



MEMORANDUM

Council Agenda
Item No. XI. V
12/31/2024

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Joint Resolution with the Oklahoma City Economic Development Trust approving an allocation to The City of Oklahoma City from General Obligation Limited Tax bond funds and “other economic development funds” in an amount not to exceed \$750,000, to be used to amend an agreement with the Alliance for Economic Development of Oklahoma City to manage and operate the City’s American Rescue Plan Act grant funds for the Fiscal Recovery Funds Business Support Program for an increase in funding for façade and other storefront improvements; and by no later than May 1, 2025, the Alliance shall provide the City and Trust a full accounting of its expenditure of this additional \$750,000 and return any remaining funds not spent on approved programs by the same date.

Background:

On February 15, 2022, the City of Oklahoma City (“City”) entered into an agreement with the Alliance for Economic Development of Oklahoma City (“Alliance”) to manage the federal grant funds the City received through American Rescue Plan Act (“ARPA”) for the use of Fiscal Recovery Funds. These funds were to be used for programs and projects to directly address the negative economic impacts caused by COVID-19 in the areas of: (1) job training and workforce development, (2) minority/disadvantaged business support and technical assistance; and (3) small business and non-profit assistance (“Approved Programs”).

Amendment No. 1 was approved in June of 2024 extending the term of the Contract until December of 2026, increasing the amount of funding available for use on the Approved Programs, and increasing the Alliance’s management fee from \$1,500,000 to \$1,655,000. The Contract provides that the funds for the Approved Programs should not exceed \$20,446,500.

One of the Approved Programs managed by the Alliance allowed small businesses to be reimbursed for expenses related to façade and storefront improvement. Earlier phases of the façade and storefront program funded with local dollars resulted in only 68% of the approved applicants completing the improvements and therefore qualifying for reimbursement. However, 90% of applicants for the latest round completed improvements for the façade and storefront program, which has led to obligations exceeding the \$20,446,500 contract authority by approximately \$1,750,000.

In order to address the shortfall, the Alliance has reduced obligations in other programs by approximately \$452,000 and plans to apply interest earned on the ARPA funds, currently totaling

approximately \$548,000, which have remained in the Alliance's possession, to reduce the shortfall to approximately \$750,000.

The proposed Allocation would allocate an additional amount of \$750,000 in GOLT bond funds or other economic development funds for use on an amendment to the Contract between the City and the Alliance to increase funding for the façade and storefront improvements.

Review:

Finance – Economic Development

Recommendation: Joint Resolution be adopted.