

**MINUTES OF
REGULAR MEETING OF THE DIRECTORS OF
THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY
June 30, 2021**

The Directors of the Oklahoma Development Finance Authority held a Regular Meeting at 10:00 a.m. on Wednesday, June 30, 2021, in the Conference Room of the Woodward Conference Center, 3401 Centennial Drive, Woodward, Oklahoma.

The following members of the Authority were PRESENT:

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

The following members were ABSENT:

Mr. Hank Bradley

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 3401 Centennial Drive, Woodward, 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 JUNE 3, 2021

Minutes of the meeting held June 3, 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

Mrs. Slifer reported that on pages 19 and 20 are the trended balance sheet and income statement through the 11 months ending May 31, 2021. The balance sheet has remained unchanged over the last few months; however, it should be noted that looking at the ODFA consolidated balance sheet the overall net position has steadily increased this past year from roughly \$8.2 million to \$8.7 million. This is a positive trend. In reviewing the income statement, the FY 21' total operating revenue for the last 11 months was relatively flat at \$1.3 million at 4% from the same 11-month period in FY 20'. The application and closing fees have increased 121% from FY 20', of a total \$208,000 over the last 11 months. The application and closing fees are one-time fees in nature, these fees are not limited to the Bounce Back Program and partnership with the Department of Commerce for incentives, there were also bonds issued by Integris in 2020 and the Oklahoma Proton Center. The interest income during this same period has declined 56%; this goes back to one of the points that Michael made on the OK Invest rate with our cash that is sitting at the State Treasurer, obviously that has declined substantially over the last 11 months. Despite the decline in interest income the consolidated net income of \$418,255 is down 1.4% from the prior 11 months.

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

NEW LOAN APPLICATIONS/PROJECTS

A. Oklahoma Development Finance Authority (ODFA) – \$3,500,000 Oklahoma Community Economic Development Pooled Finance Act Award (Tulsa Ports) 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 (Tulsa Ports Project), Series 2021, in an aggregate principal amount not to exceed \$3,500,000 (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 project is part of the Business Expansion Incentive Program applications. This project falls under the P3 infrastructure pool. This application is from the City of Tulsa, Rogers County Port Authority known as the Tulsa Ports who manage and operate Tulsa Port of Catoosa, as well as the Tulsa Port of Inola. A summary of the project is located on page 21-22 of the Board packet. This project received an award amount through the net positive benefit evaluation from the Department of Commerce of \$3.5 million to be paid out over 3 years. Mr. Stoner stated the Mr. Andrew Ralston came from Tulsa to give a presentation and an overview of the project; Andrew is responsible for economic development for the Tulsa Ports.

Mr. Ralston stated that this project has been the last 3 years of his life making sure to get all the pieces together to build this. The first part of the project takes places at the Catoosa location. They service 17 different companies with rail service, 13 of these companies are participating in the program. These companies know that they must have rail infrastructure and if the crossing and the Y structure are not renovated the FRA will shut them down. The Y connects 2 different rail lines to the Port. They have BNSF coming in from the south directly and SKOL coming into the Port from the west. This connects to both KCS and Union Pacific. This project will allow them to keep the connections and remain FRA compliant and make sure the tenants are served for the long term with up to 10,000 railcars per year.

The next part of the project is a little bit bigger. Mr. Ralston started 7 years ago working with a company called Sofidel America to do a \$360 million project at that time was called Inola River Rail Industrial Park. This Park was owned by the Public Service Company of Oklahoma, they had planned on building a nuclear power plant called Black Fox back in the 70's and 80's. The project was cancelled due to cost overruns etc. They began marketing this property for economic development in 2013. This will be the first phase of the tenants' project. What they need for the second phase of their project is rail infrastructure. This was already a rail line going into the site, but is not up to the standard of the Class 1's. In 2019, PSO still had the property and Sofidel came to the Governor and said how are you going to solve the rail problem because they needed rail service in order to expand. At the end of 2019, PSO transferred 2,200 acres of land all the way around Sofidel to them to develop it as an industrial park and to be the rail service provider to Sofidel. To the left of Sofidel that will be a rail loop coming in that will be unit trained clear link of about 8,000 feet so that Union Pacific can come all the way into their site and make a U-turn. This is a project that involves a federal INFRA grant for \$6.1 million. It involves money directly from Sofidel of \$1.5 million, money from Rogers County \$400,000, money from Watco which operates the SKOL railroad and will be the 3rd party switcher, \$600,000, and then \$600,000 from the Oklahoma Department of Transportation for crossings. This incentive is part of the INFRA grant match that went along with the project.

Mr. Stoner reiterated that, this is the Business Expansion Incentive Program where withholding taxes are captured from the 13 companies that are participating. They will take the withholding taxes at the Oklahoma Tax Commission and return it back to pay off the incentive that was awarded by the Department of Commerce.

Mr. Kisling added that this project was a massive game of Tetris to put all the dollars together in finishing up the infrastructure. Mr. Kisling added that this is a very new program to fund

infrastructure to support businesses. Mr. Kisling stated that in rural Oklahoma this is the biggest glass ceiling right now and being able to take withholding taxes from several companies, and in this case 13, to support infrastructure to help them grow is brand new for Oklahoma and he would love to see applications from northwest Oklahoma to put in water lines, waste-water lines, to put in streets, etc.

