



# City of Norman, OK

Municipal Building  
Council Chambers  
201 West Gray  
Norman, OK 73069

## Master

**File Number: R-2021-24**

**File ID:** R-2021-24      **Type:** Resolution      **Status:** Consent Item

**Version:** 1      **Reference:** Item 20      **In Control:** City Council

**Department:** Finance Department      **Cost:**      **File Created:** 07/29/2020

**File Name:** Reimbursement to Capital Fund      **Final Action:**

**Title:** RESOLUTION R-2021-24: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, ESTABLISHING AND DECLARING ITS OFFICIAL INTENT TO REIMBURSE THE CAPITAL FUND OF THE CITY FOR PRELIMINARY CAPITAL EXPENDITURES INCURRED IN THE DESIGN, CONSTRUCTING, AND EQUIPPING OF THE PROPOSED TRANSIT AND FIRE MAINTENANCE FACILITY OUT OF A PORTION OF THE PROCEEDS OF THE SERIES 2020 GENERAL OBLIGATION BONDS OF THE CITY OF NORMAN.

**Notes:** ACTION NEEDED: Motion to adopt or reject Resolution R-1920-24.

ACTION TAKEN: \_\_\_\_\_

**Agenda Date:** 08/11/2020

**Agenda Number:** 20

**Attachments:** Reimbursement Resolution 2020B GOB

**Project Manager:** Anthony Francisco, Finance Director

**Entered by:** Ellen.Usry@normanok.gov

**Effective Date:**

### History of Legislative File

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

### Text of Legislative File R-2021-24

Body

**BACKGROUND:** The City of Norman assumed operation of the public transportation system in the Norman area on July 1, 2019. The City contracted with the University of Oklahoma (OU) to provide operational services through August 2, 2019. On August 5, 2019, the City's third-party contractor, the Central Oklahoma Transportation and Parking Authority (COTPA), doing business as EMBARK, began operation of the City's fixed routes. On July 30, 2019, the Council approved Contract K-1920-32, leasing a portion of University-owned property located at 510 Chesapeake, commonly referred to as the OU Transportation Operations Center, for office space, maintenance bays, and fleet storage, until December 31, 2019. On December

10, 2019, the City and the University extended that lease agreement until June 30, 2020, and on April 28, 2020, this lease was further extended until December 31, 2020. OU desires to utilize its Transportation Operations Center for its own purposes, and desires that the City vacate these leased premises as of December 31, 2020.

Estimates for the design and construction of a Transit/Fire Maintenance Facility to be located on City-owned property west of Flood Avenue and south of Da Vinci Street, total \$8.1 million. It is anticipated that \$5.1 million of this project will be funded with Federal Transportation Administration funds allocated through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, leaving approximately \$3 million to be funded by the City. Approximately \$870,000 for this project will be funded by the Fire Storage Facility project in the Public Safety Sales Tax fund. On May 12, 2020, the Council approved Resolution R-1920-109, which allocated approximately \$2,192,603 from the Capital Improvement Projects Fund to provide matching funds to the CARES Act funding, to keep the project moving forward in the continuing effort to meet the aggressive construction deadline of December 31, 2020, imposed by the extended lease of the OU Transportation Operations Center.

**DISCUSSION:** The U.S. Internal Revenue Code (the "Code") allows for the proceeds of tax-exempt General Obligation Bonds to be used, within certain regulations, to reimburse previous expenditures of the Issuer (City) related to the project to be paid from the Bonds. The Code requires the approval, in advance of the issuance of the G.O. Bonds, of a Declaration of Official Intent to reimburse the advanced expenditures. If the proposed General Obligation Bonds which were authorized by Ordinance O-1920-63 are approved by the voters on August 25, 2020, the Capital Improvement Project Fund moneys which were re-allocated to the Transit and Fire Maintenance Facility could be reimbursed to the Capital Fund and re-allocated at Council's discretion to other related capital projects.

**RECOMMENDATION:** It is recommended that the Resolution and Declaration of Official Intent to Reimburse the City Capital Fund be approved.