

MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
MAYORS CONFERENCE ROOM
NEW CITY HALL
JANUARY 16, 2014, AT 2:00 P.M.

Fred Fitch, Chairman, called the meeting to order at 2:00 p.m. in the New City Hall. Meeting notice and agenda were posted on the City Hall bulletin board as required by State Law.

ROLL CALL:

PRESENT: David Denham; Fred Fitch; Keith Jackson; David Madigan; David Means, Ron Nance; Larry Neal.
ABSENT: Ernest Sheppard; Doug Wells.
OTHERS PRESENT: Rogalski, Richard, Planning Department; Denise Ezell, City Clerk's Office.

INTRODUCTION OF GUESTS

Fitch stated we have no visitors with us today.

BUSINESSITEMS

1. Consider approving minutes of November 19, 2013.

Motion by Means, Second by Jackson, to approve minutes of November 19, 2013 as written. **Aye:** Fitch; Jackson; Madigan; Means; Nance; Neal; Denham. **Nay:** None. **Motion Passed.**

2. Consider approving invoices, requisitions, and all other submitted materials for payment and take action as deemed necessary.

Fitch stated there are no invoices, requisition and other materials for payment today.

3. Receive Treasurer's Report and take action as deemed necessary.

Fitch stated I apologize for not having these at very meeting. Madigan would you give us an account of the financials.

Madigan stated the good thing is we have the end of the year financials. July through December looks light as far as income and expenses.

Fitch stated those are slow months. Taxes are due by the end of March and we should start seeing 2014 ad valorem.

Madigan stated most of the activity is on the balance sheet as far as liabilities. The note keeps getting higher due to the advances.

Fitch stated we have had two (2) banks, Arvest and City National, that we have had to certify what we owe. If you have questions earmark those and we will have someone here next month to answer them. Let's not acknowledge or approve the statements until we have someone here to review them with us.

Motion by Denham, Second by Nance to table this item. **Aye:** Jackson; Madigan; Means; Nance; Neal; Denham; Fitch. **Nay:** None. **Motion Passed.**

4. Report on project activities, issues and programs including discussion and possible action on implementation and coordination.

Fitch stated I had lunch with Sam Kumar and Steve Herring. They are very pleased with the progress. They are hanging art on the 4th and 3rd floors. There is sheetrock to be hung on the 1st floor and the 2nd floor is ready for wallpaper and paint. The plan is to open on March 3rd and will hold their grand opening the first weekend in May. They have hired Chef Omar who has been at several different restaurants in Oklahoma City with his last being Gaillardia. They have hired about twelve (12) people to include Larry Byroad the general manager. Byroad has made his presence known in Lawton by hosting and sponsoring a lot of events. I would say they have invested \$40,000 in donations to the community and will continue to do so. They have started to book events. The Chamber, Starlight and CALT by OML will all be hosting their events there this year. Byroad stated any booking for the year 2014 will be shocked with the rates. They are utilizing these functions to showcase the facility. They are landscaping and will begin the parking lot in a week. John Collett was in town three (3) weeks ago and we walked the retail portion. Kohl's will be opening on March 3rd along with Bed, Bath and Beyond, Ultra and Dicks. The other will open late March with Joann's opening in June. He is working on another 80,000 square feet and with one he has an LOI and the other he is not disclosing information. That is on the north end and he hopes to close on that in March or April.

Denham asked is Michael's still coming to Lawton.

Fitch stated no. They cannot compete with Hobby Lobby. There will be a restaurant at the corner of 2nd & Gore and he hopes another one where Jefferson's Funeral Home was. The two (2) outparcels is about 50,000 square feet and over half of that is leased. It is looking good and he is very pleased. We will do a formal grand opening for the retail in mid June. I did visit with him about the west side of 2nd Street and he stated he wanted to complete the east side but he was interested. It will probably be this time next year before anything is done. He is talking about it and talking in a positive manner.

Neal asked where does the hotel have its offices.

Fitch stated in the convention center. All is moving along well and they are all very excited. The city has noticed an up tic in sales tax. We don't know how much is contributed to the west side and won't know until we receive the figures for January. I don't believe the increase is all from the west side.

Denham asked does the clock start in 2014 for the reimbursement for 82nd Street.

Fitch stated January 1 is when they are to start reporting. They will get 1% applied towards the \$2.5 million. This project has sold. It was bought by Inland Corporation who is one of the biggest holders of retail in the country. They will be going from \$20 to \$33 a square foot. Apparently there has been some miscalculation of forecasting in performance. The west side has some problems but Inland will make it. This is good for the community.

Rogalski asked would you like for me to give you update on PSO.

Fitch stated yes.

Rogalski stated according to their engineers the primary work is done. There is a little bit of stabilization work at the corner of Ferris and Railroad Street they are trying to do. Due to the weather it isn't complete. We do expect some additional expenses but it won't be as much as the distribution and transmission lines.

