



# Durant Industrial Authority

MINUTES OF THE DURANT INDUSTRIAL AUTHORITY MEETING  
May 10, 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 – Chairman Massey**

**III. Roll Call.....Laura Voorhies**  
The following Durant Industrial Authority members were present: Chairman Greg Massey, Mayor Steward Hoffman, Kyle McLemore, Darrell Mendez, Jeff Monroe and Janet Reed.

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

The following guests were present at this month’s meeting: Dan Pennington, Earlene Walker and Sarah Sherrer.

**IV. Consider Approval of the April 12, 2016 Minutes .....Chairman Massey**  
A motion was made to approve by Janet Reed. Jeff Monroe seconds the motion. The motion carried by:

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

**V. Consideration for Approval of the Second Amendment to the Commercial Metals Company Real Estate Purchase Agreement .....Chairman Massey**  
A motion was made to approve by Darrel Mendez. Kyle McLemore seconds the motion. The motion carried by:

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

**VI. Consideration for Approval of the Commercial Metals Company Tax Increment Financing Economic Development Agreement.....Greg Massey**

Chairman Greg Massey advised that the Tax Increment Financing Economic Development Agreement wording is still being revised and we do not have the document for review at this time. This item will be tabled until the next scheduled meeting or a special called meeting in May.

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

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

**VII. Update on the Commercial Metals Company (CMC) Project.....Tommy Kramer**

Tommy Kramer advised that the old natural gas pipeline that was on the Commercial Metals Company building site has been relocated by Finley Resources. Commercial Metals Company has spent over \$350,000 in this pipeline relocation and obtaining new right-of-way easements. The recent rains have put the site excavation work approximately thirty days behind schedule.

OG&E has hired Clay Jones from Durant, OK and he has been given the authority to visit with the landowners for the OG&E right-of-way. There will be two transmission lines, one coming from the hospital sub-station and the other from Butterfield Stage sub-station. The Durant Industrial Authority and the City will be working with OG&E on the right-of-ways for the CMC steel mill project.

Tommy Kramer stated that he had one of the Rural Water District #5 board members contact him after their April board meeting, advise that the board did not have any issues with the water rates and there will be an agreement at some point. The water board engineer was involved in the meeting and he has asked Mary Kay Nabors to make changes to some of the paragraphs and return the Agreement to the City for review.

Sarah Sherrer stated that the Rural Water District #5 does not understand why Commercial Metals Company is involved in this agreement and they would rather just have the agreement with the City. We will sell the water at a wholesale price to Rural Water District #5 because they do not have the means to provide enough water for their customers and CMC.

Tommy Kramer advised once the water agreement is completed and signed the Tax Increment Financing Economic Development Agreement is completed and signed, the land will be transferred to Commercial Metals Company in May or June 2016.

The groundbreaking of the Commercial Metals Company went very well and was held at the Choctaw Casino Event Center. CMC ran the timeline to the wire on the ground-breaking location to have the ceremony due to the rainy weather; Tommy and Laura had to contact over 200 people the day before the ceremony to advise of the change of venue.

**VIII. Update on The Tile Shop Distribution Center Building Project.....Tommy Kramer**

Tommy Kramer stated that the City opened the bids with architect Rob Tatchio. Lane Morgan with Mid-Plains Construction had the lowest bid and had his company name on all the paperwork, but he neglected to sign one page and it was decided to go to the next lowest bid by the architect Rob Tatchio from Sherman, Texas.

Chairman Greg Massey disagrees with the decision of the architect to spend approximately \$112,000 more due to a signature. He believes it should go out to bid again.

Mayor Stewart Hoffman agrees with Chairman Massey and we should use a local company when possible, especially when they are the lowest bid for a Durant building project.

Chairman Greg Massey requested that Sarah Sherrer speak with Pat Phelps about this low bid issue.

Sarah Sherrer stated that now all of the people who bid know what the lowest bid is and that may make it difficult. The other bidders may dispute it as well since the paperwork was incomplete by Lane Morgan. Pat Phelps was unavailable when this happened and we asked that David Keese to look at it, but he said that he could not give an opinion due to it being a City issue. The other discussion was, that we need to see the New Market Tax Credits first, and then have the architect contract completed.

