

**MINUTES OF  
REGULAR MEETING OF THE DIRECTORS OF  
THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY  
April 28, 2021**

The Directors of the Oklahoma Development Finance Authority held a Regular Meeting at 10:00 a.m. on Wednesday, April 28, 2021, in the Conference Room of the Oklahoma Development Finance Authority, 9220 North Kelley Avenue, Oklahoma City, Oklahoma.

The following members of the Authority were PRESENT:

Mr. Roger Wagner, Chairman  
Mr. Keith Ventris, Secretary  
Mr. Hank Bradley, Member  
Mr. Bridger Cox, Member  
Mr. D.R. Shipley, Member  
Mr. Brent Kisling, Ex-Officio

The following member was ABSENT:

Mr. Chris Condley, Vice Chairman

Others attending the meeting were members of the Oklahoma Development Finance Authority staff and other guests representing firms doing business with ODFA, who are listed on the Attendance Register which is kept in the original meeting file.

**ROLL CALL**

Chairman Wagner called the meeting to order and requested a roll call from the Assistant Secretary, after which he declared a quorum present.

In response to a question by Chairman Wagner, it was reported that notice of the Regular Meeting of the Authority was filed in the office of the Oklahoma Secretary of State and public notice of this meeting was posted in prominent view at 9220 North Kelley Avenue, Oklahoma City, Oklahoma, twenty-four (24) hours prior to this meeting excluding Saturdays, Sundays, and legal holidays, all in compliance with the Oklahoma Open Meeting Act.

## **APPROVAL OF MINUTES OF THE MEETING OF MARCH 31, 2021**

Minutes of the meeting held March 31, 2021 had been sent electronically to the Board Members prior to the meeting and the reading was waived. Mr. Shipley made a motion to approve the minutes as transmitted. Mr. Cox seconded the motion. All members present voted Aye.

## **FINANCIAL REPORT**

Mr. Davis reported that the revenue through the 9 months of this fiscal year ending March 31, 2021 was \$1,140,000 compared to \$1,137,000 a year ago. The expenses are \$785,000 versus \$786,000. The net income is at \$363,000 versus \$352,000 last year.

Chairman Wagner asked if there were any questions or comments concerning the report. Hearing none, he asked if there was a motion. Mr. Cox made a motion to approve the financial report, as presented. Mr. Shipley seconded the motion. All members present voted AYE.

## **NEW LOAN APPLICATIONS/PROJECTS**

### **A. The Oklahoma Development Finance Authority (ODFA) – \$10,000,000 Oklahoma Innovation Expansion Program Pooled Finance Act Taxable Revenue Notes (OIEP) Series 2021**

*Discussion, possible action with respect to a resolution and authorizing the issuance of the Authority's Oklahoma Innovation Expansion Plan Economic Development Pooled Finance Act Taxable Revenue Notes (OIEP) Series 2021, in one or more series in the total aggregated principal amount not to exceed \$10,000,000 issued on or before July 31, 2021; waiving competitive bidding and authorizing the sale of the Note on a private placement basis; approving and authorizing the execution and delivery of the Note and documents; and containing other matters relating thereto.*

Mr. Stoner stated that on page 24 of the Board Packet is a press release about the Oklahoma Innovation Expansion Program. Applications for this program will be taken from several companies over the next couple of weeks to use the pooled finance funding. This incentive is designed for existing businesses'; as Dr. Kisling says, its about taking care of our own. The application window opened April 27, 2021. We are looking for companies with a \$50,000 or more capex investment in a project that is innovative or improves supply chain or allows them to get into new markets. The companies also need to have \$625,000 minimum annual payroll. This is the minimum requirement to help a company that would have a high enough net positive benefit to qualify for a \$25,000 award or higher. Mr. Stoner said they are also looking for projects that have not started yet but can get started by September. There is a 90-day window where we want them to be able to at least spend 10% of their capex into the project. We will require that they spend a 10% threshold before any funds will be released. Every project will be evaluated by the Department of Commerce Research Division to determine a net positive benefit; once the projects

are identified and approved, ODFA will work to administer the program. ODFA will work with the companies to get a funding agreement into place and work with the Tax Commission to return the withholding taxes to the companies until their award is paid out in full or they reach the end of the 12-month maturity for the end of the program.

