

**MINUTES OF
REGULAR MEETING OF THE DIRECTORS OF
THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY
October 30, 2024**

The Directors of the Oklahoma Development Finance Authority held a Regular Meeting at 10:00 a.m. on Wednesday, September 25, 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. Bridger Cox, Chairman
Mr. Peter Carey, Vice Chairman
Mr. Matt Caldwell, Secretary
Mr. Keith Ventris, Member
Mr. Hank Bradley, Member
Ms. Patty Broome, Member

The following members of the Authority were ABSENT:

None

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.

Chairman Cox introduced and welcomed the newest board member, Ms. Patty Broome, from Roff, Oklahoma.

ROLL CALL

Chairman Cox 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 Cox, 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 SEPTEMBER 25, 2024

Minutes of the meeting held September 25, 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 14 and 15 of the board packets are the trended balance sheet and income statement for the third month of fiscal year 2025. The revenue was \$794,000, compared to \$742,000 a year ago this is a 7% increase. The expenses are also up at \$309,000 versus \$274,000 last year. Mr. Davis added the Authority is on track at meeting the projections with the operating net income of \$485,000 versus \$468,000 a year ago. Mr. Davis concluded with he would be happy to answer any questions the board may have had.

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

NEW LOAN APPLICATIONS/PROJECTS

A. Oklahoma Development Finance Authority (ODFA) – \$1,250,000 Oklahoma Community Economic Development Pooled Finance Act Award (LMI Finishing, Inc.), Series 2024

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 (LMI Finishing, Inc. Project), Series 2024, in an aggregate principal amount estimated at \$1,250,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing matters relating thereto.

Mr. Stoner directed the members to pages 16-18 of the board packet. This is the Business Expansion Incentive Program usage and the remaining capacity report. Mr. Stoner noted that in the last 30 days they have paid off 13 different projects, which creates more capacity for the

program. There are 94 total projects at \$127 million, this includes the projects that are on the agenda today. The capacity is \$73 million remaining after today’s approvals.

Mr. Stoner added that the first four projects on the agenda are standard BEIP (Business Expansion Incentive Program) projects. This is the program for individual companies supported by their own withholding taxes. These applications have been through the Oklahoma Department of Commerce and have been recommended for awards. The award recommendations are based on the net positive benefit to the State. Mr. Stoner than asked Ms. Harris to introduce the first project.

Ms. Harris stated that on page 19 is the project summary for the ODFA, \$1,250,000 Oklahoma Community Economic Development Pooled Finance Act Award for LMI Finishing, Inc.

The application was reviewed by the Oklahoma Department of Commerce, and they have made a recommendation of an incentive award of \$1,250,000. LMI Finishing was established in 1948 as part of LMI Aerospace. They specialize in structural assemblies and designed engineering for aerospace markets. Their Tulsa expansion is focusing on advance machining capabilities. They will be making a capital investment of \$2,200,000 and the incentive award is for \$1,250,000. This will create 50 new jobs and retain 191 existing jobs with an annual payroll of \$13.7+ million. This payment structure will be paid quarterly over three years. Ms. Harris introduced Mr. Cliff Stebe, CFO of LMI Finishing. Mr. Stebe then gave a brief overview of the project.

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

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

B. Oklahoma Development Finance Authority (ODFA) – \$900,000 Oklahoma Community Economic Development Pooled Finance Act Award (Springfield Grocer Company 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 (Springfield Grocer Company Project), Series 2024, in an aggregate principal amount estimated at \$900,000 (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 introduced the agenda item B. for \$900,000 Oklahoma Community Economic Development Pooled Finance Act Award for Springfield Grocer Company Project, Series 2024.

The summary for the project was on page 20 of the board packet. Springfield Grocer has been around since 1865. It is a historic and family operated food distribution company. Their Tulsa facility expansion aims to enhance distribution with a substantial new facility. Springfield Grocer is making a capital investment of over \$26.6 million with an incentive award of \$900,000.

The application was reviewed by the Oklahoma Department of Commerce, and they have made a recommendation of an incentive award of \$900,000 that will be paid out over the next four years. This will create 78 new jobs, retain 51 existing jobs and with an annual payroll exceeding \$8.3 million.

Ms. Harris then introduced Mr. Tommy Wohlgemuth, CFO of Springfield Grocer who then gave a brief overview of the project.

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

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

C. Oklahoma Development Finance Authority (ODFA) – \$800,000 Oklahoma Community Economic Development Pooled Finance Act Award (SWEP North America, 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 (SWEP North America Project), Series 2024, in an aggregate principal amount estimated at \$800,000 (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 presented Agenda Item C. for ODFA \$800,000 Oklahoma Community Economic Development Pooled Finance Act Award going to SWEP North America, Inc., Series 2024. The project summary is located on page 21. SWEP is a subsidiary of Dover Company. They manufacture heat exchangers in the Tulsa facility. They are proposing an expansion to support increased production for HVAC and industrial applications. SWEP was here in 2022 where they received a \$300,000 BEIP award that paid off this month. They had a capital investment of \$2.3 million and created 19 new jobs. This new expansion will be a capital investment of \$15 million. This will create 60 new jobs and retain 74 existing jobs with an annual payroll of \$8.7 million. This payment structure will be paid quarterly for the next four years. Ms. Harris then introduced Jared Lovelle, General Manager for SWEP. Mr. Lovelle then gave a brief overview of the project.

