



City of Lawton

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

Lawton Economic Development Authority

Minutes

Thursday, August 21, 2025

2:00 PM

Lawton City Hall
3rd Floor Conference Room

Meeting Called to Order and Roll Call

"Official action can be taken only on items which appear on the agenda. The Authority may adopt, approve, ratify, deny, defer, recommend, or continue any agenda item. The Authority may also propose and enact floor amendments to any matter presented before them. When more information is needed to act on an item, the Authority may refer the matter to City Staff. Under certain circumstances, items are deferred to a specific later date or stricken from the agenda entirely."

Chairman Fitch called the meeting to order at 2:00 PM in the 3rd floor conference room of City Hall.

ROLL CALL:

PRESENT: Fred Fitch, David Madigan, Brandie Page, George Gill, Ron Nance

ABSENT: Jason Hensley (excused), Randy Warren (excused), David Means (excused), Larry Neal (excused)

OTHERS PRESENT: Richard Rogalski, LEDA Executive Director; John Ratliff, City Manager; Garrett Lam, Assistant City Attorney; Tammy Branstetter, City Clerk's Office; Kristin Herr, Lawton Public Library Director; Rusty Whisenhunt, Public Utilities Director; Kirby Brown, Ward 3 Candidate; Tiffiney Dimery, Ward 4 Candidate; Matthew Modeste, Hatch, Croke & Associates; Kim McConnell, Lawton Constitution

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

Chairman Fitch confirmed with Branstetter that the meeting notice and agenda were posted by the City Clerk's Office as required by State Law.

Business Items

1. Consider approving the minutes of the June 26, 2025, and July 31, 2025, meetings.

A copy of the minutes from the June 26, 2025, and July 31, 2025, meetings may be obtained from the City Clerk's Office upon request.

Motion by Gill, **Second** by Nance, to approve the minutes from the June 26, 2025, and July 31, 2025, meetings as presented. **AYE:** Gill, Madigan, Nance, Page, Fitch. **NAY:** None. **MOTION PASSED.**

2. Consider approving the June 2025 Financial Report from Hatch, Croke and Associates.

Matthew Modeste, Hatch Croke and Associates, presented the June 2025 Financial Report. A copy of the June 2025 Financial Report may be obtained from the City Clerk's Office upon request.

Modeste said the financials will start on page 23 of your packets, with the statement of net position. Of course, June is your year-end, but there are several pieces of information we're still waiting on in order to provide a complete set of financials for the year ended. So, this is really just a snapshot based on the information we have at present. I will mention a few of the items we are still waiting for as we go along. We'll start with current assets. You have balances across six bank accounts, totaling \$6.675 million. This gives you total current assets for the year of \$8.372 million. That total includes your cash, accounts receivable for BOK, which was fully collected in July, and hotel/motel tax from the City of Lawton, which has also been collected. Regarding your sales tax receivable, this reflects April sales tax, which was received in July. We are still waiting on figures for May and June, so that number will increase when we prepare the final statements. We will add those amounts as soon as we get that information. The same applies to the state matching funds for the current year. Regarding prior year state matching, Richard informed me that payments were received from the Oklahoma Tax Commission in August. I don't have the bank statement for these yet — obviously they have not been prepared. So, I can't tell you the exact number that they received, but I think a substantial portion of that was received in August.

Modeste said on your fixed assets, the land, the only change was an increase of \$15,572, which was a fair market value adjustment for Lot 8, which is under contract. There was no change in the notes receivable for Westwin Elements. Regarding state matching funds, of the \$1 million for the current year, \$628,993 was received. Of course, after the June sales tax is prepared, another request will be made with the Oklahoma Tax Commission to get that remaining balance. So, total assets at the bottom of the page are \$12.869 million.

Modeste said page 24 is your liabilities and net position. Total current liabilities are \$237,630, made up of accounts payable, accrued interest, and TIF distributions of \$32,598—these checks were written in July. There has been no change in long-term liabilities. So your assets, less your liabilities, will give you your net position of negative 15.832 million.

