

## CITY COUNCIL SPECIAL SESSION MINUTES

May 19, 2020

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a virtual Special Session at 5:30 p.m. hosted in the Municipal Building Council Chambers on the 19th day of May, 2020, And notice and agenda of the meeting were posted in the Municipal Building at 201 West Gray 24 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Bierman, Carter, Hall, Holman, Petrone, Scanlon, Scott, Wilson, Mayor Clark

ABSENT: None

Item 1, being:

### CONTINUED DISCUSSION REGARDING A POSSIBLE GENERAL OBLIGATION BOND ELECTION TO INCLUDE AN ECONOMIC STIMULUS RECOVERY PACKAGE.

Mayor Clark introduced Mr. Chuck Thompson, Economic Development Advisory Board (EDAB) Chair, who will be speaking to Council tonight.

Mr. Chuck Thompson, Chair of the Economic Development Advisory Board (EDAB), said EDAB was informed Council is interested in a General Obligation (GO) Bond Program for an economic recovery package and requested EDAB's input and recommendations on what that economic recovery package would look like. EDAB met a couple of weeks ago and Mr. Darrel Pyle, City Manager, and Ms. Kathryn Walker, City Attorney, were in attendance to give EDAB guidance. Also in attendance was Mr. Darry Stacy, Cleveland County Commissioner. He said EDAB was presented information from a survey by the City of Norman as it related to impact from the Paycheck Protection Program (PPP) and Emergency Loan Program from the Small Business Administration (SBA). He said most of the federal support money is flowing through the State to counties so Mr. Stacy had a lot of information to share as it related to the types of programs that were currently thought to be available through the COVID, Aid, Relief, and Economic Recovery (CARES) Act.

Mr. Thompson said one idea being discussed was a revolving loan program where some of the loan would be forgiven over time and some would not. He said EDAB is aware that time is of the essence for making decisions on whether a package of this kind would, should, or could be part of the upcoming bond package. He said EDAB does not have any recommendations at this time and thought it might be more worthwhile to allow the City Manager to talk more about his conversations with the County.

Mr. Pyle said during EDAB's meeting, Dr. Alexander Holmes, Vice-Chair, shared an enlightening thought as it related to a best mechanism to provide locally administered funds for small business recovery. He said Dr. Holmes said the City needed to keep in mind that the federal government had moved to put *two trillion dollars* into the economy for small business assistance recognizing that part of that money was distributed through the SBA and local banks, which PPP was a large part of. He said Dr. Holmes recommended the City put forth some effort in going after those dollars and finding out how much money might be available to a city government to establish funding for an economic program as opposed to seeking local voter approval.

Mr. Pyle said he has learned the federal government is calling multiple programs CARES Act so within the CARES Act they have set out several buckets of money with very specific strings attached. He said the first several communications received through federal sources related to CARES Act were primarily focused on the cities and counties ability to submit costs incurred in dealing with COVID-19. He said for the City of Norman that means expenditures for personal protective equipment, sanitation of facilities, sanitizing supplies/equipment, etc. He said it can also include overtime incurred to specifically address the pandemic. He said it did not address economic development recovery, business recovery, or budget shortfalls related to COVID -19.

Recently, through the Federal Economic Development Administration (FEDA), CARES Act funding was identified with several programs including \$1.5 billion appropriated to the Economic

Item 1, continued:

Development Administration (EDA) to be administered regionally and Norman's region is the State of Oklahoma and part of northern Texas.

Mr. Pyle said the City began contact with its EDA representative and a conference call is scheduled for tomorrow morning to see if an application through EDA to access CARES Act funding could provide the City the same program latitude that Council had envisioned to provide access to capital for the City's Small Business Recovery Program (SBRP). In his conversations with Commissioner Stacy on the subject, Cleveland County has a consultant that is going to help them assemble a grant application to obtain some of the EDA CARES Act funding for small business recovery. He said there is an opportunity for the City to act cooperatively with the County on this application or the City could assemble an application independently. He said information is evolving fairly rapidly and any application for funding would be competitive. He said the City could start a path for EDA application funding and pose a GO Bond question to the voters and if voters approve the local measure and the City successfully acquired EDA funding, the City would not issue the debt on the local funding for a SBRP. One of the programs under EDA relates to funding for revolving loan programs, which is a portion of what Council is hoping to accomplish. He said polling on the ballot measure will begin tomorrow and the City should have information from EDA as well as polling information within the next two to three weeks. After the EDA conversation tomorrow, Staff is proposing to share information with EDAB to see if they have any official recommendations or suggestions.

