

ECONOMIC DEVELOPMENT ADVISORY BOARD
VIRTUAL MEETING HOSTED AT MUNICIPAL BUILDING COUNCIL CHAMBERS

July 9, 2020

The Economic Development Advisory Board of the City of Norman, Cleveland County, Oklahoma, met in a virtual meeting at the Municipal Building Council Chamber at 201 West Gray on the 9th day of July, 2020, at 8:32 a.m. Notice and agenda of the meeting were posted at the Municipal Building 48 hours prior to the beginning of the meeting.

MEMBERS PRESENT:

Mr. Matthew Allen
Mr. Hossein Farzaneh
Ms. Chris Purcell
Mr. Chuck Thompson, Chairman

MEMBERS ABSENT:

Mr. Ben Graves
Dr. Alexander Holmes
Mr. Edd Painter

OTHERS PRESENT:

Ms. Brenda Hall, City Clerk
Ms. Sara Kaplan, Retail Coordinator
Mr. Darrel Pyle, City Manager
Mr. Darry Stacy, Cleveland County
Commissioner
Ms. Kathryn Walker, City Attorney

Item 1. Welcome and introductions.

Chairman Thompson welcomed everyone to the meeting.

Item 2. Approval of the May 7, 2020, meeting minutes.

Member Purcell moved that the minutes be approved and the filing thereof be directed, which motion was duly seconded by Member Allen;

Items submitted for the record

1. Norman Economic Development Board minutes of May 7, 2020
and the question being upon approval of the minutes and upon the subsequent directive, a vote was taken with the following result:

Item 2, continued:

YEAS:	Members Allen, Farzaneh, Purcell, and Chairman Thompson
NAYES:	None

Chairman Thompson declared the motion carried and the minutes approved and the filing thereof was directed.

The Economic Development Advisory Board discussed all items simultaneously.

Item 3. Review/Discuss approved ballot language for the August 25th Special Election (Attached) regarding a \$5 million Economic Development and Recovery Program.

Item 4. Review of CARES Act program funding availability through the Federal Economic Development Administration.

Item 5. Discussion of Grant/Loan policy recommendations for future Council action.

Ms. Kathryn Walker, City Attorney, said City Council adopted Ordinance O-1920-64 on June 9, 2020. She said discussion originally began during NORMAN FORWARD Project meetings and this item was an amendment added by Council the night the ordinance was adopted. She said the question posed to the voters on August 25th is to approve \$5 million in economic and community development bonds specifically to provide for the purposes of economic and community development in Norman with particular emphasis on marginalized community job retention and creation programs pursuant to guidelines to be adopted by City Council. She said they are asking the Economic Development Advisory Board (EDAB) to develop the guidelines. She said the statute that allows for these type of bonds is pretty broad and language states that bonds proceeds will be used for acquisition, construction, and development related to industrial facilities, tourism facilities, sports facilities including arenas, agricultural facilities, defense industry facilities, redevelopment programs, government facilities, community facilities, public infrastructure facilities, and economic development programs which includes, but is not limited to, job creation payments, low interest, or forgivable loans. She said the guidelines can be catered to certain businesses that have been impacted by the pandemic. She said Council talked about some type of evaluation and priority ranking system that would prioritize certain types of minority owned businesses and making sure the City is addressing the businesses that were deemed non-essential or were unable to access other federal funding opportunities.

Mr. Darrel Pyle, City Manager, said the proposition will affect ad valorem tax bases and those proceeds could be made available pretty quickly to fund the program. He said Staff had internal conversations about creating a structure based on conversations with elected officials in terms of eligible entities. He said eligible entities could include businesses or non-profits based in the city of Norman with 50 or fewer full time employees. He said applicable businesses must be up-to-date with all required licensing to legally operate in the city of Norman before funds are distributed and if they are not those fees would be deducted from the payment of the requested funds. He said a business could be delinquent on fees due to the pandemic so those fees would need to be paid before funds are distributed.

