

MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
MAYOR'S CONFERENCE ROOM
NEW CITY HALL
JUNE 17, 2021 AT 2:00 P.M.

Fred Fitch, Chair, called the meeting to order at 2:01 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: David Denham; Fred Fitch; David Madigan; David Means; Larry Neal, Ernie Sheppard.

ABSENT: Sean Fortenbaugh; Keith Jackson; Ron Nance.

OTHERS PRESENT: Richard Rogalski, Executive Director; Donalynn Blazek-Scherler, Sr. Deputy City Clerk; Susan Schlecht, Finance Department; John Ratliff, City Attorney; Michael Cleghorn, City Manager; Mike McKee, Cache Road Properties, LLC; Max Sasseen, Remax Professionals.

INTRODUCTION OF GUESTS

Chairman Fitch introduced Michael Cleghorn, City Manager; Max Sasseen, Remax Professionals; Mike McKee, Cache Road Properties, LLC; John Ratliff, City Attorney.

BUSINESS ITEMS

1. *Consider approving the minutes of November 19, 2020, December 17, 2020, and March 25, 2021.*

Motion by Denham, **Second** by Means, to approve the minutes of November 19, 2020; December 17, 2020; and March 25, 2021. **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.*

This item was moved down in the agenda to allow Schlecht to gather the proper information.

Chairman Fitch stated that Mr. Neal and himself are often called between meetings to sign checks and asked if a tracker of these checks should be kept to bring before the board.

Schlecht stated that the expense report that is presented during each meeting is a check register for the time period between meetings. Checks are discussed after the fact if they are below a certain dollar amount, and before being signed if they are higher than a certain dollar amount.

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

Schlecht gave presentation on March Balance Sheet, . This report is available in the City Clerk's Office.

Chairman Fitch asked if LEDA receives the money for Hotel/Motel tax, and then gives it to the City to pay economic development.

Rogalski stated yes, once TIF 3 (Republic Paper) starts earning revenue, part of it will be disbursed to other entities, and when it hits LEDA's bank account, LEDA can reimburse the City with that amount.

Chairman Fitch clarified that LEDA does not reimburse anything if it is not received. The funds are a clear pass-through LEDA.

Rogalski stated that is correct.

Denham asked if that affects any of the funds in TIF 1 or TIF 2.

Chairman Fitch said no, it does not.

Schlecht stated it will be a payable even for this year, but it won't be seen on the books until audit is over and everything has cleared the bank.

Chairman Fitch stated that's money that been borrowed by the City from the Economic Development Reserve fund in Hotel/Motel tax to pay the bills, then when LEDA gets the money in from the TIF districts, the money is reimbursed to the hotel/motel tax reserve.

Schlecht stated that per the auditor, all invoices are made out to LEDA.

Denham asked if the invoices are broken down per TIF.

Schlecht stated yes.

Denham asked if it is possible to get a ledger of all revenues associated with each TIF district, what the balance is since there is a cap, how long they last, etc.

Rogalski stated that can be put together.

Schlecht gave presentation over March Income and Expense Activity Report. This report is available in the City Clerk's Office.

Motion by Sheppard, **Second** by Neal, to approve the March Financial Report. **Aye:** Madigan, Means, Neal, Sheppard, Denham, Fitch. **Nay:** None. **Motion Passed.**

Schlecht gave presentation on April Financial Reports. This report is available in the City Clerk's Office.

Motion by Sheppard, Second by Madigan, to approve the April Financial Statements. **Aye:** Madigan, Means, Neal, Sheppard, Denham, Fitch **Nay:** None. **Motion Passed.**

Schlecht gave presentation on May Financial Reports. This report is available in the City Clerk's Office.

Motion by Means, Second by Sheppard, to approve May Financial Reports. **Aye:** Madigan, Means, Neal, Sheppard, 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 there hasn't been much activity on the TIF 2 side. He has received a few calls, but nothing more. He stated there has been some activity on the industrial side. A new TIF district has been created by the airport.

Madigan questioned potential upcoming deal with LEDC. Rogalski explained that this deal has not come to fruition yet. There is still a lot that has to happen. There hasn't even been a formal discussion on exactly how everything is supposed to work, but LEDC is supposed to be working on it.

