

**MINUTES OF  
AMENDED REGULAR MEETING OF THE DIRECTORS OF  
THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY**

**June 3, 2021**

The Directors of the Oklahoma Development Finance Authority held a Regular Meeting at 10:00 a.m. on Thursday, June 3, 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. Chris Condley, Vice Chairman  
Mr. Keith Ventris, Secretary  
Mr. Hank Bradley, Member  
Mr. Bridger Cox, Member  
Mr. D.R. Shipley, Member  
Mr. Brent Kisling, Ex-Officio

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 APRIL 28, 2021**

Minutes of the meeting held April 28, 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 on pages 11 and 12 are the trended balance sheet and income statement through the 10 months ending April 30, 2021. The revenue was down slightly 1% at \$1,240,000 compared to \$1,250,000 a year ago. The expenses are down 2% at \$860,000 versus \$875,000. The net income is at \$387,000 versus \$377,000 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. Bradley seconded the motion. All members present voted AYE.

## **NEW LOAN APPLICATIONS/PROJECTS**

Mr. Stoner stated that the first six items on the agenda are all Business Expansion Incentive Program applications. Some of these applications came through the Oklahoma Innovation Expansion Program application process while others came through the standard BEIP application process. Assuming all of today's projects were approved the program would still have \$160 million available in the Economic Development Pooled program available for incentives. The total amount of projects for consideration today is \$2.46 million.

Mr. Stoner asked to move the order of the projects since representatives from Jackson Mechanical Service had not yet arrived. Chairman Wagner stated that we would start with Item B.

### **B. Oklahoma Development Finance Authority (ODFA) – \$300,000 Oklahoma Community Economic Development Pooled Finance Act Award (National Steak Processors, LLC) Series 2021**

*Discussion and possible action with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce ("ODOC Determination Letter"); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (National Steak Processors, LLC), Series 2021, in an aggregate principal amount not to exceed \$300,000 (the "Award"); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Mr. Stoner explained that Item B. is for the Oklahoma Community Economic Development Pooled Finance Act for National Steak Processors. A summary of the project is located on page 19. This is an OIEP application. After the Department of Commerce’s research team evaluated the net positive benefit for this project, they deemed a higher award than what is limited through OIEP. There are no representatives for NSP in attendance today, but they are based in Owasso and three different companies merged into one company in 2018. They combined 175 years of the service in the protein market. This project has a capital investment of \$800,000 to purchase crosscut food processing equipment that will allow them to enter a new market. This \$800,000 of new Capex will result in an incentive of \$300,000 over a 3-year period. National Steak Processors has 320 existing FTE and will be adding new jobs with this project bringing their total annual payroll to just over \$14 million.

Mr. Kisling added that this project is a great example of the number of meat processors that are growing in the State right now. Mr. Kisling added that we will be seeing more of these types of projects in the future.

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

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

**C. Oklahoma Development Finance Authority (ODFA) – \$150,000 Oklahoma Community Economic Development Pooled Finance Act Award (DeatschWerks) Series 2021**

*Discussion and possible action with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce (“ODOC Determination Letter”); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (DeatschWerks), Series 2021, in an aggregate principal amount not to exceed \$150,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Mr. Stoner stated that this was another OIEP applicant and received a net positive benefit evaluation from the Department of Commerce which extended the term from what OIEP allows. Mr. Stoner introduced Mr. David Deatsch, President of DeatschWerks and Mr. Deatsch gave an overview of the project, stating that they manufacturer of high-performance fuel system components. The company makes fuel pumps, fuel injectors, etc. all for high performance racing applications.

Mr. Stoner directed the board to page 20 of their board packet for an overview of the project and award. In addition to the capital investment of nearly \$350,000, the company will be adding four new jobs resulting in excess of \$160,000 in new annual payroll.

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

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

**D. Oklahoma Development Finance Authority (ODFA) – \$150,000 Oklahoma Community Economic Development Pooled Finance Act Award (Indaco Metals) Series 2021**

*Discussion and possible action with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce (“ODOC Determination Letter”); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (Indaco Metals), Series 2021, in an aggregate principal amount not to exceed \$150,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Mr. Stoner explained that this item is for \$150,000 Oklahoma Community Economic Development Pooled Finance Act Award for Indaco metals. The summary for this project is on page 21 of the packet. This project is not an OIEP application. Mr. Tim Berg had invited Mr. Stoner to come out and talk about incentive opportunities with Indaco leadership regarding this project. Mr. Stoner visited with them and explained what the program would allow them to do, and they applied.

Mr. Stoner introduced Mr. Steve Moore with Indaco Metals who gave a brief overview of the project. The company will be investing nearly \$12 million and creating an additional 10 jobs with their project.