Fitch stated we asked for an audit of their project and the cost of the project according to DOT standards. They would not let us have one so we had some auditing done. On the initial bid the materials were right in line but they felt the labor was grossly inflated. The project did come in a lot less. I believe they were covering themselves. We feel very comfortable that we got a good job.

Denham stated they have cleaned the sub-station up quite a bit.

Fitch stated yes they have. We are going to talk to them about putting up an artificial stone fence to help the looks. They had some cost associated with the developer on some upgrades where they would have more control when they needed to kill power to a certain area. That presented the developer an additional \$100,000 and he didn't like it but it made sense.

Denham asked will we have TIF funds we could use to put in large trees.

Fitch stated yes. We would like to see what PSO is going to do first.

5. Consider approving a resolution approving the Second Amendment to the Amended Retail Redevelopment Agreement for the Lawton Downtown Redevelopment Project.

Rogalski stated Dr. L.K. Jones Avenue is an extension of Bell as you go east from Railroad Street. On site they realigned Bell and it came out in a different location than before. As part of the project we required the contractor to extend a bit of that road coming back. The amount of the extension would have to be done due to the realignment was a partial road. It was a good public project to extend the road all the way to the corner instead of building half a street in the middle of a lot. The developer has requested LEDA to assist in the funding because it is an offsite roadway. They are requesting \$94,000 and it cost about \$300,000 to build the road. This is inside TIF I and not TIF II. It fits the project plan so we feel it is a win win.

Nance asked how far was it extended.

Rogalski stated about 400'. The road is about 800' so it really wasn't that far.

Fitch stated if you remember we assured that community we would make them whole. We didn't want a nice new road that went to their property line and then gravel.

Nance asked how wide is the road.

Rogalski stated a standard local street width with curb, gutter and a sidewalk.

Fitch stated there is also a cut going into their parking lot. This will finish the project and everyone is pleased. We will be using TIF I funds and there is money available. Jensen and Batchelor have blessed all of this.

Denham stated I don't remember seeing a breakdown between TIF I and TIF II. I thought it was a problem not knowing how we would account for TIF I funds.

Fitch stated the checks we have been receiving are TIF I funds.

Denham stated so all the property tax revenues we have been receiving is in TIF I.

Fitch stated we should receive sales tax on the construction pretty quick.

Denham asked will those be TIF II funds.

Fitch stated yes.

Denham stated and we no longer get any sales tax on TIF I.

Rogalski stated correct. TIF I is property tax only and TIF 2 is both.

Fitch stated when we do the west side of 2nd Street we will do a TIF III. This is so we can control and see the actual tax revenue for that area. Oklahoma City has 9 TIF's in Brick Town.

Denham asked does this all fall under the original \$50 million.

Fitch stated yes.

Motion by Madigan, **Second** by Means, to approve Resolution 14-01 approving the Second Amendment to the Amended Retail Redevelopment Agreement for the Lawton Downtown Redevelopment Project. **Aye:** Madigan; Means; Nance; Neal; Denham; Fitch; Jackson. **Nay:** None. **Motion Passed.**

EXECUTIVE SESSION

Fitch stated there was no need to enter into Executive Session.

1. Pursuant to Section 307B3 and C10, Title 25, Oklahoma Statutes, consider convening in executive session for the purposes of conferring on matters pertaining to economic development, including the purchase/transfer of property, incentive proposals, redevelopment rights, and financing in connection with the Lawton Downtown Redevelopment Project, and take appropriate action in open session as necessary.

DISCUSSION ITEMS AND REPORTS

Neal asked how are we going to finish the last section of 2nd Street and will it be done after the shopping center.

Fitch stated it will be done after the shopping center.

Rogalski stated funding for that section of roadway is a part of the CIP. We are waiting on ODOT to release another enhancement grant. There is indication once they release funds we will receive some of those funds. It will be this time next year before we begin that project and hopefully ODOT will be releasing grant funds by then. ODOT will begin the tri-level project within a month and we will wait until they complete that project before we start.

Fitch stated it is a matter of progress and it rears its head sometimes as a matter of inconvenience. ODOT is spending millions of dollars on road projects within the City of Lawton. When you see Brad Burgess you need to pat him on the back.

Denham stated 2nd Street is sure looking good and it would be nice if we could take the dilapidated businesses down.

Fitch stated that comes up about every meeting I have with the hotel and retail people.

Denham stated there are a lot between Gore and C.

Madigan asked do you have the report that you have prepared for us the last couple of months.

Rogalski stated I have one copy with me today.

Madigan asked would you email that to us please.

Rogalski stated yes. There are still 2 payments pending that are not included in this report. One is to Wells Fargo for a little over a million and the other to Kimberly Furrh for \$750.

ADJOURNMENT

Motion by Means, Second by Jackson, to adjourn. **Aye:** Means; Nance; Neal; Denham; Fitch; Jackson; Madigan. **Nay:** None. **Motion Passed.**