

MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
MAYORS CONFERENCE ROOM
NEW CITY HALL
May 19, 2016, AT 2:00 P.M.

Fred Fitch, Chair, called the meeting to order at 2:00 p.m. in the Mayor's 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; Madigan, David; Means, David; Neal, Larry; Sheppard, Ernie; Wells, Doug (entered late).

ABSENT: Jackson, Keith; Nance, Ron.

OTHERS PRESENT: Jerry Ihler, City Manager; Scott Powers, Financial Services; Richard Rogalski, Planning Director; Frank Jensen and Abella Padilla, City Attorney Office; Denise Ezell, City Clerk's Office.

INTRODUCTION OF GUESTS

Fitch stated we don't have any guest with us today.

BUSINESS ITEMS

1. Approve the minutes of January 7, 2016.

Motion by Denham, **Second** by Neal, to approve the minutes of January 7, 2016 as written. **Aye:** Fitch; Madigan; Means; 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 at this time.

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

Powers stated on the front page is January through April and behind that page is a breakdown of each month to follow. Starting with the income for hotel sales TIF 2 is \$23,940.60 for the months of November through February; matching funds for July through December \$330,030.12; property tax \$560,179.87 and \$74,000 of that amount is for TIF 1; sales and use tax \$181,281.08 for November through February for a total of \$1,075,431.67. Your expenses are bank services charges of \$2,040; interest \$435,889.82; mowing \$1,150; professional fees \$16,552.55 bring your total expenses to \$455,602.37. Your interest was \$915.09 for a total net income of \$620,744.39. On your balance sheet for April 30th your total checking and savings is \$1,186,799.02. Hotel sales tax receivable for January and February was \$13,876.98 and use tax was \$66,724.52. Under liability you have accrued interest payable of \$211,851.03, long term liability is the BancFirst line of credit of \$27,788,620.78. Are there any questions.

Rogalski stated we made the March interest payment and are now saving for the September interest/principal payment. We will almost be able to pay the next payment from the TIF 2 fund.

Wells asked will the city have to add to the reserve.

Rogalski stated I don't think so.

Denham asked how much principal will we pay in September.

Rogalski stated about \$400,000 to \$500,000.

Motion by Means, Second by Madigan, to accept the financial report. **Aye:** Madigan; Means; Neal; Sheppard; Wells; Denham; Fitch. **Nay:** None. **Motion Passed.**

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

Rogalski stated I have nothing to report.

Fitch stated Collette has a signed contract for the parcel across from Charming Charlie. They are doing due diligence with another. Plans have been submitted to Rogalski and I believe those announcements will be coming soon. He has a good prospect to the building just north of Joann's and he is still working with a large box for the north end. Things are looking favorable.

Madigan asked does the developer submit an activity report to the city or should he be reporting to this body.

Fitch stated Batchelor and I have conference calls with Collette and I'm reporting what I can. When Collette gives the final approval I will report names. We are looking at a completion date for the north end somewhere around October.

Wells asked by the October timeframe there will be a building on that parcel.

Fitch stated I'm referring to an out parcel across from Charming Charlie's.

Wells asked and there is nothing firm for the north end.

Fitch stated no.

Sheppard asked will the intersection at Ferris look like the other intersections.

Rogalski stated it will be stamped concrete like the intersection at C Avenue.

Fitch asked how far east does it go.

Rogalski stated about halfway and about a block going west.

Ihler stated going east there will be a left, right and straight lane. Then it tapers for a couple hundred feet.

5. Consider and discuss approving granting right-of-way to the City of Lawton for the final phase of the 2nd Street enhancement project.

Rogalski stated there is a strip along Ferris that is 8' wide and 55' long that is needed for the streetscape.

Means asked south of Ferris.

Rogalski stated parallel to Ferris. It goes 55' down Ferris and is 8' wide on the south side. This is for utilities and a sidewalk.

Denham asked is the city paying for that.

Rogalski stated it is part of a city project. LEDA will have to grant the right-of-way to the city.

Motion by Wells, **Second** by Denham, to approve granting right-of-way to the City of Lawton for the final phase of the 2nd Street enhancement project. **Aye:** Madigan; Means; Neal; Sheppard; Wells; Denham; Fitch. **Nay:** None. **Motion Passed.**

EXECUTIVE SESSION

1. Pursuant to Section 307B4, Title 25, Oklahoma Statutes, consider convening in executive session to discuss a pending arbitration involving the electric utility relocation costs associated with the Lawton Downtown Redevelopment Project within Tax Increment Financing District No. 2, and take appropriate action in open session as necessary.

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

The Authority convened in executive session at 2:19 p.m. and reconvened in regular, open session at 2:34 p.m. Roll call reflected all members present except Nance and Jackson.

Fitch stated there is no action to be taken.

DISCUSSION ITEMS AND REPORTS

Fitch stated I'm sure you have seen and heard about Retail Coach. This will cost \$42,000 the first year and \$22,000 for each year after that. We evaluated 3 different companies and felt that Retail Coast gave the best proposal. We liked the structure of their company, their work, their performance and the results from other cities in Oklahoma and Texas. This will be paid from hotel/motel reserve fund.

