

**MINUTES
LAWTON URBAN RENEWAL AUTHORITY**

Minutes of the Lawton Urban Renewal Authority meeting held February 15, 2022, in the 2nd Floor Conference Room, City Hall, 212 SW 9th Street, Lawton, Oklahoma.

The meeting was called to order at 1:00 p.m. by Chairman Ernest Sheppard.

Notice of the meeting and agenda were posted on the City Hall bulletin board on February 11, 2022 at 12:00 p.m. by Tammy Anderson, as required by State law.

ROLL CALL

MEMBERS PRESENT: Joe Abshere
Jacob Brox
Jesse Cross
John Purcell, Jr.
Ernest Sheppard

MEMBERS ABSENT: None

OTHERS PRESENT: Richard Rogalski, Assistant City Manager
Kelly Harris, Ward 2 City Councilmember
Janet Smith, Planning Director
Gregory Gibson, Assistant City Attorney
Cindy Augustine, Real Property Admin
Susan Schlecht, Finance
Denise Ezell, Recording Secretary

4. Approval of Minutes.

Action: Motion to approve minutes from the December 14, 2021, meeting.

Motion by Purcell, **Second** by Cross, to approve the minutes of December 12, 2021, as written.

Aye: Brox, Cross, Purcell, Sheppard. **Abstain:** Abshere. **Nay:** None. **Motion Passed.**

5. Receive the Financial Report-Susan Schlecht, Finance Department-City of Lawton.

Action: Accept the Financial Report for December 2021 and January 2022 financials.

Schlecht stated we have two (2) months of financials to review. We will start with December's balance sheet. In the checking/savings as of December 31st your balance was \$15,821.04. The land and receivables were the same as your last report. We need to pay close attention to the accounts payable at this point. Your balance is \$7,960.00. There are two (2) invoices from Lawn Wizards and one (1) from Robert Turner for the audit. Those are in the \$7,960.00. Looking at the Profit and Loss basically this is what has come out of your cash, and we have a receivable. There

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is \$1.61 in bank service charges and .13¢ in interest income. Under Professional and Technical Services is the \$3,800 for Robert Turner. Are there any questions.

Sheppard asked so the \$3,800 was paid in December.

Schlecht stated it is an expense in December and the check was also cut in December.

Abshire asked why is it showing on accounts payable as well.

Schlecht stated because I do these by hand. I don't have a computer system that keeps track, so I use that line to keep track of my payables. When it clears the bank, I'll remove it from cash. You must deduct that from the \$7,960.

Abshire stated okay.

Schlecht asked are there any other questions. If not, we will move to January. Cash in the bank as of January 31st is \$15,819.56. Again, we will move to the accounts payable.

Abshire stated that is my question.

Sheppard stated I don't understand that either.

Abshire stated you say to deduct \$7,900 from this but we still have the same amount on January 31st.

Schlecht stated when you write a check it doesn't necessarily clear the bank at that time.

Abshire stated I thought you said it cleared the bank.

Rogalski stated she said it was written.

Abshire stated I'm sorry I thought it had cleared.

Schlecht stated that's okay. We have an additional expense of \$529 for January which takes the accounts payable to \$8,489. Your actual balance as of today is \$7,330.56

Purcell asked are you saying those haven't cleared the bank even at the end of January.

Schlecht stated they have not. I'll call Lawn Wizards because those have been outstanding for a while. I'm sure that Robert's has by now. On the Profit and Loss we have bank charges of \$1.61, insurance from Smith and Son of \$529 and interest income of .13¢.

Rogalski asked do they bank with City National.

Schlecht stated no, BancFirst.

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Rogalski stated okay, I was going to fix the fee if it was City National.

Sheppard asked when everything clears what is our balance.

Schlecht stated \$7,330.56

Schlecht stated we do have expenses but unfortunately, they didn't make the agenda. I'll save those for the next meeting.

Sheppard stated if we have the cash.

Schlecht stated these have already been taken out. It will be your Turner expense.

Purcell stated I thought that was in here.

Schlecht stated it is. Most of the time those are approved retroactively. We receive an invoice, I pay it and bring it to the board, and you approve it. Turner's invoice was approved the day of the meeting.

Sheppard stated so the \$7,300 is net of Turner's expenses.

Schlecht stated yes.

Motion by Cross, Second by Brox, to accept the financials. **Aye:** Cross, Purcell, Sheppard, Abshire, Brox. **Nay:** None. **Motion Passed.**

BUSINESS

6. Consideration and discussion to approve an offer to purchase LURA Lots.

Action: Motion to approve and accept an offer in the amount of \$50,000 from Builder Investment Group, 1723 W. Britton Rd., OKC, OK., for 54 lots in Lawton View, and accepting earnest money in the amount of \$6,000.00.

