

MINUTES  
LAWTON CITY COUNCIL SPECIAL MEETING  
AUGUST 21, 2012 – 6:00 P.M.  
NEW CITY HALL  
COUNCIL CHAMBERS/AUDITORIUM

Mayor Fred L. Fitch  
Presiding

Also Present:  
Larry Mitchell, City Manager  
Frank V. Jensen, City Attorney  
Traci Hushbeck, City Clerk

Mayor Fitch called the meeting to order at 6:00 p.m. Notice of meeting and agenda were posted on the City Hall notice board as required by law.

ROLL CALL

PRESENT:

Bill Shoemate, Ward One  
Michael Tennis, Ward Two  
Rosemary Bellino-Hall, Ward Three  
Jay Burk, Ward Four  
George Moses, Ward Five  
Richard Zarle, Ward Six  
Stanley Haywood, Ward Seven  
Doug Wells, Ward Eight

ABSENT:

None

NEW BUSINESS ITEMS:

Mayor Fitch introduced Rick Smith, Municipal Finance Services, who has been the financial advisor on this project. Mr. Smith will give an overview of the five agenda items.

Rick Smith, President of Municipal Finance Services in Edmond, stated they have been working with the council on all of their capital improvement needs over the past year including this particular TIF financing effort. He introduced the financing team, Gary Bush, Bond Counsel, Dan Bachelor, TIF Counsel and Ben Oglesby with his firm. He introduced representatives from the development team, John Collette and Tyler Covington, retail developer, Peter DeKalb, John Weiman and Craig Cunningham, hotel developer. He introduced Michael Harland and Jerry Kinfield, representing Medifund, who provided for the new market tax credits for the hotel.

Mr. Smith stated there are five agenda items. He stated they would like the council to define and establish the tax revenues that would be generated within the TIF district that would be available for this project. They want to make sure that the incremental tax revenues are going to be in

place for the term of the debt and the life of the TIF. They also want to provide for the financing of the infrastructure and the existing note that is outstanding and allow that financing to proceed in such a fashion that enables the city to be able to repay that based upon the TIF revenues that they will be discussing. He stated there is a back up support agreement to allow the City to use revenues that would be available including a portion of the City's general fund sales tax to support those revenues if the TIF revenues become short. That back up would be on a year to year basis. The City Council cannot obligate itself for more than one year at a time, so this would be a year to year agreement for that particular portion of the financing. He stated they also want to get the final City Council approval of the financing necessary to accomplish the hotel project to be able to allow the retail development to continue and to have their negotiations with the banks continue. This would be the final approval of the Council related to the financing aspects of this proposed financing arrangement for them to move ahead. It would be conditioned on several things: 1) the hotel development would have to start, 2) the retail developer would have to provide leases equal to a significant amount of the lease store area within the phase I area that they are talking about for the TIF as well as to purchase the property for the phase I TIF and 3) there would have to be a guarantee from the retail developer of project completion so that any funds that are actually paid over to the developer would not be completely paid over to him until the project was actually completed. He stated finally they are asking the Council to do a couple of items related to the hotel in terms of supporting the hotel conference center development and then providing assistance to the hotel/conference center through a loan with the Comanche County Industrial Development Authority (CCIDA).

Pete Dekalb, Partners in Development, stated they are ready to close next month and be under construction by the end of the year. He stated from day one this City's "can do" attitude has been unstoppable. A project of this scope could have easily fallen apart during those trying times and they didn't. He stated this will be their fifth community hotel/convention center type project. It will be the fourth one they want to flag as a Hilton Garden Inn. This will be a full service upscale hotel and convention/conference center. It will support future economic development by bringing groups to this market that don't come today. Typically conference/convention attendees will spend a little more than \$1 outside the hotel for every \$1 they spend inside. This facility will be able to handle up to 400 attendees for multi-day conventions. This will give them the opportunity to reach out to other hotels in town and offer them the opportunity to put blocks of rooms in when they bid on larger groups. Their majority partner is Journeyman Construction out of Austin, Texas. They have extensive experience as hotel contractors and have built large conventions centers. He stated Hilton is good at supporting hotels with convention space and bringing groups in. They have national sales teams and offices. He stated all four hotel partners are guaranteeing loans in this project. The financing is in place and ready to go and legal documents have been being drawn up for about three weeks. The architectural plans are already under way. They hope the closing will be held the week of September 10<sup>th</sup> and under construction by year's end.

John Collette, Collette and Associates, stated they are retail shopping center developers. They have built numerous projects in excess of 12 million square feet. Three or four months ago he heard of this opportunity and he came over and met with the Mayor and City Manager and toured the site and the market. He has been involved in University Town Center in Norman and Tulsa Hills. He was amazed how Lawton had fared through this recession. He stated they very

quickly started checking with potential tenants because if you can't attract tenants then there is no reason to focus on the effort. He stated they had good response from the tenants. In the last three or four years it has been almost impossible to get anything done in the development world. They have made a lot of progress and they feel highly confident that they can realize this shopping center. They have done numerous public/private partnerships and there has not been one of those TIF agreements or arrangements with the city or county that have not exceeded expectations. The main reason for this is because they work with tried and true tenants that are strong performers. He stated Kohl's has a market value of \$12 billion, Bed Bath and Beyond has a market cap at \$12 billion, Dick's has a market cap at \$5 billion, Ulta is \$5 billion and Shoe Carnival is \$500 million. These companies have stores from coast to coast and when they select a location they do well and stay in business. They are only going to invest in this project if they secure these commitments from these strong corporations. When they move forward their ledger is going to be approximately \$20 million and he is not going to move forward if he is not confident that these retailers are going to open for business. All these leases have an opening covenant which means when they sign that lease and execute it back in their corporate offices they have put their company on the line to open. Once they get the leases they get financing and capitalize their transaction and then they have to go out and build it. They have to provide the capital for the dollars that they are asking the City to contribute. Only after they have done that is the City going to reimburse them for those dollars. The City has no risk that the shopping center is going to work out as planned because the City is not going to pay the dollars to them unless it does. He is going to mitigate the risk and he will be standing behind it with their banks, equity sources and tenants to make sure they open. He stated they will help the hotel succeed by having the restaurants and the vitality down there. He stated they are talking about 210,000 square feet in phase one. Then it will go to 325,000 on the property the City already owns and he is confident that will occur. He feels that redevelopment across the street and down the street will be significant.

Mayor Fitch stated they will open this up to the audience for any public questions or comments.

