



City of Norman, OK

Municipal Building Council
Chambers
201 West Gray Street
Norman, OK 73069

Text File

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Title

CONSIDERATION OF ORDINANCE NO. O-1213-42 UPON SECOND AND FINAL READING: AN ORDINANCE OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA AMENDING ARTICLE I, SECTIONS 4-101 AND 4-105; AND ADDING ARTICLE XXII, SECTIONS 4-2201 THROUGH 4-2204 OF CHAPTER 4 OF THE CODE OF THE CITY OF NORMAN TO PROVIDE FOR THE CREATION OF THE ECONOMIC DEVELOPMENT ADVISORY BOARD; AND PROVIDING FOR THE SEVERABILITY THEREOF.

Body

BACKGROUND: The creation of a public trust authority to facilitate potential economic development incentives was identified as a priority by the Business and Community Affairs Committee ("BACA") of the Council in August 2011 and also by the full Council at its Planning Retreat in September 2011. The Norman Economic Development Coalition (NEDC) was formed as a private 501(c)(6) in 1997 and has been actively assisting existing businesses, recruiting new businesses and potential employers to Norman for over 17 years. NEDC began as a collaborative effort between the City of Norman, Chamber of Commerce, and University of Oklahoma, but was expanded to include the Moore-Norman Technology Center as an equal contributor about four years ago.

It has been recognized that recruitment of quality employers to a community has become more and more competitive between cities and even between states. Many cities are offering incentives in various forms to recruit retail businesses as well as potential employers. Although NEDC has performed and continues to perform the recruitment efforts for Norman and its members of its coalition, providing additional economic development tools to assist NEDC in its recruitment efforts was a primary focus of BACA's efforts and recommendations.

After a series of meetings with the BACA Committee and the full Council, as well as a public forum, Council adopted Resolution No. R-1112-139 acknowledging the creation of and accepting a beneficial interest in the Norman Economic Development Authority ("NEDA") on June 12, 2012. City Council members will be acting as the Trustees of NEDA, similar to Norman's other public trusts: Norman Municipal Authority; Norman Municipal Authority; and Norman Tax Increment Finance Authority.

The creation of NEDA has given NEDC an additional recruitment tool as it continues to seek out potential employers for Norman. Although no funding source has been identified to provide "up front" incentives to attract businesses and future employers to Norman, NEDA is poised to be used as a financing vehicle to provide "earned incentives" or to be used on projects that require little or no public assistance, but simply need a financing vehicle to accommodate lower interest loans or other more desirable financing structures that would not otherwise be available through strictly private lenders. Of course, an offer of incentive by NEDC to a potential employer that provides for a public financing structure through NEDA would require approval by the City Council acting as the NEDA Board of Trustees.

Because of Council's desire to more clearly outline how and under what criteria incentives through NEDA would be considered, Council at its Conference on July 10, 2012, directed Staff to move forward in collaboration with BACA to finalize Ordinance No. O-1213-42 (the "EDAB Ordinance") and develop a policy that would serve to guide the proposed Economic Development Advisory Board. BACA reviewed, at its July and August meetings, the EDAB Ordinance that would create an Economic Development Advisory Board ("EDAB"). EDAB was envisioned to work hand in hand with NEDC. NEDC's role will continue to recruit quality employers to Norman on behalf of its members. The current draft of the EDAB Ordinance does not envision EDAB taking on a business recruitment role. Business recruitment is left to

NEDC. The role of EDAB is to review and make recommendations to the City Council (acting as NEDA Trustees) regarding requests for economic development incentives that may be financed through or provided by NEDA.

BACA has spent a considerable amount of time examining economic development policies from other cities and working towards the creation of a policy that is appropriate for Norman. BACA last discussed the proposed Economic Development Incentives Policy (the "Policy") at its March meeting. Additional changes to the policy were discussed by BACA and are included in the attached draft. Both the EDAB Ordinance and the Policy were discussed at the Council Conference on March 26, 2013 and come forward to Council as companion items.

DISCUSSION: Ordinance No. O-1213-42 would create the Economic Development Advisory Board (EDAB) as an appointive board of the City. There would be seven board members nominated and appointed by the City. At least four of the board members would be required to possess suitable and appropriate knowledge and/or experience in the areas of economics, business, finance, law, policy analysis, and community development. The Norman Economic Development Coalition (NEDC) Executive Director or his or her designee would also serve in ex-officio capacity to ensure adequate collaboration and communication with NEDC about particular projects or policies affecting NEDC's operation.

Like other boards, the EDAB would elect its own Chairperson and Vice-Chairperson. The EDAB would not be authorized to expend any City funds except as may be authorized and appropriated by City Council. As with our other appointive boards, the EDAB would be required to follow the provisions of the Open Meeting Act.

The EDAB is charged with advising Council regarding economic development policies, opportunities, and requests for City-funded incentives of private businesses and any other economic development items as requested by Council. More specifically, the EDAB is charged with the following:

- 1) Make recommendations to City Council regarding proposed economic development policies and programs;
- 2) Make recommendations to Council regarding requests for City-funded incentives for private businesses as proposed by the Norman Economic Development Coalition;
- 3) Aid City Council in developing strategies and plans for promoting economic development in the City of Norman;
- 4) Investigate and report on economic development issues as assigned by Council;
- 5) Serve as a forum for economic development policy discussion and education; and
- 6) Assist in identifying assets, resources and incentives appropriate for furthering economic development within the City of Norman.

Councilmembers may recall that Section 4-105 of our Code currently precludes anyone from service on more than one appointive board or commission. Ordinance No. O-1213-42 amends Section 4-105 (a)(5) to explicitly restrict members of appointive boards or commissions from serving only on any other board or commission in Chapter 4, with the exception of the EDAB. This amendment would enable a citizen to serve on one appointive board and an ad hoc committee; or an appointive board, the EDAB, and an ad hoc committee.

STAFF RECOMMENDATION: Staff recommends approval of Ordinance No. O-1213-42.