

# AGENDA SPECIAL MEETING

## The City of Oklahoma City COUNCIL LEGISLATIVE COMMITTEE

Mayor David Holt, Chair  
Councilman James Greiner, Ward 1  
Councilman Larry McAtee, Ward 3  
Councilman Todd Stone, Ward 4

**Tuesday October 20, 2020  
10:00 a.m.**

2020 OCT 16 AM 9:54  
OKLAHOMA CITY CLERK

During the COVID-19 pandemic, no physical location will be provided for this meeting. The meeting will instead be held by video conference from remote locations as allowed by SB 661, 25 O.S. Supp 2019 §304(7). Instructions on how to join the meeting can be found on the second page of this agenda.

Phone: 1-346-248-7799 (cell phone)  
Toll Free: 1-888-475-4499 or 1-877-853-5257 (land line)  
Webinar URL: <https://okc.zoom.us/j/94402324148>  
Webinar ID: 944-0232-4148  
**All members will be attending via Video Conference**

1. Call to Order
2. Approve minutes from June 9, 2020 meeting
3. Discuss and/or Recommend the City's 2021 State Legislative Program
4. Discuss and/or Recommend the City's 2021 Federal Legislative Program
5. Adjournment

**Zoom Meeting:**  
**Call 1-346-248-7799 (cell phone)**  
**Toll Free: 1-888-475-4499 or 1-877-853-5257 (land line)**  
**Webinar URL: <https://okc.zoom.us/j/94402324148>**  
**Webinar ID: 944-0232-4148**  
**All members will be attending via Teleconference**

**Participant Instructions:**

The City encourages participation in the public meeting from the residents of Oklahoma City. The City Council Chamber will be closed and the only alternative to participate in the meeting will be by teleconference. Below are instructions on how to listen to the meeting or request to speak on certain agenda items.

- To listen to the meeting, call one of the listed numbers. When prompted, enter Webinar ID: 94402324148.
- To sign up to speak on an agenda item or ask questions about the meeting, call (405) 297-2345.

Participants who wish to speak on items on the agenda will be placed on mute until the Chair recognizes the caller to speak. Citizens will be limited to 3 minutes to speak.

To speak on a certain agenda item, please call 405-297-2345 and list your name, address, phone number and include the agenda item number and the reason you would like to speak. Please submit your request prior to the beginning of the meeting to avoid receiving your request after your item has been discussed.

The Chair will announce at the beginning of the meeting that if connections are lost, the City will attempt to restore communications for a maximum of 30 minutes and if communications cannot be restored, the meeting will reconvene at a certain date, time and place.

If you are disconnected from the teleconference, please try again before calling 405-297-2345.

To request Agenda items in an alternative format, contact Jane Abraham in the City Manager's Office, 297-2345.

The services of a sign language interpreter may be requested 48-hours prior to the meeting. Call the City Manager's Office, 297-2345.

**The City of Oklahoma City  
Council Legislative Committee  
Minutes of June 09, 2020**

The meeting was held via Microsoft Teams with all members attending as a Teleconference.

**Members Present:**

Mayor David Holt, Chairman  
Councilman James Greiner, Ward 1  
Councilman Larry McAtee, Ward 3  
Councilman Todd Stone, Ward 4

**Members Absent:**

None

**Other Councilmembers Present:**

None

**Staff Present:**

Jane Abraham, Community & Government Affairs Manager, City Manager's Office  
J.D. Baker, Special Assistant to the Mayor, Mayor's Office  
CheRita Brice, Admin Coordinator  
Chris Browning, Utilities Director  
Brent Bryant, Finance Director  
Jill Burnett, Assistant Municipal Counselor II  
Amanda Carpenter, Municipal Counselor's Office  
Jason Ferbrache, Transit Services  
Craig Freeman, City Manager  
Richard Kelley, Fire  
Mark Kranenburg, Airports  
Aubrey McDermid, Assistant City Manager, City Manager's Office  
Laura McDevitt, Municipal Counselor's Office  
Kenton Tsoodle, Assistant City Manager, City Manager's Office

**Others Present:**

Steve Carey, Potomac Strategic Development  
William Crum, The Oklahoman  
Michael Preston, Potomac Strategic Development  
Clayton Taylor, Taylor Group

- 1. Call to Order at 3:03 p.m.**
- 2. Approve minutes from October 29, 2019 meeting**  
  
Motion by Councilman McAtee. Seconded by Councilman Stone. Ayes: Holt, Greiner, McAtee, Stone. Motion carried.
- 3. Receive and Discuss Post-Session Analysis for the 2020 State Legislative Program**

The committee received and discussed proposed City's 2020 State Legislative Issues which included challenges surrounding a short legislative session due to Covid 19. In response, several measures were put in place to allow flexibility to hold proxy votes and all cancel regular bill deadlines, except for Sine Die. When legislature reconvened, it was time to pass the budget and address limited policy measures. Many of the City's initiative bills were not considered a priority and did not move forward.

Some bills worked on at the end of session include: HB2760, SB1703, SB1595, SB1713 and SB1362

**4. Receive and Discuss Federal Legislative Program Update**

The committee received and discussed the City's 2020 Federal Legislative Issues which included challenges surrounding Covid 19, its economic impact, and protests in honor of the killing of George Floyd. Congressional operations were delayed while leaders shifted focus on reducing health risks, the economy and mitigating civil unrest.

**5. Discuss and/or Recommend renewal of State Legislative Consultant Contract**

The committee received and discussed

Motion by Councilman Stone. Seconded by Councilman Greiner. Ayes: Holt, Greiner, McAtee, Stone. Motion carried.

