**MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES**

**PONCA CITY DEVELOPMENT AUTHORITY**

**PONCA CITY, OKLAHOMA**

**August 17, 2023**

Pursuant to notice as required by law, the Ponca City Development Authority Board of Trustees met in regular meeting session at 7:30 am in Redbud Room, Lower Level of City Central Building, 400 East Central, Ponca City with Chair Mark Detten presiding.

1. Called the meeting to order at 7:30 a.m.
2. ATTENDANCE ROLL CALL: Trustees: Mark Detten, Nancy Laffey, Erika Fetters, Garrett Bowers, Mark Southard, Kirk Brown, Absent: Eric Peitz. Staff members present: David Myers, Lori Henderson, Aubrey Adams, Laurence Beliel, Liz Leaming, Katherine Long and legal counsel Derrin Hiatt. Guests: Mayor Nicholson; Craig Stephenson, City Manager, Calley Lamar, Ponca City News; Janet Schwabe and Dawn Brakey, Pioneer Technology Center; Shelley Arrott, Ponca City Chamber; Kelsey Wagner, City Commissioner; Adam Leaming, PCPS Superintendent; Clement Colligan and Chris Greenwood.
3. PUBLIC COMMENT:
4. CONSENT CALENDAR. CONSIDER AND VOTE UPON THE MINUTES FROM THE REGULAR MEETING ON JULY 20, 2023; CONSIDER AND VOTE UPON THE FINANCIAL REPORTS FOR JULY, 2023; CONSIDER AND VOTE UPON THE PAYMENT CLAIMS FOR JULY, 2023.

A motion was made by Trustee Laffey with a second by Trustee Brown to approve the consent calendar for July, 2023.

 Roll: Yeas: Brown, Southard, Detten, Fetters, Laffey and Bowers

 Nays: None.

 Abstain: None

 Motion Carried.

1. DISCUSSION OF RETAIL AND HOUSING, AS WELL AS WORKFORCE AND REMOTE WORKER ATTRACTION IN PONCA CITY;

David Myers passed out a white paper on retail and economic development, and one on housing with regard to PCDA’s current role and future role in these areas. He noted that retail, housing and workforce attraction will be discussed today. Questions and comments are welcome and encouraged. David presented information on retail, reminding the Board that the trust does not allow for PCDA to incentivize retail.

Most larger communities, he noted, do use retail incentives to recruit retailers to their communities. This is often referred to as “zoning for dollars” since the goal is to provide attractive areas for retailers in order to gain the sales tax revenue generated by retail development. He further noted that there are other economic development organizations in Oklahoma that also provide incentives. All public trusts are different, written for the specific area and purpose under which they were formed. When PCDA was formed, there was a specific decision to concentrate PCDA resources on primary employment, not retailers. It is up to policy makers to decide if that should be changed.

Every community’s context is different. Ponca City is a standalone market, as opposed to larger areas where several jurisdictions may share the retail market. In larger markets, incentives are often offered in order to get a retailer to select one community over a neighboring community in order to get the sales tax revenue from that retailer.

In 2018, Oklahoma State published a “Pull Factor” report. This is a report on retail in larger markets within the state. Ponca City’s pull factor in 2018 was one point five. The pull factor means that for every dollar expected in retail sales because of the population size, Ponca City is receiving $1.50. This is not uncommon for an area that acts as a regional center, such as Ponca, making us very competitive with others. The local pull factor is slightly less that of Stillwater but above Bartlesville, Enid, Duncan and a few others.

David reviewed several retail sub-sectors that are well represented in the community including restaurants, housewares, electronics, home repair, hobbies, and health and beauty. He also review areas that are not well represented (retail gaps) and these include

Ownership of the retail market itself can generally be divided into three separate categories. These include hometown stores, company owned stores, and franchises. Hometown stores are grown. Company owned stores are recruited. Franchises require the identification of a franchisee willing to invest and operate the business. All three have to be approached differently with respect to recruitment and the potential use of incentives.

By far, the most popular reason for communities to offer retail incentives is to attract additional sales tax revenue. In addition, communities also use incentives in the same way as they are used for industrial development. A company-owned chain, for example, may consider two separate markets and only have the resources, of the capacity at the time, to open in one. In those instances, incentives may help the community “move to the head of the line” and be selected. In addition, some communities believe that it is vital to their growth that they attract the “latest greatest” retailer and are willing to incentivize it in order to attract them and make that community more attractive for population growth.

With respect to the use of retail incentives, David said that incentives are often provided to offset development costs, particularly in the construction of infrastructure, buying property, construction rebates and workforce assistance. It just depends upon what is needed to attract the project, provided that the incentive is not greater than the benefit, although operational incentives are rarely offered.

