



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: R-1516-64

File ID: R-1516-64

Type: Resolution

Status: Non-Consent Items

Version: 1

Reference: Item 24

In Control: City Council

Department: Finance Department

Cost:

File Created: 12/02/2015

File Name: City Resolution approving indebtedness by NMA in the amount of \$43,160,000

Final Action:

Title: RESOLUTION R-1516-64: A RESOLUTION OF THE CITY OF NORMAN, OKLAHOMA (THE "CITY") APPROVING THE INCURRENCE OF INDEBTEDNESS BY THE NORMAN MUNICIPAL AUTHORITY (THE "AUTHORITY") ISSUING ITS SALES TAX REVENUE NOTE, SERIES 2015B (THE "NOTE"); PROVIDING THAT THE ORGANIZATIONAL DOCUMENT CREATING THE AUTHORITY IS SUBJECT TO THE PROVISIONS OF THE NOTE INDENTURE; AUTHORIZING THE ISSUANCE OF SAID NOTE; WAIVING COMPETITIVE BIDDING WITH RESPECT TO THE SALE OF SAID NOTE AND APPROVING THE PROCEEDINGS OF THE AUTHORITY PERTAINING TO THE SALE OF SAID NOTE; APPROVING AND AUTHORIZING THE EXECUTION OF A SALES TAX AGREEMENT BY AND BETWEEN THE CITY AND THE AUTHORITY PERTAINING TO THE YEAR-TO-YEAR PLEDGE OF CERTAIN SALES TAX REVENUES; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

Notes: ACTION NEEDED: Motion to adopt or reject Resolution R-1516-64.

ACTION TAKEN: _____

Agenda Date: 12/08/2015

Agenda Number: 24

Attachments: 09 Resolution of the City (3)

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-1516-64

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 and Use Tax (NFST), effective January 1, 2016. The NORMAN FORWARD Initiative provides for funding for 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 Purchase - \$10,000,000
- Griffin Park Soccer Complex Reconstruction - \$11,000,000
- 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 - \$3,000,000
- Senior Center - (to be determined)

Other authorized NORMAN FORWARD expenditures could include public art, maintenance 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. At the November 10th Council Conference, NORMAN FORWARD financing proposals were discussed. NFST projects to be included in debt financings and those to be paid for on a pay-as-you-go basis were discussed in concept.

DISCUSSION: Based on the Council's discussion, staff, along with the City's bond counsel and financial advisory teams was authorized to solicit competitive financing proposals for the first of what will be multiple proposed 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 2015B to be used for any of the NORMAN FORWARD projects, the proceeds of this financing are anticipated to be used for preliminary project expenses that will be paid out over the next three years, including but not limited to the following:

- Design and Construction of the Eastside Branch Library;
- Land Acquisition for and Design of the Central Branch Library;
- Design and Construction of the Westwood Pool Facilities;
- Land Acquisition, Design and Construction of the New Football/Softball Complex;
- Design of the Multi-Sport Complex;
- Design of the Reaves and Griffin Park Recreational Facility Improvements;
- Design of the Indoor Aquatics Facility;
- Design and Construction of Road and Traffic Infrastructure;
- James Garner Avenue Extension Design, Land Acquisition and Utility Relocation

Proposals from qualified local and regional banking institutions to provide approximately \$43,160,000 in financing, secured by a pledge of the Norman Forward Sales and Use Tax proceeds, and a backup pledge of dedicated capital sales tax were solicited. Responses in the form of interest rate proposals will be received on December 8, 2015, and the lowest and best interest rate bid will be forwarded for consideration of the NMA Trustees and Council. Information on the tabulated interest rate bid proposals will be distributed at the meeting, as an attachment to this memorandum.

Assuming successful responses are received, the Norman Municipal Authority (NMA) Trustees and Council will consider two resolutions. Several actions are accomplished by the Resolutions, if approved. Resolution R-1516-63 is generally a Resolution of the NMA to issue the debt, and R-1516-64 is a Resolution of the City of Norman authorizing the issuance of the debt by the NMA in an aggregate amount not to exceed \$43,160,000.

The NMA Resolution (R-1516-63) would authorize the following actions:

- Authorize the Issuance of the NFST Revenue Notes;
- Pledge the Revenues of the Norman Forward Sales and Use Tax along with a portion of the Capital Sales and Use Tax, subject to annual appropriation, to the repayment of the Note indebtedness;
- Waiving Competitive Bidding;
- Authorize a Sales Tax Agreement between the City of Norman and the Norman Municipal Authority;
- Establish the Tax-Exempt Nature of the Note; and
- Authorize the Chair of the NMA Board of Trustees to execute final documents related to the financing

The City of Norman Resolution (R-1516-64) would authorize the following actions:

- Approve the Incurrence of the Indebtedness by the NMA;
- Waive Competitive Bidding;
- Ratify the Sales Tax Agreement between the City of Norman and the NMA;
- Establish the Tax-Exempt Nature of the Note; and
- Authorize the Mayor to execute final documents related to the financing.

Upon the favorable consideration of these Resolutions by the Council and NMA Trustees, staff will then proceed with the closing of the financing as executed by the Chairperson/Mayor.

RECOMMENDATION: It is recommended that the Resolutions be adopted.