

**MINUTES OF
REGULAR MEETING OF THE DIRECTORS OF
THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY
July 26, 2023**

The Directors of the Oklahoma Development Finance Authority held a Regular Meeting at 10:00 a.m. on Wednesday, July 26, 2023, 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. Peter Carey, Secretary
Mr. Hank Bradley, Member
Mr. Matt Caldwell, Member
Mr. D.R. Shipley, Member
Mr. Hopper Smith, Ex-Officio

Mr. Bridger Cox, Vice Chairman - ABSENT

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 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 JUNE 28, 2023

Minutes of the meeting held June 28, 2023, 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 as well as the year end actuals vs projections are on pages 13-16 in the board packet. The financial performance of the Authority was strong with a \$2.3 million in total income versus \$1.3 million in FY' 22 this is a 78% increase. The expenses went up 15% to \$1.1 million versus \$993,000 leaving a net income of \$1.12 million versus \$280,000 this same period a year ago.

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

NEW LOAN APPLICATIONS/PROJECTS

A. Oklahoma Development Finance Authority (ODFA) – \$500,000 Oklahoma Community Economic Development Pooled Finance Act Award (Burford Corp., LLC Project)

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 (Burford Corp, LLC Project), Series 2023, in an aggregate principal amount estimated at \$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 reported that beginning on page 26 is a full report of everything that we have in our pooled finance program/business expansion incentive program. There are 80 current projects. The Authority has processed about 45 different wires over the last week so some of these have paid off and there are some zero balances. There are about 7 projects that will be rolling off. The 5 projects that are on the agenda today are included in the list of 80 companies. This is a \$200 million dollar pool and there is \$71.2 million outstanding. There aren't any capacity restraints for the consideration of the projects today.

Mr. Stoner stated that the summary for Burford Corporation is located on page 29 of the board packet. This application is for \$500,000 Oklahoma Community Economic Development Pooled Finance Act Award for Burford Corporation, Series 2023. Burford Corporation was founded in 1961 and headquartered in Maysville, Oklahoma. Burford is a manufacturer of specialized high quality commercial bakery equipment. They will be investing nearly \$5 million for new manufacturing space, renovation of their existing facility and the purchase new machinery and equipment.

The Oklahoma Department of Commerce has identified the project is a net positive benefit to the State of Oklahoma and has issued an incentive award of \$500,000 that will be paid out in the next three years. Mr. Stoner introduced Mr. Brian Risch, the Director of Operations for Burford who then gave a brief overview of the company and the project

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

AYE: Bradley, Carey, Caldwell, Shipley, Smith, Ventris
NAY: NONE

B. Oklahoma Development Finance Authority (ODFA) – \$300,000 Oklahoma Community Economic Development Pooled Finance Act Award (Champagne Metals, LLC Project), Series 2023

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 (Champagne Metals, LLC Project), Series 2023, in an aggregate principal amount estimated at \$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.

Ms. Harris stated that on page 30 is the description of the project. The Oklahoma Department of Commerce has identified that the project is a net positive benefit to the State of Oklahoma and has issued an incentive award of \$300,000. This will pay out over three years.

Champagne Metals is planning to purchase machinery that will enable them to split large aluminum coils into smaller coils for more efficient manufacturing. Ms. Harris then introduced Louis Serna, V.P. of Plant Operations who then gave a brief overview of the company and project.

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, Caldwell, Shipley, Smith, Ventris
NAY: NONE

C. Oklahoma Development Finance Authority (ODFA) – \$2,000,000 Oklahoma Community Economic Development Pooled Finance Act Award (Imperium Utility Services, LLC Project), Series 2023

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 (Imperium Utility Services, LLC Project), Series 2023, in an aggregate principal amount estimated at \$2,000,000 (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 application is for \$2,000,000 Oklahoma Community Economic Development Pooled Finance Act Award for Imperium Utility Services. Imperium Utility Services, LLC was founded in 2018 and located in Oklahoma City, Oklahoma. They are a powerline service company. They are making a capital investment of over \$11 million. This will create 103 new jobs at a \$117,000 average wage. They will double their payroll up to \$24.5 million. This will create \$12 million increased payroll for the next three years.

The Oklahoma Department of Commerce has identified that the project is a net positive benefit to the State of Oklahoma and has issued an incentive award of \$2,000,000 over the next three years. Mr. Stoner then introduced Mr. Mike Thornton, President and Larry Sneed, Director of Safety. Mr. Thornton gave a brief overview of the company and project.

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

AYE: Bradley, Carey, Caldwell, Shipley, Smith, Ventris
NAY: NONE

D. Oklahoma Development Finance Authority (ODFA) – \$250,000 Oklahoma Community Economic Development Pooled Finance Act Award (Pan Pacific Products Project), Series 2023

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 (Pan Pacific Products Project), Series 2023, in an aggregate principal amount estimated at \$250,000 (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 \$250,000 Oklahoma Community Economic Development Pooled Finance Act project for Pan Pacific Products, Series 2023. Ms. Harris added that this project is on page 32 of the Board packet. Pan Pacific Products is headquartered in Broken Bow, Oklahoma. They are a manufacturer of thick medium density fiberboard (MDF). They are North America's largest producer of fiberboard stiles and rails. Their main products are door parts, and full panels for use in solid doors and moldings. With a capital investment of \$600,000 they are planning to renovate their existing facility and purchase new machinery and equipment. Ms. Harris introduced Rhonda Hughitt, CEO who gave a brief overview of the company.

The Oklahoma Department of Commerce has identified that the project is a net positive benefit to the State of Oklahoma and has issued an incentive award of \$250,000 to be paid over the next three years.