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

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

D. Oklahoma Development Finance Authority (ODFA) – \$1,500,000 Oklahoma Community Economic Development Pooled Finance Act Award (TULSACK 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 (TULSACK LLC Project), Series 2024, in an aggregate principal amount estimated at \$1,500,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.

Ms. Harris presented Agenda Item D. for ODFA \$1,500,000 Oklahoma Community Economic Development Pooled Finance Act Award for TULSACK LLC Project, Series 2024. TULSACK focuses on flexible packing solutions. The project involves rail infrastructure and equipment for the Tulsa manufacturing capacity. They will be making a capital investment of \$3.5 million with an incentive award of \$1.5 million. This project will create 40 new jobs and retain 260 existing jobs. Their new annual payroll will be \$18.3 million. The quarterly payment will be structured over three years.

Ms. Harris introduced Mr. Jarrod Dyess, President of TULSACK to give a brief overview of the project.

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

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

E. Oklahoma Development Finance Authority (ODFA) – \$5,170,500 Oklahoma Community Economic Development Pooled Finance Act Award (City of Altus) 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 Altus Project), Series 2024, in an aggregate principal amount estimated at \$5,170,500 (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 the next three projects are what we consider P3 Projects. These are public entities making infrastructure investments that are supported by withholding taxes from various entities that are benefited from the project.

Agenda Item E. is for the ODFA \$5,170,500 Oklahoma Community Economic Development Pooled Finance Act Award (City of Altus). Mr. Gary Jones with the City of Altus is not a stranger to the board. The City of Altus will be making a capital investment of \$44.5 million to support a detention pond, in addition to the construction of housing in the proximity of the Altus Airforce Base and long-term state facilities near the base. Mr. Stoner pointed out a comment on the summary on page 23 that says without housing Altus Air Force Base cannot attract additional missions to be performed at the installation. There is a housing shortage across the state but certainly in Altus. This is the 5th project for Mr. Jones for Altus and in total this program has helped support \$123 million of capital investment for the City of Altus primarily for water and housing. This will be paid out over the next four years and supported by the military base. Mr. Stoner then asked Mr. Jones to give a brief overview of the project.

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

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

F. Oklahoma Development Finance Authority (ODFA) – \$500,000 Oklahoma Community Economic Development Pooled Finance Act Award (City of Muskogee) 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 Muskogee Project), Series 2024, 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 stated that Agenda Item F. is for the ODFA \$500,000 Oklahoma Community Economic Development Pooled Finance Act (City of Muskogee Project). This item is on page 24 of the board packet. This is for a \$3.5 million renovation to the Oklahoma Music Hall of Fame located in Muskogee. They are leveraging BancFirst and the City of Muskogee’s withholding taxes to help support \$500,000 award recommendation for the Oklahoma Department of Commerce to be paid out over the next three years. Mr. Stoner then introduced Mr. Tony Corbell to give an overview of the project.

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

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

G. Oklahoma Development Finance Authority (ODFA) – \$525,000 Oklahoma Community Economic Development Pooled Finance Act Award (Wilson Public Works Authority) 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 (Wilson Public Works Authority Project), Series 2024, 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 stated that Item G. is for the ODFA \$525,000 Oklahoma Community Economic Development Pooled Finance Act Award for Wilson Public Works Authority. The summary for this P3 project for a water well is located on page 25 of the board packets. This is an almost \$1.1 million infrastructure development for a water well on town owned property that will help with long range sustainability planning for the Wilson community. There are multiple partners for this project. The partners included are Henerson Supply, LLC, LE Jones Operating, Inc. and America Nation Bank are all partnering with the Wilson Public Works Authority.

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 amount of \$525,000 to be paid out over the next four-year period. Mr. Stoner introduced Ms. Sherri Snyder who gave a brief overview of the project.

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

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

H. Oklahoma Development Finance Authority (ODFA) – \$20,000,000 Oklahoma Community Economic Development Pooled Finance Act Award (Agile Space Industries, Inc.) 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 (Agile Space Industries, Inc. Project), Series 2024, in an aggregate principal amount estimated at \$20,000,000 (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 project is for \$20 million Oklahoma Community Economic Development Pooled Finance Act Award for Agile Space Industries. We learned earlier that the capitol of heat exchangers is Tulsa, Oklahoma. This project is the first step of creating another hub in Oklahoma. This will be a \$35 million infrastructure development to create the Tulsa Space Test Center. A summary of the project is located on page 26 of the board packet. Mr. Stoner pointed out that in the write up it states, to attract new companies to the state and intends to build partnerships with local manufacturing, educational institutions, and the career tech systems to develop curriculum, providing internship programs, and create a workforce pipeline critical to success and growth of the space industry in the region. They will be making a \$35 million investment and the recommended award from the Department of Commerce based on a net positive benefit analysis of \$ 20 million to be paid over the next three years. Mr. Stoner introduced Mr. Chris Pearson who gave an overview of the project.

