MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
MAYORS CONFERENCE CENTER
NEW CITY HALL
AUGUST 24, 2012, AT 12:00 P.M.

Fred Fitch, Chairman, called the meeting to order at 12:00 p.m. in the New City Hall. Meeting notice and agenda were posted on the City Hall bulletin board as required by State Law.

ROLL CALL:

PRESENT: Denham, David; Fitch, Fred; Means, David; Nance, Ron; Neal, Larry; Wells, Doug.
ABSENT: Madigan, David; Sheppard, Ernie; Zarle, Richard
OTHERS PRESENT: Larry Mitchell, City Manager; Denise Ezell, City Clerks Office.

MEETING CALLED TO ORDER

ROLL CALL

INTRODUCTION OF GUESTS

Fitch stated we have Kim McConnell from the Lawton Constitution and Dan Batchelor our Attorney.

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 other development projects under consideration in the City, and take appropriate action in open session as necessary.

Fitch stated we will not be convening into Executive Session.

BUSINESSITEMS

1. Consider approving minutes of July 26, 2012

Motion by Wells, **Second** by Means, to approve the minutes of July 26, 2012 as written. **Aye**: Fitch; Means; Nance; Neal; Wells; Denham. **Nay**: None. **Motion Carried**.

2. Consider Approving Invoices, Requisitions, And All Other Submitted Materials For payment And Take Action As Deemed Necessary.

Fitch stated we have two invoices for approval. One to Michael Johnson for $1607.50 and one for Furrh and Associates for $241.67.

Motion by Neal, **Second** by Means, to approve invoices, requisitions, and all other submitted materials for payment. **Aye**: Means; Nance; Neal; Wells; Denham; Fitch. **Nay**: None. **Motion Carried**.

3. Consider approving a resolution approving an updated Preliminary Redevelopment Plan submitted by Lawton Town Center, LLC, for the Lawton Downtown Redevelopment Project Area.

Batchelor stated I would request deferral of this item I had requested this item and a related item, the approval plans for the hotel conference center, be on this agenda in case we were ready to act. We are not ready. The plans are well under way and should be ready for your consideration week after next.

Motion by Means, **Second** by Denham, to table this item. **Aye**: Means; Nance; Neal; Wells; Denham; Fitch. **Nay**: None. **Motion Carried**.

4. Consider approving a resolution approving a Second Amended Phasing Plan for Implementation of the Lawton Downtown Redevelopment Project.

Batchelor stated this proposed Second Amended Phasing Plan contains three changes on the closing dates. The hotel/conference center date changes from August to September 30th, the office building site changes to March 1, 2013 and Phase II retail from July 1 to August 1, 2012. I believe these are realistic and recommend approval.

Wells stated as you all well know I voted no at the City Council meeting because I wasn't happy with the financing. I stated I would support 100% whatever Council decided. I assure you I will do everything I can to make this work.

Fitch stated thank you

Motion by Wells, **Second** by Denham, to approve a resolution approving a Second Amended Phasing Plan for Implementation of the Lawton Downtown Redevelopment Project. **Aye**: Nance; Neal; Wells; Denham; Fitch; Means. **Nay**: None. **Motion Carried**.

5. Consider approving a resolution approving Second Amendment to the Amended Hotel-Conference Center Redevelopment Agreement for the Lawton Downtown Redevelopment Project.

Batchelor stated the proposed change to this amendment is to change the name of the entity from Lawton Lodging, LLC to Lawton Lodging Lender, Inc. The reason for the change is that a financing structure is required to capture the new market tax credits and the flows of funds require that fund from three sources come through Lawton Lodging Lender, Inc. Lawton Lodging Lender, Inc. is owned by the two equity principals Sam Kumar and Steve Harren. Under the agreement they are tied into flowing those funds directly into another entity, which is the new market tax credits investment vehicle, and then flows the funds into Lawton Lodging, LLC the development entity. I have reviewed the entire financing structure, flow of funds, and personal financial statements. This change corresponds with a change in the loan from CCIDA and it was approved at the CCIDA meeting this morning. The borrow will be Lawton Lodging Lender, Inc. I recommend your approval of this change.

Motion by Wells, **Second** by Neal, to approve a resolution approving Second Amendment to the Amended Hotel-Conference Center Redevelopment Agreement for the Lawton Downtown Redevelopment Project. **Aye**: Neal; Wells; Denham; Fitch; Means; Nance. **Nay**: None. **Motion Carried**.

6. Consider approving a resolution approving Redevelopment Plans and Design Development Documents submitted by Lawton Lodging, LLC, for the Hotel-Conference Center in the Lawton Downtown Redevelopment Project Area.

Batchelor stated this is the second item I would request you defer for later actions. Those plans are well underway and we anticipate they will be available week after next.

Mitchell stated this item will need to go through LURA before it comes to LETA

Batchelor stated that is correct. That is another reason for its deferral.

Means asked does this need to go to CPC?

Mitchell stated no. We are talking about the possibility of a replat to shift the boundaries a little and that will require going through CPC.

Batchelor stated that has not yet been decided. It is under discussion.

Motion by Means, **Second** by Wells, to table this item. **Aye**: Wells; Denham; Fitch; Means; Nance; Neal. **Nay**: None. **Motion Carried**.

