

MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
MAYORS CONFERENCE ROOM
NEW CITY HALL
JULY 19, 2018, 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; Fortenbaugh, Sean; Means, David; Larry Neal; Sheppard, Ernie.

ABSENT: Jackson, Keith; Madigan, David; Nance, Ron.

OTHERS PRESENT: Jerry Ihler, City Manager; Richard Rogalski, Planning Director; Kristin Huntley, Finance Department; Denise Ezell, City Clerk's Office.

INTRODUCTION OF GUESTS

None present

BUSINESS ITEMS

1. Consider approving the minutes of May 17, 2018.

Motion by Sheppard, **Second** by Means, to approve the minutes of May 17, 2018. **Aye:** Fitch; Fortenbaugh; Means; Neal; Sheppard. **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 1 invoice for approval to Lawn Wizards. Also, we need to make contact with Collett to mow the corner of 2nd and Gore.

Rogalski stated I'll call them. If anyone sees anything that needs mowed let me know.

Motion by Neal, **Second** by Means, to approve all invoices, requisitions, and all other submitted materials for payment. **Aye:** Fortenbaugh; Means; Neal; Sheppard; Fitch. **Nay:** None. **Motion Passed.**

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

Huntley stated at the end of May there was \$1,225,223.90 in the bank. Hotel/motel and sales and use tax for March was \$44,794.41.

Fitch asked have we received those.

Huntley stated we have not. Under liabilities our current interest payable is \$372,696.45. This is the BancFirst note. The principal balance to CCIDA is \$1,455,177.90.

Fitch stated CCIDA's financial show \$1,449,000. There is a \$6 difference.

Huntley stated I will get with Mayhall. On the next page you see hotel sales tax is up from March of last year and sales and use tax is down 2%. The majority of the property tax income is TIF 1 and \$999.50 is TIF II. This is up from last year. Interest income collected is \$365.10. Under expenses the majority of the interest expense is your BancFirst note and \$3,764.70 is the CCIDA note. Mowing and debris is for April and May and professional fees are for April. Net income for May is \$66,563.43. Any questions on May?

Sheppard stated property tax collected is down for 2018. I would have thought that would be about the same every year. Is it just a variation in payments?

Huntley stated yes.

Rogalski stated you can also request your property be reassessed and the taxes may be reduced.

Fitch stated it is surprising how much of the remittance is for back taxes.

Means stated if you go 3 years without paying your taxes it goes to County Resale.

Sheppard asked it is every 3 years.

Neal stated 3 or 4.

Huntley stated the next page is June. At the end of June you had \$1,319,430.78 in the bank. Our receivables for April were \$39,349.27. Under liabilities our pre-interest for BancFirst is \$492,787.53 and principal for CCIDA is \$1,452,431.74. On the next page the hotel sales were up 28.5% and sales and use was up 3%. May and June property taxes are all for TIF I and was down from last year. Interest income collected was \$459.37. Under expenses the majority of the expense was BancFirst and \$3,880.74 is CCIDA. Mowing and debris is for June and the professional fees are for May. Total net income for June was a negative \$58,583.18 and year to date is \$532,819.53. Are there any questions.

Sheppard asked the \$495 in 2017 was that our settlement.

Huntley stated yes.

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

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

Rogalski stated as we stated at the last meeting there is a number of companies that has signed into existing spaces. We haven't seen any plans from any of them. Meridian is very serious about going next to the UPS store. I'm not seeing a lot of movement around town. I think our economic recovery is going to be a year coming and this is unfortunate.

5. Consider approving a retainer agreement for professional services between LEDA and the Center For Economic Development Law.

Fitch stated this is our yearly agreement with Batchelor and at this time it is very minimal.

Ezell stated I want to point out his fees did go up. The schedule we have been using is his 2015 schedule.

Fitch stated the increase is not a lot.

Sheppard asked do we only get charged when we use him.

Fitch stated yes.

Motion by Sheppard, **Second** by Means, to approve the retainer agreement for professional services between LEDA and the Center For Economic Development Law. **Aye:** Means; Neal; Sheppard; Fitch; Fortenbaugh; Denham. **Nay:** None. **Motion Passed.**

6. Consider approving a professional services agreement with the Lawton Fort Sill Chamber of Commerce for tourism, convention, economic and industrial development services for the fiscal year 2018-2019.

Rogalski stated this is the annual agreement between the City of Lawton, The Chamber of Commerce and LEDA. This is the same agreement we approve every year and the City has approved it.

Motion by Denham, **Second** by Means, to approve a professional services agreement with the Lawton Fort Sill Chamber of Commerce for tourism, convention, economic and industrial development services for the fiscal year 2018-2019. **Aye:** Means; Neal; Sheppard; Denham; Fitch; Fortenbaugh. **Nay:** None. **Motion Passed.**

7. Consider ratifying the action of the Chairman in executing a Real Estate Listing Agreement with Johnny Owens Commercial Properties, Inc., for Lot 8, Block 1 of Lawton Downtown Center Part 2.

Rogalski stated Johnny Owens is under retainer with Collett. If there is an interest on the LEDA property we don't have it listed with anyone. We felt it was a good idea to place the property under retainer. He has to sell the property to receive funds. This allows Owens to include our property when someone is looking for commercial property. He was going to a conference and that is the reason the Major executed the agreement. It does exclude any sales that come through Collett.

Fitch stated Owens is going to the ICS in Las Vegas and wanted to show the property. We listed it at a sale price of \$4.32. This is the same amount we sold all the other property for.

Sheppard asked is there an exclusion if someone approaches LEDA directly.

Rogalski stated no.

Fitch stated if Owens isn't involved in the transaction we should have the option to sell.

Means stated not according to this agreement.

