

Amended Minutes

Durant Industrial Authority

MINUTES OF THE DURANT INDUSTRIAL AUTHORITY MEETING OF JANUARY 9, 2007
AT 7:00 A.M. IN THE DURANT INDUSTRIAL AUTHORITY CONFERENCE ROOM

1. Call to Order – John Cathey.

Chairman Cathey called the meeting to order.

2. Roll Call – Kimberly Bowen.

The following Authority members were present: Ron Bennett, John Cathey, Nate Morrison and Janet Reed.

The following Authority members were absent: Ron Cross, Greg Massey, and Fran Mickle

The following support staff members were present: Paul Buntz, Kimberly Bowen, James Dunegan, Tommy Kramer and Earlene Walker.

The following guest was present: Heather Summerville – Staff Reporter for the Durant Daily Democrat.

3. Approval of Minutes of the Regular Monthly Meeting on December 12, 2006. – John Cathey.

A motion was made by Janet Reed and seconded by Nate Morrison to approve the minutes of the December 12, 2006 Durant Industrial Authority meeting. Motion carried with the following vote:

Aye: Ron Bennett, John Cathey, Nate Morrison and Janet Reed.

Nay: None

Abstain: None

4. Review the Durant Industrial Authority November 2006 Financial Report – Earlene Walker.

The November year to date operating cash flow for the Durant Industrial Authority is \$358,597. The current Durant Industrial Authority November assets, which include claim on pooled cash, Certificates of Deposit from Cardinal Contribution, Cardinal Land Reserve Certificates of Deposit, the old Durant Industrial Foundation Certificates of Deposit, and Bank of Oklahoma bonds, total \$2,136,720.43. The total assets for the Economic Development Fund 020 as of November 30, 2006 were \$3,898,715.84. Revenues for the month of November totaled \$200,904.22 and this included \$140,923.71 of Tax Increment Finance Revenue from the Oklahoma Tax Commission and Bryan County. The November expenses totaled \$30,573.88 to result in a net income of \$170,330.34. The Durant Industrial Authority Economic Development sales tax 110 account for November's total assets are \$1,512,011.75. The monthly revenue was \$63,941.26 as of November 30, 2006. The expenses for the month of November were \$13,330.05 for Icon Manufacturing Project transferred to the Community Development Block Grant Account to total \$13,330.05. This resulted in a net income of \$50,611.21 for November 2006. The Year to Date total expenses for city industrial infrastructure projects amount were \$71,716.16.

5. Consider Approval of Durant Industrial Authority Claims for the Month of December 2006. – Tommy Kramer

Tommy Kramer informed the Durant Industrial Authority of the December claims for payment approval. The payroll claims for the month was \$18,318.45 and the submitted claim reports for November totaled \$21,232.06.

Items discussed were the following expense claims:

- Sandra Mazzone - Bryan County Tax Collector – 2006 Ad Valorem Property Taxes for 294-acres purchased from Aubrey Griffith – \$1,542.66
- Computer Services – Replace Motherboard in Staff Assistant's office computer & Emergency Battery Backup - \$154.00
- Governor's Economic Development Team – 2007 Membership Dues - \$500.00
- Wal-Mart – Office Supplies - \$41.34
- P.L. Pat Phelps – Consulting Fees for Professional Services in November 2006 regarding funding requested for the Durant Multi-Sports Complex - \$225.00
- Oklahoma Professional Economic Development Council – 2007 Membership Dues - \$150.00
- Lowe's Home Improvement – office computer software wiring parts - \$16.71

A motion was made by Ron Bennett and seconded by Nate Morrison to approve the claims for the month of November 2006. Motion carried with the following vote:

Aye: Ron Bennett, John Cathey, Nate Morrison and Janet Reed.

Nay: None

Abstain: None

6. Consideration Supplemental Agreement for Payment of Sales and Use Tax Rebate to Big Lots, Inc. – Paul Buntz

The Durant City Council previously approved Resolution No. 2003-26 and Resolution No. 2001-36a establishing rebates of City Sales and Use Taxes to Big Lots, Inc. as an incentive to construct and operate a 1.2 million square foot distribution facility. The City has determined that certain Sales and Use Taxes paid to the City of Durant are eligible for rebate and the City Council has appropriated the necessary funds to pay these approved rebates. Paul Buntz will draft a letter to Mr. Hal Wilson – Senior Vice President of Distribution and Transportation for Big Lots, Inc. to address the 5-Year agreement on City Sales and Use Taxes to Big Lots, Inc. The total Big Lots project rebates paid to-date are \$490,601.19. There is \$132,990.73 in rebates left to verify to finalize this agreement. (See Attached Handout)

7. Old Business

A.) Discussion of Tattoo Parlors Locating in Industrial Zoned Areas. – Tommy Kramer

The Durant Industrial Authority has discussed in previous meetings having tattoo, body piercing, and body painting studios located in industrial zoned areas and certified industrial parks in the City of Durant. Mr. Kramer has requested Tim Young – Assistant City Manager redraft the tattoo, body piercing, and body painting studios ordinance that currently limits these facilities to locate in I-1 & I-2 zoned industrial and manufacturing areas where it will exclude the industrial and manufacturing zoned areas. Mr. Kramer expressed to Mr. Young that it would be in the best interest as we grow our community to change the ordinance to locate tattoo, body piercing, and body painting studios in commercial zoned areas only.

B.) Tax Increment Financing Account Update From Bank of Oklahoma. – Tommy Kramer

Mr. Kramer discussed the Durant Industrial Authority Tax Apportionment Bonds Series 2003 and Series 2004B. The 2006 Bryan County Ad Valorem property tax receipts total \$1,629,878.00 and the total interest earnings posted thru January 2, 2007 was \$4,410.69 to total \$1,634,288.69. Bonds called for Series 2003 and 2004B totaled \$1,630,068.15 per Barbara Bailey at the Bank of Oklahoma. Based on the 2006 Ad Valorem property tax receipts history for

Cardinal Glass, the bonds are on schedule to be paid in full by the end of 2009. The original payoff schedule allotted for 12-15 years and now this Tax Increment Finance program will be completed in five or six years.

8. New Business

Chairman Cathey discussed the Industrial Authority considering the purchase of 205-Acres from Jane Collinson in Pittsburgh, Kansas, which is adjacent to the 294-Acres purchased from Aubrey Griffith. Chairman Cathey has been told Ms. Collinson is not interested in selling her land at this point in time.

Chairman Cathey read a thank you card from Ron Bennett and his family expressing their appreciation of the plant and prayers for his family in the time of their mourning the loss of his father.

9. Adjournment.

A motion was made by Nate Morrison and seconded by Janet Reed to adjourn. Motion carried with the following vote:

Aye: Ron Bennett, John Cathey, Nate Morrison and Janet Reed.

Nay: None

Abstain: None