7. Consider approving a resolution approving evidence of financing submitted by Lawton Lodging, LLC, for development of a Hotel-Conference Center in the Lawton Downtown Redevelopment Project Area.

Batchelor stated on behalf of LEDA I requested the developer submit to me, on a confidential basis, a complete disclosure of all the financing pieces required to undertake the hotel/conference center development. That included the commitment letter from BancFirst, Medifund, the agreement from US Bank, and the personal financial statements on both Sam Kumar and Steve Herran. In addition, I asked for the project budgets, operating and revenue projections and a complete layout of all the requirements for the inter relationship for the financing entities prescribed by the new market tax credit procedures and applicable revenue rulings. This was all furnished to me and I have examined them very carefully. In connection with the consideration of the $3,000,000 CCIDA loan I furnished these documents to Paul Ellwanger for his review on behalf of CCIDA. Ellwanger reported to CCIDA that these documents and evidence of financing was complete and the financial statements were strong. I share his view. I also want to report that starting last week I become a part of a weekly working group who are involved in knitting the pieces together. There are almost twenty people involved in the weekly Thursday afternoon conference call. We are working through the checklist for the closing of this project. The closing documents that outline all the pieces and how it works is in excess of fifty pages. This is not a simple transaction to put together, but the players are solid. The financial support is very strong and with the CCIDA loan approval in place all the financing commitments are there to make this development possible. I recommend to you for your approval their submission of the evidence of financing.

Motion by Denham, **Second** by Means, to approve a resolution approving evidence of financing submitted by Lawton Lodging, LLC, for development of a Hotel-Conference Center in the Lawton Downtown Redevelopment Project Area. **Aye**: Wells; Denham; Fitch; Means; Nance; Neal. **Nay**: None. **Motion Carried**.

DISCUSSION ITEMS AND REPORTS

Fitch stated it has been a long road with a lot of work still ahead, but the pressure is off. I want to commend each and every one of you for serving in this capacity. This is going to move Lawton way down the road. Wells Fargo and BancFirst think the world of Collett and they call him to see if he has any projects available. The project they did in Midwest City is absolutely gorgeous. Is there anything else?

Batchelor stated after a lot of years in working in public and private projects I have gone through a variety of experiences. I want to pass on to you these observations. First, if you have a good vision the biggest risk is that the players change before you can get things to happen. In connection with the Lawton project, which is an extremely complex project, it has had a huge set of difficulties totally beyond yours or the community's control. You have hung in there and survived those. In my observation the steadiness of this group, trying to carry out the responsibility assigned to it, has been instrumental in bringing this opportunity to the state it has reached. I think it is important we not forget it took that steadiness to get here. It is easy to get distracted and lose your since of direction when we cross a major thresh hole. We still have a lot to do to put the pieces together and develop it in accordance to what we said we were going to do. Then we have to operate both the public and private pieces. You still have to carry out the commitment to make it happen. We are over a major thresh hole and it is a huge step for this project. I'm absolutely satisfied we have the capacity to carry out what you have envisioned. We need to remember while we are happy to be where we are there is a great distance down the road and it is really important to stay with it. Your steadiness and awareness will continue to be critical.

Mitchell stated the very next morning I had a broker in my office talking about the TIF. He stated he had been in the community several times and has been watching the project for about six months. He is very interested in talking to his clients about our downtown TIF outside the twelve block area. I think what he is proposing has to do with commercial enterprise automotive. It would be the kind of enterprise that will not mix with the retail. Also, we have sent notice to Collett & Associates and PID for their earnest money. We have given them all the transfer information and once we receive those deposits we will be scheduling a closing on Jefferson Funeral Home. It is tentatively set for next Friday.

Batchelor stated the funds being transmitted by Sam Kumar will be in the LEDA account on Monday. It will be in the amount of $435,000. The funds from Collett are to cover the cost on the project and will come in pieces. The first piece will be $75,000 for the design work in connection with the PSO line relocation. The other pieces will follow later.

Mitchell stated we are making very good progress with PSO on putting together an agreement on the right-of-way.

Denham asked do we have any idea when the work will actually start.

Mitchell stated we have to provide PSO with the $75,000 and then they will start their engineering. They can't work until we get the right-of-way nailed down with ODOT. Jerry Riddle and Brad Burgess are going to be discussing that today.

Batchelor stated we want the entire 100'.

Mitchell stated that is what we are requesting.

Nance stated they have the right-of-way all the way out to Ft. Sill. We don't want to complicate the discussion with that.

Mitchell stated correct. That is why we want to get one piece done and then more forward. I think there is a lot of opportunity for sharing the right-of-way.

Wells stated I would like for all of you to know why I did what I did and why I was going the way I was. The original agreement, which I supported, required the developer to build something and then be reimbursed with sales tax and ad valorem. When we changed the agreement I was against that. In my opinion we would end up with a $37 million debt and once the land sold have not one penny of collateral. That scared the death out of me for the citizen's sake. Now that Council has voted for it I will support it as I did previously.

ADJOURNMENT

Motion by Wells, **Second** by Means, to adjourn. **Aye**: Denham; Fitch; Means; Nance; Neal; Wells. **Nay**: None. **Motion Carried**.