AGENDA PORT AUTHORITY OF THE GREATER OKLAHOMA CITY AREA Special Meeting Wednesday, January 18, 2017 at 1:00 p.m. The Alliance for Economic Development of Oklahoma City Conference Room (High Tower Building) 105 North Hudson, Suite 101 Oklahoma City, OK

- 1. Call to Order
- 2.* Approve Minutes of November 16, 2016 Port Authority Meeting
- 3.* Accept Financial Reports
- 4. Consultant Report Matthew Weaver
- 5.* Ratify and Approve Payment of Claims and Invoices
- 6. Receive Comments from Members, Staff and Citizens
- 7. Schedule of Next Meeting Wednesday, March 15, 2017
- 8.* Adjournment

*Action Required

MINUTES PORT AUTHORITY OF THE GREATER OKLAHOMA CITY AREA REGULAR MEETING WEDNESDAY, NOVEMBER 16, 2016 - 12:00 NOON THE ALLIANCE CONFERENCE ROOM OKLAHOMA CITY, OK

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

Board Members Absent: Mark Stansberry

<u>Others Present</u>: Ronda Dugone, Finance; Matthew Weaver, Marketing Director; Hailey Rawson, Municipal Counselor's Office, Lori Johnson, Anglin PR Firm; Geri Harlan, The Alliance and Pam Lunnon, The Alliance

- 1. Call to Order at 12:00 p.m.
- 2.* Approve Minutes of September 21, 2016 Regular Port Authority Meeting

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

3. Consultant Report – Matthew Weaver

Presentation made by Matthew Weaver, Director of Marketing & Business Development (see attached Consultant Report)

- Discussion: General Administrative & Marketing Open Road Tire Corp. KPMG CMP Corporation US Dept. of Commerce Big Industrial Oklahoma Department of Commerce Family Dollar, Duncan, Oklahoma 2016 Oklahoma Consular Summit Woodward Industrial Foundation Wilspec Techologies, Inc.
- 4.* Ratify and Approve Payment of Claims and Invoices. Matthew Weaver, FTZ Marketing Director's time 9/1/16 to 10/31/16; \$2,550.00

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

6. Receive Comments from Members, Staff and Citizens

Presentation was made by Lori Johnson from Anglin PR Firm for a new brochure, branding/logo and website for the OKC Port Authority. Mr. Murphy stated he has talked with Cathy O'Connor briefly and have decided we would like to continue with the refresh

and update of the logo and the proposed website. We feel we are comfortable from a budget standpoint on what is proposed.

Ms. Lucas commented that a lot of companies she deals with that do not know what an FTZ is. Even though they are doing global business, they just do not know. This brochure and the language we use serves a purpose when we are talking to the import and export technical people. It does not necessarily work for a CEO. We just need to make the language simple and direct and tell them what a FTZ can do for them and how it can add value to their business. Ms. Lucas is more interested in seeing a simpler language used that speaks to a broader audience not just the import and export people.

Mr. Mill agrees to just keep it simple, create a hook and then take them deeper with the information. He suggested using testimonials or personal stories from existing companies, they can see the people that are here and are recognizing the value and savings that they have had.

Ms. Lucas suggested you need two different pitches, one is to incoming players that are potentially looking at locating here in OKC and second existing businesses that are not taking advantage of it. We need to combined material in an effort to make it more relatable to our intended target market.

Mr. Murphy stated he will visit with Cathy and then contact Anglin Firm to continue moving forward. Mr. Mills reminded everyone that the World Trade Conference is April 13, 2017 location is at OCU.

- 7. Schedule of Next Meeting January 18, 2017
- 8.* ADJOURNMENT 12:28p.m.

