

TO: Chairman and Trustees of the Oklahoma City Economic Development Trust

FROM: Craig Freeman, General Manager

A resolution of the Oklahoma City Economic Development Trust (the “Trust”) authorizing Trust and City of Oklahoma City (the “City”) staff and advisors to proceed with the development of the plan of financing pertaining to the refunding of certain indebtedness for the trust, including preparation of a preliminary official statement and solicitation of ratings; authorizing Trust and City staff to distribute a solicitation of underwriters from the pool of prequalified underwriters for the issuance of tax apportionment bonds; approving and adopting the city’s professional services agreements related to bond and financing professionals; and containing other provisions related thereto. (TIF)

Background:

As of June 9, 2021, the Oklahoma City Economic Development Trust bond issue known as Tax Apportionment Bonds (Increment District #8), Taxable Series 2013A had \$73,060,000 in outstanding maturities and the Oklahoma City Economic Development Trust bond issue known as Tax Apportionment Bonds (Increment District #8), Tax-Exempt Series 2013B had \$23,840,000 in outstanding maturities. The combined outstanding maturities of both Series is \$96,900,000. With tax-exempt and taxable interest rates at or near historical lows, it is possible to obtain substantial savings by refunding all or portions of these outstanding maturities.

PFM Financial Advisors, LLC, the City’s financial advisor, performed an analysis of the potential refunding opportunity to ensure the refunding would provide significant savings and worked with City staff to develop the attached proposed financing plan. This plan contemplates the refunding of all or portions of the outstanding maturities in “Oklahoma City Economic Development Trust Tax Apportionment Bonds (Increment District #8), Taxable Series 2013A and Tax-Exempt Series 2013B”. Based upon current market conditions, the refunding would provide the following estimated savings:

Outstanding Bonds Considered:	\$96,900,000
Estimated Net Present Value Savings:	\$13,800,000
Estimated Net Present Value Saving as a Percent of the Refunded Bonds:	14%

The estimated 14% net present value savings of the refunded bonds exceeds the 3% minimum net present value savings required by the City’s Debt Management Policy. These estimated savings

are based on current bond market conditions which can change. This refunding will not impact the approved projects for which the original bonds were intended, nor will it extend their maturity dates.

If adopted, this resolution authorizes the Trust to move forward with the attached financing plan for the issuance of Oklahoma City Economic Development Trust Tax Apportionment Refunding Bonds (Increment District #8), Taxable Series 2021A and Tax-Exempt Series 2021B. In addition, it authorizes Trust and City Staff to develop a preliminary official statement, solicit bond ratings from one or more rating agencies and adopts and approves the agreements with the City's financial advisor, bond counsel, disclosure counsel and tax counsel if necessary. It confirms the Trust's adherence to the City's debt policies and adopts the City's pool of prequalified underwriters and authorizes the Trust to solicit responses from the pool of prequalified underwriters for underwriting services to issue the Bonds.

Recommendation: Resolution be adopted.