**6. Discuss and/or Recommend renewal of State Legislative Consultant Contract**

The committee received and discussed

Motion by Councilman McAtee. Seconded by Councilman Greiner. Ayes: Holt, Greiner, McAtee, Stone. Motion carried.

**7. Adjournment**

Meeting was adjourned at 3:34 p.m.

## **The City of Oklahoma City**

### **2021 Proposed State Legislative Issues**

#### **Priority Issues:**

1. Maintain local control over local issues.
2. Transit Funding: Increase funding levels for ODOT Public Transportation Revolving Fund – have been stagnant since 2006
3. Continue funding the Heartland Flyer rail service.
4. Preserve the existing sales tax base and encourage efforts to diversify revenue for municipalities.
5. Preserve municipal ability to address derelict properties and enforce municipal codes, zoning, and residential building design standards.

#### **Initiative and Key Support Issues from 2020 Legislative Session:**

1. Enabling Legislation for Public Safety Districts within municipal city limits to fund public safety operations.
2. Support efforts to require an annual Sale for Resale Permit (SB 1595 in 2020) to enforce existing sales tax exemptions.
3. Clarify the statute in Title 60 governing public trusts to make it consistent with the competitive bidding act.
4. Support efforts to allow municipalities to set public safety policies for large public festivals and events in city-owned parks.
5. Clean up provisions regarding property returns, transfers and destruction orders (broken into 2 bills)
6. Enable COTPA/EMBARK to license CDL drivers.
7. Allow streetcar operator to tow vehicles blocking the streetcar rails.
8. Clarify rules for metal recyclers to improve compliance and deter metal theft.

#### **New Issues for 2021 Legislative Session:**

1. Change the law to make an assault on a public transit driver a felony. (Transit – initiative)
2. Support enabling legislation to allow Land Banks in Oklahoma (OML legislative issue)
3. Support for legislation to help prevent evictions: amend the Oklahoma Residential Landlord and Tenant Act to increase protections for tenants facing eviction (HB 3710 from 2020 session)
4. Support Changes to Open Meeting Act to allow Virtual Public Meetings (SB 661)
5. Homelessness Task Force (may have recommendations for legislative changes)
6. Law Enforcement Task Force (may have recommendations for legislative changes)
7. Human Rights Commission Task Force (may have recommendations for legislative changes)

**Support/Oppose Issues:**

1. Support retaining tools for economic development, such as Tax Increment Financing, successful tax credits and quality jobs.
2. Support efforts to increase resources allocated to cities and towns for infrastructure.
3. Support efforts to maintain Clean Air Act Attainment in Oklahoma.
4. Support criminal justice reform efforts.

**State Issues to Monitor:**

1. Monitor water rights and supply issues, treated wastewater reuse proposals, legislation impacting ODEQ rules, regulations, or general control.
2. Monitor any efforts to limit dates for local elections.
3. Monitor state fee structure and any impacts on municipal operations and projects.
4. Monitor medical marijuana implementation and potential impact on municipal operations.
5. Monitor issues related to competitive bidding and construction contracting.

## Priority Issues:

### 1. Maintain local control over local issues.

Cities and towns in Oklahoma have situations and policy issues that are best addressed at the local level. Each year the legislature considers bills to address issues specific to one or two communities in the state. The resulting legislation often has the unintended consequence of taking authority away from local elected officials to govern their jurisdictions.

This loss of local control significantly impacts the state's two largest cities, Oklahoma City with a population of about 655,000 and Tulsa with 401,000 people. The Oklahoma City metro has roughly 1.4 million people and the Tulsa metro has nearly a million people. In a state with a total population of 3.9 million, this is a significant share of our state's citizens. Both cities face issues that affect large urbanized areas that may not be applicable to smaller communities.

### 2. Increase funding levels for ODOT's Public Transportation Revolving Fund

The appropriations to the ODOT Public Transportation Revolving Fund have remained stagnant at \$5.75 million annually since 2006, ranking Oklahoma 35<sup>th</sup> in the nation for transit investment per capita. Demands for enhanced Public Transportation from residents of Oklahoma City continue to grow as evidenced by increases in public transportation ridership, voter approval to fund a modern streetcar and citizen survey results indicating public transportation should be one of the top City services to receive emphasis in the coming year. Revenues from the ODOT Public Transportation Revolving Fund have not changed while the cost to provide service (labor, fuel, repair parts, emission requirements) has increased.

### 3. Continue funding the Heartland Flyer rail service.

Passenger rail service has been in place from Oklahoma City to Fort Worth via the Amtrak Heartland Flyer since 1999. Prior to that, passenger rail had been absent from Oklahoma for 20 years. The Heartland Flyer is state-sponsored by Oklahoma and Texas. This important passenger rail link between Oklahoma City and the Dallas/Fort Worth metroplex is currently the only passenger rail service in Oklahoma. It was a key component in the City's efforts to secure a \$13.6 million federal transportation TIGER grant in 2013 as part of a \$28 million renovation of the multimodal transportation hub at the Santa Fe Depot.

The Heartland Flyer starts in Oklahoma City and then makes station stops in Norman, Purcell, Pauls Valley and Ardmore before stopping in Gainesville,

Texas and then Fort Worth. Ridership has continued to grow over the years, with roughly 81,000 passengers per year.

Proposals to expand service to Kansas and to Tulsa are both part of the overall passenger rail conversation. Passenger and commuter rail service in the metropolitan area is also part of ACOG's regional long-range transportation plan. It is important to both keep the service that is currently in place and contemplate options for additional passenger rail service in the future.

4. Preserve the existing sales tax base and encourage efforts to diversify revenue for municipalities.

Sales tax is a vital revenue source for Oklahoma municipal governments. Any erosion of this important resource, such as additional sales tax holidays or a grocery exemption, would have a considerable impact on City services. For example, a sales tax exemption for groceries would cost Oklahoma City at least \$35 million in sales tax revenue annually. This translates into funding for about 375 police officer or firefighter positions. Cities are expected to provide these services and cannot afford to lose this funding.

