

MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
2ND FLOOR CONFERENCE CENTER
NEW CITY HALL
JANUARY 19, 2012, 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: Fitch; Fred; Madigan, David; Means, David; Nance, Ron; Neal, Larry; Sheppard, Ernie; Wells, Doug; Zarle, Richard.
ABSENT: Denham, David.
OTHERS PRESENT: Larry Mitchell, City Manager, Frank Jensen, City Attorney; Denise Ezell, City Clerks Office.

INTRODUCTION OF GUEST

Fitch stated we have Steve Robinson with the Lawton Constitution, Barry Albrecht CEO of the Lawton Ft. Sill Economic Development Corporation and Mike Brown with CDBL.

BUSINESS ITEMS:

1. Consider Approving The Minutes of January 5, 2011.

Motion by Neal, Second by Nance, to approve the minutes of January 5, 2011 as written.
Aye: Fitch; Madigan; Means; Nance; Neal; Sheppard; Wells. **Abstained:** Zarle. **Nay:** None.
Motion Carried.

2. Consider Approving Invoices, Requisitions, And All Other Submitted Materials For Payment And Take Action As Deemed Necessary.

Fitch stated we have no invoices or requisition to be considered.

3. Consider accepting a Special Warranty Deed from the Lawton Urban Renewal Authority for the tract of land in the Lawton Downtown Redevelopment Phase 1A area designated for construction of the Northrup Grumman complex, as set forth in the boundary survey thereof on file with the Secretary of the Lawton Economic Development Authority.

Fitch stated we want to transfer the land from LURA to LEDA so we can enter into an option on the land with Mike Brown of CDBL. The agreement will allow Brown 90 days to get his lease with Northrup Grumman. He will have to present his financial arrangements during this time. It also gives the option of Weingarten and/or Journeyman to become a partner with Brown. The options of the agreement will be discussed in Executive Session. We want to accept the transfer of the land and once the lease is in hand we will be selling the land to CCIDA. The sale price of the land is \$875,500 and the total purchase price of the 3.55 acres is \$927,000. The variance will be paid by Ruhl and Ruhl to make a total package of 3.55 acres. We are

selling 3.35 acres to CCIDA. The .2 acre difference is the green area. Northrup Grumman and the hotel will enter into an agreement with the developer for the maintenance of this area.

Sheppard stated LURA took action on Tuesday to transfer this land so from this point LURA is done.

Mitchell stated the idea was to transfer the 3.55 from LURA to LEDA so we didn't end up with a 20' strip down the middle of the property that nobody owned. We want to keep it tight. Each one of these transaction will be to the middle of the road and then LEDA will transfer the actual sites to the various developments.

Fitch stated we don't want to end up with .2 acres that we don't know who owns or who is responsible for maintaining. It does go to the middle of the street so somebody has to take ownership.

Means asked is that a dedicated street?

Fitch stated no.

Mitchell stated I believe there is a long term maintenance agreement between Ruhl and Ruhl, Northrup and PID for this common area.

Brown stated that is correct and the shared detention.

Means asked will the road to the north be dedicated?

Mitchell stated no. It is all private.

Means asked will they have public use?

Mitchell stated yes. There will be a public easement.

Motion by Means, Second by Sheppard, to accept a Special Warranty Deed from the Lawton Urban Renewal Authority for the tract of land in the Lawton Downtown Redevelopment Phase 1A area designated for construction of the Northrup Grumman complex, as set forth in the boundary survey thereof on file with the Secretary of the Lawton Economic Development Authority. **Aye:** Madigan; Means; Nance; Neal; Sheppard; Zarle; Fitch. **Nay:** Wells. **Motion Carried.**

4. Consider approving, on behalf of the Lawton Economic Development Authority, a letter of intent to CDBL, Inc. (or alternate developers) granting an opportunity for a period of ninety (90) days from the effective date thereof to obtain a lease commitment from Northrup Grumman and acceptable financing to undertake the planning, construction and lease of an office complex for use by Northrup Grumman in accordance with the terms of the letter of intent.

