

AGENDA
PORT AUTHORITY OF THE GREATER OKLAHOMA CITY AREA
SPECIAL MEETING
WEDNESDAY, SEPTEMBER 26, 2018 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 July 26, 2018 Special Port Authority Meeting
- 3.* Accept Financial Reports
4. Consultant Report – Matthew Weaver
- 5.* Authorization to Negotiate a Professional Services Agreement with Ernst & Young, LLP for the FTZ 106 Marketing & Business Development Plan
- 6.* Ratify and Approve Payment of Claims and Invoices
7. Receive Comments from Members, Staff and Citizens
8. Schedule of Next Meeting – Wednesday, November 21, 2018
- 9.* Adjournment

*Action Required

MINUTES
PORT AUTHORITY OF THE GREATER OKLAHOMA CITY AREA
SPECIAL MEETING
THURSDAY, JULY 26, 2018 - 12:00 NOON
THE ALLIANCE CONFERENCE ROOM
105 NORTH HUDSON, SUITE 101
OKLAHOMA CITY, OK

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

Board Members, Absent: 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, Nicolle Goodman and Pam Lunnon, The Alliance for Economic Development of OKC; Andrea Carter, Bill Heckenkamp and Robert Mace, Midship Pipeline Company, LLC; James Grogan, Ernst & Young and Darla Slipke, The Oklahoman

1. Call to Order at 12:00 noon
- 2.* Approve Minutes of May 16, 2018 Regular Port Authority Meeting

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

- 3.* Accept Financial Reports

Presentation made by Susan Barrett, City of Oklahoma on Financial Reports dated June 30, 2018.

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

4. Consultant Report – Matthew Weaver
(see attached Consultant Report)
Discussion: General Administrative & Marketing
Xerox, Mustang, OK
Greater Oklahoma City Chamber of Commerce, OK
Climate Control Group, Oklahoma City, OK
Chickasha ED Council, Chickasha, OK
Eastman Kodak, Weatherford, OK

- 5.* Receive and Approve request for FTZ Subzone Application for a site in Pocasset, Oklahoma from Midship Pipeline Company LLC, and it's parent company Cheniere Energy

Presentation made by Andrea Carter, Midship Pipeline Company, LLC and James Grogan, Ernst & Young. Midship is developing a new 200-mile US natural gas pipeline project to connect the natural gas emerging from the SCOOP to STACK plays in Oklahoma's Anadarko Basin to the Gulf Coast area. The overall pipeline project will include a new-build mainline pipeline as well as three compressor stations, two lateral pipelines with booster station and associated facilities.

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

- 6.* Ratify and Approve Payment of Claims and Invoices. Matthew Weaver, FTZ Marketing Director's time from 05/01/18 to 06/30/18

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

9. Receive Comments from Members, Staff and Citizens

10. Schedule of Next Meeting – Wednesday, September 19, 2018

- 10.* ADJOURNMENT – 12:21 p.m.

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

*Action Required

Foreign Trade Zone #106 Marketing Activity Report & Invoice

May 1st, 2018 – May 31st, 2018

Matthew S. Weaver

Date: May 2018

Activities:

- General administrative and marketing activities: i.e., USCBP meeting; conversations with FTZB; Greater Oklahoma City Chamber of Commerce inquiries; Oklahoma Department of Commerce inquiries;; OGE initiatives; Board meeting preparations; other networking opportunities; phone calls; report preparations; emails; etc.
- Xerox, Mustang, Ok.: Site visit and conference calls with plant manager and FTZ Corp. Compliance Officer about the reactivation of FTZ #106D. # new chemicals are being imported from Asia and they are looking to defer/eliminate the duties and reduce their MPF's. The products will then be Zone-to-Zone transferred to the Xerepx facility in Webster, NY. I've had the appropriate conversations and meetings with USCBP and the FTZB in regards to the administration of the processes involved - Xerox is moving forward with hopes of having them reactivated by end of 3rd quarter.
- Greater Oklahoma City Chamber of Commerce, Oklahoma City: I prepared and presented a training session to acting VP of ED Richard Clements, and his BRE Team about FTZ #106 as a tool for their retention efforts.
- **Total Hours worked:** 30 hours x \$50/hr = \$1500

