City of Lawton

Lawton Economic Development Authority

Agenda

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

Wednesday, January 11, 2023 **11:00 AM** **Lawton City Hall- Banquet Hall**
212 SW 9th Street Lawton, OK

MEETING CALLED TO ORDER

ROLL CALL

STATEMENT OF COMPLIANCE WITH OKLAHOMA OPEN MEETING ACT, 25 O.S. 301-314

INTRODUCTION OF GUESTS

BUSINESS ITEMS:

1. Consider approving the minutes of the October 20th, November 3rd, November 11th, and November 17th, 2022 meetings. **23-44**

   Attachments: 10.20.22
   11.03.22
   11.11.22
   11.17.22

2. Consider approving invoices, requisitions, and all other submitted materials for payment and take action as deemed necessary. **23-45**

3. Receive Financial Report(s) and take action as deemed necessary. **23-46**

EXECUTIVE SESSION ITEMS:

4. 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. **23-42**

DISCUSSION ITEMS

ADJOURNMENT

File #: 23-44 **Agenda Date:** 1/11/2023 **Agenda No:** 1.

ITEM TITLE:
Consider approving the minutes of the October 20th, November 3rd, November 11th, and November 17th, 2022 meetings.
INITIATOR: Donalynn Blazek-Scherler, Sr. Deputy City Clerk

STAFF INFORMATION SOURCE: City Clerk's Office

BACKGROUND: The minutes for the 10.20.22, 11.03.22, 11.11.22, and 11.17.22 meetings have been drafted and are awaiting approval.

EXHIBIT: Draft minutes for the 10.20.22, 11.3.22, 11.11.22, and 11.17.22 meetings.

KEY ISSUES: N/A

FUNDING SOURCE: N/A

RECOMMENDED ACTION: Approve the minutes of the October 20th, November 3rd, November 11th, and November 17th, 2022 meetings.

MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
3RD FLOOR CONFERENCE ROOM
NEW CITY HALL
OCTOBER 20, 2022 2:00 P.M.

Fred Fitch, Chair, called the meeting to order at 2:05 P.M. in the Banquet Hall. Meeting notice and agenda were posted on the City Hall bulletin board as required by State Law.

ROLL CALL:
PRESENT: Fred Fitch, Randy Warren, David Madigan, David Means, Larry Neal, Jason Hensley
ABSENT: Sean Fortenbaugh, Ron Nance, Ernie Sheppard

OTHERS PRESENT: Richard Rogalski, Executive Director; Michael Cleghorn, City Manager; Jason Wells, Insight Brokers; Mike Brown, CDBL Inc; Brian Henry, Liberty National Bank; Kip Cummins, Cummins-Setters Commercial Properties; Albert Gonzalez and Michelle Gonzalez, Southern Oklahoma Brewery, Kim McConnell, Lawton Constitution

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

Chairman Fitch verified the posting of notice and agenda in compliance with the Oklahoma Open Meeting Act with Blazek-Scherler.

Introduction of Guests

Chairman Fitch introduced Michael Cleghorn, Jason Wells, Mike Brown, Brian Henry, Kip Cummins, Albert and Michelle Gonzalez, and new trustee Jason Hensley.

New Business

1. **Consider approving the minutes of the August 8 and August 23, 2022 meetings.**

Motion by Warren, **Second** by Means, to approve the minutes of August 8 and August 23, 2022 meetings. **AYE:** Warren, Madigan, Means, Neal, Hensley, Fitch **NAY:** None. ***Motion Passed.***

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

Schlecht presented invoices for August, September, and October. These expenses included an invoice from CEDL for $2,872.50, an invoice from CEDL for $1,935.00, and an invoice from the Lawton newspaper for publishing the TIF 1 and 2 reports in the amount of $342.72.

Chairman Fitch asked if the CEDL invoices were all LEDA expenses.

Rogalski verified that the full expense was for LEDA business and clarified that the CEDL bills are separated into industrial and commercial expenses.

