AGENDA
Lawton Economic Development Authority
Regular Meeting
September 21, 2023—2:00 PM
City Hall
3rd Floor Conference Room
212 SW 9th Street
Lawton, Oklahoma73501

MEETING CALLED TO ORDER

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

ROLL CALL

INTRODUCTION OF GUESTS

BUSINESS ITEMS

1. Consider approving the minutes of the June 15, 2023 meeting.

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

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

4. Receive an update regarding Westin Elements and take action as deemed necessary.

5. Discuss possible businesses to be placed on 2nd Street and take action as deemed necessary.

EXECUTIVE SESSION

6. Pursuant to Section 307B.1, Title 25, Oklahoma Statute, consider convening in executive session for the purpose of discussing negotiations concerning potential candidates for Executive Director and take action as deemed necessary in open session.

ADJOURNMENT

Lawton Economic Development Authority
JUNE 15, 2023—2:00 PM
City Hall
3rd Floor Conference Room
212 SW 9th Street
Lawton, Oklahoma73501

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

ROLL CALL:

PRESENT: Fred Fitch, *David Means, Larry Neal, **Ernest Sheppard, George Gill, Randy Warren

ABSENT: Jason Hensley, David Madigan, Ron Nance

OTHERS PRESENT: ***Susan Schlecht, Financial Services; Tim Wilson, City Attorney's Office; Tammy Branstetter, City Clerk's Office; ****John Ratliff, Acting City Manager; Charlotte Brown, Planning Director; Kim McConnell, Lawton Constitution; Eric Swanson, Southwest Ledger

*arrived at 2:03 P.M.
**left at 2:58 P.M.
***arrived at 2:32 P.M.
****left at 2:38 P.M.

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

Chairman Fitch announced that George Gill, City Council Ward 4 Representative, has been appointed by Mayor Booker and approved by City Council to serve as member of the Authority.

INTRODUCTION OF GUESTS

None.

BUSINESS ITEMS

1. Consider approving the minutes of the May 18, 2023 meeting.

Motion by Warren, **Second** by Neal, to approve the minutes of the May 18, 2023 meeting. **AYE:** Warren, Gill, Means, Neal, Sheppard, Fitch. **NAY:** None. ***MOTION PASSED.***

The Authority skipped to agenda item #4, as Schlecht was late to the meeting.

4. Receive an update on the status of Southwest Oklahoma Brewery and take action as deemed necessary.

Chairman Fitch noted that Southwest Oklahoma Brewery was to be located at the intersection of 2nd and Ferris. The owners of this company are from Minnesota. The owners have family in Oklahoma, and they've decided to move here. They've met with Mike Brown regarding development of the brewery. Mike Brown initially advised the owners that it would cost approximately $1.4 million to construct the brewery. The brewery was projected to be 5,000 square feet in size, with 2,500 square feet designated for the bar area and the remaining 2,500 square feet to be used for the kitchen, bathroom, and storage. Chairman Fitch noted that concerns have been raised about there not being enough square footage.

Chairman Fitch said the final construction bid from Mike Brown came in at $2.5 million. This held things up for the owners of the Brewery, as they've expressed that they are not seeking any sort of partnership. Chairman Fitch said Mike Brown has since purchased the property at the intersection of 2nd Street and A Avenue where the old Phillips 66 used to be. This is the new proposed site for the Brewery. Chairman Fitch noted that demo work has begun in preparation for the Brewery. He suggested to Mike Brown that an EPA study be done for this property.

Charlotte Brown, Planning Director, said the owners plan to add to the existing building to increase the square footage.

Chairman Fitch asked if this brewery will fall within the Downtown Overlay District, subjecting them to certain requirements regarding building materials.

Brown said that is correct.

No action was taken on this item.

The Authority proceeded to agenda item #5.

5. Consider approving a Professional Services Agreement between LEDA and CEDL for fiscal year 2023-2024 and take action as deemed necessary.

