

The McAlester City Council met in a Special Meeting on Monday, July 16, 2018, at 6:00 P.M. after proper notice and agenda was posted, July 12, 2018 at 10:45 A.M.

Call to Order

Vice-Mayor Stevens called the meeting to order.

Roll Call

Council Roll Call was as follows:

Present: Travis Read, James Brown, Zach Prichard & Cully Stevens
Absent: Weldon Smith, Buddy Garvin & John Browne
Presiding: Cully Stevens, Vice-Mayor

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

Scheduled Business

Public Hearing

- Public hearing to provide information and answer questions pursuant to 62 O.S. §859(B)(3), regarding the proposed adoption of a project plan and creation of a tax increment financing (TIF) district to be located at the Southwest Corner of 14th Street and the George Nigh Expressway (U.S. Highway 69), in the City of McAlester.

Attorney Ervin addressed the Council explaining that this was the first Public Hearing of the creation of a proposed TIF District for the Southwest Corner of 14th Street and George Nigh Expressway, McAlester. He added that the purpose of the Hearing was to provide information included but not limited to an analysis of the positive and negative impacts of the proposed TIF plan, general information to the public of the proposed TIF plan, and to answer questions that the public may have regarding the proposed TIF plan. He stated that statute provided that this Hearing was informational only and a second hearing that had been scheduled for July 24, 2018 at 6:00 P.M. give any interested persons the opportunity to express their views on the proposed TIF plan or any amendments to the proposed TIF plan before any vote is taken. He then asked Director Ridenour to furnish some general information about the proposed TIF plan and the analysis of any positive and negative impacts the proposed TIF plan may have should it be adopted.

Director Ridenour addressed the Council and presented them with a Power Point to aid in the explanation and review of the proposed TIF plan. He explained what the TIF was, the proposed location, the size of the site, the proposed tenants, how the Developer had agreed to make all improvements and the steps that would be taken for the installation of a traffic signal at the intersection. Director Ridenour reviewed the impact analysis giving a normal assumption and a stressed assumption. He reviewed the infrastructure maintenance, the estimated amount of redirected sales tax, and the creation of new retail sales and jobs.

Attorney Ervin stated that all of the information that had been presented was available electronically or by hard copy through the City Clerk's office. He then reviewed the legal authority to create the proposed TIF plan, the steps to develop the proposed TIF plan, and the member of the TIF Committee. he explained that the proposed TIF plan would not touch ad valorem tax, how the calculation of the redirected sales tax was developed, that it would not affect the sales tax of any other tax generators, when the TIF would begin and the TIF if adopted would exist for sixty (60) months or until \$5.5 million was collected, whichever came first.

Attorney Ervin stated that the City Manager would be responsible for the implementation of the TIF, the Committee would remain a formed committee and that the TIF would be enacted by ordinance and could be rescinded at any time.

Tom Treue, 2109 Country Springs addressed the Council expressing his concerns about the signal light at the 14th Street and George Nigh Expressway and what would happen if the Developer defaulted.

Director Ridenour stated that the Oklahoma Department of Transportation had tried to find something other than the signal light.

Attorney Ervin stated that the Developer would only receive money is sales were made.

There was discussion regarding the possibility of the Retail Development being built without the creation of the proposed TIF, how that would not occur, if language in the TIF document would bind the City Council or the Economic Development Authority to future obligations, if rescinding the TIF could create any liability, if there would be an agreement between the Authority and the Developer, the cost of this property versus other commercial property, that the plan did not capture any Use Tax, if there were any other property that would have qualified for reinvestment, what stores would be in the development, what restaurants would be located in the project, if the TIF repayment plan could be transferrable, what the target date to start construction was, why Use Tax had not been included in the repayment plan, how this could affect the City's Waste Water and Water Treatment plant and how the City would track the sales tax.

Attorney Ervin explained that when the plan was adopted the City would notify the Oklahoma Tax Commission. The Tax Commission would establish a Sales Tax base line and provide information to the CFO and City Manager showing where the money was generated.

Manager Stasiak stated that the City gets a very detailed report from the Tax Commission that shows the sales tax received.

Attorney Ervin explained that while the sales tax generated by Hobby Lobby would not be known the sales tax generated from that project plan would be a public record and the City would be required to report all sales tax information to all of the taxing entities in the area of the project plan.

Adjournment

There being no further business to come before the Council, Councilman Prichard moved for the meeting to be adjourned. The motion was seconded by Councilman Brown. There was no discussion, and the vote was taken as follows:

AYE: Councilman Prichard, Brown, Read & Vice-Mayor Stevens

NAY: None

Vice-Mayor Stevens declared the motion carried, and the meeting was adjourned at 6:58 P.M.

ATTEST:

Cully Stevens, Vice-Mayor

Cora Middleton, City Clerk