



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 02/28/2023

REQUESTER: Jason Olsen, Director of Parks and Recreation

PRESENTER: Jason Olsen, Director of Parks and Recreation

ITEM TITLE: CONSIDERATION OF ACCEPTANCE, APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2223-105: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, DECLARING THE 2023 NORMAN MUSIC FESTIVAL AND LIONS CLUB CARNIVAL TO BE HELD IN THE CITY OF NORMAN FROM APRIL 27, 2023, THROUGH APRIL 29, 2023, AS A QUALITY EVENT FOR THE PURPOSE OF APPLYING FOR TAX INCENTIVES PURSUANT TO THE STATE OF OKLAHOMA'S QUALITY EVENTS INCENTIVES ACT, DESIGNATING THE LIONS CLUB, IN CONJUNCTION WITH THE NORMAN MUSIC ALLIANCE, AS THE CERTIFIED SPONSOR AUTHORIZED TO PROMOTE AND CONDUCT THE QUALITY EVENT, AND IDENTIFYING ELIGIBLE EXPENSES FOR SUCH INCENTIVES.

BACKGROUND:

During the 2010 legislative session, the Oklahoma Legislature enacted and the governor signed the Oklahoma Quality Events Incentives Act ("Act"), 68 O.S. §4301, et seq., which became effective July 1, 2012. The Act was amended effective July 1, 2018, and extended through June 30, 2026.

The intent of the program created by the Act is to capture the incremental state sales tax generated by a qualifying "quality event" and use the incremental revenue collected to assist with the promotion of such events and to assist the promoters and organizers of such events with the planning and performance of such events. An eligible qualifying event includes a new or existing event managed or produced by an Oklahoma-based national or international organization. The Norman Music Festival and Lions Club Carnival are jointly organized and produced by the Norman Music Alliance and the Norman Lions Club. Norman Lions Club is based in Norman and is part of the International Association of Lions Clubs.

The Act requires the City, as a host community, to provide to the Oklahoma Tax Commission ("OTC") detailed information disclosing the total amount of "eligible local support" for purposes of determining the amount of incremental state sales tax revenue that may be paid to the City under the provisions of the Act. The phrase "eligible local support" means any payment made by a certified sponsor to a for-profit or nonprofit entity other than the host community to attract,

promote, advertise, organize, conduct, or otherwise support a quality event, which in this case will be the support provided by the Norman Music Alliance and Norman Lions Club for the promotion and management of the Norman Arts Festival and Lions Club Carnival.

The process established by the OTC for the Quality Events Incentive Program requires that each host community designate each quality event by adopting an event-related resolution. The event-related Resolution must contain the designation of the following:

- 1) Dates during which a quality event will be hosted; and
- 2) The type of expenses eligible for distribution of captured revenues to the host community including, but not limited to, advertising, facility rental, promotional materials, and security.

DISCUSSION:

Founded in 2008, Norman Music Festival and Lions Club Carnival was originally a one-day event and has since grown to span two nights and one full day and night of music and arts. Norman Music Festival features performers from several different genres in both indoor and outdoor venues. The Festival includes the Lions Club Carnival. The carnival raises money for vision screenings and other Lions Club charitable projects.

City staff recommends the City Council make the following designations:

- 1) The dates for this event be designated as the time period beginning April 27, 2023, through April 29, 2023.
- 2) The status of the Norman Lions Club, in conjunction with the Norman Music Alliance, as a certified sponsor of the event.
- 3) The type of expenses eligible for distribution of captured revenues for the 2023 Norman Arts Festival and Lions Club Carnival include rent, utilities, advertising, facility and equipment rental, promotional materials, street closure, and security.

When submitted, this Resolution will be accompanied by an economic impact study. The economic impact study will estimate the anticipated increase in state sales tax revenue directly attributable to the quality event. Should the Oklahoma Tax Commission determine that the threshold for incremental state sales tax revenue generated by the 2023 Norman Arts Festival and Lions Club Carnival quality events program is sufficient to make payment to the City for eligible local support amounts expended for the event, all tax revenues paid to the City will be transferred to the Norman Lions Club, as the certified sponsor of the event, to cover the eligible expenses associated with production and management of the Norman Music Festival and Lions Club Carnival.

RECOMMENDATION:

Staff recommends adoption of Resolution R-2223-105.