Chairman Fitch said the Center of Economic Development Law (CEDL) has gone up on their hourly rates by $25. Everything else in the agreement is the same as it was last year.

Motion by Warren, **Second** by Gill, to approve a Professional Services Agreement between LEDA and CEDL for fiscal year 2023-2024. **AYE:** Warren, Gill, Means, Neal, Sheppard, Fitch. **NAY:** None. ***MOTION PASSED.***

The Authority proceeded to agenda item #6.

6. Consider approving a Professional Services Agreement between LEDA, CEDL, and City of Lawton for fiscal year 2023-2024 and take action as deemed necessary.

Tim Wilson, Acting City Attorney, noted that this agreement must also be approved by City Council. This agreement is utilized for projects that involve both the Authority and the City of Lawton.

Wilson noted that paragraph 5 under "Termination" states that "either the City or our Firm may terminate this letter of engagement at any time for any reason". He said he's wondering if they meant to include the Authority in this statement.

Gill asked who wrote this document.

Wilson said the agreement came from Dan Batchelor's office (CEDL).

Motion by Warren, **Second** by Means, to approve a Professional Services Agreement between LEDA, CEDL, and City of Lawton for fiscal year 2023-2024, allowing for appropriate modifications to be made by the City Attorney's Office as deemed necessary. **AYE:** Warren, Gill, Means, Neal, Sheppard, Fitch. **NAY:** None. ***MOTION PASSED.***

The Authority proceeded to agenda item #7.

7. Discuss a request from the Lawton Lodging, LLC, to extend the term of the Amended Function Space License Agreement, which provides for the rebate of the Hotel Occupancy Tax generated by the Hilton Garden Inn for 10 years commencing on March 21, 2014, up to a maximum rebate amount of $3.5 million, for an additional 10-year period, and take action as deemed necessary.

Chairman Fitch said the original agreement was made with Hilton Garden Inn as an incentive for building the convention center. He noted how badly a convention center was needed within the community. The agreement is due to expire next year, and now they're asking for an extension. Chairman Fitch said the Authority has been more than generous to the Hilton Garden Inn. He said they've failed to pay back the $1.5 million that the Authority gave them. CCIDA has given the Hilton $3 million. After paying $1.4 million of the $3 million back to CCIDA, the Hilton reworked their loan with CCIDA. One of the stipulations of this new loan is for the Hilton to keep the convention center open for another ten years, as they agreed to pay back the loan with job credits.

Gill asked how much of a rebate the Hilton has received from the Authority thus far.

Chairman Fitch said the Authority has given the Hilton approximately $2.1 million thus far, but the agreement doesn't expire until next year. Chairman Fitch said the Authority will likely have paid the Hilton approximately $2.5 - $2.6 million when this agreement expires next year.

Chairman Fitch emphasized what a tremendous asset the convention center is to the Lawton community. Multiple fundraising events are held at the convention center, to include Comanche County Memorial Hospital's Starlight fundraising event, which raised over $300,000 last year. He noted that the Hilton offers affordable room rates, which is enticing to various organizations as they search for places to house their convention(s).

Chairman Fitch noted that the Hilton took a big hit with COVID-19, as did many businesses. The Hilton dropped down to a 10% occupancy rate for over a year. However, the Hilton was able to secure financial assistance, which enabled them to keep their doors open.

Chairman Fitch said another obstacle the Hilton has faced is competitive pricing offered by hotels on Fort Sill. Hotels on Fort Sill offered rates as low as $55 a night for military personnel when the Hilton was first built. When families come to Lawton for a military graduation, they're more likely to stay on post where it's cheaper. Chairman Fitch noted that military graduations are held every other week. However, Fort Sill has since raised their rates to approximately $87 per night, and the Hilton's occupancy rate has gone back up to 85-90%.

Chairman Fitch said he feels the Authority has held up their end of the bargain. He asked staff if the Authority would be able to table this item.

Wilson said the Authority could vote to table this item.

