

FACT SHEET

CITY OF SHREVEPORT, LOUISIANA

TITLE

A Resolution employing professionals with respect to the issuance of not exceeding THIRTY MILLION DOLLARS (\$30,000,000) of revenue bonds (Shreveport Sports Complex Project) in one or more series, on a tax-exempt and/or taxable basis, on a senior and/or subordinate basis for the purpose of acquiring, constructing and equipping of a sports complex in the City, paying capitalized interest on bonds, paying the costs of issuance related thereto, and providing for other matters in connection therewith.

DATE

August 22, 2017

ORIGINATING DEPARTMENT

Office of the Mayor

COUNCIL DISTRICT

All

SPONSOR

PURPOSE

The purpose of this Resolution is for the hiring of professionals to complete the City’s due diligence and preparation of exploring its options for the possibility that the New Orleans Pelicans G League team (“Team”) will accept the City’s proposal to become the Team’s home.

This Resolution is only a preliminary step in the process and it does not obligate the City financially.

BACKGROUND INFORMATION

The New Orleans Pelicans announced in March 2017 that the organization intends to launch its own NBA Development League team with the intention of beginning play in the 2018-2019 season. The NBA Development League will soon be re-branded to the NBA Gatorade League (or NBA G League) and is the NBA’s official minor league.

The City of Shreveport, Louisiana was one of only eleven cities selected for receipt of the Request for Proposal (RFP) for the purpose of exploring Shreveport’s interest in becoming the flagship community and home for the New Orleans Pelicans G League team beginning in the 2018-2019 season. Responses to the RFP will be used by the Pelican’s to identify a city and arena capable of hosting an NBA G League team (“Team”) affiliated directly with the Pelicans to commence as early as the 2018-2019 season.

The franchise sent the RFP to 11 different cities and/or communities across four states as follows: Louisiana (seven), Mississippi (two), Alabama (one) and Florida (one). The cities were selected based on Pelicans and NBA research. The Team will be owned and operated by New Orleans Pelicans Owner, Tom Benson, and will be a direct one-to-one affiliate of the Pelicans.

TIMETABLE

Introduction: August 22, 2017
Final Passage: September 12, 2017

ATTACHMENT(S)

None

SPECIAL PROCEDURAL REQUIREMENTS

If the City’s Proposal is accepted by the Team then the City Council may, at that time, approve a Notice of Intent to issue the bonds.

FINANCES

TBD

SOURCE OF FUNDS

Bond Proceeds/City

ALTERNATIVES

(1) Adopt the ordinance as submitted, or (2) Amend the ordinance, or (3) Reject the ordinance.

RECOMMENDATION

The City Council adopted Resolution No. 94 of 2017 in support of responding to the Pelican RFP. It is now recommended that the City Council adopt this Resolution No. 147 of 2017.

FACT SHEET PREPARED BY:

Karen Strand,
Assistant City Attorney

and

Alex Washington,
City Bond Counsel

CITY OF SHREVEPORT, STATE OF LOUISIANA
First Reading: August 22, 2017
Second Reading & Adoption: September 12, 2017

RESOLUTION NO. 147 OF 2017

A RESOLUTION EMPLOYING PROFESSIONALS WITH RESPECT TO THE ISSUANCE BY THE CITY OF NOT EXCEEDING THIRTY MILLION DOLLARS (\$30,000,000) OF REVENUE BONDS (SHREVEPORT SPORTS COMPLEX PROJECT) IN ONE OR MORE SERIES, ON A TAX-EXEMPT AND/OR TAXABLE BASIS, ON A SENIOR AND/OR SUBORDINATE BASIS FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING OF A SPORTS COMPLEX IN THE CITY, PAYING CAPITALIZED INTEREST ON BONDS, PAYING THE COSTS OF ISSUANCE RELATED THERETO, AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

BY COUNCILMEMBER:

WHEREAS, the City of Shreveport, State of Louisiana (the "City") acting through this City Council as its governing authority (the "Governing Authority") is considering the issuance by the City of not exceeding Thirty Million Dollars (\$30,000,000) of Revenue Bonds (Shreveport Sports Complex Project) in one or more series (the "Bonds") to be issued on a tax-exempt and/or taxable basis, and on a senior and/or subordinate basis, under the authority of La. R.S. 39:1430 and other constitutional and statutory authority, for the purpose of paying the costs of acquiring, constructing and equipping of a sports complex to be located in the City of Shreveport, State of Louisiana, paying capitalized interest on the Bonds, and paying the costs of issuance related thereto; and

WHEREAS, this Governing Authority desires to hire professionals in connection with the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Shreveport, State of Louisiana, acting as the governing authority of the City, that:

SECTION 1. Employment of Co-Bond Counsel. This Governing Authority finds and determines that a real necessity exists for the employment of co-bond counsel in connection with the issuance of the Bonds, and accordingly, Adams and Reese LLP, of New Orleans, Louisiana, and Washington & Wells, LLC, Shreveport, Louisiana, are hereby employed as Co-Bond Counsel to the City to do and perform comprehensive legal and coordinate professional work of a traditional legal nature with respect to the issuance and sale of the Bonds.

