



ARPA Funds and
Economic Development
City Council Study Session
March 1, 2022

Section 1

ECONOMIC DEVELOPMENT IN NORMAN



Norman Economic Development Coalition

- NEDC formed as a 501(c)(6) in 1996 as a collaborative effort between the City, the Chamber, and OU, but was expanded in 2009 to include MNTC as an equal investor
- Each partner has a representative on the Board and provides equal shares of its annual funding
- NEDC recently invested significantly in its new HW downtown, leasing 2/3 of the facility to Visit Norman and the Chamber of Commerce, enabling the entities to share resources and reduce overhead.



Norman Economic Development Coalition Strategic Objectives

- Business Attraction and Retention
- Talent Attraction and Retention
- Entrepreneurship and Incubation
- Maximize existing resources
- Promote development of additional resources



Norman Economic Development Coalition



- New Economic Development Strategic Plan developed in 2018 identified 10 strategic initiatives, including:
 - Develop an entrepreneurial atmosphere that enables startups and high-growth enterprises to achieve success and expand in the Norman area
- NEDC currently has the only State certified business incubator program in Cleveland County; recent focus at State level on accelerator programs, which also mirrors the new NEDC plan
 - Incubator Program: longer term (1-5 years), ongoing support as needed
 - Accelerator Program: shorter term, intense support
 - Support from NEDC comes in the form of shared resources, low overhead, programming and consultation – currently housed within NEDC office space and is already 100% leased.

Regional Strategy

- In 2012, ACOG adopted a Comprehensive Economic Development Strategy for the region that identified target sectors and strategies for attracting and growing businesses.
- The CEDS was updated in 2019 and identified 3 primary goals
 1. Enhance the region's transportation and telecommunications systems
 2. Build a resilient economy business development and attraction, diversification of the economic base, and adopting policies to address economic and weather-related disruptions
 3. Grow the region's startup, entrepreneurship, and business innovation ecosystem by providing the support and tools needed for businesses to thrive. The NEDC plan meets guidelines for ARPA funds allocated to the EDA which require integration with the ACOG CEDS.



Local Strategy

- In 2012, after months of discussion, the City Council accepted a beneficial interest in the Norman Economic Development Authority
- Directed that an ED Policy be drafted and adopted
- Directed that an Advisory Board be created to advise the trustees/council members



Local Strategy

NEDA adopted its own Economic Development Incentives Policy in 2013 that outlined the following goals and objectives:

1. Support retention/expansion of existing businesses that employ local residents, pay above average wages, and provide insurance
2. Attract businesses in targeted industries
3. Promote and provide support for additional business incubators and microenterprises
4. Promote and support public/private partnerships that will expand ED opportunities in Norman



Local Strategy

- Economic Development Advisory Board (EDAB) created by ordinance in 2013 to advise Council regarding ED policies, opportunities, and requests for City-funded incentives of private businesses
- 7 members, 4 of whom have knowledge/experience in economics, business, finance, law, policy analysis, and community development



Section 2

ECONOMIC DEVELOPMENT RELIEF INITIATIVES



Background

- In 2020, Congress adopted the Coronavirus Aid, Relief and Economic Security (CARES) Act to provide financial relief to state and local governments negatively impacted by COVID-19 by reimbursing them for eligible expenses
- Council adopted R-2021-69 in November 2020 to appropriate \$1,000,000 of those reimbursement funds for small business relief grants
- In 2021, Congress adopted the American Rescue Plan Act providing \$350 billion in pandemic related aid to state and local governments. Norman received half of its allocation in May 2021, and will receive the remainder in May 2022, totaling \$22,225,000.
- Summer 2021: Council identified entrepreneur grants as a funding priority for ARPA funds and asked that EDAB review and make recommendation
- Final rules for ARPA expenditures were released on January 6, 2022. EDAB discussed Council's proposal in September, November and January meetings.



ARPA Rules

- Presumption of eligibility - Populations
 - Small businesses (under 500 employees or independently owned and operated)
 - Businesses and residents in qualified census tracts
 - Minorities
- Eligible Programs, Services or Capital Expenditures
 - Technical assistance, counseling or other business planning support
 - Microbusiness support
 - Business incubators
 - Rehabilitation of commercial properties
 - COVID-19 mitigation and prevention measures
- Reporting Requirements
 - Annual reporting of projects and expenditures
 - Sub-award reporting must provide detailed obligation and expenditure information for any contracts, loans, grants or direct payments made in excess of \$50,000



EDAB Recommendation

- Discussions focused on ability to use the ARPA funding to make a long term impact
- Business incubator program has long been identified in various strategic plans to support entrepreneurship and small businesses
- NEDC is currently in need of space to house and grow incubator program
- January 2022 EDAB meeting included representatives from NPS, MNTC, the County, and NEDC to talk about opportunities for collaboration
- EDAB's Recommendation: "Recommend setting aside \$1 million in ARPA funds for the development of an incubator program to be located in a qualified census tract and developed in partnership with MNTC, NPS, NRHS, and NEDC."



EDAB Recommendation

- NEDC's vision is to purchase a building free and clear to keep overhead costs low, hire staff to support the incubator businesses; and focus on priority for women, minority businesses, Native Americans, and veterans, all disproportionately impacted by COVID-19.
- A one-time capital investment of ARPA funds from the City into the new strategic plan, Strategy III, would support the purchase of the facility
 - Funds have to be appropriated by 2024 and spent by 2026
 - Agreement between Council and NEDC
 - Identify site in Qualified Census Tract
 - Identify specifics of business incubator program to be housed in the facility
 - Annual reporting related to expenditure of funds
 - NEDC to own the site



Summary

- Questions?
- With Council's direction, Staff will move forward with drafting an agreement with NEDC.