David pointed to the last page of the retail “white paper” and said that it included his recommendation against allowing PCDA to incentivize retail. Those reasons included what he believes would be a lack of effectiveness; a desire to avoid having PCDA pick “winners and losers;” the potential impact to existing local retailers should a “category killer” be recruited and incentivized that put local retailers out of business; the current lack of management capacity, both manpower and retail sector expertise, within PCDA to manage this sector; a concern that the use of incentives would become a given, even for projects that did not need them; and concern that incentives would be misinterpreted as business assistance, and would be requested by all local retailers.

He stated that this represented his opinion, but that he would respect the opinion of policy makers should they feel differently. Should the desire to expand the PCDA Trust to include retail be desired by the Board, a five seventh vote of the PCDA Board and a four fifths vote in favor from the City Commissioners would be required.

The retail discussion, David noted, is all part of an evolving change within economic development. Many communities are shifting away from industrial recruitment to population attraction. Current leads for job creating projects are focused on workforce and how many skilled and trained workers are available in the community. This is a nationwide issue. Job requirements have also changed over the last 20 years.

David then gave an overview of housing and economic development. He handed out a paper on housing and economic development. As with retail, the PCDA Trust does not allow for incentives for housing development.

He showed the results of a nationwide survey of site consultants that said that housing is a primary focus when attracting and keeping companies and work force in the community. From the viewpoint of housing, the last study of housing in Ponca City was completed in 2008. That survey stated that Ponca City should grow conservatively by seven percent which would mean 595 housing units. If there was more aggressive growth, Ponca City would need 2001 housing units over 10 years. Since 2008, however, there have been only 118 housing permits pulled.

David said that the major challenge in attracting housing to areas outside metro areas is the limited supply or housing developers, and their understandable desire to go where the return on investment is the highest. He said that the cost of building in Ponca City is the same as it is in a metro area, but the lower sales price in Ponca City means that a developer will won’t make as much money here. As an example, he said that if it cost $150 per square foot to build a house in Ponca City, yet the market would only support a sales price of $135 per square foot, it would be unreasonable to think a housing developer could be attracted. Moreover, if the market in Edmond would support a sales price of $180 per square foot, the developer would always select to build there since they would make money, instead of lose money.

Trustees asked what other areas are doing in this area. David reported that the only other economic development organization that he could find working in the housing area was the Ardmore Development Authority. He said they launched a program in partnership with the City of Ardmore prior to the pandemic where the ADA purchased land, the City of Ardmore built infrastructure (streets, sewers, etc.) through a Tax Increment Finance District (TIF), and a private housing developer was then recruited to build the homes. In this way, the cost of land and the cost of infrastructure was eliminating significant costs for the housing developer and making the project attractive for private investment. David did not know if this was successful.

He referenced the housing paper he passed out at the beginning of this discussion. This paper included four potential programs that could be pursued should the board and City Commission decided that the PCDA Trust should be changed in order to allow PCDA funds to be used for housing. He briefly described each of the examples.

David concluded the discussion on housing with a recommendation that PCDA should only provide incentives for housing IF the City of Ponca City so requested (as opposed to a developer) and if the PCDA Board of Trustees approved of that request. He said that this would prevent a housing developer from going to both the City and PCDA as a defacto, expected funding source for new housing.

David then introduced Liz Leaming to discuss the issue of workforce attraction.

Liz described the “Make My Move” program that Ponca Works has been using for the past year to recruit remote workers to the Ponca City area. The cost was $12,000 ($1,000 per month) and PCDA has received 270 applications from people interested in moving to Ponca City. Of these, Liz interviewed 50 people with three agreements sent. No one actually signed the agreement to move to Ponca City. Liz posted the “incentives” which were offered, none of which were of the monetary nature (no cash incentives). The lack of a cash incentives appeared to be the problem with closing any of these recruitments.

Duncan, Stillwater and Tulsa are using the “Make My Move” program along with a few other communities in Oklahoma. The Duncan program, in particular, was discussed in some detail based upon conversations with the staff of the Duncan Economic Development Foundation.

She then gave summaries of programs in communities from out of state. In general, these examples were all out of state. It appears in those programs that areas that offered cash were more successful than those that did not.

There are also programs that specifically focus on “remote workers.” These are people that can work anywhere. They typically involve working with a computer and the wages are generally higher than average. In Oklahoma, Remote Tulsa has reported great success in this area. Remote Tulsa is a program funded by the Kaiser Foundation.

Chair Detten requested that staff bring forward a “straw man” program on remote workers for board discussion. This will be on the September agenda and will be intended to provide the Board with specifics that can be discussed, rather than general concepts.

Following the discussion on retail, housing and workforce attraction, David asked a few questions designed to promote discussion. Following discussions included should PCDA incentivize retail? Should PCDA incentivize housing, with (or without) the City as the lead? What role should PCDA take in workforce/population attraction? These first three all involve changes to the PCDA Trust. What makes a community attractive? What should we do to grow as a community?

