

Durant Economic Development Council

MINUTES OF THE REGULAR MONTHLY MEETING OF THE DURANT ECONOMIC DEVELOPMENT COUNCIL ON AUGUST 14, 2007 AT 7:45 A.M. CONFERENCE ROOM OF THE DURANT INDUSTRIAL AUTHORITY.

1. Call to Order. – Tommy Kramer

Tommy Kramer called the regular monthly meeting to order.

2. Roll Call. – Kimberly Bowen

The following members were present: Curtis Armor, Ron Bennett, Chris Allen, James Dunegan, John Cathey, Ron Cross, Nate Morrison, Roy Davis, Jason Winborn, Mike Goodwin, Janet Reed, Dean Pollock, Kathy Hendrick, Dr. Jesse Snowden, Tommy Kramer, Greg Massey, Jerry Tomlinson, Tony VanSchuyver, and Tim Young.

The following members were absent: Joe Geisler, Jackie Harms, Fran Mickle, and Earlene Walker.

The following guests were present: Dr. Terry James – Durant Public Schools Superintendent, Diane Perrin – Choctaw Nation of Oklahoma, John Sneed – Oklahoma Natural Gas, and Brian Payne – Staff Reporter Durant Daily Democrat.

3. Approval of Minutes of the Durant Economic Development Council July 10, 2007 Meeting. – Tommy Kramer

A motion was made by John Cathey and a second by Nate Morrison to approve the minutes of the July 10th Durant Economic Development Council Meeting. Motion carried with the following vote:

Aye: Curtis Armor, Ron Bennett, Chris Allen, James Dunegan, John Cathey, Ron Cross, Nate Morrison, Roy Davis, Jason Winborn, Mike Goodwin, Janet Reed, Dean Pollock, Kathy Hendrick, Dr. Jesse Snowden, Tommy Kramer, Greg Massey, Jerry Tomlinson, Tony VanSchuyver, and Tim Young.

Nay: None

Abstain: None

4. Review the June 2007 City of Durant Sales Tax History Report. – Earlene Walker

Earlene Walker was unable to attend the Economic Development meeting and Mr. Kramer reviewed the June City of Durant Sales Tax Collection report. The June 1% city sales tax collected was \$221,313 in 2006 and \$214,348 in 2007 to result in a decrease of \$6,965 (-3.15%). The dedicated ¼ cent Economic Development sales tax collected for June of 2007 was \$53,587.40. In the last 24 months, there has been a total collection of \$1,313,686.52 for the ¼ cent Economic Development sales tax.

5. Presentation and Overview of First State of Oklahoma Back to School Sales Tax Free Weekend. – Janet Reed, Executive Director of the Durant Area Chamber of Commerce

Janet Reed presented an overview of the “Back to School” Sales Tax Free Weekend. After much effort by Senator Jay Paul Gumm, Governor Brad Henry signed Senate Bill 861 on Monday, May 12, 2007. The First Tax Free Weekend Back to School event was set for the first weekend in August. The Durant Area Chamber of Commerce, Durant Main Street and the Durant Industrial Authority began meeting to discuss promotional strategies. The Durant Area Chamber of Commerce and Durant Main Street hosted a Tax-Free Weekend kickoff at Market Square on August 2nd. Senator Gumm was presented a plaque for his dedication in seeing Oklahoma Senate Bill 861 approved and signed. The feedback from the Tax Free Weekend has far exceeded expectations. Retail store sales percentages increased drastically compared to previous years, per Janet Reed. The City of Durant sales taxes for the month of August 2006 totaled \$837,610.54.

Shawn Boehme – Store Manager of Stage Clothing was very pleased with the drastic increase in sales over the past year and he stated that the store continues to experience an increase in sales. Mr. Boehme reported that Stage Clothing experienced a 200% increase in sales over the 3-day Back to School event and witnessed consumers purchasing the majority of their Clothing items at Stage rather than items that were unable to be located elsewhere in previous years.

