

CITY COUNCIL
BUSINESS AND COMMUNITY AFFAIRS COMMITTEE MINUTES

September 6, 2012

The City Council Business and Community Affairs Committee of the City of Norman, Cleveland County, State of Oklahoma, met at 9:00 a.m. in the Conference Room on the 6th day of September, 2012, and notice and agenda of the meeting were posted in the Municipal Building at 201 West Gray and the Norman Public Library at 225 North Webster 48 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Kovach, Spaulding, Williams, and
Chairman Lockett

ABSENT: Councilmember Jungman

OTHERS PRESENT: Councilmember Robert Castleberry, Ward Three
Councilmember Roger Gallagher, Ward One
Mayor Cindy Rosenthal
Ms. Robin Allen, Director, Chamber of Commerce
Mr. Trey Bates, 3720 Timberidge Drive
Mr. Evan Dunn, 1014 Missouri Street
Mr. Steve Ellis, 633 Reed Avenue
Mr. Chuck Thompson, President, Republic Bank and
Trust
Mr. Tony Tyler, Tyler Outdoor Signs
Mr. Don Wood, Norman Economic Development
Coalition Executive Director

STAFF PRESENT: Mr. Jeff Bryant, City Attorney
Mr. Terry Floyd, Development Coordinator
Mr. Steve Lewis, City Manager
Mr. Shawn O'Leary, Director of Public Works
Ms. Kathryn Walker, Assistant City Attorney
Ms. Syndi Runyon, Administrative Technician IV

Item 1, being:

PRESENTATION BY MR. CHUCK THOMPSON REGARDING NORMAN ECONOMIC INDICATORS.

Mr. Chuck Thompson, President of Republic Bank and Trust, said the Census is taken every ten years so analysts and statisticians extrapolate population numbers between those ten years. He said information included in the information is publicly available and Republic Bank and Trust Staff put together information on economic indicators for Norman. He said a couple of Councilmembers had seen his presentation to other organizations and asked him to present the information to the Business and Community Affairs Committee (BACA). He said Republic Staff tried to make sense of the data as it relates to the bank and looked at the statistics from a percentage basis and a raw number basis.

Mr. Thompson said, for comparisons, Republic Staff chose communities that are similar to the Oklahoma City Metropolitan area. He highlighted the rankings broken down by population; median household income; median household value; daytime population change; population below poverty level; cost of living index; change in single family residence permits issued; single family residence permit average cost; \$ change 2011-2010 per penny sales tax collections; per penny sales tax collection 9-year % growth; aggregate percentage deposit

Item 1, continued:

growth 2000-2011; aggregate deposit growth in dollars 2000-2011; deposits/population; districts by % change in average daily membership 1996-1997 through 2010-2011; district % change in free & reduced lunch 1996-1997 through 2010-2011; 2011 API scores; districts by point differential 2011-2006 API scores; districts by revenue per API point; and overall comparison results.

Mr. Thompson said the 2010 Census used 2009 Income Tax Returns on Median Household Incomes and 2010 information is not yet available. He said Median House Value data was obtained from County records and smaller towns are seeing healthy increases in the average price of houses. Councilmember Gallagher asked if the value of houses include houses sold and built or just houses that are occupied and Mr. Thompson said they are structures listed in County records and he did not think there was any distinction between occupied/unoccupied or rented/unrented, etc. Councilmember Gallagher asked if the City of Goldsby's figures could be skewed because a lot of houses have outlying acreages and Mr. Thompson said that was possible. He said customers cannot get a conventional mortgage on an acreage so residents will get a survey to carve out five or ten acres from the total acreage, obtain a deed on the five or ten acres, and then get a fixed rate mortgage on the five/ten acres. He said this is known as an alter ego transaction.

Mr. Thompson said in regards to daytime population change data, about one-half of the jobs in Norman are filled by non-residents. Councilmember Kovach asked if there is any data, other than the 2010 data, that shows the commuter numbers have changed over time and Mr. Thompson said there is data, but it is all extrapolated and he feels it is important to use actual census data that is confirmed, not data that has been extrapolated by someone else. Mr. Thompson said Money Magazine, who recognized Norman as the Sixth Best City to live in America, fine tunes their selection criteria every year and the year they selected Norman, they focused on commuting and what percentage of the work force has a job in that community and what percentage commuted. He said Norman is very favorable in that category compared to other communities the magazine looked at. He said other criteria included property crimes per thousand, acres of park land, etc.

