

ECONOMIC DEVELOPMENT ADVISORY BOARD

January 13, 2022

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 13th day of January, 2022, at 8:30 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. Hossein Farzaneh
Ms. Chris Purcell
Ms. Mayumi Windler
Mr. Chuck Thompson, Chairman

MEMBERS ABSENT:

Mr. Matthew Allen
Mr. Ben Graves
Dr. Alexander Holmes

OTHERS PRESENT:

Mr. Tim Burg, Economic Developer,
Moore-Norman Technology Center
Mr. Joe Ely, Workforce
Development, Moore-Norman
Technology Center
Mr. Nick Hathaway, Chief Executive
Officer,
Mr. Lawrence McKinney, Norman
Economic Development Coalition
Mr. Justin Milner, Chief Operating
Officer, Norman Public Schools
Mr. Brady Neal, Deputy Cleveland
County Commissioner
Ms. Heather Poole, Assistant City
Attorney
Mr. Darrel Pyle, City Manager
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.

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

Items submitted for the record

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

and the question being upon approval of the minutes and upon the subsequent directive, a vote was taken with the following result:

YEAS: Members Farzanah, Purcell, Windler,
and Chairman Thompson

NAYES: None

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

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.

Mr. Chuck Thompson, Economic Development Advisory Board (EDAB) Chair, said EDAB has the desire to help develop an incubator program or some way to perpetuate American Rescue Plan Act (ARPA) funds other than through a grant program. He asked Mr. Darrel Pyle, City Manger, to update those present on previous discussions.

Mr. Darrel Pyle, City Manager, said City Council, as part of the annual budget process, met to discuss what they would like to work on for the current fiscal year and had a rare opportunity to discuss what to do with approximately \$22.4 million in ARPA funds. He said the City is a direct recipient of the funds primarily due to its population and being an entitlement City through the Department of Housing and Urban Development (HUD). He said Staff asked Council for broad categories to identify large buckets to focus on and, at the time, there were very generic rules available with final rules to come from the United States (U.S.) Department of Treasury at a later date. The U.S. Department of Treasury suggested cities and counties focus on sewer and water infrastructure as well as businesses or citizens negatively impacted by the pandemic, which is very vague. He said within those rules, Councilmembers presented ideas and angles of approach and Councilmember Peacock suggested placing \$1 million aside for entrepreneurial start-ups with the first thought being to distribute funds through grants to help launch small businesses.

Mr. Pyle said Council discussed whether this idea would be the best use of the money to advance efforts of start-ups and entrepreneurial energy in Norman and, if so, what would be the best process to follow and how would the City evaluate applications, set limits on the amount of money for applicants, set limits on the number of applications one business could submit, etc.

Item 3, continued:

Mr. Pyle said EDAB's original discussion on the subject included the development of incubator space, which rose to the top of the discussion to provide the opportunity for ARPA funds to continue to produce benefits into possible perpetuity. He said EDAB and City Staff recognized that distributing grants would not have the same benefits as an Incubator Program, which would be an ongoing program to assist small businesses to expand their market or services or remain viable after the economic effects of the pandemic, especially if geared towards businesses owned by and servicing minority and low-income populations. He said 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 especially for minority owned businesses or those businesses providing services to minority or low-income populations and remains viable post-COVID.

Chairman Thompson said EDAB helped develop a grant program for the first round of CARES Act funding, but after looking at the true value of the Small Business Grant Program, the actual results from that program were not as beneficial as anticipated in the long term. Mr. Pyle said at that time, small business was a huge focus for Council because everyone was in a lockdown mode and everyone was struggling to keep the economy moving. Mr. Pyle said Council appreciated EDAB's ability to look at the Small Business Grant Program from different perspectives and backgrounds.

