

MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
CITY MANAGER'S CONFERENCE ROOM
OCTOBER 7, 2010 AT 2:00 P.M.

Fred Fitch, Chairman, called the meeting to order at 2:05 p.m. in the City Manager's Conference Room. Meeting notice and agenda were posted on the City Hall bulletin board as required by State Law.

ROLL CALL:

PRESENT: Denham; Drewry; Fitch; Means; Neal; Sheppard.

ABSENT: Madigan; Nance; Zarle.

OTHERS PRESENT: Bryan Long, Assistant City Manager; Denise Ezell, City Clerks Office.

INTRODUCTION OF GUEST

Fitch stated we have Bryan Long with us today from the City Manager's Office and John Mackey the attorney for LURA.

BUSINESS ITEMS

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

Fitch stated Furrh isn't here for us to approve invoices.

Ezell stated the bank interest is late and needs to be approved. I'm uncertain of the amount.

Mackey stated you can approve the interest under the terms for the loan document.

Fitch stated let's approve the invoice for Wigington and the bank interest.

Motion by Denham, **Second** by Sheppard, to approve the invoice to Wigington in the amount of \$3,200 and the interest payment to the lending institutions for the contractual amount required at time. **Aye:** Drewry; Fitch; Neal; Sheppard; Denham. **Nay:** None. **Motion Carried.**

2. Receive treasurer report from Kimberly Furrh and take action as deemed necessary.

Fitch stated there will not be a treasurer's report today.

3. Review and accept the appraisal of the Railroad Right-of-Way and take action as deemed necessary.

Fitch stated this document is in regards to the railroad right-of-way. The railroad lease was about to expire and once they realized we were interested in the land they renewed their

lease. The railroad's opinion is the property is valuable. According to Wiggington's appraisal the value of the property is \$32,500. We forwarded the appraisal to the railroad and ODOT. ODOT owns the land and the railroad is leasing it. Mackey is here to give us an update on this situation.

Sheppard asked is the gas line on the right-of-way.

Fitch stated yes.

Mackey stated a plat called the Lawton Pumping Station was filed many years ago on the south end and part of the gas line is in that plat. The title to all railroad right-of-way is up in the air because it all took place before statehood. You can't find any records in the County Courthouse. The Bureau of Land Management is supposed to have records but their card files are in no order at all. There will be deeds that convey all of the railroad right-of-way and they measured it from the center line of the main track which isn't there anymore. There are still a number of railroads but they lost interest as to who had what when they abandoned the right-of-way. The Burlington North deed does not have any legal descriptions it just conveys all their interest to ODOT and ODOT has leased it back to the railroad. The lease states the railroad can build a new railroad. The railroad had no interest until they found out there was activity going on. Wiggington knows the appraisal is low. All the enhancement features that the railroad tries to throw out doesn't hold water. The property to the left is LURA's and you can't use it. Those values are determined by the values of comps in other places within the city. They couldn't come up with numbers for the acquisition of those properties. At the north end is Elmer Thomas Park on the west and ditches and gaps on the east all of which is valueless property. The boundary lines all the way through does not enhance the value of this property at all. Wiggington has worked hard and believes he can justify the low number. The railroad will come up with someone to produce a higher number. An appraisal is an estimate based upon a good education as to what value might apply to the property. Mike Johnson and I have worked on the title and the bottom line is there is some uncertainty about where the lines are.

Means asked the \$32,000 goes from Gore to where.

Mackey stated Ferris.

Means stated so we are not going up into the park.

Mackey stated no. Touching on the north end.

Sheppard asked where does the railroad property end.

Mackey stated out of the county. The park has come up before. Around 1963 or earlier there was an actual patent from the government to the owners of the Ramada Inn for what is called Lot 6. It is a government correction lot but not what we are used to. It is 2 acres with 300 x 300 tract and the rest of the north half was deeded to the City by the United States with a reversionary clause that says if it isn't used for public purposes it goes back to the United States of America. This is not Indian land. When Wayne Gilley was mayor he signed a public parking

easement for a strip around the Ramada Inn. Dan Batchelor believes that is a president for using the property for parking and not violating the terms of the deed.

Denham asked could it be used as a detention pond for the building of that area.

Means stated I wouldn't think so if it says public parking.

Sheppard asked where do we stand with the railroad.

Fitch stated we have sent them the appraisal.

Mackey stated they won't like the number so you will hear back from them. It is a start.

Means asked how wide is it?

Mackey stated we don't know for sure. It is 50' from either side of the centerline but we don't know where the centerline is.

Denham asked what is the downside if we do nothing.

Mackey stated they have the right to build a railroad and we don't want that.

Sheppard stated they won't build a railroad.

Mackey stated no but it clouds the title and title insurance people will say they can't have that.

Drewry stated they will sell but for a bigger price.

Mackey stated yes because they don't want it.

Sheppard asked how did Geronimo acquire their right-of-way.

Mackey stated there have been some deeds to private third parties from the railroads. The railroad has heard about a shopping center going in so it changes their opinion.

Fitch stated one of the big hold ups for the project are the transmission lines. Kohl's originally was 60,000' and now has settled on 55,000'. This makes a difference for the rest of the buildings. Target is bringing their site crew in next month.

Denham stated they will be looking for activity in the area. Is there anything we can do to help.

Fitch stated Gill's is starting demolition. We will start in the northeast corner and work back. We won't tackle Coke due to the cost associated with it and it won't be in the way if they

start construction. The acquisition of the hotel/convention center will happen pretty quick and Kohl's wants to be in by November 2011.

Denham asked what is the timeline of relocating the transmission lines.

Fitch stated I don't know. The thing that will happen first is moving the lines and then the hotel can get started.