When the sales tax holiday for back to school clothing was implemented, the statute included a provision to reimburse cities and towns for lost revenue. In addition, for smaller non-profit groups that desire a sales tax exemption, those issues have been handled as a sales tax rebate through the Oklahoma Tax Commission rather than through an exemption at the point of sale. Either model helps to keep cities and towns' primary revenue source whole and limits fraudulent use of exemptions at the point of sale.

5. Preserve municipal ability to address derelict properties and enforce municipal codes, zoning, and residential building design standards.

Each year bills are filed to take away cities' ability to enforce property maintenance codes and zoning. These proposals are in direct conflict with the wishes of our citizens who want to preserve their neighborhoods and retain the value of their property. Land use regulation is fundamental to local control and best managed at the city level.

Oklahoma City neighborhoods have sought to create historic districts and design districts throughout the city. The districts are created to preserve the architectural character of an area as well as preserve historic residential structures that are significant to both the city and the state. There is value in preserving that history and the authentic character of these areas.



Legislation that prohibits municipalities from regulating residential building design elements takes away one of the primary pieces of cities' ability to regulate land use. This is an issue of local control for communities throughout Oklahoma that seek housing that is both affordable and compatible with the community.

### **Initiative and Key Support Issues from the 2020 Legislative Session:**

1. Enact enabling legislation for Public Safety Districts within municipal city limits to fund public safety operations.

Cities and towns in Oklahoma cannot use ad valorem taxes for operations. However, public safety capability is directly tied to the value of property. Legislation is needed to enable local voters to hold an election to create a public safety district. The district would be funded with an ad valorem assessment to fund police, fire, emergency medical services and to house inmates.

Expenditures from these funds would be limited to public safety-related items such as the purchase and maintenance of equipment and could include salaries and benefits for police and fire personnel. The entire city limits form the boundary for the district and the district would be administered by the municipal governing body.

2. Support efforts to enact an annual Sale for Resale permit (SB 1595 in 2020) to enforce existing sales tax exemptions.

One of the largest sales tax exemption in Oklahoma is items that are purchased for resale. The exemption makes sense, goods should not be taxed twice if they are to be resold by a vendor. However, data analysis shows that there is significant leakage in this exemption, which is an enforcement issue. Requiring an annual renewal process for vendors with a Sale for Resale permit would help to address this issue.

3. Clarify the statute in Title 60 governing public trusts to make it consistent with the competitive bidding act.

There are conflicts with advertising and competitive bidding requirements for Public Trusts verses The Public Competitive Bidding Act (CBA). Statutory changes are needed to clarify that public trust construction projects are subject to the CBA and remove the conflict with the public trust statute. For example, the Airport Trust is required to bid out contracts for cleaning services and accept the lowest bid. Often, this leads to unacceptable service that must be

re-bid with the same results over and over. It would make more sense for this type of service to be selected with a Request for Proposals process that could accept the lowest and best bidder.

4. Support efforts to allow municipalities to set public safety policies for large public festivals and events in city-owned parks.

With the changes to Title 21 enacted in 2019, concerns have been raised with regard to open and concealed carry of weapons without a permit in city-owned parks, particularly when there are large events or festivals. Event organizers in conjunction with local officials should be able to control whether weapons are allowed at those events and should have the ability to set their own policies.

5. Clean up provisions regarding property returns, transfers and destruction orders.

The portion of Title 11 in the state statute has multiple contradictions regarding how and when lawfully confiscated property should be returned, transferred or destroyed. The City seeks to make those provisions more consistent throughout the statute.

6. Enable COTPA/EMBARK to license CDL drivers.

The Oklahoma Department of Public Safety is understaffed in the area of Commercial Driver License (CDL) examiners. Statewide, CDL drivers are in short supply as both industry and municipalities need commercially licensed drivers. In the 2019 legislative session, the statute was updated to allow public or private commercial truck driving schools to be third-party examiners of the Class A, B, or C driving skills portion of the Oklahoma driving examination.

The City's public transportation provider COTPA/EMBARK often recruits new bus drivers by assisting them with obtaining their permit and training for the vehicles they will be operating. Because of the limited availability of CDL examiners statewide, scheduling tests can be inefficient and there is a continuous backlog.

Legislation to allow large public transit agencies to hire designated examiners approved by the Department of Public Safety and issue CDL licenses to its drivers would help to address this issue.

7. Allow streetcar operators to tow vehicles blocking the streetcar rails.

The OKC Streetcar project is 4.8 track miles. There are hundreds of parallel parking spaces adjacent to the streetcar route. Providing efficient service for

the OKC Streetcar requires that the streetcar system is not halted due to illegally parked automobiles.

The OKC streetcar system experiences over 50 blockages per month on average. The blockages prevent the OKC Streetcar from providing transportation service because a blockage stops all streetcars in the entire system. When the entire system is stopped there is the possibility that over 500 passengers at a time are impacted due to the illegally parked automobile of one individual.

Time is of the essence in removing illegally parked vehicles and the current system requiring an OKCPD officer to authorize a tow is inefficient and time consuming. Legislation is needed to allow a trained City employee or OKC Streetcar employee to request a tow without diverting the resources of the Police Department.

