MINUTES
LAWTON URBAN RENEWAL AUTHORITY

Minutes of the Lawton Urban Renewal Authority meeting held April 16, 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 MARCH 12, 2013 MEETING OF THE LAWTON URBAN RENEWAL AUTHORITY.

MOTION by Evers, SECOND by Johnson, to approve the minutes of the March 12, 2013 meeting of the Lawton Urban Renewal Authority.

VOTE ON MOTION: AYES: Johnson, Evers, Sheppard, Brox. NAYS: None. ABSTAIN: Purcell. MOTION CARRIED 4 – 0 – 1.

OLD BUSINESS

3. CONSIDER CLAIMS RECEIVED FROM LITTLE BLESSINGS LEARNING ACADEMY FOR RELOCATION EXPENSES ASSOCIATED WITH THE PROPERTY FORMERLY DESCRIBED AS LOTS 9-11, BLOCK 45, NORTH ADDITION, AND TAKE APPROPRIATE ACTION AS NECESSARY.

Pinnacle Consulting Management Group, Inc. has received a large amount of invoices and receipts that Little Blessings Learning Academy wants to claim as eligible relocation expenses.

According to § 24.207(d)(1)(ii) of the Federal Regulations, "All claims for a relocation payment shall be filed with the Agency no later than 18 months after the date of displacement." Little Blessings Learning Academy vacated the displacement site on June 15, 2010; therefore, their 18 month time period expired on December 15, 2011. The Federal Regulations would allow LURA to waive this time period for good cause. The claimant is requesting the time period to be waived because they did not find a replacement site until November, 2011.

The displacee was notified of the 18 month time period, in writing, from the beginning of the project. Furthermore, the displacee did not inform Pinnacle of the replacement site and request any reimbursement of expenses until January 25, 2013. For these reasons, Pinnacle recommends that LURA deny the request to waive the 18 month time period.

LURA heard from the displacee at the March 12, 2013 meeting, but chose to continue this discussion to the next regular meeting so that a representative from Pinnacle Consulting Management Group can provide documentation and additional information about the notification of the 18-month time limit to the displacee.

Aaron Adkins from Pinnacle Consulting Management Group was present and distributed copies of the documentation that was provided to and signed by Calvin and Brenda Mitchell, owners of

Little Blessings Learning Academy, regarding the 18-month time for filing claims. Adkins stated that LURA's determination today has nothing to do with paying any claims, but rather, whether or not to extend the 18-month time limit for a displacee to submit claims.

Adkins stated that the displacees vacated the property on June 15, 2010, so the expiration date of the 18-month time limit for submitting claims would be in December, 2011. He stated that the claims were submitted in January, 2013.

Rogalski stated that the issue discussed at the last meeting was to determine whether or not the displacees were aware of the 18-month time limit for submitting claims.

Adkins pointed out that Mr. and Mrs. Mitchell each signed various forms that spelled out the 18-month time limit. The forms and dates signed are as follows: Commercial Interview – July 11, 2007; Offer Letter – March 12, 2008; Claims for storage payments – June 15, 2010 (2 claim forms) and July 15, 2010 (2 claim forms). He added that they received the HUD Relocation Assistance information sheet and notice of eligibility.

Chairman Sheppard noted that the 18-month provision is highlighted on the copies provided to the members and some of the forms were signed by Calvin Mitchell and others signed by Brenda Mitchell.

Adkins stated that Calvin Mitchell signed on behalf of Grace and Truth Church and Brenda Mitchell signed on behalf of Little Blessings Learning Academy.

Johnson asked why the board should be considering a waiver of the 18-month time period. He stated that the information in the HUD regulation doesn't provide that a waiver has to be given.

Chairman Sheppard stated that Mr. & Mrs. Mitchell gave their reason for submitting claim forms so late was that they didn't know about the 18-month time limit. He added that the documentation provided at today's meeting shows that they had, in fact, received and signed various documents that stipulated the time limit.

Mrs. Mitchell asked to see a copy of the documentation that they had signed.

Purcell asked Mr. and Mrs. Mitchell why they did not meet the 18-month time frame. He stated that he was not at the last meeting where it may have been discussed, but he wanted to know if there was a good reason that would explain the issue.

Evers stated that he remembered LURA paying storage expenses for the church and the daycare.

Mrs. Mitchell stated that one of those forms was from 2008, so she assumes that everyone in the area signed that form in the beginning.

Purcell asked Mr. & Mrs. Mitchell when they relocated to the new building, since they had vacated the previous building in June of 2010.