Smith stated let me introduce myself. I'm Janet Smith the Direct of Planning and Community Services. I'm excited to bring this contract to you today. The parties are with us, Willard Barnett and Garry Adams.

Rogalski asked do you have the map.

Smith stated I did not grab the folder that show all the lots, I apologize. We have fifty-four (54) lots that are twenty-five (25) feet wide. These gentlemen would like to purchase those. They will have to have two (2) lots so they can build according to code. LURA's major expense on these lots is mowing. A year ago, there was an offer that was accepted for those lots. That contract was never executed. There was a sixty (60) day window that the contract should have been fully executed and it was not. The gentleman contacted me in mid-October and asked if he could exercise the contract. According to legal since the contract wasn't executed within the sixty (60)

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day timeframe the contract is null. We felt these gentlemen were willing, ready, and able buyers, so we wanted to work with them.

Rogalski stated to clarify we did tell the prior offeror if he was interested to redo the contract and bring it back to LURA. He did not bring anything back to us.

Harris asked will the city be held liable for this later.

Smith stated no.

Sheppard asked could we hear the details of the offer.

Smith stated there are fifty-four (54) lots in that Lawton View area and their offer is shown on the Exhibit A and B.

Adams stated I'm Garry Adams with Builders Investment Group. On your Exhibit A and B those are all at least two (2) lots. We must have two (2) lots to be able to build a house. The code says a minimum of fifty (50) feet. Some have three (3) because there was a single lot next to the two (2). We knew the city wouldn't want the single lot left so we will take all three (3). The price is per building lot and a building lot to us would be two (2) twenty-five (25) foot lots.

Abshire stated and three (3) in some cases.

Smith stated yes. I believe Exhibit A has two (2) with three (3) lots and Exhibit B has a couple as well.

Purcell asked what is this contract for sale.

Rogalski stated that was the old contract.

Smith stated that is just for your reference.

Adams stated we know if we gave the city certified funds, they would give us a quick claim deed. To sell a home with a mortgage a title search must be done which will be another \$2,000 or \$3,000 for us. We have supplied an attorney with of few of these lots for them to review to see how many will need quick claim deeds.

Rogalski stated most of these lots were acquired during the urban renewal plan for that area.

Sheppard stated I didn't understand the point of your last statement. Are you satisfied with a quick claim deed?

Adams stated we probably will be by the end of the day. We are trying to find out if every lot will need a quiet title. We have those with an attorney to give us some feedback.

Sheppard stated normally we will issue a quit claim deed.

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Adams stated right, but the city can't offer a title opinion or title policy, which we must have.

Sheppard asked how many isolated twenty-five (25) foot lots are left.

Smith stated about ten (10).

Adams stated Exhibit A and B takes in all the highlighted lots.

Smith stated it's just the uncolored ones and I think there are eight (8).

Sheppard asked do any of the member have any questions.

Purcell stated the agenda item shows the offer is for \$50,000 from Builder Investment Group. Is that correct.

Smith stated yes.

Purcell stated there is \$6,000 in earnest money leaving a balance of \$44,000. Is that right?

Smith stated yes.

Purcell stated the Exhibits shows twenty-nine (29) lots at \$2,00 which is \$58,000. I'm confused.

Smith stated Exhibit A has thirteen (13) and Exhibit B has sixteen (16).

Barnett stated and some of those have three (3) lots.

Adams stated we just needed fifty (50) but made the decision to take the third one because you can't build on a twenty-five (25) foot lot.

Abshire stated when you add Exhibit A and B it totals \$58,000 but the agenda item says \$50,000. We are trying to figure out which dollar amount is correct.

Smith stated I'm sorry that was my error.

Barnett stated it was probably because we wrote the contract and then came back and asked about some extra lots. Those third lots are included in this, so we pushed it above the \$50,000.

Abshire stated that still doesn't make sense. The third lots are listed here. They all have two (2) listed and some have three (3), which is fine, but it still totals up to twenty-nine (29) billable lots. We aren't upset we are just trying to get some clarification. We want to know what the offer is.

Rogalski stated if Exhibit A and B is correct it is \$58,000.

Barnett stated if that is what it is that is what we will pay.

Abshire stated that is fine. All is good I'm just trying to get clarification.

Barnett stated you may have a twenty-five (25) foot lot left by itself. We have plans that will fit that twenty-five (25) lot. Is there a possibility that we could do those plans on a straggler?

