Lawton City Hall
212 SW 9th Street
Lawton, Oklahoma
73501-3944

City of Lawton

Lawton Economic Development Authority

Minutes

Thursday, April 17, 2025 | **2:00 PM** | **Lawton City Hall 3rd Floor Conference Room**

Meeting Called to Order and Roll Call

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

ROLL CALL:

PRESENT: Fred Fitch, Randy Warren, David Means, Larry Neal, George Gill, David Madigan, Brandie Page

ABSENT: Ron Nance (excused), Jason Hensley (excused)

OTHERS PRESENT: Richard Rogalski, LEDA Executive Director; John Ratliff, City Manager; Garrett Lam, City Attorney's Office; Wesley Simmons, City Attorney's Office; Tammy Branstetter, City Clerk's Office; Rusty Whisenhunt, Public Utilities Director; Matthew Modeste, Hatch, Croke & Associates; Nicole Jordan, Lawton Economic Development Corporation (LEDC); Kim McConnell, Lawton Constitution; Matina Davis, Citizen of the Community

Statement of Compliance with Oklahoma Open Meeting Act, 25 O.S. 301-314

Chairman Fitch confirmed with Branstetter that the meeting notice and agenda were posted by the City Clerk's Office as required by State Law.

Business Items

1. Consider approving the minutes of the February 20 and March 13, 2025, meetings.

A copy of the minutes of the February 20 and March 13, 2025, meetings may be obtained from the City Clerk's Office upon request.

Motion by Madigan, **Second** by Means, to approve the minutes of the February 20 and March 13, 2025, meetings. **AYE:** Fitch, Madigan, Warren, Means, Gill, Neal, Page. **NAY:** None. **MOTION PASSED.**

2. Receive the February 2025 Financial Report from Hatch Croke & Associates, P.C., and take action as deemed necessary.

Matthew Modeste, Hatch Croke & Associates, P.C., presented the February 2025 Financial Report, which includes the following financial statements:

- Statement of Net Position dated February 28, 2025
- Statement of Revenue and Expenses – Combined for the Period Ended February 28, 2025,
- Statement of Cash Flows for the Period Ended February 28, 2025
- Statement of Revenue and Expenses – Operations for the Period Ended February 28, 2025
- Statement of Revenue and Expenses – TIF District 1 for the Period Ended February 28, 2025
- Statement of Revenue and Expenses – TIF District 2 for the Period Ended February 28, 2025
- Statement of Revenue and Expenses – TIF District 3 for the Period Ended February 28, 2025
- Statement of Revenue and Expenses – TIF District 4 for the Period Ended February 28, 2025

A copy of the February 2025 Financial Report may be obtained from the City Clerk's Office upon request.

Modeste reviewed the Statement of Net Position found on page 3 of the financial statements. Under Current Assets, the first five accounts are the bank accounts, and these all total $5,694,019.10. The next item is the interest receivable from BOK, which was received in March. The sales and use tax receivable is $256,471.24. The property tax receivable is $10,875.00. The current year's state matching funds are $629,189.79. The last item is the prior year matching funds - there was no change in that amount of $1.6 million. Modeste noted that staff is still in the process of trying to collect from the state. Modeste said there was no change in the fixed assets and no change in the other assets, which is the note receivable for Westwin Elements. Modeste said the total assets equal $12,690,324.31.

Modeste reviewed the Liabilities and Net Position found on page 4 of the financial statements. Accounts payable equal $11,326.38. Modeste said we have two new accounts in the long-term liabilities. The fourth item down is a TIF 5 incentive, and we received that deposit from the LEDC on February 19th in the amount of $243,593.00. The other new account is also a TIF 5 incentive in the amount of $1,770,310.30, and we received that deposit from the City of Lawton in February. Modeste said there was an increase of $97.00 to the Bricktown Brewery escrow account, which was the interest earned on the Arvest account. Modeste said the assets minus the liabilities give you a total net position of -$16,329,876.34. Modeste said the total liabilities and net position total $12,690,324.31.

Modeste reviewed the Combined Statement of Revenue and Expenses found on page 5 of the financial statements. Modeste noted that the details of all of these can be found on pages 7-11 of the financial report. The hotel/motel tax for December 2024 and January 2025 totals $45,068, and this payment was received in February. The State of Oklahoma matching funds total $349,581.45. Modeste noted that this has not been received, but the entry has been made to accrue these funds because they have been earned. February property tax received in March totaled $10,875.00. The sales and use tax for October, November and December 2024 totaled $256,274.45, and this payment was received in February. Modeste said the total operating expenses were $41,313.60, and there was interest income in the amount of $11,452.57, so the change in net position was an increase for the month of $632,037.87.