Mrs. Mitchell stated that they found the new location in November of 2011, and found that building on their own. She stated that it took some time, because they didn't receive any assistance finding a location that would comply with City and State regulations.

Adkins stated that the claims submitted were in the approximate amount of $18,000.00, but it's possible that only $10,000.00 of the claims would be eligible for reimbursement. He added that it would only be a possibility if LURA chooses to waive the 18-month time limit.

Johnson stated that he doesn't see anything in the regulation that provides for a waiver of the requirement.

Mackey stated that the Statute says that the displacee has 18 months from the date they vacate the old property, which was in June, 2010. He added that the time it took the displacee to find and occupy a new location has nothing to do with the regulations.

Purcell stated that he can't see what reason could possibly explain the delay. He added that the displacee citing that they couldn't find a location doesn't seem to be a good reason.

Rogalski stated that a good reason might be that the displacee was hospitalized for some reason and wasn't able to search for a new location.

Adkins stated that any agency that displaces property owners or tenants and follows the HUD relocation guidelines can review each request on a case-by-case basis. He added that LURA is under no obligation to waive a HUD regulation, but LURA does reserve the right to waive a HUD regulation if just cause is presented.

Mackey agreed and stated that LURA is allowed to make a determination on each relocation as to whether or not the displacee was treated fairly and notified of the regulations. He added that, should LURA feel that the displacee was treated unfairly, the time limit could be extended.

Purcell stated that the daycare was not operating since the displacee moved out of the old location in June, 2010. He stated that they weren't operating for almost eighteen months. He asked Mrs. Mitchell when she started operating at the new location.

Mrs. Mitchell stated that the brochure says that they shall receive assistance in locating a replacement site, but they received no assistance. She stated that they started business at the new location in November, 2011. She stated that she had called Marcus Boyd on several occasions, and was told that there was no time limit.

Purcell stated that they were first notified in 2007 that this project would be happening and they would have to find a new location. He asked that it took almost four years to find a replacement site.

Mrs. Mitchell stated that they didn't look for a new location until they vacated the old premises.

Purcell stated that Mr. and Mrs. Mitchell chose to wait until they vacated the old property, and that isn't LURA's fault. He asked them why they didn't bother to get assistance from Pinnacle or LURA within the last four years.

Mrs. Mitchell stated that they were waiting until a legal issue concerning the property was settled.

Adkins stated that, between April of 2009 and October of 2010, he had looked at six sites with the displacees. He stated that some were church locations and some for the daycare. He stated that they inspected the properties, took pictures and made lists of renovations needed. He added that, ultimately, it is the displacee's job to choose a location.

Mrs. Mitchell stated that every time she looked for a building, the building would cost too much to purchase and make the necessary renovations. She stated that one of the locations would have cost about $250,000, and Pinnacle informed her that it was too much work to bring the building up to Code.

Adkins stated that it is not Pinnacle's responsibility to approve or deny a location. He stated that Pinnacle takes pictures and calculates what is and what is not an eligible expense. He added that it is a business decision if the business wants to invest anymore funds into a replacement site.

Johnson stated that it appears that the displacee had ample time to find a location, and Pinnacle did make visits to six potential relocation sites which shows that they did provide assistance to the Mitchells.

Mr. Mitchell stated that he received no further correspondence from Pinnacle a few months after they vacated the church and daycare property. He stated that their position is that they did not receive adequate time or assistance in locating a replacement property. He added that he did not want to start looking for a property until their litigation was settled and they vacated the property.

Mackey asked Mr. & Mrs. Mitchell if the statement that they didn't inform Pinnacle with the replacement site and potential relocation claims until January 25, 2013 is a true statement. He asked why, if they moved the daycare in November of 2011, it took them fourteen months to request any reimbursement of expenses.

Mrs. Mitchell stated that she was trying to contact Marcus Boyd at the local phone number he had, but it was disconnected.

Mackey asked Mrs. Mitchell why they didn't seek out LURA or anyone from the City Planning Division when she couldn't get in contact with Marcus Boyd from Pinnacle.

Mrs. Mitchell stated that she thought Pinnacle was LURA.

Mr. Mitchell stated that he never had any contact with LURA throughout this entire process.

Mackey stated that the question is whether or not assistance is provided. He stated that it is not the responsibility of LURA or Pinnacle to find the replacement site.

Chairman Sheppard stated that all displacees were provided with the same level of assistance, and this is the only complaint of the relocation process in the entire project.