#### 8. Clarify rules for metal recyclers to improve compliance and deter metal theft.

Several changes have been made over the years to the laws addressing scrap metal to prevent metal theft in Oklahoma. Because there has been some confusion over enforcement responsibilities, changes were developed by a coalition of law enforcement investigators, scrap metal dealers, and utility companies who are all negatively impacted by the continuing theft of metals. The primary goal is simplification and clarification of the Scrap Metal Dealers Act:

- Reorganize so that all definitions, regulated metals and required records are in the same section.
- Eliminate duplication of requirements and different procedures for purchases of more or less than 35 lbs. and capture information required in both categories.
- Tighten requirements for seller identification and required records or documentation to curtail fraud and abuse.
- For purchase of a used motor vehicle by a scrap metal dealer, substitute the language in the Oklahoma Crusher Act (Title 47, Section 592.8) setting out options for documentation of ownership or legal possession of the used vehicle.
- Add remote storage batteries to the list of regulated items due to frequent theft of batteries used in oil field operations and utilities.
- Specify age 16 for sale of scrap metal because it is the age at which a driver license may be obtained and for consistency among scrap metal dealers.

## **New Legislative Items for Consideration in 2021**

1. Change the law to make an assault on a public transit driver a felony. Currently, there is a disparity in the law regarding assault on first responders and other public workers that also face dangerous situations daily while serving our residents. Public transit drivers are in such a situation when they come in contact with people who may be violent or wish to harm them. A simple change to the statute would place public transit drivers on par with first responders regarding assault charges being classified as a felony rather than a misdemeanor.
2. Support enabling legislation to allow Land Banks in Oklahoma. There is support in several communities in Oklahoma to create the State Land Bank Act. A land bank is a governmental entity (public authority or nonprofit) that focuses on the conversion of vacant, abandoned, tax-delinquent, or foreclosed properties to support equitable community development outcomes. This type of legislation has been enacted in 15 states, creating 200 land banks nationwide.
3. Support updating the Oklahoma Residential Landlord and Tenant Act to increase protections for tenants facing eviction (HB 3710 from 2020 session)  
Oklahoma's Residential Landlord and Tenant Act is the primary law regulating residential leases throughout in Oklahoma is the Residential Landlord and Tenant Act (ORLTA) in Title 41. It has been in place since 1978 in Oklahoma, and is based on the 1972 version of the Uniform Residential Landlord and Tenant Act (Uniform Act) developed by the National Conference of Commissioners on Uniform State Laws (NCCUSL) Many states have adopted the Uniform Act and its periodic updates, however; Oklahoma has not kept pace with these updates.

In addition, when initially adopted in 1978, Oklahoma did not adopt some of the key elements in the model legislation. One provision would allow tenants to withhold rent when landlords fail to honor the repair and habitability obligations found in the statute. A second provision would discourage retaliatory eviction by landlords when tenants report violations to the appropriate state or local government agencies.

The lack of these provisions in the statute have had a negative impact on vulnerable residents in our city and contribute to the decline of neighborhoods because of neglect and code violations.

#### 4. Support changes to the Open Meeting Act to allow Virtual Public Meetings (SB 661)

When the COVID-19 pandemic started to get traction in Oklahoma during the spring of 2020, SB 661 was enacted to allow public bodies that are subject to the Open Meetings Act to hold their meetings virtually in order to allow public business to continue and limit the spread of the virus in our state.

As of October 2020, the virus continues to spread throughout the state and challenges our hospital capacity. Without legislative intervention, in accordance with SB 661, the changes to the Open Meeting Act are set to expire on November 15, 2020. Thus, in order to conduct business, all public bodies subject to the Act are required to have a quorum of members present, in person.

When the legislature convenes in February 2021, they can address this issue. There are many good reasons besides a pandemic to allow public bodies to hold virtual meetings. Nearly all organizations have shown their ability to provide both access and participation for residents in a virtual setting, and in some cases to be more accessible to the public. Situations such as inclement weather or a board member with a challenging health condition could provide an impetus for a public body to see the need for a virtual meeting. Further, the current pandemic is not done. There is no vaccine and new daily case counts continue to be high.

#### 5. Homelessness Task Force Recommendations

The City's Planning Department has been convening a Homelessness Task Force to analyze and garner community input to address the challenges faced by people experiencing homelessness. One of the recommendations expected to come forward from the Homelessness Task Force will be the issue of updating the Landlord-Tenant Act, but there may be additional recommendations.

#### 6. Law Enforcement Task Force Recommendations

Currently, there is a task force convened by Mayor Holt to review law enforcement practices and make recommendations to the Police Chief, the City Manager and to the City Council regarding law enforcement. Once this group completes its work, there may be some issues that need to be addressed at the state level through legislative changes.

#### 7. Human Rights Commission Task Force Recommendations

A task force to research the question of whether the City of Oklahoma City should reinstate a Human Rights Commission has also been convened by Mayor Holt. This task force is currently researching this issue and may also bring forward recommendations for statutory changes in the future.

## Support/Oppose Issues:

1. Support retaining tools for economic development, such as Tax Increment Financing, successful tax credits and quality jobs.

Economic development incentives should provide the state and cities with a benefit that out-weighs the cost to the public entity. The City supports increased scrutiny, transparency and openness in evaluating the effectiveness of the State's economic development incentives and the current process that is underway to do so.

Oklahoma City has dedicated significant resources to pursuing economic development opportunities and jobs for our residents. The incentive programs provided by the State work in concert with City-sponsored programs to diversify the state's economy and provide high-paying jobs that are the foundation of our future.

2. Support efforts to increase resources allocated to cities and towns for infrastructure.

Significant damage to municipally owned roads and bridges is occurring in areas used for drilling and industrial activity. However, the state does not allocate funding to cities and towns from the gross production tax. There is only an apportionment for counties. It makes sense to also include an apportionment for municipal infrastructure affected by this activity.

