MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
MAYORS CONFERENCE ROOM
NEW CITY HALL
NOVEMBER 18, 2015, AT 2:00 P.M.

Fred Fitch, Chair, called the meeting to order at 2:00 p.m. in the Mayor's Conference Room. Meeting notice and agenda were posted on the City Hall bulletin board as required by State Law.

ROLL CALL:
PRESENT: David Denham; Fred Fitch; David Madigan; David Means; Ron Nance; Larry Neal; Ernie Sheppard; Doug Wells.
ABSENT: Keith Jackson.
OTHERS PRESENT: Kristin Huntley, Financial Services; Richard Rogalski, Planning Director; Steven Greb and Daynne Due, City Attorney Office; Denise Ezell, City Clerk's Office.

INTRODUCTION OF GUESTS

Fitch stated there are none present.

BUSINESS ITEMS

1. Approve the minutes of September 17, 2015.

Motion by Wells, **Second** by Neal, to approve the minutes of September 17, 2015. **Aye**: Fitch; Madigan; Means: Nance; Neal; Sheppard; Wells; Denham. **Nay**: None. **Motion Passed**.

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

Fitch asked we don't have any item at this time. I did sign a check for the CCIDA note.

Wells asked are we just paying the interest.

Fitch stated yes.

Wells asked will CCIDA ever consider writing the note off.

Fitch stated I can't say but they have done this in the past.

3. Receive Financial Report and take action as deemed necessary.

Huntley stated on the September balance sheet you see at the end of the month there was $711,917.20 in the account. Current assets are hotel sales tax of $10,539.06 and the matching funds show $1.78. This is a typo in the paperwork I received. We actually have $1.78 less than what the paperwork said. I checked with the Finance Directors office and this was corrected.

On the accounts payable there were a couple of invoices received in September but won't pay until October. Looking at the Profit and Loss statement the hotel sales tax is $21,036.55, property tax income $23,034.00, and sales and use tax $33,515.21. Under expenses for advertising and promotion was $2,047.50, bank charges $65.00, interest expense $104,365.18, mowing and debris removal of $1,000, professional fees of $3,367.00 and we received $125.87 in interest. Are there any questions about September?

Well asked is the hotel included in the hotel/motel receivable.

Huntley stated no. The hotel sales tax is separate. On the October balance sheet you see we started with $715,395.88. Hotel sales tax was $17,008.65, matching funds of $309,195.56, and sales and use tax $64,405.98. Looking at the Profit and Loss hotel sales is $6,369.59, matching funds for January through June of 2015 was $309,193.78, property tax $3,384.00 and sales and use tax $30,891.77. The interest expense was $145,730.84 and professional fees of $6,623.50. We received $94.68 in interest in October. Are there any questions.

Rogalski asked is the property tax income for TIF I.

Huntley stated yes.

Sheppard asked have we received the $309,195.56 in matching funds.

Huntley stated no.

Sheppard asked are you just accruing it.

Huntley stated yes.

Wells stated we should receive a good check in January for property tax. Do we know what to expect.

Rogalski stated I don't want to speculate.

Motion by Denham, **Second** by Means, to accept the financial report. **Aye**: Madigan; Means: Nance; Neal; Sheppard; Wells; Denham; Fitch. **Nay**: None. **Motion Passed**.

4. Report on project activities, issues and programs including discussion and possible action on implementation and coordination.

Rogalski stated other than the UPS and Sprint stores I have nothing new.

Fitch stated on the last conference call with everyone the hotel was pleased with the way things were going. They are renting the convention center for 2 graduations a month and on those weekends their occupancy is 99%. They have 4 or 5 state conventions lined up in the next several months.

5. Approve Notice of Meeting for 2016.

Fitch stated every year we must file an Annual Meeting Notice in the City Clerk's office. This is to approve that notice.

Motion by Wells, **Second** by Means, to approve the annual meeting notice for 2016. **Aye**: Madigan; Means: Nance; Neal; Sheppard; Wells; Denham; Fitch. **Nay**: None. **Motion Passed**.

6. Consider approving retainer agreement for professional services between LEDA and Allen McCall to perform certain consulting services with regard to the Lawton Town Center electric utility relocation.

Fitch stated I'm going to move this item to after the Executive Session item.

7. Receive a report on the TIF revenue generated by the Lawton Town Center project and the funds that are projected to be available for the March 2016 Note payment.