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, Caldwell, Shipley, Smith, Ventris

NAY: NONE

E. Oklahoma Development Finance Authority (ODFA) – \$650,000 Oklahoma Community Economic Development Pooled Finance Act Award (Q.B. Johnson Manufacturing, Inc. Project), Series 2023

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 (Q.B. Johnson Manufacturing, Inc. Project), Series 2023, in an aggregate principal amount estimated at \$650,000 (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 this project is for \$650,000 Oklahoma Community Economic Development Pooled Finance Act Award for Q.B. Johnson Manufacturing, Inc. Q.B. Johnson was founded in 1962 and builds and ships gas conditioning, processing separation and filtration equipment throughout the world. Q.B. Johnson is making an investment of \$5 million for a new facility and renovating an existing facility plus purchasing machinery and equipment.

The Oklahoma Department of Commerce has identified that the project is a net positive benefit to the State of Oklahoma and has issued an incentive award of \$650,000 to be paid over the next three years. Mr. Stoner introduced Randy Rybicki who provided an overview of the company and the project.

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

AYE: Bradley, Carey, Caldwell, Shipley, Smith, 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.

ELECTION OF OFFICERS

Mr. Shipley made a motion to nominate the following Officers:

Mr. Keith Ventris, Chairman
Mr. Bridge Cox, Vice Chairman
Mr. Pete Carey, Secretary

Mr. Caldwell seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Caldwell, Shipley, Smith, Ventris

NAY: NONE

PRESIDENT'S REPORT

Mr. Davis reported that the Authorities Operation and Business Development Report is on pages 34-35. Mr. Davis added that the Board saw five business expansion incentive projects this morning and Mr. Stoner made the comment and outlined that there are 80 active projects in the current portfolio of BEIP projects. These projects have been approved, awarded, closed and/or receiving payments. There is a \$200 million total capacity in the program and there is still capacity in the program of \$128 million.

Mr. Davis pointed out that today the Department of Commerce is in Ardmore all day and Mr. Stoner will be headed there this afternoon to visit with companies that we have worked with in

OIEP/BEIP. Mr. Davis will be in Marietta tomorrow and Duncan to meet with companies that utilize these programs. Mr. Davis added that when they go see these businesses every company has backlogs of things that they can't get too. They have excess demand that they can't wrap their arms around. A lot of these companies have started here in Oklahoma and are now owned or partially owned by folks that are out of the state. There are out of state board rooms that don't have the same affinity to Oklahoma that we do. It is programs like this that are very important and when decisions are being made where to invest and this program has been beneficial in attracting the capital investments into the State. He and Mr. Stoner were with the consultants that work with the Oklahoma Incentive Evaluation Commission. The Business Expansion Incentive Program will be up for evaluation this year. This will be the second time for the program to be reviewed. This program has grown substantially since the last time it was evaluated. The Authority also now has the public private partnerships where we have worked with the Ports, four out of the five military installments as well as several towns and municipalities. The Authority also has done Bounce Back and OIEP, so there is a great story to tell. Mr. Davis added that they spent time with the consultants over at the Department of Commerce answering questions and providing data to them. The Department of Commerce has been hauling them around to see some of these projects.

The OIEP Series 2023 is under way. There were 178 companies that were approved for the program at \$13.5 million. This is a pay for performance program and no monies go out until the companies illustrate that they have spent 10% of the capex that they applied for. Today 44 of these companies have qualified for the incentive payments. The Authority disbursed \$258,000 to companies in July. This is an annual program that ends in June 2024. Mr. Davis has every expectation that this program will continue and be available in 2024.

The Master Lease Real Property is a very small program this year. There were a couple of amendments to what was in the Board packet. The project for Murray State College fell through and there is still some more work to do. Therefore, we did not have a \$11.3 million project but now it is a \$3.88 million. It is possible that Murray State College may come back in the Fall. Then we would have a second Master Lease Real Property project. In speaking with the State Regents for Higher Education it is likely that there will be a Master Lease Equipment project in the Fall.

This bond issue is in the market today and tomorrow. The bonds have been rated AA- and compared to when the Authority was in the marketplace last November it is surprising that the yields that we are going out with are on level with where we were in November. There are multiple reasons for this, and we are not sure what will happen at 1:00 p.m. with the Fed meeting but 97% sure rates will be increased a quarter. The quarter point is given but the more important thing will be the commentary and when we see what will be released in regards, to the direction of the future.

Next, Mr. Davis reported on the utility securitization program. When these issues were done Mr. Davis did not fully appreciate the amount of administration work that is required for these bonds. It requires coordinating with the Trustee, Treasurer's Office, and the utility companies. This was new and novel to the State, so the rating agencies are watching closely as well. They have looked at OG&E and ONG with no changes to the ratings, and they were high quality ratings. Last week the Oklahoma Attorney General held a press conference regarding winter storm Uri and possible

investigation/litigation into market manipulation regarding marketing natural gas. If the State of Oklahoma is successful in recovering any funds, the financing orders in bond issues dictate that they will be allocated to purchase gas clauses for the benefit of the customers. The funds would not go directly to the customers. If a recovery were to occur, it would offset the debt service and it will reduce the customer bills.

Last month Mr. Davis had told the Board that Director Kisling had resigned. He was the Director of the Oklahoma Department of Commerce. Mr. Smith has been appointed the Interim Director for the Department of Commerce. Mr. Davis welcomed him and glad to have him on the Board.

Mr. Davis stated that this concluded his 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. Shipley made a motion to adjourn. Mr. Carey seconded the motion. All members present voted AYE.

These minutes officially approved and adoption this 30th day of Aug., 2023.

Keith Ventris
Chairman

SEAL

