

**AGENDA**  
**PORT AUTHORITY OF THE GREATER OKLAHOMA CITY AREA**  
**Special Meeting**  
**Wednesday, March 29, 2017 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 the January 18, 2017 Special 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 17, 2017
- 8.\* Adjournment

\*Action Required

**MINUTES**  
**PORT AUTHORITY OF THE GREATER OKLAHOMA CITY AREA**  
**SPECIAL MEETING**  
**WEDNESDAY, JANUARY 18, 2017 - 1:00 PM**  
**THE ALLIANCE CONFERENCE ROOM**  
**OKLAHOMA CITY, OK**

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

Board Members Absent: Chuck Mills, Mark Stansberry

Others Present: Ronda Dugone, Finance; Matthew Weaver, Marketing Director; Hailey Rawson, Municipal Counselor's Office, Mark Kranenburg, Airports and Pam Lunnon, The Alliance

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

2.\* Approve Minutes of November 16, 2016 Regular Port Authority Meeting

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

3.\* Accept Financial Reports

Presentation made by Ronda Dugone, City of Oklahoma on Financial Reports dated December 31, 2016.

**ACCEPTED.** Moved by Richard Tanenbaum; seconded by Erika Lucas; Ayes: Tanenbaum, Lucas 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  
Wilspec Technologies, Inc.  
Oklahoma Consular Summit  
DitchWitch  
Delaware Nation  
Magnesium Machine  
Lopez Foods

5.\* Ratify and Approve Payment of Claims and Invoices. Matthew Weaver, FTZ Marketing Director's time 11/1/16 to 12/31/16; \$2,700.00

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

6. Receive Comments from Members, Staff and Citizens

Mr. Murphy reported he and Matthew Weaver will be meeting on Friday with Anglin PR Firm concerning development of website and brochure material.

7. Schedule of Next Meeting – Wednesday, March 15, 2017

8.\* ADJOURNMENT – 1:11p.m.

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

\*Action Required

# Foreign Trade Zone #106 Marketing Activity Report & Invoice

November 1<sup>st</sup>, 2016 – November 30<sup>th</sup>, 2016

Matthew S. Weaver

**Date: November 2016**

## **Activities:**

- General administrative and marketing activities: i.e., phone calls, emails, networking meetings, reports, reached-out to Congressman Russell.
- Lopez Foods: 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.
- Consular Summit, Oklahoma: 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.
- DitchWitch, Perry, Oklahoma: I met with Jackie Williamson, Corporate Comptroller, and we will be meeting again on Dec. 6<sup>th</sup> 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.
- Wilspec Technologies, Inc: I've had a following-up meeting with Vanessa Gerber, Global Accounting Manager, and she is doing her due diligence for our next meeting.
- Magnesium Machine, LLC, Chickasha, Oklahoma: 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 12<sup>th</sup> to discuss the progress of establishing a foundry in the community.
- Delaware Nation Industries (DNEDA), Anadarko, Oklahoma: 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

# Foreign Trade Zone #106 Marketing Activity Report & Invoice

December 1<sup>st</sup>, 2016 – December 31<sup>st</sup>, 2016

Matthew S. Weaver

**Date: December 2016**

**Activities:**

- General administrative and marketing activities: i.e., phone calls, emails, networking meetings, reports.
- DitchWitch, Perry, Oklahoma: 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.
- Magnesium Machine, LLC, Chickasha, Oklahoma: 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 analysed 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.
- Delaware Nation Industries (DNEDA), Anadarko, Oklahoma: 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

# **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 28, 2017

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

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

**TABLE OF CONTENTS**

For the Eight Months Ended February 28, 2017

	Page Number
Letter of Transmittal	ii
Schedule of Cash Receipts and Disbursements	1
Supplemental Listing of Checks Issued, Eight Months Ended February 28, 2017	2
Supplemental Listing of Checks Issued, Eight Months Ended February 29, 2016	3
Notes to Financial Schedules	4



# MEMORANDUM

## The City of OKLAHOMA CITY

**TO:** Port Authority Board of Directors

**FROM:** Accounting Services Division

**DATE:** March 3, 2017

**SUBJECT:** Port Authority of the Greater Oklahoma City Area (Port Authority) Financial Schedules for the Eight Months Ended February 28, 2017 and February 29, 2016.

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 28, 2017 and February 29, 2016.

