

**MINUTES OF
REGULAR MEETING OF THE DIRECTORS OF
THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY
January 29, 2025**

The Directors of the Oklahoma Development Finance Authority held a Regular Meeting at 10:00 a.m. on Wednesday, January 29, 2025, 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.

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 DECEMBER 11, 2024

Minutes of the meeting held December 11, 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 Ventris seconded the motion. All members present voted Aye.

FINANCIAL REPORT

Mr. Davis stated that on pages 19 and 20 of the board packets are the trended balance sheet and income statement for December. The revenue was up 6% at \$1.4 million versus \$1.3 million this same period a year ago. There was a slight decrease in expenses at \$637,000 for FY' 25 versus \$657,000 last year. The operating net income is up 14% at \$732,000 versus \$640,000 a year ago. The net assets are also up 12% at \$ 12 million versus \$11 million this same time last year. 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 Caldwell made a motion to approve the financial report, as presented. Director Ventris seconded the motion. All members present voted AYE.

NEW LOAN APPLICATIONS/PROJECTS

A. Oklahoma Development Finance Authority (ODFA) – \$3,100,000 Oklahoma Community Economic Development Pooled Finance Act Award (City of Tishomingo – P3), Series 2025

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 (City of Tishomingo-P3 Project), Series 2025, in an aggregate principal amount estimated at \$3,100,000 (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 21-23 of the board packet. This is the Business Expansion Incentive Program usage and the remaining capacity report. There were 7 projects that paid off this month. There are 100 projects that are currently active, and this does include the projects that are on the agenda today. There is \$152 million outstanding balance with the remaining capacity of \$47 million available.

Mr. Stoner stated that Agenda Item A. is for the ODFA \$3,100,000 Oklahoma Community Economic Development Pooled Finance Act Award for the City of Tishomingo. The summary for the project is on page 24 of the board packet. This infrastructure project is for the construction of a new water treatment plant and an alternative water source. The capital investment for this project over \$19 million. This will bring additional capacity to the citizens of Tishomingo and diversify and expand the water sources for the area.

The application was reviewed by the Oklahoma Department of Commerce, and they have made a recommendation of an incentive award of \$3,100,000 to be paid out over the next 3 years. There are several partners including the City of Tishomingo, Family Health Center of Southern Oklahoma, Mercy Hospital Tishomingo, Tishomingo Public Schools, N&S Associates, LLC, and Murray State College will all be contributing their state withholding taxes to help support this project.

Mr. Stoner then introduced Mr. Bryce Jones, City Manager who 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) – \$5,400,000 Oklahoma Community Economic Development Pooled Finance Act Award (AXH Air Coolers, LLC Project, Series 2025)

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 (AXH Air Coolers, LLC Project), Series 2025, in an aggregate principal amount estimated at \$5,400,000 (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 then introduced agenda item B. for \$5,400,000 Oklahoma Community Economic Development Pooled Finance Act Award for AXH Air Coolers, LLC Project, Series 2025. They are planning a \$28 million expansion at their facility in Sapulpa, OK. They are going to create 260 new jobs. The summary of the project is on page 25 of the board packet.

The application was reviewed by the Oklahoma Department of Commerce, and they have made a recommendation of an incentive award of \$5,400,000 that will be paid out over the next three years.

Ms. Harris then introduced Mr. Jim Lynch, President/CEO, who then gave a brief overview of the project.

Director Caldwell 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

C. Oklahoma Development Finance Authority (ODFA) – \$30,187.50 Oklahoma Community Economic Development Pooled Finance Act Award (Alpha One Firetrucks, LLC Project, Series 2025)

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 (Alpha One Firetrucks, LLC Project), Series 2025, in an aggregate principal amount estimated at \$30,187.50 (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 presented Agenda Item C. for ODFA \$30,187.50 Oklahoma Community Economic Development Pooled Finance Act Award going to Alpha One Firetrucks, LLC, Series 2025. The project summary is located on page 26. This is one of our Rapid Community Response Program applications. Part of the funding for this project comes from the individual company and a portion also comes from Michelin withholding dollars that have already been captured. Duncan, Oklahoma is the base operation for Alpha One Firetrucks and that is in the labor shed of Michelin, so they qualify for the RCRP dollars. Alpha One Firetrucks specialize in lifted brush trucks, and they have a capital investment of \$80,500 to expand their fabrication facility.

