

AGENDA
PORT AUTHORITY OF THE GREATER OKLAHOMA CITY AREA
SPECIAL MEETING
WEDNESDAY, JANUARY 30, 2019 AT 10:00 A.M.
THE ALLIANCE FOR ECONOMIC DEVELOPMENT OF OKLAHOMA CITY
CONFERENCE ROOM
105 NORTH HUDSON, SUITE 101
OKLAHOMA CITY, OK

1. Call to Order
- 2.* Approve Minutes of the December 11, 2018 Special Port Authority Meeting
- 3.* Accept Financial Reports
- 4*. Receive Activity Report
- 5.* Ratify and Approve Payment of Claims and Invoices
6. Update on Marketing and Business Development Plan with Ernst & Young, LLP
7. Receive Comments from Members, Staff and Citizens
8. Schedule of Next Meeting – Wednesday, March 20, 2019
- 9.* Adjournment

*Action Required

MINUTES
PORT AUTHORITY OF THE GREATER OKLAHOMA CITY AREA
SPECIAL MEETING
TUESDAY, DECEMBER 11, 2018 at 11:00 A.M.
THE ALLIANCE CONFERENCE ROOM
105 NORTH HUDSON, SUITE 101
OKLAHOMA CITY, OK

Board Members in Attendance: Barry Murphy, Chairman, Erika Lucas and Chuck Mills

Board Members, Absent: Richard Tanenbaum and Dustin Anderson

Others Present: Susan Barrett, Finance OKC; Hailey Rawson, Municipal Counselor's Office OKC, Matthew Weaver, Marketing Director; Mark Kranenburg, Airports; Cathy O'Connor and Pam Lunnon,

1. Call to Order at 11:01 noon
- 2.* Approve Minutes of September 26, 2018 Special Port Authority Meeting

APPROVED. Moved by Chuck Mills; seconded by Erika Lucas; Ayes: Murphy, Mills and Lucas

- 3.* Accept Financial Reports

Presentation made by Susan Barrett, City of Oklahoma on Financial Reports dated October 31, 2018.

ACCEPTED. Moved by Chuck Mills; seconded by Erika Lucas; Ayes: Murphy, Mills and Lucas

4. Consultant Report – Matthew Weaver
(see attached Consultant Report)
Discussion: General Administrative & Marketing
Cheneire Energy, dba Midship Pipeline, Pocasset, OK
Century Uniforms, Oklahoma City, OK
Charles Machine Works, dba Ditch Witch, Perry, OK
Xerox, Mustang, Oklahoma
Citizen Potawatomie Nation, Shawnee, OK
Eastman Kodak, Weatherford, OK

- 5.* Approve Professional Services Agreement with Ernst & Young, LLP for the FTZ 106 Marking & Business Development Plan

APPROVED. Moved by Chuck Mills; seconded by Erika Lucas; Ayes: Murphy, Mills, and Lucas

- 6.* Ratify and Approve Payment of Claims and Invoices. Matthew Weaver, FTZ Marketing Director's time from 09/01/18 to 11/30/18

APPROVED. Moved by Chuck Mills; seconded by Erika Lucas; Ayes: Murphy, Mills and Lucas

7. Receive Comments from Members, Staff and Citizens

Erika Lucas gave her resignation to the board.

8. Schedule of Next Meeting – Wednesday, January 16, 2019

- 9.* ADJOURNMENT – 11:11 a.m.

Moved by Erika Lucas; seconded by Chuck Mills; Ayes: Murphy, Mills and Lucas

*Action Required

Foreign Trade Zone #106 Marketing Activity Report & Invoice

September 1st, 2018 – September 30th, 2018

Matthew S. Weaver

Date: September 2018

Activities:

- General administrative and marketing activities: i.e., USCBP meeting; conversations with FTZB; Greater Oklahoma City Chamber of Commerce inquiries; OGE initiatives; other networking opportunities; phone calls; Operator's Agreement modifications; Activation activities; emails; etc.
- Cheneire Energy, dba Midship Pipeline, Pocasset, Ok.: Meetings, conference calls, and administrative work required for the Designation, Security visit, and Activation activities FTZ #106 Subzone Site 106G for pipeline storage in Pocasset, Oklahoma – approval for the Site was given on September 11, 2018. The FTZB Designation Approval letter, as well as the USCBP Activation Letter that was signed on September 26, 2018, are on file with the FTZ #106 office.
- Century Uniforms, Oklahoma City: Debbie Lumry has met with the senior finance VP and will be getting back to me.
- Charles Machine Works, dba DitchWitch, Perry, Oklahoma: Communications indicate they continue to work on their due diligence to determine whether or not to pursue designation.
- Confidential Tribal Client: I have a standing NDA with a Tribe and are pursuing the recruitment of a vetted prospect that wishes to look at next steps to make Application.
- XEROX, Mustang, Oklahoma: The determination has been made to pursue the reactivation of the SubZone Site in Mustang, Oklahoma. They are completing their work on securing logistical considerations.
- **Total Hours worked:** 32 hours x \$50/hr = \$1600

