



# City of Norman, OK

Municipal Building Council  
Chambers  
201 West Gray Street  
Norman, OK 73069

## Master

**File Number: R-1314-26**

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<b>File ID:</b> R-1314-26	<b>Type:</b> Resolution	<b>Status:</b> Non-Consent Items
<b>Version:</b> 1	<b>Reference:</b> Item No. 33	<b>In Control:</b> City Council
<b>Department:</b> Finance Department	<b>Cost:</b>	<b>File Created:</b> 08/07/2013
<b>File Name:</b> TIF bond refinancing	<b>Final Action:</b>	

**Title:** RESOLUTION NO. R-1314-26: A RESOLUTION AUTHORIZING THE NORMAN TAX INCREMENT FINANCE AUTHORITY (THE "AUTHORITY") TO ISSUE ITS TAX INCREMENT REVENUE NOTE, TAXABLE SERIES 2013 (THE "NOTE") IN THE AGGREGATE PRINCIPAL AMOUNT OF \$14,215,000; WAIVING COMPETITIVE BIDDING AND AUTHORIZING THE NOTE TO BE SOLD ON A NEGOTIATED BASIS; APPROVING AND AUTHORIZING EXECUTION OF A SECURITY AGREEMENT BY AND BETWEEN THE CITY AND THE AUTHORITY PERTAINING TO A PLEDGE OF CERTAIN SALES TAX INCREMENT REVENUE AND AD VALOREM TAX INCREMENT REVENUE; APPROVING AND AUTHORIZING EXECUTION OF A GENERAL BOND INDENTURE AND A SERIES 2013 SUPPLEMENTAL NOTE INDENTURE (COLLECTIVELY, THE "INDENTURE") AUTHORIZING THE ISSUANCE AND SECURING THE PAYMENT OF THE NOTE; PROVIDING THAT THE ORGANIZATIONAL DOCUMENT CREATING THE AUTHORITY IS SUBJECT TO THE PROVISIONS OF THE INDENTURE; AUTHORIZING AND DIRECTING THE EXECUTION OF THE NOTE AND OTHER DOCUMENTS RELATING TO THE TRANSACTION; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

**Notes:** ACTION NEEDED: Acting as the Norman Tax Increment Finance Authority motion to adopt or reject Resolution No. R-1314-26.

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

**Agenda Date:** 08/13/2013

**Agenda Number:** 33

**Attachments:** 08 Resolution Authority R-1314-26

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

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

**Effective Date:**

### History of Legislative File

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Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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### Text of Legislative File R-1314-26

Body

**BACKGROUND:** On June 23, 2009, City Council, acting as the Norman Tax Increment Finance Authority (NTIFA) adopted Resolutions approving the issuance of its tax apportionment notes, Series, 2009. The 2009



NTIFA Notes were purchased by UNP Realty Investors, a subsidiary of the University of Oklahoma (OU) Foundation. The 2009 NTIFA Notes, in the amount of \$14,560,000 allowed draws by the NTIFA on an "as needed" basis. The draws from the notes were used primarily to finance the Rock Creek Overpass over I-35, and interchange improvements at the Northeast Quadrant of Robinson Street and I-35, and now the design and construction of Legacy Park

The 2009 NTIFA Notes were issued on a floating interest rate scale, based on the one-year United States Treasury Security Rate, plus an escalating factor beginning on September ,1, 2013. The interest rate has a floor rate of 3.75%. The floor interest rate has continued to apply since the first draw primarily because the US Treasury Security Rates have been at historic lows. Terms of the 2009 NTIFA Notes also gave the OU Foundation the right of approval of any use of TIF sales and property tax apportionments to insure the uses were consistent with the Indenture. The intent of both the Council/NTIFA and the lender (UNP Realty Investors) was to refinance the notes on the open market at a future time when the tax apportionment revenue history of the University North Park Development was more established. The target date for that refinance for more permanent financing was September of 2013.

**DISCUSSION:** In several Finance Committee meetings and the City Council Conference of July 9, 2013, direction was given to Staff to solicit bid proposals to refinance the outstanding NTIFA Note Indebtedness on a taxable basis, with a ten-year maximum maturity. A term sheet describing the proposed 2013 NTIFA Refunding Notes, along with Resolutions of the NTIFA and the Council to authorize the 2013 NTIFA Notice, is attached. Bids will be received from qualified financing institutions on August 12th and a final recommendation regarding the placement of the 2013 Notice with a successful bidding firm will be forwarded to the NTIFA Trustees at that time.