

CCEDC Response to Possible Contract Changes

1. Section 3(C): Political Activities. Language in the previous contracts with NEDC defined “political activity” more broadly to include a prohibition on engaging in political activity with the primary or incidental purpose of supporting or opposing a state or local question. Cities are very careful not to spend public funds on political activity, and I’m sure that is where the original contract provision came from. There is a statute prohibiting public funds from being spent to influence the outcome of a measure which is being referred to by voters by means of initiative or referendum. (26 O.S. 16-119, see also *Quinn v. City of Tulsa*, 777 P.2d 1331). There are also AG opinions that find that, absent a statutory or constitutional authorization of the use of public funds for advocacy for a specific election result, generally, public funds cannot be used to promote a specific election result. OML consistently advises caution in this area, and we historically have as well, ensuring that all of our mailers/promos about elections are factual only, regardless of the topic of the election. Would you be open to using the language from the original contract regarding political activities? **We would not be open to changing for several reasons, but we will continue to support funds not being used for or against elected representatives. That’s a requirement of our 501 (c)(3) status anyway, so we wouldn’t jeopardize that with the IRS. The funds provided by the City are general funds, not dedicated funding (such as Hotel/Motel tax), used to provide the services stated in our contract. Our efforts and the services we provide to recruit or retain companies or projects that we believe are beneficial to the economy can’t be halted because they suddenly become “political,” as everything in society has become political. We did, in fact, stop all efforts to publicly provide factual data on the Entertainment District once signatures were gathered for a bona fide election. However, we believe the decision didn’t align operationally with our mission and was patently unfair to the citizens, our entertainment project, and the five courageous Councilmembers who supported it in spite of half-truths and innuendos. Hence, one reason why we cancelled the previous contract and revised the wording in the new one provided. If the Council can’t support our need to stay fully engaged with our projects from start to finish (and one they supported at the time), including educating the public, then we have an impasse, and the City will need to secure a different service provider. Soon, whether there is a public vote or not on the Entertainment District, we will release objective data and a subjective analysis of why, when, and how we continue to be the lead advocate for the Rock Creek Entertainment District and the associated Performance Venue we asked OU to anchor and support.**
2. Would you consider a change to ensure the long-standing founding members have more representation, reflective of their participation over the years? For example, the city has one board seat but has contributed over \$3 million to NEDC since its inception. **The NEDC model was needed in 1996, but became increasingly flawed**

over the years and is not the best practice for economic development organizations today, which is why we made wholesale changes to our Bylaws, funding formulas, Board governance, etc. If we did what you are asking for all founding partners (because you were all equal), you would cancel each other out, and it would have zero effect in terms of influence. Furthermore, CCEDC was founded in 2024, and on December 31, 2025, all investors of record will be considered Founding Partners of CCEDC. That said, at our last Board meeting (the City no longer attends because the contract grace period ended September 30), we agreed to consider a “weighted” vote for those who invest at higher levels. However, eventual Board approval is far from assured, isn’t based on tenure (30 years) since this is a new organization, and won’t be decided until our retreat in January. Obviously, if the City isn’t an investor, they won’t even be able to make the argument in favor at our retreat.

I would also like to point out that while the City has provided \$3 million over 30 years, CCEDC has spent/invested/improved Norman with an Economic Impact of over \$3.5 billion during that same time frame. In just the last three years, we’ve had an economic impact of \$1 billion, spent \$10 million on downtown Norman improvements, paid over \$200,000 for studies such as National Weather Museum, Mountain Biking, Rock Creek Entertainment District, Equestrian Venue, etc., co-led the charge on the original downtown business improvement district, kept the city out of, and avoided, an imminent multi-million dollar lawsuit, and helped secure a \$53 million state high school anchored in Norman, using a \$20 million grant that we championed, that will be the envy of the state/nation and will drive aerospace high quality high paying job opportunities to us.

3. Would you consider a provision that requires the filing of an annual budget with the City, annual audits, and an annual report of activity? We would NOT agree to file an annual budget or annual audit with the City. Those are both presented to the CCEDC Board, which means the City Manager sees and votes on them, and would presumably report back verbally to Council on whether to remain in the Coalition. The Council should know that we currently have 20+ CEOs on our Board, who know very well how to run organizations and manage budgets, so “oversight” from the City Council will never happen. Our audits have always been clean and unqualified. We have a strong balance sheet with \$20 million plus in assets, no debt, and plenty of cash. Better yet, we have trusted relationships and partnerships throughout the state and nation. The cost to provide the services outlined in the contract is between \$1.3 and \$1.6 million annually, including 9 FT, PT, and contracted staff. Our request of the City is not because we need \$130,000 to remain viable. It’s simply the public formula/pricing to provide the services we’ve outlined and to give the City a vote at the Coalition table. Strategically, showing our business plans, strategies, and

tactics to our competitors (if available, since City records are open to the public) is another grave flaw for a competitive organization like ours. We do provide an Annual Report at our Annual Meeting. The City is welcome to distribute and publish that if they choose.

4. Is there any willingness to follow the Open Records Act and Open Meetings Act, at least as it pertains to public funding? Again, we do not receive a dedicated amount (a tax, bond, or millage, etc.) from the City on our year-to-year agreement to provide services. That's a significant differentiation and why we are treated just like a plumber providing a service to the City. You don't see their books or audits, or ask them to make their meetings public. We are not subject to the Open Records Act or the Open Meetings Act and will not set that precedent as a private entity. Again, why would we unnecessarily broadcast our strategies and intentions to our competitors?
5. What is the purpose of the 3rd whereas clause? "Funding for the Coalition has not changed since July 8, 2008, reducing the buying power of the City investment by approximately 49%"? The purpose is to show two things: First, at \$125,000, the City doesn't invest significantly in quality job recruitment or retention, and lags well behind competitor cities throughout Oklahoma. Please check for yourself. And secondly, in today's dollars, to remain competitive with 2008 when the City began investing \$125,000, the City should be at \$225,000 minimum due to inflation alone. The fact that CCEDC has created a new formula and funding model that increases the City's investment by just \$5,000 annually, to \$130,000 based on population, should be prima facie evidence that we are working in good faith to keep the City of Norman costs down and to leverage the resources of our other private investors (some with a 50x annual increase) so that a professional recruitment and retention effort remains in place for Norman. We are fine if you'd like to delete that illustrative "whereas clause."