Councilmember Bierman said it sounds like EDA CARES Act funding may arrive faster than bond money and Mr. Pyle agreed. Councilmember Bierman said that is more promising than waiting until November for any kind of economic assistance for businesses who were unable to obtain federal assistance. She said \$1.5 billion sounds like a lot of money, but she is sure there will be a lot of applications so does Staff have any idea what the chances are of the City receiving up to \$5 million from this application? Mr. Pyle said he should have more information tomorrow, but feels positive that more money will become available from the government for budget recovery as well as business recovery and Staff will be monitoring that. Councilmember Bierman said she likes the idea of using federal tax dollars for this purpose as opposed to using local property tax dollars.

Councilmember Wilson said she would like the ballot language to reflect that bonds would not be issued if federal funds are received. She asked who would administer the program and Mr. Pyle said the subject was briefly discussed with EDAB in terms of recognizing the volume of applications that came through Oklahoma City. He said that question is still open as to the appropriate entity to facilitate the program and a clear conclusion of the process has not been determined, but transparency will be priority one. He said Oklahoma City created their application forms with all the criteria and a local bank processed all the loans in accordance with their Council's parameters. Councilmember Wilson felt that would be the best use of Norman's community partners as well.

Councilmember Wilson said she would like to see EDAB establish a ranking system with minority owned businesses receiving more points. She would also like to include criteria that a business that has already obtained federal funds will receive less points as well as placing a cap on any loans so more businesses receive the help they need.

Councilmember Petrone asked if there are different funding dollars for specific business types because she would like to know what programs are already available to specific businesses and would like the City to be a conduit for helping businesses obtain information on available funding. She would be more supportive of using federal dollars than local dollars.

Councilmember Bierman said Tulsa, Oklahoma, has an economic recovery program that places a limit on the number of employees a business can have in order to apply for the program, which is something the City of Norman should consider.

Councilmember Hall said she would like to concentrate on the small businesses that have a small number of employees, i.e., under 50. She would also like to avoid any kind of first come first serve program and consider all applications equally before decisions are made on who receives a

Item 1, continued:

loan. She agrees with Councilmember Wilson that there should be a ranking system and a business should not have received any other kind of financial assistance.

Councilmember Holman said the City of Norman operates on sales tax revenue and most of the expenses of the City are employee salaries and benefits and wondered if it would be possible for the City of Norman to apply for PPP. He said indirectly or directly, the City may have employee related issues related to COVID-19 when it comes to staffing levels.

Mr. Pyle said through the survey the City learned that many of respondents have been in business for more than ten years so the longer a business has been established the greater chance they have of surviving the pandemic for a longer period of time compared to a business that has been operating for under five years.

Mr. Pyle said the City helps first time homebuyers through the HOME Program in the Community Development Block Grant (CDBG) Division through a federal grant program and sometimes the loan recipients have defaulted and it hurts a little less if federal tax dollars are lost versus local tax dollars. He said the federal government recognizes a certain percentage of the loans will be defaulted.

Mr. Pyle said as far as PPP for the City of Norman, he believes it is valid to monitor the ability to apply for PPP.

Councilmember Scanlon said there may be some unmet needs even with EDA funding so he would not dismiss moving forward with a local G.O. Bond for those things that may fall through the cracks.

Mayor Clark said she agrees with comments about establishing a plan and what that plan should look like, but has concerns about multiplying the same effect. She knows that some businesses will not receive help from the federal level so she wants to be mindful of that. She suggested investing part of the proposed \$5 million bond money into an economic development fund account that allows the City to invest in properties for future City projects or to rent the property to entrepreneurs trying to start their businesses.

Councilmember Holman said he likes that concept especially if it included tools to help lower income residents with housing options or local businesses that are struggling to make rent in other commercial spaces.

Councilmember Hall agreed and said affordable housing was a big need in Norman even before the pandemic.

Mayor Clark said it sounds like Council is still wanting to explore adding a \$5 million economic recovery program to the bond package. She said if the election is successful in August, money would be available in November 2020, but the first property tax levy for the authorized G.O. Bond would be made in the fall of 2021, with individual property tax payments not being due until March 31, 2022. She said that needs to be made clear to voters and she is hopeful the nation will be recovered from the pandemic before then.