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

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

**E. Oklahoma Development Finance Authority (ODFA) – \$500,000 Oklahoma Community Economic Development Pooled Finance Act Award (SETCO, Inc.) Series 2021**

*Discussion and possible action with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce (“ODOC Determination Letter”); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (SETCO Inc.), Series 2021, in an aggregate principal amount not to exceed \$500,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Mr. Stoner stated that this is another OIEP application that came through the Oklahoma Department of Commerce that showed a net positive benefit evaluation with a larger award available to this company. Setco is based in Idabel and there were no representatives who attended the meeting. Setco is the world’s largest solid rubber tire manufacturer. They make tires for all makes and models of heavy equipment. Setco is investing \$6.5 million in new equipment resulting in \$500,000 award that will be paid out over 3 years. Setco employs 149 employees at \$50,000 average wage and adding new jobs that push their annual payroll to \$7.6 million.

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

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

**F. Oklahoma Development Finance Authority (ODFA) – \$1,000,000 Oklahoma Community Economic Development Pooled Finance Act Award (Whirlpool) Series 2021**

*Discussion and possible action with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce (“ODOC Determination Letter”); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (Whirlpool), Series 2021, in an aggregate principal amount not to exceed \$1,000,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Mr. Stoner stated that this is not an OIEP application. Whirlpool has been expanding in Tulsa for years. Over the years ODFA has done multiple awards for them. The most recent was in 2018, which was a \$2 million award paid out over 4 years. This award is for \$1 million that will be paid out over the next two of years. Mr. Stoner added that the existing award will be modified to add to their additional expansion. Mr. Stoner introduced Ms. Mellinda Devese who gave an overview of the project. Whirlpool is making an investment of \$15,000,000, they have over 1,700 existing jobs and will add 150 new jobs with an average salary of \$39,520.

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

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

**A. Oklahoma Development Finance Authority (ODFA) – \$360,000 Oklahoma Community Economic Development Pooled Finance Act Award (Jackson Mechanical Service, Inc.) Series 2021**

*Discussion and possible action with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce ("ODOC Determination Letter"); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (Jackson Mechanical Service, Inc.), Series 2021, in an aggregate principal amount not to exceed \$360,000 (the "Award"); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Mr. Stoner explained that Item A. is a \$360,000 Oklahoma Community Economic Development Pooled Finance Award for Jackson Mechanical Service. This is also an OIEP application that was reviewed by the Oklahoma Department of Commerce that the net positive benefit determined a higher award. Mr. Stoner stated that there are several representatives from Jackson Mechanical and asked them to introduce themselves. Mr. Frankie Costa stated that he is the CEO, Matt Olson, Manager and Larry Beatty who is the President. Mr. Costa stated there are two main things they are looking for is recruitment and training of technicians. Jackson Mechanical Service is a competitive commercial HVAC. There is an acute shortage of talented HVAC technicians. This business is growing, and fewer people are going into the trade. They have a plan to build a training facility in Oklahoma City that will train some of the top technicians on boilers, chillers, etc.

Mr. Stoner added that Jackson Mechanical will be making a capital investment of \$1.15 million on this new HVAC training facility and expand their offices in rural Oklahoma. This project will aid in the creation of 10 new jobs at their facility with average wages more than \$75,000. The company currently employees 47 people at an average wage of \$75,000. This award will be paid back in 3 years. The total new payroll will be \$4,275,000.

Mr. Kisling thanked all the companies for the investment that they are making in the State of Oklahoma.

Mr. Wagner also thanked all the companies and added it is very important and he is very appreciative to them.

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

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

**G. The Oklahoma Development Finance Authority (ODFA) – Regulated and Unregulated Utility Ratepayer Backed Bonds – Request for Professional Services (RFP Selection)**

*Discussion, possible vote on selection of Financial Advisor for the potential issuance of Regulated and Unregulated Utility Ratepayer Backed Bonds by ODFA*

Mr. Davis stated that at the May meeting there was a little bit of discussion about the utilities securitization and today we have the first agenda item for the Board to act on. Mr. Davis sent out a competitive request for proposal to financial advisors. This is a thin marketplace for professional service providers. The financial advisor that ODFA is looking to hire will help in two ways. The first one is Senate Bill 1049 established an unregulated utility ratepayer relief program. This is not the same as the utility securitization that we were going to be able to do with the investor owned utilities. That program does not even exist today. The financial advisor will help us to establish this program. There is a lending component to this, and it will be a conduit deal. This will get into more of a credit underwrite type situation and there will need to be legal documentation. The second way the financial advisor will help is they will work closely with ODFA and the cases as they work through the Oklahoma Corporation Commission and to the development of the financing order that will be sent to ODFA from the Corporation Commission. This will be the instructions to ODFA to issue bonds. The reason it is vitally important to have a financial advisor involved beginning now and through the entire process is so we will have something that will be marketable and can achieve AAA ratings. This is all aimed at saving tax payors money.