Discussion followed on these points with guests, staff and PCDA Trustees engaging in questions and answers. No decisions were made from the discussions. David said that an informal discussion on these and other subjects has been scheduled for the following week. He further suggested that any changes to the PCDA Trust take place in the context of a larger community focus. He said that PCDA resources are limited and a piecemeal approach might not be the best way to position this limited funding.

1. STAFF REPORTS

Contacts for PCDA staff included 20 with new industry, 152 with existing industry, 32 with regional partners, 13 government, 10 consultants, 32 at City Central and 20 small business contacts. Leads in August were four with a total of four projects.

The Auditors were here yesterday and left without an “exit interview” which usually means a “clean opinion.” David asked if there would be no objections from the Board, if the written opinion only could be presented instead of having Chuck Crooks make a personal appearance at the October board meeting. Trustees agreed to the written information being presented. Trustees will still have the opportunity to ask any questions about the audit and have those questions addressed and answered.

Liz gave an overview of this year’s Girl Power! Camp which was held July 24-28 at City Central. Pictures were shown of the campers and their project. Liz thanked Laurence for his assistance on designing the project and helping the campers with their skill development. Liz believes this was the most focused campers she has worked with which she attributed to the summer skill camps that Pioneer Tech has been implementing. A special thanks to all the companies that hosted tours at their locations.

Laurence gave an overview of the Duke project. Concrete in the parking lot is beginning to be poured, electrical is being pulled through conduit and drywall is being installed. Carpeting will be delivered soon and will be the final component to be installed.

David stated The Phillips 66 turnaround starts next week. This will bring in 1,871 temporary workers to the area for two months. It is also time for PCDA to re-apply for our accreditation (AEDO) with the International Economic Development Council (IEDC). Staff will put that information together for submission over the next few months.

Laurence updated the Board on the RAINN conference which will be at Pioneer Tech and aimed specifically at using robotics, AI and new technologies in manufacturing. This will be in October and will give those companies using robotics and AI a chance to speak and interact with Ponca City and Kay County companies.

Katherine gave an update on the latest Trade Show Brigade which will be four local companies participating in the Indian Country Business Summit (ICBS) which is geared toward government contracting, specifically small business contracts. Redlands, My Media Matters, Bowers Logistics and Schatz Strategy Group will participate in the Ponca City booth at the October 22-24 show at Metro Technology Center in OKC. The last Business on the Balcony is in September and all business people are invited on Tuesday, September 12th, 7 to 9 am on the Balcony.

1. ENTERTAIN A MOTION TO ENTER INTO EXECUTIVE SESSION PURSUANT TO TITLE 25, SECTION 307 OKLAHOMA STATUTES TO DISCUSS PROJECTS 21-08,23-03,23-09, ASTRO, DIAMOND AND FEEDER;

A motion was made by Trustee Southard with a second by Trustee Laffey to enter into executive session.

 Roll: Yeas: Detten, Fetters, Southard, Brown, Laffey and Bowers

 Nays: None.

 Abstain: None

 Motion Carried.

 The Board returned to open session at 9:08 a.m.

1. NEW BUSINESS;
2. ENTERTAIN A MOTION TO ADJOURN. Motion was made by Trustee Fetters with a second by Trustee Detten, followed by unanimous vote to adjourn at 9:09 a.m.

**MINUTES OF THE EXECUTIVE SESSION OF THE BOARD OF TRUSTEES OF**

**THE PONCA CITY DEVELOPMENT AUTHORITY**

**August 17, 2023**

Pursuant to notice as required by law, the Ponca City Development Authority met in executive session at 8:59 a.m. at City Central in in Redbud Room, Lower Level of City Central Building, 400 East Central, Ponca City with Chair Mark Detten presiding.

Present:

 MARK DETTEN, TRUSTEE

 ERICA FETTERS, TRUSTEE

 GARRETT BOWERS, TRUSTEE

 MARK SOUTHARD, TRUSTEE

 KIRK BROWN, TRUSTEE

 NANCY LAFFEY, TRUSTEE

 DAVID MYERS, PCDA STAFF

 LORI HENDERSON, PCDA STAFF

 Laurence beliel, pcda staff

Liz leaming, pcda staff

AUBREY ADAMS, PCDA STAFF

KATHERINE LONG, PCDA STAFF

DERRIN HIATT, ATTORNEY

At 8:59 a.m. Trustee Southard made a motion with a 2nd from Trustee Laffey unanimously carried to enter into executive session pursuant to Title 25, Section 307 Oklahoma Statutes to discuss Projects 21-08,23-03,23-09, Astro, Diamond and Feeder.

David Myers, PCDA staff, led the discussion and was provided direction for the continuing negotiations with the projects and potential real estate transaction listed on the Closed Session agenda.

At 9:08 a.m. Chair Detten returned the meeting to open session.

**Respectfully submitted by:**

**Katherine Long**