



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: O-1920-64

File ID: O-1920-64	Type: Ordinance	Status: Non-Consent Items
Version: 1	Reference: Item 45	In Control: City Council
Department: Legal Department	Cost:	File Created: 05/22/2020
File Name: GO Bonds - Economic Recovery	Final Action:	

Title: CONSIDERATION OF ORDINANCE O-1920-64 UPON SECOND AND FINAL READING: AN ORDINANCE OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, AUTHORIZING THE CALLING AND HOLDING OF A SPECIAL ELECTION IN THE CITY OF NORMAN, STATE OF OKLAHOMA (THE "CITY"), ON THE 25th DAY OF AUGUST, 2020, FOR THE PURPOSE OF SUBMITTING TO THE REGISTERED QUALIFIED ELECTORS OF SAID CITY THE QUESTION OF THE ISSUANCE OF GENERAL OBLIGATION BONDS OF SAID CITY IN AN AMOUNT NOT TO EXCEED THE SUM OF FIVE MILLION Dollars (\$5,000,000) TO BE ISSUED IN ONE OR MORE SERIES TO PROVIDE FUNDS FOR THE PURPOSE OF ECONOMIC AND COMMUNITY DEVELOPMENT IN NORMAN, INCLUDING JOB RETENTION AND CREATION PROGRAMS; ALL TO BE COMPLETED WITH OR WITHOUT THE USE OF OTHER FUNDS, AND LEVYING AND COLLECTING AN ANNUAL TAX, IN ADDITION TO ALL OTHER TAXES, UPON ALL THE TAXABLE PROPERTY IN SAID CITY FOR THE PAYMENT OF THE INTEREST AND PRINCIPAL ON SAID BONDS; PROVIDED HOWEVER, THAT IN NO EVENT SHALL THE REAL AND PERSONAL TAXABLE PROPERTY IN SAID CITY BE SUBJECT TO A SPECIAL TAX IN EXCESS OF FIVE MILLS ON THE DOLLAR FOR ALL BONDS ISSUED PURSUANT TO SECTION 35, ARTICLE X OF THE OKLAHOMA CONSTITUTION; PROVIDING FOR ELECTION PROCEDURES; DECLARING AN EMERGENCY; PROVIDING FOR SEVERABILITY; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

Notes: ACTION NEEDED: Motion to adopt or reject Ordinance O-1920-64 upon Second Reading section by section.

ACTION TAKEN: _____

ACTION NEEDED: Motion to approve Emergency Section 4.

ACTION TAKEN: _____

ACTION NEEDED: Motion to adopt or reject Ordinance O-1920-64 upon Final Reading as a whole.

ACTION TAKEN: _____

Agenda Date: 06/09/2020

Agenda Number: 45

Attachments: O-1920-64 GO Bond Economic Recovery

Project Manager: Kathryn Walker, City Attorney

Entered by: kathryn.walker@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council	05/26/2020	Introduced and adopted on First Reading by title only				Pass
Action Text: That this Ordinance be Introduced and adopted on First Reading by title only. by consent roll call							

Text of Legislative File O-1920-64

Body

BACKGROUND: On May 13, 2008, the citizens of Norman approved the issuance of general obligation bonds in the amount of \$11,250,000 for the purpose of renovating, reconstructing, and equipping the existing central library building, Building A, and Building B within the Municipal Complex to provide space for the provision of municipal services, including the relocation of the Senior Center, Municipal Court and the expansion of the Police Department offices and offices located in Building A. Bonds were not issued upon the successful election related to these facilities because they were dependent on the passage of a separate question related to the relocation of the Central Library, which was unsuccessful.

On April 1, 2014, the citizens of Norman voted to fund the Public Safety Sales Tax of 2015 ("PSSTII"), a permanent 1/2% sales tax increase for the purpose of funding the addition of 13 police personnel needed to implement a school resource officer program, 4 emergency communications officers, two emergency vehicle mechanics, replacement of city radio communications systems, replacement of fire trucks and apparatus, relocation of Fire Station No. 5, and construction of an emergency operations and dispatch facility. Since the adoption of the PSSTII, the City has hired additional personnel, replaced the radio communication systems, replaced a number of fire trucks and apparatus according to useful life, and has developed plans for the construction of an emergency operations and dispatch facility on East Robinson Street across from the City's Water Treatment Facility. As part of the public safety projects contemplated with the passage of PSSTII, a fire apparatus storage and maintenance facility has been identified as a critical capital need and was included in the out-year Capital Plan (Fund 50 Capital Sales Tax) several years ago. Adequate funding is not available from PSST funds due to sales tax declines.

