



CIEDA

CLAREMORE
INDUSTRIAL
& ECONOMIC
DEVELOPMENT
AUTHORITY

2014 Annual Report

ABOUT US

The Claremore Industrial and Economic Development Authority (CIEDA) is a public trust organization formed in 1948 under Oklahoma state law established to make efficient use of economic resources and to stimulate economic growth and development for the city of Claremore. CIEDA facilitates the recruitment, retention, and expansion of primary industry jobs, and expansion of the sales tax base through recruitment of new destination retail businesses.

A LETTER FROM THE CHAIRMAN OF THE BOARD

Two years ago, Houston-based Baker Hughes announced their intention to expand in our community which sent a clear message to the state and region—Claremore has the right mix of resources. As Claremore's largest employer, Baker Hughes is a leading supplier of services, products and technology for the oil and natural gas industry with three facilities in our community alone. This year, we celebrated the opening of their expansion at the Baker Hughes Artificial Lift Research and Technology Center which includes research laboratories for scientists and engineers to develop new products for the energy industry. With an investment of more than \$60 million, the facility is unlike any test facility in the world.

Right here in Claremore, Oklahoma.

The growth doesn't end with Baker Hughes. Early in the year, AXH Air-coolers acquired and renovated a dormant manufacturing facility to kick-off their expansion. As 2014 comes to an end, they continue construction of three additional facilities, bringing their footprint to over 500,000 square-feet across 67 acres. AXH air-coolers designs and manufactures air-cooled heat exchangers for the natural gas compression

and power generation industries. This year, they have added over 80 new jobs to our community, bringing their total employment to over 550. Not bad for a company that started out with 40 employees less than ten years ago. To top it off, they stepped up to sponsor a local elementary school, Stuart Roosa Elementary. We are thankful for their partnerships in our community. With over \$14 million in investments in 2014, they now tout the largest manufacturing complex of facilities in their industry.

Right here in Claremore, Oklahoma.

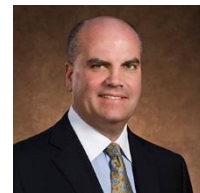
These are just a couple of the high profile successes for Claremore and CIEDA this past year, but I can assure you there were many more. It is a great time to be in Claremore, Oklahoma.

Sincerely,



Phil B. Albert

Chairman,
Claremore Industrial & Economic Development Authority





Baker Hughes invests \$60+ Million, Opens Industry's Premier Artificial Lift Technology Center

The Baker Hughes Artificial Lift Research and Technology Center (ALRTC) opened February 20, 2014. With an investment of more than \$60 million, the facility is unlike any test facility in the world.

According to Baker Hughes, "The ALRTC makes it possible for engineers to look 20 years into the future and anticipate industry demands and obstacles."

By locating the ALRTC adjacent to the Baker Hughes artificial lift product center, engineers from R&D, Manufacturing, Quality, and Reliability teams can work synergistically to develop, and test solutions to those problems.



AXH Air-Coolers Invests \$14+ Million in Facility Expansion

AXH Air-coolers broke ground in 2014 on their latest multi-million dollar expansion making their manufacturing complex the largest in their industry. The company designs and manufactures air-cooled heat exchangers for the natural gas compression and power generation industries.

This comes on the heels of the company's acquisition and renovation this past year of a 103,000 square foot adjacent vacant building left dormant and out of production for a number of years.

The three new buildings will comprise an additional 172,000 square feet on 29 adjoining acres and increases the size of the current facilities by 50%, resulting in a combined total of just over 500,000 square feet on 67 acres which will result in up to 120 new jobs since the first of the year.

The expansion boasts a big win for the City of Claremore, and serves as a successful case study in business retention and expansion.

"We cannot say enough good things about CIEDA and the City of Claremore and the continued support and cooperation that we've received from them since moving here in early 2005," says Ken Jones, President of AXH Air-Coolers.

Completion of the current expansion is scheduled for the first quarter of 2015.





HydroHoist Celebrates 50 Years as Global Market Leader

As the market originator and largest manufacturer of hydro-pneumatic boatlifts worldwide, HydroHoist is a privately held, multimillion dollar business with 70+ employees and a global market.

Their humble beginnings started in 1964 when Henry Rutter invented and patented the first hydro-pneumatic boat lift naming it the HydroHoist.

“We are proud of the legacy that has made HydroHoist a household name throughout the boating community— in the United States and internationally,” said CEO Mick Webber.

Webber began his employment at HydroHoist in the early 1980’s on the factory floor during

his high school years and became the lone salesperson for the company following college. During this time he built the foundation of their distribution network.

In 2006 HydroHoist acquired Rotational Technologies (Rotek), a rotational molding plastics plant located in Verdigris, which employs 40 people.

Today, they have five distribution warehouses located throughout the United States— California, Oklahoma, Texas, Missouri and Tennessee —and a network of more than 600 dealers.

