

AGENDA
PORT AUTHORITY OF THE GREATER OKLAHOMA CITY AREA
Regular Meeting
Wednesday, November 18, 2015 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 September 16, 2015 Port Authority Meeting
- 3.* Accept Financial Reports
- 4.* Approve Schedule of 2016 Meeting Dates
5. Consultant Report – Matthew Weaver
- 6.* Ratify and Approve Payment of Claims and Invoices
7. Receive Comments from Members, Staff and Citizens
8. Schedule of Next Meeting – Wednesday, January 20, 2016
- 9.* Adjournment

*Action Required

MINUTES
PORT AUTHORITY OF THE GREATER OKLAHOMA CITY AREA
REGULAR MEETING
WEDNESDAY, SEPTEMBER 16, 2015 - 12:00 NOON
THE ALLIANCE CONFERENCE ROOM
OKLAHOMA CITY, OK

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

Board Members Absent: Erika Lucas and Chuck Mills, Vice Chairman

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

1. Call to Order at 12:01 p.m.

2.* Approve Minutes of July 15, 2015 Port Authority Meeting

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

3.* Accept Financial Reports

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

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

4.* Ratify and Approve Contract with Matthew Weaver for Consultant Services

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

5. Consultant Report – Matthew Weaver

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

Discussion: General Administrative & Marketing
FDI Prospects
ODOC Client
Century Martial Arts

6.* Ratify and approve payment of claims and invoices. Matthew Weaver, FTZ Marketing Director's time 7/1/15 through 8/31/15 - \$1,750.00

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

7. Consider New Business
8. Receive Comments from Members, Staff and Citizens
9. Schedule of Next Meeting – Wednesday, November 18, 2015
- 10.* ADJOURNMENT – 12:21 p.m.

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

*Action Required

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

Date: July, 2015

Activities:

- General administrative and marketing activities. i.e., phone calls, emails, networking meetings.
- Prepared for, attended and presented marketing activity report at Foreign-Trade Zone #106 Board of Director's meeting.
- Edited/updated FTZ #106 information for the Oklahoma Department of Commerce's publication of "Oklahoma Incentives and Tax Guide".
- Meetings with OG&E representatives and associated economic development individuals in regards to two foreign direct investment manufacturers, looking to build in Oklahoma, about including incentive materials regarding the advantages of pursuing FTZ benefits.
- Century Martial Arts: a meeting with Debbie Lumry, International Sales Acct. Manager, provided me with the fees for 2014 that Century paid on their imported components. She will provide me a more accurate merchandise processing fee estimate in August. Fees paid are approximately \$146k. Further analysis will be need to be done in regards to the amount of inverted tariffs that can be utilized, potential duty deferral implications, reduction in brokerage fees, etc..
- Began new research into targeted industries, and associated companies, that would make viable candidates to approach for a discussion about FTZ benefits.
- **Hours worked:** 16 hours x \$50/hr = \$800

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

Date: August, 2015

Activities:

- General administrative and marketing activities. i.e., phone calls, emails, networking meetings.
- Consulted with Martin Roberts, with the Oklahoma Department of Commerce, about a retention/expansion client. This client imports a verified \$30 million in rifles and associated components to the U.S. and Martin has been working with this company about incentives to encourage them to consolidate and pursue expansion plans in Oklahoma, location(s) to be determined. Martin understands the importance of being able to add value to his client's needs and needed enough advice/information to share with them so as to arrange a meeting with me. The later part of September is the initial target for that meeting.
- Century Martial Arts: Consulted with Debbie Lumry, International Sales Acct. Manager, after having received all of the necessary data to do an analysis to see if she can present to the President in order to go to the next level to determine if pursuing FTZ status is something they wish to pursue. The data she has supplied to me is to remain confidential, but, preliminary analysis does show that pursuing benefits can provide a significant savings to Century Martial Arts. I have spoken with KPMG, not revealing the name of this prospect, about the viability of this prospect.
- Continued research into targeted industries, and associated companies, that would make viable candidates to approach for a discussion about FTZ benefits.
- **Hours worked:** 19 hours x \$50/hr = \$950

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 Four Months Ended October 31, 2015

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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For the Four Months Ended October 31, 2015

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MEMORANDUM

The City of OKLAHOMA CITY

TO: Port Authority Board of Directors

FROM: Accounting Services Division

DATE: November 4, 2015

SUBJECT: Port Authority of the Greater Oklahoma City Area (Port Authority) Financial Schedules for the Four Months Ended October 31, 2015 and 2014

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 four months ended October 31, 2015 and 2014.

Current year to date receipts totaled \$5.96. This compares to prior year to date receipts of \$1,336.15 for a decrease of \$1,330.19. The decrease in receipts is due primarily to the warehouse operator fee from Biagi Warehousing Incorporation of \$666.66 was received in the prior year in advance.