Rogalski stated there has been some discussion with the bond attorney about refinancing the TIF 2 note into a municipal bond with a lower fixed rate. The current bond rate is 4.5%, and Rogalski stated that the municipal rate right now is around 2.9%. The current rate has a bump up in 2025 with a balloon at the end. That could be leveled out and get straight amortization.

Chairman Fitch asked about the APRA money the City received.

City Manager Cleghorn stated the City received 18.2 million dollars. 9.1 million was given last year, and the rest will be received this year. Cleghorn asked that the group be aware that the County, the school district, and the tribes also received funding totally over 100 million dollars. The money the City received has not been allocated yet because they are awaiting further guidance from the Federal Government on how the money is allowed to be spent.

5. *Consider approving agreements between LEDA/CEDL and LEDA/CEDL/City of Lawton for fiscal year 2021-2022.*

Rogalski stated these are two separate agreements for the next fiscal year. The agreement between LEDA and CEDL is to cover TIF 2, and the agreement between LEDA, CEDL, and the City is to cover industrial developments.

Motion by Madigan, **Second** by Denham, to approve the agreements between LEDA/CEDL and LEDA/CEDL/City of Lawton for fiscal year 2021-2022. **Aye:** Means, Neal, Sheppard, Denham, Fitch, Madigan **Nay:** None. **Motion Passed**

6. *Consider an application for retail economic development assistance as submitted by Cache Road Properties LLC for a project located at 4800 NW Cache Road and make a recommendation to the City Council.*

Rogalski went over the application and maps of location. These documents are available in the City Clerk's office. He stated this is the Mathis Brothers Development. Mathis Brothers will be the primary building, which will be the only applicable building for the sales tax rebate. The site itself qualifies under redevelopment and enterprise. They are also asking for a reimbursement of public improvement up to \$750,000.00. The current estimate is at \$780,000.00. For public improvements, they are asking for a traffic light at NW 50th and Cache Road.

Max Sasseen pitched his proposal. He stated a traffic study has already been conducted and the traffic light has been approved by Council already. The goal is to redevelop this large amount of acreage located in the middle of Lawton. He reached out to Mathis Brothers and they have agreed to provide the anchor stores in this development. The additional lots would be sold for around 1 million dollars apiece. He noted that no other business is included in this agreement except Mathis Brothers. The additional public improvement being proposed is a public water line.

Rogalski stated he would like to point out that the Mathis Brothers portion is completely self-funded. This is very uncommon.

Sasseen stated they are trying to get this into City Council in July. From there, they are ready to get started. He asked if there were any questions.

Chairman Fitch asked the total amount of the tax incentive.

Rogalski stated the max total with invoices is \$750,000.00 and Sasseen confirmed that that is correct.

Sheppard asked if they were going to give 50% of the estimated monthly total sales tax to Lawton.

Rogalski stated they get half of the total taxes.

Motion by Means, **Second** by Neal, to accept application and forward to City Council with LEDA's approval. **Aye:** Neal, Sheppard, Denham, Fitch, Madigan, Means. **Nay:** None **Motion Passed**

7. *Consider approving a contract with Lawn Wizards for mowing and debris removal for LEDA properties.*

Motion by Madigan, **Second** by Means, to approve a contract with Lawn Wizards for mowing and debris removal for LEDA properties. **Aye:** Neal, Sheppard, Denham, Fitch, Madigan, Means. **Nay:** None **Motion Passed**

RETURN TO ITEM 2

Consider approving invoices, requisitions, and all other submitted materials for payment and take action as deemed necessary.

Schlecht gave presentation on invoices, requisitions, and all other submitted materials for payment for the time period between March 25, 2021 and June 17, 2021. Reports are available in the City Clerk's Office.

Motion by Denham, **Second** by Means, to approve invoices, requisitions, and all other submitted materials for payment and take action as deemed necessary. **Aye:** Sheppard, Denham, Fitch, Madigan, Means, Nance, Neal **Nay:** None **Motion Passed**

DISCUSSION ITEMS AND REPORTS

No discussion took place.

ADJOURNMENT

There being no further business. The meeting adjourned at 3:50 p.m.