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

*Action Required

Foreign Trade Zone #106 Marketing Activity Report & Invoice <u>September 1st, 2016 – September 30th, 2016</u> <u>Matthew S. Weaver</u>

Date: September 2016 Activities:

- <u>General administrative and marketing activities</u>: i.e., phone calls, emails, networking meetings, reports.
- <u>Open Road Tire Corp</u>: Chris Archer, Pres., is targeting late October, early November for finalizing location options in the Oklahoma City area.
- <u>August Confidential Prospect</u>: Project continues to move forward with Oklahoma as their new site, with Duncan being their preferred location. No time-lines available for public information.
- <u>KPMG</u>: I have been working with Amie Ahanchian, KPMG FTZ Global Manager, on 3 different prospects: #1.)
 <u>Magnesium Machine, LLC</u> (previously a confidential prospect), Chickasha, Oklahoma. A number of conference calls dealing with: the particulars of importing rare earth materials; FTZ #106; other incentives available, i.e. workforce development; site selection and energy requirements.
 #2.) <u>Century Uniform</u>: Debbie Lumry is trying to re-engage the owners with new customized marketing materials and updated data analysis, provided by Amie & I.
 #3.) <u>Oklahoma City Confidential Prospect</u>: Amie & I have engaged in a concerted

#3.) Oklahoma City Confidential Prospect: Amie & I have engaged in a concerted effort to manage and facilitate the progress of this relationship. A manufacturer that wanted to accumulate their own data for the past 11 months is now ready for further discussions about pursuing FTZ status.

- <u>CMP Corporation</u>: Met Brad Croy, President, at his compressor manufacturing, refurbishing, and distribution plant in Oklahoma City. He carries a multi-million dollar inventory, that turns approx. 2x/year, and is set to reconfigure his plant's floor. His aim is for a "leaner" reconfiguration with certain areas designated for foreign vs. domestic inventory management, which is a driving force for wanting to learn more about FTZ benefits. He plans on scheduling a future meeting(s) once he begins analysis of his company's inventory and supply chain management practices.
- <u>US Dept. of Commerce</u>: The Oklahoma office is holding a "Exporting 101: Basics of Exporting Workshop" on October 20^{th.} Marcus Verner, Director, and I are working on my role as a resource during the event. I also worked with Ashley Wilson in Marcus' office about a client they are serving in Tulsa that's looking to expand their operations and were in need of Oklahoma FTZ marketing pieces. Ashley will be following-up with me after her meeting later in October.

- <u>Big Industrial</u>: The Prairie Village, Kansas, based commercial real estate company that owns/manages the old Dayton Tire Plant in Oklahoma City, has a large manufacturing prospect that will require FTZ status/benefits. I've had a number of conversations with Thad Smith, Prinicapal of BI, and Mike Ogan of the Chamber of Greater Oklahma City, about their prospect and FTZ #106.
- <u>Oklahoma Department of Commerce</u>: Conversations/communications with Jesse Garcia about a prospect he met with. I provided the new marketing "paper" for his use at the meeting. The client was given my name and contact information.
- <u>Follow-up communications</u>: Siemens; US Dept. of Commerce; Oklahoma Dept. of Commerce; KICKER; DitchWitch; GoodYear Tire Co.; Century Uniform
- Total Hours worked: 21 hours x \$50/hr = \$1050

Foreign Trade Zone #106 Marketing Activity Report & Invoice <u>October 1st, 2016 – October 31st, 2016</u> <u>Matthew S. Weaver</u>

Date: October 2016

Activities:

- <u>General administrative and marketing activities</u>: i.e., phone calls, emails, networking meetings, reports.
- <u>2016 Oklahoma Consular Summit:</u> I attended, along with Board Member Chuck Mills, this Oklahoma "Governor's International Team" sponsored Summit to network with attendees about how FTZ #106 could help assist them with the FDI and FTZ benefits available, specifically, in the Oklahoma City service area. I had initial conversations, and have had subsequent conversations and sent marketing materials to the following: Karen Ball, Her Britannic Majesty's Consul General; Enrique Villar-Gambetta, Honorary Consul of Peru; Ken Feagins, Honorary Consul of Uruguay; Amalia M. Miranda, Honorary Consul of Spain; Olivia Vadillo Serra Rojas, Deputy Trade & Investment Commissioner for Mexico; Jonathan Neff, Attorney of Global Business Law, Tulsa; Thomas Lewis, Field Representative for Congressman Tom Cole; Eric Kunkel, Founding Partner for CCK Strategies, Tulsa. I was also asked by Yvonne Kauger, Oklahoma Chief Supreme Justice and tribal advocate, to be a presenter a the Native Summit in June 2017.
- Family Dollar, Duncan, Oklahoma: I met extensively with Dave Clevenger, Regional Vice President, about FTZ benefits. They receive approx. 800 containers per month, with approx. 400 of them being imported. Follow-up conversations have been productive – he's building a case to start with his location as a pilot demonstration. The possibility of this becoming a national program for them has really got him engaged. Synder coordinates Family Dollar's logistics. A visit in November is likely.
- <u>Woodward Industrial Foundation, Woodward, Oklahoma</u>: I met with LaVern Phillips, President, about his announcement for retirement and the relationship with Siemens. Siemens will have a decision by the end of the year about expansion plans and pursuing FTZ status.
- <u>Wilspec Technologies, Inc</u>: I had a meeting with Dennis Guerts, Director of Global Operations. They manufacture, in their wholly-owned Chinese factory, specialized pressure valves and a variety of custom products for manufacturers of hvac, refrigeration and high pressure/extreme environment equipment, around the world. All domestic distributed products are imported and flow through their Oklahoma City world headquarters facility. I have a follow-up meeting tentatively scheduled for November with their global purchasing director and business manager. Looks promising.

- <u>US Dept. of Commerce</u>: I was asked by the Oklahoma office, that was holding a "Exporting 101: Basics of Exporting Workshop" on October 20^{th.}, to participate as a presenter. I prepared a powerpoint presentation, with associated materials, when, at the last minute, the decision was made to have me present, instead, at a future training opportunity.
- Total Hours worked: 30 hours x \$50/hr = \$1500

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 Erica Lucas Mark Stansberry

Management

James D. Couch, General Manager

Financial Report for the Six Months Ended December 31, 2016

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 10, 2017

SUBJECT: Port Authority of the Greater Oklahoma City Area (Port Authority) Financial Schedules for the Six Months Ended December 31, 2016 and 2015.

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, 2016 and 2015.

There are no current year-to-date receipts as compared to the prior year interest receipts of \$11.20. The decrease in receipts is due to the bank account changing from interest bearing to non-interest bearing with no fees.

Current year to date disbursements totaled \$8,650.00. This compares to prior year-to-date disbursements of \$6,176.76 for an increase of \$2,473.24, due to an increase of consulting fees of \$1,750.00 and \$850.00 paid for the Foreign Trade Zone (FTZ) brochures offset by bank fees paid in the prior year of \$126.76. 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 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:

Ronda K. Dugone () Municipal Accountant III

Approved for issuance:

Laura L. Papas

Controller

Reviewed by:

Christy D. Jameson, CPA Accounting Manager

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

PORT AUTHORITY OF THE GREATER OKLAHOMA CITY AREA

<u>2016</u> 2015 RECEIPTS Interest on checking ------\$0.00 \$11.20 Total receipts -----_ 11.20 **DISBURSEMENTS** Checks issued for previous period-----4,950.00 3,800.00 Checks issued for the two months ended December 31, Consultant fees - 1252 Matthew Weaver-----1,150.00 -Consultant fees - 1253 Matthew Weaver-----1,100.00 Consultant fees - 1267 Matthew Weaver-----1,500.00 -Consultant fees - 1268 Matthew Weaver-----1,350.00 -FTZ Brochure (pymt 1 of 2) - 1269 Anglin Public Relations-----850.00 Total checks issued for two months ended December 31,-----3,700.00 2,250.00 Bank fees ------126.76 -Total disbursements -----8,650.00 6,176.76 Net increase (decrease) in cash -----(8,650.00) (6, 165.56)Beginning cash - July 1,-----46,372.49 44,826.82 Ending cash - December 31,-----\$37,722.49 \$38,661.26

See accompanying notes to financial statements.