Mr. Pyle said the U.S. Treasury did finalize rules and regulations and there may be language that seem to be conflicting, i.e., entrepreneurial investment is an approved use of funds while capital projects are not. He said in discussing entrepreneurial activities, the City would like to have a couple of paths to explore as opposed to having to ask for forgiveness or reimburse money spent on unapproved uses. He said initial conversations regarding the development of entrepreneurial space or incubator space included the purchase of property for that purpose without having debt service on the building as well as setting money aside for ongoing property maintenance. He said the benefit of incubator space is "cheap rent" to make sure the burden of entering the market is minimized.

Ms. Heather Poole, Assistant City Attorney, said an Incubator Program would be an approved use under the list provided by the United States (U.S.) Treasury Department, which includes assistance to unemployed workers, such as 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.

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 an appropriate use of funds so the location of an incubator will be important if ARPA funds are used. She said a census tract qualified location, such as portions of Downtown Norman east of Porter Avenue, would be appropriate as an incubator location if utilized to assist small businesses, particularly 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 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 that they are spending it in the way it was indicated to the City when they applied and Mr. Thompson said there definitely needs to be an accountability system.

Workforce development is a huge part of ARPA and Ms. Poole said the County is looking at partnering with Moore-Norman Technology Center (MNTC) for a Workforce Training Center because they already offer workforce development training. She 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.

Mr. Lawrence McKinney, Norman Economic Development Coalition (NEDC), said NEDC has been working on a five-year plan that includes entrepreneurial and/or incubator spaces. He said in 2001, NEDC started an E-Tech Incubator Program certified by the State of Oklahoma that has been very successful. He said NEDC recently moved to property on Main Street that has 18 offices they share with the Norman Chamber of Commerce and Visit Norman. He said four offices are currently being utilized as incubator space and NEDC is actively looking for additional incubator space. He said an opportunity through the Build Back Better Program allowed NEDC to submit an application for federal funding for a Bioscience Incubator Program to be located in University North Park (UNP). He said NEDC wants to charge below market rates for incubator space and is currently charging \$8 to \$9 per square foot (current rental space rates charged in Downtown Norman are \$18 to \$20 per square foot).

Mr. Justin Milner, Chief Operating Officer (CEO) of Norman Public Schools (NPS), said NPS is working towards the development of an Aviation Academy for grades 9 through 12 to develop a workforce of pilots and mechanics. He said NPS is Norman's best source of workforce development and partners with MNTC and OU on these opportunities. He said an Aviation Academy would allow high school students to be better prepared to enter college or technical education facilities for aviation industry prospects.

Member Purcell said these discussions are missing the opportunity on healthcare training and should include developing healthcare training opportunities in schools as well as developing businesses around healthcare moving forward. She said the City needs to determine what people need, then try to create opportunities to address those needs. She felt the City should also interface with Norman Regional Health System (NRHS) on healthcare incubator opportunities.

Item 3, continued:

Chairman Thompson said the \$1 million set aside by Council from ARPA funding for some type of incubator program is a great idea and Council appears to be willing for the City to participate in an Incubator Program that is unique, new, and has the ability to fit within the U.S. Treasury requirements for ARPA funding use. He suggested a motion to develop an Incubator Program with \$1 million in ARPA funding and present the recommendation to Council. He said there needs to be conversation regarding who will purchase property, who will qualify for the program, how funds will be distributed, creating a working group to finalize program guidelines, etc.

Member Purcell moved to recommend that \$1 million in ARPA funds be used for development of an Incubator Program to be located in a qualified census tract and developed in partnership with Cleveland County, NRHS, MNTC, NPS, and NEDC be approved, which motion was duly seconded by Member Farzaneh; and the question being upon the subsequent approval, a vote was taken with the following result:

YEAS:	Members Farzaneh, Purcell, Windler, and Chairman Thompson
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NAYES:	None
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Chairman Thompson declared the motion carried and \$1 million in ARPA funds be used for development of an Incubator Program to be located in a qualified census tract and developed in partnership with Cleveland County, NRHS, MNTC, NPS, and NEDC, was approved.

Item 4. Miscellaneous Discussion.

None.

Item 5. Adjourn.

The meeting adjourned at 9:36 a.m.