

**MINUTES OF
REGULAR MEETING OF THE DIRECTORS OF
THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY
April 24, 2024**

The Directors of the Oklahoma Development Finance Authority held a Regular Meeting at 10:00 a.m. on Wednesday, April 24, 2024, 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. Matt Caldwell, Member
Mr. D.R. Shipley, Member

The following member of the Authority was ABSENT:

Mr. Hopper Smith, 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 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 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 MARCH 27, 2024

Minutes of the meeting held March 27, 2024, had been sent electronically to the Board Members prior to the meeting and the reading was waived. Director Carey made a motion to approve the minutes as transmitted. Director Caldwell seconded the motion. All members present voted Aye.

FINANCIAL REPORT

Mr. Davis stated that on pages 13 and 14 of the board packet are the trended balance sheet and income statement for the month ending March 31, 2024. The total revenues are \$1.86 million versus \$1.8 million a year ago. The expenses are slightly up at \$952,000 versus \$856,000 this same period a year ago. This leaves a net income of \$910,000 versus \$936,000 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. Director Caldwell made a motion to approve the financial report, as presented. Director Shipley seconded the motion. All members present voted AYE.

NEW LOAN APPLICATIONS/PROJECTS

A. Oklahoma Development Finance Authority (ODFA) – \$150,000 Oklahoma Community Economic Development Pooled Finance Act Award (City of Pauls Valley Project, Series 2024)

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 (City of Pauls Valley Project), Series 2024, 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.

After a brief overview of the BEIP Pipeline Report on pages 23-25, Mr. Stoner introduced the project, noting a summary on page 26. The City of Pauls Valley made an application through the public-private partnership pool to help update their water infrastructure. The project will include control upgrades for the City of Pauls Valley to correct the low water pressure problems.

The Oklahoma Department of Commerce has identified that the project is a net positive benefit to the State of Oklahoma and has recommended an incentive award of \$150,000 to be paid off over the next two years while capturing withholdings from Love’s Travel Stops & Country Stores, Inc.

Mr. Stoner then introduced Mr. Lee Litterell the City Manager of Pauls Valley who then gave an overview of the project.

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

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

B. Oklahoma Development Finance Authority (ODFA) – \$850,000 Oklahoma Community Economic Development Pooled Finance Act Award (M-D Building Products, Inc. Project), Series 2024

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 (M-D Building Products, Inc. Project), Series 2024, in an aggregate principal amount estimated at \$850,000; waiving competitive bidding and authorizing the sale of the Notes on a private placement basis; approving and authorizing the execution and delivery of the Notes and documents; and containing other matters relating thereto.

Mr. Stoner stated this is a \$850,000 Oklahoma Economic Development Pooled Finance Act Award for M-D Building Products, Inc. This is a family-owned business that is the leader in weatherstripping, floor and tile trims, perforated aluminum sheets, digital levels, and caulking categories.

M-D Building Products is making a capital investment of \$2.5 million to invest in new machinery and equipment. They made an application through the annual OIEP application period in the beginning of April. Upon the Oklahoma Department of Commerce’s review, their application was pulled out of the OIEP and to be considered for the larger BEIP process. M-D Building Products was a part of the Bounceback Program in 2020 for a smaller project.

The Oklahoma Department of Commerce has identified that the project is a net positive benefit to the State of Oklahoma and has recommended an award amount of \$850,000 over the next two years.

Mr. Stoner then introduced Mr. Josh Plotkin and Nathan Hoffman. Mr. Plotkin, Executive Vice President then gave a brief overview of the project.

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

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

C. Oklahoma Development Finance Authority (ODFA) – \$1,000,000 Oklahoma Community Economic Development Pooled Finance Act Award (McElroy Manufacturing, Inc. Project), Series 2024

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 (McElroy Manufacturing, Inc. Project), Series 2024, in an aggregate principal amount estimated at \$1,000,000; waiving competitive bidding and authorizing the sale of the Notes on a private placement basis; approving and authorizing the execution and delivery of the Notes and documents; and containing other matters relating thereto.