3. Support efforts to maintain Oklahoma's Clean Air Attainment.

The Oklahoma City metropolitan area has been close to being out of compliance with the federal Clean Air Act for several years. On the state level, adopting an "all of the above" approach to sources of energy is expected to be beneficial to our state in the years to come. Oklahoma is in the unique position of having existing natural resources that are conducive to fossil fuel, wind power and solar power. It makes sense to develop all of these resources.

4. Support criminal justice reform efforts.

Oklahoma City has been working on this issue for several years and has made several changes to its court administrative procedures. Some examples include increasing the frequency of indigent hearings and changing procedures for some of the fees associated with misdemeanor fines to benefit people that may need additional time to pay their fines. Various efforts have resulted in fewer people being housed in the county jail for municipal offenses. The City supports the statewide efforts to improve the criminal justice system in Oklahoma.

## **State Issues to Monitor:**

1. Monitor water rights and supply issues, treated wastewater reuse proposals, legislation impacting ODEQ rules, regulations, or general control.

Oklahoma City has the largest municipal water utility in the state. It provides treated water to Oklahoma City residents and 18 additional communities in the Oklahoma. For several of those communities, the addition of Oklahoma City's treated water to their water supply allows them to meet clean water standards.

The total number of people in the State of Oklahoma who are served by the Oklahoma City Water Utility is 1.4 million people out of a state population of about 4 million. Any changes in regulations and fees can have a significant impact on operations and our residents.

2. Monitor any efforts to limit dates for local elections.

Available dates for local elections have been reduced in recent years, and the length of time for filing has been increased. As various efforts to reform and change election dates are pursued, the ability to hold local elections to fill vacant seats and garner attention to local issues is also important.

3. Monitor state fee structure and any impacts on municipal operations and projects.

Some city operations are required to submit pass-through fees to the state or pay outright fees for service. These fees must be monitored closely to avoid hampering City operations.

4. Monitor medical marijuana implementation and potential impact on municipal operations.

As the new regulations governing medical marijuana continue to be implemented over time, staff will continue to monitor any impacts on City operations or procedures.

5. Monitor changes to competitive bidding and construction contracting.

Another area of the statute that has received much attention in recent years are the requirements under the Competitive Bidding Act and the various impact it can have on contractors, sub-contractors and others. As stewards of public funds and public trust, the City monitors these changes closely and advocates for retaining common-sense controls in this area.

## **The City of Oklahoma City 2021 Proposed Federal Legislative Issues**

### **Priority Issues**

1. Continued support for pandemic-related expenses and fiscal support for the community.
2. Funding to enhance the City's investment in transportation and transit. Specifically, maintain funding levels for the Federal Transit Administration (FTA) Capital Investment Grant (CIG) program and Better Utilizing Investments to Leverage Development (BUILD) grant program.
3. Airport transportation infrastructure in Oklahoma City
4. Implementation of Opportunity Zones in Oklahoma City
5. Economic Development and Local Grant Programs, such as Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) programs

### **Support Issues**

6. Support for FAA Operations in Oklahoma City
7. Support for Tinker Air Force Base
8. Support for Amtrak and Passenger Rail Service in Oklahoma
9. Support for National Weather Service operations in Oklahoma
10. Support for long-term reauthorization of the National Flood Insurance Program (NFIP)
11. Support for mental health treatment options under Medicaid

### **Monitor Issues**

12. Monitor implementation of internet sales tax collection
13. Ensure retention of tax-free status of municipal bonds
14. Monitor enforcement and definitions of compliance with the Clean Air Act and EPA standards
15. Monitor issues that affect water and wastewater



## Priority Issues

### 1. Continued support for pandemic-related expenses and fiscal support for the community

Oklahoma City was awarded direct funding under the CARES Act in 2020 to support the municipal response to the pandemic and support the community in the wake of the fiscal crisis that followed. As the coronavirus continues to spread, the need for support also continues in several areas.

First, the Coronavirus Relief Fund (CRF) direct payment is set to expire on December 30, 2020. This date needs to be extended, ideally through at least December 2021 because City expenses and the need for support are both expected to extend beyond the end of 2020.

Second, additional funding is needed to support airport operations that have been badly damaged by the pandemic. Oklahoma City's airport operations are funded through an enterprise fund that sustains itself with fees related to air travel. Passenger levels are currently down roughly 60% from the previous year, and it could be a long time before air travel recovers to pre-pandemic levels.

Oklahoma City allocated the \$114.3 million in CRF funds to pandemic response, limiting the spread of the disease with testing and tracing, and community support.

### 2. Funding to enhance the City's investment in transportation and transit.

Maintain funding levels for the transit Capital Investment Grant (CIG) program and Better Utilizing Investments to Leverage Development (BUILD) grant program.

The City supports the long-established Federal Transit Administration's CIG program that provides competitive grants for New Starts (transit projects with \$100 million or more in federal funds), Small Starts (transit projects with less than \$100 million in federal funds) and Core Capacity (funding for existing at-capacity fixed guideways). While recent THUD Appropriations bills approved by the House and Senate include funding for the CIG program, this program should continue to be funded at the levels and duration authorized in the FAST Act. Funding for the BUILD program, replacement to TIGER, should also be continued. The City of Oklahoma City has benefitted from this program in the past and appreciates the support of our delegation for providing support for these projects.

The CIG program refers to the New Starts, Small Starts and Core Capacity projects funded through the FTA grant program. Projects that qualify for such funding under these programs are significant transit projects that are often not possible without the assistance of federal funds. As Oklahoma City looks to the future of transit in our community we anticipate Small Starts and the BUILD funds will be beneficial in the financing of potential streetcar extensions, BRT and commuter rail.

