

**Minutes of the Claremore City Council Special Meeting  
Council Chambers, City Hall, 104 S. Muskogee Ave.  
Claremore, Oklahoma March 31, 2014**

**CALL TO ORDER**

Meeting called to order by Mayor Bill Flanagan at 6:00 P.M.

Mayor Bill Flanagan asked City Clerk Sarah Sharp to note that members are present/absent as indicated below:

**Present:** Terry Willis, Mark Lepak, Will DeMier, Bill Flanagan, Brian Callender, Don Purkey, David McComb, Paula Watson

**Absent:** Buddy Robertson

**Staff Present:** Jim Thomas, Sarah Sharp, Jill Ferenc, Susy Collins, Dan McMahan

**ACCEPTANCE OF THE AGENDA**

Motion by Watson, second by Willis to approve the agenda for the special City Council meeting of March 31, 2014, as written. Roll call vote: Willis, yes; Lepak, yes; DeMier, yes; Flanagan, yes; Callender, yes; Purkey, yes; McComb, yes; and Watson, yes. Motion carried.

**ITEMS UNFORESEEN AT THE TIME AGENDA WAS POSTED**

None

**CURRENT BUSINESS**

**(1) To Hold a Public Hearing to Provide Information and Answer Questions, Pursuant to Title 62, Section 859 of the Oklahoma Statutes, Regarding the Request By AXH Aircoolers, LLC (the "Company") for development financing assistance in the amount of \$650,000 in connection with the Company's proposal to acquire and renovate an existing 100,000 square foot industrial building and to construct an additional 110,000 square foot industrial facility within the Claremore Industrial Park; and for the creation of "Increment District Number Four, City of Claremore, Oklahoma". (Presentation By Dan McMahan, Representing the City of Claremore.)**

Motion by Lepak, second by Callender to approve holding a public hearing to Provide Information and Answer Questions, Pursuant to Title 62, Section 859 of the Oklahoma Statutes, Regarding the Request By AXH Aircoolers, LLC (the "Company") for development financing assistance in the amount of \$650,000 in connection with the Company's proposal to acquire and renovate an existing 100,000 square foot

industrial building and to construct an additional 110,000 square foot industrial facility within the Claremore Industrial Park; and for the creation of “Increment District Number Four, City of Claremore, Oklahoma”. Roll call vote: Willis, yes; Lepak, yes; DeMier, yes; Flanagan, yes; Callender, yes; Purkey, yes; McComb, yes; and Watson, yes. Motion carried.

Public Hearing opened at: **6:02 P.M.**

Representative Dan McMahan stated CIEDA would be authorized to incur indebtedness and finance the renovation of the existing building and to build a new building. This will create an estimated 120 new jobs. This project will not increase ad valorem taxes. This district is set to expire in 15 years. If the funds are repaid before 15 years, the district would cease to exist. There are other TIF districts in the area, but this will not interfere with any of those districts. AXH has agreed to purchase the old Burgess Norton Building. The property is adjacent to their current location. They are currently leasing the building but have the option to purchase.

The second public hearing on this matter will be held at a Special Meeting on April 14<sup>th</sup> at 6 p.m. Public comments will be heard at that hearing.

Motion by Lepak, second by Willis to close the public hearing. Roll call vote: Willis, yes; Lepak, yes; DeMier, yes; Flanagan, yes; Callender, yes; Purkey, yes; McComb, yes; and Watson, yes. Motion carried.

Public Hearing closed at: **6:14 P.M.**

**(2) To Hold a Public Hearing to Provide Information and Answer Questions, Pursuant to Title 62, Section 859 of the Oklahoma Statutes, Regarding a Proposal by the City of Claremore and the Claremore Industrial and Economic Development Authority (the "Authority"): (i) to provide capital cost assistance in the amount of \$70,000 to the Claremore Public School District (the "School District") to help offset the additional costs incurred by the School District from the Authority's industrial development activities; and (ii) to modify the terms and conditions of that certain "First Supplemental Project Plan Relating to Increment District Number One, City of Claremore, Oklahoma (Baker Hughes Increment District)" (Presentation By Dan McMahan, Representing the City of Claremore.)**

Motion by Lepak, second by Willis to approve holding a Public Hearing to Provide Information and Answer Questions, Pursuant to Title 62, Section 859 of the Oklahoma Statutes, Regarding a Proposal by the City of Claremore and the Claremore Industrial and Economic Development Authority (the "Authority"): (i) to provide capital cost assistance in the amount of \$70,000 to the Claremore Public School District (the "School District") to help offset the additional costs incurred by the School District from the Authority's industrial development activities; and (ii) to modify the terms and conditions of that certain "First Supplemental Project Plan Relating to Increment District Number One, City of Claremore, Oklahoma (Baker Hughes Increment District)" Roll call vote: Willis, yes;

Lepak, yes; DeMier, yes; Flanagan, yes; Callender, yes; Purkey, yes; McComb, yes; and Watson, yes. Motion carried.

Public Hearing opened: **6:14 P.M.**

Dan McMahan explained this item is an amendment to the Baker Hughes District. This amendment will provide capital cost assistance to the Claremore Public Schools up to \$70,000. This change will not increase the total amount of the district, as the costs for the electric substation have been less than expected. Approval will be made by the Council and pursuant to an agreement between the City of Claremore and the Claremore Public Schools. \$10,000 will be transferred to Claremore Public Schools every year for 7 years. These funds are to help mitigate any strain these TIF Districts and the new jobs created will put on the school systems. Those new jobs created will bring new children into the school district. Those children will increase the state aid to Claremore Schools, but State Aid does not address capital needs. A second public hearing will be held at a special meeting on April 14<sup>th</sup> at 6 p.m. Public comments will be heard at that time.

CIEDA is considering establishing a trust established for each of the TIF Districts to receive and distribute the funds collected. The funds received can only be used for the debt service of the district. Any funds received above that amount are distributed according to the project plan.

Motion by Lepak, second by Willis to close the public hearing. Roll call vote: Willis, yes; Lepak, yes; DeMier, yes; Flanagan, yes; Callender, yes; Purkey, yes; McComb, yes; and Watson, yes. Motion carried.

Public Hearing closed: **6:38 P.M.**

#### **ADJOURNMENT**

Motion by Willis, second by Lepak to adjourn. Roll call vote: Willis, yes; Lepak, yes; DeMier, yes; Flanagan, yes; Callender, yes; Purkey, yes; McComb, yes; and Watson, yes. Motion carried.

Meeting adjourned at 6:38 P.M.