

ECONOMIC DEVELOPMENT ADVISORY BOARD

November 4, 2021

The Economic Development Advisory Board of the City of Norman, Cleveland County, Oklahoma, met in a regular meeting in the Municipal Building Executive Conference room at 201 West Gray on the 4th day of November, 2021, at 8:45 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:

Ms. Mayumi Windler
Mr. Chuck Thompson, Chairman

MEMBERS ABSENT:

Mr. Matthew Allen
Mr. Hossein Farzaneh
Ms. Chris Purcell
Mr. Ben Graves
Dr. Alexander Holmes

OTHERS PRESENT:

Ms. Brenda Hall, City Clerk
Ms. Heather Poole, Assistant City Attorney
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 September 2, 2021, meeting minutes.

There was no quorum to approve the minutes.

Items submitted for the record

1. Economic Development Advisory Board minutes of September 2, 2021

Item 3. Further discussion and possible action related to the development of economic development programs directed at small business recovery and entrepreneurial start-up businesses to be funded by American Rescue Plan Act funds.

Ms. Heather Poole, Assistant City Attorney, said during the September Economic Development Advisory Board (EDAB) meeting, members requested additional information on utilizing the American Rescue Plan Act (ARPA) funds for small businesses. She said ARPA builds off the CARES Act and expands on funding recommendations set out within the original legislation. She said funding options include responding to a public health emergency or its negative economic impacts; providing “premium pay” to eligible workers who performed and perform essential work during the COVID 19 public health emergency; paying to cover the reduction in revenue due to COVID 19 public health emergency’s effect on revenues collected in order to ensure government services; and investing in water, sewer, or broadband infrastructure. She said all funds must be expended between March 2, 2021, and December 31, 2024. She said there are some industries, i.e., restaurants, hotels, salons, entertainment, etc., that took a huge financial hit during the pandemic and ARPA focuses on the areas affected most because of the pandemic. Other factors include income levels, predominantly low income neighborhoods, predominantly minority neighborhoods, etc. She said this has led to food, housing, and other financial insecurities being amplified within these communities which poses a risk that the current pandemic induced recession will further increase concentrated poverty and cause long-term damage to economic prospects in neighborhoods and communities of concentrated poverty. She said the pandemic has exacerbated economic disparities that existed prior to the pandemic and those economic impacts have led to widening education disparities and worsening outcomes for low income students, along with impacts to their health and welfare, all of which contribute to long-term economic outcomes.

In determining what uses would be best to respond to the negative economic impact of COVID 19, it must be designed to address an economic harm resulting from or exacerbated by the public health emergency. She said the City will need to assess whether there has been economic harm, such as loss of earnings or revenue, that resulted from the pandemic and whether the use would respond to or address the harm. The response should be related and reasonably proportional to the extent and type of harm experienced. A non-inclusive list provide by the United States (U.S.) Treasury Department includes assistance to unemployed workers including job training; expenses to improve efficacy of economic relief programs; funds for small businesses and non-profits to adopt safer operating procedures, maintain operations during periods of closure, mitigate financial hardship resulting from the pandemic by providing loans or grants or in-kind assistance; aid for impacted industries; addressing educational disparities by expanding early learning services, assistance to high poverty school districts, evidence-based educational services and practices to address academic needs of students, tutoring, summer school, afterschool, extended learning and enrichment programs; and evidence-based practices to address social, emotional, and mental health needs of students.

When EDAB met in September, the Board discussed Council’s interest in small business recovery grants and shared observations that Norman is in need of incubator space to grow new small businesses. Staff was asked to determine whether incubator space would be an eligible expense in ARPA funding.

Item 3, continued:

Ms. Poole said plans to implement an incubator program to assist small businesses to expand their market or service or remain viable after the economic effects of the pandemic would qualify for ARPA funding, especially if geared towards businesses owned by and servicing minority and low income populations. Implementing programs within a qualified census tract is also a presumed approved use so the location of an incubator will be important if ARPA funds are used. She said the City is looking to purchase property located at 207 East Gray Street currently owned by Norman Public School (NPS) System, which is a census tract qualified location and could be used as an incubator location if it is utilized to assist small businesses, especially minority owned businesses or those businesses providing services to minority or low income populations and remains viable post-COVID.

Ms. Poole said the City really needs to ensure the applicant who is requesting the grant or loan qualifies under the parameters listed because, if not, the City would have to pay that money back to the federal government. She said the applicant would need to report on how they spent the money and they are spending it in the way it was indicated to the City when they applied and Mr. Chuck Thompson, EDAB Chair, said there definitely needs to be an accountability system.

