



# Durant Industrial Authority



MINUTES OF THE DURANT INDUSTRIAL AUTHORITY MEETING  
February 9, 2016 at 7:00 a.m.

---

**I. Call to Order –Chairman Massey**

Chairman Massey called the meeting to order at 7:00 a.m., declared a quorum present, and opened the meeting.

**II. Opening Invocation – Kyle McLemore**

**III. Roll Call – Laura Voorhies**

The following Durant Industrial Authority members were present: Chairman Greg Massey, Mayor Steward Hoffman, Kyle McLemore, Darrell Mendez and Janet Reed.

Fran Mickle resigned after 16 years of service and Nate Morrison after 8 ½ years.

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

The following guests were present at this month's meeting: An Chen Lai-City Treasurer, Sarah Sherrer-City Manager, Tammye Gwen-Choctaw Nation and Dan Pennington-Durant Daily Democrat reporter.

**IV. Consider Approval of the January 12, 2016 Minutes – Chairman Massey**

A motion was made to approve by Janet Reed. Kyle McLemore seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Steward Hoffman, Kyle McLemore, Darrell Mendez and Janet Reed.  
Nay: None  
Abstain: None

**V. Consider Approval of the Supplement to the Durant Industrial Authority Trust Indenture – Chairman Massey**

Tommy Kramer explained that the Durant Industrial Authority Trust Indenture was established in 1964 and has had amendments throughout the years. The City Attorney, Pat Phelps, drafted the current Supplement change for review. In essence the Supplement states it will allow for one member of the Durant Industrial Authority Board to live within a five-mile radius of the Durant city limits.

Greg Massey explained that the Durant City limit location has been an issue in the past. There have been qualified persons that are very involved in the community and the city, which would have been a great addition to the Durant Industrial Authority; their living a half-mile or more out of the Durant city limits prohibited them from joining as a board member.

Mayor Hoffman advised that the City Council approved last month a similar change on some of the City Boards for the same reasoning. We have found that some persons were approximately 200 yards outside the Durant city limits and wanted to serve as a board volunteer.

A motion was made to approve by Kyle McLemore. Janet Reed seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Steward Hoffman, Kyle McLemore, Darrell Mendez and Janet Reed.  
Nay: None  
Abstain: None

**VI. Consider Approval of Amended Durant Industrial Authority Bylaws – Chairman Massey**

Tommy Kramer advised the Durant Industrial Authority Bylaws were amended to read the same as the new Supplement to the Trust Indenture in regards to the Trustees and the five-mile radius as to which they live as it relates to the Durant city limits.

A motion was made to approve by Janet Reed. Kyle McLemore seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Steward Hoffman, Kyle McLemore, Darrell Mendez and Janet Reed.  
Nay: None  
Abstain: None

**VII. Consider Approval of Memorandum of Understanding for The Tile Shop & Durant Industrial Authority Distribution Center Building – David Keese**

David Keese explained that this Memorandum of Understanding has been in process for over a year. In essence, the Durant Industrial Authority will build the new building for The Tile Shop Distribution Center and The Tile Shop will become the tenant. There will be a triple net lease in place and there will be a CDBG-EDIF Grant in place. After the bidding process, The Tile Shop will be required to provide funds for any amount over the CDBG Grant into a Durant Industrial Authority account 020 and the Durant Industrial Authority will have control of the funding. There will be a general contractor in place for this project as well.

Tommy Kramer stated that The Tile Shop will have to sign off on all construction invoices, the Durant Industrial Authority will approve them and present to the City for payment. Once all of the bids are received and a contractor is chosen, we will have the amount of the building cost and The Tile Shop will insert money into the designated account for this project and then construction may begin.

Chairman Massey had concerns about being responsible for building the building.

David Keese advised that it will be a triple net lease and The Tile Shop will pay the equivalent of the property taxes to Bryan County and insurance to the City of Durant. We will require acknowledgment and acceptance from The Tile Shop.

A motion was made to approve by Darrell Mendez. Janet Reed seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Steward Hoffman, Kyle McLemore, Darrell Mendez and Janet Reed.  
Nay: None  
Abstain: None

**VIII. Update of the Commercial Metals Company Project – Tommy Kramer**

Tommy Kramer advised that the project is quickly moving forward. There will be two Tax Increment Financing (TIF) public hearing, February 16<sup>th</sup> and February 29<sup>th</sup> at the Donald W. Reynolds Library. After these two meeting have concluded, we will have fulfilled the State of Oklahoma stature requirements. The City Council will vote on March 8, 2016 to accept the Tax Increment Financing Project Plan and Economic Development Project Plan.

Chairman Massey stated that we need to call a special meeting for the two public hearings and all the Durant Industrial Authority members should attend.

