

**MINUTES OF
REGULAR MEETING OF THE DIRECTORS OF
THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY
June 29, 2022**

The Directors of the Oklahoma Development Finance Authority held a Regular Meeting at 10:00 a.m. on Wednesday, June 29, 2022, 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. Chris Condley, Chairman
Mr. Keith Ventriss, Vice Chairman
Mr. Hank Bradley, Member
Mr. Peter Carey, Member
Mr. D.R. Shipley, Member

The following member of the Authority was ABSENT:

Mr. Bridger Cox, Secretary
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 Condley 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 Condley, 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 MAY 25, 2022

Minutes of the meeting held May 25, 2022, 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. Carey seconded the motion. All members present voted Aye.

FINANCIAL REPORT

Mr. Davis stated that the trended balance sheet and income statements are on pages 18-19 in the board packet. For the eleven months ending May 31, 2022, for FY' 22 shows revenues are down about 15% compared to this same period a year ago at \$1.147 million versus \$1.348 million. The expenses are relatively flat, down about \$12,000 from \$937,000 a year ago to \$925,000 this year. This leaves a net income of \$222,000 year to date for FY' 22 versus \$418,000 this same period a year ago.

There are a couple of things that contribute to this with early defeasance of the Cross Village bonds, and the loss of the semi-annual admin revenue. As well as the Oklahoma State University refunding their bonds away from the Master Lease Program and into their own name. Another contributing factor is the general low level of market interest rates. Mr. Davis reported that the semi-annual admin invoicing will be going out on June 30, 2022. There are ninety invoices for approximately \$497,000 in revenue. Although the income is off about 47% from this same period a year ago it was fully expected and built in with what we are seeing.

Chairman Condley asked if there were any questions or comments concerning the report. Hearing none, he asked if there was a motion. Mr. Ventris 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. Oklahoma Development Finance Authority (ODFA) – \$100,000,000 OU Health System Revenue Bonds, (OU Health Project) Series 2022A

Discussion and possible action granting preliminary and final approval with respect to a resolution authorizing the Oklahoma Development Finance Authority to issue its Health System Revenue Bonds (OU Health Project) Series 2022A; approving the appointment of a financing team; waiving competitive bidding and authorizing such bonds to be sold on a negotiated basis and at a discount or at a premium; authorizing the execution and delivery of an indenture of trust and security agreement, a loan agreement, a placement agent agreement, a bond purchase agreement or agreements and other documents relating to such bonds; and authorizing and approving other matters pertaining to the issuance and sale of such bonds.

Mr. Stoner stated that the application is on page 26 of the board packet. This is part 2 of the financing plan that began last month. Last month the board approved a 7-year tax exempt loan from Bank of America Public Capital Corporation (BAPCC). This transaction is a private placement conduit bond with Bank of America under the original master indenture (2018). It is reimbursement of qualified expenses primarily for electronic medical records, IT modernization, technology, and equipment upgrades. ODFA is the conduit issuer and there is no credit liability on behalf of the State or ODFA. Mr. Jerome Houizot the VP of Treasury, OU Health is available for any questions.

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

AYE: Bradley, Carey, Condley, Shipley, Ventris
NAY: NONE

B. Oklahoma Development Finance Authority (ODFA) – \$150,000 Oklahoma Community Economic Development Pooled Finance Act Award (Griffin Foods Project), Series 2022

Discussion and possible 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 (Griffin Foods Project), Series 2022, in an aggregate principal amount estimated at \$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 on page 37 is a program summary of the Business Expansion Incentive Program. There is roughly \$61 million outstanding leaving \$139 million available. Every application goes through the Oklahoma Department of Commerce, the department is charged with evaluating a net positive benefit to the state through the research and economic analysis team that is led by Jon Chiappe. Once they have identified the net positive benefit and determined an award, they submit it to ODFA, and it then comes to our Board for approval.

Mr. Stoner stated that this first project is for \$150,000 Oklahoma Community Economic Development Pooled Finance Act Award for Griffin Foods. The summary is on page 38 of the board packet. Griffin Foods in Muskogee, is a family-owned manufacturer. They will be investing \$1,015,000 to purchase new machinery and packaging and upgrading the rail and utility services at its facility. This project will create ten new jobs with a new payroll of \$312,000. Their net positive benefit evaluation from the Department of Commerce resulted in \$150,000 award over 4 years. Mr. Stoner introduced Mr. Terry Streetman, COO of Griffin Foods, who gave a brief overview.