Foreign Trade Zone #106 Marketing Activity Report & Invoice

October 1st, 2018 – October 31st, 2018

Matthew S. Weaver

Date: October 2018

Activities:

- General administrative and marketing activities: i.e., USCBP meeting; conversations with FTZB; Lt.Gov. office presentation preparation; Greater Oklahoma City Chamber of Commerce inquiries; OGE initiatives; other networking opportunities; phone calls; Xerox re-activation activities; security visit activities; emails; etc.
- Xerox, Mustang, Ok.: Meetings, conference calls, and administrative work required for the re-activating this subzone. I worked with Thomas O'Connor, Xerox's Global Compliance Manager, on a variety of subjects necessary for them to take advantage of FTZ benefits by the end of December: the Notification of Production was completed and I've submitted that to the FTZB; I'm finalizing the Port Authority's letter for Mark Kranenburg to request Xerox's re-activation with USCBP; the particulars concerning Xerox's designation is being verified so FTZ #106 can invoice them for fees pertaining to Activation and for Annual participation – the fees will total \$16k.
- Citizen Potawatomi Nation, Shawnee, Ok: I had an extensive meeting with Jim Collard, in confidence, about a very large green field project that will require FTZ benefits and activation. All things considered, he is hoping to make an announcement by the middle of November about that company's decision to locate in CPN's Iron Horse Industrial Park.
- **Total Hours worked:** 32 hours x \$50/hr = \$1600

Foreign Trade Zone #106 Marketing Activity Report & Invoice

November 1st, 2018 – November 30th, 2018

Matthew S. Weaver

Date: November 2018

Activities:

- General administrative and marketing activities: i.e., USCBP meetings; conversations with FTZB; 2 separate meetings with attorneys whom are pursuing prospective FTZ ventures - Lindsey Pever, and Eric Holey; Greater Oklahoma City Chamber of Commerce inquiries; OGE initiatives; other networking opportunities; phone calls; Xerox re-activation activities; security visit activities; emails; etc.
- Xerox, Mustang, Ok.: Meetings, conference calls, and administrative work required for the re-activating this subzone. I visited the plant's management team to do a preliminary security walk-through to determine signage requirements, electronic security procedures that need to be in place, and to begin the paperwork required for USCBP to do background checks on the appropriate members of the management team. I then visited with USCBP about their concurrence letter that will be required for the application request, as well as for the re-activation procedures. I've been working with Thomas O'Connor, Xerox's Global Compliance Manager, and Diane Finver with the FTZB on the variety of items required for the Production Authority request, as well as the Interim Production Authority request. A number of edits to Mark Kranenburg's cover letter to the request were finalized and prepared for his signature. A draft has been sent to the FTZB and the final submission to the FTZB should be no later than Dec. 4th, with Interim Production Authority approval to immediately follow.
- Kodak, Mustang, Oklahoma: All of the necessary protocols for activating the plant have been successfully facilitated, so FTZ #106 Subzone 106F, Site 1 was formally Activated on November 28th.
- **Total Hours worked:** 32 hours x \$50/hr = \$1600

PORT AUTHORITY OF THE GREATER OKLAHOMA CITY AREA

A Discrete Component Unit of
Oklahoma City, Oklahoma

Board of Directors

Barry Murphy, Chairman

Chuck Mills, Vice-Chairman
Richard Tanenbaum, Secretary
Dustin Anderson
Vacant

Management

James D. Couch, General Manager

Financial Report for the Six Months Ended December 31, 2018

Prepared by The Oklahoma City Finance Department, Accounting Services Division
Laura L. Papas, Controller

PORT AUTHORITY OF THE GREATER OKLAHOMA CITY AREA

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MEMORANDUM

The City of OKLAHOMA CITY

TO: Port Authority Board of Directors

FROM: Accounting Services Division

DATE: January 9, 2019

SUBJECT: Port Authority of the Greater Oklahoma City Area (Port Authority) Financial Schedules for the Six Months Ended December 31, 2018.

The financial schedules presented on the following pages include the schedule of cash receipts and disbursements and the supplemental listing of checks issued for the six months ended December 31, 2018 and 2017.

Current year-to-date receipts are \$26,000.00 as compared to no receipts in the prior year. The increase is due to \$9,000.00 received from Midship Pipeline Company, LLC. and \$17,000.00 from Xerox Corporation for sub zone applications and activation fees.

