



City of Lawton

Lawton Economic Development Authority Special Meeting Agenda

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

Thursday, February 23, 2023

3:00 PM

Lawton City Hall, 3rd Floor
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. Receive Financial Report(s) and take action as deemed necessary. [23-179](#)
2. Consider approving a resolution approving the Redevelopment Agreement by and among the City of Lawton, the Lawton Economic Development Authority, the Comanche County Industrial Development Authority, and Westwin Elements, Inc., a Delaware corporation, for the development of a refinery for the refinement of cobalt, nickel, and other critical minerals in the west side industrial park, authorizing all supporting documents and instruments as are necessary and appropriate to implement and carry out the terms of the Redevelopment Agreement, ratifying previously approved development funding in the amount of \$10,000,000, and authorizing it's expenditure, to be funded from the City's American Rescue Plan Act (ARPA) Revenue Replacement and 2019 Propel CIP monies, of such costs as are necessary and appropriate to construct and install certain public improvements to serve the redevelopment.
Click or tap here to enter text. [23-178](#)

Attachments: [LEDA Resolution Approving Blue Braveheart Redev Agmt](#)

ADJOURNMENT



City of Lawton

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

Commentary

File #: 23-179

Agenda Date: 2/23/2023

Agenda No: 1.

ITEM TITLE:

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

INITIATOR:

STAFF INFORMATION SOURCE:

BACKGROUND:

EXHIBIT:

KEY ISSUES:

FUNDING SOURCE:

STAFF RECOMMENDED COUNCIL ACTION: Receive Financial Report



City of Lawton

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

Commentary

File #: 23-178

Agenda Date: 2/23/2023

Agenda No: 2.

ITEM TITLE:

Consider approving a resolution approving the Redevelopment Agreement by and among the City of Lawton, the Lawton Economic Development Authority, the Comanche County Industrial Development Authority, and Westwin Elements, Inc., a Delaware corporation, for the development of a refinery for the refinement of cobalt, nickel, and other critical minerals in the west side industrial park, authorizing all supporting documents and instruments as are necessary and appropriate to implement and carry out the terms of the Redevelopment Agreement, ratifying previously approved development funding in the amount of \$10,000,000, and authorizing its expenditure, to be funded from the City's American Rescue Plan Act (ARPA) Revenue Replacement and 2019 Propel CIP monies, of such costs as are necessary and appropriate to construct and install certain public improvements to serve the redevelopment.

INITIATOR: Chairman Fred Fitch

STAFF INFORMATION SOURCE: Richard Rogalski

BACKGROUND: The Lawton Economic Development Corporation (LEDC) is tasked with recruiting and retaining industrial development within the Lawton Community. To this end they have, in cooperation with the City of Lawton, the Lawton Economic Development Authority (LEDA), and the Comanche County Industrial Development Authority (CCIDA) negotiated the proposed agreement with Westwin Elements, Inc., a Delaware corporation ("Redeveloper"), for the development of a refinery for the refinement of cobalt, nickel, and other critical minerals in the west side industrial park. On August 23, 2022, the City Council, along with LEDA, CCIDA, and the Lawton Economic Development Corporation approved a term sheet which has served as the basis for the redevelopment agreement now under consideration.

Pursuant to the agreement, the Redeveloper will make a minimum investment of \$150 million to develop a refinery for the refinement of cobalt, nickel, and other critical minerals on approximately 480 acres of real property located in the West Side Industrial Park, which is currently owned by the CCIDA, and which is more particularly described in the Redevelopment Agreement ("Property"), and Redeveloper will be obligated, among other things, to create 2,335 new quality jobs within the community over a five-year period (the "Redevelopment"). The City has agreed to provide the Redeveloper with assistance in development financing in the amount of \$10,000,000.00, and to provide, construct, and or install certain public improvements to extend public water and public sewer utility lines to serve the Redevelopment, which are anticipated to cost approximately \$7,500,000.00. During the December 6, 2022, City Council meeting a budget amendment was approved reallocating \$9,425,340 of ARPA Revenue Replacement funds and \$574,660 of unallocated 2019 Propel CIP funds as an incentive for this project. The CCIDA has agreed to provide the Redeveloper with a loan in the amount of \$2,000,000.00 ("CCIDA Loan"), and to convey fee simple title to the Property to the Redeveloper by special warranty deed in form and substance approved by CCIDA, and subject to certain covenants, conditions, and restrictions. All local assistance will be placed in escrow and not released until the Redeveloper has secured and provided evidence of \$126 million in development financing to be spent solely on the costs of the Redevelopment.