Purcell stated that he still has questions about the timeline. He stated that the displacee moved and quit running the daycare in June of 2010, found a relocation site in November of 2011 and started operating at the new location in June of 2012. He asked why they did not contact anyone about the site or file a claim until January of 2013.

Mrs. Mitchell stated that she was trying to contact Marcus Boyd, but the phone number was disconnected.

Purcell asked how she was finally able to contact Pinnacle to file the claim.

Mrs. Mitchell stated that she found an old business card with the local phone number and Marcus' email address on it. She stated that, since she couldn't reach him by phone, she sent an email to him.

Rogalski stated that Mr. & Mrs. Mitchell met with LURA about an extension of payment of storage fees. He stated that they had to be aware that the City of Lawton was involved, because they met with LURA at the old City Hall building.

Mr. Mitchell stated that he wasn't aware that it was LURA. He stated that all he knew is that there was a meeting about his extension of storage expenses.

MOTION by Purcell, SECOND by Johnson, to deny the request of Little Blessings Learning Academy to waive the 18-month time period for submitting claims for reimbursement of relocation expenses.

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

Mrs. Mitchell asked if there was a process where they can appeal this decision.

Adkins stated that he would look into the regulations and see if there is any type of appeal process for this type of issue.

NEW BUSINESS

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

The balance in the bank as of February 28, 2013 was $50,641.34. After deposits of interest and disbursements, the bank balance as of March 29, 2013 was $44,510.53.

Rogalski stated that LEDA has closed on the retail portion of the development, and LEDA is making preparations to make some restitution on the outstanding invoices that LURA has submitted. He added that there should be two payments in an amount of approximately $148,000.

Chairman Sheppard stated that, since he is a member of LEDA, they will discuss the amount that would be paid back to LURA at their next meeting.

MOTION by Brox, SECOND by Purcell, to adopt LURA Resolution No. 13-04, approving the expenditures and accepting the financial status report of the Lawton Urban Renewal Authority for the month of March, 2013.

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

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5. CONSIDER SENDING AN INVOICE TO THE LAWTON ECONOMIC DEVELOPMENT AUTHORITY FOR REIMBURSEMENT OF EXPENSES INCURRED TOWARD THE DEVELOPMENT OF REAL PROPERTY WITHIN THE PHASE 1A ACQUISITION AREA.

Prior to the transfer of title to the property in the Downtown Redevelopment Phase 1A acquisition area, it was necessary for LURA to enter into an Agreement with Smith Roberts Baldischwiler for replatting the property. The Agreement was for a maximum amount of $6,000 for platting services. Two invoices had been submitted for payment. Per the Memorandum of Understanding between LURA, LEDA and the City of Lawton, LEDA will reimburse LURA for the expenses incurred toward the acquisition of real property within this area.

MOTION by Evers, SECOND by Brox, to authorize the Chairman to send an invoice to the Lawton Economic Development Authority in the amount of $6,000.00 for reimbursement of expenses incurred toward the development of real property within the Phase 1A acquisition area.

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

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6. DISCUSS THE POSSIBLE DISPOSITION OF PROPERTIES OWNED BY THE LAWTON URBAN RENEWAL AUTHORITY, PROVIDE STAFF WITH DIRECTION AND TAKE APPROPRIATE ACTION AS NECESSARY.

The Authority owns several properties in the Lawton View area and in the downtown area. The majority of the property in the Lawton View area was under a development contract with Zoe NEED Program since 1999, which expired on November 19, 2008. More recently Habitat for Humanity has constructed several homes, but that has also slowed, with several of the properties deeded to them now, but subject to reversion.

Staff has recently received interest from several parties to purchase some of the properties. Zoe N.E.E.D. program has expressed interest in much of the southerly area of Lawton View. Verde Investments has expressed interest in the northerly area of Lawton View. The Lawton-Fort Sill Airport Authority has expressed interest in the property along Bishop Road.

Rogalski stated that there are several properties that were under a recorded contract with Habitat for Humanity that has since expired. He stated that the ownership of those properties were deeded to Habitat with a reversion clause referred to in the deeds as well as contract. He stated that, technically, LURA owns those properties, but it is not reflected as such in the County Clerk's Office or Assessor's Office. He stated that the only ways that LURA could clear up the legal ownership of the properties is to have Habitat deed them back to LURA or for LURA to enter into a quiet title action. He stated that it was his understanding that LURA did not want to retake ownership and mowing responsibility for those properties, so he contacted Habitat for Humanity. He stated that he contacted Habitat, and they are still interested in entering into a new contract for developing those properties. He added that Habitat was having difficulty qualifying people for the homes, and that is what delayed the development of those properties.