Charlie Beller, citizen, stated that the sales tax may have to be increased. He questioned how that would be accomplished.

Mr. Smith stated it is not a sales tax increase. They are talking about taking  $\frac{1}{4}$  of 1% of the existing sales tax that would basically be pledged on a year to year basis as a back up.

Mayor Fitch stated that is the revenue stream that would be in place that will be a backstop of collateral for the banks. With the cash flows the banks have all looked at it and they see this property cash flowing perfectly and never having to dip into the \$2.5 million cash reserve. That stream is available if we were to need it, but it will be collected and this will be a year to year obligation of the Council. It is not a new tax and the revenue stream shows we should not have to touch it.

Don Kerbo, citizen, questioned how the city will replace these funds.

Mayor Fitch stated it would be replaced through the generation of new sales tax within the program.

Mr. Kerbo questioned what will happen to the city budget when that has to be taken out and what will have to be cut.

Mayor Fitch stated they don't know where they will have to cut. Some of the earlier projections they were looking at before they revamped the financing was about \$40,000 make up during one year.

Mr. Kerbo stated that the city doesn't know where they are going to cut.

Mayor Fitch stated it is going to be such a minimal amount. They ran a performer and at one point it was about \$44,000 in one year.

Bellino-Hall stated she came up with approximately \$109,000. She cannot believe that the banks would just accept that. There's got to be someplace else that the banks would want us to commit because \$109,000 when you are talking \$2.5 million a year for the note. She can't believe the banks looking at this deal just want \$109,000 from the City. She is not that good at numbers but she knows bankers.

Doug Meier, President of BancFirst, stated they have sat down with Rick Smith and have gone through the proformers. There will be revenues generated from the TIF district and there is some state money that will be available to help pay for this. No other development in the state qualifies for this money. The revenue that will come from the project, based on the proformer, will service the debt every year. A lot of very smart people have helped to developed that proformer along with John Collette who works with these retailers every day and he has provided the sales per square foot numbers. They feel confident that the revenue generated from the development will service the debt. He stated if the projections do not come on stream fast enough they have to look at what can be done to supplement that and that is why the City is pledging up to ¼% sales tax on a year to year basis, to supplement that cash flow in the event that the cash flow doesn't come on strong enough in the beginning or falls short in one year. If you are looking at the entire ¼% sales tax then you are assuming the project would not produce any revenue in that calendar year. Based upon the way this is going to be developed, John Collette is not going to let that happen. He has a lot of money that he is going to be bringing to the table. It is going to be somewhere between no money needed for the year up to the ¼% sales tax. In their opinion it would be minimal to the City.

Bellino-Hall stated the bond repayment is \$2.5 million per year, and ¼ of 1% sales tax comes out to about \$109,000 a year. That is drop in the bucket for the \$2.5 million.

Mayor Fitch stated the ¼ cent generates \$2.5 million.

Mr. Smith stated 1% sales tax generates a little over \$10 million a year, so ¼% of that actually was around \$2.6 or \$2.7 million.

Bellino-Hall stated that if the City does not make the \$2.5 million bond repayment every year it would come from that?

Mr. Smith stated the City would have the flexibility of looking at other options if they choose.

Mayor Fitch stated with the benchmarks that are in place and the commitments and the finalization and completion of the project, that would mean the project was up and running and then all of the sudden it generated no sales for twelve months. That is not going to happen so saying it would take the entire ¼% in one year to pay the debt is irrational.

Mr. Smith stated based on the information presented to Council at prior meetings, they showed what the revenues generated would be from the TIF based upon the projection and it was in the neighborhood of \$2.9 to \$3.4 million a year. If you look at debt payments of \$2.5 million there would actually be an excess of \$300,000 to \$600,000 in excess revenues generated each year from just the TIF revenues themselves.

Wells stated the projections are based on perfect conditions and everything going through and starting off in September. He questioned if we were going to borrow the money to make the first year payment.

Mr. Smith stated they are actually capitalizing interest to make interest during the construction period when there would be no revenues coming in. There will be some revenues coming in during the construction phase, that is the sales tax and use tax off the construction activity. They expect that to be in the neighborhood of \$450,000 which will be matched by the state, so they are looking at approximately \$900,000.

Wells stated if it takes a little longer to get started than what is projected, there is a possibility that they could have to put some revenue up from the sales tax.

Mr. Smith stated they have looked at what they think is a conservative time frame to get the project up and running. If there were significant delays it would put some pressure on those revenues available.

Wells stated that is our two cent operational sales tax that was approved to run the daily operations of the city. Within these stack of documents there are actually two numbers referred to. There is also 1/8<sup>th</sup> of 2% and it comes out to the same thing, \$2.5 million. If the rest of the city grows and that goes up to \$12 million then they could get \$3 million a year because it is not being capped at \$2.5 million. The money available to them could increase.

Mr. Smith stated this is correct.

Bellino-Hall stated this \$37 million note goes for \$13.5 million to go back to reimburse the debt to the three local banks. She questioned if that was correct.

Mr. Smith stated right now that debt is \$12 million and it was proposed that it be increased to \$13.5 million, but right now it is just \$12 million.

Bellino-Hall stated \$14 million is for the infrastructure, we are going to pay for the infrastructure on this project.

Mr. Smith stated the developer will pay out money up front for the streets, water, sewer, and other types of site development and then they would get reimbursed from the proceeds up to that \$14 million or whatever the actual costs are.

Bellino-Hall stated there is \$5 million for PSO to relocate utilities. She thought that would come under the \$14 million for infrastructure.

Mr. Smith stated they actually broke that out because that was such a significant amount of cost related to the electric relocation and they wanted to focus on that. There are discussions underway now to see what that number will actually be based on the cost of the work.

Bellino-Hall stated they may be able to get that cost down. There is \$2 million in payments that LEDA may need for outstanding bills.

Mr. Smith stated no, there is \$2.2 million that would be borrowed to set up as a reserve fund related to the financing. That reserve fund would sit there and be dipped into if necessary to make payments on the debt. The City, as part of the agreement of support, would actually provide funds to replenish that reserve fund up to that level of \$2,250,000.

Bellino-Hall stated there is \$250,000 for LEDA to pay back the City.

Mr. Smith stated that was for some costs that the City has incurred over the past few years related to the project.

Bellino-Hall stated there is \$1 million for interest costs for 18 months while the project is going up and \$425,000 for the cost of you guys putting this together.

Mr. Smith stated it is for the financing team.

Bellino-Hall stated out of this \$37 million bond issue we are obligated to pay this off at \$2.5 million a year.

