

Durant Industrial Authority

MINUTES OF THE DURANT INDUSTRIAL AUTHORITY SPECIAL CALLED MEETING NOVEMBER 24, 2015, AT 7:00 A.M.

I. Call to Order –Chairman Massey

Chairman Massey called the meeting to order at 7:03 a.m., declared a quorum present, and opened the meeting.

II. Opening Invocation –Fran Mickle

III. Roll Call – Laura Voorhies

The following Durant Industrial Authority members were present: Mayor Hoffman, Chairman Massey, Kyle McLemore, Darrell Mendez, Fran Mickle, Nate Morrison and Janet Reed.

The following Support Staff members was present: Tommy Kramer and Laura Voorhies.

The following guests were present at this month's meeting: Rick Smith of Municipal Finance Services, Nathan Ellis of The Public Finance law Group, Stuart England of the Floyd Law Firm, Jeff Railey of Floyd Law Firm, David Keese the Durant Industrial Authority attorney and Sarah Sherrer Durant City Manager

IV. Consider Acceptance of Commercial Metals Company (CMC) Tax Increment Finance Engagement Letters for the Bond Counsel and Financial Advisors Services – Chairman Massey

Chairman Massey advised that a decision will be made to select either the Floyd Law Firm Group/BOSC, Inc., a subsidiary of BOK Financial Corp. or the Municipal Financial Services, Inc./The Public Finance Law Group, PLLC. Both groups are in attendance and would like to say a few words.

Rick Smith with Municipal Financial Services, Inc. stated he is the owner of the company and he would be the one working on this Commercial Metals Company(CMC) Tax Increment Finance (TIF) project. He has been working with the City of Durant since the 1990's and has extensive TIF experience. His company did the TIF work for the Embassy Suites in Norman, OK and the 2nd Street Downtown project in Lawton, OK. He wanted the board to know that he has the experience and would personally handle the transaction for Durant.

Chairman Massey stated that the board appreciates the help Rick Smith, John Wolff and his company has done with the City of Durant over the past 15 years.

Jeff Railey with the Lloyd Law Firm advised that he, Lynn Driver and Stuart England will be the ones working on the CMC-TIF project. They did the Ardmore TIF and the Tulsa Hills TIF and have done work with Southeastern Oklahoma State University on occasion. They are working with Chris Cochran with BOSC, Inc. to be the financial advisors and Mr. Cochran has extensive TIF experience.

Chairman Massey advised that he has spoken with Chris Cochran yesterday about his TIF experience, but he was not able to make it to the Durant Industrial Authority meeting today. Let us open the floor for questions from the Durant Industrial Authority Board.

Mayor Hoffman stated we are here due to the first proposals from the Municipal Financial Services, Inc./The Public Finance Law Group, PLLC, which were too high for the CMC project. The proposal with BOSC, Inc. did not list pricing for incidentals and those fees can add up.

Chairman Massey advised that Chris Cochran is not here to answer the questions about incidentals. The pricing difference in the two bond commercial service groups are approximately \$65,000.

Rick Smith stated that the incidentals will not be extensive and they are open to negotiations as to costs and fees for all their services.

Chairman Massey stated during his conversation yesterday with Chris Cochran, he stated they would be open to negotiations as well. We, as the Durant Industrial Authority need to look at what we have on hand today and make a decision that is best for the City of Durant and Commercial Metals Company.

Nathan Ellis with The Public Finance Law Group stated he sent a cover letter with the proposal advising that he has done significant TIF work in Oklahoma. The Public Finance Law Group is 2nd with TIF creations across the state of Oklahoma.

Jeff Bailey with the Floyd Law Firm stated that both the groups are qualified to do the work and would like the opportunity to be chosen for this project.

Both groups offered to leave the room so the board may discuss and make a decision.

Chairman Massey stated that both groups have the TIF experience. I feel if there is any litigation, we would do better to have BOK on our side. The Floyd Law Firm has hired local attorney's to help in the past and I think that is why they added David Keese to this proposal for the Durant Industrial Authority.

David Keese stated they did not contact him about adding him to the proposal for the Commercial Metals Company project.

Janet Reed stated we need to look at the bottom line costs, as we must watch our dollars. If both companies are bidding the same thing but the pricing is different, we must go with the lower bid amount.

Chairman Massey advised that he has worked the Floyd Law Firm with bonds in the past and has never had any issues, they do know what they are doing in that regard. We don't need to spend extra money for the same services. I know when I do business and if I am off in my pricing, companies do not hesitate to choose someone else.

Fran Mickle stated that she did not understand why Rick Smith's group bid so high the first time and then when it went out to bid again, the group came down a significant amount for the same project work.

Janet Reed wanted to state that no matter what group we vote on, the City Council can turn over the vote if they choose to do so.

Chairman Massey advised that once the TIF is in place, a trustee will be hired and they will be the ones that manage the TIF. We want the trustee to be someone we can communicate with directly in the future.

Chairman Massey put the bond counsel services for the Commercial Metals Company TIF decision up for a vote:

Those in favor of the Floyd Law Firm Group: Chairman Greg Massey, Kyle McLemore, Darrell Mendez, Fran Mickle, Nate Morrison and Janet Reed.

Those opposed: Mayor Stewart Hoffman

The Lloyd Law Firm Group was approved to be the Financial Advisor and Bond Counsel at a cost of \$185,000.

V. Update and Discussion of the Commercial Metals Company Project – Tommy Kramer

Chairman Massey appreciated the work that the Pastor Bill Ledbetter did at the Town Hall meeting.

Tommy Kramer stated that he met with David Keese and Jimmy Bush to see the one lot of land that was cleared and it has been signed off on and the Durant Industrial Authority owns the full 400+ acres. The four homes are removed and the cleanup is complete. CDBG for the water/sewer is in process and Commerce is waiting to approve it. CMC has Boomer Environmental Company is coming November 25, 2015 to remove approximately 9 cubic yards of contaminated soil. OG&E and Burns/McDonald will be here Monday to line out the right-of-ways for the lines coming from the power substations. I called and thanked Pastor Ledbetter for his help at the Town Hall meeting. Bob Weinhoffer advised they are moving forward. We were all pleased with the letter that John Cathey wrote for the paper on Sunday, November 22, 2015.

Sarah Sherrer stated that she, Pat Phelps and the engineer would meet with the Rural Water District No. 5 Manager to discuss the water for CMC plant.

Tommy Kramer explained that there are two meetings left for the TIF Review Committee and City Council. The deeds will transfer after the TIF and New Market Tax Credits are approved.

VI. New Business – Chairman Massey

None.

VII. Adjournment – Chairman Massey

A motion was made to adjourn by Fran Mickle. Kyle McLemore seconded the motion. The motion carried by:

Aye: Mayor Hoffman, Chairman Massey, Darrell Mendez, Janet Reed, and Kyle McLemore, Nate Morrison, and Fran Mickle

Nay: None