did occur, and it's my understanding we have a motion for Executive Session Item #1.

Warren said I make a motion that we reissue payment number 3 in the amount of $224,840.34, and include with that motion that it is understood that the City was not at fault in any way, shape or form, and we're abiding by the contract that we signed.

Chairman Madigan said we have a motion. Do I hear a second?

Neal seconded the motion.

Chairman Madigan said do we have any questions or comments?

Ron Durbin, Guerrilla Publishing, said comments for the audience? Because you all are violating the Open Meetings Act. You all didn't have the agenda item to consider paying a payment on this agenda — that is not disclosed in this. Adding that item to the agenda would be a violation of the Open Meetings Act. Just throwing that out there.

Chairman Madigan said I appreciate the feedback. We've got counsel at the table.

Mr. Durbin said hey, disagree with me. I'll see you in court. No big deal for me.

Chairman Madigan said I'm just stating that we have legal counsel here.

Wilson said I mean, we're going in to discuss a pending investigation / claim, and it's a claim. So there's a claim for that amount, and we're taking action.

Mr. Durbin said if you think that properly notifies your public, and there's no dollar amount on there, you go do you. Like I said, I'll see you in court on that one. I think you're doing it wrong.

Wilson said so if we want to be 100% safe, I'd just advise the Chair, we could have a special meeting on Monday. We've already got LIDA and Council having special meeting on Monday. We can have this item on the agenda for a special meeting on Monday, and we can vote to whatever the board wants to do at that time. And that would be 100% safe. We'll just write the agenda very clear to authorize that if that's what the board wants to do. If that's the board's pleasure, you don't have to take action on this today. We'll just take care of it Monday. We'll just need a simple majority.

Chairman Madigan said we'll get with your calendars for Monday.

No action was taken on this item.

Chairman Madigan noted that the Authority will next consider Business Item #6.

2. 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.

Motion by Warren, **Second** by Brown, to convene in Executive Session. **AYE:** Warren, Brown, Madigan, Nance, Neal, Hensley, Walker. **NAY:** None. **MOTION PASSED**.

The Authority convened in Executive Session at 3:42 P.M. to discuss Executive Session Item #2, and returned to open session at 4:06 P.M.

Motion by Brown, **Second** by Walker, to return to Open Session. **AYE:** Brown, Madigan, Nance, Neal, Hensley, Walker. **NAY:** None. **MOTION PASSED**.

Wilson read the title of Executive Session Item #2 as follows: "Pursuant to Section 307C.11, Title 25, Oklahoma Statutes, the board convened 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."

Wilson said that conversation occurred, and it's my understanding we have no action.

Adjournment

Motion by Walker, **Second** by Nance, to adjourn the March 26, 2026, special meeting. **AYE:** Brown, Madigan, Nance, Neal, Hensley, Walker. **NAY:** None. **MOTION PASSED**.

The meeting was adjourned at 4:08 P.M.

Minutes of the March 26, 2026, special meeting were approved at the April 16, 2026, Authority meeting.