

Minutes
Lawton Economic Development Authority
Regular Meeting
January 18, 2024—2:00 PM
City Hall
3rd Floor Conference Room
212 SW 9th Street
Lawton, Oklahoma 73501

Fred Fitch, Chair, called the meeting to order at 2:00 PM. in the 3rd floor conference room of City Hall.

STATEMENT OF COMPLIANCE WITH OKLAHOMA OPEN MEETING ACT, 25 O.S. 301-314

Meeting notice and agenda were posted by the City Clerk's Office as required by State Law.

ROLL CALL:

PRESENT: Fred Fitch, David Means*, Larry Neal*, Randy Warren, David Madigan, Ron Nance, George Gill, Ernest Sheppard

ABSENT: Jason Hensley (excused)

OTHERS PRESENT: Richard Rogalski, LEDA Executive Director; Susan Schlecht, Finance; Greg Gibson, City Attorney's Office; Tammy Branstetter, City Clerk's Office; Charlotte Brown, Planning Division; Kim McConnell, Lawton Constitution

*Left at 2:45PM

INTRODUCTION OF GUESTS

Chairman Fitch said Richard Rogalski has begun his new position as Executive Director for the Authority, and so far, it is working out well.

REPORTS

1. Receive a report from the LEDA Executive Director:

Rogalski thanked the Authority for bringing him back. He said he is happy to be here.

Rogalski said a lot has happened in the year he was gone. Currently, he has been working on getting a distribution system in place for incoming TIF district tax revenue.

- ❖ Provide a Westwin project update

Rogalski said the rezoning process was halted because of the ownership change from CCIDA to the Authority. Rogalski said he has now filed an application for rezoning on behalf of the Authority. Rogalski noted that the Agreement with Westwin specifies that this rezoning will be done. Two public hearings will be held regarding the rezoning request – one at the City Planning Commission meeting and one at the City Council meeting.

Rogalski said construction of the pilot plant is currently underway. Approximately 100 feet of concrete has been installed. Rogalski said he is working with Westwin to finalize the process of addressing draw requests. He noted that the project Agreement between the Authority and Westwin provides \$3 million in construction draws as a loan - CCIDA contributed \$2 million, and the City of Lawton contributed \$1 million. Rogalski said this \$3 million hasn't been transferred to the Authority yet, but this will soon be done. Rogalski said staff will be meeting with Westwin on a monthly basis to review their latest construction report(s). He noted that staff will also be conducting on-site inspections to ensure the work has been completed satisfactorily before any draw requests submitted by Westwin may be fulfilled.

With regards to the draw request(s), Madigan said he recalls prior discussion about engaging with Allred LLC, Edmond OK, to do construction inspections for Westwin.

Chairman Fitch said Allred LLC will be assisting Rogalski with construction inspections as needed. He noted how quickly this project is moving.

Rogalski said the Authority will need to dedicate right of way at their next meeting. The City will need a 60-foot half right of way, which is another 27 feet along 112th Street. He noted this will likely need to be done alongside Bishop Road as well. These easements are particularly urgent primarily because PSO needs access to the property. Rogalski said PSO will be coming down the east side of 112th Street, as they have a transmission line on the west side of the roadway. Placing the easement on the east side of the roadway will allow for as large a corridor as possible. Rogalski said the City will also be requesting the same right of way from the Goodyear property to the north. He believes this will be a voluntary dedication from Goodyear.

Chairman Fitch noted that the sewer line will be installed alongside 112th Street, as to not cut through the middle of the property. He said the final plans for the commercial plant have yet to be rendered, so they wish to keep the property as whole as possible for the time being. Chairman Fitch said they do, however, have an idea of where things need to be placed, and it's been determined that a lagoon will need to be installed for the pump station.

Rogalski said the sewer lift station will require approximately 3 acres, and this is primarily because it requires an overflow lagoon. This will be built at the lowest point of the 160-acre parcel of land nestled against a pond.

Gill said he is unclear of the location in which this will be built.

Rogalski said the sewer lift station and lagoon will likely be built on the 160 acres being sold to Westwin.

Gill said the process would be much cleaner if the sewer lift station is built on the 160 acres being sold to Westwin rather than having to acquire additional property.

Rogalski said he has reached out to Summit Utilities to collect a cost estimate for utility installation, but they were unable to provide a quote until they see the final construction plans for the commercial plant.

