

AGENDA
PORT AUTHORITY OF THE GREATER OKLAHOMA CITY AREA
Special Meeting
Wednesday, March 30, 2016 at 12:00 noon
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 January 20, 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, May 18, 2016
- 8.* Adjournment

*Action Required

MINUTES
PORT AUTHORITY OF THE GREATER OKLAHOMA CITY AREA
REGULAR MEETING
WEDNESDAY, JANUARY 20, 2016 - 12:00 NOON
THE ALLIANCE CONFERENCE ROOM
OKLAHOMA CITY, OK

Board Members in Attendance: Barry Murphy, Chairman; Mark Stansberry, Richard Tanenbaum and Chuck Mills

Board Members Absent: Erika Lucas

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

1. Call to Order at 12:00 p.m.

2.* Approve Minutes of November 18, 2015 Port Authority Meeting

APPROVED. Moved by Mark Stansberry; seconded by Chuck Mills; Ayes: Mills, Stansberry, Tanenbaum and Murphy

3.* Accept Financial Reports

Presentation made by Susan Barrett, City of Oklahoma on Financial Reports dated December 31, 2015.

ACCEPTED. Moved by Chuck Mills; seconded by Mark Stansberry; Ayes: Mills, Stansberry, Tanenbaum and Murphy

4. Consultant Report – Matthew Weaver

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

Discussion: General Administrative & Marketing
Century Martial Arts
Confidential Prospect
Citizen Potawatomi Nation
Annual Report

5.* Ratify and Approve Payment of Claims and Invoices. Matthew Weaver, FTZ Marketing Director's time 11/1/15 to 12/31/15: \$1,900

APPROVED. Moved by Chuck Mills; seconded by Richard Tanenbaum; Ayes: Mills, Stansberry and Murphy

6. Receive Comments from Members, Staff and Citizens

7. Schedule of Next Meeting – Wednesday, March 16, 2016

8.* ADJOURNMENT – 12:31 p.m.

Moved by Chuck Mills; seconded by Mark Stansberry; Ayes: Mills, Stansberry, Tanenbaum and Murphy

*Action Required

Foreign Trade Zone #106 Marketing Activity Report & Invoice

November 1st, 2015 – November 30th, 2015

Matthew S. Weaver

Date: November 2015

Activities:

- General administrative and marketing activities. i.e., phone calls, emails, networking meetings.
- Prepared for, attended and reported on FTZ #106 activities at the FTZ #106 Board Meeting.
- Century Martial Arts: Consulted with Amie hanchian, of KPMG, Camille Evans of the FTZB, and then met with Debbie Lumry, International Sales Acct. Manager, about presentation she is to make to Century's Vice President, David Wahl, on November 24th. Debbie understands that she is not obligated to use KPMG's services if David decides that Century should pursue application. There are approximately \$23-\$40K in KPMG's proposal of services that can be eliminated due to the redundancies of working with me on their application. Rule #1 for a company to pursue FTZ benefits is to know that their first year savings will pay for all start-up costs and generate a positive cash-flow, in their case the savings on MPFs, almost by themselves, justifies the pursuit. Start-up costs are approximately \$200K. Debbie's meeting was successful in that I now have a personal meeting scheduled with David, on the 17th of December, to recommend that they pursue FTZ status and to answer any questions he may have.
- Confidential Prospect, update: This company, a manufacturer and distributor in the oil and gas industry, continue to be in constant contact with me as they work on their New Production Authority request application for the FTZ #106 and the FTZB, as part-and-parcel to their parallel application to request FTZ Usage-Driven Site designation. I did hear back from them the first week of November and they are still considering their next steps with approaching their Corporate HQ. It is of KPMG's opinion that the cost-benefit analysis shows that they should definitely pursue FTZ benefits. Inventory tax is very large due to the size/value of their components, and MPFs savings are substantial.
- Continued research into targeted industries - I've initiated contact with: Derek Coffee, CFO for Allied Engines; Charlotte Chowning of JASCO, works with CFO Scott Busby; and Ed Sanchez of with Lopez Foods. I've also spoken with Mike Chumo, Retention Manager for the Greater Chamber, about possible prospects and to encourage him to let me have a meeting with his retention team.
- Citizen Potawatomi Nation: I had an extended on-site visit with Jim Collard, CPN's Director of Economic Development, about their new marketing materials, target countries and industries, and Iron Horse development progress/plans.
- **Hours worked:** 22 hours x \$50/hr = \$1100

Foreign Trade Zone #106 Marketing Activity Report & Invoice
December 1st, 2015 – December 31st, 2015
Matthew S. Weaver

Date: December 2015

Activities:

