



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: R-2021-66

File ID: R-2021-66 **Type:** Resolution **Status:** Consent Item

Version: 1 **Reference:** Item 29 **In Control:** City Council

Department: Finance Department **Cost:** **File Created:** 11/05/2020

File Name: NFST Revenue Note Series 2020 **Final Action:**

Title: RESOLUTION R-2021-66: A RESOLUTION AUTHORIZING THE NORMAN MUNICIPAL AUTHORITY (THE "AUTHORITY") TO SEEK FINANCING PROPOSALS IN CONNECTION WITH THE ISSUANCE OF THE AUTHORITY'S SALES TAX REVENUE NOTE, SERIES 2020; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

Notes: ACTION NEEDED: Acting as the Norman Municipal Authority, motion to adopt or reject Resolution R-2021-66.

ACTION TAKEN: _____

Agenda Date: 11/10/2020

Agenda Number: 29

Attachments: Resolution R-2021-66

Project Manager: Anthony Francisco, Finance Director

Entered by: Ellen.Usry@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File R-2021-66

Body

BACKGROUND: On October 13, 2015, the voters of Norman approved Ordinance O-1516-5, levying a 15-year temporary, dedicated ½% NORMAN FORWARD Quality of Life Sales Tax (NFST), effective January 1, 2016. The NORMAN FORWARD Initiative provides for funding over \$148,000,000 in recreational, athletic, library, park and infrastructural improvements, including the following:

- New Central and Eastside Branch Libraries - \$44,000,000
- James Garner Avenue Extension - \$6,000,000
- New Indoor Aquatic Facility - \$14,000,000
- Westwood (Outdoor) Pool Reconstruction - \$12,000,000

- Westwood Tennis Center Renovation - \$1,000,000
- Reaves Park Baseball Complex Renovation - \$10,000,000
- Griffin Park Land Lease* - \$2,400,000
- Griffin Park Soccer Complex Reconstruction - \$11,000,000
- Senior Wellness Center* - \$7,600,000
- New Football and Softball Complex - \$2,500,000
- New Indoor Multi-Sport Facility - \$8,500,000
- Neighborhood Park/Trail Development - \$14,500,000
- Community Park Development - \$9,500,000
- Canadian River Trails Park Development - \$2,000,000
- Road and Infrastructure Improvements - \$2,730,000

* Originally, the Griffin Land project was budgeted \$10,000,000 for purchase of the property from the Oklahoma Department of Mental Health and Substance Abuse Services. Through negotiations, the NMA agreed to a long-term lease of the land at a price of \$80,000 per year for 30 years. The remaining Griffin Land Purchase allocation (\$7,600,000) was re-programmed by Council/NMA action for the Senior Wellness Center project.

Other authorized NORMAN FORWARD improvements could include public art installations, program management services and support personnel.

In order to maintain the aggressive construction schedule envisioned for the NORMAN FORWARD projects, the Ordinance directed that major components of the program be financed through debt issuances, so that the projects could progress in advance of the sales tax funds being collected over the 15-year life of the NFST. In subsequent discussions with the NMA Trustees/City Council and as discussed in the Norman Forward Implementation Plan (as amended in Resolution R-1920-44), it was recommended that approximately \$111 million of the capital project costs be funding through three debt issuances to be determined over time (several other NORMAN FORWARD capital projects are directed to be financed on a pay-as-you-go basis).

On December 8, 2015, the Norman Municipal Authority (NMA) Trustees approved Resolution R-1516-63, and the City Council approved Resolution R-1516-64, authorizing the issuance of \$43,160,000 in Sales Tax Revenue Notes to finance the first portions of NORMAN FORWARD capital costs. The major projects paid for with this first “tranche” of NFST indebtedness were the design, land acquisition and clearing for the Central Branch Library; design and construction of the East Branch Library; design and reconstruction of the Westwood Aquatic Center; design and construction of the Westwood Tennis Center expansion; and engineering and master planning designs for the James Garner Avenue extension, Griffin Park Soccer and Reaves Park Baseball/Softball complexes. These projects have been completed or are currently underway.

On June 13, 2017, the Norman Municipal Authority (NMA) Trustees approved Resolution R-1617-123, and the City Council approved Resolution R-1617-124, authorizing the issuance of \$30,950,000 in Sales Tax Revenue Notes to finance the second portions of NORMAN

FORWARD capital costs. The major project paid for with this second “tranche” of NFST indebtedness was the construction of the Norman Public Library, Central Branch, and construction of recreational improvements at Griffin Park Soccer Complex and Reaves Park Baseball/Softball Complex.

DISCUSSION: Finance Department staff, along with the City’s bond counsel and financial advisory teams has prepared materials to solicit competitive financing proposals for the third of the three debt financings to pay for NORMAN FORWARD projects. While the financing documents will authorize proceeds of the proposed Norman Municipal Authority Sales Tax Notes, Series 2020 to be used for any of the NORMAN FORWARD projects, the proceeds of this financing are anticipated to be used primarily for the costs of construction of the Indoor Multi-Sport and Aquatic Center. The amount of the proposed 2020 NMA Notes (\$22,250,000) is based on the estimated Multi-Sport Center costs and the availability of adequate cash flow to finance projects on a pay-as-you-go basis. The reduced amount of total debt financing for NORMAN FORWARD projects (\$96,360,000 as opposed to the originally estimated \$111,000,000) will result in debt issuance and interest cost savings over the life of the NORMAN FORWARD Sales Tax.

Proposals from qualified local and regional banking institutions to provide approximately \$22,250,000 in financing, secured by a pledge of the Norman Forward Sales and Use Tax proceeds, and a backup pledge of dedicated Capital Sales Tax, will be solicited. Responses in the form of interest rate proposals will be received on November 24, 2020, and the lowest and best interest rate bid will be forwarded for consideration of the NMA Trustees and Council.

RECOMMENDATION: It is recommended that the Resolution be adopted.