Modeste said page 25 is the combined statement of revenue and expenses. The details of all the items that are included in the combined will be found on pages 27 to 32. Total

revenues are \$879,917.20. As mentioned earlier, we are still missing sales tax for May and June, which will also affect the state matching funds numbers for those months. So, that will change with the financial statements issued for the audit. Total operating expenses are \$219,412, leaving a change in net position of \$668,205.75.

Modeste said page 26 is the statement of cash flows, which shows an increase in cash of \$559,245.72 for the period. When we add the cash at the beginning of the period of \$6.116 million, we end up with cash at the end of the period of \$6.675 million. As mentioned, pages 27 to 32 contain the breakdown of expenses and income—these were reviewed earlier on page 25.

With regard to the hotel motel tax listed on page 25 under revenue and expenses, Madigan asked if this figure is for 12 months, and he asked if \$94,000 is a good number.

Modeste said the formula for the hotel motel tax that you were keeping changed as compared to last year. Now, you are keeping two thirds of that amount, so it's significantly more than what last year was.

Rogalski said that the prior year, we were basically obligated to provide all the hotel motel tax back to the re-developer, and now we only do two thirds, so we keep a third. Two-thirds go back to the hotel re-developer that was part of the operational agreement for the convention center, and we do get some benefits from that investment and those benefits generally are conferred on the Chamber of Commerce. I've already spoken to the new Chamber President about that, to get him a copy of the agreement and let him know that this needs to be utilized.

Motion by Madigan, **Second** by Gill, to accept the June 2025 Financial Report as presented. **AYE:** Gill, Madigan, Nance, Page, Fitch. **NAY:** None. **MOTION PASSED.**

3. Consider approving a Lawton Community STEM Program Funding Agreement with Friends of the Lawton Public Library in an amount not to exceed \$12,000.00.

Kristin Herr, Library Director, provided background information on this item. A copy of the Lawton Community STEM Program Funding Agreement with the Friends of the Lawton Public Library may be obtained from the City Clerk's Office upon request.

Herr said I'll give you a little bit of an overview of the library and how it fits into the LEGO team, and then we'll talk about the procedure part of this. The Lawton Public Library is involved in a lot of different activities, including STEM, and we provide STEM activities throughout the month for kids, teens, and adults. As we were talking to our STEM coordinator—who we contract with to do a lot of our STEM education—we asked, "What's next? What's the next step?" Within the STEM Consortium and the STEM Board, there's a plan of different initiatives, and one of the biggest ones is FIRST LEGO League. So we talked about it, and in May, we put together a proposal to have

our team for the Lawton Public Library this fall.

Herr said FIRST LEGO League is like soccer, and it's international. You have practice, and then you have a tournament, and there are a lot of aspects to it — sportsmanship, presentation and research being some of the things you get through this. What you do is register your team, build robotic LEGOs, and then you have a campaign to do different tasks. It's an eight-foot by four-foot board, and you have this competition, and you're trying to do different things. It starts now. They are shipping the supplies next week across the United States. We're forming a team for kids ages 9 to 14. While there are younger leagues, our focus is specifically on this age group. Lawton Public Schools already have FIRST LEGO League teams throughout their schools, but this effort is meant to supplement that. It will serve homeschoolers, kids who couldn't join a team through LPS, or other kids in the community who are interested. We're holding informational meetings this week. The competition has a different theme every year. This year's theme is "Unearthed," which is all about archaeology. The tasks involve digging, building — it's all centered around archaeology. It's a very competitive and multifaceted experience.

Herr said the Lawton Public Library is a part of the City of Lawton, but we also have a 501(c)(3)—the Friends of the Lawton Public Library. We submitted our application through the Friends of the Library, and we submitted it to Donalynn in the Clerk's Office, and she got it to the STEM Board.

