



**City of Broken Arrow**  
**Minutes**  
**Broken Arrow Economic Development Authority**

City Hall  
220 S 1st Street  
Broken Arrow OK  
74012

*Chairperson Craig Thurmond  
Vice Chair Scott Eudey  
Trustee Mike Lester  
Trustee Johnnie Parks  
Trustee Debra Wimpee*

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**Tuesday, March 19, 2019**

**Council Chambers**

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**1. Call to Order**

Chairperson Craig Thurmond called the meeting to order at approximately 7:45 p.m.

**2. Roll Call**

**Present: 5 -** Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

**3. Consideration of Consent Agenda**

Chairperson Thurmond asked if there were any items to be removed from the Consent Agenda. There were none.

**MOTION:** A motion was made by Mike Lester, seconded by Debra Wimpee.

**Move to approve the Consent Agenda**

The motion carried by the following vote:

**Aye: 5 -** Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

**A. 19-54 Approval of the Broken Arrow Economic Development Authority Meeting Minutes of March 5, 2019**

**B. 18-1425 Approval of the Broken Arrow Economic Development Authority Claims List for March 19, 2019**

**4. Consideration of Items Removed from Consent Agenda**

There were no items removed from the Consent Agenda. No action was required or taken.

**5. Public Hearings, Appeals, Presentations, Recognitions, Awards**

There were no Public Hearings, Appeals, Presentations, Recognitions, or Awards.

**6. General Authority Business**

**A. 19-359** Consideration, discussion and possible approval of Resolution No. 1198, a Resolution of the Broken Arrow Economic Development Authority (the "authority") authorizing the issuance of its tax increment revenue note, taxable series 2019 (the "note") in the aggregate principal amount of \$7,565,000; waiving competitive bidding and authorizing the note to be sold on a negotiated basis; approving and authorizing execution of a security agreement by and between the City and the Authority pertaining to a pledge of certain sales tax increment revenue and ad valorem tax increment revenue; approving and authorizing execution of a general bond indenture and a series 2019 supplemental note indenture (collectively, the "indenture") authorizing the issuance and securing the payment of the note; providing that the organizational document creating the authority is subject to the provisions of the indenture; approving and authorizing the transfer of funds; authorizing and directing the execution of the note and other documents relating to the transaction; and containing other provisions relating thereto

Director of Finance Cindy Arnold introduced Mr. Ben Oglesby with Municipal Finance Services, Inc.

Mr. Ben Oglesby reported the TIF (Tax Increment Financing) note issued in 2010 had a variable interest rate, with a current interest rate of 4.87% and a current balance of \$7.5 million dollars with payments ranging between \$835,000 dollars to \$840,000 dollars annually. He stated refinancing this TIF note had six objectives: 1) change the variable interest rate to a fixed interest rate, 2) lower the interest rate, 3) shorten the term by 3 years, 4) secure the note with TIF revenues rather than city wide tax, 5) reduce the size of Debt Service Reserve Fund from \$770,000 to \$500,000, and 6) reduce total debt service. He displayed a Debt Service Savings Comparison chart. He noted BAEDA had three options for refinancing: Option A: JP Morgan Chase 3.25% non-callable fixed interest rate (no option to pay off note early or refinance), Option B: JP Morgan Chase 3.35% fixed interest rate with a 5 year call option (option to pay off note early or refinance), and Option C: BOK (Bank of Oklahoma) 3.5% fixed interest rate with a 5 year call option. He indicated refinancing savings were over \$1 million dollars for all three proposals, but would not be realized until the eighth year of payoff. He stated he recommended Option B the 3.35% fixed interest rate with a 5 year call option, as it allowed the possibility of refinancing or early payoff which potentially would further save an additional \$200,000 dollars.

City Manager Michael Spurgeon and Trustee Mike Lester agreed with Mr. Oglesby's recommendation for Option B. Vice Chair Eudey stated he appreciated refinancing into a fixed interest rate and agreed with Mr. Oglesby's recommendation for Option B.