Rogalski stated everything is possible. We have created a Small Plan Unit Development specifically to create another type of facility. You can't do a PUD on a single lot, but we are open to some type of suggestion.

Barnett stated this is what they do in Fayetteville, Arkansas and it looks nice. We have done some in the Plaza District in Oklahoma City. Why couldn't we do these little houses and make it to fit in the neighborhood. Then you have a price market that people can afford. Those would run around \$89,000 to \$99,000. Is there a possibility we could do that?

Rogalski asked if we said yes would you consider doing that product on other lots.

Barnett stated absolutely if we can get the twenty-five (25) feet.

Rogalski stated this is different in which case you must buy every individual lot.

Barnett stated that will be okay.

Rogalski stated they are saying they have a product that fits on a twenty-five (25) foot lot that would create some truly affordable housing in that area with not just the three (3) straggler lots. They might do this on some of the other lots they are purchasing.

Adams stated if we do the twenty-five (25) foot lots we drop from \$179,000 to \$200,000 to under a \$100,000.

Abshire stated on the three (3) lots you would do the two (2) lots with whatever and then do one (1) lot with the twenty-five (25) foot plan.

Adams stated and there are lots that are by themselves. A couple of the corners have the twenty-five (25) foot and those are the ones we would propose the twenty-five (25) footer on.

Barnett stated this is a market we are seeing now. We did extremely well here before. We don't build over \$290,000 and we like the first-time home buyer. Rent has gotten stupid. In Oklahoma City it is \$1.17 a foot. We can build a house and get the mortgage with it. We try to put people in houses.

Sheppard asked to build on the twenty-five (25) foot lots does that need City Council approval.

Rogalski stated yes, we would have to modify the subdivision code. We have the SPUD created but this would need a modification.

Adams stated I don't believe you could do a PUD on scattered individual lots.

Barnett stated we could have twenty (20) lots and put a PUD on those.

Rogalski stated yes.

Barnett stated it would cost us money, but we could do that.

Adams asked even though they are scattered.

Rogalski stated I thought you were talking about together.

Barnett stated no scattered.

Rogalski stated we will have to research that. I don't believe there is anything that says you can't.

Adams stated on Plan Unit Development I don't believe there is anything that says you can't.

Rogalski stated I have never seen it.

Barnett asked what if we did a plat with lots and blocks.

Rogalski stated you wouldn't have to replat it. Our SPUD is a zoning process. You put a SPUD overlay on the property and that allows you to have modified requirements. That SPUD overlay gives you the twenty-five (25) foot building lot.

Barnett stated we pulled the comps in Lawton and last year there wasn't a house built for under \$250,000. We know the market is here.

Abshire asked if you pull the individual lots what would your offer be on the twenty-five (25) foot lots.

Barnett stated the same as the others.

Sheppard stated I would guess that you are not willing to extend your current offer until City Council approves twenty-five (25) foot lots.

Adam stated that would be correct.

Barnett stated we will do whatever we need to. We will hire Lester to get with you to figure out how to do this.

Rogalski stated if it is approved it is doable. Affordable housing is an important aspect in a community. With the cost of materials right now it is almost an oxymoron with affordable housing. This product is good and good for the community. This is a good idea.

Sheppard stated so we have a proposal here for an offer. Is that correct.

Barnett stated yes sir.

Sheppard stated I would like to act on this offer today and the remaining twenty-five (25) foot lots could be handled at another session.

Abshire stated if we do go for the twenty-five (25) foot that have three (3) lots we would not be able to capitalize on those. We are selling them for \$2,000.

Sheppard stated we are going to sell each lot for \$2,000.

Abshire stated we are selling each buildable lot for \$2,000.

Rogalski stated there are seven (7) of those, so you are basically leaving \$7,000.

Abshire stated he said he would purchase them for \$2,000 so there would be \$14,000.

Barnett stated we have hired Southwest Abstract and it is going to take us probably ninety (90) days to clear the titles. With the ones with three (3) we will come back and amend the offer and buy that lot if we get approval for a twenty-five (25) foot for \$2,000. We would do that.

Sheppard stated with the seven (7) plus the three (3) would be \$20,000.

Barnett stated yes.

Sheppard stated this is a good deal for you and us. I like this.

Barnett stated absolutely and if this works, we want every lot you have.

Adams stated we didn't have a map of the unhighlighted lots, but we would come back with a separate contract and offer the same money. We would like to look at those lots.

Rogalski stated those are commercial lots.

Adams stated okay.

Barnett stated we did build a small office complex in Oklahoma City and Janet told us that would be good for downtown. We would be willing to do that on the commercial lots. We would have to figure out a fair price if we have that option.

