



Agenda Commentary

Item Title/ Subject: Financing with OB&T for Fire Department Construction Project

Staff Source: Debra Blanchard

History/Background Information: \$4,000,000 Construction Project Financing was approved by Council at earlier meeting. OB&T will provide financing for 8 year period, at 2.95%

Item/Subject Summary: The officers with OB&T and legal counsel have been working to get the proper financial documents prepared to move forward with the financing. There are several documents, including, Security Agreement, two Resolutions, Certificate of Incumbency listing our City Officials, and the actual loan agreement between OB&T and the Clinton Industrial Authority. Legal Counsel has taken much time and care in preparing and reviewing these documents, in conjunction with Bank representatives. I believe Ryan Meacham will be present to answer any questions pertaining to these documents.

Price/Cost: Legal fees to be invoiced

Recommendation: I recommend approval of these financing documents and authorization for the Chairman of the Industrial Authority to execute such.

RESOLUTION NO. IA12-01

RESOLUTION AUTHORIZING THE ISSUANCE OF A CLINTON INDUSTRIAL AUTHORITY REVENUE NOTE IN AGGREGATE AMOUNT NOT TO EXCEED \$4,000,000 IN CITY SALES TAX OBLIGATIONS; WAIVING COMPETITIVE BIDDING OF THE SALE OF THE NOTE; APPROVING AND AUTHORIZING THE CHAIRMAN OR VICE CHAIRMAN OF THE AUTHORITY TO APPROVE, FINALIZE, EXECUTE, MODIFY AND/OR DELIVER THE NECESSARY OR APPROPRIATE TRANSACTIONAL DOCUMENTS REGARDING THE REVENUE NOTE

BE IT RESOLVED by the Trustees of the Clinton Industrial Authority:

Section 1. Authorization of Issuance of Note. The Clinton Industrial Authority (the "Authority"), a public trust organized and existing under the laws of the State of Oklahoma, the beneficiary of which is The City of Clinton (the "City"), hereby authorizes the issuance of a Note, in the aggregate principal amount not to exceed \$4,000,000 (the "Note"), for the purposes of (i) funding project costs incurred in carrying out the construction of a new Fire Department and renovation of the current Police Department (the Project) as authorized by City Ordinance 934, and reimbursing prior expenditures for the same, if any, and paying legal and financing costs relating to the issuance of the Note.

Section 2. Authorization by Beneficiary. The issuance of the Note in accordance with this Resolution was authorized in accordance with 60 O.S. §176(A) by express approval of two-thirds of the membership of the City Council of The City of Clinton as beneficiary of the Authority through the approval of the Ordinance 934 of the City Council on March 15, 2011, approving indebtedness of the Authority in an amount not to exceed an aggregate of \$4,000,000 in obligations, approving assistance in development financing, and authorizing the pledge of Tax Revenues, and other matters related thereto.

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Section 3. Waiver of Competitive Bidding on Sale of Note. Competitive bidding on the sale of the Note is hereby expressly waived as authorized by 60 O.S. §176(F) through the express approval of three-fourths vote of the governing body of the City Council of the City as beneficiary of the Authority through the approval of Resolution _____ of the City Council on _____, 2012.

Section 4. Approval of Documents. The following documents and provisions are hereby authorized and approved, and the Chairman of the Authority (the "Chairman") is hereby authorized to approve, finalize, execute, modify and/or deliver the same, on behalf of the Authority, and such documents shall be conclusively deemed approved by the Authority upon such execution and delivery, to wit:

- (A) All necessary or appropriate transactional documents regarding the Note, including, but not limited to, notices, bid forms, note purchase agreements, financing agreements, pledge agreements, mortgage agreements, including provisions regarding the terms and conditions of the issuance of the Note including, but not limited to , principal amount, maturity, interest rates, parity provisions and redemption provisions, provided that such shall be consistent with and limited by other provisions of this Resolution.
- (B) Closing orders or other documents which shall direct the disbursement of proceeds received from the Note and which shall further authorize and direct the payment of costs of issuance of the Note.
- (C) Any and all other documents and certifications as necessary to consummate the issuance of the Note and the transactions contemplated herein including, but not limited to (i) certifications, assurances and agreements on behalf of the Authority and (ii) such pledge agreements, subordination agreements, parity agreements and other financing documents as may be necessary with respect to the issuance of the Note or outstanding authority indebtedness, if any.

Section 5. Miscellaneous. The Chairman is authorized and directed, on behalf of and in the name of the Authority, to (i) deliver the Note to the purchasers) thereof in accordance with the terms of the Note and related agreements; (ii) direct disbursement of the proceeds received from the sale of the Note, to include but not be limited to, the payment of costs and expenses of issuance of the Note as authorized by the Authority or direction of the Chairman; (iii) approve, finalize, executed, modify, record, file and delivery the Note, securities, tax and security documents, certifications, and other documents necessary to consummate issuance of the Note; (iv) modify dates with respect

to the Note and other instruments; (v) modify the names of the Note and execute contracts and documents in furtherance thereof; and (vi) engage legal counsel and financial advisors to the extent necessary and desirable, and to enter into contracts with same. Upon execution and delivery of documents contemplated by this Resolution, the documents shall be conclusively deemed authorized and approved by the Authority. As used in this Resolution, "Chairman" shall mean the Chairman of the Authority or, in the event of the disability, absence of unavailability of the Chairman, the Vice Chairman of the Authority. The Note and any financing, pledge, or parity agreements related thereto shall be executed by the Chairman or Vice Chairman of the Authority.

PASSED AND APPROVED THE _____ day of March, 2012

CHAIRMAN

(SEAL)

ATTEST:

SECRETARY

Approved as to form and legality this _____ day of March, 2012.

I, _____ Secretary to the Trustees of the Clinton Industrial Authority, certify that the foregoing Resolution was properly adopted at a _____ meeting of the Trustees of the Clinton Industrial Authority, held on the 1st day of _____, 2012, in the offices of the Authority; that a quorum was present at all times throughout said meeting, and that at least four of the five Trustees voted in favor of said Resolution, in accordance with 60 O.S. §176.

SECRETARY

(SEAL)