Rogalski stated after receiving a phone call from a retail recruitment company I became interested. A couple of people came to town and I felt this might be something the city should pursue. We put together some individuals to evaluate the different companies that deal with retail recruitment. Larry Neal, Ron Nance, Debra Welch, Dr. Morford, Doug Wells, the Mayor and I spoke with the different companies and we all felt Retail Coast was the best. There is a lot of demographic information out there for people to pick up. All they do is analysis and play with the demographic data. They have a computer program that takes cell phone and credit card tracking data and gives you a realistic version of what the demographics are and what the community needs are. It is scary what they can tell you with the cell phone data. They can tell you who is at a certain place at a certain time and where they live. With the credit card data they can track what you purchase in stores and online. They can give you a data base that will show where we can expand your retail market. It is a tougher market with online sales so we have to work hard to alkalize what money we can get. The \$42,000 is nothing if we get another major brand in town to generate new sales tax. They will tailor a package specifically to our needs.

Wells stated I'm not sure I agree with the way he emphasis that. They will go to the national conferences and present a package to customers to say this is a good fit for you.

Rogalski stated they still work for us.

Wells stated I understand but they are also going to be out there trying to sell us. They will do the demographic data and then try to sell us. They will also work with current businesses to help them better understand why they might be losing business. An example was a store that sold both high and low end products. They placed the entire high end at the front of the store and they weren't getting any traffic. Retail Coach suggested they reverse the products and then business exploded.

Denham asked will there be any conflict with Collett.

Fitch stated no. They will break the city down into 3 zones and pairing things off to where they fit the best.

Neal stated it isn't just 82nd and 2nd Street. He had a map and wanted to know why certain places were vacant. They had driven the city for 2 days and knew the vacant buildings.

Fitch stated they will have a list of all vacant buildings, type of building, location and its surroundings, dollar spent, age of those spending, and income level of those spending. Duncan sends a lot of people to shop here. They compared Duncan to Lawton to see what we had that they don't. They take that information to decide what stores we need.

Wells stated part of the contract is they are not allowed to work for another city within the geographical area that would be in competition with us.

Neal stated currently they have contracts with Killeen, Kingsville, and some place in Missouri that all have military installations adjacent. They get no commission and cannot develop anything on their own. They use local developers or someone like Collette.

Madigan asked how do they make money.

Fitch stated good questions. This is a company of 13 people that have been in business for over 30 years. Kelly Cofer is the owner/president and was a real estate developer for a large chain company. The other communities state he has done an excellent job.

Sheppard asked if they do such a good job why doesn't Collette use them.

Fitch stated they do a whole lot more than Collette.

Wells asked isn't Collett also a Sooner company.

Neal stated yes.

Wells stated they were fired in Florida because they couldn't bring in the retailers they promised.

Sheppard asked if that type of information is so valuable why wouldn't developers like Collette want to have that information.

Wells stated they rely more on going to meetings and making contacts with different businesses. There were 2 other companies that had a different approach but were more expensive.

Fitch stated 95% of their customer base reinvest in another year.

Sheppard stated I'm still puzzled because I see a duplication of services.

Rogalski stated basically they are a GIS website that anyone can go to and get the demographic data they produce. In that regards Collette might use the data at some point.

Wells stated all local businesses will be allowed to use this data. The answer to me is Collette has been here 5 years and the committee doesn't believe he has been able to bring in enough business. We are looking for someone to help with that situation.

Sheppard stated I'm not criticizing the fact you hired them I'm just curious. If this company is able to locate a business that has a specific product that fits Lawton, Oklahoma I would think that information would be valuable to this committee, the City of Lawton and to Collette. If we have that information we could almost eliminate Collette and go directly to the companies and bring them here.

Fitch stated you need somebody to build the buildings. If they have their own builders they can purchase the land directly from Collette.

Denham stated or purchase land on the other side of 2nd Street.

Rogalski stated keep in mind the data is very geographically specific. The business may be perfect for Lawton but not but not 2nd or 82nd Street. The data and brand will make that decision.

Fitch stated Retail Coach has more relationships with various retailers than any one developer has.

Sheppard stated that is why I don't understand Collette not using them.

Wells stated because they don't want to share the money. I think the committee felt it was a good investment for one year to see if they can produce.

Denham stated I think it is a great idea.

Neal stated that was the reason for voting in hotel/motel tax. We are spending some of it for the purpose we said we would.

Fitch stated there have been those that have criticized the chamber because this is their responsibility and why haven't they done this. This isn't their responsibility. The chamber is a volunteer organization. The amount of time that Rogalski will be spending on this project you don't get volunteers to do that day in and day out.

Denham stated it is kind of crossing a bridge. My time at the chamber they harped about 2nd and 82nd Street and standard retail development is not economic development. Maybe now we are turning a little bit of an access and saying this is important. The City of Lawton general fund is the prime benefactor. The more retailers the more taxes collected.

Sheppard asked did they give you a number of what their average increase in sales and retail might be.

Fitch stated no. Only an example of a community that brought in over 16 retailers with some of those being restaurants in the first year.

Rogalski state they need to collect all the data before they can tell us anything.

Fitch stated they will have all the data for the Dallas meeting in November and for Vegas next year. We will be able to attend the meeting in November and speak with some of the retailers.

Wells stated with the data they got they could see shoppers at the mall during all hours.

Fitch stated and could also tell us where they lived.

Neal stated they used the mall as their demonstration point. I think they knew there was an east side versus west side.

Denham stated I bet there was a whole bunch of out of state cell phones.

Neal stated there was. I was surprised it showed Anadarko, Altus and many more. Does LEDC have any nibbles on the line?

Fitch stated they are working on some things.

Denham stated we need a grocery store downtown.

Fitch asked is there any other questions.

ADJOURNMENT

There being no further business the meeting adjourned at 3:00 p.m.

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