The application was reviewed by the Oklahoma Department of Commerce, and they have made a recommendation of an incentive award of \$30,187.50 that will be paid out over the next two years.

Mr. Stoner then introduced Ms. ShyAnna Phillips, who then gave a brief overview of the company.

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) – \$40,000 Oklahoma Community Economic Development Pooled Finance Act Award (Parrish Plumbing, LLC Company Project, Series 2025)

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 (Parrish Plumbing, LLC Project), Series 2025, in an aggregate principal amount estimated at \$40,000 (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 there was a last-minute scheduling conflict and they asked if this project could be tabled today and moved to the February meeting.

E. Oklahoma Development Finance Authority (ODFA) – \$4,400,000 Oklahoma Community Economic Development Pooled Finance Act Award (City of Blanchard – P3 Project) Series 2025

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 Blanchard – P3 Project), Series 2025, in an aggregate principal amount estimated at \$4,400,000 (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 E. is for the ODFA \$4,400,000 Oklahoma Community Economic Development Pooled Finance Act Award (City of Blanchard – P3 Project). The summary for this project is on page 28 of the board packet. The Blanchard Municipal Improvement Authority on behalf of the City of Blanchard applied for P3 to help support a new development with the Thorpe National Economic Development Project Plan. The developers are proposing to acquire and redevelop the Indian Ridge golf course, 934-acre golf resort. The spend will be close to \$640 million. The project that is being considered today is for the City of Blanchard’s infrastructure improvements for water and sewer. This includes extending water lines to the increment district as well as the sewer to help support the district as well.

The application was reviewed by the Oklahoma Department of Commerce, and they have made a recommendation of an incentive award of \$4,400,000 that will be paid out over the next four years supported by the City of Blanchard, Blanchard Public Schools, McClain-Grady County EMS, Middleburg Public Schools, and Pioneer Telephone Company.

Mr. Stoner then introduced to Mr. Robert Floyd, City Manager who than gave more information concerning 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

F. Oklahoma Development Finance Authority (ODFA) – \$6,500,000 Oklahoma Incubator Incentive Program Pooled Finance Act Revenue Notes (Incubator Program) Series 2025

Discussion and possible action with respect to a resolution authorizing the issuance of the Authority's Oklahoma Certified Incubator Incentive Program Economic Development Pooled Finance Act Taxable Revenue Notes (Incubator Program) Series 2025, in one or more series in the total aggregated principal amount not to exceed \$6,500,000; waiving competitive bidding and authorizing the sale of the Note on a private placement basis; approving and authorizing the execution and delivery of the Note and documents; and containing other matters relating thereto.

Mr. Stoner stated that Agenda Item F. is for the ODFA \$6,500,000 Oklahoma Incubator Incentive Program Pooled Finance Act application, Series 2025. This program is similar in scope to the OIEP and more recently the Main Street Program. This request is for the authorization for the program to begin. This is specifically for incubators and gradates of incubators around the state. There is no specific project identified today. The authorization will allow for the Oklahoma Department of Commerce to implement this program and begin to accept applications and begin to develop this program for future use. Mr. Stoner then introduced Mr. Jon Chiappe, Chief Partner and Programs Advisor for the Oklahoma Department of Commerce who gave more information concerning the program.