Modeste reviewed the Statement of Cash Flows found on page 6 of the financial statements. Modeste said this statement reconciles the net income of $632,037.87 to the cash at the end of the period of $5,694,019.10. The cash at the beginning of the period totaled $3,912,364.49, so there was an increase in cash for the month of $1,781,654.61, leaving you with $5.6 million in cash at the end of the period.

Madigan said this will be the last month that we see the TIF 2 escrow notated on the financial statements. He asked Modeste if that was correct.

Modeste said that's correct, because at the last meeting, the Authority voted to approve the disbursement of these funds. He said this account will disappear from the bank accounts listed under the current assets, and it will disappear from the liabilities as well.

Motion by Warren, **Second** by Gill, to accept the February 2025 Financial Report from Hatch Croke & Associates, P.C. as presented. **AYE:** Fitch, Warren, Madigan, Means, Neal, Page, Gill. **NAY:** None. **MOTION PASSED.**

3. Consider authorizing the Chairman to create a separate account for STEM funding apportionments from TIF district income associated with the STEDI Project Plan, to include approval of the funding plan in the amount of the initial deposit.

Richard Rogalski, LEDA Executive Director, provided background information on this item. Rogalski reviewed the STEM Funding Plan. A copy of the STEM Funding Plan may be obtained from the City Clerk's Office upon request.

Rogalski said STEM would have been the easiest thing to disburse because it was automatically ten cents out of every dollar, which makes it easy. However, he said the Authority voted in the past to frontload the STEM funding so that we could have a budget of $206,000 a year for ten years, with the expectation that by the time those ten years are up, you'll have more revenue and will be able to maintain the STEM program. Rogalski said with your current revenue stream, the projection is that you could fund the STEM program for ten years. After that, it drops off, and you won't fund it at that amount anymore.

Rogalski said in order to do this, what it took was a STEM apportionment of 15.29% of the Lawton funds - that's what we've discussed before. Rogalski said we've been setting aside this money for STEM, but now we actually have a contract with QUEST of Oklahoma, Inc, to do the STEM program, so we have to start making payments. He said we've discussed this with Modeste, and we felt like it would be better to have a separate account. The account will still belong to the Authority - it would be a LEDA account with City National Bank. Rogalski said the benefit of having a separate account is that whatever interest earned in the account stays with STEM, as opposed to otherwise.

Rogalski said if we got to the end of ten years and didn't have more STEM revenue, we would have to figure something else out. He said the funding program is just TIF 3 and TIF 4. Rogalski said TIF 5 and TIF 6 have already been approved, and they'll probably start earning money next year. He said we might be able to adjust the percentage a little bit once those start earning revenue, but for right now we've backdated the 15.29% to the beginning. All the funds that LEDA has received in TIF revenue for TIF 3 and TIF 4 equal $3,465,146.96. Rogalski noted that this is through the beginning of 2024 - we've received a little bit of 2024 funding, but not the full calendar year's fund.

Rogalski said the top set of columns is the STEM Funding Plan that I'm recommending we do to pre-fund the STEM program. The bottom set of columns details the minium required STEM apportionment of 10%. Rogalski said the difference is about $157,000, so it's not a huge change.

Rogalski said we would be putting the $508,440.25 that has been set aside in STEM funding into the new account. From this amount, $458,357.32 is for the Lawton program, and $39,480.11 is for the Cache program.

Gill asked for clarification how this funding will be disbursed to Cache.

Rogalski said they won't get any of the money until they request it from us. In fact, the STEM Board would probably have to approve it. However, they haven't requested it yet, and they probably aren't aware of it yet.

Rogalski noted that we already have some invoices from the Quest program. Once we create this account, we will have to approve these invoices and cut the checks for them, but the purchases were all per their budget, which has been approved.

Motion by Gill, **Second** by Warren, to authorize the Chairman and Executive Director to create a separate account for STEM funding apportionments. **AYE:** Madigan, Means, Neal, Page, Fitch, Gill, Warren. **NAY:** None. **MOTION PASSED.**

4. Consider authorizing the Chairman to enter into project/developer specific listing agreements with brokerage firms recruiting potential development on LEDA owned property. Such agreements, rather than being an exclusive

listing with an individual broker, would be specific to project/developer, such that LEDA would only pay the brokerage fee upon closing the sale of the property with development listed therein. It is likely that over time, until the property is developed, multiple such agreements will be executed.

Rogalski provided background information on this item. He noted that the Authority has owned this property for approximately 12-13 years, during which time it's always been an exclusive listing with somebody. The property is available for sale. Rogalski said the idea was that, rather than pick the next single listing agent, we would allow the Chairman to enter into agreement(s) for specific projects with brokerage firms recruiting potential development for the property. If the brokerage firm can make the project happen, they would receive the brokerage fee. If not, we would own them nothing.

