

MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
3RD FLOOR CONFERENCE ROOM
NEW CITY HALL
MARCH 25, 2019, AT 2:00 P.M.

Fred Fitch, Chair, called the meeting to order at 2:00 p.m. in the 3rd Floor Conference Room. Meeting notice and agenda were posted on the City Hall bulletin board as required by State Law.

ROLL CALL:

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

ABSENT: Jackson, Keith; Sheppard, Ernie.

OTHERS PRESENT: Michael Cleghorn, City Manager; Stan Booker, Mayor; Richard Rogalski, Executive Director; Frank Jensen, Legal; Kristin Huntley, Finance; Denise Ezell, City Clerk's Office; Kim McConnell, Lawton, Constitution.

INTRODUCTION OF GUESTS

Fitch stated I don't believe we have any guest we need to introduce.

BUSINESS ITEMS

1. Consider approving the minutes of December 20, 2018.

Motion by Means, **Second** by Denham, to approve the minutes of December 20, 2018.

Aye: Fitch; Fortenbaugh; Madigan; Means; Nance; Neal; Sheppard; 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 we have none for approval today.

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

Huntley stated we will start with December 2018. At the end of the month you had \$454,394.70 in the bank. Under Other Current Assets the sales tax receivable for October is \$9,555.07 and the sales and use tax receivable was \$47,753.93. Under Liabilities and Equity the accrued interest payable for the BancFirst note was \$549,005.05 and the principal balance for the CCIDA loan was \$1,424,263.58. On the next page you see the revenues were up 49.5% from 2018 and for the year to date they were up 6.8%. Our expenses were up 9% for the month and down 26.5% for the year. Total net income for December was negative \$76,561.97 and for the year was \$456,693.82. Are there any questions on December? It not let's move to January 2019. At the end of January you had \$939,853.05 in the bank. You notice we don't have any receivable and that is because we received November numbers and the check in the same month. That doesn't happen often so you will see those numbers on the next page. Under Other Current

Liabilities our accrued interest payable was \$686,011.28 and the CCIDA loan was \$1,419,074.26. On the next page you see the hotel sales tax for November was \$7,319.77 and sales and use tax was \$76,101.47. For the month revenue was up 12.7% and expenses were up 7.1% due to the interest. Total net income for January was \$297,332.44. Are there any questions for January? If not let's move to February. At the end of the month you had \$945,891.60 in the bank. You see the BOK TIF bond interest fund 02-3. We used the \$823,595.00 to make the interest payment for March. Hotel sales tax receivable for December was \$6,826.36 and sales and use tax was \$64,450.09. Under Other Current Liabilities the accrued interest payment was \$823,071.52 and the principal balance for the CCIDA loan was \$1,413,303.65. Revenues for February were up 46.1% and for the year 17.2%. Expenses were up 14% for the month and 10.4% for the year. Total net income for February was negative \$53,974.63 and for the year \$243,357.81. Are there any questions?

Madigan asked do we not have the same fiscal year as the City of Lawton.

Huntley stated we do for auditing purposes. If you would rather see the report on that fiscal year I can do that.

Fitch asked are there any other questions.

Motion by Neal, Second by Means, to accept the treasurer's report. **Aye:** Fortenbaugh; Madigan; Means; Nance; Neal; Denham; Fitch. **Nay:** None. **Motioned Passed.**

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

Fitch stated Jensen has stated we cannot have Mike Brown entered into Executive Session with us. Under this item can we let him explain everything?

Jensen stated except for the identity of the retail.

Fitch stated I'll give the floor to Mike Brown.

Brown stated Rogalski will present my slide show to you in Executive Session. We have a major restaurant that we are in negotiations with for the corner of 2nd and Gore. We have worked through a Letter of Intent, financing and some other challenges. One of the challenges is the budget. Fitch has worked diligently to come up with a plan that we feel will help make this deal work. These folks were not interested in being at 2nd and Gore. They wanted to be on Cache Road. We have been able to convince them this is a great move for them and that the area is going to be growing. This is good for the City of Lawton and 2nd Street if we nail down this deal. You will have an opportunity to see more about the project in Executive Session. It is a major restaurant with about 5500 square feet and ample parking. We understand the architectural requirements for this area and this will be something that is very attractive for the

area. In my opinion this is a game changer for what we are trying to do downtown. With that I'll open it up to questions.

Means asked are you talking the absolute corner.

Brown stated yes.

Nance asked do you know the seating capacity.

Brown stated over 100. They have requested twice as much parking as required. They are a stickler on making certain they have enough parking. Parking is going to be very valuable to that area as we continue to grow and have more functions down there.

Denham asked full restaurant and bar.

Brown stated yes.

Fitch stated we have spoken with Dan Batchelor and Lisa Harden and we have a development agreement. We will talk more about this in Executive Session.

Brown stated the request is creative and financial. Part of what makes a development work as a community you have to make things happen. I'm going to use every effort possible to make this work. This is a game changer for the downtown revitalization project and future projects. It has been a struggle to find someone that would locate there and when you see who it is you will see it's a great deal if we can make it happen.

Neal asked does Collett own the land.

Fitch stated yes. He owns this parcel, the one directly to the east where the funeral home was and a small parcel on the north side of Mattress Firm.

Motion by Nance, Second by Means, to convene into executive session. **Aye:** Madigan; Means; Nance; Neal; Denham; Fitch; Fortenbaugh. **Nay:** None. **Motion Passed.**

The Authority convened in executive session at 2:12 p.m. and reconvened in regular open session at 2:55 p.m. Roll call reflected all members present except Jackson and Sheppard.

EXECUTIVE SESSION:

1. Pursuant to Section 307B3 and C10, Title 25, Oklahoma Statute, consider convening in executive session for the purposes of conferring on matters pertaining to economic

development, including requests for development assistance, financing, and the sale and/or acquisition of property with respect to the Lawton Downtown Redevelopment Project and in particular the development of Lot 1, Block 1, Lawton Downtown Center, Part 2, being considered by a developer on behalf of a retailer requiring confidentiality regarding its identity, and take appropriate action, if necessary, in open session.

Motion by Nance, Second by Denham, to approve a Memorandum of Understanding and a Partial Termination, Settlement, and Release Agreement with Lawton Town Center, LLC, to include the payment of \$348,333 of the Outparcel Completion Holdback in exchange for the conveyance of fee simple title to Lot 1, Block 1, Lawton Downtown Center, Part 2, by Special Warranty Deed, and to further approve a Development and Financing Assistance Agreement with FTG Brown, LLC for the development of a 5,500 square foot full service restaurant on Lot One (1), Block One (1), Lawton Downtown Center, Part 2, to include the conveyance of said property to FTG Brown, LLC, for the amount of \$79,102, subject to certain terms, covenants, conditions, and rights of reverter as outlined within the Term Sheet for the same, and to authorize the Chairman to execute all documents as necessary. **Aye:** Means; Nance; Neal; Denham; Fitch; Fortenbaugh; Madigan. **Nay:** None. **Motion Passed.**

Fitch stated motion passed. We will probably meet in 2 weeks to finalize the contract. Thank you for being here.

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

DISCUSSION ITEMS AND REPORTS

ADJOURNMENT