Motion by Madigan, **Second** by Neal, to approve the expenses for August, September, and October 2022 as presented. **AYE:** Warren, Madigan, Means, Neal, Hensley, Fitch. **NAY:** None. ***Motion Passed.***

3. **Receive Financial Report(s) and take action as deemed necessary.**

   Schlecht presented the Balance Sheet, Income & Expense Activity Report, and the LEDA Loan Sheet for July, August, and September of 2022. These reports are available in the City Clerk's Office.

Motion by Means, **Second** by Warren, to approve the financial reports for July, August, and September 2022 as presented. **AYE:** Madigan, Means, Nance, Neal, Sheppard, Hensley, Fitch, Fortenbaugh, Warren. **NAY:** None. ***Motion Passed.***

4. **Consider approving a Memorandum of Understanding between LEDA, the City of Lawton, and LURA regarding the transfer of two tracts of land located at 910 SW B Avenue and 909 SW C Avenue owned by LEDA, to the City of Lawton, in exchange for the waiver of an obligation of LURA for landfill fees incurred on behalf of LEDA and authorize the Chairman and Secretary to execute all necessary documents for the transfer of property.**

   Rogalski stated these properties were purchased some time ago for the purpose of building a parking lot. This expense was never reimbursed by the City. Another obligation you all have seen is a landfill bill to LURA for the demolition of the Coca-Cola building. During the timeframe that was done, LURA was the agent of acquisition and demolition for the Lawton Town Center. LURA would then pass those expenses on to LEDA to be paid from the original $12 million note. The Coca-Cola building was torn down at the end of this project, and LEDA ran short on funds, so the City was never paid. To make for a clean transaction on all of this, this memo states that LEDA will give the lots to the City in exchange for the City forgiving the obligation of LURA, which is really a deferred obligation of LEDA.

   Ratliff asked if the $102,000.00 includes interest.

   Chairman Fitch stated no, there was no interest accrued on that.

   Ratliff stated the difference between the landfill bill and the appraised value on the lots is about 20 grand, is that right?

   Rogalski stated I don't believe we had an appraisal done on the land. LEDA paid $90,000.00 for the property in 2008. Certainly, the value has gone up since then. The idea is that this is all an internal obligation.

   Cleghorn stated this is an issue between two entities that doesn't need to be left out there hanging, and we can resolve it. I think they are pretty close on the value. It might be 10 or 15 grand.

Motion by Madigan, **Second** by Hensley, to approve a Memorandum of Understanding between LEDA, the City of Lawton, and LURA regarding the transfer of two tracts of land located at 910 SW B Avenue and 909 SW C Avenue owned by LEDA, to the City of Lawton, in exchange for the waiver of an obligation of LURA for landfill fees incurred on behalf of LEDA and authorize the Chairman and Secretary to execute all necessary documents for the transfer of property.

5. **Consider approving an Engagement Letter from Richard Rogalski to provide economic development consulting services to the Authority and authorize the Chairman to execute said letter.**

   Chairman Fitch stated that Rogalski recently left his employment with the City of Lawton. While he was employed by the City, he also acted as the Executive Director of LEDA. Chairman Fitch stated I was a little worried when he left his employment because he has been a tremendous asset to us. I asked Rogalski about putting him on a retainer. We discussed billing by the hour but settled on $1,000.00 a month because it is far less recording keeping.

   Rogalski stated I am on terminal leave with the City until around April. The mindset is that once Cleghorn finds someone he wants to transition into the LEDA role, we'll start transferring that over.

   Chairman Fitch stated to Rogalski, I'm very glad you would allow us to retain you. You have been such a valuable asset for this board. You have so much up top, you have so many of the records, and you've been through so much of this since the very beginning of the downtown project.

   Chairman Fitch stated I'm going to ask for a motion that back dates the letter to the date Rogalski left the City. That would cover him for September and October.

