



Durant Industrial Authority

MINUTES OF THE DURANT INDUSTRIAL AUTHORITY **SPECIAL CALLED MEETING** May 26, 2016 at 3:00 p.m.

I. Call to Order.....Chairman Massey
Chairman Massey called the meeting to order at 3:00 p.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 Stewart Hoffman, Kyle McLemore, Darrell Mendez and Jeff Monroe.

The following Durant Industrial Authority member was not present: 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, David Keese attorney with First United Bank, Cheryl Vinall Denney attorney with McAfee & Taft and Chris Gander investment advisor & CFP with Bank of Oklahoma.

**IV. Consideration and Action of the Commercial Metals Company Economic Development Agreement
.....Cheryl Vinall Denney**
Cheryl Vinall Denney advised that an agreement with Commercial Metal Company was completed last week. Mrs. Denney explained all the changes that were made from the first draft of the agreement and answered any questions. Mrs. Denney also advised that Stuart England was working on the Tax Increment Financing Trust documents.

Tommy Kramer thanked Cheryl Vinall Denny for all the hard work and long hours that she has provided for the Commercial Metals Company Tax Increment Financing project.

A motion was made to approve by Mayor Stewart Hoffman. Darrell Mendez seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Stewart Hoffman, Kyle McLemore, Darrell Mendez and Jeff Monroe.
Nay: None
Abstain: None

**V. Consideration and Action of the Durant Industrial Authority 97 +/- Acres Agricultural Lease
.....Tommy Kramer**
Tommy Kramer explained that Commercial Metals Company (CMC) would like to use the 97+/- acres as a barrier and not develop at this time. CMC will have Federal New Market Tax Credits (NMTC) and due to those NMTC’s CMC is not able to lease the property for a profit. Bob Weinhoffer, Vice President of CMC asked the Durant Industrial Authority (DIA) to lease the property to Jimmy Bush to pasture his cows on the land and they will gift the DIA the profits of annual lease payment from the lease agreement.

Greg Massey advised that if the DIA leases the property, it would have to go out to bid to the public, but CMC can lease the property to whomever they choose without bidding. If they want DIA to be involved, they need to do some type of assignment of the lease to DIA.

Cheryl Vinall Denny suggested that CMC's attorneys would be able to come up with a solution.

Kyle McLemore suggested that the persons, such as Jimmy Bush should carry insurance so the DIA is not liable for any accidents, such as a cow getting out and causing property damage. This should be in any of the leases the DIA is part of going forward.

Tommy Kramer will discuss this issue with Bob Weinhoffer to obtain a solution that will benefit all parties involved.

This item was tabled until the lease agreement transfers are completed with the CMC attorneys.

VI. Consideration for Approval of the Commercial Metals Company Third Amendment Real Estate Agreement Greg Massey

David Keese advised that the only difference between this third agreement and the prior second agreement is the date changed to July 1, 2016.

A motion was made to approve by Mayor Stewart Hoffman. Jeff Monroe seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Stewart Hoffman, Kyle McLemore, Darrell Mendez and Jeff Monroe.
Nay: None
Abstain: None

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

Tommy Kramer advised that the Durant Industrial Authority (DIA) was to build The Tile Shop building expansion on a 20-year term lease along with the Community Development Block Grant (CDBG) funds from Oklahoma Department of Commerce and New Market Tax Credits with The Tile Shop paying the balance of funding. David Keese has worked up the agreement and The Tile Shop wanted to have this building project complete in Physical Year 2016.

The CDBG became a confusing, large issue, so The Tile Shop decided to not utilize the CDBG funding and just use New Market Tax credits and they will fund the balance themselves. The negative to this is the DIA will lose the potential 20-years of revenue of \$700,000 lease payments.

There was also the issue of bidding the contract and the lowest bidder did not sign one page, so the City Council was to revisit their bidding process at the Special Called Meeting tonight, May 26, 2016. Now there is an attorney involved with the second lowest bidder and they want to review our records and files.

Greg Massey stated that since The Tile Shop will not have the DIA involved, they are free to hire whomever they choose so any issue with the bidding is void.

VIII. Update on BrucePac Employee Workforce Forgivable LoanTommy Kramer

Tommy Kramer stated that the BrucePac CEO and President is ready for the Durant Industrial Authority to begin drafting the forgivable loan for employees and Tommy will meet with David Keese to discuss this agreement.

IX. AdjournmentChairman Massey

A motion was made to approve by Mayor Stewart Hoffman. Kyle McLemore seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Stewart Hoffman, Kyle McLemore, Jeff Monroe and Darrell Mendez.
Nay: None
Abstain: None