Herr asked Rogalski to further explain the process.

Rogalski said as you are all aware, 10% of all TIF revenue goes toward STEM. However, there wasn't enough revenue to really do a decent program. So the city, and you all asked me to kind of front load it a little bit on the idea that we'll get more revenue 10 years from now. I came up with a number that we could fund over a ten-year period, based on current income and the fact that we had already been earning some of it. We currently have half a million dollars in the bank, so we were already earning this before the STEM program even started. At any rate, that amount was about \$260,000 a year - I can confidently say we can fund \$260,000 per year for ten years.

Then Quest submitted their proposal for this year, and it was about \$216,000 to get that done. That meant we actually had some money left over, which we hadn't really anticipated. When the Friends of the Library submitted their application, what delayed it a bit was that we had a policy put together for the STEM Board on how they review these things. The policy, what it says very simply, is that a public or quasi-public entity comes directly to the STEM Board and to this body, and a community agency goes through Quest. That's kind of how that policy lays out. Friends of the Library, being quasi-public, comes directly to the STEM Board. And so they went to the STEM Board, and the STEM Board approved their proposal in July. Now, it's coming before you as a funding agreement. As you know, LEDA holds the money. LEDA provides the funding, but it has to be in accordance with the STEM policy, and it runs through the STEM Board. The STEM Board is in charge of making sure it meets STEM policy, and in this

case, our agreement says you have to meet STEM policy.

Now, I will say that while this agreement was being reviewed in the last three days, some comments came in suggesting we could clean up the language a little. However, we didn't have time to make those changes before this meeting. I would recommend that you get the money to the Friends of the Library. We could always amend the agreement — I'm sure they would be happy to. It doesn't change the value. It doesn't change the numbers or the scope of services — it's just some legal language. So I would hope that we don't hold them up, but that's my recommendation. It is in accordance with the STEM policy. It's just overly wordy and not as consistent as it could be, but it's the same agreement we have a lot of places, but we're going to clean it up in the future for sure. I believe that it is fine to go forward, and in fact, the attorney that reviewed it said, "It's fine to go forward, but I redlined it anyway because I couldn't help it."

Gill said I would think that we would need the final agreement.

Rogalski said this is the final agreement. The attorney said this final agreement works, but they offered some additional language.

Gill said whatever my attorney tells me, I always check it. I think we need the final version that we're actually going to use in order to appropriate those funds.

Rogalski said I'm saying that this version can be your final version. It's just that they suggested some changes, and in fact, they said, "you probably want to incorporate these in your next version, because the version you have works, but I can't help but offer a couple of suggestions."

Chairman Fitch asked if the agreement is for this fiscal year.

Rogalski said yes. We would have to completely redo it next year, and next year would be a new agreement.

Chairman Fitch said I could see why we could go ahead and approve this.

Gill asked is this something that has a deadline on it that we need to get done by a certain time?

Herr said the Lego League starts next week. We did not realize there was a secondary board that we needed to go to. We started the process in May, but it's been a bumpy road. We're flexible in how we get it across the finish line, but we need to know whether to go forward, and so we do need a decision today. This is the kind of event that the library does when we get the grant money. This is not part of our normal operations because we don't have the budget.

Gill said I still would like our legal department to look at it.

Garrett Lam, City Attorney's Office, said the agreement was sent to Lisa Harden (CEDL). Lisa is the one who came back with the changes. They were recommended changes — they weren't something that she said had to be done, like Richard said. She just received the agreement late.

John Ratliff, City Manager, asked Lam if there were any showstoppers within the agreement.

Lam said not that I know of.

Gill said I would like to review it and see what those changes were and evaluate them and then go forward, even if that means that we have to meet again to make the deadline, or we can do that at the next meeting.

Chairman Fitch said the next meeting would be the third Thursday in September.

Nance said we could take it just the way it is, couldn't we?