The Redevelopment will be located in an increment district currently designated as Increment District "H" in the Skills Training, Education, Development and Investment (STEDI) Project Plan, which the City Council intends to expand and activate through separate actions pursuant to the Local Development Act. As increment funding is received pursuant the STEDI Project Plan, and in accordance with a Memorandum of Understanding, to be approved as a separate action, LEDA as revenue is available, will reimburse the assistance provided by the City and CCIDA for this project.

EXHIBIT: Resolution 23- ; Redevelopment Agreement is on file with the City Clerk's Office

KEY ISSUES: The City Council has an interest in promoting economic development by creating competitive industrial development opportunities within the City of Lawton as a method of retaining and expanding employment in the area, attracting major investment, enhancing the tax base, stimulating economic growth, improving the community's quality of life, and otherwise strengthening the community.

FUNDING SOURCE: ARPA Revenue Replacement funds (\$9,425,340) and 2019 Propel CIP funds (\$574,660)

STAFF RECOMMENDED COUNCIL ACTION: Approve Resolution 23- .

RESOLUTION NO. 23-_____

**RESOLUTION OF THE LAWTON ECONOMIC DEVELOPMENT
AUTHORITY APPROVING THE REDEVELOPMENT AGREEMENT BY
AND AMONG THE CITY OF LAWTON, THE LAWTON ECONOMIC
DEVELOPMENT AUTHORITY, THE COMANCHE COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY, AND WESTWIN
ELEMENTS, INC. FOR THE DEVELOPMENT OF A REFINERY FOR
THE REFINEMENT OF COBALT, NICKEL, AND OTHER CRITICAL
ELEMENTS IN THE WEST SIDE INDUSTRIAL PARK
("REDEVELOPMENT"), AUTHORIZING ALL SUPPORTING
DOCUMENTS AND INSTRUMENTS AS ARE NECESSARY AND
APPROPRIATE TO IMPLEMENT AND CARRY OUT THE TERMS OF
THE REDEVELOPMENT AGREEMENT**

WHEREAS, the City Council of Lawton has previously adopted a Non-Retail Business Economic Development Assistance Policy, Council Policy 1-11, with guidelines for supporting new and expanded non-retail business, which is any business not defined as a retail business by the Oklahoma Tax Code and includes, without limitation, businesses engaged in commerce for profit in the manufacturing, processing, compounding, packaging, assembly, production, treatment, disposal, warehousing, storage, transportation, freighting, trucking, or distribution of goods and materials, including those in both light and heavy industrial sectors, and also includes defense contractors, information technology, energy and engineering sectors, the high-technology industry, innovative businesses, and research, laboratory, and experimental businesses; and

WHEREAS, pursuant to the Oklahoma Local Development Act, 62 O.S. § 850, *et seq.*, as amended, the City Council of Lawton has approved and adopted by Ordinance the Skills Training, Education, Development and Investment (STEDI) Project Plan ("Project Plan"); and

WHEREAS, Westwin Elements, Inc., a Delaware corporation ("Redeveloper") desires the City of Lawton, a municipal corporation ("City"), the Lawton Economic Development Authority, a public trust ("LEDA"), and the Comanche County Industrial Development Authority, a public trust ("CCIDA") to execute a Redevelopment Agreement, pursuant to which the Redeveloper will, in phases, make a minimum capital investment in the amount of \$450 million (with the first phase being comprised of a \$150 million investment) to construct, develop, and operate a refinery for the refinement of cobalt, nickel, and other critical minerals on approximately 480 acres of real property, which is currently owned by the CCIDA, and which is more particularly described in the Redevelopment Agreement ("Property"), and Redeveloper will be obligated, among other things, to create 2,335 new quality jobs within the community (the "Redevelopment"); and

WHEREAS, the Redevelopment will be located in an increment district currently designated as Increment District "H" in the Project Plan, which the City Council intends to expand and activate through separate actions pursuant to the Local Development Act; and

WHEREAS, pursuant to the Redevelopment Agreement, the Redeveloper will be obligated to secure and provide evidence of \$126 million in development financing to be spent solely on the costs of the Redevelopment; and

WHEREAS, pursuant to the Redevelopment Agreement, the Redeveloper will commence construction of the initial phase of the Redevelopment on or before December 31, 2023, complete the initial operating phase of construction no later than eighteen months from commencement, or December 31, 2024, whichever is later, and thereafter operate the Redevelopment for a minimum of ten (10) years; and

WHEREAS, pursuant to the Redevelopment Agreement, the Redeveloper has agreed to deliver a Covenant Agreement reflecting Redeveloper's obligation to pay all real estate taxes and assessments on the Property (including all real and personal property), to the Treasurer of Comanche County when due, during the life of the Increment District, to be recorded in the records of the County Clerk of Comanche County, State of Oklahoma ("Covenant Agreement"); and