Director Carey 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

REVIEW AND POSSIBLE APPROVAL OF TRAVEL CLAIMS

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

PRESIDENT'S REPORT

Mr. Davis reported that the January 2025 Business and Development Report is on page 40-41 of the board packet. Mr. Davis pointed out that in the Business Expansion Incentive Program summary shows 107 projects, 7 of those projects have paid off. We are down to 100 projects. There is \$153 million of the \$200 million program cap that is dedicated and allocated. There is \$47 million that remains. This is good as it means the utilization of the program is very high. There were 177 companies that were approved and qualified for the OIEP, Series 2024 and have received payments. These awards totaled \$14.2 million. \$10.2 million has been disbursed through December, this is about half-way through the program. This program ends in June 2025. This program has worked well and many of these projects have completely paid out. Mr. Davis expects, and work has already begun on the OIEP, Series 2025. Mr. Davis reported that staff has been working with the Oklahoma Department of Commerce, the Oklahoma Manufacturing Alliance, OCAST, and other state agencies by holding workshops trying to get the message out. Last year there were 191 applicants, and we anticipate the level will be the same or it will be exceeded.

Next Mr. Davis talked about the Main Street Program, there were 9 communities that were approved with awards and right now we are working on funding agreements. These communities are working to obtain support from local and professional service providers. Their withholding taxes will be utilized to pay those incentives and Mr. Davis anticipates they will start making payments in February 2025.

Mr. Davis stated that the Master Lease Real Property and Equipment 2025 was authorized by the board in December. The Master Lease Real Property was approved not to exceed \$200 million. The Master Lease Equipment Program was authorized the statutory limit not to exceed \$50 million. Currently, staff has been working on a transaction for the Master Lease Real Property, Series 2025A for \$12.7 million. This project should close at the end of February. This Series includes a STEM building at Rogers State and athletic expenditures at Southeastern Oklahoma State. Mr. Davis had hoped that the interest rates would ease and there would be an opportunity to refinance other existing bonds. The rates have not followed the trajectory that we thought they were going. Mr. Davis added that he and Jeremy would be at the Council of Bond Oversight meeting tomorrow and this transaction and the authorization will be on their agenda.

Mr. Davis has been following budget hearings from partners such as, Department of Commerce, Oklahoma Center for Advance Science and Technology, a new Workforce Commission that has been set up. Senate Bill 283, authored by Senator Rader, contains cleanup language for the Master Lease Program. This language basically points to the appropriate statute. The biggest part of this legislation would be the ability to refinance bonds when the market dictates that we can move as opposed to waiting for legislative action. This has been talked about for a lot of years and this

would be a valuable feature of the program if passed. At some point and time when the markets move, we can go to market and save the institutions of Higher Education a great deal of money.

Last year there was talk about legislation that would change the structure of the Department of Commerce. Again, this year, there is Senate Bill 987, Senator Thompson and HB 2115 from Representative Osborn that would put a Governance Board over the Department. This Board would be like our board as opposed to what they have today which is basically a one-to-one Governor appointee. The Oklahoma Manufacturing Alliance is also a group that the Authority works with closely and they are up for their 10-year contract and there are necessary changes to their board composition. HB 1376, Representative Boles is carrying that. There is also legislation concerning Private Activity Bonds that goes to our cap issue. The project that the Board approved for Comstock Fuels was on the agenda in December and they are utilizing private activity bonds and cap. Legislation concerning this is HB 1549 and Representative Lepak. Mr. Davis added that he is just starting to dig into this piece of legislation, but he feels this would provide a lot of flexibility in the dollars available and tax-exempt financing. There is a great deal of shell bills, and he hasn't been able to venture into general government with things that will change the way the Authority conducts its business.

Lastly, Mr. Davis mentioned that next Tuesday he will be in Ardmore and the Michelin task force will convene. This is the group that has come together to address the issue of the wind down of Michelin tire production in Ardmore. Mr. Davis anticipates that by the end of the year the wind down of Michelin will be complete. He will also be providing an update on the Rapid Community Response Program. The board has seen a handful of these projects and Parrish will be back on the agenda in February. They are trying to supply a lot of work and effort in trying to minimize that reduction in force at Michelin.

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 Carey made a motion to adjourn. Director Ventris seconded the motion. All members present voted AYE.

These minutes officially approved and adoption this 26th day of February, 2024.

Peter Cruz

Chairman

SEAL

Assistant Secretary