In April, there was significant marketing for this program. Mr. Stoner and Mr. Davis have made presentations to the Department of Commerce Regional Development Specialists, the Oklahoma Manufacturing Alliance and Select Oklahoma, which is a new entity that is professional economic developers in the State. There was another press release that went out on April 26, 2021. After a quick search, Mr. Stoner found that News 9, News on 6, Tulsa World, The Oklahoman, Enid News and Eagle, Watonga, Norman, Geary, and Seminole were several entities that picked up the press release. This was good publicity for the program. As of 5:00 p.m. yesterday there were 32 applications in the program already. These applications represented \$14 million in new capital investment. These companies had 2,050 existing jobs with a \$52,000 average wage and expect 232 new jobs. The application window will remain open until May 7, 2021 at 5:00 p.m. At this time, the Department of Commerce will evaluate each one of the projects and identify the net profit benefit. This is expected to be done May 21, 2021. The documents will be signed by June 1, 2021 and begin the withholding taxes and the first payment should go out around July 15<sup>th</sup>.

Mr. Kisling added that the Oklahoma Finance Authorities team is doing a fantastic job. This is a great partnership, very innovative, and includes the Oklahoma Manufacturing Alliance as well helping to market the program and interact with businesses. This program is a great way for Oklahoma to take care of its own.

Mr. Ventris made a motion to approve the project. Mr. Cox seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Cox, Kisling, Shipley, Ventris, Wagner  
NAY: NONE

## **PRESIDENT'S REPORT**

Mr. Davis stated that the Oklahoma Innovation Expansion Program Plan was patterned after the Bounce Back Program which was the Authority's response to COVID relief to help companies. The Bounce Back was set up in April of last year. To date, the Authority has processed 424 payments and paid out \$5.7 million of \$7.4 million in awards. These projects also went through the Oklahoma Department of Commerce and they determined the projects to be a net positive benefit to the State. These award amounts were anywhere from \$25,000 to \$150,000. There have been several of the companies that have fully paid out and are out of the program. We have a handful more companies to get to the \$7.4 million.

Mr. Davis stated that he shared a news story with the Board members on the four days, February 15<sup>th</sup> – 19<sup>th</sup>. Mr. Davis was made aware 2 ½ weeks ago that ODFA is the provider for the legislation

solution for the problem of the high fuel costs, the utility rate payer relief. This is utility securitization. The Authority typically does municipal finance; this security securitization is a unique marriage of asset backed security securitization financing married to the municipal model. Mr. Davis stated that we are not the first state to do this, other states have done it. Mr. Davis added that he has some background on asset backed securities bond financing with the years he spent at the Oklahoma Student Loan Authority. This type of financing is unique, and the Authority is working with the State Bond Advisor, Oklahoma Corporation Commission, Attorney General's Office, and they are having conversations with the industry leaders (folks that have done these types of securitizations in other states). He is having conversations with specialized bond counsel, consultants, and underwriters. Mr. Davis added that he and staff are educating themselves and making sure they understand the process. The enacting legislation that was passed is a little bit different than all the other states that have done this. This creates some wrinkles, but the working group is all working together trying to figure out how to make this work. Senate Bill 1049 and Senate Bill 1050 were signed into law. Mr. Davis stated that his aim is to protect the Authorities. He will keep the board abreast to what is coming along so that the members are not blindsided by constituents in your districts. Mr. Davis added that this will be figured out and will be executed well. This will be nice to be part of a solution that will help a lot of Oklahoma citizens and a lot of Oklahoma businesses because this is touching everybody. Mr. Davis has had several industries and manufacturers that have reached out to him and it is unconscionable the increase that they are seeing. This relief is desperately needed, the Authority is actively working on it and there will be more updates as it moves forward. Mr. Davis stated that he did not know until Monday after the press conference that the Authority was part of the solution.

