

MINUTES
Lawton Economic Development Authority
Regular Meeting
Thursday, December 19, 2024 - 2:00 PM
3rd Floor Conference Room
City Hall - 212 SW 9th Street
Lawton, Oklahoma 73501

Vice-Chairman Madigan 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: David Madigan, David Means, George Gill, Larry Neal, Jason Hensley, Ron Nance

ABSENT: Randy Warren, Fred Fitch, Ernest Sheppard

OTHERS PRESENT: Richard Rogalski, LEDA Executive Director; John Andrew, City Attorney; Tammy Branstetter, City Clerk's Office; Larry Parks, Parks & Recreation Director; Matthew Modeste, Hatch, Croke & Associates; Kim McConnell, The Lawton Constitution; Matina Davis, Citizen of Lawton

BUSINESS ITEMS

1. Consider approving the minutes of the November 21, 2024, meeting.

A copy of the minutes of the November 21, 2024, meeting may be obtained from the City Clerk's Office upon request.

Motion by Gill, Second by Neal, to approve the minutes of the November 21, 2024, meeting.

AYE: Hensley, Gill, Means, Neal, Nance, Madigan. **NAY:** None. ***MOTION PASSED.***

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

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

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

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

Richard Rogalski, LEDA Executive Director, noted that the Bricktown Brewery payment was made in December. He said we also received another check from the state in December, and we've made that distribution. The check was for TIF 3 in the amount of approximately \$105,000.

Modeste noted that we're keeping up to date with the TIF distributions now.

Motion by Means, Second by Hensley, to accept the October 2024 Financial Report from Hatch Croke & Associates, P.C. as presented. **AYE:** Hensley, Gill, Means, Neal, Nance, Madigan.
NAY: None. **MOTION PASSED.**

3. Consider approving the First Amendment to the Redevelopment Agreement between City of Lawton, the Lawton Economic Development Authority, the Lawton-Fort Sill Economic Development Corporation, and Fisher59 Properties, L.L.C., approved on April 23, 2024, pursuant to which the Redeveloper agreed to construct an approximately 100,000 square foot warehouse and distribution center on 15.71 acres of real property located in the Airport Industrial Park, and provide the design and construction of the offsite public sewer, water, roadway, and drainage improvements required to serve the Property, modifying the agreement to provide periodic draws on the Assistance in Development Financing rather than a lump sum amount upon completion of the improvements.

Rogalski provided background information on this item. A copy of the First Amendment to the Redevelopment Agreement between City of Lawton, the Lawton Economic Development Authority, the Lawton-Fort Sill Economic Development Corporation, and Fisher59 Properties, L.L.C., may be obtained from the City Clerk's Office upon request.

Rogalski said the adjusted cap for the amount that the City of Lawton was putting into the Fisher59 project for public improvements was approved for an amount of up to \$2.9 million. The public improvements include an extension of Gilbert Gibson Road, relocation of the sewer line, drainage improvements, and a relocation, or a looping of the water line back down to Rex Maderia Road, which loops into the PepsiCo Distribution Center. Rogalski said the Amendment to the Redevelopment Agreement between City of Lawton, the Lawton Economic Development Authority, the Lawton-Fort Sill Economic Development Corporation, and Fisher59 Properties, L.L.C., does not increase any of these costs – the purpose of the Amendment would reduce the financing fees on the developer if, rather than paying him the total cost at the end of the project, we pay him in draws. Rogalski said this was a request made by the redeveloper, and the Amendment is the result of staff working out how this request would work best for LEDA, the LEDC and the City of Lawton.

Rogalski said this is very similar to the Westwin project in that draw requests would be submitted along with the contractor's invoices and lien releases, and then Rusty Whisenhunt, Public Utilities Director, inspects the project.

Rogalski said because these are public improvements, we don't want the developer to stop halfway through the project. He said the Amendment would allow the LEDC to assume the performance bond of the contractor and finish the work of the public improvement(s) in the event the developer walks away from the project.

Gill asked if he's correct in stating that all this property will be titled in the City of Lawton's name.

Rogalski said that is correct. We're getting all the easements so we will own the property, and it pre-dedicates the property to the City of Lawton.

Gill said he noticed there isn't any bonding listed, but we wouldn't really need bonding in this case since we're going to own the property anyway and will have the right to take it over. This would save some money – it would save about 3%.