Current year-to-date disbursements totaled \$10,550.00. This compares to prior year-to-date disbursements of \$8,250.00 for an increase of \$1,050.00 for consulting fees and \$1,250.00 for a National Association of Foreign Trade Zone membership fee. The consulting contract is on an hourly basis for special projects. In both years, the Port Authority has used the service of the consultant on various projects including the Seminole, Lawton, Oklahoma City, and Woodward sub zones.

The financial schedules are prepared on the cash basis of accounting.

The financial schedules are unaudited and prepared for internal use only. The financial schedules are prepared by the City of Oklahoma City, Finance Department, Accounting Services Division. The undersigned are prepared to answer any questions you may have pertaining to the financial schedules.

Prepared by:

A handwritten signature in blue ink, appearing to read "Susan M. Barrett".

Susan M. Barrett
Municipal Accountant I

Reviewed by:

A handwritten signature in blue ink, appearing to read "Christy D. Jameson".

Christy D. Jameson, CPA
Accounting Manager

Approved for issuance:

A handwritten signature in blue ink, appearing to read "Laura L. Papas".

Laura L. Papas
Controller

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
For the Six Months Ended December 31, 2018 and 2017
(unaudited)

PORT AUTHORITY OF THE
GREATER OKLAHOMA CITY AREA

	<u>2018</u>	<u>2017</u>
<u>RECEIPTS</u>		
Application and subzone fee for Midship Pipeline Company LLC-----	\$9,000.00	\$ -
Application and subzone fee for Xerox Corporation Pipeline Company LLC-----	17,000.00	-
Total receipts -----	<u>26,000.00</u>	<u>-</u>
<u>DISBURSEMENTS</u>		
Checks issued for previous period-----	6,100.00	5,200.00
Checks issued for the two months ended December 31		
Consultant fees - 1267 Matthew Weaver -----	-	1,500.00
Consultant fees - 1268 Matthew Weaver -----	-	1,550.00
Memberships - 1303 NAFTZ -----	1,250.00	-
Consultant fees - 1304 Matthew Weaver-----	1,600.00	-
Consultant fees - 1306 Matthew Weaver-----	1,600.00	-
Total checks issued for the two months ended December 31, -----	<u>4,450.00</u>	<u>3,050.00</u>
Total disbursements -----	<u>10,550.00</u>	<u>8,250.00</u>
Net increase (decrease) in cash -----	15,450.00	(8,250.00)
Beginning cash - July 1,-----	28,722.89	39,622.49
Ending cash - December 31, -----	<u><u>\$44,172.89</u></u>	<u><u>\$31,372.49</u></u>

See accompanying notes to financial statements.

SUPPLEMENTAL LISTING OF CHECKS ISSUED
FISCAL YEAR 2019
For the Six Months Ended December 31, 2018
(unaudited)

PORT AUTHORITY OF THE
GREATER OKLAHOMA CITY AREA

Previously Reported

1299	Matthew Weaver-----	\$1,500.00
1300	Matthew Weaver-----	1,500.00
1301	Matthew Weaver-----	1,500.00
1302	Matthew Weaver-----	1,600.00
	Total-----	<u>6,100.00</u>

Currently Reported

1303	NAFTZ-----	1,250.00
1304	Matthew Weaver-----	1,600.00
1306	Matthew Weaver-----	1,600.00
	Total-----	<u>4,450.00</u>

Total-----	<u><u>\$10,550.00</u></u>
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SUPPLEMENTAL LISTING OF CHECKS ISSUED
FISCAL YEAR 2018
For the Six Months Ended December 31, 2017
(unaudited)

PORT AUTHORITY OF THE
GREATER OKLAHOMA CITY AREA

Previously Reported

1283	Matthew Weaver-----	\$1,500.00
1284	Matthew Weaver-----	1,250.00
1285	Matthew Weaver-----	1,100.00
1286	Matthew Weaver-----	1,350.00
	Total-----	<u>5,200.00</u>

Currently Reported

1286	Matthew Weaver-----	1,550.00
1287	Matthew Weaver-----	1,500.00
	Total-----	<u>3,050.00</u>
	Total-----	<u><u>\$8,250.00</u></u>

I. RELATION TO THE CITY OF OKLAHOMA CITY

The Port Authority of the Greater Oklahoma City Area, (Port Authority), was created by the City of Oklahoma City (City), pursuant to Title 82, Oklahoma Statutes, Sections 1101-1104. The Port Authority was established on October 30, 1962. The Port Authority was granted Foreign Trade Zone #106, (the Zone) on September 14, 1984. The Foreign Trade Zone provides for the physical plant and operation of general warehousing facilities to companies for manufacturing or manipulation, duty free.

The Port Authority is governed by a Board of Directors consisting of five members appointed by the Mayor with the advice and consent of the City Council. The Directors serve a term of four years.