Mr. Smith stated basically what the Council is agreeing to do is if there is a shortfall in the payments and you had to dip into the reserve fund, they would provide monies from whatever source might be available to actually replenish that reserve fund and maintain it at a minimum level.

Bellino-Hall questioned where they would get the money to replenish the reserve fund.

Mr. Smith stated it would either come from the sales tax or from other funds the City had available.

Wells stated if everything goes perfectly it is projected to bring in about \$3.3 million in annual sales tax which would be over debt payment. He questioned if that \$600,000 to \$800,000 would come back to the general fund to support operations.

Mr. Smith stated those funds are TIF related funds and it is his understanding that they would stay within the TIF district.

Dan Bachelor, Center for Economic Development Law, stated the project plan provides that the tax increments will be available to pay project costs. That means in each year that they have excess revenues above and beyond those that are necessary to pay the authorized debt service, there will be a choice about the use of those funds. They could be used to further strengthen the reserve to avoid risks of non payment of the debt in future years or they could be used to support the future developments that are contemplated in the project or master plan for the redevelopment of downtown. You would hope that you would continue year after year to have these excess revenues to strengthen your project and thereby generate more new investment and to capitalize on the benefit that these mixed use developments will create. It would be the Council's choice about how best it could advance the strategies for redevelopment.

Bellino-Hall stated that means there is the potential for no monies to come back to the City coffers.

Mr. Bachelor stated the tax increments are pledged to the undertaking of the project.

Wells stated once there are excess funds it goes to the LEDA board to make the decision on what will be done with those funds.

Mr. Bachelor stated that is partially true, it is a LEDA loan and the tax increments are allocated to LEDA to carry out the project. However, any future development plans for downtown must be approved by the City Council beyond those which have presently been approved. Each thing that is happening is a result of City authorization and City approval. The Council is authorizing that the steps that have been approved are carried out by the entities that they have designated to take those steps.

Mayor Fitch stated any time you have an overage that means the Council is not dipping into the ¼% allocation to reimburse the reserve fund.

Wells stated he read this stack of documents three times. He stated as long as the LEDA committee stays within those approved projects, they can spend the money on those approved projects any way they want.

Mr. Bachelor stated as long as it has been authorized by the City Council. The maximum costs are set forth in Section 8 of the plan.

Wells stated it would include the entire twelve block district but it also includes the rest of the TIF district. Once there are excess funds it no longer has to stay just in the twelve block district.

He stated is says city buildings, etc., so if they decided they could put \$6 million in new city hall. There is a list of approved projects that includes all of district one and two.

Mitchell stated when that project plan was put together the public facilities that were talked about at that time were improvements to the neighborhood schools or the possibility of building another school if you are highly successful. The discussion never came up about using it on city hall. Under the TIF project, when the project hits \$25 million in collections of sales tax, those revenues will then come to the city. The purpose of the TIF is to generate new revenue that you didn't have before and when you hit that threshold all of that revenue comes to the city.

Wells stated that is not true. If you owe \$37 million in debt how will you stop at \$25 million?

Mitchell stated you will also have \$25 million coming from ad valorem taxes, the other half of that TIF district. You have a \$50 million budget. You also have \$38 million coming from the state, so you have more than adequate revenues to cover your costs.

Mr. Bachelor stated the financing documents before the council limit the use of this specific financing it authorizes to its use in connection with activities in the TIF two areas.

Wells stated the documents say TIF district one and two.

Mr. Bachelor stated there is a broad recitation in one of the whereas clauses that refers back to the adoption proceedings for both tax increment district one, which is a very large area. At the time they were also carving out tax increment district two and it recites the fact that under the broad project plan that was approved, you are authorizing activities throughout these general areas, but what is before the council now is not an authorization for the broad areas but only an authorization to finance activities within the TIF two district.

1. Consider adopting a resolution determining the sales tax base of Tax Increment No. 2, City of Lawton, and the formula for determining the sales tax increments generated from the increment district. Exhibits: Resolution 12-\_\_.

MOVED by Moses SECOND by Burk to adopt **Resolution 12-78** determining the sales tax base of Tax Increment No. 2, City of Lawton, and the formula for determining the sales tax increments generated from the increment district.

Wells stated in a LEDA meeting when they talked about this new way of calculating a tax base on the new jobs that would be created. They were talking about high paying jobs could be used to calculate additional sales tax that would be available. The agenda items talks about high quality jobs, but on page two of the resolution under 3A it indicates that it is all jobs that are created in the area from the hotel housekeeper to the director of Northrupp.

Mr. Bachelor stated if you want to establish minimum thresholds for salaries for the calculation you may do that. These calculations can only occur based on reporting and verification that the jobs have actually been created and that the salaries have been paid. If you wish to establish a



threshold whether you do it administratively or by amendment of the proposed resolution, either would be perfectly appropriate.

Wells stated they could say jobs over \$50,000 versus lower paid. He stated the law now allows us to say if there's \$50 million in salaries created from new jobs, 30% of that would probably be spent in retail and can be used as part of the sales tax income coming in.

Mr. Bachelor stated the resolution takes a step that was authorized by earlier approval of the project plan in which you reserve the right to determine, by resolution, how sales tax increments would be calculated. This resolution will establish a clear measuring stick for making those calculations and it clarifies that there are three types of sales tax increments that would be included in the calculation and the point of doing this is to make sure that you have the strongest possible revenue stream to protect the city in connection with the debt. Those three elements are the new sales taxes that are generated by the construction in this twelve block area to the extent that it generates from that construction sales and use taxes on the purchase of materials, it identified that as being a sales tax increment that is generated by the project. The second category of sales or retail goods or services that actually occur within the twelve area and the third is the calculation of sales tax increments that is new revenue to the community that results in the creation of new employment opportunities in that area. The real focus there was on high quality employment opportunities.

VOTE ON MOTION: AYE: Tennis, Bellino-Hall, Burk, Moses, Zarle, Haywood, Wells, Shoemate. NAY: None. MOTION CARRIED.

2. Consider adopting an ordinance pertaining to the Lawton Tax Increment Financing Regulation amending Section 10-15-3-312, Division 10-15-3, Article 10-15, Chapter 10, Lawton City Code, 2005, by approving a minor amendment to the amended Lawton Downtown Economic Development Project Plan; correcting a typographical error with respect to the period of apportionment; amending the period of apportionment of occupancy tax increments to be concurrent with the apportionment of other tax increments; authorizing republication of the project plan as amended; providing for severability; and declaring an emergency. Exhibits: Ordinance 12-\_\_.