Ratliff said yes, we could, or we could take a brief recess and review it.

Lam said what Richard is also saying is that you could approve it for funding, and then get an amended version of the agreement with the library afterward - that way the funding goes now.

Gill said that's suitable. We can approve it for funding purposes, do a review, and then have a final opinion by legal to continue.

Chairman Fitch said he agrees.

Ratliff said you could approve it, contingent upon a favorable legal review.

Gill said as long as we can get a review from our attorney that things are fine, I'm fine with that. So, if we need to do it from a timeline right now, that's good, as long as we have that right to come back after we review it, and it will be reviewed.

Madigan asked Herr what type of participation they are anticipating.

Herr said this is the first year, so we really don't know, but a league that actually competes typically has four to ten students. However, you can have more participants, just like in soccer practice—some kids might come who don't end up competing. We may need to have a second team. We already have one kid identified who may be competing through Lawton Public Schools, so he wouldn't compete through the library. We're working with his teacher to figure that out. So, while we don't have all the details yet, we do know there's interest. I believe we mentioned that about 30 families are connected with this. Since it's our first year, there's a learning curve. This is an

expensive sport, but it's very, very educational. We took it on because it is so expensive, and it's the goal of the STEM Consortium to get more kids involved in this.

Chairman Fitch inquired about what all the \$12,000 will cover.

Herr said the \$12,000 included several different purchases. It's not an event at the library. We would be going someplace. We do expect to take our library kids to a lot of public schools to have some competitions between different schools for practice, that sort of thing. Lawton Public Schools only sends a handful of teams to regionals because it's so expensive.

Motion by Gill, **Second** by Madigan, to approve the funding agreement on conditional approval, based on a favorable legal opinion. **AYE:** Gill, Madigan, Nance, Page, Fitch. **NAY:** None. **MOTION PASSED.**

4. Receive a report from Rusty Whisenhunt, Director of Public Utilities for the City of Lawton, and consider approving Pay Application 005 from Fisher59 Properties in the amount of \$48,280.04 for the cost of public improvements associated with the construction of a new warehouse and distribution center made in accordance with the First Amended Redevelopment Agreement between LEDA and Fisher59 Properties, approved on January 14, 2025.

Rusty Whisenhunt, Public Utilities Director, provided background information on this item. A copy of Pay Application 005 from Fisher59 Properties in the amount of \$48,280.04 may be obtained from the City Clerk's Office upon request.

Whisenhunt said the total submitted request was \$53,644.49. After removing retainage, the total payment comes to \$48,280.04. All the necessary documents were provided to support the payments for this. The water and sewer system improvements are basically 100% complete. The majority of the remaining work involves the concrete pavement for the road.

Motion by Gill, **Second** by Page, to approve Pay Application 005 from Fisher59 Properties. **AYE:** Gill, Madigan, Nance, Page, Fitch. **NAY:** None. **MOTION PASSED.**

Gill asked if this payment has anything to do with the payment that's in question.

Rogalski said no — that was number 3.

Gill asked if this is the pay request that is currently due.

Rogalski said yes.

Gill said my motion stands, as stated then.

5. Consider approving a distribution of TIF 4 funds received by LEDA in accordance with the STEDI Project Plan, to the City of Lawton and the Lawton Economic Development in proportion to the funding provided by those entities pursuant to the PepsiCo Redevelopment Agreement.

Rogalski provided background information on this item. He provided Authority members with a TIF 4 Distributions Tracker sheet. A copy of the TIF 4 Distributions Tracker sheet may be obtained from the City Clerk's Office upon request.

