



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: R-1819-21

File ID: R-1819-21 **Type:** Resolution **Status:** Consent Item

Version: 1 **Reference:** Item 22 **In Control:** City Council

Department: Finance Department **Cost:** **File Created:** 07/13/2018

File Name: Resolution 2013 Redemption **Final Action:**

Title: RESOLUTION R-1819-21: A RESOLUTION AUTHORIZING THE NORMAN TAX INCREMENT FINANCE AUTHORITY (THE "AUTHORITY") TO OPTIONALLY REDEEM THE OUTSTANDING AMOUNT OF ITS TAX INCREMENT REVENUE NOTE, TAXABLE SERIES 2013 (THE "NOTE") ORIGINALLY ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$14,215,000.00; APPROPRIATION OF UNIVERSITY NORTH PARK TAX INCREMENT FINANCE (UNP) (TIF) FUND BALANCE; AND CONTAINING OTHER PROVISIONS THERETO.

Notes: ACTION NEEDED: Acting as the Norman Tax Increment Finance Authority, motion to adopt or reject Resolution R-1819-21.

ACTION TAKEN: _____

Agenda Date: 07/24/2018

Agenda Number: 22

Attachments: Text File, Resolution NTIFA Optional Redemption, TIF Oversight Recommendation

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:

Text of Legislative File R-1819-21

Body

BACKGROUND: On May 23, 2006 the City Council adopted Ordinance O-0506-66, establishing the University North Park Tax Increment Finance District (UNP TIF, or Norman TIF District #2). This Ordinance created a Project Plan delineating public improvements to be paid for by sales and ad valorem tax revenues generated within the District and apportioned to a UNP TIF Fund. The approved projects to be paid for by the UNP TIF Fund were amended by Ordinance 0809-8 on August 8, 2008. By these Ordinances, the approved public projects include the following:

- Road and Traffic Improvements
- Rock Creek Road Overpass of I-35
- Legacy Park
- Lifestyle Center Incentives

Economic Development Incentives
Conference Center or Cultural Facilities

On June 30, 2009 the Norman Tax Increment Finance Authority (NTIFA) issued its TIF Revenue Note, Taxable Series 2009, in the total amount of \$14,560,000. This Note authorized the financing of major projects, including the Rock Creek Road Overpass of I-35, through an arrangement with a subsidiary of the University of Oklahoma Foundation. The terms of the 2009 NTIFA Note were established to encourage permanent, fixed-rate financing with a private lender to be secured in the future.

On August 13, 2013 the Trustees of the NTIFA authorized the issuance of \$14,215,000 in Tax Increment Revenue Notes, with the primary purpose being to refund, or "refinance" the 2009 NTIFA Notes. The terms of the 2013 NTIFA Notes include an option to pre-pay the outstanding principal on the Notes as early as September 1, 2018.

DISCUSSION: The pre-payment ("Call") provisions of the 2013 NTIFA Notes require that the NTIFA Trustee give Notice to the Note Holders 30 days in advance of the Pre-Payment Date. This Resolution would give formal authorization and direction to the NTIFA Chair and staff to exercise the pre-payment option. By paying off the Notes with available, accumulated incremental sales and property tax revenues on hand with the NTIFA Trustee Bank, the NTIFA and the City's University North Park Tax Increment Finance Fund will save an estimated \$1,016,985 in interest costs over the remaining maximum life of the Notes.

RECOMMENDATION: It is recommended that the Resolution be adopted and the Trustee and Note Holders be given Notice of the NTIFA's intent to pre-pay the outstanding principal on the 2013 NTIFA Notes. It is further recommended that adequate University North Park Tax Increment Finance District Fund Balance be appropriated to pay off the outstanding principal and interest due on the Notes.