**MOTION:** A motion was made by Scott Eudey, seconded by Debra Wimpee.

**Move to approve Option B as presented and to approve Resolution No. 1198 amended to accommodate Option B**

The motion carried by the following vote:

**Aye:** 5 - Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

At approximately 7:55 p.m. Chairperson Thurmond stated there was an Executive Session and he would entertain a motion for a brief recess to reenter the City Council Meeting.

**MOTION:** A motion was made by Mike Lester, seconded by Scott Eudey.

**Move for a brief recess to reenter the City Council Meeting**

The motion carried by the following vote:

**Aye:** 5 - Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

At approximately 8:43 p.m. Chairperson Thurmond reconvened the regular BAEDA Meeting. He stated there was an Executive Session and he would entertain a motion to enter into the Executive Session.

**MOTION:** A motion was made by Mike Lester, seconded by Scott Eudey.

**Move to enter into the Executive Session**

The motion carried by the following vote:

**Aye:** 5 - Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

## 7. Executive Session

**Executive Session for the purpose of confidential communications between the Broken Arrow Economic Development Authority, the City Manager, the City Attorney and any other pertinent staff members discussing and conferring on matters pertaining to:**

1. **Economic development and specifically discussing an economic development proposal involving real property located near Tucson Street (121st Street) and north of the Creek Turnpike and east of Aspen Avenue (145th East Avenue), and real property located near Tucson Street (121st Street) and south of the Creek Turnpike and east of Aspen Avenue (145th East Avenue) to include the transfer of property, financing, and the creation of a proposal to entice a business to locate within the City of Broken Arrow, taking appropriate action in open session, including direction for the City Manager and staff to enter into formal negotiations for an economic development proposal under 25 O.S. §307(C)(10); and**

2. Economic development and specifically discussing an economic development proposal involving approximately 1.775 acres of real property located near the northwest corner of South Aspen Avenue (145th East Avenue) and West Norfolk Drive to include the transfer of property, financing, and the creation of a proposal to entice a business to locate within the City of Broken Arrow, taking appropriate action in open session, including direction for the City Manager and staff to enter into formal negotiations for an economic development proposal under 25 O.S. §307(C)(10);

3. Discussing the purchase and appraisal of real property located near Houston Street (81st Street) and east of Main Street and south of El Paso and west of First Street and taking appropriate action in open session, including making an offer of purchase, under 25 O.S. §307(B)(3);

**In the opinion of the City Attorney, the Authority is advised that the Executive Session is necessary to protect the confidentiality of the businesses and also that disclosure will impair the ability of the Authority to process the pending appraisal and sale of real property in the public interest. After the conclusion of the confidential portion of executive session, the Authority will reconvene in open meeting, and the final decision, if any, will be put to a vote.**

The meeting reconvened at approximately 9:17 p.m.

MOTION: A motion was made by Scott Eudey, seconded by Mike Lester.

**Move to authorize the City Manager and Staff to negotiate for an economic development proposal and sale of 1.775 acres of real property located near the northwest corner of South Aspen Avenue (145<sup>th</sup> East Avenue) and West Norfolk Drive and negotiate for an economic development proposal**

The motion carried by the following vote:

**Aye: 5 - Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond**

MOTION: A motion was made by Scott Eudey, seconded by Mike Lester.

**Move to authorize the City Manager and Staff to negotiate the purchase of real property located near Houston Street (81<sup>st</sup> Street) and east of Main Street and south of El Paso and West of 1<sup>st</sup> Street and obtain an appraisal of the property**

The motion carried by the following vote:

**Aye: 5 - Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond**

MOTION: A motion was made by Scott Eudey, seconded by Mike Lester.

**Move to find the Executive Session necessary**

The motion carried by the following vote:

**Aye: 5 - Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond**

## **8. Adjournment**

The meeting adjourned at approximately 9:18 p.m.

MOTION: A motion was made by Johnnie Parks, seconded by Scott Eudey.

**Move to adjourn**

The motion carried by the following vote:

**Aye: 5 - Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond**

Attest:

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Chairman

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Secretary