Rogalski stated the top graph is all the retail sales tax that has been collected since May 2015. This gives you a cycle of how thing have been operating and it has been pretty consistent. It does spike in November and December. The purpose of doing this is so we can determine what we may need in March to make the note payment. We did struggle a little to make the September payment and I'm trying to get ahead of the game. For October, November and December I used the estimate of 90% from the collection in 2014. Until we get more development the numbers will stay somewhat the same. For every note payment we should have about 6 months of matching funds unless we expand or do something different. The sales tax collection will be fairly consentient also. We should have around $223,515 in the TIF II account. This leaves us with a shortfall of $117,288 that we will have to make up from the TIF I account. The big thing is property taxes will start coming in after the first of the year but I don't anticipate having them in our hands before the payment is due in March. If it comes in around $600,000 as we anticipate this will make the payment. So with the property tax, sales tax and matching funds we should be able to make both payments. Keep in mind the payment in September is both interest and principal.

Wells asked is the TIF I where the draw is available.

Rogalski stated no. TIF I is money generated from property taxes in the entire TIF District.

Wells stated as I remember the payments will increase every year.

Rogalski stated that is correct.

Fitch stated this will be the first ad valorem we have received from the 12 blocks.

Rogalski stated and it should make a big difference.

Sheppard asked have we compared the sales tax from the 2nd Street Project to the 82nd Street project on a per foot basis.

Rogalski stated no.

Fitch stated we can probably do that.

Means stated it would be interesting to see that comparison.

8. Consider quotes for the removal of the trees from Lots 3 and 8 of the Lawton Town Center project and take action as deemed necessary.

Fitch stated this is to clear all the tress north of Joann's to Ferris and on the southeast corner behind the hotel. We are trying to keep this mowed and cleaned up. The realtors trying to sell the property are pushing to have the trees removed and Rogalski has gotten bids.

Rogalski stated here are the quotes to remove the trees and as you see the bids are pretty broad. There is a price listed for Lot 3 and Lot 8. Lot 3 is the property located east of the hotel and Lot 8 is the whole north end. Clearing these lots will make it easier to maintain the property.

Wells asked does the price include grinding the stumps.

Rogalski stated yes. They will cut everything down, grind 12" below grade and then haul it all off.

Wells stated it appears Family Tree Service is who we want to award the bid to.

Rogalski stated that is our recommendation.

Sheppard stated we might want to consider if we don't award the bid for both lots the price might changes for the second lot at a later date. I believe we should do both lots at the same time.

Fitch stated I agree.

Means asked do we know anything about them. That variance scares me.

Rogalski stated no. We did ask they provide insurance verification to make certain they could obtain the liability insurance. I was concerned also.

Sheppard stated we don't want to pay them until the job is complete.

Fitch stated the specs stated the stumps were to be grinded 12" below grade and the hole was to be filled.

Motion by Wells, **Second** by Denham, to approve the bid from Family Tree Service in the amount of $7,700.00, for the removal of the trees located on Lot 3 and Lot 8 of TIF II. **Aye**: Nance; Neal; Sheppard; Wells; Denham; Fitch; Madigan; Means. **Nay**: None. **Motion Passed**.

EXECUTIVE SESSION

Motion by Nance, **Second** by Neal, to convene until Executive Session. **Aye**: Neal; Sheppard; Wells; Denham; Fitch; Madigan; Means; Nance. **Nay**: None. **Motion Passed**.

The Authority convened in executive session at 2:40 p.m. and reconvened in regular, open session at 2:58 p.m. Roll call reflected all members present except Jackson.

1. Pursuant to Section 307B4, Title 25, Oklahoma Statutes, consider convening in executive session to discuss a pending action/claim involving the electric utility relocation costs associated with the Lawton Downtown Redevelopment Project within Tax Increment Financing District No. 2, and take appropriate action in open session as necessary.

Fitch stated no action will be taken at this time.

6. Consider approving retainer agreement for professional services between LEDA and Allen McCall to perform certain consulting services with regard to the Lawton Town Center electric utility relocation.

Fitch stated Jensen and I have visited with Allan McCall regarding arbitration with PSO. We feel we need input from a former or sitting Judge to help us with putting our information together for arbitration and consulting with us through the process of the arbitration.

Wells stated do we know the cost.

Fitch stated there is a $10,000 cap.

Denham asked would Jensen be his point of contact.

Fitch stated yes.

Motion by Wells, **Second** by Means, to approve retainer agreement for professional services between LEDA and Allen McCall to perform certain consulting services with regard to the Lawton Town Center electric utility relocation with a cap of $10,000. **Aye**: Means; Nance; Neal; Sheppard; Wells; Denham; Fitch; Madigan. **Nay**: None. **Motion Passed**.

DISCUSSION ITEMS AND REPORTS

ADJOURNMENT

There being no further business the meeting adjourned at 3:05 p.m.

Motion by Wells, **Second** by Means, to adjourn. **Aye**: Wells; Denham; Fitch; Madigan; Means; Nance; Neal; Sheppard. **Nay**: None. **Motion Passed**.