

ECONOMIC DEVELOPMENT INCENTIVES POLICY NORMAN, OKLAHOMA

Statement of Purpose

The purpose of this policy is to provide criteria for identifying situations where it is desirable and suitable to use public resources to provide incentives for private economic development.

Goals and Objectives

The City of Norman recognizes that the most effective incentive for economic development is being a livable, vital community. The main goal is making Norman a great place to live; the following objectives complement that end.

1. Support the retention and expansion of existing businesses in the community that contribute to the local economy through the employment of local residents, provided those business pay at least above average wages while providing worker health insurance benefits.
2. Attract businesses in targeted industries locating or expanding from outside the City of Norman region that will make a significant capital investment in Norman, hire a significant portion of its workforce from the Norman community, and produce a net positive return on investment over and above any public incentives.
3. Promote and provide support for additional business incubators and microenterprises that will contribute to a diverse local economy and provide new opportunities for the area.
4. Promote and support public/private partnerships that will contribute to an expansion of economic development opportunities in the City of Norman by providing enhancements to public infrastructure or by encouraging private investments into facilities that increase the efficiencies of public transportation systems, or that will increase efficiencies of public access and convenience to engage in private commercial activities.

Economic Development Tools

It is recognized that each potential project may have different needs and any incentivization will likely need to be tailored to each particular project. Economic development tools that may have an application to a particular project include, but are not limited to, the following:

- Streamlined permitting process
- Waiver or reduction of permit fees and/or excise taxes, connection fees, etc (to be paid by City on behalf of Company)

- Facilitation of development of partnerships with educational resources for training and employment testing
- Abatement of property taxes (to be paid by City on behalf of Company)
- Investment in infrastructure
- Support services for start-up businesses
- Revolving loan funds
- Technical innovation support
- Sales tax rebates
- Tax increment finance districts
- Favorable loan structuring using public financing vehicles where appropriate
- Leasing publicly owned facilities to private companies where appropriate

Eligibility Criteria

Every proposal will be evaluated on its individual merit and its overall contribution to the City's economy. Meeting eligibility criteria described herein does not guarantee that incentives will be given. The following criteria, recognizing a Proposal may address some but not all criteria, will be used to evaluate whether a particular proposal may qualify for incentives:

Mandatory Criteria:

1. The proposal is compatible with the adopted plans of the City and suitable infrastructure and essential public services exist or can be feasibly added to support the proposal;
2. The proposal's environmental impacts will be consistent with City policy ensuring long term availability of City natural resources.
3. This policy shall not apply retroactively to previously approved projects.

Advisory Criteria:

4. The prospective company operates in one of the following industries:
 - Advanced manufacturing: This includes those companies that utilize new manufacturing techniques and machines combined with the application of information technology, microelectronics and new organizational practices within the manufacturing sector.
 - Aerospace and Aviation: This includes the manufacture of aircraft, engines, parts, and auxiliary equipment, as well as servicing, rebuilding,

maintaining and storing aircraft. Prospects in this area shall not be entirely dependent on Tinker Air Force Base for its long term success.

- Life Sciences: This includes establishments that conduct research and development in the physical sciences, engineering sciences, and life sciences, including but not limited to medical treatments and devices.
 - Logistics/Distribution: this includes companies that provide materials-handling services and help manage the flow of goods as they move through the supply chain.
 - Core Healthcare Services: This includes general medical and healthcare services, as well as outpatient and ambulatory services.
 - Data/Software/IT: This includes publishing, broadcasting, shared service centers, corporate and technical services, data storage and processing, as well as firms that provide data management and support services to companies, hospitals, governments, and individuals. The City is particularly interested in data, software and information technology companies that can complement existing weather resources and radar system development.
 - Management Support Services: This includes accounting, payroll, bookkeeping, human resources, legal, engineering, training, as well as firms that desire to locate their primary or a satellite home offices in Norman.
 - Other Projects as recommended by the Norman Economic Development Advisory Board and approved by City Council, or as approved by the Norman Economic Development Authority.
5. The proposal will result in significant capital investment in its initial phases that will positively increase the community's tax base and produce a significant positive return on investment over and above the public resources committed to the project.
 6. The prospective company can demonstrate potential for incremental growth and revenue and other economic impact.
 7. The proposal will contribute new jobs to the local economy that pay above the average wage for Cleveland County and include retirement and health insurance benefits, with the employer paying at least 50% of the premiums.
 8. The prospective company will contribute positively to the enhancement of the City's image.
 9. The prospective company has an existing or established relationship with the University of Oklahoma.

10. The proposal will not have a serious detrimental effect on an existing business or industry in the City.

Evaluation Process

A company desiring to receive incentives provided through public resources of the City must submit a proposal to the City Manager's office that includes, at a minimum, the following:

- A description of the type of business/industry in which it is engaged;
- A site selection or site selection criteria;
- A description of business operation process as well as description of potential environmental impacts for operations;
- A description of infrastructure needs or unique public utility service needs;
- A description of its initial plan for development, including a timeline for design, construction, hiring, and operation, as well as plans for future expansion;
- An estimate of planned capital investment that corresponds to any phasing for development and expansion;
- The planned number and function of new employees including base salary and provision for benefits;
- An estimate of the percentage of new jobs that will be filled by local residents;
- A narrative description of any other information that demonstrates how the prospective company meets and/or exceeds the criteria set forth in this policy.

The applicant must provide sufficient information to allow Staff and/or the Norman Economic Development Advisory Board (or an independent firm where appropriate) to conduct an analysis of the direct and indirect economic impacts of the Project.

Performance Standards

Any company receiving monetary incentives provided through public resources of the City will be required to enter into a performance agreement. Each performance agreement will vary based on the specific project, but all such agreements shall set specific performance goals (e.g. number of jobs, target salaries, amount of capital investment, etc) and the consequence (e.g. clawback provisions, deferred fees or penalties) to the Company of not meeting such goals. It is recognized that some economic development tools or incentives, such as streamlined permitting process,

the facilitation of partnerships with educational resources, and technical innovation support, may not require the completion of a performance agreement.

Monitoring and Evaluating Compliance

Any company entering into a performance agreement must submit quarterly reports to the City Manager for distribution to the Norman Economic Development Advisory Board and the Norman Economic Development Coalition. These reports must demonstrate the progress the company has made toward the performance goals outlined in the performance agreement. The Advisory Board will use these quarterly reports to conduct an annual compliance evaluation and upon completion of such analysis, will submit a report to the Norman Economic Development Authority outlining the conformance (or nonconformance) with the performance agreement.