Rogalski said as you can see, we've received \$334,550.51. Basically, you can see the amount we got each year. At the top of the page, it's very important to note that when we receive a dollar of TIF4 funds and STEDI funds, I have to distribute a portion of it to the taxing entities. So, we get a check in, then we distribute it. In fact, we just received a check this week. It's actually TIF3, but it's not shown here yet because I haven't distributed it yet. But that's the first thing we do: get it distributed. The top part of the page shows those distributions that have already been made. We've already done all of that. Then, moving down to the next section, items A through I represent the funding categories in the project plan. They're listed exactly as A through I in the project plan. Categories A through I are all the categories that can be funded with TIF revenue. Some categories have specific percentages assigned, and some do not. I normally group A and B together depending on the project and what we're trying to fund with it. But in this particular project, because we provided around \$735,000 of assistance in development financing, even though it's for public infrastructure, I'm paying it back to the city and to the LEDC as assistance in development financing, because we ended up giving it to the redeveloper to build those things. You can see that our ability to fund assistance in development financing so far is \$196,820.85 if we let everything flow normally through TIF revenue. It's important to note—and I've included this at the bottom—that the way our project plan is set up, categories A, B, D, G, H, and I can be combined or moved around by this body. So, if we needed to pay for something sooner, we can use that revenue to do so. It just so happens you all have done a little of that. At the bottom of the page, under TIF4 direct obligations, you can see that originally the City of Lawton provided \$570,339.98 toward the project, and the LEDC provided \$160,000. That \$160,000 came from the proceeds of the sale of land, which was put back into the project. This is reflected in your obligations in your financials. Back in September of last year, we paid the city \$244,793.65, so that amount has already been repaid to the city. That's why the current financials show a remaining balance of \$325,546.33 as remaining to the city on this project. We kind of did that for a reason—there was an issue with funding, so it was treated like an emergency. However, we did not pay LEDC any of their proportionate share. We do have the money in TIF4 to make this payment. So, I'm asking you to put the LEDC back to parity with what we've already paid the city by paying them \$68,673.05, and then it reduces that \$160,000 to a little less than \$100,000. I think it's probably the correct thing to do.

Motion by Gill, **Second** by Page, to approve the distribution of TIF 4 funds to the LEDC in the amount of \$68,673.05. **AYE:** Gill, Madigan, Nance, Page, Fitch. **NAY:** None.

MOTION PASSED.

6. Consider a distribution of TIF 3 funds received by LEDA in accordance with the STEDI Project Plan to Republic Paperboard Company in accordance to the Public Assistance included in Economic Development Agreement approved in December 2019.

Rogalski provided background information on this item. He provided Authority members with a TIF 3 Funding and Distributions Tracker sheet and a Memorandum of Legal Opinion from the Center for Economic Development Law. A copy of the TIF 3 Funding and Distributions Tracker sheet and the Memorandum of Legal Opinion may be obtained from the City Clerk's Office upon request.

Rogalski said back in 2019, when we approved our very first TIF district for the STEDI Project Plan under TIF 3 with Republic Paper, what we agreed to do was repay them twice the value tied to their employment. There was a certain value based on the number of jobs they were adding—it was \$2.1 million based on their employment levels. So, twice that amount came to \$4.2 million. Actually, the total amount you're obligated to is \$4,320,240. They weren't in any hurry to get it, so it's spread over 20 years, but it starts in year six. The reason it starts in year six is because they received a tax exemption for years one through five, meaning they weren't paying property taxes during that time. So we agreed not to pay them during those years either. Paying them isn't an option but how you pay them is because the agreement wasn't really verbose on it, so I had Lisa give us this memorandum that says you have considerable discretion in how you do it. I felt the cleanest way to handle it—and I've presented this before—is to treat it like an annuity: divide the \$4.32 million over 20 years and pay them that fixed amount annually. The agreement was executed around November, which is why I'm bringing this up now in case there's any additional discussion. It's not due next week or anything, but this is what I'd recommend. Again, paying them is mandatory under the agreement, but how you structure the payments is up to LEDA. If you look at the TIF 3 revenue sheet, you'll see this has been a good TIF district. So far, we've received \$3.49 million—not including the \$700,000 we just got this week. So now, we're over \$4 million in TIF 3 so far.