1

Previously Reported

1262 Matthew Weaver	\$1,400.00
1263 Matthew Weaver - VOID	-
1264 Matthew Weaver	1,150.00
1265 Matthew Weaver	1,350.00
1266 Matthew Weaver	1,000.00
Total	\$4,950.00
Currently Reported 1267 Matthew Weaver	1,500.00
1268 Matthew Weaver	1,350.00
1269 Anglin Public Relations	850.00
Total	\$3,700.00
Total	\$8,650.00

2

Previously Reported

1249	Matthew Weaver	\$1.000.00
1250	Matthew Weaver	\$1,750.00
1251	Matthew Weaver	\$1,050.00
	Total	\$3,800.00
	ntly Reported	
	Matthew Weaver	\$1,150.00
1253	Matthew Weaver	\$1,100.00
	Total	\$2,250.00
Total-	=	\$6,050.00

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 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.

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. OPERATOR'S AGREEMENT

The Port Authority selected Biagi Warehousing, Inc. to act as the operator of the general purpose warehouse. Biagi Warehousing, Inc. is responsible for all warehousing and warehouse-related activities; maintenance of the warehouse; marketing and promotion of the Zone; developing the general purpose warehouse; and assisting and cooperating with the Port Authority on any audit, report, inventory, or other documentation of activities in the Zone. The Port Authority receives a fee of \$3,999.96 from Biagi annually, payable in monthly installments of \$333.33 for the operation of warehousing space.

IV. CONSULTING SERVICES CONTRACT

The Port Authority entered into a contractual agreement for professional services with a consultant to provide marketing and development services, assist in the administration of the Zone #106, and to advise the management and the Board. The consultant is required to prepare a written and oral report of scope of work and services performed at each Board meeting. Among other requirements of the consultant are the preparation and filings of documents to the U.S. Customs Services, the Foreign Trade Zone Board and any other government agency with jurisdiction. The Board has agreed to work with the consultant on an hourly basis on special projects.

NOTES TO FINANCIAL SCHEDULES December 31, 2016 and 2015 (unaudited)

PORT AUTHORITY OF THE GREATER OKLAHOMA CITY AREA

V. 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. There is a current sub zone, VF Jeanswear. The VF Jeanswear application fee was \$12,000.00, activated in April, 2013. The City of Seminole completed an application unit based trade zone for VF Jeanswear. The initial fee for the Seminole contract was \$5,000.00. Enid has qualified as a sub zone and has paid a fee but has no active zones at this time. The Citizen Potawatomi National Iron Horse Industrial Park sub zone fee of \$1,600.00 was activated in February, 2014 and the annual fee for Citizen Potawatomi Nation Iron Horse Industrial Park was received in April, 2014 in the amount of \$2,000.00.

VI. 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.

<u>Foreign Trade Zone #106 Marketing Activity Report & Invoice</u> <u>November 1st, 2016 – November 30th, 2016</u> <u>Matthew S. Weaver</u>

Date: November 2016

Activities:

- <u>General administrative and marketing activities</u>: i.e., phone calls, emails, networking meetings, reports, reached-out to Congressman Russell.
- <u>Lopez Foods</u>: I am having conversations with Ed Sanchez, CEO/President, and Eric Sweat, Purchasing Director, about the importing of their beef from New Zealand and Australia. Eric is researching the cold storage facility that inventories, clears with Customs, and stores their beef in Houston. It's believed that part of that facility has foreign-status designation, but, with further research they'll discover that this space is only for the clearing of imported products with Customs before its sent into the "domestic" side of their cold storage facility for their clients. I'll be meeting with Eric, again, in December.
- <u>Consular Summit, Oklahoma</u>: The contacts I made in October with Consuls, and their representatives, from Mexico and Peru are providing us with exposure through their contacts, and in presentations in their respective countries. I have follow-ups with the other Consuls I networked with that will hopefully produce the same type of results.
- <u>DitchWitch, Perry, Oklahoma</u>: I met with Jackie Williamson, Corporate Comptroller, and we will be meeting again on Dec. 6th to meet with the other key players. This has taken a full 2 years to finally get to this point – this is a very strong/viable prospect.
- <u>Wilspec Technologies, Inc</u>: I've had a following-up meeting with Vanessa Gerber, Global Accounting Manager, and she is doing her due diligence for our next meeting.
- <u>Magnesium Machine, LLC, Chickasha, Oklahoma</u>: I met with Loren Swor of Magnesium Machine, in Chickasha, and we will be having a meeting with the President, some foreign investors, and with Christy Elkins, President/CEO, for the Chickasha Economic Development Council on December 12th to discuss the progress of establishing a foundry in the community.
- <u>Delaware Nation Industries (DNEDA), Anadarko, Oklahoma</u>: I met with Jerry Kennedy, President/CEO, and Paula Brown, VP, about a confidential existing prospect (I've signed a NDA with the DNEDA). The prospect appears, from my research, to also be a very viable candidate. I will be meeting with all parties in December.
- Total Hours worked: 27 hours x \$50/hr = \$1350