Ms. Harris stated this item is for \$1,000,000 Oklahoma Economic Development Pool Finance Act Award for McElroy Manufacturing, Inc. They also applied through OIEP, and they were pulled out and put into the BEIP. McElroy is not a stranger to the Authority. They received an OIEP award in 2021 and a BEIP in 2023. They will be making a \$4.2 million capital investment in facilities, production equipment and advanced technology to support continued growth in core sales.

The Oklahoma Department of Commerce has identified that the project is a net positive benefit to the State of Oklahoma and has recommended an award amount of \$1,000,000 over the next three years.

Ms. Harris then introduced Mr. Michael Grant, Vice President of Operations and Mr. Jim Johnston, VP and Chief Technology Officer. Mr. Johnston then gave a brief overview of the project.

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

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

D. Oklahoma Development Finance Authority (ODFA) – \$202,412 Oklahoma Community Economic Development Pooled Finance Act Award (Taylor & Sons Pipe & Steel, Inc. Project), Series 2024

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 (Taylor & Sons Pipe & Steel, Inc. Project), Series 2024, in an aggregate principal amount estimated at \$202,412; waiving competitive bidding and authorizing the sale of the Notes on a private placement basis; approving and authorizing the execution and delivery of the Notes and documents; and containing other matters relating thereto.

Mr. Stoner stated that this item is for \$202,412 Oklahoma Community Economic Development Pool Finance Act Award for Taylor & Sons Pipe & Steel, Inc. The summary is located on page 29. This was another application that came in through the OIEP process and after the review by the Department of Commerce they decided it would be a better fit for BEIP. Taylor & Sons is another family-owned business that was founded in 1969. They will be making a capital investment of \$752,000 for new machinery and equipment that will enable the company to reduce fabrication time and improve employee safety.

The Oklahoma Department of Commerce has identified that the project is a net positive benefit to the State of Oklahoma and has recommended an award amount of \$202,412 over the next three years.

Mr. Stoner then introduced Mr. Scott Taylor, President/CEO. Mr. Taylor then gave a brief overview of the project.

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

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

E. Oklahoma Development Finance Authority (ODFA) – \$160,000 Oklahoma Community Economic Development Pooled Finance Act Award (Texoma MFG, LLC Project), Series 2024

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 (Texoma MFG, LLC Project), Series 2024, in an aggregate principal amount estimated at \$160,000; waiving competitive bidding and authorizing the sale of the Notes on a private placement basis; approving and authorizing the execution and delivery of the Notes and documents; and containing other matters relating thereto.

Ms. Harris explained that this project is for \$160,000 Oklahoma Community Economic Development Pooled Finance Act for Texoma Manufacturing, Series 2024. Texoma MFG applied for OIEP, and the Department of Commerce determined that they were eligible for BEIP. Texoma MFG will be making a capital investment of \$850,000. They are planning to purchase a laser to cut metal with precision. This will allow them to expand their business, improve their speed, as well as their accuracy.

The Oklahoma Department of Commerce has identified that the project is a net positive benefit to the State of Oklahoma and has issued an award of \$160,000 over the next three years.

Ms. Harris introduced Mr. Drew Crain who then gave a brief overview of the project.

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

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

REVIEW AND POSSIBLE APPROVAL OF TRAVEL CLAIMS

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

PRESIDENT'S REPORT

Mr. Davis reported that on pages 31 and 32 of the Board packets is the Operation and Business Development Report. Our staff has traveled extensively this month. Yesterday they were in Chickasha all day. Chickasha's downtown is looking good with a lot of activity. Mr. Davis has spent time in Woodward with the Northwest Oklahoma folks. This week Mr. Davis will be traveling to Southeast Oklahoma to the Lt. Governor's turkey hunt for a couple of days. Mr. Davis has had some great conversations spending time with the communities, understanding the challenges and opportunities to try and help them find solutions.

Mr. Davis stated that the OIEP was approved by this board in March. The application window was from April 2nd through 12th, and he then asked Mr. Jon Chiappe, the Deputy Director of Research for the Oklahoma Department of Commerce to give an update on the activity that was received and where they are in evaluating the applications. Most of the projects that were on the agenda today had applied to OIEP but where bigger projects and referred to BEIP. Chairman Ventris stated that its very impressive to get these projects given the timeline.