Tommy Kramer informed everyone that the last remaining building on the Commercial Metals Company site has been removed. The Oklahoma Employment Security Commission is to have a private office for the hiring of employees for Commercial Metals Company. The Oklahoma Department of Transportation will be responsible for the road

construction of the two miles on Old East Main Street and the Highway 70 on/off ramps. Commercial Metals Company has already invested \$100M into the project for processing equipment and a 200,000 sq. ft. building. They have selected the production supervisors from other CMC plants to relocate to Durant to start the new facility. Tommy Kramer will meet with the CEO of Commercial Metals Company, Joe Alvarado on February 11, 2016. Scott Henderson, the engineer with Commercial Metals Company will be in Durant full time this month to aid in moving the construction forward. Governor Fallin has submitted the purchase order for the Oklahoma closing funds for the project and she has set the tentative groundbreaking ceremony date for Friday, April 29, 2016.

Tommy Kramer stated that the only remaining issue is the water/sewer service to the site and Sarah Sherrer the City Manager will be handling that issue.

Sarah Sherrer advised that they are waiting on the gray wastewater sample results prior to making a decision on the water/sewer solution. We will work with the Rural Water District to come to a solution on bringing the water from the property line to the building.

**IX. Review of the Durant Industrial Authority Financial Report Month Ending December 31, 2015 – Tommy Kramer**

Tommy Kramer reviewed the **Financial Report as of December 31, 2015** for the Durant Industrial Authority:

- A. The Durant Industrial Authority-Fund 020 Cash, Current Receivables & Liability Summary was:  
 Cash Accounts \$1,321,359.31 + Current Receivables \$1,509,683.58 = Total: \$2,831,042.89  
 Current Liabilities \$21,128.77 + Long Term Debt \$1,355,865.54 = Total: \$1,376,994.31
- B. The Durant Industrial Authority-Fund 020 Income and Expense Statement showed:  
 Total Revenues \$47,810.36 - Expenses & Fund Reserve \$51,677.48 = Net Change in Fund Balance: (\$3,867.12)
- C. The Economic Development-Fund 110 Balance Sheet showed:  
 Total Assets: \$2,369,587.53 and Total Liabilities \$0.00  
 Total Liabilities & Fund Balance \$2,369,587.53
- D. The Economic Development-Fun 110 Income & Expense Statement revealed:  
 Total Revenue \$88,769.58 and Total Expenses \$261,145.91  
 Net Change in Fund Balance: (\$172,376.33)

**X. Consider Approval of Durant Industrial Authority Claims Month Ending December 31, 2015 – Tommy Kramer**  
 Tommy Kramer reviewed the December 2015 Financial Report for the Durant Industrial Authority:

◇ Durant Area Chamber – Copies and Rent.....	1,385.00
◇ The Sign Depot – Front Office Door Signage.....	91.24
◇ AT&T – Office Phone.....	10.00
◇ AT&T – Cell Phone .....	52.53
◇ Conway Data – Advertising .....	980.00
◇ Crawford & Associates – Auditing Services.....	69.20
◇ JP Morgan – Meetings Food .....	14.28
◇ JP Morgan – Meetings Food .....	154.62
◇ Fuelman – Gas.....	49.15
◇ Pat Phelps – Attorney Fees .....	17.50
◇ Bobby Brewer – Office Cleaning.....	30.00
◇ Oklahoma Professional Economic Development – Membership Dues .....	300.00
◇ Durant Kiwanis Club – Membership Dues .....	120.00
◇ Oklahoma Southeast – Membership Dues .....	400.00
◇ Durant Area Chamber of Commerce – Annual Banquet (ED Promotion Acct).....	1,000.00

◇ A & M Engraving – Clock – (Economic Development Promotion Account) .....	45.00
◇ Oklahoma Department of Commerce – CDBG Loan Payments.....	7,020.66
◇ Cheryl Jackson – Cardinal Glass Land Principal/Interest.....	2,407.61
◇ John Jackson – Cardinal Glass Land Principal/Interest .....	2,407.60

A motion was made to approve by Janet Reed. Kyle McLemore seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Kyle McLemore, Darrell Mendez and Janet Reed.  
 Nay: None  
 Abstain: None  
 Absent: Mayor Stewart Hoffman

**XI. New Business – Chairman Massey**

Janet Reed advised that April 23, 2016 is the Public Dialogue with Imagine Durant and also the beginning of the Annual Trash Off Day.

**XII. Adjournment – Chairman Massey**

A motion was made to approve by Janet Reed. Kyle McLemore seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Kyle McLemore, Darrell Mendez, Nate Morrison and Janet Reed.  
 Nay: None  
 Abstain: None  
 Absent: Mayor Stewart Hoffman