MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
MAYOR'S CONFERENCE ROOM
NEW CITY HALL
NOVEMBER 19, 2020, AT 2:00 P.M.

Fred Fitch, Chair, called the meeting to order at 2:05 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.
ABSENT: Sean Fortenbaugh; Keith Jackson; Ron Nance; Ernie Sheppard.
OTHERS PRESENT: Richard Rogalski, Executive Director; Bob Ross, Acting City Attorney; Kim McConnell Lawton Constitution; Tammy Anderson, Planning Division; Susan Schlecht, Finance Department, Michael Cleghorn, City Manager.

INTRODUCTION OF GUESTS

Chairman Fitch stated there are no guests today.

BUSINESS ITEMS

1. Consider approving the minutes of August 20, 2020.

   Motion by Means, **Second** by Neal, to approve the minutes of August 20, 2020. **Aye:** Means, Neal, Denham, Fitch, Madigan. **Motion Passed.**

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

   Chairman Fitch stated he had signed a check not too long ago. Neal confirmed check was signed by Rogalski. Fitch stated check was made out to Lawn Wizards to cover a check that was never put in the bank because it was lost.

   Schlecht gave expenses from August 19, 2020 through November 8, 2020. Schlecht stated expenses included $2,000.00 for a bate service charge for a trust fee that is accrued every year; Lawn Wizards for mowing on Sept 16 for $1,050 and another payment for mowing on October 2 for $1,000; October 9, CCIDA has an interest payment for $7,212.83 to cover 2 months; on November 11 CCIDA had another payment of both interest and principal for $9,924.32. Schlecht stated that this concluded all expenses.

   Chairman Fitch asked if there were there any questions on the August 2020 balance sheets.

Motion by Denham, **Second** by Neal, to approve the invoices, requisitions, and all other submitted materials for payment. **Aye:** Fitch, Madigan, Means, Neal, Denham. **Motion Passed.**

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

Chairman Fitch said they had approved the expenses for August, September and October and they will now do the balance sheets. Schlecht said that was correct and they will start with the August Balance Sheet. She stated the amount at the top is smaller than what they are used to, but this was prior to making any September payments. After moving funds, the LEDA IBC TIF 1 account had $45,808.11. The IBC TIF 2 had $1,477.00. Schlecht stated she also wanted to point out that under "Long Term Liabilities", the BancFirst line of credit had increased because of the drawn down the board approved at the last meeting. The increase was $201,031.48.

Schlecht stated that they will move on to the revenue from the Hotel Sales Tax for the month of June. We received about thirty percent less than this same time last year, but that was expected. Matching funds had a significant change with twenty-five percent less than last fiscal year. The sales and use tax for the month of June was $48,885.23, which was twenty-five percent more. Schlecht stated that as we go through the reports, you will see that it actually stays positive when compared to last year. The hotel will be consistently down, but the sales tax is consistently up. Part of that is because of the tax that we began collecting in July. That put us, for the year, at 17.7 percent less income than 2018-2019.

Chairman Fitch asked if that includes the match. Schlecht stated that the match was down as well. Schlecht confirmed that she is using all revenues together for both last year and this year.

Schlecht stated that they will move down the balance sheet to 2021 revenues compared to 2019-2020. Property tax was up by seventy-one percent, totaling $33,422.00 for the same time frame in 2020. The interest income was considerably lower because there was less money in the bank and a lot of money was used for the last month.

Schlecht stated she would move on to the current year expenses. The current year expenses are accrued interest for the loan and a $20 wire-fee, but we are actually negative 16.6 percent compared to last year.

Motion by Madigan, **Second** by Denham**,** to approve the August Balance Sheet. **Aye:** Fitch, Madigan, Means, Neal, Denham. **Motion Passed.**

Chairman Fitch stated they would move on to the September Balance Sheet. Schlecht stated that the September Balance Sheet shows an increase in the apportionment fund by three percent in the last month. We also received our May and June receivables for the sales and use tax for $89,000.00 approximately. The other account stayed the same, with a little bit paid in on TIF 2, but that is usually paid out. The accrued interest payable is

$94,444.00 after the payment and interest rate drop. We need to watch this compared to the apportionment fund for the next few months. With all of the revenues and cash, we would still have $52,000.00 excess at this time. The BancFirst loan did drop back down because of the payment that was made.

Schlecht stated they will move on to the September Interest and Expense Report. The Hotel Sales Tax is negative 22.2 percent for this month compared to this month last year. Sales and Use Tax is up 42.8 percent. The interest income is down 99.1 percent compared to last year. There is 18.9 percent more revenue than the previous year. Interest expense is a total of $330,880.00. For all expenses, we are down 19.4 percent.

Motion by Madigan, **Second** by Denham, to approve the September Balance Sheet. **Aye:** Neal, Denham, Fitch, Madigan, Means. **Motion Passed.**

Schlecht stated the October Balance Sheet shows the cash in the TIF apportionment fund needs to be $169,510.38. This includes the receivables for the sale and use tax for July and August. The total current balance in the account is $235,914.34. The credentials payable at this time is $195,415.16. There is an eighty-seven percent coverage when all revenues are taken into account.

