

MINUTES
Lawton Economic Development Authority
Regular Meeting
March 21, 2024—2:00 PM
3rd Floor Conference Room
City Hall - 212 SW 9th Street
Lawton, Oklahoma 73501

Chairman Fitch 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, David Madigan, George Gill, Ernest Sheppard, Jason Hensley

ABSENT: Randy Warren, Ron Nance, Larry Neal

OTHERS PRESENT: Richard Rogalski, LEDA Executive Director; Tim Wilson, Acting City Attorney; Tammy Branstetter, City Clerk's Office; Rusty Whisenhunt, Public Utilities Director; Larry Parks, Parks & Recreation Director; Charlotte Brown, Community Services Director; Tiffany Bechtel, City Manager's Office; Ward 7 Councilwoman Sherene L. Williams; Brad Cooksey, LEDC President; AJ Arends, VP of Project Management for Westwin Elements

INTRODUCTION OF GUESTS

None.

BUSINESS ITEMS

1. Consider approving the minutes of the October 19, November 9 and December 12, 2023 meetings.

Motion by Hensley, Second by Gill, to approve the minutes of the October 19, November 9 and December 12, 2023 meetings. **AYE:** Sheppard, Hensley, Fitch, Gill, Madigan, Means. **NAY:** None. ***MOTION PASSED.***

2. Receive the January 2024 Financial Report from Hatch Croke & Associates, P.C., and take action as deemed necessary. — **STRICKEN**

Chairman Fitch said that he and Richard met with Hatch yesterday, and it was determined that the financials are not quite ready to be presented. He noted that their office is in the process of making some formatting changes, but the financials should be ready for presentation soon.

Chairman Fitch said he and Richard are very pleased so far with the services being provided by Hatch Croke & Associates. He noted how extensive the Authority's bookkeeping is becoming, and Hatch's office is working to ensure the financial statements are completely accurate before presenting them to the Authority.

Rogalski noted that the Authority recently received their first check for TIF 4.

3. Consider approving a Redevelopment Agreement by and among the City of Lawton, the Lawton Economic Development Authority, the Lawton/Fort Sill Economic Development Corporation, and Fischer59 Properties, LLC, for the development of a distribution center within the Airport Industrial Park.

Rogalski provided background information on this item. A copy of the Redevelopment Agreement by and among the City of Lawton, the Lawton Economic Development Authority, the Lawton/Fort Sill Economic Development Corporation, and Fischer59 Properties, LLC may be obtained from the City Clerk's Office upon request.

Rogalski said Brad Cooksey, LEDC President, has been working on this project for a little over a year. Rogalski said this is an important project because it both retains an existing industry as well as helping it expand.

Rogalski said that every item specified in the Agreement also appeared on the Term Sheet that has previously been approved by the Authority. He noted that the Agreement went through several revisions as staff worked with the attorneys for Fischer59 Properties, and the LEDC approved the final version of the Agreement at their board meeting on Monday. However, Rogalski said staff is still waiting for Fischer59 Properties to approve the final version of Agreement. He said he anticipates that Fischer59 Properties will approve this version.

Rogalski said this Agreement is exactly parallel to the Pepsi Co. Agreement. The Agreement anticipates that the Redeveloper purchase 15.71 acres of property (as outlined in Exhibit A of the Agreement) from the LEDC for \$260,000. The net proceeds of this sale would be provided to the City of Lawton. The Redeveloper will also design and construct the off-site public improvements, to include a roadway extension and a water and sewer line. Rogalski said he worked with Whisenhunt to determine a rough cost estimate for this project, and they believe it will cost around \$1.6 million – this will be the maximum amount.

According to the Agreement, Rogalski said the City of Lawton will hold the LEDC's funding and the remaining portion of the \$1.6 million allowed for public improvements until the improvements are completed. Rogalski said the construction plans for the public improvements will go to City Council for approval before construction is allowed to begin. Once the improvements are completed, Rogalski said the City will conduct inspections. A 100% maintenance bond will be required with the final inspection. Rogalski said once the final improvements (and required inspections) and maintenance bond are approved by Council, the City would then release the money to the Redeveloper for the actual cost of the off-site public improvements. The City would also activate the TIF District at this time.