Warren suggested the Authority find a way to wean the Hilton off of this incentive, possibly by countering their request with an agreement that has a shorter duration and smaller dollar amount.

Sheppard suggested the Authority take no action on this request. He said the Hilton might come back with a better offer.

Motion by Means, **Second** by Warren, to **table** the request from the Lawton Lodging, LLC **indefinitely**. **AYE:** Warren, Gill, Means, Neal, Sheppard, Fitch. **NAY:** None. ***MOTION PASSED.***

The Authority proceeded to agenda item #8.

8. Discuss the possibility of hiring an Executive Director for LEDA and take action as deemed necessary.

Chairman Fitch noted that the former Executive Director, Richard Rogalski, no longer works for the City of Lawton. As more TIF Districts are being activated, the Authority needs an Executive Director to ensure the proper procedures are being followed and the correct financial reimbursements are being made. Recent issues regarding sales tax have arisen with both Fort Sill and Comanche County. Chairman Fitch stressed the importance of staying on top of these issues.

Chairman Fitch said he's been working with Mayor Booker and Dan Batchelor's office to construct a job description for the Executive Director position. He said thie Executive Director will be hired by the Authority, but there are times his assistance may be needed on certain projects involving the City of Lawton and/or other organizations and entities. He noted that Rogalski has vast knowledge of the intricacies involved with TIF Districts.

Sheppard asked if this new Executive Director will have the authority to negotiate.

Chairman Fitch said this individual will be a part of a negotiating team.

No action was taken on this item.

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

Schlecht presented the following invoices for the period of May 19, 2023 through June 15, 2023:

- May 2023 Cash Transfer - $52,475.00 transferred to the apportionment fund with BOK
- TIF 2 April 2023 legal expenses - $6,420.00 to Center for Economic Development Law

Motion by Means, **Second** by Warren, to approve the expenses from May 19, 2023 to June 15, 2023 as presented. **AYE:** Gill, Means, Neal, Warren, Fitch. **NAY:** None. ***MOTION PASSED.***

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

Schlecht presented the Balance Sheet and Income and Expense Activity Report for May 2023. These documents are available in the City Clerk's Office upon request.

Schlecht said the matching funds are not reflected in the financials, but they will be approximately $507,000.

Chairman Fitch asked if the matching funds would be received before the note payment is due.

Schlecht said the matching funds will likely be received before the note payment is due. However, there is also extra money in the TIF 1 account to cover any differences in the event these funds are not received before the note payment is due.

Motion by Warren, **Second** by Means, to approve the Financial Report as presented. **AYE:** Warren, Means, Neal, Gill, Fitch. **NAY:** None. ***MOTION PASSED.***

4. Receive an update on the status of Southwest Oklahoma Brewery and take action as deemed necessary.

This item was discussed earlier in the meeting.

5. Consider approving a Professional Services Agreement between LEDA and CEDL for fiscal year 2023-2024 and take action as deemed necessary.

This item was discussed earlier in the meeting.

6. Consider approving a Professional Services Agreement between LEDA, CEDL, and City of Lawton for fiscal year 2023-2024 and take action as deemed necessary.

This item was discussed earlier in the meeting.

7. Discuss a request from the Lawton Lodging, LLC, to extend the term of the Amended Function Space License Agreement, which provides for the rebate of the Hotel Occupancy Tax generated by the Hilton Garden Inn for 10 years commencing on March 21, 2014, up to a maximum rebate amount of $3.5 million, for an additional 10-year period, and take action as deemed necessary.

This item was discussed earlier in the meeting.

8. Discuss the possibility of hiring an Executive Director for LEDA and take action as deemed necessary.

This item was discussed earlier in the meeting.

STAFF REPORTS

None.

ADJOURNMENT

Motion by Gill, **Second** by Warren, to adjourn the June 15, 2023 meeting. **AYE:** Warren, Gill, Means, Neal, Fitch. **NAY:** None. ***MOTION PASSED.***

There being no further business, the meeting adjourned at 3:09 PM.