Mr. Bachelor stated this does two things, one is to correct a typographical error that was made when the amended project plan was approved in April 2010 which erroneously referred to increment district one when it should have referred to increment district two. The other issue is when taking a look at the tax incremental revenue streams and the importance of making sure that the maximum possible revenue stream is available for the full life of any debt to make sure that the tax increment revenue stream is a maximum throughout that debt period it seemed clear that they should make a minor amendment so that all of the tax increment periods from the various sources should run for the full period of the increment district, thus providing more revenue protection from the city and dramatically reducing the likelihood that there would ever be any shortfall in debt service.

MOVED by Burk SECOND by Shoemate to adopt **Ordinance 12-27**, waive the reading of the ordinance, read the title only and declaring an emergency.

Wells questioned if this will change the ending dates of TIF district two.

Mr. Bachelor stated no, the ending date of TIF district two remains exactly the same.

Wells stated based on projections, they are saying three point something, so in ten or fifteen years there would be sufficient revenue generated to pay all debt. At that point does everything else come back to the City except ad valorem which would go to the county?

Mitchell stated just the sales tax portion would then come to the City.

Mr. Smith stated one of the requirements that he thinks the banks are going to impose is that a certain percentage of the excess revenues each year be applied as additional principal on the note in order to shorten the term of the note. That is still an item of negotiation.

VOTE ON MOTION: AYE: Tennis, Bellino-Hall, Burk, Moses, Zarle, Haywood, Wells, Shoemate. NAY: None. MOTION CARRIED.

(Title read by City Attorney)

Ordinance 12-27

An ordinance pertaining to the Lawton tax increment financing regulation amending Section 10-15-3-312, Division 10-15-3, Article 10-15, Chapter 10, Lawton City Code, 2005, by approving a minor amendment to the amended Lawton Downtown Economic Development project plan; correcting a typographical error with respect to the period of apportionment; amending the period of apportionment of occupancy tax increments to be concurrent with the apportionment of other tax increments; authorizing republication of the project plan as amended; providing for severability; and declaring an emergency.

3. Consider adopting a resolution providing general approval of the issuance by the Lawton Economic Development Authority of its tax apportionment bonds or notes for the financing of projects in the Lawton Downtown Increment Districts in the amount of not to exceed \$37,000,000 (the “2012 Bonds”); waiving competitive bidding; approving actions by the Lawton Urban Renewal Authority; approving agreements with the Lawton Economic Development Authority; and other matters relating thereto. Exhibits: Resolution 12-\_\_, General Bond Indenture, General Security Agreement, Agreement of Support, Sales Tax Agreement, LURA Amended and Restated Mortgage and LURA Pledge Agreement.

MOVED by Tennis SECOND by Burk to adopt **Resolution 12-79** providing general approval of the issuance by the Lawton Economic Development Authority of its tax apportionment bonds or notes for the financing of projects in the Lawton Downtown Increment Districts in the amount of not to exceed \$37,000,000 (the “2012 Bonds”); waiving competitive bidding; approving actions by the Lawton Urban Renewal Authority; approving agreements with the Lawton Economic Development Authority; and other matters relating thereto.

Mr. Smith stated this resolution provides for the city council's approval of the financing to be entered into by the LEDA related to the refinancing of the existing debt as well as the infrastructure improvements for the new facilities. He stated there is a typographical error in the resolution on page three under item #3 which says "funds generated from a twenty five cent portion of the total two dollar general sales tax of the City". It should read "one dollar". This resolution sets out a not to exceed figure of \$37 million and establishes the security pledge to the financing and sets out broad parameters in terms of the financing structure which cannot be more than twenty years and must be within a certain interest rate. It also waives competitive bidding, which allows them to negotiate the financing under this particular resolution.

Wells stated he has a series of questions on this whole document. On page two it talks about both districts 1 and 2. He questioned if there was something else in this agreement that overrides that to make this only dealing with district 2.

Mr. Smith stated the City is approving a general bond indenture. The general bond indenture as it states is a generic financing document for various types of financing. You are also approving a specific financing which is before you this evening. The purposes of those funds have to be used for the projects as they talked about in TIF district 2.

Mr. Bush stated on page three the first complete whereas clause limits the projects to Increment District 2. The reference from Mr. Wells is back to the original approval plan that Mr. Bachelor was talking about.

Wells stated on page three the whereas talking about Pledged Tax Increment Revenues, item three, he questioned if they were still only talking about only district 2 or both districts.

Mr. Smith stated they have made that change and it should read District No. 2.

Wells stated on page two of the General Bond Indenture he has a couple questions because we talk about the City having to put up money. He stated we are talking about using city funds to pay debt. In these documents it requires the City annually to appropriate money for this debt. On page three the second whereas talks about additional project. He questioned what that meant.

Mr. Smith stated the purpose of that section is to provide for supplemental or additional financing for other projects that would have to come back to the Council for approval.

Wells stated on page fifteen, section 3.01 states "the bond shall not constitute a debt or obligation of the City of Lawton, State of Oklahoma, etc... He thought the reason they were doing this thing was to obligate the City of Lawton.

Mr. Smith stated the City of Lawton is obligated to utilize sales tax on a year to year basis if necessary to supplement the payments. This can never become an obligation where the City of Lawton would bear the responsibility for payment. That is under the public trust statute for the State of Oklahoma.

Jensen stated the distinction is what we have talked about many times leading up to the project. As far as a long term bond, note or financing, the City of Lawton can't do that, they have to operate on a year to year cash basis. They could not assume any legal obligation for this note on a long term basis. All they can do, and all Mr. Bush is proposing that the Council do, is to pledge that  $\frac{1}{4}\%$  on a year to year basis because we have to operate on a year to year basis and a cash basis.

Wells stated in reality, in six years they have a brand new council up here and they vote not to do it. It really doesn't matter, they are going to be facing the same thing they are being told today. You had an obligation and if you don't pay this it is going to affect your bond ratings, etc. In reality it is an obligation or we are going to suffer the consequences if they don't continue to do it.

Mr. Smith stated it is not a legal obligation that would be absorbed or assumed by the City.

Mr. Bush stated in reality it is not an obligation of the City to do this as determined by the Oklahoma Supreme Court. There is an expectation on the part of the banks that the City will do it, but the City is not obligated to do it except annually your are saying that you will consider this to protect your credit. Yes it can have negative impact on your credit, it would certainly affect your ability to borrow from these banks six years from now.