   Rogalski stated his first day with Anadarko was August 1st, but he is okay with September and October.

Motion by Neal, **Second** by Warren, to approve an engagement letter back dated to include payment for September and October from Richard Rogalski to provide economic development consulting services to the authority and authorize the Chairman to execute said letter.

6. **Consider a request for development assistance, financing, and the sale and/or acquisition of property in respect to the Lawton Downtown Redevelopment Project and in particular the development of a portion of Lot 8, Block 1, Lawton Downtown Center, Part 2, and approve a Letter of Interest/ Term Sheet for a Redevelopment Agreement with Southern Oklahoma Brewery that includes the sale/transfer of land to the redeveloper.**

   Rogalski stated that the board members were aware of a different deal on a larger portion of this property, but it doesn't seem to be progressing. This new opportunity has come forward, and they are ready to go now. It's a great opportunity even though it's a smaller portion of the property.

Chairman Fitch gave details about the previous deal on the entire property and stated it was a very lop-sided deal. This new deal would put a brewery at the corner of 2nd and Ferris, where the Coca-Cola facility was. There is another prospect that is interested in the South side of Coca-Cola down to Mattress Firm.

Rogalski stated what we are looking at is an LOI or a term sheet. It is a non-binding basic framework on whether or not we should spend the money to do the redevelopment. We're asking if the terms are agreeable.

Rogalski provided the board members with a rendering of the site plan and stated they are requesting to purchase a one-acre lot on the corner.

Albert and Michelle Gonzalez gave their backgrounds and presented their ideas for Southwest Oklahoma Brewery.

Cleghorn asked how many types of different brews will be available.

Mrs. Gonzalez stated the goal is to have 10-12, but they will have space for up to 20. Of the 10-12 brews, a few will be staples but most will be rotated seasonally.

Madigan asked what the estimated capital investment is, not including the land acquisition fees.

Mrs. Gonzalez stated the building itself is approximately $1.1 to $1.3 million, and the equipment included in the taproom, kitchen, and brewery would be about $460,000.00.

Chairman Fitch stated he has seen the projected sales over three years, and he believes this will be an asset to LEDA.

Rogalski reviewed the term sheet. He stated the property address is 531 2nd Street. They would be purchasing 41,215 square feet, which is less than one-acre, and it would need to be platted. There are no road improvements needed, so all of the improvements would be on the site itself. This is a redevelopment property, so they would be buying it at a reduced amount of $178,048.00. The value is determined at $10.00 a square foot, so the incentive totals $234,102.00. For each year they operate over a ten-year period, a portion of that would be forgiven. Other than the platting, there would be no out-of-pocket expenses for LEDA. The term sheet states LEDA will take care of their broker and the Gonzalez would take care of their broker. The term sheet also says that LEDA will investigate the option of removing the concrete adjacent to their property. More than likely, LEDA would get a cost estimate from the Gonzalez's contractor.

Madigan asked for Rogalski to walk through the forgivable portion of the term sheet again. He questioned if the total value would be paid up front.

Rogalski stated they will pay the reduced amount up front, and we will hold a lien on the property for the incentive amount.

Madigan asked if LEDA will file a mortgage.

Rogalski stated in the past, it was somehow written into the deed. We would have to do a little bit of research, but we didn't have the first mortgage.

Neal asked about the water and sewer.

Rogalski stated the water, sewer, and electricity are all there. There is one thing I forgot: their most Eastern entrance lines up with the North-South entrance on the entire property. There is a line between the front buildings and the back buildings that is kind of like a drive lane. The reason that is there is because there's an electrical easement and it's an impediment. The drive lane would provide connectivity to the rest of the development. Even though the driving lane is not on their property, they will be constructing. LEDA would be granting them an access easement. They will not own that entrance; it will just be a common entrance to the property.

Means asked who will maintain the public easement.

Rogalski stated the developer will. We don't want to be the developer for very long. We are hoping that a larger redeveloper will come in and take care of it.

