MINUTES
Lawton Economic Development Authority
Regular Meeting
July 18, 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, Randy Warren, Ron Nance, Larry Neal, David Means, Ernest Sheppard

ABSENT: George Gill, David Madigan, Jason Hensley

OTHERS PRESENT: Richard Rogalski, LEDA Executive Director; John Andrew, City Attorney; Tammy Branstetter, City Clerk's Office; Charlotte Brown, Community Services Director; Scott Hatch, Hatch, Croke & Associates, PC; Matthew Modeste, Hatch, Croke & Associates, PC

BUSINESS ITEMS

1. Consider approving the minutes of the June 20, 2024 meeting.

Motion by Neal, **Second** by Means, to approve the minutes of the June 20, 2024 meeting. **AYE:** Fitch, Warren, Means, Nance, Neal, Sheppard. **NAY:** None. ***Motion Passed.***

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

Matthew Modeste, Hatch Croke & Associates, P.C., presented the May 2024 Financial Report, which includes the following financial statements:

- Statement of Net Position dated May 31, 2024
- Statement of Revenue and Expenses – Combined for the Period Ended May 31, 2024
- Statement of Cash Flows for the Period Ended May 31, 2024
- Statement of Revenue and Expenses – Operations for the Period Ended May 31, 2024
- Statement of Revenue and Expenses – TIF District 1 for the Period Ended May 31, 2024
- Statement of Revenue and Expenses – TIF District 2 for the Period Ended May 31, 2024
- Statement of Revenue and Expenses – TIF District 3 for the Period Ended May 31, 2024
- Statement of Revenue and Expenses – TIF District 4 for the Period Ended May 31, 2024

A copy of the May 2024 Financial Report may be obtained from the City Clerk's Office upon request.

Chairman Fitch said he appreciates all the hard work that Scott Hatch's Office has put into taking over management of the Authority's financials.

Rogalski said he appreciates how the financial report was put together in a very logical way. He said he values the knowledge and expertise of the staff at Hatch's Office.

Motion by Warren, **Second** by Means, to accept the May 2024 Financial Report from Hatch Croke & Associates, P.C. as presented. **AYE:** Fitch, Warren, Means, Nance, Neal, Sheppard. **NAY:** None. ***Motion Passed.***

3. Consider approving the apportionment of revenues received for TIF 3 and TIF 4, to include corrections to past apportionments, and take action as deemed necessary.

Rogalski gave background information on this item. He provided Authority members with the TIF Funds Distribution Report dated July 18, 2024. A copy of this Report may be obtained from the Clerk's Office upon request.

Rogalski said that this is the first TIF Funds Distribution Report to be brought before the Authority for approval. He said this will be the most complex TIF Funds Distribution Report because it's dealing with all of the past calculations and interest. Rogalski said that going forward, the Authority will be distributing TIF funds on a monthly basis, so there won't be a need for interest calculations. He said TIF distributions were made on 5/1/2023 and 10/24/2023. He noted that the formula used for calculating the distributions has changed a bit due to the fluctuating millage rate. Because of this, calculation errors have been discovered that need to be corrected. Rogalski said he has now ensured the appropriate millage rate has been used for these calculations.

Rogalski said there was just one small correction for Cache School District. For the next distribution error, there was the same minor calculation distribution issue along with two other issues. The first issue is that the interest hadn't been separated as it should have been. This resulted in the over apportionment of $2,000 worth of interest. The second issue was that all the money was applied to the same tax year when it should have been applied to two tax years, and the millage rates are slightly different for each of the tax years.

Rogalski said for the current apportionment, there is approximately $1.2 million in receipts, and he apportioned a little less than $4,000 for interest. The total distribution adds up to $1.219 million.

Rogalski said for TIF District 4, there were no past miscalculations to address. However, interest has been factored into the distribution. Rogalski noted that interest will not be a factor in the future because TIF distribution payments will be made on a monthly basis.

Rogalski said the reason it's important for the Authority to approve the apportionment of revenues received for TIF 3 and TIF 4 is because technically there isn't anything in writing stating the Authority must distribute interest. However, because the Authority wasn't timely on these distributions, Rogalski added interest to the apportionments.

Sheppard asked if the interest is moved to a separate bank account.

Rogalski said no – it goes in the same account.