- General administrative and marketing activities. i.e., phone calls, emails, networking meetings.
- Century Martial Arts: Prepared for, and met with David Wahl, Senior VP, and Debbie Lumry, Intl. Sales Acct. Mgr.. I presented the projected net annual savings and cost breakdown for the next 5 years for Century, if they were to pursue FTZ benefits. By all indicators, Century would be able to cover all first-year start-up costs associated with the implementation of new software, et.al., and have a significant 6 figure profit due to the one time benefit of keeping all new incoming inventory with privileged foreign status. David's background is in finance and I was able to put him at ease with all of his concerns/questions. He will presenting this to the rest of the senior management Team, the first of January, and he hopes I'll be able to meet with the group, shortly thereafter
- Annual Report: In anticipation of filing FTZ #106's Annual Report to the FTZB, I contacted our customers to prepare their information for submission.
- Citizen Potawatomi Nation: At Jim Collard's request, I prepared and sent to him relevant marketing material information for inclusion in CPN's new marketing packets.
- **Hours worked:** 16 hours x \$50/hr = \$800

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 Eight Months Ended February 29, 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: March 9, 2016

SUBJECT: Port Authority of the Greater Oklahoma City Area (Port Authority) Financial Schedules for the Eight Months Ended February 29, 2016 and February 28, 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 eight months ended February 29, 2016 and 2015.


Current year to date receipts totaled \$4,018.62. This compares to prior year to date receipts of \$2,338.45 for an increase of \$1,680.17. The increase in receipts is due primarily to the warehouse operator fee from Biagi Warehousing Incorporation of \$4,000.00 was received in the current year in advance.

Current year to date disbursements totaled \$9,597.95. This compares to prior year to date disbursements of \$7,161.61 for an increase of \$2,436.34. 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. Consultant fees increased \$4,100.00. Also, in the prior year, the application fee for Citizen Potawatomie Nation Iron Horse Industrial Park was sent to the U.S. Department of Commerce for \$1,600.00. In the current year, a membership fee was paid to the National Association of Foreign Trade Zone for \$1,250.00 compared to \$1,200.00 paid in the prior year, for an increase of \$50.00.

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

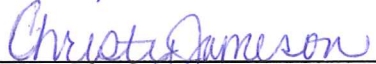
The financial schedules are unaudited and prepared for internal use only. The financial schedules are prepared by the City of Oklahoma City, Finance Department, Accounting Services Division. The undersigned are prepared to answer any questions you may have pertaining to the financial schedules.

Prepared by:




Susan M. Barrett
Municipal Accountant II

Reviewed by:



Christy D. Jameson, CPA
Accounting Manager

Approved for issuance:



Laura L. Papas
Controller

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
For the Eight Months Ended February 29,
(unaudited)

PORT AUTHORITY OF THE
GREATER OKLAHOMA CITY AREA

	<u>2016</u>	<u>2015</u>
<u>RECEIPTS</u>		
Warehouse operator fees - Biagi Warehousing, Inc. -----	\$4,000.00	\$2,332.98
Interest on checking -----	18.62	5.47
Total receipts -----	<u>4,018.62</u>	<u>2,338.45</u>
<u>DISBURSEMENTS</u>		
Checks issued for previous period-----	6,050.00	6,100.00
Checks issued for the two months ended February 29,		
Consultant fees - 1245 Matthew Weaver-----	-	800.00
Consultant fees - 1254 Matthew Weaver-----	800.00	-
Consultant fees - 1255 Matthew Weaver-----	1,350.00	-
Membership - 1256 NAFTA-----	1,250.00	-
Total checks issued for two months ended February 29,-----	<u>3,400.00</u>	<u>800.00</u>
Bank fees -----	147.95	261.61
Total disbursements -----	<u>9,597.95</u>	<u>7,161.61</u>
Net increase (decrease) in cash -----	(5,579.33)	(4,823.16)
Beginning cash - July 1,-----	<u>44,826.82</u>	<u>36,859.86</u>
Ending cash - December 31,-----	<u>\$39,247.49</u>	<u>\$32,036.70</u>

SUPPLEMENTAL LISTING OF CHECKS ISSUED
FISCAL YEAR 2016
For the Eight Months Ended February 29, 2016
(unaudited)

PORT AUTHORITY OF THE
GREATER OKLAHOMA CITY AREA

Previously Reported

1249	Matthew Weaver -----	\$1,000.00
1250	Matthew Weaver -----	1,750.00
1251	Matthew Weaver -----	1,050.00
1252	Matthew Weaver -----	1,150.00
1253	Matthew Weaver -----	1,100.00
	Total-----	<u>\$6,050.00</u>

Currently Reported

1254	Matthew Weaver -----	\$800.00
1255	Matthew Weaver -----	1,350.00
1256	NAFTZ-----	1,250.00
	Total-----	<u>\$3,400.00</u>
	Total-----	<u>\$9,450.00</u>