Fitch stated this item will be discussed in Executive Session with an action being taken when we return to open session.

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, and financing in connection with the Lawton Downtown Redevelopment Project and other development projects under consideration in the City, and take appropriate action in open session as necessary.

Motion by Madigan, Second by Means, to convene into executive session. **Aye:** Means; Nance; Neal; Sheppard; Wells; Zarle; Fitch; Madigan. **Nay:** None. **Motion Carried.**

The Authority convened in executive session at 2:12 p.m. and reconvened in open session at 3:00 p.m. Roll call reflected Nance; Neal; Sheppard; Wells; Zarle; Fitch; Madigan; Means

Fitch stated the Authority convened into Executive Session 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 and financing in connection with the Lawton Downtown Redevelopment Project, for the hotel-conference center and the mixed-use commercial retail establishments with the following action being taken.

Motion by Means, Second by Neal, approve, on behalf of the Lawton Economic Development Authority, a letter of intent to CDBL, Inc. (or alternate developers) granting an opportunity for a period of ninety (90) days from the effective date thereof to obtain a lease commitment from Northrop Grumman and acceptable financing to undertake the planning, construction and lease of an office complex for use by Northrop Grumman in accordance with the terms of the letter of intent. **Aye:** Neal; Sheppard; Wells; Zarle; Fitch; Madigan; Means; Nance. **Nay:** None. **Motion Carried.**

Fitch asked are there any questions of Brown?

Sheppard asked how far along are you with your agreements with Northrup.

Brown stated we are in the initial stages of negotiating. I have given them the preliminary pricing and a preliminary program of work which includes the three story building and the skiff which is the third floor. Part of what we were waiting on was the sight plan which allows us to know how much land we have to develop and what we were working with. I know the particular person I will be working with and now we have a piece of land we can utilize and design. We will be moving very quickly.

Sheppard asked how long do you think it will take to wrap it up?

Brown stated it will be tight to get it done in 90 days but that is our goal.

Sheppard asked it will take the full 90 days for negotiations and to get your investors together?

Brown stated probably so. Northrup doesn't move that fast. No disrespect to them but they are a huge company. I've been dealing with them for twenty-four months. Their ambitions are good and they move very methodically. You can trust if they say something they will do it. Their ambitions are to be open by August 1, 2013. We are looking at a 14 month program of work so we need to move quickly. The other piece is the incentive packages they are using to finance the project is through the State Commerce Department. They are under the gun there to some degree because there is only a certain amount of money the States has set aside. There are other people who understand what a great program this is and Northrup understand they need to move forward quickly to be able to utilize that as much as possible. Does LEDA own the land now?

Mitchell stated we have not filed the deed yet.

Brown asked is it okay to do anything on that piece of property? I would like to tear down some fence post and trees. The footprint of the building we had staked but I would like for people to be able to see where it is.

Fitch stated I would suggest you don't do any grading around the utility poles. The concrete at the Coke site cannot be removed because the utility poles are right next to it.

Mitchell stated we are also concerned about drainage. If we ever receive rain there would be some mud and dirt.

Brown asked has Arlington been closed?

Mitchell stated next Tuesday the portion that PID needs for the hotel parking will be closed. We are not closing the entire portion. Your block in Arlington has been closed.

Brown asked is it okay to put up barriers?

Mitchell stated yes.

Brown stated I would like to close off from Railroad to 1st Street. For your information we have had discussion with PSO about putting up a brick wall around their facility that would match the Northrup brick.

Sheppard stated will it be on their property.

Brown stated yes and we are asking they help pay for part of it. It would look a lot nicer than it does now.

Sheppard stated that is in the architectural area.

Mitchell stated they have always been receptive to doing some type of landscaping I just don't know how the brick wall will fit.

Fitch asked are there any other questions?

DISCUSSION ITEMS AND REPORTS:

ADJOURNMENT

Motion by Zarle, Second by Sheppard, to adjourn. **Aye:** Sheppard; Wells; Zarle; Fitch; Madigan; Means; Nance; Neal. **Nay:** None. **Motion Carried.**