### 3. Airport transportation infrastructure in Oklahoma City

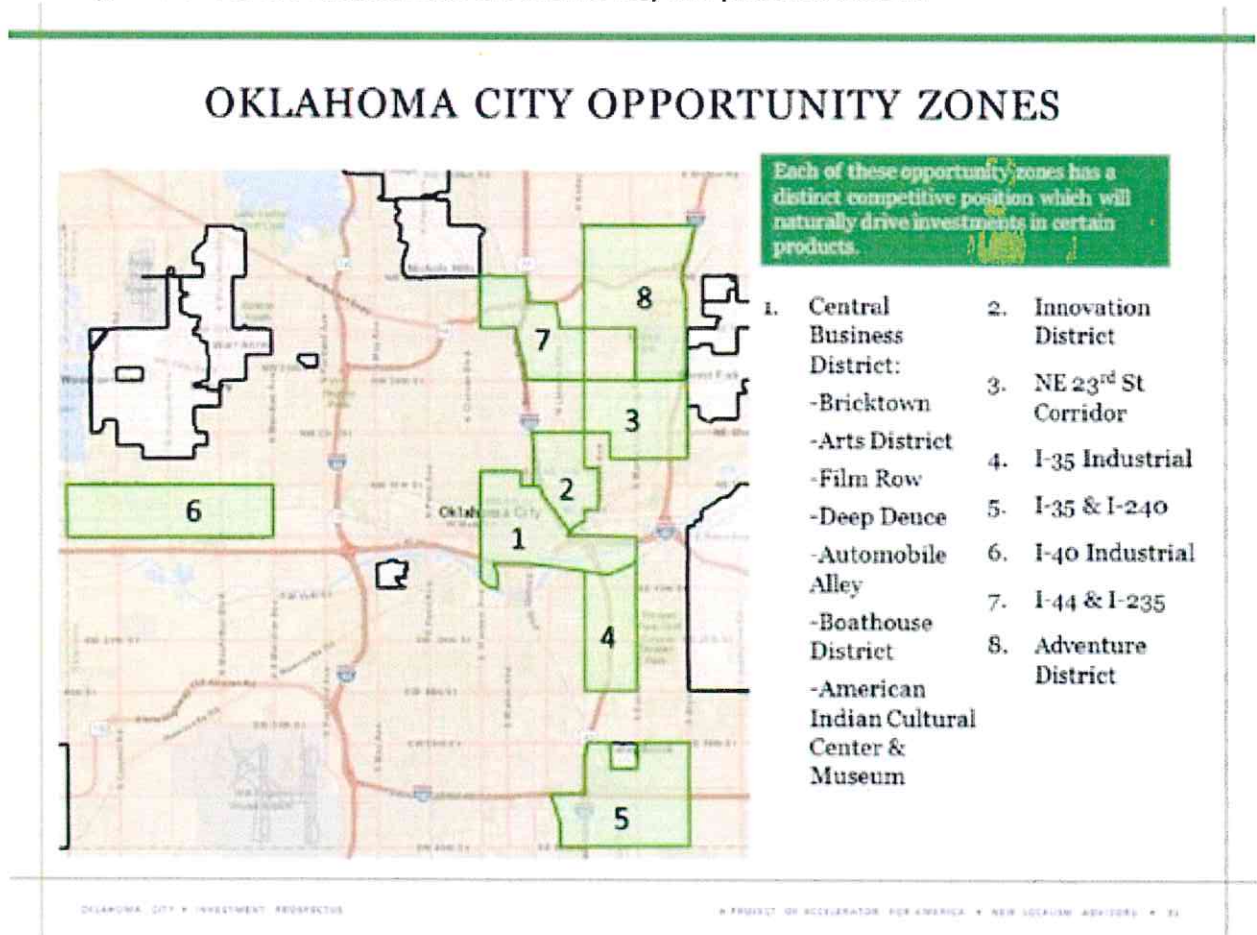
Will Rogers World Airport (WRWA) is a vital resource to Oklahoma City and the region. It is one of the largest small-hub commercial hub airports in the nation.

During a normal year, the airport serves over 4.2 million passengers annually and averages 74 daily departures to 29 non-stop destinations. The airport has nearly 70 businesses that employ more than 12,000 workers. As noted above, the global pandemic has hit air travel and the airport particularly hard, and the CARES Act funding has been key to helping support this operation.

It is important for the City to emphasize the necessity of continued funding for federal grants that support the airports' infrastructure and funding to support air traffic control towers. Also critical to Oklahoma City are the FAA operations at the MMAC as well as Transportation Security Administration (TSA) operations.

### 4. Implementation of Opportunity Zones in Oklahoma City

The federal 2017 Tax Cuts and Jobs Act established the creation of Opportunity Zones to encourage long-term investments to help revitalize areas with lower median incomes. The program is designed to help spur investment in economically distressed areas of the country, and the areas identified in Oklahoma City are pictured below.



The Oklahoma City Chamber of Commerce and the Alliance for Economic Development are helping the City promote and manage this program.

Timing of an investment in these zones is crucial. Investors can defer tax on any prior gains invested in a Qualified Opportunity Fund (QOF) until the earlier of the date on which the investment in a QOF is sold or exchanged, or December 31, 2026. If the QOF investment is held for longer than 5 years, there is a 10% exclusion of the deferred gain. If held for more than 7 years, the 10% becomes 15%. Second, if the investor holds the investment in the Opportunity Fund for at least ten years, the investor is eligible for an increase in basis of the QOF investment equal to its fair market value on the date that the QOF investment is sold or exchanged.

## 5. Economic Development and Local Grant Programs

### ***Community Development Block Grant (CDBG) Funding***

The federal Community Development Block Grant program funding is a critical program for cities. We appreciate continued Congressional support for this program that helps support the supply and affordability of housing for Oklahoma City's residents. In FY 2020 the program was reauthorized and Oklahoma City received a slight decrease in our allocation to \$4,869,051.