WHEREAS, the Redevelopment will significantly increase employment in the area and make possible investment, development and economic growth which would otherwise be difficult or impossible without public assistance; and

WHEREAS, in consideration of the significant costs associated with the Redevelopment and the Redeveloper's commitment to create 2,335 new quality jobs, and upon Redeveloper's performance of certain conditions precedent, the City has agreed to provide the Redeveloper with assistance in development financing to support the Redevelopment and specifically to assist with the creation of high-quality jobs in Lawton, through a loan in the amount of \$10,000,000.00 ("Assistance in Development Financing"), and to provide, construct, and or install certain public improvements to extend public water and public sewer utility lines to serve the Redevelopment, which are anticipated to cost approximately \$7,500,000.00 ("Public Improvements"); and

WHEREAS, in support of the Redevelopment and specifically to assist with the creation of high-quality jobs in Lawton, and upon Redeveloper's performance of certain conditions precedent, the CCIDA has agreed to provide the Redeveloper with a loan in the amount of \$2,000,000.00 ("CCIDA Loan"), and to convey fee simple title to the Property to the Redeveloper by special warranty deed in form and substance approved by CCIDA, and subject to certain covenants, conditions, and restrictions; and

WHEREAS, pursuant to the Redevelopment Agreement, the Redeveloper has agreed to deliver a Promissory Note to the City in the principal amount of the Assistance in Development Financing, and has agreed to deliver a Promissory Note to the CCIDA in the principal amount of the CCIDA Loan (collectively, the "Notes"), the repayment of which is dependent upon the Redeveloper's performance of certain minimum employment thresholds as more particularly described in the Redevelopment Agreement; and

WHEREAS, all or a portion of the Assistance in Development Financing, the CCIDA Loan, the value of the Property and the cost of the Public Improvements will be repaid through tax increments generated under Increment District "H"; and

WHEREAS, LEDA recognizes that the provision of quality jobs is essential to the economic well-being of the City of Lawton; and

WHEREAS, LEDA has an interest in promoting economic development by creating competitive industrial development opportunities within the City of Lawton as a method of retaining and expanding employment in the area, attracting major investment, enhancing the tax base, stimulating economic growth, improving the community's quality of life, and otherwise strengthening the community; and

WHEREAS, the Project Plan authorizes LEDA to carry out and administer certain provisions of the Project Plan and to exercise certain powers necessary thereto; and

WHEREAS, in accordance with the Redevelopment Agreement and the authorizations set forth in the Project Plan, LEDA will manage the tax increment revenues generated by the Redevelopment, including, without limitation, payment of other Project Costs and disbursement of specific revenue sources identified in the Project Plan, and will monitor Redeveloper's performance of its pre-closing and post-closing obligations under the Redevelopment Agreement; and

WHEREAS, the Board of Trustees of the Lawton Economic Development Authority deems it appropriate and desirable, and in the public interest, to approve the Redevelopment Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Lawton Economic Development Authority, as follows:

1. The Redevelopment Agreement by and among Westwin Elements, Inc., an Oklahoma corporation, the City of Lawton, a municipal corporation, the Lawton Economic Development Authority, a public trust, and the Comanche County Industrial Development Authority, a public trust, is approved.
2. The Chairman and Secretary of the Lawton Economic Development Authority, with the assistance of legal counsel, are authorized and directed to finalize and execute the Redevelopment Agreement, and to execute such documents and to take such actions as may be necessary or appropriate to implement the Redevelopment Agreement, including approval and execution of amendments, corrections, clarifications, and modifications, and to perform the agreements and obligations set forth in the Redevelopment Agreement.
3. The Chairman and Secretary of the Lawton Economic Development Authority, with the assistance of legal counsel, are authorized and directed to negotiate, finalize, execute and record the Covenant Agreement, as described in the Redevelopment Agreement, to make corrections and adjustments thereto as may be appropriate and advised by legal counsel, and to prepare, finalize, approve, and

execute documents that are necessary and appropriate to implement and carry out the terms of the Covenant Agreement.

4. The Chairman and Secretary of the Lawton Economic Development Authority, with the assistance of legal counsel, are authorized to approve, prepare, finalize, execute, and/or record, as applicable, all other supporting documents and instruments that are necessary and appropriate to implement and carry out the terms of the Redevelopment Agreement and the Covenant Agreement, and such other documents and agreements on behalf of the public parties to the agreements as may be necessary or appropriate to implement the authorizations of this resolution, in support of the Redevelopment.

APPROVED this 23rd day of February, 2023.

Fred L. Fitch, Chairman

ATTEST:

Secretary