



Meeting Date: November 6, 2017

Report No. SEDA-17-08

Agenda Item No. 6a

Purpose: Request Stillwater Economic Development Authority (SEDA) trustees approval of a resolution accepting the tax apportionment revenue draw down note between SEDA and OK Stillwater Perkins, LLC.

Background Summary: SEDA trustees entered into a development agreement with OK Stillwater Perkins, LLC on August 4, 2014, which provided for certain development financing assistance by reimbursing the developer for certain of the project costs of the development. Section 4.4 of the development agreement authorizes SEDA to issue one or more parity tax apportionment revenue draw down notes in a total amount not to exceed \$3.4 million or 25% of the actual amount of the eligible project costs, whichever is less. The note(s) are payable solely from apportioned sales tax generated by the development payable semi-annually over ten years. The annual interest rate is 5% simple interest. Sales tax apportioned to the development may pay the note and interest payments at a different rate than the amortization schedule provides. The pay-out of the note may not exceed the term of the tax increment finance district, which expires in 2030.

Budget Impact: None – sales tax generated by the development is captured in a separate fund on a monthly basis. Incentive payments will come from this fund.

Prior Council Action or Part of an Approved Project: Yes

Recommendation: Staff recommends SEDA trustees approve the resolution authorizing the tax apportionment draw down note between SEDA and OK Stillwater Perkins, LLC in the amount of \$3.4 million.

Prepared by: Melissa Reames, CFO

Reviewed by: John Dorman, City Attorney

Submitted by: Norman McNickle, City Manager