

**MINUTES OF  
REGULAR MEETING OF THE DIRECTORS OF  
THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY  
August 31, 2022**

The Directors of the Oklahoma Development Finance Authority held a Regular Meeting at 10:00 a.m. on Wednesday, August 31, 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. Keith Ventris, Chairman  
Mr. Bridger Cox, Vice Chairman  
Mr. Peter Carey, Secretary  
Mr. Hank Bradley, Member  
Mr. Chris Condley, Member  
Mr. D.R. Shipley, Member

The following member of the Authority was ABSENT:

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 ODFFA, who are listed on the Attendance Register which is kept in the original meeting file.

**ROLL CALL**

Chairman Ventris 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 Ventris, 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 JULY 27, 2022**

Minutes of the meeting held July 27, 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 10-11 in the board packet. This is for the first month of FY' 23 compared to July FY' 22. The revenues were \$275,000 compared to \$161,000 last July. The expenses remained relatively flat at \$77,000 this year versus \$75,000 the previous year. This leaves the net income of \$198,000 versus \$87,000 last year. Mr. Davis added that the substantial number of projects that have closed is driving these numbers. The projects that have closed include the utility securitization, OU Medical, and OIEP Series 2022.

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

## **NEW LOAN APPLICATIONS/PROJECTS**

### **A. Oklahoma Development Finance Authority (ODFA) – \$700,000 Oklahoma Community Economic Development Pooled Finance Act Award (Niagara Bottling 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 (Niagara Bottling Project), Series 2022, in an aggregate principal amount estimated at \$700,000 (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 19 of the Board Packet is a summary of Oklahoma Business Expansion Program. This includes everything in the current pipeline that has been approved by the Oklahoma Department of Commerce and has not paid off yet. Currently, there is right at \$60 million outstanding of the \$200 million pool. There is still a tremendous amount of capacity of \$140 million available in the pool. There are thirty-five of the forty-eight projects that have originations date of 2022. These projects have recently been approved by this board. These projects represent \$890 million of new capital investment into the state. There are 1,900 new jobs and about \$43 million of awards for economic development in the state. Mr. Stoner reminded the

Board that all the projects that come to the Board, have been approved by the Oklahoma Department of Commerce. The Department of Commerce Research Division determined that the projects are a net positive benefit to the State of Oklahoma.

Mr. Stoner added that the award summary for Agenda Item A. is on page 21. This project is for \$700,000 Oklahoma Community Economic Development Pooled Finance Act Award for Niagara Bottling, Series 2022. This business has been family owned since 1963 and headquartered in Ontario, Canada. Niagara Bottling is making a \$40 million capital improvement to purchase and install new beverage production machinery and renovation of an existing facility in Oklahoma City. This project will create twenty-six new jobs and combined with existing jobs their annual payroll will exceed \$5 million. The net positive benefit analysis from the Oklahoma Department of Commerce results in an award of \$700,000 over 4 years.

Mr. Stoner introduced Gus Hawkins, the Plant Director of Niagara Bottling. Mr. Hawkins gave a brief overview of Niagara Bottling to the members.

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

AYE:	Bradley, Carey, Condley, Cox, 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 that there are fifty-two active projects in the Business Expansion Incentive Program. There remains \$138 million out of the \$200 million pool that is still available. There are still several projects that are making their way through the Department of Commerce. There were 125 projects approved for \$9.1 million in the Oklahoma Innovation Expansion Program Series 2022. There have been six companies that have withdrawn. This program is a pay for performance incentive and the companies must spend and provide proof of 10% in capital expenses to the Department of Commerce. The deadline for the companies to provide proof is September 30<sup>th</sup>. Mr. Davis added that there are quite a few companies that haven't met this requirement. A couple of things that are causing issues is the supply chain and the difficulty in getting what they need and if they can get what they need there are some inflation pressures. Our staff will continue to work closely with the Department of Commerce and the Oklahoma Manufacturing Alliance to see if we can help get these companies across the finish line. In the month of August, the Authority has disbursed \$1.23 million to companies that have completed their 10% spend. This program

will end in June 2023. Mr. Davis expects that the program will run again next year and, the application window will open in April or May for the OIEP Series 2023.

Next, Mr. Davis gave an update on the utility securitization bond financing program. The OG&E transaction was closed in July. Since that time staff has completed and closed the ONG transaction, which was the largest transaction for \$1.354 billion; it closed August 18<sup>th</sup>. There were three tranches, Tranch A-1 was \$375 million with a weighted average life of 5.3 years and that a carried coupon of 3.87%. Tranch A-2 was \$450 million with a weighted average life of 14.21 years that carried a coupon of 4.38%. Tranch A-3 with a 22-year weighted average life was \$529 million that carried a coupon of 4.714%. The all-in interest cost on the ONG was 4.37%. There was a tremendous amount of oversubscription by five times. There was a lot of demand for these bonds. When the bonds were marketed, we were able to go back and tighten the spreads up significantly because of the demand. This ultimately led to a savings for the ratepayers.

Mr. Davis added that PSO just priced yesterday, and it is expected to close September 7<sup>th</sup>. There were only two tranches, the total transaction was \$696,920,000. Tranch A-1 was for \$244 million weighted average life was 5.37 years that carried a coupon of 4.135%. Tranch A-2 was for \$452 million with weighted average life of 15.13 years that carried a coupon of 4.623%. The all-in coupon was for 4.45%. Again, this financing was oversubscribed 4.7 times and we were able to tighten the spreads significantly. Both ONG and PSO transactions went very well. They were well marketed and structured and we would have liked to have lower interest rates but that is not the world we live in; the market dictates that. Mr. Davis felt that the underwriters did a tremendous job, and it was good fortune to be in the market when we were with the market being so up and down. The rates are only going to get higher at this point and we have one more transaction to do, which is Summit. It is the smallest transaction by far. This transaction should close in October; however, this was Centerpoint when the winter storm occurred, and was later acquired by Summit.

Mr. Davis stated that staff has continued to research and get setup to take out some of the excess liquidity on the ODFA side. Looking at a laddered US Treasury strategy, we looked at an example portfolio for a 2-year max with a weighted average of 11 to 12 months. The weighted average yield was 3.12%. The near end of the curve is looking nice right now with rates higher than longer maturities. Mr. Davis added that they will be looking to execute on this quickly.

Currently, the staff has also been working with the auditors. The field work for ODFA is scheduled for early September. The staff has spent a lot of time preparing the information that the auditors needed.

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

## **ADJOURNMENT**

Chairman Ventris 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 \_\_\_\_ day of \_\_\_\_\_, 2022.

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Chairman

SEAL

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Assistant Secretary