The CDBG program is the primary Federal funding mechanism used by the City to provide broad based housing rehabilitation services for low and moderate-income households as well as for providing needed public facilities and services in low-income areas within the community. In addition, CDBG and the Section 108 Loan Guarantee Program have provided flexible sources of business funding that has created low and moderate-income jobs in our community.

The formula-based funding approach for the CDBG program enables the City to take a long-term approach for addressing housing, community development and economic development needs. Without consistent and reliable access to funding under the CDBG program, the City would not have been able to accomplish notable economic development activities such as Dell, Inc. (creation of over 1,500 jobs), the Skirvin Hotel (creation of over 250 jobs) and the 21C Hotel (creation of 138 jobs). The job creation alone is reason for undertaking these needed economic development activities, without mention of the rescue of iconic historic buildings within the community.

In the last year CDBG was used to rehabilitate approximately 60 housing units under the City's Housing Exterior Maintenance Program and provide Emergency Home Repairs to 75 households under a program administered by Community Action Agency (CAA). In addition, the City secures about 85 buildings per year using CDBG funding and repaints

over hundreds of graffiti sites annually. Each year neighborhood sidewalk, signage and lighting projects are typically accomplished in low-moderate income neighborhoods and over 33,000 discounted bus and transit fares are provided to seniors and disabled persons. Last year, improvements were also made to area parks in the City's Strong Neighborhoods Initiative (SNI) areas. CDBG also funded other programs in SNI such as legal assistance, hazardous tree removal, and Science Technology Arts and Math afterschool programs in these neighborhoods. Finally, small businesses owners are annually provided training by the CAA's small Business Development program- last year over 100 businesses were assisted with over 1,000 persons attending training.

The CDBG program also provides the City's Urban Renewal Authority with operating funds. The City's CDBG program, in partnership with HUD, has continued to address blighted areas within the community that include the Oklahoma Health Center, Central Business District, the John F. Kennedy district, and most recently the NE Renaissance Area. Recent efforts include buying dilapidated properties for demolition and redevelopment, developing mixed-income income housing within the areas, and providing infrastructure improvements.

In short, CDBG is critical funding that helps to address the community's immediate needs in housing, community development and economic development. Continued funding cuts jeopardize the City's ability to address these needs.

***HOME Investment Partnerships Program administered by the U.S. Department of Housing and Urban Development***

Congress has continued to support the HOME Investment Partnerships (HOME) program, but the City's allocation has continued to decline. The FY20 allocation was \$2,214,939. Funding reductions negatively impact the supply and affordability of housing and living conditions within the city.

The HOME program is the primary Federal funding mechanism used by the City to provide whole housing rehabilitation services for low and moderate-income households; to construct affordable rental and for sale housing; as well as to provide down payment and closing cost assistance to lower income homebuyers.

Annually, HOME is used to rehabilitate approximately 20 housing units under the City's Whole House Rehabilitation Program and provide down payment assistance to 50 households. In addition, the City's has spent HOME funds to support construction of new affordable apartments, and rehabilitation of existing units to house those with low/moderate incomes. Without HOME funds, our ability to construct new owner housing and invest in affordable rental housing and senior housing developments would be eliminated.

## Support Issues

### 6. Support for FAA Operations in Oklahoma City

Efforts to privatize FAA Operations have been proposed recently. This is a critical issue both from a national safety and security standpoint, as well as being an integral part of Oklahoma City.

The FAA's Mike Monroney Aeronautical Center (MMAC) is Will Rogers World Airport's largest tenant. MMAC provides vital services and support missions for the FAA and the U.S. Department of Transportation. MMAC provides a significant number of high-paying jobs and brings hundreds of visitors to our city for training.

The nearly 6,000 employees of the MMAC oversee the safety of private, corporate, and commercial aviation in the United States. Among its many functions, MMAC provides essential training in electronics, air traffic control, inspection and management, accounting and finance for the Department of Transportation, logistics, research, technical training and support for the National Airspace System (NAS), and regulates and certifies safety related positions and equipment. The numerous and varied NAS support functions performed at the MMAC serve to distinguish it as the largest single site of NAS equipment within the FAA, underscoring its critical role.

### 7. Support for Tinker Air Force Base

The Oklahoma City community has supported Tinker AFB since its inception in 1941, when it provided the initial 1,440 acres of land. The City has a good working relationship with Tinker, and with over 27,000 employees, it is an important part of the region.

The City partnered with the U.S. Air Force and Oklahoma County to purchase 158 acres of land on the southwest side of the base to house a depot maintenance facility for the Air Force's next-generation aerial refueling aircraft, the KC-46A Pegasus. The initial facility opened in October 2019. Tinker leaders believe support for this new project will create the bedrock for the base for the next 50 years.

The land was formerly owned by the Burlington Northern Santa Fe Railway Co., where it operated a rail yard that primarily served the former General Motors manufacturing facility. The acquisition of this property would not have been possible without the partnership between all levels of government.

### 8. Support for Amtrak and Passenger Rail Service in Oklahoma

Passenger rail service has been in place from Oklahoma City to Fort Worth via the Amtrak Heartland Flyer since 1999. Prior to that, passenger rail had been absent from Oklahoma for 20 years.

The Heartland Flyer is state sponsored by Oklahoma and Texas. Recently, funding for the service has come under fire as the state has been facing difficult budget cycles. This

important passenger rail link between Oklahoma City and the Dallas/Fort Worth metroplex is currently the only passenger rail service in Oklahoma. It was a key component in the City's efforts to secure a federal transportation TIGER grant to support the City's renovation of the multimodal transportation hub at the Santa Fe Depot.