Mike Snell – Store Manager for Wal-Mart Super Center reported an increase in overall store sales of 25% over the previous year. Mr. Snell stated that shoe sales were up 60%, overall clothing was up 40%, and boy’s wear was up over 100%. Mr. Snell said that the Wal-Mart Super Center continues to see more than a 7% increase in total store sales following the Back to School event.

The anticipated overall sales generated throughout the community are not expected to report a decrease in city sales tax revenue, rather a major increase. The merchants directly affected by the sales tax weekend as well as those indirectly affected both experienced an increase in retail sales reported by Janet Reed.

6. Presentation of “OG&E: The Next 100 Years”. – Dean Pollock, Area Manager for Oklahoma Natural Gas.

Dean Pollock presented a DVD titled “OG&E: The Next 100 Years” to the Economic Development Council. Mr. Pollock reported that OG&E Energy Corporation has, for more than 100 years, served and supported the communities. OG&E pays more than \$60 million annually in Ad Valorem taxes to support schools, more than \$230 million in direct payroll annually, \$4 million in direct support from employee and company contributions, 8,000 hours of monthly employee volunteerism, and approximately 100 grants are given to local teachers. Environmental stewardship is a top priority at OG&E. They are involved in developing renewable energy options and outreach programs that promote energy efficiency, conservation and environmental responsibility. OG&E continues their commitment to wind generation with the construction of the Centennial Wind Farm in northwestern Oklahoma, completed as Oklahoma began celebrating 100 years of statehood. Wind turbines are not independently sufficient to service OG&E’s consumers and this is the reason they are planning to be one of the first in the nation to build a new super critical coal fired high tech generating facility using the latest clean coal technology to minimize air emissions.

Oklahoma Gas & Electric is building a new 950 MW coal-fired base load power plant with Public Service Company of Oklahoma and the Oklahoma Municipal Power Authority in Oklahoma City at OG&E’s existing Sooner Power Plant near Red Rock, Oklahoma. OG&E will construct a 950 MW Ultra Super Critical coal-fired generating unit, planned to be online in 2011. The plan calls for building the plant at the existing Sooner Power Plant near Red Rock, Oklahoma where the necessary water supply and rail service are already in place. This plant will be the most efficient coal-fired plant available today, therefore reducing environmental impact and minimizing electrical cost to consumers. In addition, physical space at the plant site will be reserved for future environmental technology that is projected to be available in the near future. The Red Rock plant will contribute about \$20 million per year in ad valorem taxes to support schools and other public needs. The construction project will generate hundreds of jobs, at a minimum, and will create scores of new jobs on a permanent basis.

7. Presentation of the 2008 Durant Public School Year (Student Enrollment, Faculty, and New Programs). – Dr. Terry James, Superintendent for the Durant Independent School District.

Dr. Terry James presented an overview of the 2008 Durant Public School Year. The Durant Independent School District has a total staff of 400, which includes a full

teaching staff of 240. There were 16 new teachers hired for this 2007-2008 school year. The Durant Independent School District is 100 years old as a school district this year. The total enrollment for the 2007-2008 school year is approximately 3,200. This enrollment is up from approximately 3,184 in 2006-2007. The Durant School District has purchased 80-acres on Gerlach Drive for the future location of a new high school complex. The construction of the new high school project is estimated to cost \$30 million. One of the new programs that has seen success and will continue this school year is a transitional first grade. This is a class designed for students who have completed kindergarten but are not yet mature enough to advance to first grade. This class is designed to prepare students emotionally and intellectually for advancement to the first grade. This program allows the parents to have the final say in whether to advance their child to the first grade or to this transitional first grade class. Dr. James reported they are at capacity in these transitional first grade classrooms. The teachers have the advantage of using the new technology of “Electronic Chalk Board”. This advanced technology feature allows teachers to access the Internet for use with their lectures in the classroom. Robert E. Lee was presented \$20,000 for their high achievements. The Durant Public Schools Bus Fleet is ranked #10 in the Country. The Durant Independent School District is ranked in the top 20 in the State of Oklahoma.