Rogalski said as the money comes in through the TIF District, the Authority would reimburse both the City and the LEDC for the cost of the public improvements.

Motion by Gill, Second by Madigan, to approve a Redevelopment Agreement by and among the City of Lawton, the Lawton Economic Development Authority, the Lawton/Fort Sill Economic Development Corporation, and Fischer59 Properties, LLC, for the development of a distribution

center within the Airport Industrial Park. **AYE:** Sheppard, Hensley, Fitch, Gill, Madigan, Means. **NAY:** None. **MOTION PASSED.**

4. Consider approving Draw Request #1 from Westwin Elements.

Rogalski and Rusty Whisenhunt, Public Utilities Director, provided background information on this item. A copy of Draw Request #1 from Westwin Elements may be obtained from the City Clerk's Office upon request.

Whisenhunt said he and Rogalski both have completed inspections. He noted there are three items with this Draw Request, including site clearing as well as site grading and compacting. Whisenhunt said this work was inspected by License and Permits, and lab testing has confirmed the work has met density and gradation requirements for the specific material(s) used.

Whisenhunt said Draw Request #1 also includes work that was done for the foundation as well as the metal iron work done for the building. Whisenhunt said this work was inspected on February 26th, and it met all requirements.

Whisenhunt said the Draw Request includes paid invoices as well as lien releases from the appropriate vendors. He said the Draw Request does hold a 10% retainage. The pay request was for a total of \$534,030.02, or \$593,366.69 with the 10% retainage.

Madigan noted that the documentation is exceptional, and he appreciates the inclusion of lien waivers.

Motion by Gill, Second by Hensley, to approve Draw Request #1 from Westwin Elements.

AYE: Sheppard, Hensley, Fitch, Gill, Madigan, Means. **NAY:** None. **MOTION PASSED.**

5. Discuss a proposal from Retail Attraction LLC for economic development consulting and provide staff with direction from the Authority regarding their desire to further pursue this proposal.

Chairman Fitch provided background information on this item. A copy of the proposal from Retail Attraction LLC may be obtained from the City Clerk's Office upon request.

Chairman Fitch said the Authority has hired a similar company in the past, the Retail Coach, and he said he cannot recall getting much out of it. Now Brent Kisling, owner of Retail Attraction, LLC, has approached the Authority asking if we'd be interested in his economic development consulting services.

Chairman Fitch said Brent is very knowledgeable in retail economic development.

Rogalski said Brent's company has been around for a very long time. Rogalski noted that this is a discussion item only – the Authority is not expected to take action at this time.

Rogalski said he has mixed feelings regarding this proposal. He noted it would be great if it works well, but it could be a waste of money if there is no success.

Madigan said he's not necessarily opposed to the proposal, but he would like to see changes made to the current fee structure. He said he would prefer to see a percentage incentive instead.

Chairman Fitch said he agrees with this idea. However, the consultant would also have to agree.

Rogalski said this is a great idea, but he's skeptical that the consultant would be open to altering the current fee schedule.

Brad Cooksey, LEDC, said Brent asked to meet with him and Mayor Booker to discuss this possibility. However, Cooksey said it would not be appropriate for the LEDC to hire Brent. Cooksey said he then approached Rogalski asking if this is something the Authority may be interested in pursuing. Cooksey noted that Brent brings an interesting perspective because he's very well respected throughout the entire State of Oklahoma. Cooksey said it's also important to keep in mind that retail development comes after economic development. Retailers often look at household income when deciding where to expand.

Chairman Fitch said he likes the idea of restructuring the fee schedule to where the consultant is paid based on performance. He asked Rogalski to discuss this possibility with Brent.

Rogalski said he will start putting something together and then discuss it with Brent.

Hensley asked if a market study could be dropped before the Authority has any additional discussion about this proposal.

Rogalski said yes.

Means said he does not like the idea of hiring a consultant to do this sort of work when there are already local businesses doing this sort of work.

Gill said he is not excited at all about this proposal.

No action was taken on this item.