Denham stated so a lot of this can be done concurrently.

Fitch stated yes.

Sheppard asked does that mean they are going to tear up the street.

Fitch stated yes. The distribution lines will go underground.

Denham asked is the reason we need the right-of-way so we can move those lines.

Fitch stated yes.

Mackey stated it all goes back to the railroads were hugely important in the early days of the state and so nobody can push them around. That is just the way it is.

Fitch asked don't they own more land than anybody.

Mackey stated yes. All the condemnation laws are based on railroad law. They are the ones who first started the idea and the statutes were model after it. It gives a lot of power to the railroad companies. On the other hand it is hard to say anyone is stronger than the utility companies. No matter what the City of Lawton or LURA does it is subject to the rights of the utility company. You have 2 kinds of equally strong adversaries banging heads and I don't know who wins the fight. They don't want to fight because they don't get anything out of it so they want us to do the fighting.

Fitch stated if we get into a fight it will take longer. We need to work things out.

Mackey stated it seems AEP/PSO has some responsibility with the relocation and under the contract up to a certain amount is the developers responsibility.

Fitch stated we are feeling the transmission lines might be our responsibility. We haven't seen the figures on the distribution because they haven't determined which way they are going. PSO will be the big benefactor on all of this and they aren't now. There isn't any PSO consumption in the area at this time. That is what the TIF dollars are for. The cash up front will be on Scott's part and the TIF revenue financing will be at the end.

Sheppard asked has anybody looked at any numbers to make sure that Scott is tight.

Fitch stated yes but we haven't seen any final figures.

Sheppard stated once we see those number it might be good to let Carroll Rogers look at this again.

Fitch stated we are not through with utilizing Roger's expertise. Lisa Ellis the broker for Target will be here looking at the area. The proofs will come in sometime in November. On Monday we will start asbestos removal from the Coke building and demolition in this corner working this way. Here is a brochure Scott is using and it is public information. He has everything finalized with Kohl's and we hope to have tremendous success with Target. He will be putting up a project sign where Adam's Corner was.

Motion by Denham, Second by Neal, to accept the appraisal of Dan Wigington for the Railroad right-of-way. **Aye:** Fitch; Neal; Sheppard; Denham; Drewry. **Nay:** None. **Motion Carried.**

DISCUSSION ITEMS AND REPORTS:

Fitch stated the City of Lawton has been nominated for an award from Oklahoma Beautiful. Mitchell received an award through OML last week for the 2010 Innovation Award. This is for the joint efforts of the City and County for the 911 center. We are trying to take a more activity role with OML. We are meeting people and making them aware of Lawton. We had individuals come to us the other day praising the City for acquiring the water rights. This was the main topic of many cities in Oklahoma. Edmond just passed a 12% increase to their water bill to pay for water rights to Sardis Lake. It wasn't met with a lot of enthusiasm from the citizens of Edmond but at least they are addressing the issue. From everyone we talked to water is precious. Oklahoma City and Tulsa has recognized Lawton is somebody to be dealt with. We killed 2 bills that both were behind and it was only good for those 2 cities. The passage of House Bill 1786 is going to be very beneficial to us. This makes me proud of what this Authority, the Council and the prior Mayor has started to establish and we are certainly going to continue in that area.

Fitch stated Stanley was located in 4 or 5 locations different locations and will be consolidated into 1 building at the airport. They are running a little behind. Raytheon will be increasing from 13 to 50 plus employees. Thirteen of the 63 will be moving from El Paso with 50 new hires locally. The 3 year projection is to ramp that total to 100. They will be moving into the 2nd floor of Ron Nance's building. We have to take these facts and figures to put in our application for the revenues from House Bill 1786. The Stanley move will help strengthen our request and tie into these funds.

Denham asked is LEDA going to continue this project with a defense campus area.

Fitch stated there is a group looking to do that but I'm not at liberty to talk about it. That concept is still alive. Pinnacle has put the acquisition cost together for that square block. If these private people want to do this their first obstacle is the value of the property. The big cost is the acquisition of the 111 SW C building. They want to build off that.

Denham stated LEDA needs to make sure we still have that vision. It doesn't have to be that location but we need to envision a downtown defense campus. It needs to be something that Stanley will want to kick themselves over when they see the towers going up.

Fitch stated this group talked to Raytheon but Raytheon went to Nance's building. That might delay the defense block.

Fitch stated when Kirby Brown, Dana Davis, Mike Brown, Cindy Ross and I went to Huntsville in May we saw their business park for defense contractors. Dr. Ross talked to the President of the University of Alabama about what kind of curriculum they were structuring to satisfy the requirements of those contractors. There was an article in the paper this week about a \$44 million deal for the laser of the unmanned surveillance vehicle. Tony Strickland has been very involved in that program. Cameron has an incubator business that is also involved. The \$44 million is for real and \$25 million will be spent in Lawton, Oklahoma.

Denham asked is there any news on Jefferson Funeral Home.

Fitch stated nothing I can discuss in open session.

Long stated let's not forget about the tri-level exchange. This is going to be a significant contribution to what occurs in the Phase IA area and will certainly compliment it.

Denham stated we are still subject to getting the grant and the matching funds.

Long stated it is a pretty sure thing for the TE grant. It is just a matter on how we prioritize.

Fitch asked how much was the match.

Denham stated I think \$120,000.

Fitch asked are there any other questions.

ADJOURNMENT

There being no further business meeting adjourned at 2:55 p.m.

Motion by Neal, **Second** by Sheppard, to adjourn. **Aye:** Neal; Sheppard; Denham; Drewry; Fitch. **Nay:** None. **Motion Carried.**