Madigan stated it would be helpful for the members of this authority to have the term sheet for things like this ahead of time.

Chairman Fitch stated we didn't know we would have a term sheet that was agreeable until a day or two ago.

Ratliff asked if the term sheet could retroactively be attached to the agenda.

Chairman Fitch stated yes.

Motion by Madigan, **Second** by Warren, to approve a Letter of Interest/Term Sheet for a Redevelopment Agreement with Southwest Oklahoma Brewery that includes the sale/transfer of land to the redeveloper.

Discussion Items and Reports

Adjournment

Motion by Warren, **Second** by Fitch, to adjourn the meeting of October 20, 2022. **AYE:** Hensley, Fitch, Warren, Madigan, Means, Neal. **NAY:** None. ***Motion Passed.***

MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
3RD FLOOR CONFERENCE ROOM
NEW CITY HALL
NOVEMBER 3, 2022 9:00A.M.

Fred Fitch, Chair, called the meeting to order at 9:00 A.M. in the 3rd Floor Conference Room. Meeting notice and agenda were posted on the City Hall bulletin board as required by State Law.

ROLL CALL:
PRESENT: Jason Hensley, Fred Fitch, Sean Fortenbaugh, Randy Warren, David Madigan, David Means, Ron Nance, Larry Neal
ABSENT: Ernest Sheppard

OTHERS PRESENT: Richard Rogalski, Economic Development Consultant; Michael Cleghorn, City Manager; Cindy Augustine, City Attorney's Office; Tim Wilson, City Attorney's Office; Joe Don Dunham, Financial Services Director; Susan Schlecht, Financial Services; Kim McConnell, Lawton Constitution.

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

Chairman Fitch verified the posting of notice and agenda in compliance with the Oklahoma Open Meeting Act with Blazek-Scherler.

Introduction of Guests

Chairman Fitch introduced Joe Don Dunham, the Financial Services Director for the City of Lawton.

Business

1. **Discuss the pending sale of real property located at Lot One (1), Block One (1), Lawton Downtown Center, Part Two (2), an addition to the City of Lawton, Comanche County, State of Oklahoma, according to the recorded plat thereof, recorded in Plat Book 7, Pages 10-10B, as Document No. 2013000649 in the office of the Comanche County Clerk, Oklahoma. Further discuss whether LEDA's subordinate mortgage on said property has been partially satisfied. Take action as the Authority deems appropriate.**

Rogalski stated in 2019, LEDA entered into an Economic Development Agreement with FTG Brown, LLC, or Mike Brown, for the redevelopment of Lot 1, Block 1 in Lawton Downtown Center, Part 2, which is Bricktown Brewery. As part of that Redevelopment Agreement, there was $154,391.00 set aside as a forgivable obligation that placed a lien on the property. That amount was to be forgiven after they operated for 10 years. We also added that the amount would be reduced by any sales tax that is collected during the construction phase. They were required to report the amount after construction, and they submitted invoices totaling approximately $1.2 million. Our 2 percent TIF tax would be $23,509.60. Susan is looking over this and comparing it to our sales tax receipts that we've received. She was only able to verify $538,579.82. The 2 percent on that amount would be $10,716.74, and we all agree that amount should be taken off.

Schlecht stated when we receive the invoices, we look for information that verifies that the City of Lawton actually received the money. We look at the address where it was purchased at, or if it was shipped, where it was shipped to. If we are not able to verify that information, or if sales tax is not shown, we don't include that. We had quite a few receipts; some of them were duplicates, some were package slips with no dollar amount. These are just a few examples.

Rogalski stated what you are considering today is that the landlord wants to sell the property. You would have to approve the transfer and determine how to deal with this obligation. I want to confirm with everyone that the lease with Bricktown Brewery is not jeopardized in this transaction. Outwardly, nothing will change. Bricktown Brewery is doing well in that location, and we see no reason for that to change.

Chairman Fitch questioned the difference in amounts between what Brown provided and what the City has been able to verify.

