

MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
THIRD FLOOR CONFERENCE ROOM
NEW CITY HALL
JANUARY 20, 2022 AT 3:00 P.M.

Fred Fitch, Chair, called the meeting to order at 3:00 p.m. in Third Floor Conference Room. Meeting notice and agenda were posted on the City Hall bulletin board as required by State Law.

ROLL CALL:

PRESENT: David Denham, Fred Fitch, Sean Fortenbaugh, David Madigan, Ron Nance, Larry Neal

ABSENT: Keith Jackson, David Means, Ernest Sheppard

OTHERS PRESENT: Richard Rogalski, Executive Director; Susan Schlecht, Finance Department; Donalynn Blazek-Scherler, City Clerk's Office; John Ratliff, City Attorney; Kim McConnell, Lawton Constitution; Eric Swanson, Southwest Ledger; Christie Myers, LEDC; Jeannie Bowden, LEDC

BUSINESS ITEMS

- 1. Consider approving the minutes of the October 19, 2021 and December 9, 2021 meetings**

Motion by Denham, **Second** by Neal, to approve the minutes of the October 19, 2021 and December 9, 2021 meetings. **AYE:** Fitch, Fortenbaugh, Madigan, 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.**

Schlecht stated she has a check that was written to Bank of Oklahoma to transfer money from TIF 2 to the BOK Apportionment Fund in the amount of \$168,250.00.

There is also a check for the Lawton newspaper for the Annual TIF Report in the amount of \$336.00.

There are two invoices for Lawn Wizards: one in the amount of \$1,400.00 for September mowing and one in the amount of \$1,260.00 for November mowing.

There are three invoices for the Center of Economic Development Law. This is for services in August, September, and October and the total is \$10,875.00.

Motion by Denham, **Second** by Madigan, to approve invoices, requisitions, and all other submitted materials for payment. **AYE:** Fortenbaugh, Madigan, Nance, Neal, Denham, Fitch **NAY:** None.

Motion Passed.

3. Receive Financial Report and take action as deemed necessary.

Schlecht stated she has included an extra page with this month's packet that talks about the upcoming interest payment and how the new loan is working. The March interest payment (due at the end of February) is \$217,464.98 and the principal requirement for the end of February is \$548,000.00. The total required to be in the BOK account at the end of each month, with the exception of November, is \$192,760.25.

Schlecht stated she spoke with BOK because LEDA does not have a steady monthly income, and they told her as long as the full amount is in the account before the due date of the 15th, it would be okay. She will try her best to have the monthly amount there each time, but realistically, it won't always happen.

Rogalski stated there is one large amount for the ad valorem and two large amounts for the state matches. The only monthly income is sales tax. He stated BOK is allowing LEDA to deposit these large amounts as they come in instead of doing smaller, monthly deposits.

Schlecht stated they will continue to use the apportionment fund so it continues to draw interest. Then, on the due date, BOK will transfer it for us. This will save on wire fees.

Moving on to the financials, Schlecht presented the Balance Sheets and Income & Expense Activity Reports for October and November. These reports are available in the City Clerk's Office.

Motion by Denham, **Second** by Madigan, to approve financial report. **AYE:** Madigan, Nance, Neal, Denham, Fitch, Fortenaugh **NAY:** None.

Motion Passed.

4. Consider approving agreement between Lawton Economic Development Authority and Jason Wells with Insight Commercial Properties for the listing of LEDA owned property within the Lawton Town Center project.

Rogalski stated we spoke about this at the last meeting and LEDA decided to go forward with Insight. The listing agreement shows a 6% commission. It is a one year agreement with a clause stating if the property sells to one of Insight's prospects within 180 days of the agreement ending, they get the commission. In addition to selling fee, there is also a \$300 transaction fee. Insight did accept to opt out of any fees if Lawton Town Center LLC purchases the property. Rogalski stated he will be contacting Ted with CDL to obtain his list, which will be excluded from this agreement for the next 90 days.

Denham asked if Jason Wells had produced the visual and marketing plan that were discussed at the last meeting.