Mr. Darry Stacy, Cleveland County Commissioner, said the County contacted the State auditor to create a committee working group. The auditor created a form for expenditures that the County is able submit to the auditor who then runs it through the working group who determines whether or not the expenses are eligible for ARPA funds. He said if the expenses are eligible, the working group approves the expenses prior to the County requesting the funds, which protects the County from having to pay money back. He said Federal Senate Bill (FSB) 3011 will free up ARPA funds to be used in ways that will really benefit communities, such as stormwater mitigation, roads, bridges, etc., and suggested the City not be in a hurry to spend the money until the FSB 3011 is signed.

Mr. Stacy said another bucket of money from the State will be used for broadband. He said the Oklahoma Electric Cooperative (OEC) is applying for those funds from the State and is looking for partnerships with cities and counties, with participation costing as little as \$70,000 to \$100,000. Ms. Kathryn Walker, City Attorney, said she is sure City Council would want to participate.

Mr. Stacy said workforce development is a huge part of ARPA and the County is looking at partnering with Moore-Norman Technology Center (MNTC) for a Workforce Training Center because they already offer workforce development training. He said the County intends to put a sizable sum towards workforce development and MNTC has begun creating guidelines that will allow for tuition for low-income, minority groups. Chairman Thompson said EDAB's efforts would lean more towards an incubator business or company with job training being part of that effort. He said there is a large State movement towards aerospace, which is being viewed as an alternate to the oil and gas industry that would be worth considering. Mr. Stacy said the County is working with NPS and University of Oklahoma (OU) regarding a partnership in aerospace job training discussions and Chairman Thompson said the City of Norman should be a collaborator in some way because this is the type of industry that drives economic development.

Item 3, continued:

Chairman Thompson suggested EDAB provide an overall theory, definitions, and categories so if the rules change, the City of Norman and EDAB would be better prepared to pivot to make changes. He said the other entities may have different focuses than the City of Norman so the City could focus on incubators for small businesses and entrepreneurs, which would help people building the businesses to be sustainable.

Ms. Poole said the draft guidelines for a Small Business Grant Program would require the business to be locally owned and managed. It would also require the applicant what they are using the money for, what type of backup information will be provided on how the money is being spent, have they received other federal aide, do they partner with other organization or entities, etc. She said one of the concerns is that the City is a public entity so the Open Records Act (ORA) falls into the mix and the City can redact federal employer identification numbers and other identifying materials, but at the end of the day a lot of the information provided will become a public record. She said some businesses may be leery about this, particularly is they plan to provide bank records as part of the reporting materials. Another concern is clawbacks if funds are found to be used fraudulently.

Chairman Thompson said because of the possibility of clawbacks, grants for small businesses may need to fall under specific constraints to include review, follow-up, reporting, etc. Ms. Brenda Hall, City Clerk, said the Community Development Block Grant (CDBG) Program has these type of constraints so that grant process could be reviewed and possibly used as a template for a small business grant process.

Mr. Stacy said the County is working with 929 Strategies, which is a government affairs consulting company committed to helping businesses pursue growth opportunities or overcome challenges by utilizing seasoned leadership to navigate the bureaucracy of Oklahoma government. The County is also working as Mr. David Floyd with Floyd Law Firm because the County is working with a lot of smaller counties and needs the guidance. He said the State has hired 929 Strategies to manage their program as well, which is an advantage in navigating this process.

Chairman Thompson asked what was needed from EDAB and Ms. Walker said Staff would like to be able to present a well developed strategy to Council. Chairman Thompson said he like to partner with other entities for programs that are being developed as well as move forward with incubator and entrepreneur grants. He would also like to have oversight similar to what the County has with the State auditor group.

Chairman Thompson suggested the January 2022, be rescheduled for later in the month and check availability of EDAB members for that meeting. He would also like the City Manager as well as the County, OU, MNTC, and NPS representatives to be involved in the discussions. He wondered if Council could identify other representatives for input.

Item 3, continued:

Items submitted for the record

1. Memorandum dated November 4, 2021, from Heather Poole, Assistant City Attorney, through Kathryn Walker, City Attorney, to Members of the Economic Development Advisory Board
2. Draft ARPA Funded Small Business Community Improvement Program
3. Draft City of Norman Economic Development Advisory Board American Recovery Plan Business Grant Application

Item 4. Miscellaneous Discussion.

None

Item 5. Adjourn.

The meeting adjourned at 9:48 a.m.