Rogalski said I would like you to take action to direct me to pay it in an annuity at \$216,012 a year for the next 20 years.

Gill asked if this will be the first payment.

Rogalski said yes. Technically, I think it's due by December 1st.

Ratliff asked Rogalski why the \$700,000 wasn't factored into the annuity.

Rogalski said the amount that we've received so far isn't the issue. The \$4.2 is based on a calculation in the agreement that was based on the numbers of their employees. It just didn't say exactly how they receive it.

Nance asked when you say annuity, are you just saying it's going to be equal payments — not a financial instrument?

Rogalski said it's just going to be equal payments over 20 years.

Motion by Nance, **Second** by Gill, to approve the distribution of TIF 3 funds as presented. **AYE:** Gill, Madigan, Nance, Page, Fitch. **NAY:** None. **MOTION PASSED.**

Reports

1. Receive a report from the LEDA Executive Director

Rogalski provided Authority members with a Long Term Liability Report. A copy of this report may be obtained from the City Clerk's Office upon request.

Rogalski said you can see where we are and all the payments we've made on these long-term liabilities, and I'll keep this updated. This report does not include the Truist note. The Truist note is for the downtown project—it's part of the downtown project plan under TIF 2. There's a payment due on 9/1/25 in the amount of \$2,083,492.50. Anyone who's been on the board for a while knows it's typically been a bit of a struggle to make those payments. But this year, it's not so bad. If you looked at the income statement, you saw we have \$467,400 in the BOK TIF 2 account already. And with the two payments we received this month, we actually now have \$3.3 million available to pay the note. What that means is that TIF 2—after 13 years—could now actually begin funding some economic development in the downtown. We could now have a program of some substance. So we'll start looking at that a little bit. Another thing we could do, and this ties back to the long-term liability sheet I mentioned, is one more of our long-term liabilities. You'll recall that in April of this year, we paid LURA \$466,392—paying off what was more or less an unpaid note for 12 years. We also have one outstanding to the City of Lawton for \$414,322. That's also been sitting for a long time—I believe it dates back to around 2010. What happened was, the City paid interest on the original \$12 million note for the downtown project. It's been on the books for as long as I've been around—back when Larry Mitchell was the executive director. So, we could consider paying that off now. I'm not saying we do it today—but if you like, I could bring it back next month for your consideration. For now, I want to get the Truist note paid, let the dust settle, and make sure there aren't any other obligations. I also need to prepare the program for next year's note—I'll do the math on that to ensure we can make the March and other payments. But likely, I'll bring that City of Lawton item to you at the next meeting for consideration to get that off our books.

Rogalski said we have received all of our state match payments — everything we've applied for we've received. Probably in a month or two we'll have all the sales tax numbers from the sixth month period that just passed — January through June. We will then submit another request. So right now we're back on track with the state match funds.

Executive Session

Motion by Gill, **Second** by Madigan, to convene in executive session. **AYE:** Page, Fitch, Gill, Madigan, Nance. **NAY:** None. **MOTION PASSED.**

The Authority convened in executive session at 2:55 PM and remained in executive session until 3:23 PM.

Motion by Gill, **Second** by Nance, to return to open session. **AYE:** Page, Fitch, Gill, Madigan, Nance. **NAY:** None. **MOTION PASSED.**

1. Pursuant to Section 307C.11, Title 25, Oklahoma Statutes, consider convening in executive session for the 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, to include providing direction to the Executive Director, to either pursue or not to pursue further negotiations with any economic development prospects so discussed, and/or authorization to apply for grant funding in support of the project.

No action was taken on this item.

Adjournment

Motion by Madigan, **Second** by Page, to adjourn the August 21, 2025, meeting. **AYE:** Gill, Madigan, Nance, Page, Fitch. **NAY:** None. **MOTION PASSED.**

There being no further business to discuss, the meeting adjourned at 3:24 PM.