Development Soaring at Claremore Regional Airport

Completion of the north taxiway extension stimulated expansion and development at Claremore Regional Airport creating the potential for eight new private box hangars ranging from 2,500 sq/ft to 3,500 sq/ft.

The extension also enables the airport to construct a 16,500 sq/ft 10 block T-hangar. Currently, three of the eight lots have been leased with one building complete and two under construction.

“The expansion we’ve experienced in the past few years is unprecedented for regional airports of our size,” said Eric Winn, Claremore Regional Airport Manager. “In this time, we’ve seen great strides in development.”

The Claremore Regional Airport is owned by City of Claremore and managed by CIEDA.

It has seen tremendous growth over the past five years including the construction of 15 new private and commercial hangars.

The airport has received more than \$6.1 million in federal grants and continues to stand out as premier facility in northeast Oklahoma.



Phase II Expansion of John Carle Boulevard Underway

Work is underway to expand John Carle Boulevard one year following the dedication of the road and multimodal rail spur. The \$180,000 expansion will provide paved access to the rail spur while simultaneously opening an entrance to future development.

The expansion results from a joint effort between CIEDA, Rogers County, and Grand Gateway Economic Development Association with funding from the Oklahoma Department of Commerce.

More than 600 acres with potential for manufacturing, warehouse and distribution facilities sit adjacent to the existing Claremore Industrial Park.

In 2013 a federal Economic Development Administration grant of nearly \$2 million, with \$500,000 in matching funds from the City of Claremore and CIEDA, helped finance the rail spur, which is operated by BNSF Railway.





St. John Expands Into New 20,000 Square-Foot Facility

St. John Health Systems opened a new clinic in November replacing its longtime presence at 3100 Medical Parkway.

The 20,000 square-foot facility will provide Claremore and surrounding communities with extended access to medical services, including primary care, urgent care, lab and X-ray services. It will also offer cardiology and obstetrics/gynecology specialty services.

“Through the addition of urgent care and specialties, this new location will provide

Claremore-area residents with additional access to high-quality healthcare services,” said Robert Kenagy, MD, senior vice president of the St. John Health Network.

“Our primary care providers have been serving patients there for more than 25 years, and we are proud to expand our service offerings and presence in Claremore.”

Claremore Startup Invests \$8 Million, Creates New Market Opportunities for Nano-Fiber Technology

Like most great start-ups, Claremore-based NXTGEN Filterworks' idea started on the back of a bar napkin at a patio restaurant in Denmark. Two short years later, they now have invested \$8 million in production processes and have nearly 40 employees.

The company develops innovations for the nano-fiber creation process bringing new market opportunities to a technology that has been around for more than 50 years.

Their immediate focus centers on supplying filter cartridges to gas turbine inlet customers in the global power generation market.

Other areas where nano-fibers could be applied include aerospace, electronics, structural materials, medical devices, medical delivery systems, automobile industries, and so much more.

As their name suggests, NXTGEN has its sights focused on new generations of products. Their pipeline of product development is extensive and much more is to come from the company.



Groundbreaking on 3 New Hotels Doubles Lodging Capacity



With three new hotels under construction Claremore is slated to have 240 new rooms by the second quarter of 2015.

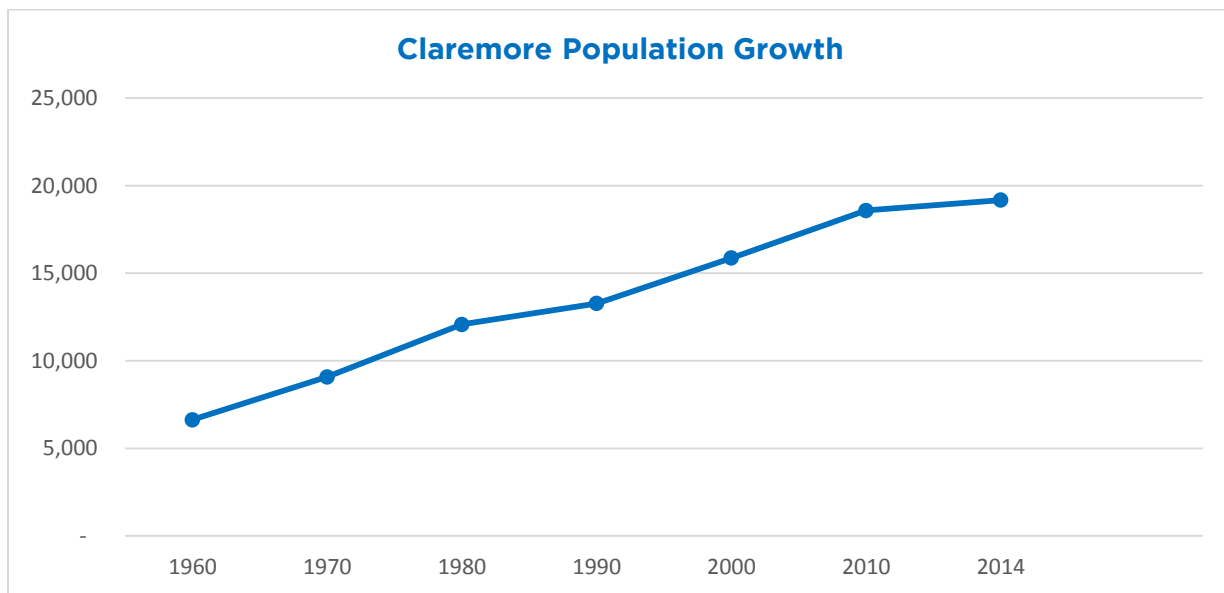
The addition of the Holiday Inn Express and Convention Center, La Quinta Inn, and Hampton Inn and Suites will effectively double current lodging capacity allowing for greater accommodation of the region's 1.5 million annual visitors.