Current year to date disbursements totaled \$3,884.38. This compares to prior year to date disbursements of \$4,399.78 for a decrease of \$515.40. 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 \$1,175.00. 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.

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:

A handwritten signature in blue ink, appearing to read "Susan M. Barrett", written over a horizontal line.

Susan M. Barrett
Municipal Accountant II

Reviewed by:

A handwritten signature in blue ink, appearing to read "Christy D. Jameson", written over a horizontal line.

Christy D. Jameson, CPA
Accounting Manager

Approved for issuance:

A handwritten signature in blue ink, appearing to read "Laura L. Papas", written over a horizontal line.

Laura L. Papas
Controller

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
For the Four Months Ended October 31,
(unaudited) (preliminary)

PORT AUTHORITY OF THE
GREATER OKLAHOMA CITY AREA

| | <u>2015</u> | <u>2014</u> |
|---|---------------------------|---------------------------|
| <u>RECEIPTS</u> | | |
| Warehouse operator fees - Biagi Warehousing, Inc. ----- | \$- | \$1,333.32 |
| Interest on checking ----- | 5.96 | 2.83 |
| Total receipts ----- | <u>5.96</u> | <u>1,336.15</u> |
| <u>DISBURSEMENTS</u> | | |
| Checks issued for previous period----- | 1,000.00 | 3,100.00 |
| Checks issued for the two months ended October 31, | | |
| Consultant fees - 1242 Matthew Weaver----- | - | 1,125.00 |
| Consultant fees - 1250 Matthew Weaver----- | 1,750.00 | - |
| Consultant fees - 1251 Matthew Weaver----- | <u>1,050.00</u> | <u>-</u> |
| Total checks issued for two months ended October 31,----- | 2,800.00 | 1,125.00 |
| Bank fees ----- | 84.38 | 174.78 |
| Total disbursements ----- | <u>3,884.38</u> | <u>4,399.78</u> |
| Net increase (decrease) in cash ----- | (3,878.42) | (3,063.63) |
| Beginning cash - July 1,----- | 44,826.82 | 36,859.86 |
| Ending cash - October 31,----- | <u><u>\$40,948.40</u></u> | <u><u>\$33,796.23</u></u> |

SUPPLEMENTAL LISTING OF CHECKS ISSUED
FISCAL YEAR 2016
For the Four Months Ended October 31, 2015
(unaudited) (preliminary)

PORT AUTHORITY OF THE
GREATER OKLAHOMA CITY AREA

Previously Reported

| | | |
|------|----------------------|--------------------------|
| 1249 | Matthew Weaver ----- | \$1,000.00 |
| | Total----- | <u><u>\$1,000.00</u></u> |

Currently Reported

| | | |
|------|----------------------|--------------------------|
| 1250 | Matthew Weaver ----- | \$1,750.00 |
| 1251 | Matthew Weaver ----- | 1,050.00 |
| | Total----- | <u><u>\$2,800.00</u></u> |

| | |
|------------|--------------------------|
| Total----- | <u><u>\$3,800.00</u></u> |
|------------|--------------------------|

SUPPLEMENTAL LISTING OF CHECKS ISSUED
FISCAL YEAR 2015
For the Four Months Ended October 31, 2014
(unaudited) (preliminary)

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 |
| | Total----- | <u><u>\$3,100.00</u></u> |

Currently Reported

| | | |
|------|----------------------|--------------------------|
| 1242 | Matthew Weaver ----- | \$1,125.00 |
| | Total----- | <u><u>\$1,125.00</u></u> |
| | Total----- | <u><u>\$4,225.00</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.

Oklahoma City Port Authority

TO: Frances Kersey
City Clerk

FROM: Catherine O'Connor
Zone Administrator

DATE: November 18, 2015

SUBJECT: Port Authority of Greater Oklahoma City Area
2016 Schedule of Regular Meetings

TRUSTEES

Craig Knutson,

Chairman

Erika Lucas

Trustee

Charles Mills

Trustee

Barry Murphy,

Vice-Chairman

Richard Tanenbaun

Trustee

ZONE ADMINISTRATOR

Catherine O'Connor

Listed below is the 2016 calendar year schedule of regular meetings for the Port Authority of the Greater Oklahoma City Area. The meetings will be held at 12:00 p.m., in the offices of The Alliance for Economic Development of Oklahoma City, Inc., Conference Room, 105 North Hudson, Suite 101; Oklahoma City, Oklahoma.

Please note the meeting date falls on the third Wednesday of every other month, beginning with January 2016.

January 20, 2016

March 16, 2016

May 18, 2016

July 20, 2016

September 21, 2016

November 16, 2016

Please accept this memorandum as legal notification of regular meetings as required by Oklahoma Statutes, Title 25; Section 311.