Sheppard asked Janet, do you have a total number of lots. I counted ten (10) twenty-five (25) foot isolated lots. Is that right?

Adams stated I believe there are seven (7) in Exhibit A and B and then the three (3).

Abshire stated I counted eight (8) on Exhibit A and B and then three (3).

Adams stated yes, eight.

Sheppard stated I'm just trying to figure it all out. I don't want any surprises for either of us.

Adam stated if the city allows us to build on a twenty-five (25) foot lot and if we had a good SPUD, we would take those eight (8) single lots off Exhibit A and B and do a separate contract for those and the other three (3). That would be eleven (11) lots.

Sheppard stated okay, so the adjacent twenty-five (25) foot lots to the two (2) you are wanting to separate. Are you wanting to make an offer or not?

Rogalski stated he is making an offer on those two (2) exhibits as they are, all fifty-eight (58) lots. If he is allowed to build a twenty-five (25) footer, then he will amend the contract to purchase those separately.

Adam stated we could proceed with the contract and then if the city allows us to build on the twenty-five (25) lot we would build on two (2) lots of fifty and then a single twenty-five (25).

Barnett stated we must have a contract to buy it separately.

Abshire stated this would be verbal, but you could buy those last three (3) lots for what you would have paid for the whole eleven (11). It would come out to be the same money.

Adam stated we could do that.

Barnett stated we will go back and figure this out and bring a new contract and the earnest money.

Sheppard stated that would be fine.

Barnett asked do you meet every month.

Sheppard stated yes.

Barnett stated perfect, that way everyone is on the same page.

Sheppard stated everyone will be comfortable and understand what is going on. We like the idea.

Cross stated we don't want you going away.

Barnett stated we won't. We put in a contract on a one hundred sixty (160) acres on the eastside of town.

Brox asked where on the eastside.

Barnett stated on Cache Road and 45th Street.

Rogalski stated on the southwest corner.

Sheppard stated so we will see you gentleman in the future.

Barnett stated we will get this back to Janet by Monday or Tuesday so you can look at it before the next meeting. Thank you for your time.

Sheppard stated thank you. Okay, staff I guess you will be receiving a contract and we want all the details.

Rogalski stated we will get the contract language drafted. We will pose it to include the twenty-five (25) lots and without.

Sheppard stated okay. Do they need any approval from LURA to build on a twenty-five (25) foot lot?

Rogalski stated no, it's the SPUD. We will have to look at the language and see if it works. If it doesn't, we might have to re-write it a little.

Abshire stated if it does, we just sell them and move on.

Rogalski stated correct, it is a zoning overlay. It will have to go to the Planning Commission and if LURA supports the idea they probably need to attend the meeting to voice your support.

Sheppard stated okay, we look forward to hearing about that.

7. Consideration and discussion to approve appointing Janet Smith, Director of Planning, as Deputy Director.

Action: Motion to approve Janet Smith, Director of Planning for the City of Lawton, as Deputy Director of LURA.

Smith stated this item is at the direction of Richard.

Purcell asked who is the director.

Rogalski stated technically I'm still the director. The director is appointed by LURA, and it is at your leisure. In the by-laws there is a deputy director and we just thought we would start her off as the deputy director and then later transition her into the director. It is all your decision.

Motion by Abshire, **Second** by Cross, to approve Janet Smith, Director of Planning for the City of Lawton, as Deputy Director of LURA. **Aye:** Sheppard, Abshire, Brox, Cross, Purcell. **Nay:** None. **Motion Passed.**

8. Commissioner's Reports or Comments.

Rogalski stated we notice the by-laws stated the executive director is the principal employee of the authority. The by-laws do not accommodate for the fact that the director is really an employee of the city and not yours, so you don't have to compensate that person. We are going to modify them to add this language.

Sheppard stated there is a portion that is highlighted in yellow.

Smith stated I think that was just a highlight from Denise's copy.

Sheppard stated we elect the chair and vice-chair. This says the Mayor shall appoint the chair and vice-chair.

Rogalski stated this is something else we noticed. The Mayor could but y'all elect. The code says if the Mayor doesn't appoint then you elect.

Sheppard stated so there is a provision.

Rogalski stated yes.

Sheppard asked do you have the amendments.

Rogalski stated no we will be working on those.

9. Secretary's Report.

None

10. Public Comments.

None

11. Adjournment.

There being no further business the meeting was adjourned at 1:45 p.m.

Motion by Cross, **Second** by Purcell, to adjourn. **Aye:** Abshire, Brox, Cross, Purcell, Sheppard.
Nay: None. **Motion Passed.**

Ernest Sheppard, Chairman

Jacob Brox, Secretary