

The McAlester City Council met in a Special session on Tuesday, April 17, 2018, at 5:30 P.M. after proper notice and agenda was posted, April 16, 2018 at 11:31 A.M.

Call to Order

Mayor Browne called the meeting to order.

Councilman Garvin led the invocation and Pledge of Allegiance.

Roll Call

Council Roll Call was as follows:

Present: Weldon Smith, Cully Stevens, Travis Read, James Brown, Buddy Garvin, Jason Barnett & John Browne
Absent: None
Presiding: John Browne, Mayor

Staff Present: Peter Stasiak, City Manager; Toni Ervin, CFO; Kirk Ridenour, Economic Development Director; Jayme Clifton, Community Development Director; William J. Ervin, City Attorney and Cora Middleton, City Clerk

Scheduled Business

1. Consider and act upon, a Joint Resolution between the City of McAlester, Oklahoma and The Board of Commissioners for the County of Pittsburg stating their intention to provide a combined amount not to exceed \$5,500,000.00 by a method and in a manner yet to be determined, for a proposed retail development project at or near the intersection of 14th Street and The George Nigh Expressway/ U.S. Highway 69 Bypass, in the City of McAlester, Pittsburg County, State of Oklahoma.

Executive Summary

Staff recommends approval of the Joint Resolution between the City of McAlester and Board of Commissioners for the County of Pittsburg.

Mayor Browne addressed the Council and audience reviewing the procedure for the meeting. He stated that Director Ridenour would start, Mr. Collins would speak and any one that wanted to speak would be given a chance. He then asked that citizens limit their time to three (3) minutes.

Director Ridenour addressed the Council reviewing the background of the Retail Development project. He commented that the current site plan was out of date and stated that the following stores were planned to be in the shopping center; Hobby Lobby, T.J. Maxx, Ross, Famous Footwear, Maurice's and Ulta. He added that Tuesday Morning had dropped out. He reviewed

the layout of the development, explained how the intersection at 14th Street and 69 Bypass would flow traffic and the stop light that was required for the retail development. He explained that the stop light would be temporary and would be removed with the future construction that was planned for Bypass. He added that he had received letters of support from the Patriot Dealership and the Steak and Shake restaurant.

Mayor Browne stated that during the meetings with ODOT the City had received a letter of support from New Beginnings Church.

There was a brief discussion concerning who would maintain the stop lights and how long it would take ODOT to complete the construction on the bypass.

Director Ridenour then reviewed the incentive that had been requested for the development. He explained that all of the off and on site improvements would be done by the Developer. He explained that those projected costs had been included in the packet. He stated that the requested incentive at this time was \$5.5 million which the City had proposed to be split between the County and the City. He explained that the proposed split was seventy percent (70%) or \$3,850,000.00 paid by the City of McAlester and thirty percent (30%) or \$1,650,000.00 paid by Pittsburg County. He added that the incentive was not required up front. Director Ridenour went on to explain that there were several ways to set up the incentive payback with the County and it could be paid back over five (5) years.

There was a brief discussion concerning the payment of the incentive, the information concerning the City's retail leakage, how accurate the information was and if anything had been done to validate the information.

Burt Collins 1840 Norwood Plaza, Hurst, TX, addressed the Council explaining that he had been developing for forty-seven (47) years. He explained that he had researched the McAlester area to verify that a shopping center was justified. He explained that he had spoken with several national retailers and they indicated that they were pulling a lot of revenue from the McAlester area. Mr. Collins commented that people would rather shop local than in the bigger cities. He commented on his retail developments in Ardmore and how McAlester had a similar situation. Mr. Collins commented on the affect that online shopping had or did not have on local retail

There was discussion concerning other possible stores that might come, the population of McAlester not being big enough to draw some of the retail chains, how many jobs this development could create, how long it would take to complete the leases, how long it would take to build the shopping center and how many of the retail developments that Mr. Collins still owned.

Karla Taylor 701 S. 13th, Mark Emmons 1701 Boardwalk, Kevin Priddle 314 W. Jackson, Stephanie Giacomo 228 W. Stonewall, Chris Taylor 108 Saunier Way, Patrick Walling 917 S. Main Street, Kenny Springer 1410 Tanglewood Drive each spoke in support of the Retail Development.

John Titsworth 1010 Douglas, Christi John 705 S. 10th, Chance McCall 203 E. Morris Ave., Debbie Ashmore 69 Bypass, Jeremy Beaver 12 Carol Drive, John Vicars 1200 Rosewood, Joey Clark 1712 Dave Drive and Damon Mascoto 1317 MacArthur Lane all spoke in opposition of the Retail Development and the addition of the stop light at the intersection.

Danny Giacomo 1202 E. Kiowa addressed the Council expressing concern about the lack of information that the public had regarding the TIF and the Retail Development.

Zach Prichard 520 S. 2nd addressed the Council regarding conflicts with the City Charter, State Statute, the Retail Development project and the manner of the possible funding of the Development.

Attorney Ervin clarified that the limitations in the City Charter mirror the Oklahoma State Constitution and limit spending to current year. He stated that other provisions limit the amount of debt the City could incur. Attorney Ervin explained that this proposal did not create any debt and public trusts were allowed to contract beyond one (1) year. He added that the TIF would generate the funds and a contract would stipulate how funds were spent. He further commented that the City was aware of the restrictions, they anticipated a TIF would be created and all steps would be legal.

There was discussion regarding retail cannibalism of existing retail stores, the amount of shoppers that might come into the community, the other developers that had approached the City, the projects that they had presented to the City, how many developments Mr. Collins had built and his confidence in the Retail Development.

Kristin Lloyd 113 E. Choctaw addressed the Council expressing concerns about the Down Town shopping area.

Councilman Read commented that one of the recurring concerns was that this would close the small businesses. He stated that when Lowe's came into McAlester everyone was concerned that it would close the other hardware and lumber stores in the community, but it did not. He added that he spoke with people every day that support this development.

Interim Vice-Mayor commented that he didn't feel that any one was opposed to McAlester growing. He was concerned with the amount of the investment and the future of the City. He added that what had occurred here in the Council Chambers, the discussion was exactly what needed to happen.

A motion to approve joint RESOLUTION NO. 18-08, between the City of McAlester and the Board of Commissioners for the County of Pittsburg stating their intention to provide a combined amount not to exceed \$5,500,000.00, by a method and a manner yet to be determined, for the proposed retail development project at or near the intersection of 14th Street and George Nigh Expressway/U.S. Highway 69 Bypass, in the City of McAlester was made by Councilman Smith. The motion was seconded by Councilman Read. There was no further discussion, and the vote was taken as follows:

AYE: Councilman Smith, Read, Brown, Garvin, Barnett & Mayor Browne
NAY: Interim Vice-Mayor Stevens

Mayor Browne declared the motion carried.

Adjournment

There being no further business to come before the Council, Councilman Smith moved for the meeting to be adjourned. The motion was seconded by Councilman Read.

There was no discussion, and the vote was taken as follows:

AYE: Councilman Smith, Read, Stevens, Brown, Garvin, Barnett & Mayor Browne
NAY: None

Mayor Browne declared the motion carried, and the meeting was adjourned at 7:36 P.M.

ATTEST:

John Browne, Mayor

Cora Middleton, City Clerk