



MEMORANDUM

OCPPA Agenda
Item No. PPA. C
5/23/2023

The City of OKLAHOMA CITY

TO: Chairman and Trustees of the Oklahoma City Public Property Authority

FROM: Craig Freeman, City Manager/General Manager, OCPPA

Resolution authorizing the issuance of the Oklahoma City Public Property Authority Hotel Tax Revenue Bonds, Taxable Series 2023, in the aggregate principal amount of not to exceed \$35,000,000; authorizing execution of a certificate of determination setting forth the interest rates, redemption provisions; size and maturities of the Bonds; designating underwriters with respect to the sale of the Bonds; waiving competitive bidding and authorizing the sale of the Bonds at negotiated sale, at a price less than par, including original issue discount and; approving the form of Bond Purchase Agreement; approving the execution of a series 2023 Supplemental Bond Indenture by and between the Authority and the Trustee Bank, whereby the Authority authorizes the issuance and delivery of the Bonds; providing that the organizational document creating the Authority is subject to the provisions of the Bond Indenture; ratifying a Security Agreement between The City of Oklahoma City and the Authority; approving an amendment to Lease Agreement, as previously amended, between the City and the Authority and agreeing to extend the term to cover the term of the Bonds; approving and authorizing the Preliminary Official Statement pertaining to the bonds and deeming said Preliminary Official statement "near final" and authorizing distribution of same; approving and authorizing the forms of a Continuing Disclosure Agreement and Official Statement; approving the solicitation of and purchase from an insurer of a municipal bond insurance policy and/or surety policy relating to the Bonds, if cost effective; authorizing the execution, modification and delivery of any documents regarding the Bonds including security and other documents as deemed necessary by staff; and containing other provisions related thereto.

(Six affirmative votes required to incur indebtedness.)

(Seven affirmative votes required to waive competitive bidding.)

Background:

On December 14, 2004, voters approved the repeal of the existing 2% hotel occupancy tax and approved a new 5.5% hotel occupancy tax. Approximately 54.5% of the 5.5% levy is dedicated to fund capital improvements at the Oklahoma City Fairgrounds.

On August 27th, 2019, the City Council adopted a resolution stating the administrative intent of the Mayor and City Council as to how the MAPS 4 program would be financed and managed, if approved by the voters. Among the projects in this resolution to receive funding from the MAPS 4 temporary sales tax was the construction of a new coliseum at the Oklahoma City Fairgrounds to replace the aging Jim Norick Arena. On December 10, 2019, voters approved the MAPS 4 temporary sales tax which became effective on April 1, 2020.

The funding plan for the new coliseum includes, in addition to MAPS 4 funding, the issuance of \$30 million in hotel occupancy tax revenue bonds by the Oklahoma City Public Property Authority. These bonds will be repaid from the 54.5% portion of the hotel occupancy tax revenues. Accordingly, City staff and the City's municipal/financial advisor have determined that there is sufficient capacity in the hotel occupancy tax to support the additional debt.

If adopted, the resolution:

- Authorizes the Oklahoma City Public Property Authority to issue its Hotel Tax Revenue Bonds, Taxable Series 2023, in the amount not to exceed \$35,000,000, for the purpose of providing funds to (i) to finance the Project, (ii) fund a municipal bond insurance policy, if necessary; (iii) fund a debt service reserve and/or purchase a surety policy satisfying the reserve requirement on the Bonds, if necessary; and (iv) pay costs of issuance of the Bonds.
- Waives competitive bidding and authorizes the Authority to sell and deliver the Bonds to the Firm of Raymond James & Associates Inc., designated as sole underwriter, who was selected from the City's pre-qualified pool of underwriters established on January 17, 2023.
- Approves the form of the Bond Purchase Agreement, Preliminary Official Statement, Final Official Statement, and Continuing Disclosure Agreement.
- Approves the execution of a Series 2023 Supplemental Bond Indenture by and between the Authority and the Trustee Bank, whereby the Authority authorizes the issuance and delivery of the Bonds.
- Ratifies and confirms the Security Agreement dated April 1, 2005.
- Approves an amendment to the Lease Agreement dated November 1, 1961, as previously amended, between the City and the Authority extending the term of the lease to coincide with the term of the bonds.
- Authorizes the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority to execute and deliver the Bonds to the Underwriter upon receipt of the purchase price and are further authorized and directed to execute all necessary closing and delivery papers required by Bond Counsel and the Municipal Advisor and to approve and make any changes to the documents approved by this Resolution upon review by and consultation with the Municipal Counselor's Office, for and on behalf of the Authority.

Review:

Finance Department

Recommendation: Resolution be adopted.