The City of Claremore has completed infrastructure installation at the Claremore Plaza development totaling \$2 million.

This investment coupled with St. John and Hampton Inn and Suites locating in the Claremore Plaza has spurred curiosity and drawn interest from several developers and site selectors considering the location for future retail development.

Growth Statistics

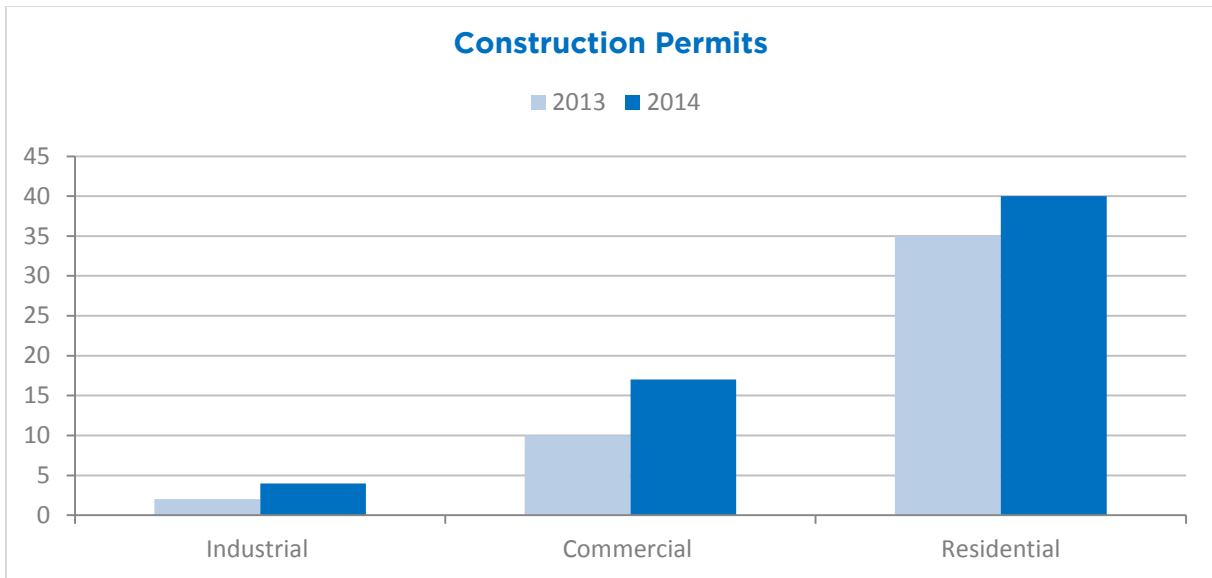


Claremore's population has **grown 20.41%** in excess of Oklahoma's population growth in the past 10 years.