Bellino-Hall questioned if these are municipal bonds.

Mr. Bush stated yes, that is a broad term.

Bellino-Hall questioned if they defaulted on the bond, can the bond holders sue the City?

Mr. Bush stated no. They could sue but they would not win.

Bellino-Hall stated her understanding is they could sue you and win. If it is a lease back bond they can't sue you. She is confused because some cities like Kansas City, MO are taking 12 million out of their operating budget every year because they can't pay on their bond notes and there are several cities that are defaulting on bonds and declaring bankruptcy. If this bond is sold to her and the City decides to default on it because the council votes not to pay the \$2.5 million, what guarantee does she have that she will get some money back. Her understanding is that you can sue a city on a municipal bond.

Jensen stated when you use the broad term municipal bond or note we are talking about the issuance of a note or notes by LEDA.

Mr. Bush stated LEDA is issuing a note to a group of banks, there will be no bonds involved. The banks are in the same position as note holders, but they cannot force the City to pay these dollars. The City is agreeing to pay the  $\frac{1}{4}\%$  sales tax on a year to year basis and that is all they can do. They are doing it to enhance the credibility of the LEDA notes so that they can get a decent rate on our borrow.

Bellino-Hall stated the banks are not going to lend us \$37 million unless we have a guarantee.

Mr. Bush stated we are not guaranteeing, but we are giving them assurances that we are behind this LEDA debt.

Bellino-Hall stated the guarantee is the \$2.5 million that could possibly come out of our budget every year to pay on the note. That is sort of the guarantee.

Mr. Bush stated yes.

Mayor Fitch stated if the \$2.5 million had to totally come out of the budget, no shops or restaurants would be operating for a year.

Wells stated on page sixteen he has a statement. What we are doing with this is borrowing money and having to borrow enough to pay the first year or so interest payment, it is kind of like an upside down loan that we would offer to some credit worthy people. On page twenty-two, fourth paragraph, states “The bonds and the interest thereon shall be a valid claim of the Bondholder thereof against the Bond Fund and the amount of the Increment Revenues pledged to the Bond Fund, and shall constitute a first and prior charge over all other charges or claims whatsoever against the Bond Fund and the Increment Revenues and other monies pledged thereto”. That would indicate to him that the bond holders would have the right to file suit against any revenues pledged to cover those debts, which city sales tax or any other revenue available could be attached.

Mr. Smith stated this particular provision is restricted to the tax increment revenues generated from the project. Basically it says the note holder would have the first right to those TIF revenues generated from the project.

Wells questioned why this says bonds if they are only talking about notes.

Mr. Smith stated Mr. Bush wanted to have a generic term for bonds, notes, obligations and most people are familiar with the term bonds as opposed to notes.

Wells stated the second portion says increment revenues, but then it goes on to say other monies pledged thereto.

Mr. Smith stated that relates to other revenues that might be available from the City if needed, like matching funds.

Wells stated on page twenty-six, item (B) states “If there are insufficient monies in the Lawton Tax Increment District Tax Apportionment Fund in any month to make the required transfers as set out in Section 5.06(A) above, then such transfer shall be completed with monies in any other Account or Fund created hereunder.” He stated that is basically talking about the City monies that would be available through sales tax or any other available revenues.

Mr. Bush stated this is LEDA talking, LEDA is the part to this indenture, not the City. LEDA has agreed in the Agreement of Support that before they ask the City for any assistance, they will utilize every dollar that is already available in the trustee bank in any fund or account and that is what this paragraph is saying.

Wells stated that when they have used them all, then it will come back to the City.

Mr. Bush stated that is correct.

Wells stated they are here tonight because LEDA has \$12 million of debt and we are basically being told that they have to cover that debt. When you are talking about LEDA you are talking about the City Council. It doesn't matter how you mix it up, they are being told that the City Council has responsibility for any debt that LEDA ends up with.

Mr. Bush stated he thinks that we have agreed with the banks who are interim lenders that the City will do all things possible to make sure they get paid off and in order to do that the best chance for doing that is to proceed with permanent financing at this time and the plan before you is the one that appears to work the best.

Wells stated it all falls back to the City.

Mr. Bush stated they would not be able to issue these notes unless the City puts its moral obligation behind this transaction.

Wells stated on page twenty-nine, under Section 7:03, once all this money is issued and sold to bonds, 51% of one person who owns 51% of those bonds could demand immediate payment.

Mr. Smith stated this is only under the event of default.

Wells stated on page thirty-two, Section 7.09 states "Outstanding shall have the right, at any time by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the Indenture". That would indicate to him that they could say they want to do this in Delaware. He didn't think they did anything outside of Oklahoma.

Mr. Bush stated they are saying that one bond holder cannot control that, the owners have to get together and make a determination among themselves before they can proceed. There are provisions in this document that five years from now they could issue additional bonds if these coverages are shown. This is a general bond indenture, they will have specific supplements for each one.

Wells stated the way it reads they could file suit in New York.

Mr. Bush stated they would not be able to file suit in New York, but they would control the type of lawsuit, who they went after, etc.

Jensen stated subject matter jurisdiction on these notes will be the State of Oklahoma.

Wells stated on the General Security Agreement, the fourth whereas, where they talk about District No. 1 and District No. 2 and what's approved in this plan, hopefully there is something later on that restricts it only to District No. 2. He does not know why they added District No. 1 if it is not part of the document.

Wells stated on page two the second whereas, number 3 should state one dollar, not two. Number 4 states "funds from the City under the Agreement of Support and Reserve Maintenance Agreement". That is where they talk about funds from sales tax or any other....

Mr. Smith stated any other legally available funds to the city that might be accessed.

Wells stated on page three he has a question because of Mr. Mitchell's answer on the \$25 million may be the answer to this. He was concerned that once they get to where they are paying stuff off and there is extra money coming in that all the sudden we were going to have a board of trustees controlling city sales taxes and monies without any control by the Council but if that money currently can only be used to pay debt and only up to the \$25 million and the rest comes back to the city.

Mr. Bachelor stated that limitation on project cost is contained in the project plan and that remains the limit unless the City Council decides to amend the project plan.

Wells stated we basically will not end up in any circumstances with a board of unelected people controlling city tax dollars.

Mayor Fitch stated any expenditures have to be authorized by the Council.

Wells stated under the Agreement of Support and Reserve, page one talks about District No. 1 and District No. 2 and he has a problem understanding why we are including District No. 1 if it is not included. He stated on page three, paragraph two talks about downtown projects. He questioned if this paragraph overrides section 8 of the redevelopment plan where other areas are not included in the agreement.