Mr. Cox asked if this program was constitutional. Mr. Davis responded that at a very high level the utilities will go to the Corporation Commission with a case stating that these are our fuel costs and overages; the Corporation Commission has a heavy lift to carry the case, the Attorney General's Office represents the Oklahoma tax and utility payers; and they will validate what the actual number is. They can recoup the fuel overage costs but at no profit to them. All that work will have to be done before they come up with a financing order which will be instructions to ODFA and then will execute on issuing bonds. ODFA will have to seek Supreme Court validation, as required by the legislation. There will be lots of checks and balances and ODFA will not be doing this alone or making decisions alone. Mr. Davis feels there is good protection in the program.

Mr. Davis added that he is continuing to monitor the Cross Village situation and there is no big news to report other than last month there was a notice of settlement that was publicly posted on the EMMA system. Mr. Davis assumes that all parties are working towards the final settlement and he will keep the Board posted.

Mr. Davis stated that Senate Bill 587 will provide changes to the Oklahoma Community Economic Development Pooled Finance Program. This is what we call the Business Expansion Incentive Program. This legislation will allow Career Tech and Higher Education to partner with industries to do workforce development. Career Tech and Higher Ed will work with a group of Aerospace companies and they may have to buy an aircraft engine and specialized equipment and maybe add a wing on to their facility, ODFA can leverage their withholding taxes of these companies that will benefit from the workforce development. The hope is that when the students leave the classroom,

they will walk onto the floor working on the same equipment and ready to go. There is already a project that is ready to go in the State. This legislation has received unanimous support through each committee, through each floor and Mr. Davis sees no reason that it will not be signed into law. Also, Mr. Davis has been following the Department of Commerce's bills and most has gone smoothly. There is a little bit of a wrinkle with the Quality Jobs, but he feels they will work through it.

Mr. Davis also reported that Standard and Poor has affirmed the State's AA- rating to an AA for the State credit. They have removed the negative outlook and the State is now a stable rating. Mr. Davis stated that ODFA is in the market today with our first Master Lease Real Property the first of two series for 2021 of \$45 million and the order spreads shows that it is oversubscribed three times. This may have changed since the meeting started but there was \$150 million in orders for \$45 million in bonds. The market is strong and the ODFA's name is strong right now.

Lastly, Mr. Davis stated that there are six Governor appointees on the Board and they each serve a six-year term. So, one of the Board members rolls off each year. This year it happens to be congressional district 1. This is not today's congressional district but the 1959 congressional district 1 which is when the Authority was created. Currently the Board's chair, Roger Wagner, serves in this capacity in Woodward. This district comes across the top of the State and then goes down and encompasses Tulsa County. Mr. Davis has worked closely with the Governor's appointment office and he received notice that there will be a new Board member in that seat. Mr. Davis feels that his confirmation hearing will be next Tuesday or the following Tuesday at the latest. Chairman Wagner's term does not end until October 11, 2021 and the new Board member's term will begin the day after. Mr. Davis publicly thanked Mr. Wagner for his efforts and dedicated service to the Board he is highly appreciated. Mr. Davis advocated for him to stay on the Board but there was a different decision that was made. Mr. Shipley asked if there was a name and Mr. Davis replied that it is Pete Carey from Tulsa.

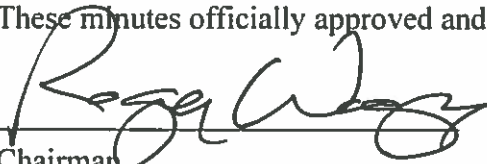
Mr. Wagoner thanked Mr. Davis for his kind words, and it was his pleasure to serve.

Mr. Davis stated that this concluded the President's Report. Chairman Wagner made note that no formal action was taken during the President's report.

## ADJOURNMENT

Chairman Wagner asked if there were any announcements. Hearing none, he asked if there was a motion to adjourn. Mr. Cox made a motion to adjourn. Mr. Shipley seconded the motion. All members present voted AYE.

These minutes officially approved and adoption this 3<sup>RD</sup> day of June, 2021.

  
Chairman

SEAL

  
Assistant Secretary