



MEMORANDUM

Council Agenda
Item No. IX.K.
5/30/2017

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: James D. Couch, City Manager

Joint Resolution with the Oklahoma City Economic Development Trust adopting the 2017 General Obligation Limited Tax Bond Program, establishing criteria and guidelines for the administration of the 2017 General Obligation Limited Tax Bonds.

Background

The Oklahoma City Economic Development Trust is an Oklahoma public trust whose sole beneficiary is The City of Oklahoma City, and which entity desires to promote and assist The City with economic and community development and redevelopment projects.

OCEDT and The City have determined that it is in the best interest of The City and its citizens to promote, and when deemed appropriate, fund economic and community development and redevelopment projects.

OCEDT and The City desire to promote and assist economic development and redevelopment projects, in particular those projects which involve substantial investments in new or existing strategic industries and projects, and the creation of jobs and employment opportunities for the citizens of Oklahoma City. The City has a long history of actively pursuing opportunities to create and retain quality jobs for its citizens, which in turn, promotes and supports a higher quality of life for its citizens.

OCEDT was created and granted with broad powers to benefit The City in all lawful forms of financing, operating, constructing, managing, marketing, and administering projects for investments and reinvestments in economic and community development. On December 11, 2007, the citizens approved a ballot proposition approving the sale and issuance of \$75,000,000 of General Obligation-Limited Tax Bonds ("GOLT Bonds") as authorized under Section 35 of Article X of the Oklahoma Constitution and the implementing law, the Municipal and County Industrial Development Bonds Act, 62 Okla.Stat. §§ 800, *et seq.*

In order for the Council to memorialize the statements and promises made during the election campaign, on December, 4, 2007 (Item No. VIII. H.), the Council adopted the 2007 Strategic Investment Program, which was a statement of Council's policies and directives for administering the 2007

GOLT Bonds. The primary focus of the 2007 Strategic Investment Program was on job creation. In 2012, in response to missed economic development opportunities, the SIP was amended by City Council and the Oklahoma City Economic Development Trust (“Trust”), to expand the purposes for which the GOLT Bond proceeds could be used. The 2012 Amendments maintained the principal use of the bond proceeds for job creation incentives, while expanding the potential use for other purposes and programs permitted under the Act. Through the 2012 Amendment to the SIP, the Council and Trust authorized the use of bond proceeds for other limited purposes permitted under the Act by adding such programs as: the Infrastructure Program, the Leverage Fund Program, the Land Assembly Program and the Emerging Technologies Program.

The 2017 GOLT Bond Program is intended to be Council’s policy statement for administration of the proposed 2017 GOLT Bond initiative. The 2017 GOLT Bond Program continues to emphasize the use of GOLT Bond proceeds primarily for the creation of new to market jobs, it incorporates the guiding principles from the 2007 Strategic Investment Program and includes a component for affordable housing projects.

The 2017 GOLT Bond Program is designed to meet public policy objectives established by the City Council in the 2007 Strategic Investment Program, and maintains the requirements for public accountability and transparency, and focuses on pay-for-performance incentives. The 2017 GOLT Bond Program contains guiding principles and clear program characteristics which establish minimum, but flexible thresholds for participation and receipt of incentives and loans for the purpose of administering the use of proceeds from General Obligation-Limited Tax Bonds (GOLT Bonds). It is the desire of the City Council to have guidelines in place prior to the \$60,000,000 2017 GOLT Bond election.

Review

City Manager’s Office - Economic Development

Recommendation: Joint Resolution be adopted.

Attachment