Tommy Kramer advised that the architect contract must be finalized prior to the New Market Tax Credits so the funding can be secured. This will be a six-month construction project after the funds are in place and the funding will take 60-90 days. We have the CDBG grant at \$1M in place and The Tile Shop will be paying the balance if they agree to the DIA contract prepared by David Keese.

**IX. Review the Durant Industrial Authority Financial report for month ending March 31, 2016 .....Greg Massey**  
Tommy Kramer reviewed the Financial Report as of March 31, 2016 for the Durant Industrial Authority:

- A. The Durant Industrial Authority-Fund 020 Cash, Current Receivables & Liability Summary was:  
Cash Accounts \$1,315,370.34 + Current Receivables \$1,448,350.29 = Total: \$2,763,720.63  
Current Liabilities \$15,889.20 + Long Term Debt \$1,325,010.20 = Total: \$1,340,899.40
- B. The Durant Industrial Authority-Fund 020 Income and Expense Statement showed:  
Total Revenues \$36,759.02. - Expenses & Fund Reserve \$38,071.96 = Net Change in Fund Balance: (\$1,312.94)
- C. The Economic Development-Fund 110 Balance Sheet showed:  
Total Assets: \$2,639,812.84 and Total Liabilities \$0.00  
Total Liabilities & Fund Balance \$2,639,812.84
- D. The Economic Development-Fun 110 Income & Expense Statement revealed:  
Total Revenue \$85,532.02 and Total Expenses \$0.00  
Net Change in Fund Balance: \$85,532.02

**X. Consider Approval of Durant Industrial Authority Claims Month Ending April 30, 2016 .....Tommy Kramer**  
Tommy Kramer reviewed the April 2016 Financial Report for the Durant Industrial Authority:

◇ Durant Area Chamber – Copies and Office Rent.....	1,385.00
◇ AT&T – Mobility (Cingular) Cell Phone (February).....	52.50
◇ AT&T – Office Phone.....	11.93
◇ Crawford & Associates – Auditing Services.....	391.75
◇ JP Morgan – Vehicle Maintenance .....	6.00
◇ JP Morgan – Meetings/Food .....	246.15
◇ Fuelman – Gas.....	62.61
◇ Bobby Brewer – Office Cleaning (final bill) .....	30.00
◇ Lucinda French – Office Cleaning .....	30.00
◇ A&M Engraving – Shovel Tags (ED Promotion Account) .....	40.00
◇ 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
◇ Southern Workforce Board – Luncheon (ED Promotion Account).....	125.00

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, Jeff Monroe, Darrell Mendez and Janet Reed
- Nay: None
- Abstain: None

**XI. New Business.....Chairman Massey**  
Tommy Kramer advised that on 5/9/16 a group from Pennsylvania come to tour the Cornerstone building. I had received a call from the CFO of the company and they had also contacted the Oklahoma Department of Commerce, as well as Reggie Sullivan had a national realtor that was working with this same group about this building. They said the building size works for them and if they come to Durant, it will bring 150 new jobs at an average pay of \$15.70 per hour.

Chairman Greg Massey advised that budgets are due prior to June 30, 2016 and wanted to know if they were completed.

Tommy Kramer advised that the budget was turned in a few months ago to the City Manager and City Treasurer for funding the Durant Industrial Authority. Tommy had no response from the City Manager.

Sarah Sherrer stated that the budget can be reviewed when the Durant Industrial Authority contract is renewed. The process will be different than it has been in the past year. There will be a public hearing at the end of May to allow the public to review and the budget will be put on the June meeting agenda.

Chairman Massey stated that a group needed to be appointed to complete the annual review of Tommy Kramer. Chairman Massey appointed Darrel Mendez to head the group to include Janet Reed and Kyle McLemore.

Tommy Kramer advised that Site Selection magazine emailed on 5/9/16 to let us know that TEAM DURANT was selected as one of the Top 10 Best Economic Development Organizations in 2016.

**XII. Adjournment.....Chairman Massey**

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

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