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

AYE: Bradley, Carey, Condley, Shipley, Ventris
NAY: NONE

C. Oklahoma Development Finance Authority (ODFA) – \$525,000 Oklahoma Community Economic Development Pooled Finance Act Award (Home Wet Bar Project), Series 2022

Discussion and possible 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 (Home Wet Bar Project), Series 2022, in an aggregate principal amount estimated at \$525,000 (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 introduced the \$525,000 Oklahoma Community Economic Development Pooled Finance Act Award for Home Wet Bar, Series 2022. Mr. Stoner stated that this project was here earlier in the Spring for an expansion that involves acquiring a piece of property and upgrading their facility and will add 45-50 new jobs. The scope of the project has changed to increase the amount that they will be spending on renovations as well as equipment and upgrades. Originally, Home Wet Bar received \$375,000 award which was for about \$4.5 million capital expenditure. This award is for \$525,000 their capital expenditure increased to \$8.15 million. This is due to some construction cost increases but mostly because of the change in the building they were going into. This new project will create fifty new jobs and the net positive benefit analysis from the Department of Commerce resulted in an award of \$525,000 to recover over the next 5 years.

Mr. Stoner added that the representatives from Home Wet Bar were unable to attend.

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

AYE: Bradley, Carey, Condley, Shipley, Ventris
NAY: NONE

D. The Oklahoma Development Finance Authority (ODFA) – Not to exceed \$1,450,000,000 Ratepayer-Backed Bonds (Oklahoma Natural Gas Company), Series 2022

Discussion and possible action ratifying and confirming action of the Authority taken on March 1, 2022, adopting a resolution authorizing the issuance of the Authority's Ratepayer-Backed Bonds (Oklahoma Natural Gas Company), Series 2022, (Federally Taxable) in the total aggregate principal amount of not to exceed \$1,450,000,000 and containing other provisions relating thereto, said bonds having been validated by the Oklahoma Supreme Court.

Mr. Davis explained that the agenda items D., E., and F. will need to be voted on separately, but he gave a brief introduction of why these items are on the agenda and what these items do. Each of these items are ratifying and confirming the action the board took on authorizing the issuance of ratepayer backed bonds for ONG, Public Service Company, and Summit Utilities. Mr. Davis stated that these items were approved in March and these agenda items are to ratify and confirm the action that the Authority has already taken in the authorization to issue. These items were presented as a suggestion from Bond Counsel, Jered Davidson, to avoid any potential issues with regards to the AG's review.

Mr. Davis added that nothing has changed with these transactions and each of these have gone through the Supreme Court validation process. We are outside of any protest period.

Mr. Davidson stated that it is a timing issue and that one of the things they explored and are running into with the ratepayer backed deals, is that although they are municipal issues, they are priced like a mortgage-backed security or asset backed security. Mr. Davidson stated that there isn't as much time, typically between pricing and closing to clean up any issues that might arise. Mr. Davidson stated that he didn't want to submit the transcripts to the Attorney General and he come back with a suggested change and us not having time to complete the changes after the bonds had already been priced. Everyone has agreed that this is the belt and suspenders approach for trying to make sure that we have smooth sailing. This will put us in a position to close by September.

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

AYE: Bradley, Carey, Condley, Shipley, Ventris
NAY: NONE

E. Oklahoma Development Finance Authority (ODFA) – Not to exceed \$725,000,000 Ratepayer-Backed Bonds (Public Service Company) Series 2022

Discussion and possible action ratifying and confirming action of the Authority taken on March 1, 2022, adopting a resolution authorizing the issuance of the Authority's Ratepayer-Backed Bonds (Public Service Company of Oklahoma), Series 2022, (Federally Taxable) in the total aggregate principal amount of not to exceed \$725,000,000 and containing other provisions relating thereto, said bonds having been validated by the Oklahoma Supreme Court.

