



MEMORANDUM

Council Agenda
Item No. IX. AL
3/25/2025

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Resolution declaring the 2025 Oklahoma City Memorial Marathon to be held in Oklahoma City from April 25 through April 27, 2025, as a Quality Event for the purpose of applying for tax incentives available pursuant to Oklahoma's Quality Events Incentives Act; designating the Oklahoma City National Memorial Foundation as the certified sponsor authorized to promote and conduct the Quality Event; authorizing the Oklahoma City Convention and Visitors Bureau, a division of the Greater Oklahoma City Chamber of Commerce, to assist The City in making application and to conduct the required economic impact study to support a claim for eligible local support; and further authorizing and directing the transfer of any funds received pursuant to the Oklahoma Quality Events Incentives Act to the Hotel Tax 1/11 Fund to be used as reimbursement for eligible costs and expenses paid.

Background:

During the 2010 legislative session, the Oklahoma Legislature enacted and the governor signed the Oklahoma Quality Events Incentives Act ("Act"), 68 Okla. Stat. §§ 4301 et seq., which became effective on July 1, 2012. The Act has been amended to extend the Act through June 30, 2026 and to require the submittal of an economic impact study to the Oklahoma Tax Commission.

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 promote and compete for the large quality events. The legislation declares and recognizes that certain quality events have a significant economic impact on the state, and therefore, it is in the best interest of the State to assist with the promotion of such quality events.

The legislation recognizes that cities and local communities are competing with other jurisdictions outside of the state to bring in the quality events and the legislature recognizes that the qualifying events must have chosen their Oklahoma location over other out-of-state competitors based in part on the promotional efforts and incentives provided by the local communities and cities. The Act provides that The City, as a host community, shall 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 local government entity or transfer of monies from the general fund or transfer of tax revenues derived from a locally imposed tax to a certified sponsor for the purpose of attracting, promoting, advertising, organizing, conducting or otherwise supporting a quality event, which in this case will be the tax revenues transferred to the Oklahoma City Convention and Visitors Bureau ("CVB"), a division of the Greater Oklahoma City Chamber of Commerce, pursuant to The City of Oklahoma City Hotel Tax Ordinance, codified at §§52-61 through 52-86, Oklahoma City Municipal Code, 2020, for the sponsorship and/or promotion of events recommended by the Oklahoma City Convention and Visitors Commission.

On July 31, 2012, Mayor and Council adopted a resolution authorizing The City of Oklahoma City to participate in the Oklahoma Quality Events Incentive Program. The City Manager was authorized to bring forward qualifying events to Mayor and Council for designation as a quality event, as required by the process established by the Oklahoma Tax Commission (OTC). The process established by the Oklahoma Tax Commission requires that each participating city or host community designate each quality event with adoption of an event-related resolution.

The event-related resolution must contain designation of the following:

- 1) The 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.

City staff, in consultation with the CVB in regard to the 2025 Oklahoma City Memorial Marathon event recommend the following designations be made by the Mayor and City Council:

- 1) The dates for this event be designated as the time period beginning on April 25 through April 27, 2025.
- 2) The type of expenses eligible for distribution of captured revenues for the 2025 Oklahoma City Memorial Marathon include rent, utilities, security, advertising, marketing, and promotional materials and expenses.

When submitted, this resolution will be accompanied by an economic impact study, commissioned by the Greater Oklahoma City Chamber of Commerce pursuant to its obligations under the FY2025 professional services agreement with The City of Oklahoma City to provide services for the promotion of conventions, tourism and visitation.

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 2025 Oklahoma City Memorial Marathon 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 shall be transferred to the Hotel Tax 1/11 fund to cover eligible expenses.

Review:

City Manager's Office

Recommendation: Resolution be adopted.