The RFP was prepared in conjunction with the State Treasurer's Office, State Bond Advisor, and his staff. The RFP was sent out to about ten professional service providers and three responses were received. The service providers who responded include Columbia Capital, Hilltop Securities and PFM. Mr. Davis is familiar with all three entities. The proposals were evaluated based on their actual experience in this space working with investor-owned utilities. The legislation requires Oklahoma Supreme Court validation before any bonds can be issued to make sure everything is constitutional. The firms were also evaluated on the experience with that process as well. This is

a marriage of municipal finance as well as asset backed securities and the firms were also evaluated on experience in both areas. There were follow up due diligence interviews in conjunction with the State Treasurer's Office with both Hilltop and PFM. Mr. Davis stated that what they found was that one was superior to the other, just in terms to each of the bullets that Mr. Davis stated in terms of their actual experience. Mr. Davis proposed hiring Hilltop Securities as the financial advisor to the ODFA for the utility securitization and implementation of Senate Bill 1049 and Senate Bill 1050. The firms were very close related to cost. For transactions over \$1 billion Hilltop had a lower bid at \$235,000 versus \$310,000 for PFM. For transactions from \$500 million to \$1 billion, Hilltop was \$235,000 across the board and PFM did decrease the price to \$210,000. And for transactions under \$500 million, the PFM fee was \$160,000. Mr. Davis stated that Hilltop was the recommendation with the consensus of the State Treasurer's Office to be hired as the financial advisor. Mr. Davis is confident that the right selection was made, and they will be a good team.

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

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

### **PRESIDENT'S REPORT**

Mr. Davis reported that the Bounce Back Program is being wrapped up. There have been payments to 71 of the 77 participating companies. There have been 467 payments processed, paying out \$6 million in awards.

Mr. Davis stated that outside of the work on RFP for the security utilization, they have continued to have conversations with the industries leaders such as underwriters, investment bankers, State Treasurer's Office, and Corporation Commission. This working group is set up and will be meeting regularly. Also, at the request of the Governor they are working with the State Chief Financial Officer to stand up an informational webpage and will be doing that in conjunction with DEQ, State Treasurer, and Corporation Commission. This is an Oklahoma consumer facing, informational page. This will give contact information and further information if interested.

Mr. Davis reported that everything seems to be on pace for the closing of Cross Village on June 15<sup>th</sup>; that was approved by the OU Board of Regents a week ago.

Mr. Davis added that in February the Board was asked to authorize up to \$10 million in awards for the Innovation Expansion Program. The application window was open from April 27<sup>th</sup> to May 7<sup>th</sup> there were over 137 applications. There were 108 projects at \$7.7 million awarded. There is no need to ask for further authorization. The Department of Commerce sent out press releases on Tuesday morning and there was a list of the companies achieving the awards. Mr. Davis stated that if members of the board have not seen it, he would send a link.



Mr. Davis asked Mr. Kisling to give an update on the legislative session. Mr. Kisling stated that it was a good year for economic development. The Department of Commerce had a very robust legislative agenda. They had 23 request bills and six bills that they were partners to. The Department was tracking 29 bills and 24 of those were signed into law. The highlights were that the legislature appropriated an extra \$20 million this year into the Governor's quick action closing fund; \$15 million in the business accelerator program. There was \$15 million appropriated to the rural infrastructure program. The Department of Commerce also received an additional \$1 million for marketing.

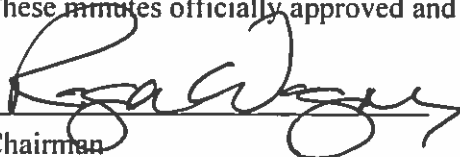
Lastly, Mr. Davis stated that Chairman Wagner was ending his first term and the Governor has appointed a new board member. Chairman Wagner's board term will end October 11, 2021. The new board member is Pete Carey, and he is out of Tulsa County. This is congressional district 1 based on the 1959 congressional map. The confirmation hearing for Mr. Carey was held on May 11<sup>th</sup> and Mr. Davis had the opportunity to have lunch with him and to introduce himself. Mr. Davis stated that historically and traditionally in the 2<sup>nd</sup> year of the Chairman's term the Board meeting is held at the Chairman's hometown. This is to thank the Chairman for his service, and it is an educational and marketing opportunity for the Authorities. We will potentially be having the June 30<sup>th</sup> meeting in Woodward, Oklahoma. Mr. Davis stated that by having it there on June 30<sup>th</sup> there is a zero chance of agenda items for the security utilization project. When that is on the agenda Mr. Davis stated he feels it is important to be held in Oklahoma City.

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. Ventris made a motion to adjourn. Mr. Shipley seconded the motion. All members present voted AYE.

These minutes officially approved and adoption this 30<sup>th</sup> day of June, 2021.

  
Chairman

SEAL

  
Assistant Secretary