Cc: All Board Members
Hailey Rawson, Assistant Municipal Counselor

Foreign Trade Zone #106 Marketing Activity Report & Invoice
September 1st, 2015 – September 30th, 2015
Matthew S. Weaver

Date: September 2015

Activities:

- General administrative and marketing activities. i.e., phone calls, emails, networking meetings.
- Century Martial Arts: Consulted with Debbie Lumry, International Sales Acct. Manager, about the opportunity to have an independent consulting company provide an analysis of the data she has collected, at no cost. I have walked through the numbers with her and determined that they could benefit from FTZ benefits and that there is a specialized export incentive scenario that they may also want to pursue. Debbie has contacted KPMG's Amie Ahanchian to have an analysis done and, if favorable, Debbie will approach senior management for a meeting with me
- Confidential Prospect: I have had facility tours, extensive meetings, and conference calls with a manufacturer and distributor in the oil and gas industry. I have approached VF Jeanswear, in Seminole, to provide an overview of their program and a tour of their facility – that meeting should take place first part of October. I've also spoken with Camille Evans of the FTZB about this prospect, and with our Port Director Marjorie Clark. This company has every intent of making an application request once KPMG completes their recommendation. I have been working with a member of their Leadership Team on the questions and necessary data required to complete the FTZB's New Production Authority request application, which must also accompany our Usage-Driven Site application. The NPA will be an excellent business analysis and supply chain management tool for them, regardless of them not pursuing FTZ status. I have also signed a non-disclosure agreement with this company.
- Continued research into targeted industries, specifically the energy sectors, and associated companies, that would make viable candidates to approach for a discussion about FTZ benefits.
- **Hours worked:** 21 hours x \$50/hr = \$1050

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

Date: October 2015

Activities:

- General administrative and marketing activities. i.e., phone calls, emails, networking meetings.
- Century Martial Arts: Consulted with Debbie Lumry, International Sales Acct. Manager, about the recommended information to be sent to Century's Vice President, David Wahl, prior to the presentation she will make to him on October 30th. We crafted the presentation in order to have it lead to a follow-up meeting with me, and his leadership team, about the next steps if they decide to pursue FTZ designation. At this point in the analysis, including the information and recommendations from KPMG's Amie Ahanchian, the synergistic benefits available to Century would warrant them to apply. There are some additional import/export benefit scenarios that can profitably play out as Century more effectively manages their global supply chain opportunities.
- Confidential Prospect, update: This company, a manufacturer and distributor in the oil and gas industry, has been 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. They are pursuing the scenario of becoming a FTZ designee as an internal process improvement tool – it's always good to work with organizations that are consistently on the path of taking their business operations from good-to-great. The visit to VF Jeanswear, in Seminole, to provide this company an overview of their active program and a tour of their facility, will take place once the financial impact analysis has been completed by KPMG and they have had a chance to consult with KPMG. I will hear back from them the first week of November as to the next steps they wish to pursue. The initial numbers that we've worked on are very encouraging.
- Continued research into targeted industries, specifically the energy sectors, and associated companies, that would make viable candidates to approach for a discussion about FTZ benefits. Other prime candidate companies/industries that have been targeted in the past, and are now being re-contacted that are not in the energy sectors, include: TEREX; United Engines; Lopez Foods; JASCO; Affinity; Goodyear Tires; Hitachi; IQ Apparel; KICKER.
- **Hours worked:** 23 hours x \$50/hr = \$1150

TOTAL Invoice

Foreign-Trade Zone #106

Marketing Activity Billing Report

Hours worked: 21 hours x \$50/hr = \$1050

Time Period: 9/1 – 9/30/15

Submitted by Matthew Weaver

| Project | Activity | Time |
|---|---|-------------|
| General Administrative and Marketing | Responding to FTZ inquiries; target market research; Networking | 11 |
| Confidential Prospect | Discussions about FTZ benefits/process; notices to FTZB and USCBP; 3 rd party audit consultant conversations | 8 |
| Century Martial Arts | FTZB consultations on textiles; USCBP; 3 rd party audit consultant conversation | 2 |

Billable Time: 21 hours

Total Due: \$1050

TOTAL Invoice

Foreign-Trade Zone #106

Marketing Activity Billing Report

Hours worked: 23 hours x \$50/hr = \$1150

Time Period: 10/1 – 10/31/15

Submitted by Matthew Weaver

| Project | Activity | Time |
|---|---|-------------|
| General Administrative and Marketing | Responding to FTZ inquiries; target market research; Networking | 10 |
| Confidential Prospect | Discussions about FTZ benefits/process; 3 rd party audit consultant conversations; Application(s) preparation consultation | 8 |
| Century Martial Arts | FTZB consultations on textiles; USCBP; 3 rd party audit consultant conversation | 5 |

Billable Time: 23 hours

Total Due: \$1150