MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
MAYORS CONFERENCE ROOM
NEW CITY HALL
NOVEMBER 20, 2014, AT 2:00 P.M.

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

INTRODUCTION OF GUESTS

None present

BUSINESS ITEMS

1. Consider approving minutes of October 16, 2014.

Denham stated Mitchell, Rogalski and Jensen were not listed as other present.

Motion by Neal, **Second** by Sheppard, to approve the minutes of October 16, 2014 with stated corrections. **Aye**: Jackson; Means; Nance; 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.

Means stated we have no invoices, requisitions or other materials for payment today.

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

Mitchell stated the balance sheet is much like the previous month. There are 3 accounts with a fair amount of cash in them. The fixed assets haven't changed. The accrued interest payable as of October 31st is $204,484.74 on the line of credit. A partial interest payment was made last month to CCIDA. We haven't had any principal reduction yet. The next page is the income statement. You have revenue from sales tax and property tax and the interest expense to CCIDA. Looking at the third page I need some further guidance. We have not paid the interest to CCIDA and on the balance sheet as of October 31st we had $39,961.19 in the TIF II account. We deposited another $106,244.23 the first week of November so the balance as of today is $146,205.42. The interest payment to CCIDA was $83,102.47 and last month we paid

$17,171.46 leaving a balance of $65,931.01. We are in a position to pay off the rest of the accrued interest. I wanted to ask the Authority if they wanted to pay the interest and if you wanted to make a principal reduction also.

Means asked what kind of funds will we receive within the next 30 days.

Mitchell stated roughly $40,000.

Rogalski stated when we paid the last interest payment on the line of credit we didn't have all the funds available so we made the payment from the line of credit. There was discussion at the time that we would reimburse the note. We still have some outstanding issues with PSO and I would recommend rather than paying the principle we gather the funds and repay the line of credit.

Means asked so the rest of the interest is $65,000.

Mitchell stated correct.

Sheppard asked through what date.

Ezell stated June 30, 2014.

Denham stated so another 3 months has accrued.

Mitchell stated we could pay the accrued interest through October 31st if that is what the Authority would like to do.

Ezell asked isn't the CCIDA note to be paid back with the hotel funds.

Mitchell stated sales tax on the hotel.

Ezell asked and isn't the $106,000 matching funds from the State.

Mitchell stated correct.

Rogalski stated we need to get together and make a flow chart. Per the agreements certain sales tax is to go to pay certain payments. It is a little bit of a tangled web and we need to make certain this is flowing in the right direction.

Denham stated we do have a bunch of dedicated funds.

Mitchell stated my understanding was the matching funds could be used for anything.

Denham asked could we get a number as to what the hotel's tax funds have been so we will know the funding source to go back and pay CCIDA.

Mitchell stated sure.

Denham stated I know the reason we did the TIF II but I don't know that we carved out the hotel versus the retail.

Rogalski stated we know the difference when it comes in.

Denham asked does it also carves out the difference between sales tax and occupancy tax.

Rogalski stated yes. I'm still a little unclear as to where the matching funds are suppose to go. We will get together and work this all out.

Mitchell stated my conversation with Batchelor was that the matching funds could be used for anything.

Nance stated so we really shouldn't do anything until we know for certain.

Sheppard asked when is the interested suppose to be paid on that note.

Mitchell stated I want to say semi-annually. We have never seen an amortization schedule and I haven't seen the note. All I know is that interest is due.

Sheppard stated somebody needs to make a flow chart.

Rogalski stated we will get together and start a flow chart.

Motion by Denham, **Second** by Nance, to pay the $65,931.01 to CCIDA from the IBC TIF II account. **Aye**: Jackson; Means; Nance; Neal; Sheppard; Denham. **Nay**: None. **Motion Passed**.

Sheppard stated the financials show a payment for storage. What was this for?

Mitchell stated Jefferson Funeral Home.

Sheppard stated I thought we were through paying storage for them.

Ezell stated they didn't bill us for the month of May until October.

Neal stated it says "Jefferson Funeral Home coming soon" at the new location.

Rogalski stated I haven't heard anything from them. I called Aaron and he was going to call Larry Jefferson.

Sheppard asked wasn't his estimate on refurbishing over $300,000.

Rogalski stated yes. When it came before the authority you only approved $120,000. I don't see the relocation happening. We probably need to send him a letter stating he has until a date certain and then after that date we are done.

Denham asked is there a statutory time limit?

Rogalski stated yes. They submitted the request before the limit to move to this location so we have to give reasonable time and we have given reasonable time. I'll call Aaron and we will work that out.

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

Rogalski stated as you know we had the grand opening last night and I thought it went very well. The Mayor did not know they were naming a private drive after him.

Jackson stated he was surprised.

Rogalski stated we did speak with Collett, Robbe and Covington and they are very optimistic. They do have a number of restaurants coming and they believe they have a strong interest on every empty space except the small space on the north end.

Means stated the merchants are really excited about the road being open.

Rogalski stated it will stay open until sometime in the spring and then the city will begin to finish 2nd Street.

Jackson stated the bridge on the north side was really crucial because the northeast side residents couldn't get there. We had to go down Ft. Sill Boulevard or around the interstate and that was a big factor. I'm sure when it opened it did change the traffic pattern.

Rogalski stated another thing is LETA has an interest in developing the well that is located at the old coke site. They want to irrigate Elmer Thomas Park. They are entertaining hiring a company to start the first development stage. Since LEDA owns the property you will have to allow the contract to move forward. I see that as a resource we can't let pass. It is such a great way to get something started. There is no guarantee as to the condition of the well. The first stage is to look at the condition of the casing and the well to see what it will take to make it pumpable.

Sheppard asked how deep is it.

Rogalski stated we don't have great records but people say 950' and that it will pump 500 gallons per minute. That is a lot of water. It has a 12" casing and you don't need that big of casing unless it is a really big well.

Jackson stated Council has received information there is a sizeable water reservoir underneath almost all of Comanche County and particularly under the City of Lawton.

Neal stated apparently there are 5 major wells in Lawton.

Rogalski stated I did inform LETA if it was potable water the city would use the water. They are a public trust and were happy with that.

Sheppard asked does Collett have any plans drawn for that area.

Rogalski stated no.

Sheppard stated it would probably be parking.

Denham stated Collett had some deliverables that we need to look at to make certain he is meeting them.

Sheppard asked if we sell the land to Collett will we have to have a pre-arrangement for the water rights in order to maintain the well.

Rogalski stated I have hollered that in everybody's ear because it is a valuable commodity.

Means asked who owns the minerals.

Denham asked is that another issue. I thought in the deliverable we set a purchase price already.

Means stated we just sold surface rights not the minerals.

Rogalski stated I don't know about the mineral rights but the water rights goes with the property. In Oklahoma if you own the land you own a certain amount of water.

5. Consider approving the annual meeting notice for 2015 and take action as deemed necessary.

Ezell stated this is required by law to be filed in the Office of the City Clerk. This sets the meeting for the third Thursday of the month at 2:00 p.m.

Motion by Nance, **Second** by Jackson, to approve annual meeting notice for 2015. **Aye**: Means; Nance; Neal; Sheppard; Denham; Jackson. **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.

Means stated we have no need for this item today

DISCUSSION ITEMS AND REPORTS

ADJOURNMENT

There being no further business the meeting adjourned at 2:30 p.m.

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