**SUPPLEMENTAL LISTING OF CHECKS ISSUED
FISCAL YEAR 2015
For the Eight Months Ended February 28, 2015
(unaudited)**

**PORT AUTHORITY OF THE
GREATER OKLAHOMA CITY AREA**

Previously Reported

1238	Matthew Weaver -----	\$1,500.00
1239	U.S. Department of Commerce-----	1,600.00
1242	Matthew Weaver -----	1,125.00
1243	Matthew Weaver -----	675.00
1244	NAFTZ-----	1,200.00
	Total-----	<u><u>\$6,100.00</u></u>

Currently Reported

1245	Matthew Weaver -----	<u><u>\$800.00</u></u>
	Total-----	<u><u>\$6,900.00</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 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.

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.

Foreign Trade Zone #106 Marketing Activity Report & Invoice
January 1st, 2016 – January 31st, 2016
Matthew S. Weaver

Date: January 2016

Activities:

- General administrative and marketing activities. i.e., phone calls, emails, networking meetings.
- Preparation and presentation of marketing activity report, and discussion at FTZ #106 Board Meeting. I will have developed a manufacturers/distributors prospecting list for the Board to review and too discuss brokering meetings for me with the appropriate contacts.
- Century Martial Arts: Assisted Debbie Lumry, Intl. Sales Acct. Mgr., with re-formatting and customizing her presentation to the senior management Team, re-scheduled for Feb. 2nd.
- Shawnee Economic Development Foundation: I met with Tim Burg, Executive Director of SEDF, about FTZ #106's ASF designation and the new marketing advantages he can take advantage of. Tim immediately arranged a meeting with Georg Fischer Piping System's VP of Operations, Bryan Lucas, and will work on 3 other viable candidates for presentations.
- Georg Fischer Piping Systems, Shawnee, Oklahoma: I met with Bryan Lucas, VP of Operations, and Sarah Coleman, Purchasing Manager, about qualifying for FTZ status. GF imports roughly \$25 million of dutiable products and components for distribution and manufacturing from China, Italy, England, Switzerland, Germany, and Mexico - approximately 70 containers a year. Impressive operation! They have experienced the hassles of pursuing duty-drawbacks, in the past, and believe that FTZ status could provide the payback/cashflow management they've been working on. They were approached by a representative of FTZ #106, about 10 years ago, and did not feel they were given a very adequate explanation about how FTZ status could work for them, after hearing from me. (I did not know this until Bryan was walking with me after the meeting.) Bryan explained the international corporate structure and feels confident that FTZ benefits could be incorporated in other GF North American operations. I will arrange a meeting with the VF facility in Seminole, and with VF's corporate FTZ administrator, Joan Dressler for Bryan's and Sarah's questions about how the process works for them. I anticipate meeting with them again in February.
- Citizen Potawatomie Nation: I met with Jim Collard and his assistant, Ashley Gonzales, about their new website IronHorseCPN.com content and is new international powerpoint presentation slides. We also spoke, in-depth, about customizing his approach to selling vs. marketing vs. managing the Iron Horse FTZ site. I needed to clarify for him, again, why CPN is not a Grantee nor would they want to be. He is headed to D.C., in June, to participate with ODOC's booth at the Select U.S.A. conference. CPN's targeted industries for Iron Horse are renewable energy source component manufacturers. We spoke of the need to not get so narrowly focused as to miss out on other opportunities.

- Chickasha Economic Development Council: I had conversations with Christy Elkins, CEO of the CEDC, and will travel to meet with her in February.
- Aircraft Structures, Enid, Oklahoma: I spoke with Mickey Stowers, President, and Dan Ohnesorge, Enid Airport Director, about Mickey's expansion plans at FTZ #106's Magnet Site at the Enid airport. His business plan includes non-aeronautical business ventures with goods coming from South American countries. He is at the mid-planning stage, quite complicated and will require serious capital outlays, which he is willing to invest in. I plan to go meet with him in February.
- Chickasaw Nation: Met with Hon. Dan Boren, Pres. of Corporate Development at the Chickasaw Nation Department of Commerce, about the Tribe's Magnet Site in Ada, Ok.. Dan has arranged another meeting with him, Danny Hilliard, David Taylor, and Erica Rixen to discuss how to use an FTZ Magnet Site as a competitive differentiator for their corporate development strategy(s). We meet on the 11th of February.
- Targeted Board Prospect List: Compiling information for distribution at March Board Meeting.
- **Hours worked:** 27 hours x \$50/hr = \$1350

Foreign Trade Zone #106 Marketing Activity Report & Invoice
February 1st, 2016 – February 29th, 2016
Matthew S. Weaver

Date: February 2016

Activities:

- General administrative and marketing activities. i.e., phone calls, emails, networking meetings, meeting with Board President
- Century Martial Arts: Met with Michael Dillard, CEO, Mike Dillard, Business Analyst, Debbie Lumry, Intl. Sales Acct. Mgr., in preparation for the full senior management team meeting on March 2nd.
- Shawnee Economic Development Foundation: Follow-up conversations and recommendations with Tim Burg, on future meeting format for presenting to postnatal business prospects.
- Georg Fischer Piping Systems, Shawnee, Oklahoma: Follow-up conversations with Bryan Lucas, plant manager, regarding recommendations and fact sheets for him to utilize when broaching conversations with his superiors.
- Chickasha Economic Development Council: I met with Christy Elkins, CEO of the CEDC, about FTZ #106's new operating structure, marketing tips to local prospects, and setting-up a speaking presentation for one of her informational forums with a follow-up strategy to be put in place for me to visit prospects.
- Guthrie Airport FTZ Magnet Site: I met with Schellon Stanley, new Airport Manager, about the basics of FTZ and how she can work with her City and County economic development entities to recruit targeted, benefit qualifying, prospects to the airport.
- Chickasaw Nation: I had an extensive meeting with: Hon. Dan Boren, Pres. of Corporate Development; Danny Hilliard V.P. of Corporate Development; David Taylor, Corporate Real Estate Development, about the Tribe's Magnet Site in Ada, Ok., which Sunsets in 2017, and about utilizing FTZ as an economic development tool for the Tribe. They are mostly interested in the former, rather than in the latter. I expect to have another follow-up meeting in early Spring.
- REI/FTZ #227: Meeting with Scott Dewald, CEO, and Sherry Harlin, Senior V.P. of Development, about their responsibilities of being a Grantee – at Scott's request. This included, but was not limited to, general administrative and marketing requirements. REI has a new regional office in downtown/Bricktown, Oklahoma City, and are wanting to make sure they understand their role(s) as a Grantee. REI functions as a traditional, non-profit lender of 504 loans and associated services, and are looking to their status as a Grantee to be more progressive/aggressive in its economic development strategies. I re-affirmed FTZ #106's commitment to working collaboratively with all 3 of the other Grantees in the State, and would hope that any viable prospects that they are unable to sponsor, that reside within our service area, they would put us in contact with.
- Targeted Board Prospect List: Continued compiling targeted prospect list information for distribution at March Board Meeting.
- **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 = \$1350
Time Period: 1/1 – 1/31/16
 Submitted by Matthew Weaver

Project	Activity	Time
General Administrative and Marketing	Responding to FTZ inquiries; target market research; Networking; Board Meeting; New Board Prospecting List Dev.	12
Century Martial Arts	Meeting preparation and presentation to senior VP	1
Citizen Potawatomic Nation	Web site, marketing materials and consultative selling consultation techniques	3
Shawnee Economic Development Foundation	Meeting with Executive Director	2
Georg Fischer Piping Systems, Shawnee, Ok.	Meeting about FTZ benefits, status, application process and supply chain management opportunities	4
Aircraft Structures, Enid	FTZ conversations with airport director, and company, and how they may fit into company's expansion plans at FTZ #106's Magnet Site at the airport	2
Chickasha Economic Development Council	Conversations with CEO	1
Chickasaw Nation	Preliminary discussions to arrange a CN Dept. of Commerce staff meeting/presentation about FTZ #106's Magnet Site at the ICON Center in Ada, Ok. Sunsets in 2017	2

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: 2/1 – 2/29/16

Submitted by Matthew Weaver

Project	Activity	Time
General Administrative and Marketing	Responding to FTZ inquiries; target market research; Networking; Meeting with Board President; New Board Prospecting List Dev.	14
Century Martial Arts	Meeting with CEO and FTZ support-oriented staff	3
Shawnee Economic Development Foundation	Follow-ups	1
Georg Fischer Piping Systems, Shawnee, Ok.	Follow-ups	1
Chickasha Economic Development Council	Meeting, tour with CEO	4
Chickasaw Nation	Meeting CN Dept. of Commerce senior staff about FTZ #106's Magnet Site at the ICON Center in Ada, Ok. Sunsets in 2017	3
Guthrie Airport Magnet Site	Meeting with airport manager	1

Billable Time: 27 hours

Total Due: \$1350

INVOICE 3254

National Association of Foreign-Trade Zones
National Press Building
529 14th Street NW, Suite 1071
Washington, DC 20045



Barry Murphy
Port Authority of Greater Oklahoma City
105 North Hudson Suite 101
Oklahoma City Oklahoma 79102

Invoice # 3254
Invoice Date 02/02/2016
Invoice Due 03/03/2016

Amount Due	1250.00
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Invoice Details

Description	Amount
2016 NAFTZ Membership Invoice	1250.00

Amount Due	1250.00
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