Mr. Smith stated it is defined as downtown projects are only those projects within District No. 2.

Wells stated on page four, Section 2.A states "Subject to paragraph D. of this Section 2. the City agrees that if for any reason it appears that the principal of and interest on the LEDA Obligations will not paid as due from Pledged Revenues as opposed to the LEDA Bond Reserve Fund, the City may at its option transfer to LEDA, from any funds, which the City determines to be legally available, amounts sufficient to pay the principal of and interest on the LEDA Obligations when due." He stated that again is talking about the sales tax and any other funds that might be available, and that is up to that \$2.5 million. He stated at the bottom of that page under paragraph B states "Reserve Fund which causes the balance in said Fund to fall below the minimum balance, said deficiency has not been replenished, the City will immediately transfer legally available funds to the LEDA Bond Reserve Fund to the extent such deficiency has not

been replenished by transfers from LEDA”, that is the same kind of things they were just talking about. On page five, paragraph E states “The City agrees, subject to paragraph D. above, that for any fiscal year in which principal of and/or interest on the LEDA Obligations is expected to be paid by the City, the City will include in the City's budget for that fiscal year an item which appropriates or otherwise encumbers funds, which are determined to be legally available by the City, for the payment of such principal and interest.” There is one other place that says the City will appropriate funds each year. He stated the agreement is leading to believe that they will have to appropriate, we may not use them but in the other place it says that if the funds aren't used they can be returned to the City to be used in the general fund.

Mr. Smith stated on a monthly basis.

Wells stated they do have to be appropriated.

Mr. Smith stated under the budget they could be shown as a transfer back to the various departments.

Jensen stated what was just being read from Section 2 is also subject to paragraph D where it says the City of Lawton, as a municipality, has to operate on a cash, year to year basis. It states “It is understood and agreed that under Oklahoma Law, the City may not become obligated to transfer money beyond its fiscal year (July 1 through June 30) and the City has no legal obligation and does not promise to make transfers under this Section in future years, and therefore the covenants to transfer made herein by the City shall be on a year-to-year basis to be renewed by the annual renewal hereof or appropriation of funds for such purpose for additional one year periods on July 1 of each hereafter.” All the language that is talking about the City of Lawton does have an obligation, it all subject to paragraph D which says it has to be on a year to year basis.

Wells stated in our budget every year we have to appropriate money for payment.

Jensen stated you have to consider appropriating money.

Tenis stated it may not be needed.

Wells stated if it is not needed it comes back to be used in the general fund.

Mayor Fitch stated if it is not needed it will of never been touched. All it is saying is that we are committing that ¼% as a backstop.

Wells stated he was only trying to point out that it does talk about appropriating funds. He stated on page six, paragraph 4.A states “LEDA may entrust, pledge, assign, charge or otherwise encumber for the payment and security of the LEDA Bonds its rights hereunder and the monies paid or payable to it hereunder. LEDA may issue Additional Parity Obligations as defined in the LEDA Bond Indenture, or other indebtedness in the form of unsecured indebtedness or indebtedness incurred in the ordinary course of business.” He stated that it seems to him that LEDA has the authority to get more debt without a vote of the Council.



Mr. Smith stated that is not correct. If they were going to issue additional bonds they would have to come back and get City Council approval just as we are this evening. He stated they can clarify that in the documents.

Mr. Bush stated they will strike the rest of the sentence beginning with “or other indebtedness”.

Wells stated don’t do it for him, it’s the whole Council. He’s just saying that’s what it read and that meant they could do that the way it read. The rest of the Council has to agree to it, not just him.

Mr. Smith stated the point is that they can’t issue any other debt without Council approval regardless of what the documents say.

Some lawyer will get in there and say yes they can because it says they can.

Mayor Fitch recommended they strike it.

Wells stated paragraph B states “This Agreement of Support shall continue so long as any LEDA Obligations shall be outstanding under the LEDA Bond Indenture, and shall terminate as it relates to the obligations of the City at such time as all the LEDA Bonds shall have been retired, paid, defeased, or provision for such has been duly made, or such LEDA Obligations are otherwise no longer outstanding under the LEDA Bond Indenture; and shall terminate as relates to the obligations of LEDA at such time as all indebtedness by LEDA to the City as a result of funds paid by the City pursuant to this Agreement of Support shall have been paid or provision for such payment duly made.” He stated that is basically saying that this Council is obligating future councils to debt that they will have no control over. That is just more of a statement than a question. If a future council decided not to obligate funds in a given year and didn’t pay the debt then we are in default and that has severe consequences, so really what they do tonight obligates not only us but future councils until the debt is paid off.

Mr. Smith stated he thinks Mr. Wells is correct and in fact, when the prior City Councils entered into the current agreement of support with the financing with local banks in 2007, that basically committed future councils, maybe not legally, but certainly morally to make sure that debt was paid.

Wells stated going to the Sales Tax Agreement, page one, second whereas states “the City adopted Ordinance No. 268 in order to provide for the levying and assessing of a two percent (2.00%) excise tax (the "1980 General Sales Tax") for the general purposes (as well as certain temporary purposes which have now lapsed) was approved by a majority of the qualified voters of the City voting at an election held on December 9, 1980”. He stated he was here and voted in that election and most of the people he talked with voted for that two cents to handle the daily operations, not long term debt, which is now what they are doing. He is not making this as a threat but citizens voted this in and they can vote it out. The fifth whereas talks about District No. 1 and District No. 2 again. He is not sure why we are doing Districts 1 and 2. On page two, fifth whereas, they have been talking about \$37 million and that paragraph says \$34 million.

Mr. Smith stated it should read \$37 million to be consistent with the other documents.

Mayor Fitch stated \$34 million is what it is really estimated at but they put the cap at \$37 million.

Wells stated everything else refers to \$37 million. He stated the next whereas states “in order to secure the payment of the 2012 Bonds and all obligations issued on a parity therewith ("Additional Obligations") under the Indenture hereinafter defined and define how the Sales Tax Revenue levied and collected pursuant to the 1980 General Sales Tax Ordinance is to be received by the City and paid over to the Authority, it is necessary that this Sales Tax Agreement be entered into”. He stated everyone needs to understand that they are talking about our operational sales tax. If we actually have to give some money to that, it is going to require some cuts in the budget. They can handle if its \$40,000, but if its \$2.5 million, that is about 40 employees you would have to cut or you would have to cut maintenance on infrastructure, etc.. He stated they could go back to their old standby and raise water rates to pick up some of that money.

