



# office memorandum

DATE: June 7, 2012  
TO: Honorable Mayor and Council Members  
FROM: Jeff H. Bryant, City Attorney  
RE: Norman Economic Development Authority

## Background

The creation of a public trust authority to facilitate potential economic development incentives was identified as a priority by the Business and Community Affairs Committee (“BACA”) of the Council in August 2011 and also by the full Council at its Planning Retreat in September 2011. After a series of meetings with the BACA Committee, a recommended draft indenture was discussed by the full Council during a Council Conference on March 27, 2012.

A resolution supporting the creation of the Norman Economic Development Authority (“NEDA”) was placed on Council’s agenda for May 8, 2012 by the request of three Council members, but, given concerns expressed by other Council members and citizens, Councilmember Ezzell moved to postpone the item to allow for additional public input and revisions to the trust indenture that would address some of the expressed concerns.

A public forum regarding creation of the trust was held on May 29, 2012. The BACA Committee held an additional Public Meeting on June 7, 2012. The item originally on the May 8, 2012 Agenda was postponed to be considered by Council at its meeting on June 12, 2012. This memo addresses direction offered by the BACA Committee on June 7<sup>th</sup>.

## Discussion

The direction given by the BACA Committee on June 7<sup>th</sup> was to bring forward the Norman Economic Development Authority (NEDA) public trust indenture with broad powers similar to those contained in the Norman Tax Increment Finance Authority (NTIFA) trust indenture, with Council members to act as Trustees of NEDA, and removing the Advisory Board language from the trust indenture. The attached draft accomplished that direction.

This approach tries to achieve clarity of purpose of the NEDA Trust being the “tool” available to NEDC while working to recruit quality jobs employers. Although the NTIFA Trust has similar powers and can be used for economic development projects outside the UNP TIF District, as pointed out by the City’s financial advisor, using the NTIFA as a financing tool for a project that does not utilize a UNP TIF revenue stream may be misleading on its face and would require an additional layer of explanation for potential bond purchasers.

Honorable Mayor and Council members  
RE: NEDA Public Trust  
June 7, 2012  
Page 2

In addition, the consensus of the BACA committee was to move the Norman Economic Development Advisory Board (NEDAB) out of the trust indenture and work on that idea as a separate Council appointed Board through Resolution or Ordinance. This approach will allow Council an opportunity to work through issues such as Board purpose, Board composition and qualifications, definition of goals to be achieved to be considered for public financing assistance, in particular economic development projects, that may be brought forward in the future.

To accomplish that request, the indenture was modified by taking the 5-15-2012 version and replacing Article VII relating to Trustees with the same language that is included in the NTIFA Trust document. Accordingly, the indenture contains standard language that empowers the NEDA with the typical powers set forth for public trusts by Oklahoma law, except language regarding promoting or developing healthcare facilities has been stricken as previously directed. The Norman Regional Hospital Authority Board of Directors had expressed concern about this provision since healthcare that benefits Norman is something they are charged with developing.

Article VII, then, sets forth the identity of the Trustees. The revised indenture requires that Council members serve as Trustees for the NEDA, much like they do with the Norman Utilities Authority, Norman Municipal Authority and the Norman Tax Increment Finance Authority.

As with other public trusts, the Norman Economic Development Authority will be required to follow the Open Meetings Act and Open Records Act, as well as the Public Competitive Bidding Act. In addition, the Authority will have to file annual financial reports and audits with the City and State Auditor. Finally, the Authority will be unable to issue debt without approval by 2/3 vote of City Council.

### Recommendation

The item coming back to Council on June 12<sup>th</sup> is Resolution R-1112-139. The item was postponed prior to a motion to adopt or reject. If Council desires to move forward with the trust document that established NEDA with trustees other than the Council members acting as Trustees, then the original Resolution with the trust version dated May 8, 2012 can be considered.

If Council desires to move forward with a NEDA Trust where Council members will also serve as the Trustees for NEDA, then the substitute Resolution attached should be used. The substitute Resolution provides a place in Section 5 where Council can designate the draft version dated 5-15-12 (placing the Advisory Board in the trust indenture) or Council can designate the draft version dated 6-7-2012 that reflects the most recent recommendation from the BACA Committee.

Honorable Mayor and Council members  
RE: NEDA Public Trust  
June 7, 2012  
Page 3

Procedurally, if Council desires to move forward with this item, it is suggested you decide: first whether Council will act as Trustees of NEDA (substitute version of Resolution R-1112-139); if so, then second whether the Advisory Board will be in the trust indenture (5-15-12 version) or removed from the trust indenture (6-7-2012 version) as recommended by the BACA; third whether to adopt the beneficial interest of the NEDA public trust in the form ultimately determined by Council.

City Staff will be available to answer questions or address concerns. Please let me know if you have questions prior to that time.

Cc Steve Lewis  
Kathryn L. Walker, Assistant City Attorney II