

Oklahoma Senate Committee on Appropriations

2019-20 Performance Report

Oklahoma Industrial Finance Authority

AGENCY MISSION STATEMENT:

A change to the Oklahoma Constitution created the Oklahoma Industrial Finance Authority in 1959. The Constitution directed the Agency to “Promote the expansion of Industry and Manufacturing activity in the State.” The OIFA embraced the purpose to aid and assist with Oklahoma’s industrial development by making loans to industrial development agencies for the acquisition of real property and equipment to be used by responsible industrial tenants. Through providing such loans the OIFA helps these companies provide additional employment and payrolls within Oklahoma and also helps diversify the State’s economy.

LEAD ADMINISTRATOR:

Michael D. Davis, President
Oklahoma Industrial Finance Authority
9220 North Kelley
Oklahoma City, Oklahoma 73131
405-842-1145, ext. 108
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GOVERNANCE:

OIFA functions under the direction of an eight member Board of Directors. The Governor appoints six members who are subject to the advice and consent of the Senate, for overlapping six (6) year terms. Of these six appointees, no two can be from the same congressional district and at least five must be from the financial community and have at least 15 years of experience. The remaining member of these six is an at-large recognized business person in the state of Oklahoma. The Director of the Oklahoma Department of Commerce is an ex-officio voting member. The State Treasurer serves as an ex-officio non-voting member. Only the Board of Directors has the authority to approve or deny a loan application. ***(See attached Board of Directors Roster)***

A Loan Committee exists to reviews loan applications, supporting materials and management’s recommendation to ensure that the loan meets standard lending policy prior to consideration by the full Board for approval or denial. The Loan Committee is made up of three members from the Board of Directors and staff of the OIFA.

The day-to-day management of the OIFA is vested in the president who is appointed by the Board of Directors of the Authority. The Authority currently has five full time employees including the president.

GOVERNANCE ACCOUNTABILITY:

There is no statutory attendance policy for the Board of Directors. However, attendance by the six appointed Board of Directors has been 94% of meetings attended for the three most recent full fiscal years with five of the six Directors having near perfect attendance. The Board of Directors average 16 years of service on the Board with many serving under multiple appointed six-year terms. One Director has served for 24 years, two for 19 years each, one for 18 years, one for 10 years and the most recently appointed for 4 years.

MODERNIZATION EFFORTS:

The OIFA is currently undertaking the following modernization initiatives:

- Business process reengineering to ensure that we are operating at maximum efficiency in delivering services and will not require additional FTE to maintain higher volumes of business
- Evaluating existing management reporting and improving quality and timeliness
- Imaging initiative designed to improve record accessibility, protect original documentation and reduce storage needs
- Automating loan covenant tracking to reduce exposure to loan losses.

CORE MISSION:

The OIFA, through industrial development agencies, lends monies on hard asset collateral for projects encompassing industrial, agricultural processing, manufacturing or enterprises which process mined resources and associated industries.

The OIFA is not required to provide services outside its core mission.

PRIVATE ALTERNATIVES:

A private sector service provider ***does not exist*** to provide tax-exempt loan solutions for industrial and manufacturing projects under the tax-exempt loan program of the OIFA.

Commercial banking institutions ***do exist*** to provide taxable loan solutions for industrial and manufacturing projects under the taxable loan program of the OIFA. However, it is not the intent of the OIFA to be in competition with banks, but rather a working partner and participate with banks in the lending process to meet the needs of Oklahoma industry. By sharing the collateral and risk, both public and private sector funds can be leveraged and dispersed more widely. Applicants are encouraged to request direct participation of their bank and OIFA will work with the applicant's bank to the fullest extent possible. Where a bank is involved as a participant, the OIFA may ask that bank to be the servicing agent. *The OIFA provides no other commercial banking services beyond real property and equipment lending.*

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BOARD OF DIRECTORS:

Name	Office	Term Expiration	Years of Service	Title Employer
HANK BRADLEY	Chairman	October, 2019	18	Executive Vice President, BancFirst; Oklahoma City, OK
ROGER WAGNER	Vice Chair	October, 2021	4	Executive Vice President, BancCentral; Woodward, OK
CHRIS CONDLEY	Secretary	October, 2022	19	Chief Executive Officer, Firststar Bank; Muskogee, OK
G. BRIDGER COX	Director	October, 2023	19	President, Citizens Bank & Trust Company of Ardmore; Ardmore, OK
D.R. SHIPLEY	Director	October, 2024	24	Retired, Banker; Tecumseh, OK
DON SMITH	Director	October, 2020	10	Attorney At Law; Lawton, OK
BRENT KISLING		Ex-Officio - Voting Member		Executive Director of Commerce
RANDY McDANIEL		Ex-Officio - Non-Voting Member		Treasurer of the State of Oklahoma