Foreign Trade Zone #106 Marketing Activity Report & Invoice

June 1st, 2018 – June 30th, 2018

Matthew S. Weaver

Date: May 2018

Activities:

- General administrative and marketing activities: i.e., USCBP meeting; conversations with FTZB; Greater Oklahoma City Chamber of Commerce inquiries; Oklahoma Department of Commerce inquiries; OGE initiatives; other networking opportunities; phone calls; Operator's Agreement modifications; emails; etc.
- Xerox, Mustang, Ok.: Follow-up conversations with the FTZB, USCBP, and Xerox regarding next steps for the potential of reactivating the Site in Mustang, Ok.. Visits are being considered for July.
- Climate Control Group, Oklahoma City: Follow-up conversations and materials regarding supply chain management scenario planning around increasing imports.
- Chickasha Economic Development Council: Conversations with their CEO Christy Elkins concerning new prospects and the marketing of the business park.
- Kodak, Weatherford, Ok.: Multiple conversations with Scott Taylor, of Miller & Co, the FTZB and USCBP concerning security visit, Operator's Agreement, and Activation time-lines.
- **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
Dustin Anderson

Management

James D. Couch, General Manager

Financial Report for the Two Months Ended August 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: September 12, 2018

SUBJECT: Port Authority of the Greater Oklahoma City Area (Port Authority) Financial Schedules for the Two Months Ended August 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 two months ended August 31, 2018 and 2017.

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

Current year-to-date disbursements totaled \$4,500.00. This compares to prior year-to-date disbursements of \$2,750.00 for an increase of \$1,750.00 for consulting fees. 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 schedules are preliminary and may change. However, any changes are expected to be immaterial. Significant changes would result in reissuance of the schedules.

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:



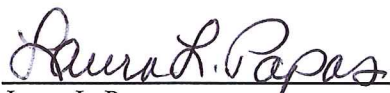
Susan M. Barrett
Municipal Accountant I

Reviewed by:



Christy D. Jameson, CPA
Accounting Manager

Approved for issuance:



Laura L. Papas
Controller

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
For the Two Months Ended August 31, 2018 and 2017
(unaudited) (preliminary)

PORT AUTHORITY OF THE
GREATER OKLAHOMA CITY AREA

	<u>2018</u>	<u>2017</u>
<u>RECEIPTS</u>		
Application fee for Midship Pipeline Company LLC-----	\$9,000.00	\$ -
<u>DISBURSEMENTS</u>		
Checks issued for the two months ended August 31, 2018 and 2017		
Consultant fees - 1283 Matthew Weaver-----	-	1,500.00
Consultant fees - 1284 Matthew Weaver-----	-	1,250.00
Consultant fees - 1299 Matthew Weaver-----	1,500.00	-
Consultant fees - 1300 Matthew Weaver-----	1,500.00	-
Consultant fees - 1301 Matthew Weaver-----	1,500.00	-
Total disbursements-----	<u>4,500.00</u>	<u>2,750.00</u>
Net increase (decrease) in cash-----	4,500.00	(2,750.00)
Beginning cash - July 1,-----	<u>28,722.89</u>	<u>39,622.49</u>
Ending cash - August 31,-----	<u><u>\$33,222.89</u></u>	<u><u>\$36,872.49</u></u>

SUPPLEMENTAL LISTING OF CHECKS ISSUED
FISCAL YEAR 2019
For the Two Months Ended August 31, 2018
(unaudited) (preliminary)

PORT AUTHORITY OF THE
GREATER OKLAHOMA CITY AREA

<u>Currently Reported</u>	
1299 Matthew Weaver-----	1,500.00
1300 Matthew Weaver-----	1,500.00
1301 Matthew Weaver-----	<u>1,500.00</u>
Total-----	<u><u>\$4,500.00</u></u>

SUPPLEMENTAL LISTING OF CHECKS ISSUED
FISCAL YEAR 2018
For the Two Months Ended August 31, 2017
(unaudited) (preliminary)

PORT AUTHORITY OF THE
GREATER OKLAHOMA CITY AREA

<u>Currently Reported</u>	
1283 Matthew Weaver-----	\$1,500.00
1284 Matthew Weaver-----	<u>1,250.00</u>
Total-----	<u><u>\$2,750.00</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

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, 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.