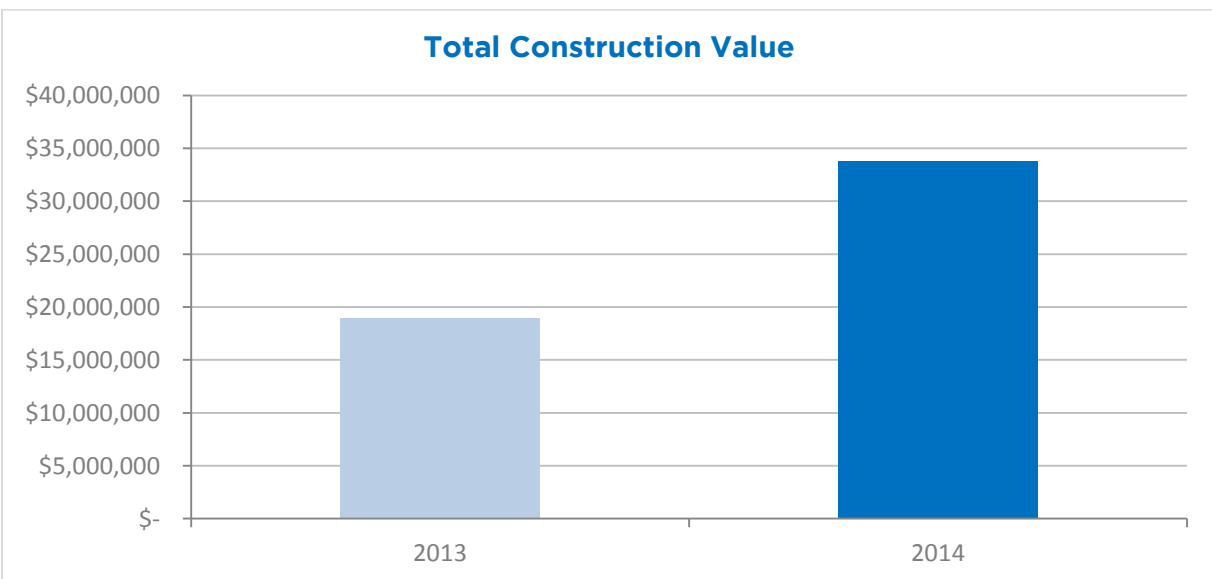


\$96,062,666 increase in gross retail sales from 2001 to 2014.

36% increase in gross retail sales from 2001 to 2014.



30% increase in total number of construction permits from 2013-2014.



\$33,755,727 in total construction value in 2014.

78% increase from 2013.

Statement of Revenues, Expenses and Changes in Net Position

Operating Revenues:	As of 06/30/2014*
Charges for services:	
Airport fuel sales	\$ 351,659
Airport hangar and land rent	98,898
Administrative fees	38,712
Total charges for services	489,269
Miscellaneous revenue	8,150
Total operating revenues	497,419
Operating Expenses:	
Cost of goods sold - airport fuel	281,810
Salaries and benefits	139,694
Contracted services	16,347
Airport general operating	10,128
Marketing and development	24,668
Depreciation	208,833
Legal and accounting fees	73,035
Repairs and maintenance	18,367
Insurance	46,490
Office supplies and postage	6,922
Telephone and utilities	39,198
Total operating expenses	865,492
Operating loss	(368,073)
Nonoperating Income (expense):	
Contributions from primary government	881,407
Federal and state grants	378,098
Economic incentives - business recruitment and retention	(490,695)
Interest and investment income	141,198
Loan issuance costs	(36,600)
Interest expense	(200,744)
Total nonoperating income, net of expense	672,664
Change in Net Position	304,591
Net Position - Beginning	8,685,154
Net Position - Ending	\$ 8,989,745

*Unaudited statement, final year end statement may vary

Statement of Net Position

Assets

As of 06/30/2014*

Current assets:	
Cash and cash equivalents	\$ 391,194
Cash - restricted	42,092
Grant receivables	98,384
Accounts receivable - airport	15,864
Interest receivable - CPWA	11,600
Prepaid expenses	31,371
Inventories	34,529
Due from primary government	8,141
TIF notes receivable, current	412,677
Total current assets	1,045,852
Noncurrent assets:	
TIF notes receivable, net of current portion	3,417,323
Capital assets:	
Land and building held for development	2,861,826
Construction in progress	979,281
Property and equipment, net of depreciation	5,599,341
Total capital assets	9,440,448
Total noncurrent assets	12,857,771
Total assets	\$ 13,903,623

Liabilities

Current liabilities:	
Accounts payable and accrued expenses	89,973
Accrued interest payable	16,041
Deferred credit – sale of building	70,000
Current portion of notes payable:	
TIF notes payable	377,677
Other notes payable	79,694
Total current liabilities	633,385
Noncurrent liabilities:	
Notes payable, net of current portion:	
TIF notes payable	3,102,323
Other notes payable	1,178,170
Total noncurrent liabilities	4,280,493
Total liabilities	4,913,878

Net Position

Net investment in capital assets	8,112,584
Unrestricted	877,161
Total net position	\$ 8,989,745

Board of Trustees & Staff



Phil B. Albert
Chairman



Bill Flanagan
Claremore Mayor
EX-Officio



Jeff Jensen
Vice Chairman



Jim Thomas
City Manager
EX-Officio



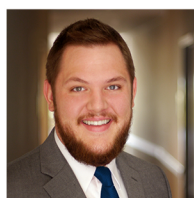
Rob Melton
Secretary/Treasurer



Jeri Koehler
Executive Director



Jerry Feese
Assistant
Secretary/Treasurer



Brandon Irby
Marketing Manager



Tim Fleetwood
Trustee



Eric Winn
Airport Manager



Ryan Neely
Trustee



Dr. Keith Ballard
Trustee