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

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

B. Oklahoma Development Finance Authority (ODFA) – Western Planters, LLC (Hobart, OK)

Discussion and possible Executive Session and possible vote granting approval for the ODFA to assist OIFA to participate with All American Bank in real estate and equipment loan project not to exceed \$1,500,000, by acting as a conduit Industrial Development Agency; authorizing the officers of ODFA to execute the necessary documents

Mr. Stoner stated that statute requires a conduit to run loans through and this is the approval of the process to allow ODFA to work through OIFA on the subject agenda item.

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

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

PRESIDENT'S REPORT

Mr. Davis reported that Mr. Stoner mentioned the Bounce Back Program that was the solution to try and help Oklahoma businesses during COVID and the shutdown and the re-emergence of the economy and the State opening back up. We are now 11 months through June into the program with 72 of the 73 participating companies receiving payments. There have been 502 payments processed, paying out \$6.3 million. Mr. Davis added that they continue to work diligently and are spending a great deal of time on the utility rate payer relief, which is the utility securitization. The financial advisor agreement has been finalized that was talked about at the last board meeting. Currently, there are competitive requests for proposals for professional service providers including

bond counsel and underwriter. He anticipates that at the July 28th meeting we will have the results of the process and recommendation to hire the professionals. He is also working with the Cabinet Secretary Wagner, the Chief Financial Officer for the State of Oklahoma, the State Treasurer, the Corporation Commission, the Attorney General's Office to set up a state website that should be going live quickly. The public will be able to access this website and see who from the State is part of the solution with their contact information. So, if someone has questions, they can contact the people that are involved with the utility securitization. The working group has been meeting weekly to move the project forward.

Mr. Davis stated that on June 3, 2021, he received a no change letter from the IRS that the audit was closed on Cross Village. Mr. Davis was glad that this audit was closed prior to the settlement. The settlement on Cross Village was closed and the bonds were defeased. The closing was on June 16, 2021.

Mr. Davis added that as mentioned by Mr. Stoner the Innovation Expansion Program which is the annual version of Bounce Back there was 137 applications and 106 projects at a little less than \$100,000 per project. The paying agent agreement was finalized and are coordinating with the State Treasurer and the Tax Commission providing instructions to capture the withholding taxes and get these diverted to the Special account in the Treasurers Office. Mr. Stoner and Ms. Harris are working diligently by splitting the companies up and are working on getting funding agreements executed so we can start payments in July. The application period was for about 10 days from the end of April until May 7th. This is a great program that is helping a lot of Oklahoma companies with a lot of demand.

Mr. Davis has been working with DHS as part of their services first model to release collateral from the last bond issue that was done in 2012. Mr. Davis has finalized the release of all collateral with an irrevocable escrow agreement and funding to fund the principal and interest to the investors through maturity which will be February 2022.

Mr. Davis stated that he did not have anything more to add but asked Mr. Kisling for any updates that he might have for the Department of Commerce. Mr. Kisling added that it has been a good year and he is glad that they had the opportunity to go through some of the programs today because the P3 infrastructure program is something that could be utilized a lot more in northwest Oklahoma. If there are any manufacturers that we know of in northwest Oklahoma that are in the process of growing, even if it is a couple of employees and investing in capital expenditure, we would love to be working with them. Mr. Kisling stated that being from Burlington, Oklahoma and living in Enid the first thing he always looks at when he gets the list of applicants and awards is if there are any from northwest Oklahoma. He stated that he still does not have many applications from this area of the State and would like to see more.

Mr. Kisling added that they had a great legislation session. There were 29 request bills where they tried to modernize the incentive programs. This is the most in cumulative history that the agency has ever had. There were 24 of the 29 bills that were signed into law. There was \$20 million that went into the Governor's quick action closing fund and \$15 million into a new accelerator program which \$5 million is set aside specifically for rural Oklahoma. It makes for a good legislative

session when you have a \$1.6 billion surplus to deal with. Whereas every other state is having to deal with deficits right now. There were historic investments in Education, replenishing the savings account, and then still cut personal income taxes during the session.

Mr. Kisling stated that there are billboards all over California and that is where most of the business recruitment pipeline is coming from. They will be putting stuff up in Chicago starting in July.

Mr. Kisling added that next week they will also be adding their first time, full time agriculture recruiter. They have partnered with the Department of Agriculture to establish this position and they have received outstanding applicants. In the next week or so they will be able to make the announcement and they will be working on meat processing, equipment manufacturing, etc. Mr. Kisling feels that this will benefit the State.

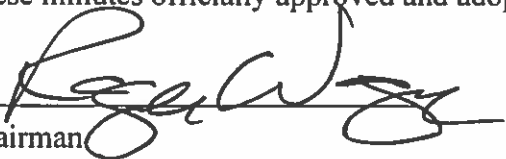
Lastly, Mr. Davis stated that the July 28th meeting will be back in Oklahoma City, and he expects a full agenda. Mr. Davis commended Chairman Wagner for his service and stated that it has been a pleasure to work with him.

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 28th day of July, 2021.


Chairman

SEAL

Assistant Secretary