



# MEMORANDUM

Council Agenda  
Item No. IX. AS  
12/6/2022

## The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Joint Resolution with the Oklahoma City Economic Development Trust to be introduced and set for public hearing and final consideration on December 20, 2022, approving the allocation of General Obligation Limited Tax proceeds and/or investment proceeds in an amount of \$1,000,000 to provide for certain job creation economic development incentives with Canoo Manufacturing LLC in exchange for locating its operations in Oklahoma City and for its commitment to create approximately 550 net new jobs over the next three years, and authorizing and directing the General Manager and/or designee to negotiate an Economic Development Agreement, for subsequent Trust approval and City Council concurrence.

### **Background:**

The Company plans to add 550 net new jobs in Oklahoma City over the next three (3) years. These jobs reflect a new business presence in Oklahoma City by the Company. The average wage of these new jobs is estimated to be \$71,558. The company also plans to make a capital investment of \$347,000,000. After evaluating options for the location of the company, Canoo Manufacturing LLC is planning to locate these jobs in Oklahoma City.

### Company Background

Canoo Manufacturing LLC has developed breakthrough electric vehicles that are reinventing the automotive landscape with bold innovations in design, pioneering technologies, and a unique business model that defies traditional ownership to put customers first. Canoo has designed a modular electric platform purpose-built to deliver maximum vehicle interior space that is customizable across all owners in the vehicle lifecycle to support a wide range of vehicle applications for consumers and businesses.

### Project Background

The Greater Oklahoma City Chamber and the City have worked with the Company since February 2021. In evaluating its location options, the Company management met with City and Chamber staff to discuss the needs of their overall planned operation. Subject to receipt of local and State incentives, which serve as a material consideration for the establishment of the operation, the company has decided to locate the electric vehicle production facility in Oklahoma City.

### Economic Impact

The total estimated economic impact of this project is \$3,954,949,255 over the first ten (10) years of operation (based on total project impact, including capital investment, wages, state and local

taxes). The estimated total impact on local sales tax and property tax revenue is expected to be \$5,325,104 over the first ten (10) years of operation and \$790,592 annually from the tenth year forward.

**Recommended SIP offer: \$1,000,00**

The Greater Oklahoma City Chamber Economic Development Division recommends a local incentive package of \$1,000,000 based on the following information provided by the Company.

- Incentive based on the creation of 550 new jobs over three (3) years.
- Estimated average annual wage of \$71,558
- Estimated first year payroll of \$17,173,920, ramping up to \$39,356,900 by the end of the fourth year.
- The Company will be manufacturing electric vehicles, which is a targeted industry for both the state and the City of OKC. It will help build out the automotive industry, attract industry suppliers, and potentially generate export opportunities
- The Company will create highly skilled jobs to support the EV and automotive industry, while also driving our workforce training providers to develop new programs to support talent growth.
- There is the potential for additional future growth
- The Company considered a number of alternative locations for these jobs. The state and local incentives were important in positioning Oklahoma City as a competitive location for this operation.

Adoption of the attached resolution authorizes the OCEDT General Manager or his designee to begin negotiations with Canoo Manufacturing LLC for the development of an Economic Development Agreement and approves the allocation of \$1,000,000 in General Obligation Limited Tax Bond proceeds and/or investment proceeds for the Economic Development Agreement with Canoo Manufacturing LLC.

**Cost:**

Not to exceed \$1,000,000

**Source of Funds:**

OCEDT - GOLT Fund - ED Operations-Rstr - OKC Economic Development Trust – Canoo Manufacturing, LLC - Economic Development Contract (OCEDT - 110 - 5709 - 0400599 - ED0185 - 52010030)

**Review:**

Finance

**Recommendation:** Resolution be introduced and set for public hearing and final consideration on December 20, 2022.