Mr. Thompson said poverty levels are based on a scale of the number of people in a household. He said a family of four's poverty level is approximately \$32,000. He said poverty rates in Norman are significantly different when you compare percentages to raw numbers. Mayor Rosenthal said university communities have a lot of households that consist of students with children and it is common for university towns to be under poverty level. Mr. Thompson said if a student lives off-campus they are reflected in the data numbers, but if they are living in student housing on campus, they are not in the numbers and he thought about one-third live in on-campus housing. He said the University of Oklahoma (OU) accelerated their on-campus housing program a few years ago, which has changed the numbers some, but not a lot.

Mr. Thompson said every town has sales tax and Republic Staff calculated the amount of money every penny generates in sales tax. Mayor Rosenthal suggested adding per capita sales tax revenue to that information and Mr. Thompson agreed. He said there are 150 pages available and he only selected a few pages for his presentation, but per capita information is probably out there. He said another chart not generated, but available, is the "Pull Factor" chart that shows the purchasing power available in a city and how much of that purchasing power is spent in that city. He said other interesting data would be whether or not Moore's sales tax is eating into Norman's pull factor as Moore has become more proficient at driving sales tax revenues.

Item 1, continued:

Mr. Thompson talked about changes in free and reduced school lunch numbers and said those figures were derived from families determined eligible by the Department of Health, school counselors, and school enrollment. He said it is not a precise measure, but it is fairly good. He said schools are paid based on student enrollment and attendance. He said deeper studies for more accurate lunch numbers were done in 1996-1997 and 2010-2011. He said percentages for Moore, Norman, Edmond, Mustang, and Yukon are skewed because they have disproportionately large school districts. He said one-third of Moore's school district is within the city limits of Moore and the rest are in the city limits of Oklahoma City. He said Moore has the second largest school district in Oklahoma covering a huge geographic territory. Councilmember Castleberry said data shows 40% of students in Norman get free or reduced lunch and asked if that is accurate. Mr. Thompson said Mr. Joe Siano, Superintendent of Norman Public Schools, stated in a recent meeting, that this year the number is actually 47%. Councilmember Castleberry said that does not add up with the below poverty level figure of 20% yet 40% qualify for free lunch. Mayor Rosenthal said free lunches are determined on a sliding scale so more people can be eligible at poverty level. Mr. Thompson said some programs are at 80% poverty level and other programs are at 150% poverty level because they qualify through different mechanisms.

Mr. Thompson said API stands for Academic Performance Index, which is a mixture of several different components such as test scores and attendance and 1,500 is the perfect score. He said there are people that want to use the API score, free reduced lunch score, change of population, and median household income score to get a different view of the capability of a school to educate students. Mr. Thompson said in 2011 there was a rescaling of the API score that changed the baseline of scoring. He said Republic Staff ranked districts by 2011 API scores. Councilmember Gallagher said if you look at the leaders among the scores you are looking at a traditional American sociological situation of smaller towns having fewer sociological problems and fewer mixes of poverty and population. He said that is why smaller towns generally rank a little higher. Mr. Thompson said that is one thought process, but there are many others and one is the raw cost of building a house or developing land in Norman compared to Moore, Edmond, Oklahoma City, etc.

Mr. Thompson said the Community Report Card by LINK Norman should be a bible to the community as it is full of information that relates to quality of life issues and the Mayor's Roundtable is planning to discuss that information soon.

Councilmember Gallagher asked if median and average household income included people on welfare and all of the population or only people with jobs. Mr. Thompson said those numbers come from the Census and he would have to go back and look at the data, but he thought household income would be all the income that would come into a household regardless of its source.

Items submitted for record

1. PowerPoint presentation entitled, "Comparison of Economic Indicators"
2. Community Report Card, Norman, Oklahoma, An Initiative of LINK Norman

Item 2, being:

CONTINUED DISCUSSION REGARDING THE CREATION OF THE NORMAN ECONOMIC DEVELOPMENT ADVISORY BOARD AND THE CREATION OF ECONOMIC DEVELOPMENT POLICIES.

Ms. Kathryn Walker, Assistant City Attorney, provided a timeline of the creation of the Norman Economic Development Authority (NEDA). She said the Association of Central Oklahoma Governments (ACOG) is working on a Comprehensive Economic Development Strategy (CEDS) for Central Oklahoma. She said the CEDS will provide ACOG with guidance on efforts of existing organizations and redefine its own role as an economic development liaison. She said the CEDS will also qualify ACOG to apply for investment assistance under the U.S. Economic Development Administration Public Works Adjustment Assistance programs. She said ACOG is looking at strategies to leverage this region's opportunities and provide a framework for guiding regional economic development initiatives.

