



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: R-2021-70

File ID: R-2021-70

Type: Resolution

Status: Consent Item

Version: 1

Reference: Item 31

In Control: City Council

Department: Finance Department

Cost:

File Created: 12/02/2020

File Name: Sales Tax Revenue Notes

Final Action:

Title: RESOLUTION R-2021-70: 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, TAXABLE SERIES 2020 (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; RATIFYING AND CONFIRMING 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 APPROVING AND AUTHORIZING AN AMENDED SALES TAX AGREEMENT; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

Notes: ACTION NEEDED: Motion to adopt or reject Resolution R-2021-70.

ACTION TAKEN: _____

Agenda Date: 12/08/2020

Agenda Number: 31

Attachments: 10 City Resolution (002)

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:
1	City Council	12/08/2020					

Text of Legislative File R-2021-70

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 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 - \$2,730,000

* The Griffin Park Land Purchase allocation was later changed into a lease with the Oklahoma Department of Mental Health and Substance Abuse Services. The allocation for the long-term lease of the Griffin Park Soccer Complex was changed to \$2,400,000. The remaining \$7,600,000 allocation was re-programmed for a Senior Citizen's Center.

Other authorized NORMAN FORWARD improvements could include public art installations, maintenance and operational expenses, 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 (amended Resolution 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 (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 1516-63, and the City Council approved Resolution 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 are currently underway.

On June 13, 2017, the Norman Municipal Authority (NMA) Trustees approved Resolution 1617-123, and the City Council approved Resolution 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 solicited 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, have been solicited. Responses in the form of interest rate proposals will be received on December 8, 2020, and the lowest and best interest rate bid will be forwarded for consideration of the NMA Trustees and Council. The results of the proposal response process (interest rate “bids”) will be forwarded to the NMA Trustees on December 8th 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-2021-71 is generally a Resolution of the NMA to issue the debt, and R-2021-70 is a Resolution of the City of Norman authorizing the issuance of the debt by the NMA, in an aggregate amount of approximately \$22,250,000.

The NMA Resolution (R-2021-71) 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 Tax, subject to annual appropriation, to the repayment of the Note indebtedness;
- Waive Competitive Bidding and Authorize the Notes to be Sold on a Negotiated Basis;
- Authorize a Sales Tax Agreement between the City and the NMA; and
- Authorize the Chair of the NMA Board of Trustees to execute final documents related to the

financing

The City of Norman Resolution (R-2021-70) would authorize the following actions:

Approve the Incurrence of the Indebtedness by the NMA;
Waive Competitive Bidding and Authorize the Note to be Sold on a Negotiated Basis;
Ratify the Sales Tax Agreement between the City of Norman and the NMA; 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 would then proceed with the closing of the financing as executed by the Chairperson/Mayor.

RECOMMENDATION: It is recommended that the Resolutions be adopted.