Schlecht explained that initially, the receipts were sent in and there was a misunderstanding about how much sales tax would be received. They were claiming the full 9%, and when we got it all back down to the 2%, it was significantly less than they expected.

Rogalski explained that the City has only been able to verify a portion of the receipts received, and that is the remainder of the difference.

Chairman Fitch stated I believe that Legal and Finance need to sit down with Mike Brown to talk about this. I'd be happy to be there as well, and I'm sure Richard would be too. As I hear what I'm hearing, I feel more comfortable with the $10,000.00 than I do with his amount. We need to get Mike Brown involved in this. Per the agreement, everything should have been shipped to Lawton so we could collect the sales tax on it. It sounds like that didn't happen, so the sales tax went to other cities.

Warren stated we need to be sure that we are following the agreement. While it may not be a big deal now, we want to stay consistent for larger projects that are coming with far more sales tax. We need to have a hard and fast rule.

Dunham stated he would never advise that the City of Lawton reimburse sales tax that the City did not receive.

Chairman Fitch stated he agrees.

Madigan asked if there is any opportunity to strengthen the language of the agreement going forward.

Rogalski stated yes. If you recall, this was thrown together sort of last minute. Moving forward, we would want much stronger language.

Madigan stated maybe give an example or some type of illustration.

Rogalski stated that is exactly what I was going to say. For example, with Blue Braveheart, we could say, "This is how you are forgiven. If you bring in x number of dollars, the sales tax is this much, you receive this much, and so on".

Chairman Fitch stated they created a paragraph for the Blue Braveheart term sheet that will now be included in all of LEDA's agreements. It explains that these are public monies and LEDA has certain obligations we must meet to ensure that the public is being treated fairly and equally. We have certainly learned a little bit along the way. I do believe that in the other agreements, it was very clear that the materials had to be delivered to the job site.

Rogalski stated while there may be a question about the amount that is left, there is certainly a significant amount that is left, for sure. We have to deal with that someone, and that's the bottom line. We may quibble about $10,000.00, but there is definitely still $120,000.00 there that we have to figure out how to carry forward.

Chairman Fitch stated I think we need to get with Mike Brown to resolve the first issue, so we can resolve this whole thing. Can it be transferred to the new owner? It would have to be with his consent.

Rogalski stated our language does allow for LEDA to approve a transfer forward. There would be a document that allows for that transfer, and then the obligation would be forgiven after 7 years. You could also ask that the debt be paid now. That would satisfy to agreement. Or you could entertain a separate lien on something else.

Chairman Fitch stated we would need to find out if Brown has any collateral that he is willing to put up for it.

Madigan stated I would like to offer up an option since this is ready to close, and this is incumbering the property. Please feel free to modify this in any way you see fit, but I think we offer two options: either you pay the full amount minus the $10,000.00 to satisfy the debt, or, if this body is okay with it, escrow it at some financial institution. In my opinion, this obligation belongs to Mike Brown, and it shouldn't be transferred to someone else. Nobody will be willing to sign off on that. This is just my opinion, but if Mike wants to close on the property, he needs to figure out someway to satisfy the agreement.

Warren stated the point of the forgiveness was to keep the restaurant open. Maybe once it is satisfied, we restart the clock on that again.

Chairman Fitch stated that means we would want the new owner to assume that obligation, and I don't know if he would want to do that.

Rogalski stated one of the things I don't like about the language of this agreement is that it carries the amount. So, if you close the day before the ten years is up, you would owe the whole amount. In any other agreement, that amount would be lower for every year that it is open. That is something you can consider if Mike is agreeable to paying it off.

Chairman Fitch stated if you do it that way, it's $45,000.00 a year plus the $10,000.00, so that's $154,000.00 minus $55,000.00, so he would still owe us $99,000.00. We could talk

to him about that.

Rogalski stated that is not how it is written in the agreement, but I believe that is a reasonable path to take in order to settle this.