Ms. Walker said CEDS has four strategic plan goals:

- Retain, expand, and attract new businesses in the central Oklahoma regions
- Coordinate economic development efforts with regional partners
- Develop, retain, and attract talent
- Enhance and promote quality of place (a place of destination)

ACOG's recommended regional targets for recruitment are:

- Advanced Manufacturing - companies that utilize advanced manufacturing technology to achieve heightened levels of efficiency
- Aviation/Aerospace – manufacturing of aircraft, engines, parts, and auxiliary equipment – servicing, repairing, rebuilding, maintaining, and storing aircraft
- Logistics and Distribution – assembling and repackaging materials, consolidating orders and ships, manage flow of goods, etc.
- Life Sciences – research development in physical, engineering, and life sciences like agriculture, biology, computers, chemistry, medicine, etc.
- Data/IT/Software – publishing, broadcasting, share serve centers, data storage, and basic business support services
- Healthcare – general medicine and healthcare services and ambulatory services

Ms. Walker highlighted economic development polices in other communities including Oklahoma City, Oklahoma; Tulsa, Oklahoma; Lawton/Fort Sill, Oklahoma; Broken Arrow, Oklahoma; Ada, Oklahoma; Enid, Oklahoma; Overland Park, Kansas; Lee's Summit, Missouri; Olathe, Kansas; and Shawnee, Kansas.

Ms. Walker said Mr. Don Wood, Executive Director of the Norman Economic Development Coalition (NEDC), has always stated it is more important to have smaller diverse businesses than one really large industry because if that industry closes, the community will be in a lot of trouble. She said Olathe, Kansas, looks at what the business brings in terms of diversity to the economy and Shawnee, Kansas, considers diversity as well.

Councilmember Castleberry asked if Staff had information on Moore, Oklahoma City, or Edmond, and Ms. Walker said Moore and Edmond do not have written policies. She said in many cases the cities were reluctant to share information if they did not have a written policy.

Item 2, continued:

Mayor Rosenthal said the Government Finance Officers Association (GFOA) Best Practices on Economic Development Incentives seems to be a good template for drafting a more comprehensive policy that includes goals, tools evaluation, performance standards monitoring, and compliance. She said most of the Oklahoma policies presented seem to focus on one aspect, tools and limitations, whereas the Missouri policy does more in terms of performance standards and monitoring. She said she would like to discuss the GFOA Best Practices as well as goals and objectives. Councilmember Kovach said it is also important to look at standards and metrics by which to judge clawbacks. He said to prove that economic development can be positive for the community the City has to be able to show that point of sales will be protected in the community.

Mr. Jeff Bryant, City Attorney, said Mr. Wood had information available and that would be a good starting place at the next meeting.

Mr. Trey Bates, 3720 Timberidge Drive, asked if the schedule is to try to have a policy rough draft based upon examples presented in this meeting by November. Chairman Lockett asked if Staff could have a draft ready for the October meeting and Ms. Walker said yes.

Mr. Bryant said Staff can collect additional information from other cities if there are any cities the Committee wants to recommend. He asked for guidance from the Committee and Chairman Lockett asked members to forward any comments, suggestions, or questions to Staff prior to the October meeting as the Committee is trying to meet a deadline. Mr. Bryant said Staff's goal is to be close to a workable, semi-final draft in November and polish it up in December.

Councilmember Castleberry said the Committee needs to discuss where incentive money will come from.

Councilmember Gallagher said he would like information from communities similar to Norman's population because the cities in Kansas and Missouri have much larger populations than Norman.

Items submitted for record

1. Memorandum dated August 30, 2012, from Kathryn L. Walker, Assistant City Attorney, through Jeff H. Bryant, City Attorney, to Members of the Business and Community Affairs Committee
2. PowerPoint presentation entitled, "Economic Development Policies," Business and Community Affairs Committee, dated September 6, 2012
3. Site and Building Requirements
4. Enid Regional Development Alliance Resolution No. 2766
5. Overland Park, Kansas
6. City of Lee's Summit Economic Development Incentive Policy
7. City of Olathe Council Policy Statement
8. City of Shawnee Policy Statement
9. Government Finance Officers Association (GFOP) Best Practice, Developing an Economic Development Incentive Policy (2008)(CEDCP)

Item 3, being:

DISCUSSION REGARDING FUTURE MEETING DATES AND TIME.

Chairman Lockett asked if the first Thursday of each month at 9:00 a.m. was an agreeable time for everyone to meet for Business and Community Affairs Committee and, hearing no dissention, said the meeting will continue to be held the first Thursday of each month at 9:00 a.m.

Item 4, being:

MISCELLANEOUS DISCUSSION.

None

The meeting adjourned at 10:23 a.m.

ATTEST:

City Clerk

Mayor