MINUTES
LAWTON URBAN RENEWAL AUTHORITY

Minutes of the Lawton Urban Renewal Authority meeting held February 19, 2013 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 as required by State law.

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1. **ROLL CALL**

MEMBERS PRESENT:	John P. Purcell, Jr. Albert Johnson Jerry Evers Ernest Sheppard Jacob Brox
MEMBERS ABSENT:	None
OTHERS PRESENT:	Richard Rogalski, Executive Director Steven Greb, Assistant City Attorney John C. Mackey, Legal Counsel Jackie Monette, Recording Secretary

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2. CONSIDER APPROVAL OF THE MINUTES OF THE JANUARY 15, 2013 MEETING OF THE LAWTON URBAN RENEWAL AUTHORITY.

MOTION by Evers, SECOND by Purcell, to approve the minutes of the January 15, 2013 meeting of the Lawton Urban Renewal Authority.

VOTE ON MOTION: AYES: Johnson, Evers, Sheppard, Brox, Purcell. NAYS: None. MOTION CARRIED 5 – 0.

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3. CONSIDER A RESOLUTION APPROVING THE EXPENDITURES AND ACCEPTING THE FINANCIAL STATUS REPORT OF THE LAWTON URBAN RENEWAL AUTHORITY FOR THE MONTH OF JANUARY, 2013.

The balance in the bank as of December 31, 2012 was $115,752.47. After deposits of interest and disbursements, the bank balance as of January 31, 2013 was $104,508.05.

Chairman Sheppard asked what the accounts payable was.

Rogalski stated that it is landfill expenses billed by the City of Lawton, but not yet paid by LURA.

Evers asked if the amount is expenses that should be reimbursed by LEDA.

Rogalski stated that it is.

MOTION by Brox, SECOND by Johnson, to adopt LURA Resolution No. 13-02, approving the expenditures and accepting the financial status report of the Lawton Urban Renewal Authority for the month of January, 2013.

VOTE ON MOTION: AYES: Evers, Sheppard, Brox, Purcell, Johnson. NAYS: None. MOTION CARRIED 5 – 0.

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4. CONSIDER RENEWING THE PUBLIC EMPLOYEE BOND POLICY WITH SMITH & SONS INSURANCE AGENCY AND AUTHORIZE PAYMENT OF THE PREMIUM.

The Public Employee Bond Policy expired on February 1, 2013. Smith & Sons Insurance Agency, Inc., has submitted the application to renew the policy. The application to renew is for

$800,000 limit of liability with a $10,000 deductible at a premium of $694.00. This policy includes the Executive Director, secretary, bookkeeper and attorney. This is the same amount of coverage in the past bonds.

MOTION by Purcell, SECOND by Johnson, to authorize the Chairman to sign the Public Employee Bond Policy and authorize payment of the premium.

VOTE ON MOTION: AYES: Sheppard, Brox, Purcell, Johnson, Evers. NAYS: None. MOTION CARRIED 5 – 0 .

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5. CONSIDER PROVIDING $50,000 TO THE LAWTON ECONOMIC DEVELOPMENT AUTHORITY (LEDA) FOR THE REPAYMENT TO THE CITY OF LAWTON OF FUNDS ADVANCED TO LEDA FOR PAYMENT OF INTEREST DUE ON THE 2009 ECONOMIC DEVELOPMENT CAPITAL IMPROVEMENT NOTE EXECUTED BETWEEN THE LAWTON ECONOMIC DEVELOPMENT AUTHORITY AND BANCFIRST, ARVEST, AND IBC.

On September 25, 2012, the Lawton City Council agreed to provide $150,000 to LEDA for payment of interest due on the 2009 Economic Development Capital Improvement note executed between the Lawton Economic Development Authority and BancFirst, Arvest, and IBC. Since that time LEDA has repaid $100,000 of that amount. During that same time period, LEDA has borne additional costs to include further environmental investigation and remediation of the Crawford and Coca Cola properties, and the acquisition, relocation and demolition costs associated with the Jefferson Funeral Home that might otherwise have been paid by LURA. At this point, the operating funds available to LEDA cannot be used to repay the remaining $50,000 to the City and no other funding is readily available. Since this payment must be made in a timely manner, LEDA is requesting that LURA consider providing the funds to LEDA to make the final payment. The $50,000 would be reimbursable at some point in the future through proceeds from the TIF District.