Method of Reporting in the City's Comprehensive Annual Financial Report (CAFR)

The Port Authority is included in the City's financial reporting entity. The Port Authority is a discretely presented component unit of the City. The City's CAFR can be obtained from the City of Oklahoma City, Finance Department, 100 N. Walker, Ste. 300, Oklahoma City, OK 73102 and from the City's website at www.okc.gov.

II. BASIS OF ACCOUNTING

The attached schedule of cash receipts and disbursements is presented on the cash basis of accounting. Receipts are recorded when cash is received, and disbursements are recorded when paid.

III. CONSULTING SERVICES CONTRACT

On December 11, 2018, the Port Authority entered into a contractual agreement for professional services with Ernst and Young, LLP. For each project it agrees to undertake, Ernst and Young will prepare a statement of work describing the particular services, as well as any advice, presentations, or filings to be made, the fees therefor, and any other project-specific arrangements.

On January 1, 2019, the Port Authority will terminate its contractual agreement for professional services with Matthew Weaver.

IV. SUB ZONES

The Port Authority receives additional fees for the establishment and maintenance of sub zones. Sub zones are adjuncts to the general purpose zone and are single user private sites, usually at manufacturing facilities. The amount of the fees will vary according to the number of sub zones that are active. The VF Jeanswear application fee was \$12,000.00, activated in April, 2013. The City of Seminole completed an application unit base trade zone for VF Jeanswear for an initial fee of \$5,000.00. The Citizen Potawatomi Nation Iron Horse Industrial Park sub zone fee of \$1,600.00 as activated in February, 2014 and the application fee for Citizen Potawatomi Nation Iron Horse Industrial Park was received in April, 2014 in the amount of \$2,000.00. The City of Enid qualifies as a sub zone and has paid a fee but has no active zones at this time. The application fee of \$5,000.00 was received in May, 2017 for Eastman Kodak Company for the production notification application for Foreign-Trade Sub Zone #106 in Weather, OK. New application and activation fees for a foreign trade zone was received on July 24, 2018 for the Midship Pipeline Company, LLC. for \$9,000.00. On November 15, 2018, sub zone application and activation fees for \$17,000.00 was received from the Xerox Corporation.

V. RECEIPTS

Receipts include sub zone fees, activation and deactivation fees. Activation fees are applied with the application for a sub zone. Deactivation fees are for voluntary discontinuation of the activation of an entire zone or sub zone.

Foreign Trade Zone #106 Marketing Activity Report & Invoice
December 1st, 2018 – December 31st, 2018
Matthew S. Weaver

Date: December 2018

Activities:

- General administrative and marketing activities: i.e., Xerox/USCBP meetings; conversations with FTZB; Greater Oklahoma City Chamber of Commerce inquiries; OGE initiatives; other networking opportunities; phone calls; additional Xerox security visit activities; emails; I gave notice to the appropriate individuals, and organizations concerning the conclusion of my professional consulting services for FTZ #106 – they've been instructed to contact the Alliance for assistance, and Mark Kranenburg with the Port Authority.
- Xerox, Mustang, Ok.: Final application was submitted on December 11th after a number of additional edits/modifications and additional requests from the FTZB the first week of December. The USCBP still needs to submit her letter of concurrence before Xerox will be granted interim production authority – the U.S. government shutdown has put a hold on this request as the FTZB personnel are also on shutdown until further notice.
- Double Life Corp., Oklahoma City, Oklahoma: I had an extended meeting with: Timothy Coil, CFO; Kevin Barber, Ok. Mfg. Alliance; Jessie Garcia, ODOC; and, Anthony Cambas, Director of Wes Watkins Center for International Trade and Development, OSU. They machine/manufacture custom pumps, screens, ect, for the oil and gas industry – Tim is doing his due diligence to help determine the feasibility of pursuing FTZ status.
- **Total Hours worked:** 32 hours x \$50/hr = \$1600

TOTAL Invoice

Foreign-Trade Zone #106

Marketing Activities

12/1 – 12/31/18

Hours worked: 32 hours x \$50/hr = \$1600

Submitted by Matthew Weaver

Project	Activity	Time
General Administrative and Marketing	Responding to FTZ inquiries; meeting with ODOC, Ok Mfg. Alliance, OSU Center for International Trade; FTZB/USCBP; support; general networking; Gov's ED transition team member's request for information; Notice to contacts about change of FTZ consulting service provider.	16
Prospect Follow-ups	Informed them that further inquires regarding their research and due diligence efforts should be directed to the Alliance.	2
Xerox	Meetings/calls/emails with FTZB and USCBP concerning re-activation elements; security and bond requirement particulars; FTZ #106 request to USCBP for concurrence, and for initiation of background checks	8
Kodak	Misc. administrative	1
Double Life Corp	Meeting, follow-up	5

Billable Time: 32 hours**Total Due:** \$1600