



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

Tuesday, March 5, 2019

Council Chambers

1. Call to Order

Chairperson Craig Thurmond called the meeting to order at approximately 8:08 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. 19-53 Approval of Broken Arrow Economic Development Authority Meeting Minutes of February 19, 2019

B. 18-1422 Approval of the Broken Arrow Economic Development Authority Claims List for March 05, 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

A. 19-286 Presentation by Broken Arrow Economic Development Manager on the Business Retention and Engagement program

Economic Development Manager, Norm Stephens, reported on December 18, 2018 the Broken Arrow Economic Development Authority agreed to terminate the existing contract for Downtown Redevelopment Services between BAEDA and the Broken Arrow Economic Development Corporation. He noted during the meeting City Manager Spurgeon reported the preliminary planning had begun regarding implementation of a fully functional business retention program. He stated it was decided the funds from the terminated agreement would be utilized to hire two individuals to be responsible for certain areas within Broken Arrow and a program would be developed regarding business recruitment and retention. He stated throughout January and February staff created job descriptions for the Business Retention Expansion Coordinator and began accepting applications in late February. He noted the City Manager and Economic Development Manager, along with senior staff, met with various Department Directors in February, introduced the Business Retention and Engagement program (BR&E), and sought input regarding what each department could do to promote

economic development. He noted staff from the Tourism Department and the BR&E Coordinators would function in a collaborative environment under the direction of the Economic Development Manager. He stated on March 1, 2019 the Tourism Department began relocating to 111 East Commercial Street which allowed for a greater presence in the Rose District being closer to Main Street. He noted the program began in the Rose District in which staff was meeting with merchants and business owners in the Rose District to listen and learn the needs of business owners and how the city could assist in making businesses more successful. He stated through the BR&E program staff would focus on retention and expansion of local businesses throughout the City of Broken Arrow. He stated on March 14, 2019 the businesses in the Rose District were invited to an informative breakfast regarding this new program. He stated the goal was to be of greater service to business owners.

Vice Chair Eudey asked if he was correct in understanding this program was for all businesses, not just retail businesses, and while the offices were located in the Rose District, this was a city-wide initiative. Mr. Stephens responded in the affirmative.

City Manager Spurgeon stated he believed economic development was equivalent to the fuel which ran the engine; the engine being the City of Broken Arrow. He stated the more fuel, the better sustained the engine. He stated this program could only succeed in healthy partnership with the EDC. He indicated he believed as the relationship model with the EDC (Economic Development Corporation) was recently reworked this program would be successful. He stated he believed there were small businesses which needed to hear what the city could do to help business development and promote partnership between businesses and this program would enable the necessary communication for success.

Trustee Wimpee stated she was excited about this new program and felt it would be a positive addition to the City of Broken Arrow for business owners. Mr. Stephens intimated brick and mortar businesses were important to the City of Broken Arrow. Vice Chair Eudey noted businesses provided jobs which enabled shopping. He stated he loved the idea of reaching out to all types of businesses, from service providers, health care businesses, and industrial businesses to restaurants and retailers. He stated he was highly supportive of extending this program to all areas of Broken Arrow. Mr. Stephens stated he believed this program, in partnership with the Broken Arrow Economic Development Corporation, was the most well rounded approach to economic development the City of Broken Arrow had ever undertaken.

City Manager Spurgeon stated interviews for the two job positions were advertised, interviews would begin late next month and Mr. Stephens would make recommendations mid-April.

6. General Authority Business

A. 19-312 Consideration, discussion, and possible approval of the First Amendment to the contract for Economic Development Services between the Broken Arrow Economic Development Authority and the Broken Arrow Economic Development Corporation

Mr. Norm Stephens reported BAEDA approved a contract for Economic Development Services with the Broken Arrow Economic Development Corporation for the period of January 1, 2019 through June 30, 2021 in the amount of \$32,292 dollars per month. He noted payment would begin upon permanent employment of the President of the Broken Arrow Economic Development Corporation and until then the payment would amount to \$6,700 per month. He stated on February 11, 2019 the Broken Arrow Chamber of Commerce and the Economic Development Corporation announced the recruitment of Darla Heller as Vice President of Economic Development. He noted the original intent of the Broken Arrow Economic Development Corporation was to hire a new president and allow the new president to hire a vice president; however, when it was discovered that Ms. Heller was interested in working for Broken Arrow the Board decided to offer employment to Ms. Heller. He reported Ms. Heller joined the EDC on March 1, 2019. He noted during the February 27, 2019 EDC Board Meeting

the Board Chairman and Acting Chamber President requested the Authority increase the amount of contract services to \$14,789 dollars due to the monthly addition of Ms. Heller's compensation package. He indicated during further discussion Board Members agreed to recommend increasing the amount to \$20,000 dollars per month to cover additional expenses. He noted during the last month or two there were expenses related to the audit for 2017 following the Crawford Report Audit of 2018, the grounds for development piece used at the economic development conferences, membership dues, travel, etc.