On October 13, 2015, the citizens of Norman voted to fund the NORMAN FORWARD Quality of Life projects with a limited term ½% sales tax increase for 15 years. This initiative included a number of high priority projects identified in the 2014 Library Master Plan Update, the 2009 Norman Parks and Recreation Master Plan and additional projects designed to provide recreational and sport opportunities for Norman residents, including a Senior Center. Since adoption of the Norman Forward Sales Tax, the City has completed construction of the Central Library, the East Side Library, the Westwood Family Aquatic Facility, the Westwood Tennis Center, and a number of neighborhood parks. Construction is underway at Ruby Grant Park and Griffin Park, and plans are being developed for a free-standing Senior Wellness Center, Reaves Park, including the relocation of the Parks Maintenance Facility, a new Adult Softball and Youth Flag Football Facility, and an Indoor Multi-Sport and Aquatics Facility. Ad hoc committees were appointed by City Council for each project in order to facilitate feedback and participation from the various constituent groups associated with these projects. The ad hoc groups for Ruby Grant Park, Griffin Park, the Senior Wellness Center, Reaves Park, Adult Softball/Youth Football, and the Indoor Multi-Sport and Aquatics facility have all reviewed the designs that fit within the original Norman Forward budget for each respective project, and have all requested additional funding to achieve the projects as envisioned.

On November 12, 2019, the citizens of Norman voted to fund the operation of the public transit system with a 1/8% sales tax, which represented a portion of an expiring limited term County-wide sales tax increase for the Cleveland County Jail. This dedicated sales tax was critical to the continued operation of the transit system in Norman, but it was not sufficient to cover large capital costs beyond scheduled bus replacement. The City is currently renting space for maintenance of the transit fleet from the University of Oklahoma; the lease has been extended once and ends in December 2020. It is unknown whether the University would be willing to extend the lease.

DISCUSSION: The City has been working on a number of projects related to Norman Forward and municipal facility needs. In January, it became clear there were a number of funding needs related to these projects. Then, in March, COVID-19 began to spread and another possible need - business recovery - was identified. Council has discussed proposals to fund these various deficits with general obligation bonds on 7 different occasions since February 25, 2020. As a result of these discussions, three propositions have been developed for the August 25, 2020 election. If successful, the City would be able to move forward with issuing bonds to fund these projects. The first property tax levy to fund these propositions would not occur until the fall of 2021, meaning it would first impact the property tax bills due on December 31, 2021.

At Council's request, the three propositions have been separated into three ordinances.

Ordinance O-1920-62 asks the voters to consider whether to authorize \$90,620,000 million in general obligation bonds to fund Norman Forward project deficits and a Homeless Facility. Specifically, the authorization would provide \$58.8 million for the Indoor Aquatic and Multi-Sport Center, \$4.8 million in additional funding for the Senior Wellness Center, \$9 million in additional funding for the Softball/Football Sports Complex, \$2.1 million in additional funding for Ruby Grant Park, \$7.3 million in additional funding for Reaves Park, \$2.8 million in additional funding for the Parks Maintenance Facility, and \$5 million in funding for a homeless facility that will be

designed and constructed to meet the needs identified in a planned comprehensive homeless housing study. Consistent with the Norman Forward Sales Tax Ordinance provisions, it also includes 1% for public art for the Indoor Aquatic and Multi-Sport Center, the Senior Wellness Center, the Softball/Football Sports Complex, Ruby Grant Park, and Reaves Park. While most of the projects represent additional funding for Norman Forward projects, it should be noted that the entire projected budget for the Indoor Aquatic and Multi-Sport Center is included. General obligation bonds cannot be used to fund projects on land not owned by the City, such as the Griffin Park improvements, so moving the funding source for the Indoor Aquatic and Multi-Sport Center frees up Norman Forward sales tax dollars, which isn't subject to the same property ownership restriction, for the completion of all of the planned Griffin Park improvements.

Ordinance O-1920-63 asks the voters to consider whether to authorize \$24.3 million in general obligation bonds to fund shortfalls for projects for which the voters have historically expressed support. Specifically, the authorization would provide \$5 million for the Transit and Fire Maintenance Facility, \$11.3 million in additional funding for the renovation of the Norman Police Department Headquarters and other Municipal Complex improvements that were authorized by the voters in 2008, and \$ 8 million to supplement the PSSTII budget for the Emergency Operations Center.

Ordinance O-1920-64 asks the voters to consider whether to authorize \$5 million in general obligation bonds to fund economic and community development programs that would support local businesses in the post-COVID-19 economy. Because the federal government is working on any number of additional funding opportunities in response to the economic effects of COVID-19, the ordinance states that the maximum amount of general obligation bonds authorized by this question would be reduced if the City was able to obtain federal funds for the same or similar purpose. It is anticipated that the City's Economic Development Advisory Board will work to finalize a program through which these bonds could provide business assistance prior to the August election.

RECOMMENDATION: Staff recommends Council consideration of Ordinance O-1920-62, O-1920-63, and O-1920-64.