Rogalski said they do have to have a performance bond and a maintenance bond as part of the requirements.

Gill said he didn't see that in the text.

Rogalski said it was listed in the original Agreement.

Gill said even so, that's something we can look at, because it's going to be about 3%. He said we'd have to ask legal if we can do this. He knows it can be done privately, but he's not sure how it works with a city.

Rogalski said we require a performance bond on all public projects.

Gill said that is State law.

Rogalski said that's correct, and that's why we put it into the Agreement. He said we also liked the idea of the contractor being forced to finish the work.

Rogalski said we have the easements in hand already from Fisher⁵⁹ and the LEDC. He said we'll be getting the easements from the Commissioners of the Land Office either today or tomorrow.

Rogalski said the \$2.9 million cap on public improvements remains, and we're requiring that the developer give us a certified estimate of his actual current costs. This is not a full-blown estimate, because it's based on contractual agreements. Rogalski noted that we don't always know everything that may arise during the construction process. Because of this, the Amendment includes a contingency that would allow the developer to do a change order and ask for more money if needed. The City of Lawton would have 30 days to fund the additional request.

Rogalski said the City of Lawton will be providing the Authority with the funding for this project, and the Authority would make the payments on the draw requests.

Gill asked if the maintenance bond would be for two years.

Rogalski said yes.

Gill said the maintenance bond is listed as a change order, but if this requirement was in the original Agreement, it shouldn't be a change order.

Rogalski said he thinks this may just be listed incorrectly – it's not a change order.

Vice-Chairman Madigan noted that page 2 of the Agreement does cite the performance bond requirement. He said we're also well documented outlining the 10% retainage.

Motion by Gill, Second by Means, to approve the First Amendment to the Redevelopment Agreement between City of Lawton, the Lawton Economic Development Authority, the Lawton-

Fort Sill Economic Development Corporation, and Fisher59 Properties, L.L.C., as presented. **AYE:** Hensley, Gill, Means, Neal, Nance, Madigan. **NAY:** None. **MOTION PASSED.**

REPORTS

1. Receive a report from the LEDA Executive Director

Rogalski said the Westwin project has officially produced nickel – it was tested at 99%, and they are very excited about this. Rogalski said Westwin has not committed to building their commercial plant in Lawton – they’re still working with State Legislators to get some assistance from the State. However, Rogalski said he thinks we’ll know whether the commercial plant will be built in Lawton by February of 2025. Rogalski noted that Westwin is working at an extremely aggressive pace.

Gill asked if that timeline is partially based on the amount of nickel they’re able to produce at the level of quality they want.

Rogalski said Westwin is still in the stage of determining how big Phase 1 of the commercial will be. This is why they’re doing their due diligence by sending the sample out. If this goes the way they think it’s going to go, they’ll need to make their first phase bigger. Things are going very well with this project. Rogalski noted that KaLeigh Long, Founder of Westwin Elements, recently got recognized by Forbes magazine on their list of “30 Under 30 – Energy & Green Tech”.

Rogalski said that on December 10th, City Council approved the Second Amendment of the STEDI Project Plan.

Gill noted that the City Council held two public hearings on the Second Amendment of the STEDI Project Plan. Dan Batchelor, Center for Economic Development Law (CEDL), gave the presentation on the Plan, and he said that this was the best program of any he’s done in the entire State of Oklahoma.

Rogalski said we are working with the state on the state matching funds. He said he had a call today with Dan Batchelor and Lisa Harden, CEDL, and he thinks we have a very clear understanding of what the situation is. Rogalski said he thinks the confusion has to do with our request as a military impact community, which is different than what most communities are. Rogalski said we just have to get this clarified.

Vice-Chairman Madigan asked for guests of the meeting to introduce themselves.

Kim McConnell, Lawton Constitution, introduced herself.

Matina Davis, citizen of Lawton, introduced herself.

John Andrew, City Attorney, introduced himself.

Lary Parks, Parks & Recreation Director, introduced himself.

ADJOURNMENT

Motion by Gill, Second by Hensley, to adjourn the December 19, 2024, meeting. **AYE:** Hensley, Gill, Means, Neal, Nance, Madigan. **NAY:** None. **MOTION PASSED.**

There being no further business, the meeting adjourned at 2:23 PM.