City Manager Spurgeon explained the Economic Development Corporation had day to day expenses beyond the compensation plan for the Senior Vice President. He briefly reviewed the various expenses.

Trustee Parks asked if the EDC was up to date on monthly activity reports. Mr. Stephens responded in the affirmative. Trustee Lester stated he believed the collaboration between the City, Tourism Department, BR&E, and Broken Arrow Economic Development Corporation showed a lot of promise. He stated he believed this would highly benefit the business community, as well as the citizens of Broken Arrow. Vice Chair Eudey agreed.

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

Move to approve the First Amendment to the contract for Economic Development Services between the Broken Arrow Economic Development Authority and the Broken Arrow Economic Development Corporation

The motion carried by the following vote:

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

B. 19-306 Consideration, discussion, and possible approval of and authorization to execute the Financial Advisor Service Agreement with Municipal Finance Service Inc. for services related to the refinancing of the Tax Increment Financing (TIF) debt

Finance Director, Cindy Arnold, reported last Commission Meeting a presentation was made regarding the TIF District and it had since come to light there may be an opportunity to refinance the TIF Debt. She reported there were two agreements before BAEDA, one with Municipal Finance Service Inc., and the other with The Public Finance Law Group which needed to be approved and executed prior to moving forward with refinancing the TIF Debt.

Vice Chair Eudey asked about the refinancing percentages. Ms. Arnold responded currently the debt was financed at a variable 4.87% and it was possible to refinance to 3.5% at a fixed rate. Vice Chair Eudey noted he felt a fixed rate was beneficial. Ms. Arnold agreed. Vice Chair Eudey stated while there was a cost to refinance, saving the 1% at a fixed rate could amount to significant savings in the long term. Ms. Arnold concurred. She indicated the goals of the refinancing were to achieve a fixed rate interest maturity, lower the interest rate, shorten the terms by three years, increase debt service to \$1 million dollars annually, secure the note with TIF revenues, ad valorem sales tax, reduce the size of the debt service reserve fund, and reduce total debt service.

Municipal Financial Services Representative Michael Oglesbee reported he believed there was significant potential for savings in this refinancing opportunity. He stated he hoped to return March 19, 2019 with a package for review. Vice Chair Eudey stated if there was an opportunity to save the Community of Broken Arrow money the Broken Arrow Economic Development Authority had a responsibility to pursue the opportunity. Mr. Oglesbee indicated TIF Districts were notoriously difficult to finance; however, Broken Arrow's TIF District had been highly successful. He stated there was a significant increase in ad valorem tax and sales tax in the TIF, and at this point the TIF District had matured to a point where it made sense to release the sales tax lien and secure the TIF District on the TIF Revenues. He stated he believed now was an appropriate and opportune time to consider refinancing the TIF District.

City Manager Spurgeon recommended BAEDA allow the Finance Department to move forward with the Service Agreements and return with recommendations.

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

Move to approve and authorize execution of the Financial Advisor Service Agreement with Municipal Finance Service Inc. for services related to the refinancing of the Tax Increment Financing (TIF) debt

The motion carried by the following vote:

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

C. 19-307 Consideration, discussion, and possible approval of and authorization to execute a Legal Services Agreement with The Public Finance Law Group, PLLC for services related to the refinancing of the Tax Increment Financing (TIF) debt

Ms. Cindy Arnold reported The Public Finance Law Group had extensive experience with TIF Districts.

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

Move to approve and authorize execution of a Legal Services Agreement with The Public Finance Law Group, PLLC for services related to the refinancing of the Tax Increment Financing (TIF) debt

The motion carried by the following vote:

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

At approximately 8:32 p.m. Chairperson Thurmond stated there was an Executive Session and he would entertain a motion for a brief recess to clear the room for the Executive Session.

MOTION: A motion was made by Mike Lester, seconded by Johnnie Parks.

Move for a brief recess to clear the room for the Executive Session

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 Mike Lester, seconded by Johnnie Parks.

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 North of the Creek Turnpike and East of Aspen Avenue (145th E. 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, and taking appropriate action in open session, including direction to the City Manager and Staff to negotiate for an economic development proposal, under 25 O.S. §307(C)(10); and

In the opinion of the City Attorney, the Authority is advised that the Executive Session is necessary to process the pending claim, litigation and possible litigation and that disclosure will seriously impair the ability of the public body to process the claim or conduct a pending investigation, litigation or proceeding 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.

At approximately 8:57 p.m. Chairperson Thurmond reconvened the regular session of the BAEDA Meeting.

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

Move to authorize and direct the City Manager and Staff to negotiate an economic development proposal, including the potential transfer of property, financing and the creation of a proposal to entice a business to locate on real property located near North of the Creek Turnpike and East of Aspen Avenue (145th E. Avenue) and obtain additional appraisal for this 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 8:59 p.m.

MOTION: A motion was made by Johnnie Parks, seconded by Mike Lester.

Move to adjourn

The motion carried by the following vote:

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

Attest:

s/Craig Thurmond_____
Chairman

s/Lisa Blackford_____
Deputy Secretary