Madigan asked who would be responsible for making sure the postings for marketing the land is accurate, and who would be monitoring the property.

Roglaski said we will have to manage this. We would likely build a flier.

Madigan said in theory, it's a good idea, but we need someone driving this property all the time to keep it out front with marketing.

Rogalski said in theory, everyone is going to drive it, because brokerage firms will have a chance to find somebody to occupy the property.

Warren said it would be like a first come, first served basis.

Gill said this will go in a national, multi-list type situation anyway, so it will be available to big companies that are looking to come here. However, Gill said the City of Lawton or the Authority might want to put a nice sign located on that property in a couple of places advertising all of this.

Means said in Oklahoma, to sell your property, you don't have to have a real estate license. However, this is an entity selling the property. He asked if an entity needs to have a license.

Warren said he doesn't think so.

Rogalski said he will check on this.

Gill said the City of Lawton can sell property, and he's sure the city doesn't have a real estate license.

Rogalski noted that we're an Authority of the City of Lawton.

Gill said we'd be working under that umbrella.

Motion by Warren, **Second** by Madigan, to authorize the Chairman to enter into project/developer specific listing agreements with brokerage firms recruiting potential development on LEDA owned property. **AYE:** Madigan, Means, Neal, Page, Fitch, Gill, Warren. **NAY:** None. **MOTION PASSED.**

5. Receive a report from Rusty Whisenhunt, Director of Public Utilities for the City of Lawton, and consider approving Reimbursement Request #3 from Fisher59 Properties in the amount of $224,840.34 for the cost of public improvements associated with the construction of a new warehouse and distribution center made in accordance with the First Amended Redevelopment Agreement between LEDA and Fisher59 Properties, approved on January 14, 2025.

Rusty Whisenhunt, Director of Public Utilities, provided background information on this item. A copy of Reimbursement Request #3 from Fisher59 Properties may be obtained from the City Clerk's Office upon request.

Whisenhunt said the contractor is meeting all the requirements with the contract documents. The site utilities are 71% complete, and the earthwork is 55% complete. Whisenhunt noted that Fisher59 has not started the construction of the on-site concrete. Overall, the total project is right at 35-36% complete.

Whisenhunt said the supporting documents supplied by Fisher59 show all the invoices being paid. He said this would bring the total payments for the project to $562,188.03.

Motion by Gill, **Second** by Neal, to approve payment of Reimbursement Request #3 from Fisher59 Properties in the amount of $224,840.34. **AYE:** Madigan, Means, Neal, Page, Fitch, Gill, Warren. **NAY:** None. **MOTION PASSED**.

Reports

1. Receive a report from the LEDA Executive Director.

Rogalski said we recently received a check for over $1 million from the state from their state matching funds. He said we then promptly submitted the next two six-month periods. However, he has not yet heard back from the state regarding the latest submission. Rogalski said he will be calling to follow up on this tomorrow to ensure they have received the submission. Rogalski noted that the benefit went from 2% to 27.5%.

Rogalski said we have the money in the bank to make the note payment in September.

Rogalski said the Fisher59 project is moving along well - they have a building on the property. He noted that the TIF revenue we receive is always after the property is assessed. The building will be done by December of this year, so it will be assessed next year.

Rogalski said he spoke to LURA about looking again at their Urban Renewal Plan and seeing if there are any updates that need to be made.

Rogalski said we're looking at updating the Downtown Project Plan, to include some expansions.

Executive Session

1. Pursuant to Section 307C.11, Title 25, Oklahoma Statutes, consider convening in executive session for the purpose of conferring on matters pertaining to economic development, including the transfer of property, financing, and the creation of a proposal to entice a business to locate within their jurisdiction if the public disclosure of which would violate the confidentiality of prospective business entities, and if necessary, take appropriate action in open session, to include providing direction to the Executive Director, to either pursue or not to pursue further negotiations with any economic development prospects so discussed, and/or authorization to apply for grant funding in support of the project.

Motion by Warren, **Second** by Means, to convene in executive session. **AYE:** Madigan, Means, Neal, Page, Fitch, Gill, Warren. **NAY:** None. **MOTION PASSED**.

The Authority convened in executive session at 2:43 PM and remained in executive session until 3:05 PM.

Motion by Gill, **Second** by Neal, to return to open session. **AYE:** Madigan, Means, Neal, Page, Fitch, Gill, Warren. **NAY:** None. **MOTION PASSED.**

Adjournment

Motion by Gill, **Second** by Neal, to adjourn the April 17, 2025, meeting. **AYE:** Madigan, Means, Neal, Page, Fitch, Gill, Warren. **NAY:** None. **MOTION PASSED**.

There being no further business, the meeting adjourned at 3:06 PM.