Motion by Warren, **Second** by Nance, to approve the apportionment of revenues received for TIF 3 and TIF 4, to include corrections to past apportionments as presented. **AYE:** Fitch, Warren, Means, Nance, Neal, Sheppard. **NAY:** None. ***Motion Passed.***

4. Discuss a potential STEM funding plan for the Lawton Fort Sill STEM Program and provide direction as necessary.

Rogalski provided background information on this item. Rogalski said he's been informed that the Authority will hold all the STEM funding and will be making distribution payments to the eligible organizations/entities as necessary.

Rogalski said the Authority will not be deciding who gets STEM funding – that will be determined by the STEM Board. The Authority will make STEM distributions according to the STEM Board's approval of expenditures.

Rogalski said STEM is automatically given 10%. The money that's earned in the Cache Public Schools District and the Lawton Public Schools District will be shared proportionately based on the total number of students within their district. Based on this calculation, Cache Public Schools would receive 12.91% and Lawton Public Schools would receive 87.09%.

Rogalski said it's his understanding that the Lawton Public Schools District has endorsed the STEM Board's program, so all the STEM funding that would be attributable to Lawton would go to the Lawton STEM program. The STEM Board approved a budget of $206,000 a year for ten years. Rogalski said our STEM funding according to the STEDI Project Plan is about $140,000 over the 25 years that a TIF District is activated. Rogalski said there is a desire to have a more robust STEM program within the City of Lawton - this would cost a minimum of $206,000. Rogalski said it's being proposed that the Authority apportion 15.29% over a ten-year period to the Lawton STEM program. In 2033, this figure would go down 3.37% a year. Rogalski said the projected revenue would come from TIF 3 and TIF 4. The expectation is that more TIF Districts will be activated over the course of the next twelve years, which would generate additional STEM funding to allow for the continuation of a robust STEM program in Lawton. If the Authority is comfortable with apportioning 15.29% to the Lawton STEM program, Rogalski said he would draft a resolution in which the City Council would direct the Authority to fund the Lawton STEM program in this manner.

Rogalski noted that he spoke with Hatch, Croke & Associates, and they are of the opinion that the STEM funding needs to be held in a separate account, especially considering they are their own entity, and they'll likely receive donations.

Rogalski said he is excited about having the STEM program. He believes it will be a game changer for Lawton. He said making Lawton a STEM City will help the community raise smart kids who are ready for high-level engineering and other technical jobs found at businesses such as the FISTA and Westwin. The hope is for children to both receive their education as well as enter the workforce here in Lawton rather than moving away after college. Rogalski noted that some of this funding will be used for community outreach events designed to get young students excited about math and science.

Neal noted that schools are doing away with their Gifted and Talented programs and they're investing more in STEM.

Warren said he thinks this is a good plan – it will allow for STEM funding to be made available more quickly, which will help if the STEM Board applies for a grant that requires matching funds.

No action was taken on this item.

5. Discuss the distribution of TIF funds remaining after disbursement to STEM and the Taxing Entities and provide direction as necessary.

Chairman Fitch and Rogalski provided background information on this item.

Chairman Fitch said this funding could be used towards CIP project support and public improvements.

Rogalski said he will be taking to Council a resolution that would specify how the City wants the $1.68 million in TIF funds remaining after disbursement to STEM and the Taxing Entities to be distributed. Rogalski noted that the Authority owes the City money, and he anticipates the City will first want their money back.

Chairman Fitch noted that the money will continue to flow in once the Authority has paid all their debts.

Rogalski said in the past the agreement with the Center for Economic Development Law was a co-agreement between the City and the LEDA. The City was paying the bill out of the hotel motel economic development fund and adding it to the Authority's note that goes to the City. Rogalski said he is proposing the Authority pay for this bill going forward out of the TIF funds remaining after disbursement to STEM and the Taxing Entities.

REPORTS

1. Receive a report from the LEDA Executive Director

Rogalski said Westwin expects to be done with construction of the pilot plant by August 15, 2024.

EXECUTIVE SESSION

1. Pursuant to Section 307C.11, Title 25, Oklahoma Statutes, consider convening in executive session for 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.

Motion by Nance, **Second** by Means, to convene in executive session. **AYE:** Fitch, Warren, Means, Nance, Neal, Sheppard. **NAY:** None. ***Motion Passed.***

The Authority convened in executive session at 2:46 PM and remained in executive session until 3:32 PM. When back in open session, roll call reflected all members present.

No action was taken on this item.

ADJOURNMENT

Motion by Means, **Second** by Nance, to adjourn the July 18, 2024 meeting. **AYE:** Fitch, Warren, Means, Nance, Neal, Sheppard. **NAY:** None. ***MOTION PASSED.***

There being no further business, the meeting adjourned at 3:33 PM.