Mr. Chiappe thanked the Board and added that he appreciates the relationship with the Oklahoma Development Finance Authority and the programs that they collaborate on. There were 205 applications that were submitted for the 2024 OIEP Program during the open window. Today on the agenda there were four great companies that submitted applications during that window. At this point there are 133 companies approved for OIEP. These companies employ over 8,200 people across the State of Oklahoma. Communities as small as Red Oak, Oklahoma in the Southeast all the way up to Oklahoma City and Tulsa, so there is a wide distribution of companies across the State. The Board authorized \$15 million for OIEP and \$10.7 million of that has been awarded for these companies. Hopefully, the companies will perform and earn everything the program offers. These companies will create over 613 jobs. They pay very good wages with an average of \$58,000 a year. These approved companies are planning \$37 million in capital expenditures to expand like the companies that the board heard today on the agenda. Mr. Chiappe is currently evaluating thirty more applications and there are twenty-two additional applications that have not been reviewed. Mr. Chiappe is hopeful to be finished with all the review and approval of applications by May 1st and at that time everything will be handed over to ODFA.

Mr. Davis added that he is following legislation and tomorrow is the deadline for the bills to be heard on the opposite chamber floors. There are two major bills that he has been following, one is in the Senate and one in the House. Both bills are still moving, one is HB 3252 was heard on the Senate floor yesterday and passed and the other Senate Bill 1447. The titles were stricken on both bills and enacting clauses have been removed. Mr. Davis summed it up saying that sometimes he feels like we don't do a good job of educating legislators and the public about what the Authorities get to see every month with all these small businesses. Statewide the professional economic development organization Select Oklahoma has been conducting lunch and learns at the Capitol throughout the month of April and they have done three so far. They have covered supply chain, transportation, etc. On Tuesday, April 30th Mr. Chiappe and Mr. Stoner will put on a lunch and learn and tell this story about what has been done with Business Expansion Incentive Program, OIEP and what we have been doing for Oklahoma Businesses. Essentially, the last four years Commerce, ODFA, OMA have created mega projects not in one location but across the State. This doesn't cost \$698 million to bring a new business into the State. We are doing this at \$13.8 million. This is the story that will be told next Tuesday.

Lastly, Mr. Davis took the opportunity to brag on ODFA's Bond Counsel, Jered Davidson. There was an issue that came up in mid-April and Mr. Davidson responded within 90 minutes of finishing the Boston Marathon.

Mr. stated that this concluded his President's Report. Chairman Ventris asked Mr. Davis to summarize the two bills for Commerce. Mr. Davis added that Senate Bill 1447, by Senator Kristen Thompson, started off as a bill to try to privatize the Department of Commerce and there were challenges with that and then it became an issue to create a new vision under Commerce. The main idea is to create a board oversight because today the structure of Commerce is the Governor appoints a Secretary of Commerce, and sometimes the Secretary is also the Executive Director. The Governor appoints both positions. The challenge with this is, it creates a lot of turmoil every time a new cabinet secretary comes in and stays a couple of years and then is replaced by someone else. The idea is to put together a Board of nine that would oversee a new division of Commerce

that would be focused wholly on business attraction and there have been several iterations of how the Board would be made up. Three appointees from the Governor, three from each of the leadership positions in the Chambers. Right now, the bill has five appointments from the Governor and two from each House and Senate leadership. Currently, the language was not final. House Bill 3252 was heard yesterday and passed. There were several questions that couldn't be answered, and it is unclear what they are trying to pull out of the Department of Commerce and move around. Some of the other state agencies that were going to be assigned components of Commerce went to the author of the bill and told them they weren't equipped to handle federal grants. House Bill 3252 looks to just move stuff out of the Commerce so they can focus on community development. Tomorrow is the legislative deadline, and he has not seen Senate Bill 1447, but it is on the floor agenda and Mr. Davis assumes it will be heard. Mr. Davis added that following this bill has been a challenge because the language has changed so much.

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. Director Cox made a motion to adjourn. Director Shipley seconded the motion. All members present voted AYE.

These minutes officially approved and adoption this 29th day of May, 2024.

Keith Ventris

Chairman

SEAL

Rita Cox

Assistant Secretary