Chairman Fitch stated I think we need to meet with Mike Brown to discuss the amount of the sales tax and how he wants to satisfy this agreement.

Cleghorn stated Section 6.2 is in line with what the authority is discussing. It spells out that the amount has to be paid.

Neal stated that usually the closing company will call and ask for a payoff amount to release the lien. We give them an amount and they take care of the rest.

Cleghorn stated Section 6.2 also addresses it being passed on to a successor.

Warren stated that would leave it between Mike and the new buyer to figure out.

Rogalski stated I would like to point out that Bricktown Brewery has done great, and this has been a successful venture.

Chairman Fitch stated the point of the agreement was never to make money; it was to keep a restaurant in that location, and so far, it has worked.

Madigan stated I like Chairman Fitch's idea. It is professional to sit down with Mike Brown to discuss what tax is due. Would it be reasonable for this body to make a motion now so we don't have to reconvene on this matter?

Motion by Madigan to give FTG Brown the option to pay off the agreed upon amount of the obligation or to have that money held in escrow as cash for the next seven years before we release this obligation.

Warren stated he likes that idea. Really, we're only talking about the difference between $10,000.00 and $20,000.00. After that, it's between Mike and the new purchaser about where the money comes from.

Wilson stated the agreement does not make mention of reducing the amount outside of the section describing default, which is applicable in this circumstance.

Rogalski stated it is a closing amount, so the authority can state any amount they see fit that benefits the public.

Dunham stated it sounds like you would be authorizing a group to renegotiate the deal, but I think ultimately, the new deal would have to be reapproved by the board because it is outside the scope of the original agreement.

Warren stated yes, this would just authorize a group to negotiate.

Chairman Fitch stated this would just give us some room on negotiations, and then we would have another meeting to approve everything.

Nance stated unless you simply take the $10,000.00 of the total amount and put the rest in escrow. Then we can work out the details.

Rogalski stated if he agrees to do a letter of the agreement, then you can just authorize the Chairman to execute that subordination. Anything other than that would have to come back.

With no second, the original motion died.

Substitute Motion by Nance, **Second** by Warren, to allow FTG Brown to escrow $144,000.00 in exchange for an executed lien release in order to not delay closing on the property commonly referred to as Bricktown Brewery; to postpone further negotiations and to require any other amounts be brought back before the authority for approval; and to authorize the Chairman to execute a release on the subordinate mortgage. **AYE:** Fortenbaugh, Warren, Madigan, Means, Nance, Neal, Hensley, Fitch. **NAY:** None. ***Motion Passed.***

Discussion Items and Reports

Rogalski stated we've talked several times about interests on the North end of the Lawton Town Center. Recently, you all approved a term sheet with SOB on the North corner. For the remainder of the property, you now have a signed letter of intent with a grocery store.

Chairman Fitch stated this LOI gives us something to negotiate with, and it's a very good thing.

Adjournment

There being no further business, the meeting adjourned at 9:44 a.m.

Motion by Means, **Second** by Warren, to adjourn the meeting of November 3, 2022. **AYE:** Fortenbaugh, Warren, Madigan, Means, Nance, Neal, Hensley, Fitch **NAY:** None. ***Motion Passed.***

MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
3RD FLOOR CONFERENCE ROOM
NEW CITY HALL
NOVEMBER 11, 2022 4:00P.M.

Fred Fitch, Chair, called the meeting to order at 4:00 PM. in the 3rd Floor Conference Room. Meeting notice and agenda were posted on the City Hall bulletin board as required by State Law.

ROLL CALL:
PRESENT: Fred Fitch, Sean Fortenbaugh, Randy Warren, David Madigan (4:01), David Means, Larry Neal, Ernest Sheppard
ABSENT: Ron Nance, Jason Hensley

OTHERS PRESENT: Joe Don Dunham, Financial Services Director, Kim McConnell, Lawton Constitution

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

Chairman Fitch verified the posting of notice and agenda in compliance with the Oklahoma Open Meeting Act with Blazek-Scherler.