Evers asked if LURA could sell the property to the Airport Authority or would the property have to be donated to them.

Rogalski stated that it remains to be seen. He stated that he wasn't sure if LURA would want to donate the property to them to remove them from the obligation to mow the lots. He added that Zoe N.E.E.D. is also interested in the same properties.

Chairman Sheppard asked if the Airport Authority and Zoe are both tax exempt.

Rogalski stated that the Airport Authority is tax exempt, but he's not sure about Zoe.

Rogalski stated that LURA has to provide direction with a motion and vote in order to start the process to sell the properties. He stated that there is a procedure for non-buildable lots stated in LURA Policy 4-01 which states that those properties must be offered to the adjacent property owners. He stated that the lots that were under contract with Habitat can be settled with a motion to enter into a new contract with Habitat. He stated that the first step for the non-buildable lots and the LURA buildable lots would be to declare the property as surplus through a resolution and then follow the policy for relinquishing that property. He stated that the property involved would be difficult to obtain comparable property to determine a value, so Staff can be directed to solicit informal bids to use as a baseline minimum bid amount and then advertise and hold a public auction for the sale of those properties. After the value of the property is determined, Staff could publish a notice of public auction for the sale of the property. He stated that the value determined through that informal process would create the minimum bid amount at auction.

Chairman Sheppard asked why all of the property involved couldn't go through the same auction process.

Rogalski stated that the non-buildable lots are covered under the policy where they must be offered to the adjacent property owners. He stated that the Habitat properties could be included in the resolution and auction, should LURA direct Staff to proceed in that manner. He added that the property could be sold under silent or live auction.

Mackey and Greb stated that they both feel that a live auction would be the best way to sell the property and get the highest price possible for it.

Johnson asked if the sole purpose of LURA disposing of this property is to eliminate the mowing responsibility and cost.

Chairman Sheppard stated that the cost of mowing is a concern, but developing those properties is also a primary reason to sell them. He stated that he wants all of the property included in the auction.

Rogalski stated that the first step is to determine a minimum value before the property can be sold at auction.

Evers asked how many houses could be built on the property that is in Habitat's name.

Rogalski stated that Habitat could build approximately ten houses with the lots that are in their name.

Chairman Sheppard stated that he wants to see all of the property included in the auction. He stated that he would like to have Habitat deed the properties that were reverted through the contract back to LURA. He added that he would like to see the non-buildable lots included in the auction also.

Rogalski stated that the non-buildable lots can be included, but the Policy dictates that they have to be offered to adjacent property owners first. He added that it would be somewhat problematic to auction non-buildable lots, because any purchaser besides the adjacent land owner could not develop the property.

MOTION by Purcell, SECOND by Evers, to adopt LURA Resolution No. 13-05, declaring Lots 1 & 2, Block 74, Lots 2 thru 5, Block 75, Lots 1 thru 8, Block 76, Lots 17 and 18, Block 81, Lot 20, 27 and 28, Block 82, Lot 31, Block 84, Lot 24, Block 86, Lots 30 thru 32, Block 87, Lots 1 thru 3, 21 and 22, Block 93, Lots 4 thru 8, 11 thru 13, and 25 thru 27, Block 94, Lots 8 and 9, Block 95, Lots 3 & 4, Block 98, Lots 1, 2, 26 and 27, Block 99, Lots 1, 2, 12 thru 22 and 27 thru 32, Block 100, Lots 30 thru 32, Block 105, Lots 7, 8 and 24 thru 27, Block 110, Lots 3, 4, 10 thru 17, 21, 22 and 25 thru 27, Block 111, Lots 1 thru 5 and 10 thru 16, Block 112, Lots 27 thru 32, Block 117, and Lots 13 thru 16, Block 119, all within the Lawton View Addition, as surplus property; and direct Staff to contact property owners adjacent to any non-buildable lots and negotiate the sale of said lots, and also direct Staff to solicit informal bids from interested parties for those buildable lots to help determine a minimum bid for said properties for use in a public sale or auction.

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

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7. REPORTS AND COMMENTS

None.

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8. ADJOURNMENT

There being no further business the meeting was adjourned at 2:00 p.m.

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Ernest Sheppard, Chairman

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Jerry Evers, Secretary

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