Fitch stated we might want to look at that.

Rogalski stated I'm sure we can make that correction.

Sheppard stated the only commission he needs to receive is when he brings something to us.

Denham asked what if Jason Wells or Cummins brings a buyer to us.

Neal stated they would have to negotiate with Owens.

Motion by Sheppard, Second Denham, to ratify the action of the Chairman in executing a Real Estate Listing Agreement with Johnny Owens Commercial Properties, Inc., for Lot 8, Block 1 of Lawton Downtown Center Part 2, with the additional provision that the purchase of the property by a person or entity that approached LEDA directly, with no prior contact with Johnny Owens Commercial Properties, Inc. would not be included in the agreement. **Aye:** Neal; Sheppard; Denham; Fitch; Fortenbaugh; Means. **Nay:** None. **Motion Passed.**

Denham asked does the property north of Mattress Firm belong to Collett.

Fitch stated yes.

Neal stated I thought his agreement had expired.

Sheppard stated it did but we didn't have a better choice.

Rogalski stated there are 2 things. There are properties he has paid for and those he hasn't. There is a provision in the contract that states we could buy the property back. The property he hasn't paid for is what we are listing. I don't think we are in a position that we want to purchase the property.

Denham stated that is the other side of Joann's and PetCo.

Fitch stated no, it is the property at 2nd and Gore where the funeral home was located.

Sheppard asked where is the property he has not paid for.

Fitch stated the far north end.

Rogalski stated and south of Petco and north of the PSO station.

Denham asked is Collett doing anything and does he touch base with you.

Fitch stated Mike Roby is handling the Lawton area. They are still looking.

Rogalski stated if that size store had moved anywhere in town then we should feel bad about not selling the property. It has not so we don't need to feel bad. Nothing is moving right now. I have a request for economic development assistance from Burlington on my desk. Right now the market is not strong enough for them to do it on their own.

Sheppard stated from the reports I have seen the United States economy is doing very well right now and yet in Lawton we are not selling land for development. Is this peculiar to shopping centers due to the internet competition or particular to Lawton.

Fitch stated it is not just peculiar to Lawton. National chains are shutting down. There is a tremendous amount of real estate out there in the market.

Sheppard asked are you saying that people are scared to build brick and mortar.

Means stated I understand that brick and mortar has picked up the last month or so.

Neal stated the average value of every ticket is simply lower.

Sheppard asked on what.

Neal stated restaurant and retail store. We just don't spend as much.

Fitch stated we don't spend as much as other communities do.

Rogalski stated Lawton has always been a year behind. Our economy goes down a year later than the State and doesn't come back until a year later. Retail within the State is coming up but we haven't seen it in Lawton.

Fitch stated the grocery stores that were interested in coming to Lawton wanted to be able to sell wine and couldn't. Since we have the new law we are hopeful they will still be interested.

EXECUTIVE SESSION:

1. Pursuant to Section 307B3 and C10, Title 25, Oklahoma Statue, consider convening in executive session for the purposes of conferring on matters pertaining to economic development, including financing and the sale and/or acquisition of property with respect to the Lawton Downtown Redevelopment Project and other areas within Lawton, and take appropriate action, if necessary, in open session.

DISCUSSION ITEMS AND REPORTS

Fitch stated we finished our fiscal year with the Hilton at the end of March. They submitted \$90,000 to CCIDA for their interest. Occupancy is running about 73%. With all the new troops we are having a graduation every week. There are 80,000 family members that come to Lawton for those graduations. The Hilton is having a tremendous amount of conventions. Things are looking good in that manner. They are through the curve of getting the business up and performance measures where they want them. We receive a report that shows what the occupancy is, what they generated on room rates and compares that to the other hotels. They are ahead of schedule occupancy wise.

Means stated that is excellent in the hotel/motel business.

Fitch stated with the increased training there is also a requirement of 380 positions. They have about 280 to 300 of the 380 in place. The others will be here by September. Things are looking better in Lawton. We are making a lot of progress. The public safety building has red iron going up.

Denham asked is Raytheon still doing their trading in the old Gibson building.

Fitch stated no. Those countries have decided to train those students back in their countries and use English speaking instructors. Government contracts will go strong for a while and then they are gone. A lot of things are happening at Fort Sill with the 6 areas in which the Army is putting a lot of emphasis for the development of fire power and training and Fort Sill got 2 of the 6. That is very big. It will be 3 or 4 years before it fully develops but it will bring in new defense contractors, more soldiers and more training. A lot of this has to do with the air space we have versus other military locations. We are very fortunate. I feel very good about where Lawton is going and the positive things happening at Fort Sill.

Rogalski stated on another note the Chamber has taken on a downtown revitalization project this year. They are calling it the Ware District.

Neal stated that is General Lawton's middle name. Henry Ware Lawton.

Rogalski stated this district includes what we call the traditional downtown area, the Lawton Town Center, Elmer Thomas Park, the public safety building and the creamery. There were about 30 business owners that have taken an interest. This means they will help market the downtown area. They are planning on doing a monthly event and the first will be September 6th. It will be on C Avenue between 3rd and 5th Street. They will close the streets and have art, live music and food trucks. They would like to do this every month.

Sheppard asked what is the latest on the creamery.

Rogalski stated I don't hear anything on that.

Sheppard stated I noticed the bricks have been moved.

Fitch stated I heard it had gone back to the bank.

Means stated I believe the front lots were purchased about 6 months ago.

Means stated at Cache Road Square once a month they have Cars n Coffee. It is a good promotional event and lots of visitors for the stores.

Fitch stated we are seeing more activities of this nature. We are moving in the right direction.

ADJOURNMENT

There being no further business the meeting adjourned at 2:40 p.m.

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