<u>Foreign Trade Zone #106 Marketing Activity Report & Invoice</u> <u>December 1st, 2016 – December 31st, 2016</u> <u>Matthew S. Weaver</u>

Date: December 2016

Activities:

- <u>General administrative and marketing activities</u>: i.e., phone calls, emails, networking meetings, reports.
- <u>DitchWitch, Perry, Oklahoma</u>: I met, and toured with: with Michael Grant, V.P. of Operations & Supply Chain, Jackie Williamson, Corporate Controller, and Alan Wilson, Inventory and Flow Manager. 10 years ago the FTZ savings was estimated at \$1 million and the stumbling block was the willingness to secure the facility. The company is now doing 2-3x more business and its anticipated that the FTZ savings will directly reflect that growth. Seeing that they sacrificed approx. \$10 million in FTZ savings for not investing in approx. \$200k in security has gotten their attention. I will be having further discussions and meetings with them in January after they have run the necessary preliminary calculations.
- <u>Magnesium Machine, LLC, Chickasha, Oklahoma</u>: I met,and toured with: Nick Yuan, President of Ecometal Inc. (Toronto) and of Ecometal Ltd. ((Hong Kong), Loren Swor of Magnesium Machine, Mike Raymond of The Oklahoma Mfg. Alliance, President/CEO, for the Chickasha Economic Development Council Christy Elkins, and two other engineers/investors from Magnesium Machine. The intent is to construct a foundry in Chickasha by the end of 2017. Nick has analised all of the available benefits that are available and feels confident that this project can go forward as planned. FTZ benefits would cover the imported mfg. equipment, as well. We plan on meeting again in January.
- <u>Delaware Nation Industries (DNEDA), Anadarko, Oklahoma</u>: I met, again, with Jerry Kennedy, President/CEO, and Paula Brown, VP, about their confidential existing prospect (I've signed a NDA with the DNEDA). The prospect is currently doing their preliminary analysis, and it looks very promising.
- Total Hours worked: 27 hours x \$50/hr = \$1350

TOTAL Invoice

Foreign-Trade Zone #106 Marketing Activity Billing Report Hours worked: 27 hours x 50/hr = 1350Time Period: 11/1 - 11/30/16Submitted by Matthew Weaver

Project	Activity	Time
General Administrative and Marketing	Responding to FTZ inquiries; research; general networking	10
Prospect Follow-ups	Research & Follow-up	3
Wilspec	Meeting/Communications	2
Oklahoma Consular Summit	Follow-ups	2
DitchWitch, Perry, Oklahoma	Meeting/Conversations	3
Delaware Nation, Anadarko, Oklahoma	Meeting/Conversations	3
Magnesium Machine, Chickasha, Oklahoma	Meeting/Conversations	3
Lopez Foods	Meeting/Conversations	1

Billable Time: 27 hours **Total Due:** \$1350

TOTAL Invoice Foreign-Trade Zone #106 Marketing Activity Billing Report Hours worked: 27 hours x 50/hr = 1350**Time Period**: 12/1 – 12/31/16 Submitted by Matthew Weaver

Project	Activity	Time
General Administrative and Marketing	Responding to FTZ inquiries; research; general networking	8
Prospect Follow-ups	Research & Follow-up	3
DitchWitch, Perry, Oklahoma	Meeting/Conversations	6
Delaware Nation, Anadarko, Oklahoma	Meeting/Conversations	4
Magnesium Machine, Chickasha, Oklahoma	Meeting/Conversations	6

Billable Time: 27 hours **Total Due:** \$1350