Introduction of Guests

No guests to introduce.

Business

1. **Discuss the pending sale of real property located at Lot One (1), Block One (1), Lawton Downtown Center, Part Two (2), an addition to the City of Lawton, Comanche County, State of Oklahoma, according to the recorded plat thereof, recorded in Plat Book 7, Pages 10-10B, as Document No. 2013000649 in the office of the Comanche County Clerk, Oklahoma, consider releasing LEDA's subordinate mortgage, and consider options to satisfy the remaining portion of the note.**

Chairman Fitch stated this is the note that we discussed at our last meeting. As you know, Mike Brown is selling the property to Dr. Simon. We had a ten -year subordinate note for $154,391.00 that would be released if he kept that business in there for ten-years. He is now selling the building, but he can't sell it until we release the mortgage. I think asking Dr. Simon to obligate himself to that was out of the question. John and I met with Mike Brown and came up with a promissory note for $154,391.00. They have been there three years out of the ten, so we released $908.14 times three. We also allowed $10,716.74 in remitted sales tax. The sum left is $97,356.96. For each year for years four through ten, we will release $13,908.14. This is what you gave the authority for me to negotiate on, and that's what we did. At closing, we will open an escrow account at Arvest Bank to deposit the money in. Arvest will pay him the $13,908.14 plus any interest that has accrued each year.

Ratliff stated they will receive the $13908.14 payment for each year that the Simons follow the use convenance of the agreement. That means they will have to keep a sit down restaurant in that location for the next seven years.

Motion by Warren, **Second** by Fortenbaugh, to approve the release of LEDA's subordinate mortgage, approve an option to satisfy the remaining portion of the note, and authorize the Chairman to execute any necessary documents. **AYE:** Fortenbaugh, Warren, Madigan, Means,

Sheppard, Fitch. **NAY:** None. ***Motion Passed.***

Discussion Items and Reports

None.

Adjournment

There being no further business, the meeting adjourned at 4:08 PM.

Motion by Fortenbaugh, **Second** by Warren, to adjourn the meeting of November 11, 2022. **AYE:** Warren, Madigan, Means, Neal, Sheppard, Fitch, Fortenbaugh. **NAY:** None. ***Motion Passed***

MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
3RD FLOOR CONFERENCE ROOM
NEW CITY HALL
NOVEMBER 17, 2022 2:00P.M.

Fred Fitch, Chair, called the meeting to order at 2:09 PM. in the 3rd Floor Conference Room. Meeting notice and agenda were posted on the City Hall bulletin board as required by State Law.

ROLL CALL:
PRESENT: Jason Hensley, Fred Fitch, Sean Fortenbaugh, Randy Warren, David Madigan, David Means, Larry Neal, Ernest Sheppard
ABSENT: Ron Nance

OTHERS PRESENT: Joe Don Dunham, Financial Services Director, Susan Schlecht, Financial Services; Michael Cleghorn, City Manager; John Ratliff, City Attorney; Kim McConnell, Lawton Constitution

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

Chairman Fitch verified the posting of notice and agenda in compliance with the Oklahoma Open Meeting Act with Blazek-Scherler.

Introduction of Guests

No guests to introduce.

Business

1. **Consider approving a proposed Annual Meeting Notice for Calendar Year 2023.**

Motion by Warren, **Second** by Means, to approve the Annual Meeting Notice for Calendar Year 2023. **AYE:** Fortenbaugh, Warren, Madigan, Means, Neal, Sheppard, Hensley, Fitch **NAY:** None. ***Motion Passed.***

2. **Consider approving opening an escrow account at Arvest Bank to hold the remaining mortgage debt from CDBL Construction pertaining to the property located at Lot One (1), Block One (1), Lawton Downtown Center, Part Two (2), an addition to the City of Lawton, Comanche County, State of Oklahoma, according to the recorded plat thereof, recorded in Plat Book 7, Pages 10-10B, as Document No. 2013000649 in the office of the Comanche County Clerk, Oklahoma, commonly referred to as the Bricktown Brewery location.**

Chairman Fitch stated this is the escrow account that we discussed at our last meeting. At the closing for Bricktown Brewery, the $97,356.96 was to be deposited in an escrow account with a yearly payout of $13,908.14 for the remaining seven years of the agreement as long as a sit-down restaurant remains open in that location.

