



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 07/14/2026

REQUESTER: Jason Olsen, Director of Parks and Recreation

PRESENTER: Jason Olsen, Director of Parks and Recreation

ITEM TITLE: CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF CONTRACT K-2526-188: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA AND THE NORMAN CONVENTION AND VISITORS BUREAU, INC. TO ENCOURAGE, PROMOTE AND FOSTER THE CONVENTION AND TOURISM DEVELOPMENT OF THE CITY, AND TO PROVIDE FOR THE ADMINISTRATION OF THE TAX AND ALLOCATION OF A PORTION OF TRANSIENT GUEST ROOM TAX REVENUES COLLECTED IN NORMAN FOR SAID SERVICES.

BACKGROUND:

An ordinance known as the “Norman Transient Guest Room Tax Ordinance” directs imposition within the City of an excise tax upon the gross proceeds derived from rents received from occupancy of hotel rooms. Section 12-521 of the Code directs that the taxes collected be set aside and used exclusively for the purpose of encouraging, promoting, and fostering the convention and tourism development of the City. Section 12-521 explicitly states that uses of the tax in parks development and in the promotion of arts and humanities are contemplated.

The Norman Convention and Visitors Bureau (“Visit Norman”) was formed in 1993 for the sole purpose of promoting and fostering convention and tourism development in Norman and has operated in furtherance of this purpose since that time pursuant to a contract with the City of Norman. The allocation of Guest Room Tax proceeds have been set out by contract. Historically, the City has retained a percentage of the tax proceeds to cover administration costs, and of the remainder, 25% was allocated to Norman Arts Council (“NAC”), 25% to the Norman Parks Department, and 50% to Visit Norman.

In 2023, the voters approved an increase to the Guest Room Tax rate from 5% to 8%, with the increased portion being split by NAC and Visit Norman. Following approval of the increase in 2023, the room tax revenues, after the City’s 4% administrative fee, were split with 25% of revenues being allocation to NAC, 59.375% to Visit Norman, and 15.625% to the Norman Park’s Department.

An increase to the Guest Room Tax rate was approved by the voters in April 2026. After discussions with NAC, Visit Norman, and the City's Finance Department, staff recommends returning to the traditional allocation. Additional changes to the NAC contract and the Visit Norman contract ensure more consistency in reporting and process, while providing the City with additional information regarding how the tax revenues are spent.

DISCUSSION:

Substantive changes to Contract K-2526-189 are found primarily in Sections 2 and 3. Section 2 provides for quarterly reporting to the City of Visit Norman's activities. This report includes information related to performance measures of convention and sports activities, and marketing and communication activities. It also includes detailed funding efforts for tourism and promotion and provides the City with figures related to the return on investment for the expenditure of these tax dollars. Quarterly financial reports, year-end financial reports, and audited financial statements are also required. Additionally, this information will be presented annually to the Board of Parks Commissioners. This contract adds a new requirement for the annual submittal of the completed and filed Form 990 and any associated schedules to further inform an analysis of how the funds are being spent.

Section 3 updates the funding allocations and moves the City from a quarterly remittance schedule to NAC based on estimated revenue, to a monthly remittance schedule based on actual revenues received. It also sets out \$150,000 annually in Visit Norman's portion of the guest tax revenues to be retained by the City and earmarked for special events, incentives to attract conferences or events, or Norman Forward-related capital projects. Finally, the contract formally implements the City's reserve policy requiring an unappropriated operating reserve fund balance of eight percent (8%) from the tax revenues allocated to Visit Norman.

RECOMMENDATION:

Staff recommends approval of Contract K-2526-188.