❖ Discuss a major amendment to the STEDI Project Plan

Rogalski noted that the 160-acre parcel of land being sold to Westwin was recently annexed into the City of Lawton. He said that in order for the property to generate TIF revenue, an amendment to the STEDI Project Plan must be done to add these 160 acres to the TIF district. Rogalski said he has been working on this amendment with Dan Batchelor and Lisa Harden, Center for Economic

Development Law. Rogalski noted that they are taking the time to review the STEDI Project Plan to ensure all necessary updates are included in final version of the amendment.

Rogalski said he spoke with the LEDC Land Committee today to discuss what their plans are for industrial development in the area.

Nance asked if there are deadlines set in the STEDI Project Plan.

Rogalski said the only TIF districts that were activated with the implementation of the STEDI Project Plan were TIF District 3 and TIF District 4. The remaining TIF districts that were established with the Project Plan must be activated within ten years. Once a TIF district has been activated, it generates TIF revenue for 25 years.

Nance asked if a TIF district is not activated within the specified 10-year period, would it be possible to establish a TIF district in the same area in the future.

Rogalski said if a TIF district is approaching the 10-year deadline of inactivity, the Authority and staff will need to reevaluate the vision for that property. Once it's been determined how the property will best be used going forward, an amendment can be made to the Project Plan to ensure the proper adjustments are made. Rogalski noted it may even be decided that certain TIF districts are no longer needed because they no longer make sense for the area.

Nance asked what year the STEDI Project Plan was enacted.

Rogalski said 2019.

Rogalski noted that TIF district budgets as specified in the STEDI Project Plan cannot be exceeded. Because of this, Rogalski said they are in the process of reviewing the budgets as defined in the current Project Plan to determine if changes need to be made.

Gill asked if a budget can be changed after the project has begun.

Rogalski said he's not sure if the budget can be changed for projects that have already started. He said he will ask Dan and Lisa when he meets with them tomorrow.

- ❖ Discuss an amendment to the Downtown Lawton Project Plan – to include the FISTA and a possible project to develop Affordable Workforce Housing in the TIF 1 area north of Gore Blvd

Rogalski said staff has been asked to explore amending the Downtown Lawton Project Plan to allow for the FISTA to break off from TIF 1 and become its own TIF district.

Rogalski said staff is also exploring options for things to do with the Authority's property at the Lawton Town Center. This includes 10 acres of undeveloped land, as well as an additional two acres behind the hotel. Rogalski emphasized that this area has been established as a TIF district for approximately 13 years.

Rogalski said the Chamber recently put out a Downtown Redevelopment Plan that talks about the importance of housing in the downtown area. He said he's been asked to look at ways to incorporate Affordable Workforce Housing in the downtown area. Rogalski said he will also be looking into grant funding opportunities regarding this project.

Gill said the theory behind this initiative is to acquire the properties that have old and run down structures on them, which are found between 2nd Street and Fort Still Blvd and between Ferris Avenue and Gore Boulevard and allow for private investors to take over these properties. He believes there may be grants available to help accomplish this.

Rogalski said this would be a very inciting place to reside if it weren't for some of the blighted structures in the area – Elmer Thomas Park, the Great Plains Museum, the McMahon Auditorium, the recently developed 2nd Street and the Farmer's Market are all in close proximity.

Rogalski said there has also been discussion about an additional project plan to develop executive style housing within the Lawton city limits.

❖ Discuss the disposition of TIF 3 funds

Rogalski provided the Authority with an update regarding the current standing of TIF 3 funds. Rogalski noted that the percentage of revenue due to each taxing entity (i.e. Cache Public Schools, Comanche County Health Department and Great Plains Vo-Tech) can vary from year to year due to fluctuating millage rates, which can make the distribution process a bit tricky. Rogalski said staff will be following this closely each year as to ensure distributions are made correctly.

Rogalski noted that project support and public improvements encompasses the largest portion of TIF 3 funding at 78%.

Rogalski said he will be working with the City of Lawton to obtain further direction on what they wish to do with some of this funding. Rogalski said he plans to first pay back the City of Lawton for the hotel motel tax funds that were used towards TIF project(s), as required by MOU.

❖ Discuss the continuing management of LEDA financials

Chairman Fitch said the Authority's financials are becoming more and more complex with the implementation of TIF districts. Because of this, the Authority is now considering pulling the management of its financials from the City of Lawton and placing them in the care of Scott Hatch, Hatch Croke & Associates, P.C.

Chairman Fitch said Scott Hatch will be submitting a term sheet soon, and this will be brought before the Authority for approval.

Madigan noted that Hatch, Croke & Associates handles financials for the FISTA, the Chamber, the Airport Authority and the LEDC.

Warren said Susan Schlecht has done a great job handling the Authority's financial statements.