Rogalski stated for the record that the original amount was $154,391.00. The agreement accounted for the sales taxes that were collected during construction, which took off $10,716.74. The amount was then reduced by one-tenth to account for the time the restaurant has been open. The date will remain at the original date, which is about seven years.

Motion by Neal, **Second** by Sheppard, to approve opening an escrow account at Arvest Bank to hold the remaining mortgage debt from CDBL Construction pertaining to the property commonly referred to as the Bricktown Brewery Location. **AYE:** Warren, Means, Neal, Sheppard, Hensley, Fitch, Fortenbaugh. **AYE:** None. **ABSTAIN:** Madigan- Employed by Arvest Bank: Conflict of Interest. ***Motion Passed***

Executive Session

3. **Pursuant to Section 307C.11, Title 25, Oklahoma Statute, consider convening in executive session for the purpose of conferring on matters pertaining to economic development, including the transfer of property, financing, or the creation of a proposal to entice a business with commercial or retail interest to locate within our jurisdiction, as public disclosure of the matter discussed would interfere with the development of products or services and/or violate the confidentiality of the business. Take action in open session as deemed necessary.**

Motion by Hensley, **Second** by Means, to convene into executive session. **AYE:** Madigan, Means, Nance, Sheppard, Hensley, Fitch, Fortenbaugh, Warren **NAY:** None. ***Motion Passed.***

The Lawton Economic Development Authority convened into executive session at 2:15 PM and remained in executive session until 2:43 PM. Roll call reflected all members present. No action was taken.

Adjourn

There being no further business, the meeting adjourned at 2:44PM.

Motion by Warren, **Second** by Sheppard, to adjourn the meeting of November 17, 2022. **AYE:** Neal, Sheppard, Hensley, Fitch, Fortenbaugh, Warren, Madigan, Means. **NAY:** None. ***Motion Passed.***

File #: 23-45 **Agenda Date:** 1/11/2023 **Agenda No:** 2.

ITEM TITLE:
Consider approving invoices, requisitions, and all other submitted materials for payment and take action as deemed necessary.
INITIATOR: Susan Schlecht, Component Accountant

STAFF INFORMATION SOURCE: Financial Services

BACKGROUND: A list of paid invoices has been drafted and is awaiting approval of the authority.

EXHIBIT: N/A

KEY ISSUES: N/A

FUNDING SOURCE: Various

RECOMMENDED ACTION: Approve invoices, requisitions, and all other submitted materials for payment as presented.

File #: 23-46 **Agenda Date:** 1/11/2023 **Agenda No:** 3.

ITEM TITLE:
Receive Financial Report(s) and take action as deemed necessary.
INITIATOR: Susan Schlecht, Component Accountant

STAFF INFORMATION SOURCE: Financial Services

BACKGROUND: Financial report(s) have been drafted and are awaiting approval of the authority.

EXHIBIT: N/A

KEY ISSUES: N/A

FUNDING SOURCE: N/A

RECOMMENDED ACTION: Accept the financial report(s) as presented.

File #: 23-42 **Agenda Date:** 1/11/2023 **Agenda No:** 4.

ITEM TITLE:
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.
INITIATOR: Fred Fitch, Chairman

STAFF INFORMATION SOURCE: N/A

BACKGROUND: N/A

EXHIBIT: N/A

KEY ISSUES: N/A

FUNDING SOURCE: N/A

RECOMMENDED ACTION: Take any action deemed necessary in open session.