REPORTS

1. Receive a report from the LEDA Executive Director

a. Westwin Elements

Rogalski introduced AJ Arends, Project Manager for the Westwin pilot plant construction. Arends reviewed a presentation of the Weekly Construction Report as of March 15, 2024. A copy of this presentation may be obtained from the City Clerk's Office upon request.

Chairman Fitch said he believes Summit Utilities will possibly share some of the expenses for the installation of the gas line – he advised Arends to investigate this. He also noted he's glad to see that an emergency generator has been installed.

Chairman Fitch asked if a concrete pad will be installed underneath the fence line so that weeds do not grow up through the fence.

Arends said they hadn't planned on installing a concrete curb along the fence line, but they will look into this.

Madigan asked how long the pilot plant would need to be in operation before the next step can be taken to build the full-scale refinery.

Arends said there is a bankable feasibility study that is ongoing, and Westwin also has a DOE grant application that has been submitted. With regards to the first commercial scale facility, the design has to get to an appropriate degree of completion before the next steps can be taken.

Sheppard asked who does the bankable feasibility study.

Arends said Westwin has contracted with AtkinsRéalis out of Canada. He said this is global company that is heavily involved in the mining and refining business.

Chairman Fitch asked when the pilot plant is slated to go into production.

Arends said Westwin is hoping to have the pilot plant mechanically complete towards the end of May or early June. At this point, dry commissioning will begin, which tests all the different nodes of the process without pushing product through to make sure they're functioning properly. After that, they will begin wet commissioning, which involves running product. Arends said Westwin hopes to have product produced around the August time frame.

Chairman Fitch asked when Westwin anticipates getting clearance to move forward with construction of the commercial plant.

Arends said the goal is for Westwin to obtain clearance to move forward with construction of the commercial plant mid to late 2025.

Cooksey noted that Westwin has not yet committed to having the commercial plant built here. He emphasized how important obtaining state support will be for this project. Cooksey said he has met with the Governor and other elected officials regarding a letter of support for Westwin – the Governor has signed the letter, but there are other officials who haven't. Cooksey said Westwin could easily decide to build the full-scale refinery in a different state in which it receives better support. He said a few weeks ago he was in Florida with officials from Westwin at a very high-level meeting with very prominent people, to include investors and members of the DOD. Cooksey said the City of Lawton has done what they need to do, but there is a need to recruit additional support from the State of Oklahoma.

Rogalski said the LEDC is contracting with a third-party environmental consultant, Blackshare Environmental, to do a third-party evaluation of the permit documents and present them in a way that is understandable. He noted that Blackshare Environmental is also the environmental consultant for the Lawton Airport Authority. Rogalski said the proposed refining process is a very clean process. He noted that the first commercial carbonyl plant, Vale Europe in the United Kingdom, was established in 1890 by the guy who invented the carbonyl process. He said there is an entire neighborhood built around this refinery, and there is an operating yoga studio across the street from the refinery.

Rogalski noted there was an error on the deed for the 40 acres from CCIDA to LEDA. Staff has corrected the deed and associated documents. He noted the Authority passed a Resolution authorizing the Chairman to execute all corrective documents. Rogalski said he will have Chairman Fitch sign the corrected documents after the meeting.

b. Lawton Lodging

Rogalski said that Lawton Lodging has requested that the Authority extend the hotel motel tax rebate Agreement. The current Agreement expired today. Per the Agreement, Lawton Lodging was eligible to receive a hotel motel tax rebate for a duration of 10 years.

Rogalski said the Authority is not required to take any action on this today.

c. STEDI Amendment

Rogalski said staff will be amending the STEDI Project Plan to add a few areas - specifically the Westwin project, which was in the county until the City of Lawton annexed in the property. He said staff will also be adjusting the size of TIF 4 and TIF 5 (Fischer59 Project).

ADJOURNMENT

Motion by Gill, **Second** by Means, to adjourn the March 21, 2024 meeting. **AYE:** Sheppard, Hensley, Fitch, Gill, Madigan, Means. **NAY:** None. ***MOTION PASSED.***

There being no further business, the meeting adjourned at 3:00 PM.