BUSINESS ITEMS

1. Consider approving the minutes of the September 21, 2023 meeting.

Motion by Warren, Second by Gill, to approve the minutes of the September 21, 2023 meeting.
AYE: Gill, Warren, Madigan, Nance, Sheppard, Fitch. **NAY:** None. ***MOTION PASSED.***

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

Schlecht presented the following invoices for the period of September 22, 2023 through January 18, 2024:

- Publication of the TIF 1 & TIF 2 FY23 Annual Report (Invoice dated 9/27/2023)- \$251.84 to the Lawton Constitution
- Publication of the TIF 1 & TIF 2 FY23 Annual Report (Invoice dated 9/27/2023)- \$141.90 to the Lawton Constitution
- Publication of the TIF 1 & TIF 2 FY23 Annual Report (Invoice dated 9/27/2023)- \$141.90 to the Lawton Constitution
- Publication of the TIF 1 & TIF 2 FY23 Annual Report (Invoice dated 9/27/2023)- \$141.90 to the Lawton Constitution
- Mowing of LEDA Property (Invoice dated 10/23/2023)- \$1,380.00 to Lawn Wizards
- Legal Expense (Invoice dated 10/11/2023)- \$1,997.50 to Center for Economic Development Law
- Legal Expense (Invoice dated 11/10/2023)- \$3,630.00 to Center for Economic Development Law

Motion by Madigan, Second by Gill, to approve the expenses from September 22, 2023 to January 18, 2024 as presented. **AYE:** Gill, Warren, Madigan, Nance, Sheppard, Fitch. **NAY:** None. **MOTION PASSED.**

3. Receive Financial Report(s) and take action as deemed necessary.

Schlecht presented the Balance Sheet for July 2023 – December 2023, the Income and Expense Activity Report for July 2023 – December 2023 and the LEDA Loan Statement for the time period of September 2, 2023 through August 31, 2024. The Financial Report may be obtained from the City Clerk's Office upon request.

Schlecht said she has been working with the TIF districts since 2009, and she has really enjoyed working with the Authority. She said while she will miss working with them, she will now have more time to dedicate to working with other entities.

Motion by Warren, Second by Nance, to approve the Financial Report as presented. **AYE:** Gill, Warren, Madigan, Nance, Sheppard, Fitch. **NAY:** None. **MOTION PASSED.**

4. Consider approving a Basic Term Sheet for Project Fisher59 located on a 15.71-acre parcel located southerly of the extension of SW Gilbert Gibson Road in the Airport Industrial Park.

Rogalski reviewed the Basic Term Sheet for Project Fisher59. A copy of the Basic Term Sheet for Project Fisher59 may be obtained from the City Clerk's Office upon request.

Rogalski said this, in essence, is a larger version of the Pepsi Co project – it's a distribution center, it's saving locals jobs as well as adding additional jobs in the future, they are purchasing the property from the LEDC, and they are asking the City of Lawton to install the off-site public utilities that are necessary for them to complete the project.

Gill asked for clarification on what the Authority is being asked to approve today.

Rogalski noted that all final improvement plans will have to go before City Council for final approval, but he said we're looking at extending Gilbert Gibson Road, solely on north part of this property.

Rogalski said the minimum amount of public utilities required to make the project work will be installed, but this will still cost approximately \$1.6 million. Rogalski said this is a very conservative estimate – the forthcoming agreement will determine and specify the exact cost of public utility installation.

Rogalski said the first step in implementing a redevelopment agreement is to ensure all parties agree to the basic project terms. This is done in the form of a Basic Term Sheet. Once the basic terms are agreed upon, staff will begin working with Dan and Lisa, Center for Economic Development Law, to draft a final Redevelopment Agreement. The Agreement will be brought to the Authority for approval once it's been completed.

Rogalski said the LEDC's obligation will be to sell the property to the developer and then provide the net proceeds of the sale to the City of Lawton to be used for public improvements. The City of Lawton's obligation will be to review and approve the plan, activate the TIF district and reimburse the developer for their improvements, contingent upon the improvements passing inspection. The Authority's obligation will be to distribute the TIF funds once they become available.

Chairman Fitch noted that Lawton Public Schools would receive tax revenue from this project.

Motion by Gill, Second by Warren, to approve the Basic Term Sheet for Project Fisher⁵⁹ located on a 15.71-acre parcel located southerly of the extension of SW Gilbert Gibson Road in the Airport Industrial Park. **AYE:** Gill, Warren, Madigan, Nance, Sheppard, Fitch. **NAY:** None. ***MOTION PASSED.***

ADJOURNMENT

There being no further business, the meeting adjourned at 3:23 PM.