



Legislation Text

File #: 22-419, **Version:** 1

ITEM TITLE:

Consider approving an Agreement for Funding and Limited Support between the Fires Innovation Science and Technology Accelerator (FISTA) Development Trust Authority and the City of Lawton to fund the operation, management, administration, maintenance and equipping of FISTA facilities during the 2022-2023 fiscal year to encourage economic/industrial development in the City of Lawton and authorize the Mayor and City Clerk to execute the Agreement.

INITIATOR: Richard Rogalski, Deputy City Manager

STAFF INFORMATION SOURCE: Richard Rogalski, Deputy City Manager

BACKGROUND: The Fires Innovation Science and Technology Accelerator Development Trust Authority (Authority) was set up as a public trust of the City of Lawton to: (1) plan, establish, develop, finance, construct, enlarge, improve, maintain, equip and make available certain FISTA facilities within the City of Lawton that will attract defense contractors, high-technology industry, innovative businesses and the like with capabilities to directly support the Cross-Functional Teams of Long Range Precision Fires (LRPF), Air & Missile Defense (AMD) and Fort Sill's FIRES Center of Excellence (FCoE) in the Army's comprehensive modernization, driving innovation and integrating capabilities to the warfighter, (2) promote, create and grow an Innovation Park in the above described FISTA facilities in Lawton Fort Sill that fosters collaboration of high-technology industry, academia, defense and defense-related organizations in support of the missions of LRPF, AMD and FCoE, and (3) promote dialogue among leadership of Lawton, Fort Sill, state and national entities aimed at creating a comprehensive understanding of the needs of the FCoE and Cross-Functional Teams as they relate to the above described FISTA facilities. This Agreement for Funding and Limited Support memorializes the amounts of financial support to be provided to the Authority by the City, sets out the guidelines regarding administrative support between the City and the Authority, and sets out the conditions and processes by which this financial and administrative support will be provided. This Agreement provides the Authority a total of \$4,952,903.98 for the operation, management, administration, maintenance and equipping of FISTA facilities during the 2022-2023 fiscal year. All expenditure of funds provided under this Agreement will be in accordance with a budget proposed by the Authority and made a part of this agreement. This amount includes \$3,309,417.00 of funding for the ongoing renovation of the former Sears building that is the remainder of the amount approved by Council as part of the 2021-2022 FISTA budget. Also included in this agreement are the provisions associated with the Sales Tax Agreement between the Authority and the City associated with the Series 2020 Note. Per the agreement, the City will deposit into the Sales Tax Fund established by the Authority an amount equal to one twelfth (1/12) of the annual obligation for the Series 2020 Note monthly; as monies are available in the Note Fund to make the monthly payment, the Authority will reimburse the City any monies remaining in the Sales Tax Fund. The Authority's budget for the 2021-2022 fiscal year shows the total debt service at \$1,560,461.46, with \$857,986.98 of that being provided by the City of Lawton, indicating that the FISTA will not generate sufficient revenue this year to cover the note payments. This is primarily due to revenue estimates for the retail portion of the mall being 27% lower than last year.

Finally, the proposed agreement includes new language that requires the Authority to timely complete its annual

audit and submit its audit report to the City within 120 days of the end of the fiscal year. If the Authority fails to do so the city manager has authority to withhold funding until the audit report is filed with the City. If a report is not filed within six months after the close of the fiscal year, the city manager may recommend to council that FISTA lose an amount up to 25% of the current fiscal year's budget allocation from the City.

EXHIBIT: Agreement for Funding and Limited Support
FISTA Development Trust Authority 2022-2023 Proposed Budget

KEY ISSUES: N/A

FUNDING SOURCE: Industrial Development Sales Tax

STAFF RECOMMENDED COUNCIL ACTION: Approve an Agreement for Funding and Limited Support between the Fires Innovation Science and Technology Accelerator (FISTA) Development Trust Authority and the City of Lawton to fund the operation, management, administration, maintenance and equipping of FISTA facilities during the 2022-2023 fiscal year to encourage economic/industrial development in the City of Lawton and authorize the Mayor and City Clerk to execute the Agreement.