8. Review of Existing Economic Development Projects. – Tommy Kramer

- a. **ERC ParkRidge Phase II** – ERC ParkRidge has just completed Phase II for a total of 160 apartment units. The Phase II project is 100% leased and occupied. The ERC Phase II Housing Development received approval through the Oklahoma Housing Finance Authority for construction of 7 affordable homes and 64 apartments. These ERC Phase II rental units are full market rate and income driven affordable housing located on 4.6-Acres. ERC Development is headquartered in Fort Smith and the Oklahoma Development office is located in Oklahoma City. ERC Development is the largest developer of affordable housing in Oklahoma and Arkansas.
- b. **ERC Brookstone Park Phase II** – ERC Brookstone Park has just completed Phase II for a total of 16 single-family housing units. The Phase II housing is 100% leased and occupied. The ERC Phase II Housing Development received approval through the Oklahoma Housing Finance Authority for construction of 7 affordable homes and 64 apartments.
- c. **High Meadow Apartments** – The High Meadow Apartments complex is 80% occupied. This is a 208 unit up-scale apartment development located on 18-acres. There will be 32 one-bedroom units, 40 two-bedroom/one-bath units, 88 two-bedroom/two-bath units, and 48 three-bedroom units. The apartment

complex will include a pool, clubhouse, and several children playground parks. The High Meadow Apartments total project cost is \$14 million.

- d. **Holiday Inn Express** – Raj Patel has purchased a 3-acre building site for a new 98-room, 4-story hotel that will be located west of the Lowe’s Home Improvement Center. Mr. Patel has just completed similar hotel projects this summer in Lawton, Tulsa, Shawnee, and McAlester. The red iron is being installed and the project is moving forward following three months of rain delays.
- e. **Hampton Inn & Suites** – Mike Patel with Signature Hospitality, LLC located in Irving will build an 80-room, 4-story hotel that will be located east of Shamrock Bank and across the street from Lowe’s Home Improvement Center. Hampton Inn & Suites plan to start construction in the next 4-6 weeks.
- f. **Microtel Inns & Suites** – James & Barbara Proctor are the owners of the new 60-room hotel located south of the Choctaw Casino. Microtel Inns & Suites is one of the fastest growing; all-new construction hotel franchise brands in the economy/budget hotel segment. Microtel Inns & Suites have 264 hotels open and 137 under development. All Microtel Inns & Suites hotels are independently owned and operated. Microtel is headquartered in Atlanta, Georgia. The Microtel Inns & Suites will be hosting a Grand Opening Board Cutting Ceremony on Friday, September 7th at 2:00 p.m.
- g. **Cambridge Housing Development** – Cambridge Development is headquartered in Ft. Worth, Texas and they have purchased a 353-acre site on First Street. The project plan is to develop 600 single family housing units, 1,300 multi-family housing units, and a 12-acre commercial/retail development site.
- h. **Khan’s Fire – The Mongolian Grill** – The Khan’s Fire Mongolian Grill will be located in the east end of the Schostak Shopping Center on University Place where the China Jade Restaurant was located. John Wyatt the owner of the Khan’s Fire restaurant is planning the Grand Opening in late September.
- i. **Papa Bello’s Pizza** – Papa Bello’s Pizza will be located in the north end of the Wal-Mart Super Center and provide dine-in or carryout meals.

- j. **Walgreens** – Walgreens has begun construction on their 14,000 square feet facility located on the corner of Main Street and University Place. There will be a Ground Breaking Ceremony on Friday, August 24th at 9:30 a.m hosted by the Durant Industrial Authority. Special presentations will be made to Tony Rogers the Developer with Springfield Holdings Group, Inc. and Coy Fuller the General Contractor with Fuller-Miller Construction.

- k. **The Sporting Edge** – Drew and Rachel Yandell have opened a sporting goods retail store, which is located at 3801 W. Main Street. The Durant Chamber of Commerce hosted a Grand Opening Ribbon Cutting Ceremony on Saturday, August 11th.

- l. **Schostak Brothers Shopping Center** – Mattress Plus More has leased the last retail space in the west end of the Schostak Brothers Shopping Center. The Schostak Brothers Shopping Center is now 100% occupied as of August.