Current year-to-date receipts are \$4,000.00 as compared to the prior year receipts of \$4,018.62. 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 \$11,450.00. This compares to prior year-to-date disbursements of \$9,597.95 for an increase of \$1,852.05. The increase is due to increased consulting fees of \$2,000, offset by bank fees paid in the prior year of \$147.95. 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  
Ronda K. Dugone  
Municipal Accountant III

Reviewed by:

Christy D. Jameson  
Christy D. Jameson, CPA  
Accounting Manager

Approved for issuance:

Laura L. Papas  
Laura L. Papas  
Controller



**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
**For the Eight Months Ended February 28, 2017 and February 29, 2016**  
**(unaudited)**

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

	<u>2017</u>	<u>2016</u>
<b><u>RECEIPTS</u></b>		
Warehouse operator fees - Biagi Warehousing, Inc. -----	\$4,000.00	\$4,000.00
Interest on checking -----	-	18.62
Total receipts -----	<u>4,000.00</u>	<u>4,018.62</u>
<b><u>DISBURSEMENTS</u></b>		
Checks issued for previous period -----	8,650.00	6,050.00
Checks issued for the two months ended February 28, 2017 and February 29, 2016		
Consultant fees - 1254 Matthew Weaver -----	-	800.00
Consultant fees - 1255 Matthew Weaver -----	-	1,350.00
Membership - 1256 NAFTZ -----	-	1,250.00
Consultant fees - 1270 Matthew Weaver -----	1,350.00	-
Consultant fees - 1271 Matthew Weaver -----	1,450.00	-
Total checks issued for two months ended February 28, 2017 and February 29, 2016 -----	<u>2,800.00</u>	<u>3,400.00</u>
Bank fees -----	-	147.95
Total disbursements -----	<u>11,450.00</u>	<u>9,597.95</u>
Net increase (decrease) in cash -----	(7,450.00)	(5,579.33)
Beginning cash - July 1, -----	46,372.49	44,826.82
Ending cash - February 28, 2017 and February 29, 2016 -----	<u><u>\$38,922.49</u></u>	<u><u>\$39,247.49</u></u>

See accompanying notes to financial statements.

**SUPPLEMENTAL LISTING OF CHECKS ISSUED**  
**FISCAL YEAR 2017**  
**For the Eight Months Ended February 28, 2017**  
**(unaudited)**

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

**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-----	1,050.00
1267 Matthew Weaver-----	1,500.00
1268 Matthew Weaver-----	1,350.00
1269 FTZ Brochure Anglin Public Relations-----	850.00
Total-----	<u><u>\$8,650.00</u></u>

**Currently Reported**

1270 Matthew Weaver-----	1,350.00
1271 Matthew Weaver-----	1,450.00
Total-----	<u><u>\$2,800.00</u></u>

Total-----	<u><u>\$11,450.00</u></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><u>\$6,050.00</u></u>

**Currently Reported**

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

Total-----	<u><u>\$9,450.00</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.

## **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 \$4,000.00 from Biagi annually, payable in February of each year 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, 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 application 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 1<sup>st</sup>, 2017 – January 31<sup>st</sup>, 2017**  
**Matthew S. Weaver**

**Date: January 2017**

**Activities:**

- General administrative and marketing activities: i.e., phone calls, emails, networking meetings, met with Lori Johnson of Anglin PR, FTZ #106 Board meeting/prep.,
- DitchWitch, Perry, Oklahoma: I met with Jackie Williamson, Corporate Controller, to clarify application process questions and the data that needs to be pulled together for the next meeting with her Team.
- Magnesium Machine, LLC, Chickasha, Oklahoma: I had follow-up conference calls with the principals and the Chickasha Economic Dev. Council. Everything is moving forward for the final analysis – if the decision is made to establish the foundry in Chickasha the company plans on beginning construction this year.
- Delaware Nation Industries (DNEDA), Anadarko, Oklahoma: I've had multiple conversations with Jerry Kennedy, President/CEO, and Paula Brown, VP, about their confidential existing prospect (I've signed a NDA with the DNEDA). The prospect believes they will be ready for a face-to-face meeting in February.
- American Eagle Lighting Enterprises, Chickasha, Oklahoma: I met with: Daniel Dorman, CEO; Andy McArthur, CFO; and Christy Elkins, CEO of the Chickasha Economic Development Authority. This start-up company has an "exclusive" relationship with a Chinese LED manufacturer and is looking to provide assembly/packaging for distribution - the first of 4 U.S. distribution sites.
- Iron Horse Industrial Park, Shawnee, Oklahoma: I met with CPN Economic Development Director, Jim Collard, and his new administrative research analyst Courtney Palmer. CPN is on schedule for completing the necessary infrastructure for marketing the park as "shovel-ready". The main railroad tracks have been laid and a spur is being prepared to be put in, as well as for initial construction of a 40,000 sq.ft. general purpose warehouse. Jim shared his current focus is on recruiting Canadian based companies, specifically renewable energy products. We also discussed the type of conferences and associations he should consider getting/staying involved with, such as Select USA conference in D.C. where CPN will have their own booth this year
- Governors International Team, Oklahoma City: I attended its bi-monthly meeting, and holiday reception. I was able to give a very brief overview of FTZ's and their significance to the GIT's mission of marketing Oklahoma to foreign countries. The Chair suggested that I give a full presentation at the March meeting.
- **Total Hours worked:** 29 hours x \$50/hr = \$1450