Mackey asked if the disbursement had to come from LURA to LEDA and then LEDA would pay back the City of Lawton.

Rogalski stated that he was correct. He stated that LURA's method of repayment of these funds would be through the TIF District.

Purcell asked if Bianco's potential relocation expenses are the only costs left to be paid.

Rogalski stated that he believes that he is correct. He added that, if Bianco's chooses not to re-open at a new location, the payment in lieu of relocation expenses would be a maximum of $20,000.00.

Purcell stated that his concern was that LURA only has $104,000 in the bank. He stated that there are the normal expenses for mowing, but was concerned about what would happen if LURA didn't have the funds to make the payment for those potential relocation expenses. He stated that he assumes that LEDA would pay back some of the outstanding IOU's, but he is concerned about depleting LURA's account by $50,000.

Evers stated that the $50,000 is supposed to be reimbursed through the TIF District, but LURA is on the bottom of the list for priority of payment.

Chairman Sheppard stated that, if LURA's funds are depleted to the point where it can't pay for mowing, the City's recourse would be to fine LURA and LURA can't pay that either. He stated that all of the entities involved would have to work together.

Rogalski stated that it was presented to him that it is critical that LURA shows some good faith to the City Council by reimbursing them for part of the funds they have advanced to make payments on the note.

Johnson asked if there would be any legal recourse that shows what is happening with the funds.

Rogalski stated that he is not fully aware of all of the financing details with the retail portion of the project, but he believes that some funds will come to LURA through that transaction. He stated that the retail portion of the project should be closing sometime around the middle of March.

Purcell asked if LEDA would be paying any funds to LURA with the cash paid through the closing of the retail project.

Mackey stated that he doesn't believe that LURA would receive any of the funds, because the banks would be in line for payment first.

Brox asked if the Authority should be just ignoring the landfill expenses.

Rogalski stated that there had been some discussion about the City waiving those costs, but they are reimbursable expenses, so Staff has been keeping a running total of those amounts.

Chairman Sheppard stated that we all have to remember what LURA is all about. He stated that the premise of the Urban Renewal Authority is to get Lawton back to a thriving community. He stated that it is the duty of the Authority to do whatever is necessary to that end. He added that, although reimbursement through the TIF would take a while, it is necessary for LURA to get a claim in for those funds.

Rogalski stated that, if the Authority will authorize the payment of the $50,000 as stated, it is still an amount that can be invoiced to LEDA. He stated that it would be the same as any of the other project expenses that LURA sends invoices to LEDA for reimbursement.

MOTION by Evers, SECOND by Brox, to approve providing $50,000 to the Lawton Economic Development Authority (LEDA) for the repayment to the City of Lawton of funds advanced to LEDA for payment of interest due on the 2009 Economic Development Capital Improvement note executed between LEDA, BancFirst, Arvest and IBC Bank, and authorize the Chairman to send an invoice to LEDA for reimbursement of same.

VOTE ON MOTION: AYES: Brox, Purcell, Johnson, Evers, Sheppard. NAYS: None. MOTION CARRIED 5 – 0.

6. REPORTS AND COMMENTS

Rogalski gave an update on the status of the downtown project. He stated that there are still some issues being settled, but PSO and Centerpoint are on track to have the utilities in place for the project. He added that the hotel is currently under construction. He stated that Jefferson Funeral Home will be demolished in the next few weeks. He stated that ZIA Corporation removed all of the contaminated soil on the old Dan Crawford's RPMS site. He stated that the retail portion of the project is trying to close around the middle of March, but it may be delayed a few weeks while other details are being settled.

7. ADJOURNMENT

There being no further business the meeting was adjourned at 1:27 p.m.

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Ernest Sheppard, Chairman

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Jerry Evers, Secretary

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