Moses stated he admires Mr. Wells’s attention to detail, but all this discussion seems to him to be swinging around the relationship between municipalities and our authorities. They have had this discussion before and it is not tight. He does not know how Oklahoma has operated this way, but it has since 1940. Every major improvement that has gone on in the state has been done with this kind of relationship. This is an area of ambiguity that we can play in forever. The successes that have been had under that arrangement throughout the rest of the state makes him believe it is workable. He stated all of these fears of taking general revenues and placing them to pay the debt on this TIF notes, in his view, are in the extreme. He had never seen a project proceed by its original plan. There are going to be problems arise, there may be delays and there may be more taxes than they have ever believed out of this thing, and there may be smaller amounts. He cannot believe that those banks want to see this fail, nor do they want to see the City put in a position where they have to take draconian steps such as Mr. Wells has suggested. He believes as time goes on and adjustments are made, they will be made for the benefit of both the City and for the banks. The things Mr. Wells has suggested are the very things that people object to and they are extreme in his view.

Bellino-Hall stated if you read the New York Times or the Wallstreet Journal, cities across this country are defaulting and declaring bankruptcy. She stated it is not unusual that this can happen, it is real.

Moses stated this is not Kansas City, MO or Sacramento, CA, there are totally different legal systems there and he would guess that they don’t operate under the supreme court ruling that we have in this state and he is not saying that will keep us out of trouble, but on the other hand, he feels this is a prudent step to take, the risk is very minimal in his view, and the payoff is so huge that he can’t see doing anything else. He does not want the fear factor to get in the way of our judgment about the payoff of this thing.

Bellino-Hall questioned if they were voting on a bond or a note.

Mr. Smith stated they are voting on bonds that are used as a collective reference to obligations, notes or bonds of the authority of LEDA.

Bellino-Hall stated they will be sold as bonds.

Mr. Smith stated they will be purchased through a private placement or bank financing, they will not be sold to individuals or investment groups, these are a special type of security that basically is purchased and held by the banks for their portfolio and is treated as a commercial loan that has very limited transferability or assign ability. He stated the interest on these bonds will be taxable to the banks, it will not be a tax exempt bond issue that we have been able to issue because this particular financing is being used primarily for infrastructure for private development. By virtue of that use of the proceeds, the interest would be treated as taxable interest.

Wells stated he supports 2<sup>nd</sup> Street and he wants to see it develop. He just does not agree with the documents they have up here, he feels there are better ways to do it. This Council is being asked to do something no Council in the last 35 years has been willing to do and that is vote to use the operational sales tax for anything other than daily operations. They are being asked to substitute their vast wisdom of the eight members up here for that of the thousands of voters who voted in that operational sales tax for daily use not long term debt. They are taking abilities away from future councils by a vote with no idea of what will be happening five, ten or fifteen years down the road. They are not going to have any choice but to live by whatever decision they make.

Bellino-Hall stated this is a very historic event and she supports the concept of 2<sup>nd</sup> Street, we need the retail and the restaurants but she cannot support it in the way it is developed. She will embrace whatever way the Council votes tonight. She will never vote to renig on the \$12 million to the banks. They may not have a legal obligation but they do have a moral obligation and they will pay that money back someday or somehow. She stated she has to do what her constituents want to do and she has to protect the fiscal responsibility of this city. There is a better way to do this, like Oklahoma City brought it to the public, put it to a vote, got the sales tax and the city embraced it and they had tremendous energy moving forward. What concerns her with this project for six years is the lack of community involvement, lack of transparency, six years with the same team involved, LEDA and LURA haven't changed and you are supposed to see rotations every three years. She feels there has been no outside advisors that have looked at it and tried to understand it and give them ideas on how to move forward.

Burk stated they always talk about quality of life and the things that have been missing from this city. It is time for them to stand up and make this right and finish this project. They need to stop standing on the sideline and get in the game.

Tenis stated like most of the council he got inundated with emails, phone calls and face time and 66% of the people that have contacted him want to see this project happen.

Moses stated we cannot roll back the clock and revisit all of the prior decisions that have been made to this point. He stated this is the hand that he has been dealt as the new guy and as they start down this road he is not naïve enough to believe that there are not going to be problems and they will work through those problems. With regards to the ability to pay this debt and the generation of the monies that the projects will generate to pay the debt, he feels pretty confident about that and he has a lot of faith that this economy will come around eventually. It would be nice if they could go back and correct all of the things that bother them, but that is impossible. He stated this city is blessed to have two major projects going on and he believes they can both go on.

Mayor Fitch stated they have worked a long time on this project and downtown has an entry with no beauty. He has heard that in order to recruit doctors we have to have beautification. He stated they have the best team available in the state and in this part of the country from a standpoint of developers, financial advisors, bond counsel, legal counsel, people who have proven track records and people who have been involved in much bigger projects. They have weathered through the recession of 2008 and they need to move this community forward. If they don't do this now it could be more than 15 years or so before they have another opportunity. They have the opportunity of capturing \$37,823,000 from the State of Oklahoma to assist with this project. That will never be available again and they cannot let that get away and not approving this item would do so. Mr. Collette is one of the top developers in the nation as far as the relationship he has with national credible retailers. Mr. DeKalb, John Weiman and Sam Kumar have tremendous results in hotel conference centers. We are missing out on what this city could offer in the way of a hotel conference center and the draw that we could have in the future that would generate more sales tax. This is the catalyst to start more expansion within this community.

VOTE ON MOTION: AYE: Burk, Moses, Zarle, Haywood, Shoemate, Tennis. NAY: Wells, Bellino-Hall. MOTION CARRIED.

Mayor Fitch thanked the Council for the many hours spent on this issue and he respects everyone's position and they have the commitment to move this project forward.

Haywood thanked the Lawton Urban Renewal Authority, Lawton Economic Development Authority, Comanche County Industrial Development Authority, local banks, Lawton Fort Sill Chamber of Commerce, John Purcell, Janice Drewry and Mr. Charlie Beller. He stated we lost a lot of history in those twelve blocks, but he feels this is needed and will benefit the city of Lawton.

4. Consider adopting a resolution approving the execution by the Lawton Economic Development Authority of a Function Space License Agreement relating to the use of space in a hotel-conference center for a term of ten (10) years at an aggregate cost of \$2,800,000 at an interest rate of not to exceed 4.75%; waiving competitive bidding; approving an agreement with the Lawton Economic Development Authority; and other matters relating thereto. Exhibits: Resolution 12-\_\_\_, Function Space License Agreement and Hotel Occupancy Tax Agreement.