**Foreign Trade Zone #106 Marketing Activity Report & Invoice**  
**February 1<sup>st</sup>, 2017 – February 28<sup>th</sup>, 2017**  
**Matthew S. Weaver**

**Date:** February, 2017

**Activities:**

- General administrative and marketing activities: i.e., phone calls, emails, networking meetings, annual invoices to VF Jeanswear and Biagi Bros., Tim Dickinson with Greater Chamber, Congressman Russell's office, Martin Roberts with ODOC, etc.
- DitchWitch, Perry, Oklahoma: Further follow-up with Jackie Williamson, Corporate Controller, on questions.
- Century Uniform: Conversations with Debbie Lumry about her making the case, again, to her management team. She has additional support working for her and they are pulling the past two years worth of data
- Top of The World, Norman, Oklahoma: I originally reached-out to them 4 years ago and have been in regular contact to encourage them to do some research to determine the feasibility of pursuing FTZ status. I'm now in contact with Kathy Wilkins of Alliance Operating Services, out of Dallas, who are a one-stop-shop for FTZ applicants and Users, who is now representing Top of The World. After a meeting to take place 3-2-2017, it looks like they will be making application at the May FTZ #106 Board Meeting.
- OEDC Economic Development Day at The Capital: I met with OEDC members about FTZ benefits being part of their conversations with legislators, and attended group meetings with legislators about their priorities and about OEDC's recommendations for positive legislation for Oklahoma.
- **Total Hours worked:** 30 hours x \$50/hr = \$1500

**TOTAL Invoice**

Foreign-Trade Zone #106

Marketing Activity Billing Report

**Hours worked:** 29 hours x \$50/hr. = \$1450

**Time Period:** 1/1 – 1/31/17

Submitted by Matthew Weaver

<b>Project</b>	<b>Activity</b>	<b>Time</b>
<b>General Administrative and Marketing</b>	Responding to FTZ inquiries; research; general networking; FTZ Board Meeting; Anglin PR	11
<b>Prospect Follow-ups</b>	Research & Follow-up	3
<b>Ditch Witch, Perry, Oklahoma</b>	Meeting/Conversations	2
<b>Delaware Nation, Anadarko, Oklahoma</b>	Meeting/Conversations	2
<b>Magnesium Machine, Chickasha, Oklahoma</b>	Meeting/Conversations	4
<b>Am. Eagle Lighting</b>	Meeting/Conversations	4
<b>Gov. International Team</b>	Meetings	3

**Billable Time:** 29 hours

**Total Due:** \$1450



**TOTAL Invoice**

Foreign-Trade Zone #106

Marketing Activity Billing Report

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

**Time Period:** 2/1 – 2/28/17

Submitted by Matthew Weaver

<b>Project</b>	<b>Activity</b>	<b>Time</b>
<b>General Administrative and Marketing</b>	E.D. Day at The Capital; Greater Chamber; Responding to FTZ inquiries; research; general networking; invoices	18
<b>Prospect Follow-ups</b>	Research & Follow-up	3
<b>Ditch Witch, Perry, Oklahoma</b>	Meeting/Conversations	1
<b>Top of The World</b>	Meeting/Conversations/Re search	6
<b>Century Uniform</b>	Meetings/Conversations	2

**Billable Time:** 30 hours

**Total Due:** \$1500