- m. **Arnett Insurance Agency** – Arnett Insurance Agency has purchased the “old” Pizza Hut facility 1118 West Main. Mr. Arnett will be relocating his agency to this new location after fully completely renovating the building this fall.

- n. **All About Smiles Dentistry** – Dr. Jason Carper has contracted Mid-Plains Construction to construct a new state-of-the-art dentist facility at 1220 Washington Avenue.

- o. **Green Spray** – The Green Spray Food Center is conducting an inventory reduction sale prior to remodeling the facility. Randy Sullivan plans to reopen the food center in February 2008.

- p. **Steve Reeves Shopping Center** – Steve Reeves has demolished a dilapidated building at First Street and Elm Street. Mr. Reeves plans to build a 6,000 square feet strip style shopping center that can occupy up to 8 retailers. This shopping center will be designed similar to his existing shopping centers on West University Boulevard.

- q. **Precision Response Corporation (PRC)** – Precision Response Corporation has

qualified for \$60,000 in Training Industry Program funds for the on-the-job training of 200 new staff members. PRC has plans to grow the employment base from 450 to 650 starting in September. PRC is a top provider of customer management solutions on an outsourced basis. PRC manages customer relationships for some of the world's most brand focused corporations such as Direct TV, Thrifty Rent a Car, SAT Educational Testing Services, Federal Express, and Alltel. They provide strategic execution for these companies' sales and customer management through global network centers. PRC employs over 12,000 team members worldwide, each serving as a Brand Advocate for the client to which they are assigned to support.

- r. **REI Multi-Purpose Business Facility** – The Rural Enterprises of Oklahoma, Inc. Multi-Purpose Business Facility will host a Grand Opening Ceremony on August 20, 2007 at 4:00 p.m. Senator Jim Inhofe, Senator Gumm, Representative Carey, Mayor Tomlinson, Chief Pyle, James Dunegan, President Mickle, former Congressman Wes Watkins, and Dave Culbertson - Economic Development Administration in Austin, Texas participated in this ribbon cutting and grand opening.
- s. **Ed F. Davis** – John Davis the owner of Ed F. Davis, Inc. Anheuser-Busch Distribution has begun construction on a new 63,000 square foot refrigerated distribution center. This is a \$5 million building investment located at 2600 Westside Drive. The City has partnered with Ed F. Davis on a \$80,000 Community Development Block Grant to extend a city water line to this new facility. This building investment will result in the creation of 8 additional staff members.
- t. **Eagle Suspensions** - Eagle Suspensions is in production with 150 employees and production of 60 tons of leaf springs per day. Plyler Construction has been hired as the contractor for the 30,000 square foot addition to the back of the facility and this project is 95% complete.
- u. **Best Fender Products, Inc.** - The Best Fender Company is headquartered in Mt. Pleasant, Texas and they have purchased the Sullivan building located on South 22nd Street. Best Fender Products has completed the addition of an additional 20,000 square feet to their existing 20,000 square foot building in December. The company supplies metal fenders and metal trailer parts to most of the livestock and cargo trailer manufacturers in Texas, Kansas and Oklahoma. Best Fender Products employees 40 staff members at present.
- v. **Project “2423” (Memphis, TN)** – This is a \$130 million investment that will require 800-acres, daily rail service, 4-lane highway infrastructure,

two million gallons per day of water usage and will create 800 new jobs.

- w. **Project “XL” (Phoenix, AZ)** – This project is a \$270 million investment that requires 300-400 acres, rail service, highway infrastructure, one million gallons per day of water usage and will create 200 new jobs with an annual average salary of \$40,000.

- x. **Durant Jobs Billboards** – The Durant Industrial Authority, Southern Workforce Board, and Workforce Oklahoma have leased billboards in Atoka and Calera for 6 months. Both of the Team Durant workforce recruitment billboards have been installed on US 69/75. These billboards have the 1-800-610-JOBS toll free number, which will direct job seekers to the Durant Workforce Office.

9. Old Business.

There was no old business to discuss.

10. New Business.

There was no new business to discuss.

11. Adjournment.

There was a motion made by Janet Reed and seconded by Nate Morrison to adjourn. The motion carried with a unanimous vote.