Rogalski showed the diagram that Jason provided. He stated that Jason has sectioned out each parcel. Lot 3, which is adjacent to the hotel, will sell for \$4.50 per square foot and lot 8, at the North end on Ferris, will sell for \$6.00 per square foot.

Madigan asked about the marketing plan.

Rogalski stated he doesn't know about that yet.

Motion by Nance, **Second** by Fortenbaugh, to approve the agreement between Jason Wells with Insight Commercial Properties and Lawton Economic Development Authority for the listing of LEDA owned property within the Lawton Town Center Project as written, with the inclusion of the 90-day opt out for buyers from the previous listing agent. **AYE:** Madigan, Nance, Neal, Denham, Fitch, Fortenbaugh. **NAY:** None.

Motion Passed.

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

Rogalski stated there has been a lot of activity in town, and he feels like they are going to see something happen on this property, but there is nothing concrete yet to speak about.

6. Receive an update on Republic Paper and take action as necessary.

Rogalski stated there are two aspects to this; The first is how much tax increment we're going to receive, and the second is how is their employment. He has spoken with the new Finance Director and received the numbers for 2020 and 2021, but not for 2022 yet. The 2020 only shows the base evaluation, so there is a number missing. 2021 shows an increase of \$1.7 million over their base salary. They only have to get to 2 million over the course of five years, so they aren't off track at all.

Rogalski stated in terms of the increment, there is really good news. He was able to look up the tax ID's for Republic Paper and found 4 of substance. 3 of them had 2020 amounts and 1 is brand new for 2021. The net increase from the 2019 base year was \$1,011,777.00. This means the TIF worked and there will be an increment. The state will pay this for the first 5 years. Until the County receives the money, LEDA won't see any of it. About 60% of the TIF 3 revenue will go into project related funds and 30 to 40% goes to a specified location, like other taxing jurisdictions. Still, it will be a very large check that comes in. The first part of this needs to go back to paying back the City of Lawton. Then, after year 6, we have to start paying Republic.

Chairman Fitch asked who Rogalski spoke with at the state level.

Rogalski stated he hasn't been able to track down the person at the state level. He has spoken with someone at the local office and someone at Republic.

Chairman Fitch asked if the state draw will be handled by one person.

Rogalski stated he thinks it is probably just one person and he will work to figure out who that is.

Schlecht stated she knows at the state level, there is only one person who does everything for the matching fund.

Chairman Fitch said we need to track down the person's name who will handle this.

Rogalski said yes. We need to find out if they've received the bill from the County and find out how the process goes.

Denham stated we need to come up with some sort of spreadsheet to track the TIF districts.

Rogalski stated he has one. We actually have TIF 4 out there now that should start earning sometime next year. It's going to be a handful to keep track of all these payments.

Denham stated we are in year 3 for TIF 3 already, and we have to start paying them back in year 6. We're halfway there already and have nothing.

Rogalski stated we do have a payment coming, we just don't know how much. The agreement is to pay them over the next 20 years, so you won't owe them any specific amount immediately. You only pay what you have.

Chairman Fitch said we only pay a portion of what we receive from the state.

EXECUTIVE SESSION

1. Pursuant to Section 307C.11, Title 25, Oklahoma Statute, consider convening in executive session for the purpose of conferring on matters pertaining to economic development, including the transfer of property, financing, or the creation of a proposal to entice a business to remain or to locate within our jurisdiction, as public disclosure of the matter discussed would interfere with the development of products or services and/or violate the confidentiality of the business.

Motion by Fortenbaugh, **Second** by Madigan, to enter into Executive Session. **AYE:** Nance, Neal, Denham, Fitch, Fortenbaugh, Madigan.

The Lawton Economic Development Authority remained in Executive Session from 3:02 pm to 4:24 pm. No action was taken regarding Executive Session items in open session.

DISCUSSION ITEMS AND REPORTS

No Discussion

ADJOURNMENT

There being no further business, the meeting adjourned.