

OKLAHOMA INDUSTRIAL FINANCE AUTHORITY
REGULAR MEETING
December 11, 2024

The Directors of the Oklahoma Industrial Finance Authority held a Regular Meeting at 10:00 a.m. on Wednesday, December 11, 2024, in the Conference Room of the Oklahoma Industrial Finance Authority, 9220 North Kelley Avenue, Oklahoma City, Oklahoma.

The following members of the Authority were PRESENT:

Mr. Bridge Cox, Chairman
Mr. Pete Carey, Vice Chairman
Mr. Matthew Caldwell, Secretary-Treasurer
Mr. Hank Bradley, Member
Mr. Patty Broome, Member
Mr. Keith Ventris, Member
Mr. Todd Russ, Non-voting Member

The following members of the Authority were ABSENT:

None

Others attending the meeting were members of the Oklahoma Industrial Finance Authority staff and other guests representing firms doing business with OIFA, who are listed on the Attendance Register which is kept in the original meeting file.

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.

READING OF THE MINUTES

Reading of the minutes of the October 30, 2024, meeting was waived. Director Carey made a motion to approve the minutes and was seconded by Director Caldwell. All members present voted AYE.

FINANCIAL REPORT

Mr. Davis reported that the financial statements from October 31, 2024, are on pages 37 and 38. At this time the Authority does not have November's financials finalized for review. The November's financials will be available in January. The interest income is \$714,000 versus \$719,000 the same period a year ago. The interest expense was up slightly at 2%, \$588,000 versus \$574,000 a year ago. The net interest income was \$125,600 down 13% from the same period a year ago at \$145,000. The operating expenses are up at \$81,000 versus \$74,000 a year ago. The net operating income is at \$44,400 versus \$71,000 last year. Mr. Davis added this is a decline but is within expectations given our interest rate environment.

There are some activities in the November-December Operations and Business Development report on pages 39 and 40. Mr. Davis pointed out that there was time when the Fed Fund Futures looked like there was going to be a significant drop in rates through the Spring. This has eased a bit. The next meeting for the Feds is December 31st, it looks like it will be down 25 basis points. The meeting scheduled for January 29th looks to be 0 basis points. The March 17, 2025, meeting looks like there might be another 25-basis point reduction. Until the new administration gets in and we see which policies and some of the activities interest rates could remain higher for longer or rates could begin to show decline.

Director Bradley made a motion to approve the financial report, as presented. Director Ventris seconded the motion. All members present voted AYE.

NEW LOAN APPLICATION/REQUESTS

A. Oklahoma Development Finance Authority – Country Properties II, Ltd.– Ardmore, OK

Discussion and possible vote granting approval for OIFA to modify repayment terms of its existing Taxable First Mortgage Loan on Real Estate in Ardmore, OK by increasing the loan balance by \$1,000,000

Mr. Stoner presented a loan modification to increase a loan balance \$1,000,000. Mr. Stoner added that each board member received a separate email of a credit memo including the supporting information for this request. Mr. Stoner added that a loan committee of Mr. Carey, Mr. Ventris and Mr. Caldwell met earlier to discuss this loan. Mr. Stoner then introduced Mr. Jim Fulmer and

Mr. Peter Fulmer of Country Properties. He asked for their comments and more specifically the acquisition of Circulus by Dow Chemical. Mr. Fulmer stated that this project was started 11 years ago with a partnership purchasing 180,000 ft. facility in Ardmore from the Ardmore Development Authority. After Michelin's lease ended, Circulus signed a long-term lease on the facility. And more recently Dow Chemical bought out Circulus. They have put about \$1 million in the facility combined between them and Circulus. This partnership has been very good, and it's been good for the community. After going from a building not on the tax rolls to about \$70 million dollars of equipment and the building on the rolls.

Mr. Fulmer added that Peter could answer any questions and he is basically the main man that handles meeting with Dow folks and even had talked to them about expansion purposes. Mr. Peter Fulmer added that he met with the new Dow representative and the current plant manager. They want to build two 3,000-foot modules onto the current building. One would be for showers and bathrooms, so the employees could shower before they go home. Because the recycling they do with the plastic has a smell. They want to build another 12,000 feet onto the current facility.

Treasurer Russ asked what the terms were for the restructuring? Mr. Jim Fulmer stated that what he is asking for is the current lease says 7 years to run with Dow and right now we have about \$800,000 balance on their existing loan, and it's supposed to mature in the next 4 years. They are asking the Authority to extend that out to 7 years which is still in the term of the primary lease and increase \$1 million. So, they are going back up to \$1.8 million. They started out 11 years ago at \$1.9 million, so the mortgage is still in place they would just take the modification of the existing terms. Treasurer Russ asked if it was annual pay or monthly. Mr. Jim Fulmer added that it was monthly, and it was about \$20,000 a month and would pay out in 7 years. Director Ventris added that the loan to value was about 22%. Treasurer Russ added that he didn't see that there was a personal guarantee on the loan. Mr. Davis added that there are personal guarantees on every other loan in the portfolio and this goes back to the original consideration in 2013. Mr. Fulmer added that there is a guarantee, Jim Fulmer Inc. that is the general borrower and they guarantee the loan. Mr. Fulmer said that it is the same that it has always been.

Director Ventris made a motion on behalf of the loan committee to approve the loan. Director Caldwell seconded the motion. Upon Roll Call, the vote was as follows:

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

NAY: NONE

PRESIDENT'S REPORT


Mr. Davis reported that there will be another full agenda on January 29th. Mr. Davis expressed his appreciation to the Board for the long meeting. He pointed out that Director Carey is still awake after flying in from away across the world to be with us this morning and even be here earlier for loan committee meeting and a Master Lease service provider selection meeting. He really appreciates that.

Mr. Davis stated that this concludes his President's report, and he would answer any questions.


ADJOURNMENT

Chairman Cox asked if there was any further business. Director Ventris made a motion to adjourn the meeting. Director Caldwell seconded the motion. All members present voted AYE, and the meeting was adjourned.

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



Chairman


SEAL _____ Secretary