Mr. Pyle said for existing businesses to be eligible, they must have been in operation prior to March 13, 2020. He said ineligible businesses could be businesses with a majority of their operations and employees located outside of the city limits, churches or religious organizations, public or private schools, governmental entities or elected officials, financial businesses primarily engaged in lending, businesses engaged in illegal activity or lobbying activities, real estate development, and rental properties businesses. He said priority considerations in terms of how to potentially weigh applications in the event the appetite results in oversubscription to the money available include minority owned businesses, businesses located in lower income census track areas, or businesses that were not eligible or denied other financial support through federal funding or traditional lenders. He said Staff identified four categories that include revolving loans for existing businesses with 50 or fewer employees to obtain a low interest loan up to \$50,000; small business recovery loan with ten or fewer employees to obtain zero interest loans up to \$10,000; a recovery grant program that would require no repayment where businesses or non-profits with less than five employees could potentially apply for a grant up to \$5,000; and technical assistance or training program funding for assistance with reimbursement for technical assistance or training funding due to changes in business structure as a result of COVID. He said the application mechanism still needs to be discussed and how to process those loan applications whether Staff tries to accomplish that task or relies on existing business partners in Norman who have more experience in the application process. He said Staff can email a draft version to EDAB for review.

Chairman Thompson said the State's program has an added element that a business has to have suffered a 25% reduction in gross revenue to be eligible so through the Paycheck Protection Plan (PPP) and through some of the other programs there was not any issue about financial impact on the business. He said the Department of Commerce (DOC) added that element in anticipation of being oversubscribed, which he thought would be a worthy addition to Norman's program.

Mr. Pyle said certain businesses saw revenue growth during the lock down period of COVID 19 and a lot of essential businesses including grocery stores, pharmaceutical, retailers, and even home construction supply stores saw sales increase. He said some gas stations, convenience stores, liquor stores, and medical marijuana dispensaries had revenue growth so it is Council's desire for that to be low priority so 25% reduction in gross revenue is a valid conversation starter and should be stated clearly in a proposal from EDAB.

Chairman Thompson said the Oklahoma Business Recovery Program (OBRP) is administered by the State through the DOC and banks apply to be an agent of DOC, but the bank takes the applications directly from the applicants and processes and the bank appeals to DOC for the funds and DOC distributes the funds to the applicants. He said the OBRP application has been well thought out and has worked well so he would be happy to distribute a copy of the application to City Staff and EDAB for review. He suggested putting processes in motion to begin looking for businesses or individuals who have been negatively impacted by the pandemic and unable to access other funding assistance.

Mr. Pyle said there is money available in the CARES Act program through the Federal Economic Development Administration (FEDA) that will be distributed to Oklahoma County agencies who will in turn distribute the funds to cities within that County, but there is not a clean, easy path to access those funds. He said the City is working to access some of that funding and wants to take advantage of every federal and state dollar available that can be secured for Norman businesses. He said in conjunction with that funding, the City's bond money would be issued last in order to take advantage of federal and state assistance. He asked Mr. Darry Stacy, Cleveland County Commissioner, to update EDAB on the CARES Act program.

Mr. Stacy said the County is beginning initial discussion with their consultant hired to assist in obtaining and handling CARES Act dollars that will involve the City of Noble, City of Norman, and City of Moore. He said if the cities work collaboratively with the County, the County will be more successful in obtaining as much funding as possible to distribute to those cities as needed. He said Phase Two of the CARES Act is supposed to provide an additional \$50 million from the state and those dollars will go very quickly.

Chairman Thompson suggested there be an end date for submitting applications and accessing funds from the bond program. He said the PPP ended June 30, 2020, but there has been dialogue about other programs being perpetual. Mr. Pyle said it may be hard to put an end date because some businesses may not realize they have had a reduction of 25% revenue until sometime in 2021, but there may be benefit in knowing the timeframe of how that negative impact is measured.

Mr. Stacy said the CARES Act program will end December 30, 2020, although there is discussion to extending that time.

Ms. Walker said Council can fully rescind its emergency proclamation at any time, but it would probably be best to tie the funds to the federal designation of December 31, 2020.

Chairman Thompson said since there are so many programs that are trying to address as many different kinds of challenges as possible and if the City is going to have its own community \$5 million, if approved, then Norman's application could be less restrictive to allow Staff or Council leeway to include businesses considered non-eligible that have fallen through the cracks.

Mr. Pyle said it might be worth considering whether or not the City wants to reserve some of that bond money for future emergencies especially as revolving loans are paid off and funds are returned.

Mr. Anthony Francisco, Director of Finance, said if that is what Council wants to do, then that needs to be made clear to the voters.

Mr. Pyle asked members to email him any input they may have and he will prepare material for review at the next meeting.

Items submitted for the record

1. Ordinance O-1920-64

Member Allen left the meeting at 9:30 a.m.

Item 5. Miscellaneous Discussion.

None

Item 6. Adjourn.

The meeting adjourned at 9:33 a.m.