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

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

I. Oklahoma Development Finance Authority (ODFA) – \$2,000,000 Oklahoma Community Economic Development Pooled Finance Act Award (Rapid Community Response Program – Ardmore Development Authority) 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 (Rapid Community Response Program – Ardmore Development Authority), Series 2024, 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 item is for the ODFA \$2 million Oklahoma Community Economic Development Pooled Finance Act Award Rapid Community Response Program – Ardmore Development Authority. The copy of the award letter from Oklahoma Department of Commerce is on page 27 of the board packet. In November 2023, the board held a special meeting to take on a new program called Rapid Community Response. This Program was created in response to Michelin’s decision to halt tire production in Ardmore. At that time, we believed that about \$5 million in withholding taxes would be available from Michelin to help support economic development in Ardmore, Carter County, and South-Central Oklahoma. The wind down as we now know is a little bit slower, so that means there are more dollars available for us to be able to capture to reinvest as incentive into the community. As of right now that last update that Mr. Stoner received was there were still about 1,400 employees still employed at Michelin. Some of the natural attrition of early retirements and things of that nature have taken place but there haven’t been any real significant cuts. This number is planned to stay around 1,400 until we get to January and will then reduce to about 1,000 employees. The attrition will go down to about 750ish this time next year when they halt tire production. We now understand a little bit more about what the wind down looks like for Michelin. They will keep a certain number of jobs there to run the mixing facility that will remain on the campus. But as a result, and conversations with the Ardmore Development Authority as well as the Oklahoma Department of Commerce, there is a recommendation that we increase the amount of withholdings that we captured from Michelin employees in Ardmore by an additional \$2 million. Currently, there is \$4.74 million of the \$5 million that has already been collected. Another \$2 million would be appropriate to continue to reinvest back into the Ardmore community.

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

AYE: Bradley, Broome, Caldwell, Carey, Cox, Ventris

NAY: NONE

PRESENTATION AND POSSIBLE VOTE TO APPROVE THE ODFA AUDIT FOR FISCAL YEAR ENDED JUNE 30, 2024

Mr. Davis introduced the auditor from HBC, Mr. Chris Heim. Mr. Heim stated that the management discussion and analysis is on page 29 of the board packet. He then went over some financial highlights. The total assets increased by approximately \$1.2 million primarily due to the increase in investments of \$1.8 million and then a decrease in cash around \$600,000. The total liabilities stayed consistent to the prior year. There was a reduction in the lease liabilities of \$3,500 and there was an increase in accounts payable around \$3,000. The operating revenues increased by approximately \$131,000 this was primarily due to \$160,000 increase in interest in investment

income and then was offset with a decrease of administrative revenue of \$2,500. The operating expenses increased by approximately 8%, this is due to the management expenses personnel related costs. Mr. Heim added that when you look to the bottom the change in net position of \$1.1 million this is an increase of \$30,000 over the prior year. Mr. Heim then jumped to page 32 of the board packet which is the auditor's report. The first paragraph states that we have audited the financial statements and the second paragraph states that in their opinion the financial statements presented fairly in all material respects. This is a clean opinion and the best opinion that can be offered.

Mr. Heim then went to page 49 of the board packet and stated that this was their report on internal controls and compliance. This is a by-product of what the auditors do. The auditors are engaged to perform an audit on the financial statements and for an opinion which was provided in the first report. As the auditors are getting comfortable with the numbers and disclosures, we look at the internal controls to see if you are in compliance with the laws and regulations. Mr. Heim stated that he is happy to present that there were no findings in ODFA's internal controls or compliance with state statutes, laws, regulations, etc.

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

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

REVIEW AND POSSIBLE APPROVAL OF TRAVEL CLAIMS

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

PRESIDENT'S REPORT

Mr. Davis reported that the October Business and Development Report is on page 107-108 of the board packet. He then welcomed Director Patty Broome to the Board.


Mr. Davis stated that this concluded his President's Report, and he would answer any questions the board members might have.

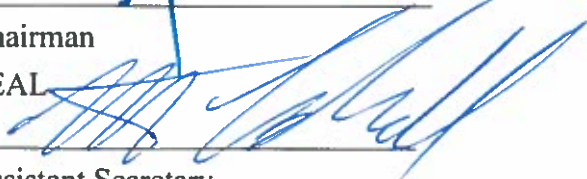
Chairman Cox made note that no formal action was taken during the President's report.

ADJOURNMENT

Chairman Cox asked if there were any announcements. Hearing none, he asked if there was a motion to adjourn. Director Ventris made a motion to adjourn. Director Carey seconded the motion. All members present voted AYE.

These minutes officially approved and adoption this 11th day of Dec., 2024.



Chairman
SEAL 

Assistant Secretary