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

AYE: Bradley, Carey, Condley, Shipley, Ventris
NAY: NONE

F. Oklahoma Development Finance Authority (ODFA) – Not to exceed \$95,000,000 Ratepayer-Backed Bonds (Summit Utilities Oklahoma) Series 2022

Discussion and possible action ratifying and confirming action of the Authority taken on March 1, 2022, adopting a resolution authorizing the issuance of the Authority's Ratepayer-Backed Bonds (Summit Utilities Oklahoma), Series 2022, (Federally Taxable) in the total aggregate principal amount of not to exceed \$95,000,000 and containing other provisions relating thereto, said bonds having been validated by the Oklahoma Supreme Court.

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

AYE: Bradley, Carey, Condley, Shipley, Ventris
NAY: NONE

G. The Oklahoma Development Finance Authority (ODFA) – Not to exceed \$3,000,000 Industrial Development Project (Vinyard Fruit & Vegetable Co.) Series 2022

Discussion and possible Executive Session, and possible vote granting approval for ODFA to assist OIFA to participate in a real estate loan project not to exceed \$3,000,000 by acting as a conduit Industrial Development Agency; authorizing the officers of ODFA to execute the necessary documents.

Mr. Stoner explained that this project is for authorization for ODFA to assist OIFA in a real estate loan project not to exceed \$3,000,000 by acting as a conduit Industrial Development Agency. This company was here in the early spring with a project to modify their existing real estate note to allow them to purchase seven over the road tractors and ten refrigerated trailers to help vertically integrate the delivery of their raw products. Over the last few months, they have started utilizing the seven trucks and at this point there are three more available and Vinyard came back asking us to consider modifying their loan once again to allow them to have the funds to purchase three more trucks. This will give them ten trucks and ten trailers throughout their new business venture. Mr. Stoner stated that the memo that was sent to the Board under a separate cover highlighted the changes from the previous agreement. Mr. Stoner added that the only other items to consider would be that they did increase their payment and will add \$660,000 to their existing note bringing

them near \$3 million. We increased the payment, but he also sat down and discussed with them adjusting the rate structure. This structure would eliminate the rate exposure for OIFA although it does give up a little bit more margin. In the existing rate environment the loan committee agreed that this is the direction the Authority would like to go. The borrowers were eventually agreeable. Mr. Stoner stated that there is nothing else in the memo that was significant, everything else will stay the same. We will still have a mortgage on the existing property. The value that came in on the property was \$5.2 million.

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

AYE: Bradley, Carey, Condley, Shipley, Ventris
NAY: NONE

REVIEW AND POSSIBLE APPROVAL OF TRAVEL CLAIMS

Mr. Shipley made a motion to approve the travel claims. Mr. Carey seconded the motion. All members present voted AYE.

PRESIDENT'S REPORT

Mr. Davis reported the Authorities Operation Business Development report is on pages 40-41. The Business Expansion Incentive Program currently has forty-nine active projects. This program has a \$200 million capacity and every dollar that is paid back on a project is freed up for new additional projects. The terms of these projects are typically 3 years or less and we try to keep them no longer than 5 years. As of right now there is \$138 million available in the pool. On page 37 of the board packet is a list of outstanding projects that account for around \$61 million that is outstanding.

Mr. Davis reported that there were two very successful programs. The Bounceback Program and the Oklahoma Innovation Expansion Program, Series 2021 these programs closed in June. Mr. Davis stated that instead of juggling three programs, now we are down to one.

Staff is currently working with the companies to get funding agreements signed and to ensure that the proof of performance documentation is there before we start paying out any dollars to projects in the Oklahoma Innovation Expansion Program, Series 2022 program. The companies were awarded incentives, but they must illustrate to the Oklahoma Department of Commerce at least 10% of their capital spend that they apply for has been undertaken.

Lastly, he stated that Mr. Davidson already talked about the ratepayer backed utility bonds, but he did want to say that the stand-alone case was resolved as well as all the court related actions associated with rate-payer bonds has been completed. The OG&E bonds will be priced in about 2

weeks. The preliminary official statement is out, and the marketing period has begun. The other three issues will follow very quickly. The Authorities are moving as quickly as we can as interest rates continue to climb. The Federal Reserve will meet again on July 27th and he is not sure if it is fifty basis points or seventy-five but either way it does not matter that it is driving up additional costs for the rate payers. So, moving as quickly as we can is in the best interest of the rate payers.

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

ADJOURNMENT

Chairman Condley 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. Carey seconded the motion. All members present voted AYE.

These minutes officially approved and adoption this ____ day of _____, 2022.

Chairman

SEAL

Assistant Secretary