



Meeting Date: August 27, 2018

Agenda Item No. 3a

Report No. SEDA-18-01

Status: Resolution

Purpose: Request Stillwater Economic Development Authority (SEDA) trustees approval of a resolution authorizing the assignment of 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 and 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. A Parity Sales Tax Apportionment Revenue note was executed on November 14, 2017 in the amount of \$3,400,000. OK Stillwater Perkins, LLC is requesting SEDA trustee authorization for the assignment of Parity Sales Tax Apportionment Revenue Note no. A-1 dated November 14, 2017 to Arvest Bank.

Recommendation: Authorize assignment of parity sales tax apportionment revenue note.

Prepared by: Melissa Reames, Deputy City Manager / CFO

Submitted by: Norman McNickle, City Manager