Councilmember Bierman asked how this will be structured for final Council passage and Ms. Brenda Hall, City Clerk, said there will be one ordinance for Council's consideration. Councilmember Bierman said she would like separate ordinances for each ballot question.

Councilmember Bierman asked for a timeline summary of when, after the August vote, people will see the first increase in their property taxes and when will the City see money coming through for the projects. What are the deadlines for property tax payments? She would like to be able to explain this to her constituents. Mr. Anthony Francisco, Director of Finance, said he will forward that summary information to Council.

Item 1, continued:

Items submitted for the record

1. U.S. Department of Commerce Economic Development Administration (EDA) Coronavirus Aid, Relief, and Economic Security Act Frequently Asked Questions
2. Letter dated May 18, 2020, from John Budd, Chief Operating Officer, State of Oklahoma, and Mike Mazzei, Secretary of Budget, State of Oklahoma, to Oklahoma's Mayors and County Commissioners
3. Coronavirus Relief Fund Procedures for Submitting Request for Reimbursement of Expenditures from Cities and Counties, Updated May 15, 2020
4. Reboot Norman: Business Needs Assessment Survey, Final Results Summary
5. PowerPoint presentation entitled, "Reboot Norman Business Needs Assessment," dated May 7, 2020

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Item 2, being:

CONSIDERATION OF ADJOURNING INTO AN EXECUTIVE SESSION AS AUTHORIZED BY OKLAHOMA STATUTES, TITLE 25 §307(B)(4) TO DISCUSS POSSIBLE LITIGATION FOR THE ACQUISITION OF PROPERTY FOR THE PORTER AND ACRES INTERSECTION PROJECT AND AS AUTHORIZED BY OKLAHOMA STATUTES, TITLE 25, §307(B)(3) TO DISCUSS THE POSSIBLE PURCHASE OF REAL PROPERTY FOR A FUTURE BUS TRANSFER STATION LOCATED AT 320 EAST COMANCHE STREET.

Councilmember Petrone moved that the Special Session be adjourned out of and an Executive Session be convened into in order to discuss possible litigation for the acquisition of property for the Porter and Acres Intersection Project and the possible purchase of real property for a future bus transfer station located at 320 East Comanche Street, which motion was duly seconded by Councilmember Bierman; and the question being upon adjourning out of the Special Session and convening into an Executive Session in order to discuss possible litigation for the acquisition of property for the Porter and Acres Intersection Project and the possible purchase of real property for a future bus transfer station located at 320 East Comanche Street, a vote was taken with the following result:

YEAS: Councilmembers Bierman, Carter, Hall, Holman, Petrone, Scanlon, Scott, Wilson, Mayor Clark

NAYES: None

The Mayor declared the motion carried and the Special Session adjourned out of; and an Executive Session was convened into in order to discuss possible litigation for the acquisition of property for the Porter and Acres Intersection Project and the possible purchase of real property for a future bus transfer station located at 320 East Comanche Street.

The City Council convened into Executive Session at 6:45 p.m. Ms. Kathryn Walker, City Attorney; Mr. Darrel Pyle, City Manager; Ms. Beth Muckala, Assistant City Attorney; Mr. Anthony Francisco, Director of Finance; Mr. Shawn O'Leary, Director of Public Works; and Ms. Brenda Hall, City Clerk, were in attendance at the Executive Session.

Thereupon, Councilmember Bierman moved that the Special Session be reconvened, which motion was duly seconded by Councilmember Wilson; and the question being upon reconvening the Special Session, a vote was taken with the following result:

YEAS: Councilmembers Bierman, Carter, Hall, Holman, Petrone, Scanlon, Scott, Wilson, Mayor Clark

NAYES: None

The Mayor declared the motion carried and the Special Session was reconvened at 7:36 p.m.

Item 2, continued:

The Mayor said possible litigation for the acquisition of property for the Porter and Acres Intersection Project and the possible purchase of real property for a future bus transfer station located at 320 East Comanche Street were discussed in Executive Session. No action was taken and no votes were cast.

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ADJOURNMENT

The Mayor adjourned the meeting at 7:37 p.m.

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ATTEST:

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City Clerk

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Mayor