Chairman Fitch stated the use tax is up and he thinks it is because people are shopping online. Rogalski stated he doesn't see the citywide sales tax collection going down, especially because of stimulus payments.

Schlecht stated she will begin looking at the Expense Activity Report. The Hotel Sales tax is at $5,623.00, which is negative thirty-six percent from last year. There are still no matching funds to report. The Sales and Use Tax from the month of August was $47,027.61, which is slightly higher than 2019. The total revenues for the year are 11.7 percent higher than last year. The annual fee from the expense report is showing at $2,000.00 and there is also an interest expense of $108,170.00 and mowing and debris expenses of $1,150.00. The net change for the fiscal year to date is negative 18.2 percent.

Motion by Denham, **Second** by Neal, to approve the September Expenses. **Aye:** Neal, Denham, Fitch, Madigan, Means. **Motion Passed.**

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

Rogalski stated there aren't any updates on Lawton Town Center; nobody has called and there haven't been any leads. Bricktown Brewery is doing very well. There have been a few restaurants wanting to come in downtown, so it's possible to get one in Lawton Town Center. No interest yet on the North parcel.

The FISTA project and the potential for the City to buy the mall and developing some of the empty building for industrial use is still on going. There is nothing to stop the closing, and it looks like that may be done in mid-December. The intent is to operate the retail as long as it can be operated viably and move the industrial into the empty spaces.

Denham asked if someone had been hired to manage the retail portion of the mall. Rogalski responded that they had met a few prospective management companies, and they plan to hire a local management firm to manage the retail portion of the mall. They will take care of hiring, leasing, and operation. Their fee will be based on lease payments. There is potential for restaurants in the mall. Rogalski stated he would have to recuse himself from location discussions since he wants restaurants both in the mall and in Lawton Town Center.

Rogalski stated that while sales tax is important, property tax generated by the mall also needed to be discussed. The mall is in TIF One, and it is a large property tax generator. Rogalski and Chairman Fitch had previously spoken with Dan Bachelor about the FISTA and the mall still paying property tax, even though it is a public entity and property tax is not required. There is still discussion if FISTA will pay tax on the entire building or just on the occupied units. It will also generate money for the school and county through taxes.

Denham asked Rogalski if he had looked into the legality of taxes and fee in lieu of. Rogalski stated that the intent is for the mall to pay property taxes. This would be discussed with the contact and be resolved. The idea is that if the mall were 100 percent leased, we would want the property tax to be whole, just like it would if it were owned by a private entity, and it would go up. The only question is whether or not we pay the full amount every year or if we only obligate ourselves to amounts that are leased to a private party. This is still being worked out and hasn’t been finalized yet. TIF may take a hit, but the hope is to get additional leasees in the building, potentially put buildings in the parking lot, and down the southside of C Avenue, creating additional revenue in TIF One.

There are still a number of industrial development prospects available. Havana is still active. Cherokee has not been heard from yet. There are a couple of new projects. One is called Igloo, which is a serious prospect. There are several prospects in the airport area and west industrial area.

Chairman Fitch stated he had a letter of intent from Brad Cooksey and asked Rogalski if that project was still moving along. Rogalski stated he expects to hear something after the first of the year.

Madigan stated that he wants additional discussion about “walk-ability” in the downtown area. Rogalski stated that he had some previously done drawings of what downtown might look like. Suggested that a committee is formed to decide what we want the downtown to look like with “walk-ability” in mind. Madigan stated that LEDA should have an active role in this. Chairman Fitch requested that Rogalski provide the drawings. Rogalski stated he will e-mail the report and sketches. Rogalski stated that coffee shops, dining establishments, and specialty shops would likely go in the mall. Chairman Fitch mentioned a facility that has many services, such as laundry, food, daycares, etc., with employees who work in that area in mind.

Chairman Fitch asked if anyone had anything else.

5. Consider approving a professional services agreement with the Center for Economic Development Law.

Rogalski stated that in the packet was the old version that was already approved, and the new version was passed out by Tammy Anderson. Rogalski stated that the one they would be approving today is a standard that is done every year. It has the same rates as the one that was approved. The difference is that the previously approved agreement was specific to industrial development, and this one is for a retail project.

Motion by Madigan, **Second** by Means, to approve a professional services agreement with the Center for Economic Development Law. **Aye:** Madigan, Means, Neal, Denham, Fitch. **Motion Passed.**

DISCUSSION ITEMS AND REPORTS

Denham added a sub-note that they have the ability to pick and choose attorneys and whether or not they need to come down or make video calls. Discussion took place about video teleconferencing to mitigate attorney's fee. Michael Cleghorn stated that most of the rooms in City Hall have teleconference capabilities, and we should be trying to incorporate these capabilities. Rogalski stated that he was in a three-hour teleconference meeting and had no interruptions. Cleghorn stated that all meetings could be held in the Auditorium and recorded for transparency.

ADJOURNMENT

There being no further business. The meeting adjourned at 2:53 p.m.