MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
MAYORS CONFERENCE ROOM
NEW CITY HALL
OCTOBER 16, 2014, AT 2:00 P.M.

Fred Fitch, Chairman, 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:	Fred Fitch; David Madigan; Ron Nance; Larry Neal; Ernie Sheppard;
ABSENT:	David Denham; Keith Jackson; David Means; Doug Wells.
OTHERS PRESENT:	Brooks Mitchell and Kristin Duggins, Financial Services; Richard Rogalski, Planning Department; Frank Jensen, Legal Department; Denise Ezell, City Clerk's Office.

INTRODUCTION OF GUESTS

None Present

BUSINESS ITEMS

1. Consider approving minutes of August 28, 2014.

Motion by Sheppard, **Second** by Neal, to approve the minute of August 28, 2014 as written. **Aye**: Fitch; Madigan; Nance; 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 the check today is for the CCIDA loan. Interest has been accruing on the $1.5 million since the beginning until June 30, 2014. The interest owed for that time is $83,000. The sales tax from the hotel is to go towards paying this loan. This is the first payment and it will go towards the interest. Once we have the $83,000 paid then we will start making a monthly payment that will go towards the interest and principle.

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

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

Mitchell stated the first page is the balance sheet and you see we have several accounts. There are 5 accounts with BOK for the debt services. A couple of those have a small balance and they are the clearing accounts. Locally we have a TIF I and TIF II account. The TIF I account has $384,000 and the TIF II has $47,000. You see the various liabilities of accrued interest, advanced funds from the developer, your CCIDA Loan and a loan from LURA. The second page is the Profit and Loss statement. There was some revenue last April, May and June. In the current fiscal year you see sales tax in the TIF II and the matching funds.

Fitch stated the matching funds are from January 1 to June 30th 2013.

Mitchell stated we have sent the claim for July to December 2013 and should be receiving that money shortly. On the third page you see we submitted on September 10th a request to OTC for the matching funds in the amount of $124,109.50.

Fitch stated Batchelor is compiling the figures for January 1 through June 30, 2014.

Mitchell stated the expenses for the first quarter of this fiscal year are construction expenses in the amount of $754,886.16, interest expense in the amount of $509,294.69, moving expenses in the amount of $2,500, mowing expenses in the amount of $1,228.98 and professionals fees in the amount of $16,418.30. The third page is some supplemental information. Are there any question?

Sheppard asked the money that is in TIF I and II is it designated.

Mitchell stated it is my understanding that the TIF I can go to pay debts of the TIF II projects and the same with the TIF II account.

Sheppard asked if we have interest accumulating why are we allowing this to sit there.

Fitch stated we will be forwarding some of it to BOK. Let me read you an email that I got from Lisa Hardin. It says "according to the terms of the general bond indenture between LEDA and BOK the trustee makes payments as follows: as of September 1, 2013 interest payments are made semi-annually on March 1 and September 1. Annual amortization payments will not start until a year from now." Wells had asked about this and that is why I'm relaying the information.

Motion by Sheppard, **Second** by Neal, to accept the financial report of September 2014. **Aye**: Madigan; Nance; Neal; Sheppard; Fitch. **Nay**: None. **Motion Passed**.

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

Fitch stated Collett has finalized a contract with Alfred Espinoza in the amount of $60,000 for the dirt pile at the north end. LEDA will be responsible for $12,000 of the $60,000. They are to start the project soon. Collett would like to have an open house on the west parking lot of Kohl's with BBQ, beer and wine. We will send invitations to 6 different groups and hope to generate 150 people. It will be held on the 18th or 19th of November. A couple of the store managers will speak and the stores will have giveaways. Do you have any questions?

Sheppard asked can you update us on Collett's intentions.

Neal asked is he talking closing.

Fitch stated one tenant has backed out. There are 2 others that will be about 65,000 to 70,000 square feet. It will be after the first of the year before he knows for sure so we are looking at closing in the February or March timeframe. Charming Charles opened on Monday and AT&T, H&R Block and 2 fast foods will open soon.

5. Receive a report on the sales tax for the TIF and the matching funds from the state.

This was covered under the financial report.

6. Consider approving a contract between the City of Lawton, Lawton Economic Development Authority and Lawton Fort Sill Chamber of Commerce and take action as deemed necessary.

Jensen stated LEDA is now officially a party to the agreement. The Council committee wanted to beef up the agreement this year. They wanted to add performance measurements and goals, which are Exhibits A and B, and to add LEDA as a party to be involved with the oversight, reviewing the monthly report and the final report. Basically it was to bring you in the loop. The document you received was highlighted with what your role would be.

Motion by Madigan, **Second** by Nance, to approve the contract between the City of Lawton, Lawton Economic Development Authority and Lawton Fort Sill Chamber of Commerce. **Aye**: Nance; Neal; Sheppard; Fitch; Madigan. **Nay**: None. **Motion Passed**.

OLD BUSINESS

1. Consider approving a contract between LEDA and the Center for Economic Development Law and take action as deemed necessary.

Jensen stated this is the same contract with the exception that the rate changed from $250.00 to$275.00 per hour.

Madigan asked when was the last increase on legal fees.

Fitch stated we haven’t had an increase.

Motion by Neal, **Second** by Sheppard, to approve the contract between LEDA and the Center for Economic Development Law. **Aye**: Nance; Neal; Sheppard; Fitch; Madigan. **Nay**: None. **Motion Passed**.

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,

redevelopment rights, and financing in connection with the Lawton Downtown Redevelopment Project, and take appropriate action in open session as necessary.

No items to discuss.

DISCUSSION ITEMS AND REPORTS

Neal asked is Mr. Jefferson making progress.

Rogalski stated I don't know of any.

Neal stated he paid storage up through August 20th. They have sent him another bill.

Fitch stated they are having an inventory sale at the location he is looking at.

Rogalski stated he knows you have agreed to a certain amount for relocation expense. If he accepts it he can move forward but I haven't heard anything. On another note Council has directed staff to look at an overlay to improve Ft Sill Boulevard from Cache Road to Post. Comments have been made by a Major General as to how bad it looks and how this will be a BRAC issue. Council wants to look at incentives. Incentives are beneficial but they take a while. This maybe an Urban Renewal issue or LEDA may want to get involved. We will be tearing down 1 building and another is going to Council. This is an area that needs to be ramped up in terms of concerns and then we have to deal with Sheridan Road.

Fitch stated everything on the west side is what needs to be dealt with.

Sheppard stated the real concentration needs to be from Smith north.

Neal asked you are going to tear a building down on Ft Sill Boulevard.

Rogalski stated yes. It is an abandoned carwash and the owner is taking it down.

ADJOURNMENT

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

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