The Heartland Flyer starts in Oklahoma City and then makes station stops in Norman, Purcell, Pauls Valley and Ardmore before stopping in Gainesville, Texas and then Fort Worth. Ridership has continued to grow over the years, with roughly 81,000 passengers per year.

Proposals to expand service to Kansas and to Tulsa are both part of the overall passenger rail conversation. Passenger and commuter rail service in the metropolitan area is also part of the Association of Central Oklahoma Government's regional long-range transportation plan. It is important to both keep the service that is currently in place and contemplate options for additional passenger rail service in the future.

**9. Support for National Weather Service operations in Oklahoma**

The National Weather Service operations in the metropolitan area are significant to Oklahoma and to the nation. Because of the risks that go along with severe weather conditions, this is an important public safety function of government that must be taken seriously.

**10. Support for long-term reauthorization of the National Flood Insurance Program (NFIP)**

The City of Oklahoma City is one of approximately 22,355 communities that participates in the National Flood Insurance Program (NFIP) and has done so since 1972. Nationally, there are approximately 5.1 million policyholders with more than \$1.3 trillion in coverage through the NFIP. Property owners, both residential and commercial, are required by the NFIP to purchase flood insurance if in a Special Flood Hazard Area (SFHA), an area designated high-risk for flooding (a 100-year floodplain, or area with an estimated 1% or greater risk of flooding every year).

Approximately 112 square miles of Oklahoma City, or about 18% of the city's area, are some designation of floodplain or floodway. The overwhelming majority of those 112 square miles are designated SFHAs at 96 square miles or 86% of the city's floodplain or floodway area. From 1985 to early 2019, Oklahoma City properties have filed 463 NFIP claims which paid out an unadjusted for inflation total about \$8.6 million, or an average of \$18,570 per claim.

Between September 2017 and August 2019, Congress passed 12 short-term extensions for the NFIP, some for as little as two weeks, to avoid funding lapses. The NFIP has seen lapses, however, including four between 2008 and 2012, during which borrowers have not been able to obtain flood insurance to close, renew, or increase loans secured by property within a floodplain. During one such lapse from June 1 to July 2, 2010, researchers estimate more than 1,400 home sale closings were cancelled or delayed. It makes sense to provide a long-term funding authorization for this important program.

### **11. Support for mental health treatment options under Medicaid**

There are many issues affecting residents and the quality of life in Oklahoma City that are tied to the lack of available mental health services. Oklahoma City is working to address this, but there are ways that both the state and the federal government can help with this effort.

One issue is that under federal Medicaid rules, there is a prohibition on the use of federal Medicaid funds to pay for substance use disorder treatment at inpatient mental health treatment facilities with more than 16 beds. However, there is also a suspension for this rule that extends until FY 2023 if the state has amended their state Medicaid plans and included the following:

- information on how the state will improve access to outpatient care
- the process to be used for transitioning individuals to appropriate outpatient care
- how individuals will be screened and assessed

The state has submitted its application for a waiver that is pending approval. The state must also certify maintenance of effort regarding the mental health services they are already providing. With collaborative effort on the state and federal levels, this issue can be addressed, with momentum towards making a permanent change in the rules.

## **Monitor Issues**

### **12. Monitor implementation of internet sales tax collection.**

Oklahoma City's top legislative priority for the past 28 years has been to address the inequity created by the 1992 U.S. Supreme Court ruling (*Quill Corp. v. North Dakota*). That ruling prohibited states from imposing sales and use tax collection obligations on vendors without a physical presence in a given state.

Fortunately, in the summer of 2018, the U.S. Supreme Court ruled on *Wayfair v. South Dakota* and reversed the *Quill* decision. The State of Oklahoma is expected to take steps to implement the new decision, and businesses have already begun to comply. This process should not be disrupted by harmful legislation.

### **13. Ensure retention of tax-free status of municipal bonds**

As federal budget challenges continue, there are several concepts floated that will either raise additional revenue for the federal government or cut expenditures. A concept that has been discussed is the elimination of local tax-exempt status for bonds.

Oklahoma City and its trusts use bonds to fund capital projects. If local bonds lose their federal tax-exempt status, the cost to the City in lost opportunities to fund capital projects would be roughly \$9 million and for the state, the cost would be roughly \$13 million.

**14. Monitor enforcement and definitions of compliance with the Clean Air Act and EPA standards**

Under the Clean Air Act, compliance standards for ground-level ozone were reduced from .075 parts per billion (ppb) to .070 ppb. The City works with ACOG and state agencies to monitor the metropolitan area's compliance. The Central Oklahoma region has remained in compliance, though we are working with ACOG, the OKC Chamber and other entities to fund a study to determine the potential economic impact of falling out of compliance.

Several of the City's programs funded through the Energy and Environmental Community Block Grant (EECBG) program are geared toward keeping our region in compliance with the Clean Air Act. For example, the City's fleet currently includes CNG vehicles. To fuel these vehicles, the City's CNG fueling station was upgraded to provide rapid filling for city vehicles that run on CNG. The City's Solid Waste Utility continues to invest in CNG trucks and technology. The EMBARK system also recently received a \$1.9 million grant to purchase CNG buses and received a \$797,550 grant to purchase electric buses and chargers.

The City continues to monitor the issue and collaborate with ACOG and our regional partners to promote clean air activities.

**15. Monitor issues that affect water and wastewater**

One of the primary functions of local government is to provide drinking water and wastewater services for residents. There are some problematic superfund sites in Oklahoma City that are causing contamination of drinking water for some of our residents. The City seeks to remedy those situations by working with state and federal officials to address the issue.

In addition, the Oklahoma City Water Utilities Trust is in the process of finalizing a contract with Tinker Air Force Base to provide water and wastewater infrastructure and operations for the base. The acquisition process has proceeded at a fairly slow pace but is expected to be on track for approval in the near future.