MOVED by Tennis SECOND by Shoemate to adopt **Resolution 12-80** approving the execution by the Lawton Economic Development Authority of a Function Space License Agreement relating to the use of space in a hotel-conference center for a term of ten (10) years at an aggregate cost of \$2,800,000 at an interest rate of not to exceed 4.75%; waiving competitive bidding; approving an agreement with the Lawton Economic Development Authority; and other matters relating thereto.

Mr. Bachelor stated this resolution would authorize and approve an agreement between LEDA and the redevelopment group that will develop the hotel/conference center. It provides a form of development financing assistant by authorizing a rebate of the occupancy sales taxes generated

by that hotel/conference center to help finance its development in the amount reflected in the resolution.

Bellino-Hall clarified that for ten years all the hotel/motel sales tax coming out of that hotel will go back to the hotel.

Mr. Bachelor stated yes, it helps finance the burden of doing the development of the conference center.

Bellino-Hall clarified with interest it is going to be \$3.5 million.

Mr. Bachelor stated the principal amount is \$2.8 million but, with interest, it is limited to a total payment of \$3.5 million or the expiration of ten years, whichever happens first.

Bellino-Hall stated there will be no sales tax generated back to the TIF district.

Mr. Bachelor stated no, it is a tax increment which will help finance the development of the conference center.

Bellino-Hall questioned if the City got some use without charge.

Mitchell stated yes and it requires the development company to manage and operate the convention center which means they pay the utility bills, schedule conferences, and all the management type activities.

Mayor Fitch stated cities don't want to own a conference center and this will assist them in the day to day maintenance of the conference center over a period of ten years and the costs that are associated with the conference center.

Mr. Smith stated the City will get state matching funds off of that sales tax. After ten years those funds would flow back into the TIF district.

Wells stated this is occupancy tax, not sales tax. He did not see anything about what happens when the hotel occupancy tax expires in 2015 and has to be voted on by the people. If it does not pass there is nothing that says who is responsible for that \$2.8 million.

Mr. Bachelor stated the financing plan and revenue stream for this project is predicated on the probable extension of that occupancy tax carried out through the life of the tax increment district.

VOTE ON MOTION: AYE: Moses, Zarle, Haywood, Wells, Shoemate, Tennis, Bellino-Hall, Burk. NAY: None. MOTION CARRIED.

5. Consider adopting a resolution approving the issuance by the Lawton Economic Development Authority of its Hotel Sales Tax Apportionment Note, CCIDA Series (Taxable) (Lawton Downtown Increment District Hotel/Conference Center Project) in the amount of \$1,500,000; waiving competitive bidding; approving a security agreement with

the Lawton Economic Development Authority; and other matters relating thereto.  
Exhibits: Resolution No. 2012-\_\_\_\_,  
and Security Agreement.

MOVED by Burk SECOND by Haywood to adopt **Resolution 12-81** approving the issuance by the Lawton Economic Development Authority of its Hotel Sales Tax Apportionment Note, CCIDA Series (Taxable) (Lawton Downtown Increment District Hotel/Conference Center Project) in the amount of \$1,500,000; waiving competitive bidding; approving a security agreement with the Lawton Economic Development Authority; and other matters relating thereto.

Mayor Fitch stated the funds would be coming from CCIDA and the note will be paid back through TIF dollars to CCIDA.

Wells questioned if this was above the \$37 million.

Mayor Fitch stated yes. This is for the hotel.

Wells questioned if there was anything in here that states if LEDA can't pay it the City is morally or legally obligated to pay.

Mr. Smith stated no.

Bellino-Hall clarified that this is the money that the development authority is lending LEDA at an interest rate of 4.5% and is giving to the hotel/conference center developer. She questioned who paid that back to LEDA.

Mayor Fitch stated the TIF dollars that will be generated by the sales tax of the hotel will come to LEDA and they will pay off the note with CCIDA.

Mr. Smith stated the sales tax generated at the hotel/conference center will stay with the hotel developer and those are the dollars that will be used to repay this \$1.5 million.

VOTE ON MOTION: AYE: Zarle, Haywood, Wells, Shoemate, Tennis, Bellino-Hall, Burk, Moses. NAY: None. MOTION CARRIED.

Moses stated because of the ambiguity between the municipality and all of its authorities, this project within LEDA is so complex that there has to be some clarity in progress that is made as you go through this project so that the Council can be reassured in a clear way that the kind of progress that they hope to make is being made. He is not suggesting that they get involved in the operation of LEDA, but as reports come to this Council from all of the authorities they have, some of them are not as transparent as he would like them to be, but on this one he wants to make sure it is very transparent and that they don't get caught off guard and surprised by something.

Mayor Fitch stated this will now move them forward to where they will be hiring a project manager that will be reporting to LEDA and the Council. He stated in the early stages they will probably hear from that person regularly.

Bellino-Hall stated a trust in Oklahoma is quit different. According to the course manual for newly elected officials, a trust must be operated as a legal entity separate from the municipality rather than as a department in the municipality even when its board of trustees is identical to the governing body. The trust is liable for its own torts and basically acts as an independent group.

Moses stated he read the documents from Oklahoma Municipal League on these types of arrangements and he agrees. He does not expect to be in control of that agency, but when he was sworn in he mentioned every trust that we are responsible for looking after financially to make sure they don't get off track. That doesn't mean they operate them, but in this case, getting clarity on how the progress is being made related to all of these moving parts, it is clear that they want to have some clear statements that they have confidence in and reflecting the actual progress being made or lack thereof.

Bellino-Hall stated the community has complained all along about the lack of transparency. There is no way the trust is obligated to add that transparency for them and that has been her concern.

Burk stated he feels they understand that they expect that transparency because at some point they are going to want to come back here and get more money. Before he votes for something like that he expects that transparency and he expects them to have a project manager, other than the City Manager or Mayor, where that is what they do on a regular basis.

Mayor Fitch thanked the citizens of Lawton for being supportive on this and the Council who have spent a lot of hours and asked a lot of questions, but he feels the Council is committed to making this work. He thanked all those who have been involved in this process for the past six years. He stated they are going to make Lawton a highlight of the state of Oklahoma and a gathering place for Southwest Oklahoma.

There being no further business to consider, the meeting adjourned at 8:23 p.m. upon motion, second and roll call vote.

---

FRED L. FITCH, MAYOR

ATTEST:

---

TRACI HUSHBECK, CITY CLERK