

MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
2ND FLOOR CONFERENCE CENTER
NEW CITY HALL
APRIL 5, 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: Denham, David; Fitch, Fred; Madigan, David; Nance, Ron; Neal, Larry; Sheppard, Ernie; Zarle, Richard.
ABSENT: Means, David; Wells, Doug.
OTHERS PRESENT: Larry Mitchell, City Manager; Frank Jensen, City Attorney; Denise Ezell, City Clerks Office.

INTRODUCTION OF GUEST

Fitch stated we have Steve Robertson from the Constitution with us today.

BUSINESS ITEMS:

1. Consider approving minutes of March 1, 2012.

Motion by Denham, Second by Sheppard, to approve the minutes of March 1, 2012 as written. **Aye:** Fitch; Madigan; Nance; Neal; Sheppard; Zarle; Denham. **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 three (3) invoices for payment. They are Mike Johnson, Furrh and Associates, and the Economic Development Center of Law.

Motion by Denham, Second by Madigan, to approve invoices, requisitions, and all other submitted materials for payment. **Aye:** Madigan Nance; Neal; Sheppard; Zarle; Denham; Fitch. **Nay:** None. **Motion Carried.**

3. Receive Treasurers Report And Take Action As Deemed Necessary.

Fitch stated Furrh is unable to be with us today so Mitchell will give the financial report.

Mitchell stated we have February and March's financials before us. Looking at March the Statement of Financial Position shows we have \$32,991.54 cash in the bank. In February we received \$1,521 from the County and nothing in March. The rest of the report is substantially the same. We have a total of approximately \$10,000 in invoices before you today which will leave around \$23,000 in the bank. I received a call from Charlie's Backhoe and he has not been

paid for the work he performed for Ruhl and Ruhl. We used \$32,000 of Ruhl's escrow for relocation of gas lines. There is a balance of \$18,000. The backhoe claim is around \$20,000. I believe we can't approve anything over \$10,000 as a partial payment. We are in the process of assigning all the redevelopment rights to Collett and Associates and I don't know where they stand with the outstanding bills.

Batchelor stated they are the responsibility of Steve Scott. There is a consideration that will be paid to Scott, but it is his responsibility to satisfy any remaining bills due. The question on this particular invoice had to do with the understanding that was reached regarding the application of the \$50,000 deposit against some of the site cost.

Mitchell stated LEDA approved a resolution several months ago allowing Scott to do some preliminary site work. That was part of the site work. The idea was we would use the escrow money to do that. Unfortunately we don't have enough cash in the bank. My suggestion would be to make a partial payment and I believe \$10,000 would be reasonable.

Denham asked do we have an invoice from him? I don't believe we should pay anything until we have something that shows what he did.

Batchelor stated we need to recommend he provide an invoice in accordance with the previously approved authorization and then you can review it for payment.

Nance stated I'm trying to get this clear in my mind. Scott contracted work to be done and it was to be paid for out of the \$50,000 escrow.

Mitchell stated I don't know if that was the arrangement. LEDA had a discussion last fall about clearing trees so Scott anticipated activity on Kohl's and he hired Charlie's Backhoe to clear 3 or 4 blocks of trees. Charlie performed the work and the invoice was around \$23,000 which he has not received payment for. This work was done in September or October timeframe.

Fitch stated Scott is asking LEDA to take the balance of the escrow to pay Charlie's Backhoe not realizing there wasn't enough to cover the cost of the invoice.

Sheppard asked is Scott willing to pay the balance of the invoice.

Batchelor stated he is obligated to pay the balance. Our only question is confirming the arrangement or authorization permitting the deposit be used to deal with utility relocation-site clearance cost. If there wasn't a prior authorization then a request to consider that should be appropriately made. If it has been previously authorized then it would be a question of your review and approval of an appropriate invoice.

Fitch stated we need to talk with Scott and see if he agree to pay half and we pay the other half from the remaining escrow. That would leave a small balance in escrow. We can't run the account down to zero.

Madigan asked are we not going to address the issue until we see an invoice? Is it adequate to make a motion giving the City Manager the authority once Charlie presents an invoice to pay up to \$10,000 against the invoice?

Fitch stated we could do that.

Madigan stated I believe that is fair. He is a small business owner who has done the work months ago and still hasn't been paid.

Motion by Madigan, Second by Zarle, to approve paying up to \$10,000 to Charlie's Backhoe for work done for Rulh and Rulh. Payment should be made once the City Manager receives an invoice and should be paid from the balance of Ruhl and Ruhl's escrow. **Aye:** Nance; Neal; Sheppard; Zarle; Denham; Fitch; Madigan. **Nay:** None. **Motion Carried.**

Madigan asked are we going to get an update on Northrop. There was a lot of activity in January going back and forth on that project.

Batchelor stated my comment about that is the project is subject to a precondition to any possibility moving forward with a negotiation and approval of a confidentially agreement. So the principals who are involved in that matter are not here at the table and they are bound by that agreement. So we await the outcome of those discussions.

Fitch stated we feel comfortable that we could hear the outcome of those in the next 2 or 3 weeks. At this time we can not comment.

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

The Authority convened in executive session at 2:15 p.m. and reconvened in open session at 3:23 p.m. Roll call reflected Neal; Sheppard; Zarle; Denham; Fitch; Madigan; Nance.

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 no action being taken.

ADJOURNMENT

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