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. 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. The City of Enid qualifies as a sub zone and has paid a fee but has no active zones at this time. The Citizen Potawatomi Nation Iron Horse Industrial Park sub zone fee of \$1,600.00 was 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 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 Weatherford, OK.

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
July 1st, 2018 – July 31st, 2018
Matthew S. Weaver

Date: July 2018

Activities:

- General administrative and marketing activities: i.e., USCBP meeting; conversations with FTZB; Greater Oklahoma City Chamber of Commerce inquiries; Oklahoma Department of Commerce inquiries; OGE initiatives; other networking opportunities; phone calls; Operator's Agreement modifications; emails; etc.
- Cheneire Energy, dba Midship Pipeline, Pocasset, Ok.: Meetings, conference calls, and administrative work required for the preparation of Midship to make application request to FTZ #106 Board for a Subzone Site for pipeline storage in Pocasset, Oklahoma. James Grogan, of EY, is the consultant for Bill Heckencamp, Andrea Carter, and Robert Mace of Cheneire/Midship, who all attended the Special Board Meeting. USCBP has been informed of the application, and Camille Evans of the FTZB has the draft application and has given immediate feedback as to some clarifications she is needing, the final application should be submitted by Aug. 1st, meeting the needs of Cheniere to have designation by Aug. 30th.
- Century Uniforms, Oklahoma City: Conversations with Debbie Lumry indicate another meeting with leadership in August.
- Charles Machine Works, dba DitchWitch, Perry, Oklahoma: Jacky Williamson has provided extensive information as to their imports from the top 25 countries they purchase from. The numbers indicate a substantial annual savings to them, I should be meeting with her Team the first week of August.
- Kodak, Weatherford, Ok.: Continued conversations with Scott Taylor, of Miller & Co, the FTZB and USCBP concerning security visit, Operator's Agreement, and Activation time-lines.
- **Total Hours worked:** 30 hours x \$50/hr = \$1500

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

Date: August 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; emails; etc.

- Cheneire Energy, dba Midship Pipeline, Pocasset, Ok.: Meetings, conference calls, and administrative work required for the preparation to make final application to the FTZB for a Subzone Site for pipeline storage in Pocasset, Oklahoma. There were a number of modifications to the application to satisfy questions about inventory taxes and the local taxing authorities concerns – the Operators Agreement was also modified to reflect those concerns. The Transmittal Letter also needed to be modified and resigned by Port Director Mark Kranenburg and re-submitted. The only item lacking for the final submission of the application is the USCBP's Port Director's Letter of Concurrence - she has been out of the office for health reasons and will not be able to have that available until the 7th of September.

- Century Uniforms, Oklahoma City: Met with Debbie Lumry and worked with updating their information for presentation to leadership.

- Charles Machine Works, dba DitchWitch, Perry, Oklahoma: I have engaged James Grogan of EY Global Trade to assist Jacky Williamson in the gathering of the final appropriate data to go forward with their due diligence for application as a Usage Driven Site. Our conference calls, and follow-up communications have been productive, the plan is to meet in September, in Perry, Oklahoma .

- **Total Hours worked:** 30 hours x \$50/hr = \$1500

TOTAL Invoice

Foreign-Trade Zone #106
 Marketing Activity Billing Report

Time Period: 7/1 – 7/31/18

Hours worked: 30 hours x \$50/hr = \$1500

Submitted by Matthew Weaver

Project	Activity	Time
General Administrative and Marketing	Annual Report; Responding to FTZ inquiries; FTZB/USCBP; research; support; general networking	16
Prospect Follow-ups	Research & Follow-up	1
Kodak	Operator's Agreement; Activation/Security visit logistics	2
DitchWitch	Communications, analysis	2
Cheneire/Midship	Application activities	9

Billable Time: 30 hours

Total Due: \$1500

TOTAL Invoice

Foreign-Trade Zone #106
Marketing Activity Billing Report

Time Period: 8/1 – 8/31/18

Hours worked: 30 hours x \$50/hr = \$1500

Submitted by Matthew Weaver

Project	Activity	Time
General Administrative and Marketing	Annual Report; Responding to FTZ inquiries; FTZB/USCBP; research; support; general networking	13
Prospect Follow-ups	Research & Follow-up	1
DitchWitch	Communications, analysis	2
Cheneire/Midship	Application modification activities; USCBP; EY	14

Billable Time: 30 hours

Total Due: \$1500