Said counsel shall prepare and submit to this Governing Authority for adoption all of the proceedings incidental to the authorization, issuance, sale and delivery of the Bonds, shall counsel and advise this Governing Authority as to the issuance and sale thereof, and shall furnish their opinion covering the legality of the issuance thereof. The legal fees of bond counsel in connection with the issuance of each series of the Bonds shall not exceed the amount provided by the Attorney General's Guidelines for Fees and Services of Bond Attorneys for

comprehensive legal and coordinate professional work in connection with the issuance of bonds, said fees to be payable solely out of funds derived from the sale of the Bonds and to be contingent upon the issuance, sale and delivery thereof.

SECTION 2. Employment of Counsel to the City. William C. Bradford, Jr., City Attorney for the City of Shreveport shall serve as general counsel to the City in connection and delivery of the Bonds.

SECTION 3. Employment of Municipal Advisor. This Governing Authority finds and determines that a real necessity exists for the employment of a municipal advisor, and accordingly, The RSI Group, LLC, Little Rock, Arkansas, is hereby appointed and employed as municipal advisor to the City in connection with the issuance of the Bonds, any compensation to be subsequently approved by this Governing Authority. The fees to be paid for services in conjunction with the issuance of the Bonds, together with reimbursement of out-of-pocket expenses incurred and advanced, are contingent upon the issuance of the Bonds.

SECTION 4. Employment of Investment Bankers/Underwriters. The City finds and determines that a real necessity exists for the employment of investment bankers/underwriters in connection with the sale of the Bonds, any compensation to be subsequently approved by this Governing Authority and to be paid from the proceeds of such Bonds is contingent upon the issuance of such Bonds. Accordingly, Loop Capital Markets, LLC, is hereby appointed and employed as Underwriter in connection with the sale of the Bonds.

SECTION 5. Employment of Disclosure Counsel. The City finds and determines that a real necessity exists for counsel to assist the City with respect to continuing disclosure matters in connection with the issuance of the Bonds and, accordingly, Joshua K. Williams, Shreveport, Louisiana is hereby appointed and employed as disclosure counsel with respect to the issuance of the Bonds. The fees to be paid for such services shall be submitted to and approved by this Governing Authority.

SECTION 6. Employment of Paying Agent/Registrar. The City finds and determines that a real necessity exists for a Paying Agent/Registrar with respect to the Bonds and accordingly, Regions Bank, in the City of Baton Rouge, Louisiana, is hereby appointed and employed to act as paying agent and registrar in connection with the Bond, upon terms to be determined at the time of the issuance of the Bonds.

SECTION 7. Employment of Special Counsel to the City. It has been found and determined that a real necessity exists for the employment of Special Counsel to the City in connection with the issuance of the Bonds and economic development matters, including but not limited, the expansion of the Downtown Entertainment Economic Development Area and the creation of an economic development corporation and, accordingly, Breazeale, Sachse & Wilson, L.L.P., Baton Rouge, Louisiana, and Jacqueline Scott & Associates, Bossier City, Louisiana, are hereby employed as Special Counsel to the City in connection with the issuance and delivery of the Bonds and economic development matters. The fee to be paid to Special Counsel shall be an amount based on the Attorney General's Hourly Fee Schedule, said fee to be paid at the time such Bonds are delivered or, in the event it is determined such Bonds will not be issued, an amount based on the Attorney General's Hourly Fee Schedule, said fee to be paid at the time such Bonds are delivered or at such time as it is determined that such Bonds will not be issued,

together with reimbursement of out of pocket expenses, said fee and out-of-pocket expenses to be payable out of Bond proceeds or other funds provided by the City.

SECTION 8. Employment of Special Tax Counsel. The City finds and determines that a real necessity exists for special tax counsel to assist the City with respect to federal tax matters in connection with the issuance of the Bonds and, accordingly, Kutak Rock Chicago, Illinois, is hereby appointed and employed as special tax counsel with respect to the issuance of the Bonds. The fees to be paid for such services shall be submitted to and approved by this Governing Authority.

SECTION 9. Employment of Environmental Counsel. The City finds and determines that a real necessity exists for environmental counsel to assist the City with respect to environmental matters and accordingly Roedel Parsons Koch Blanche Balhoff Parsons is hereby appointed and employed as environmental counsel. The fees to be paid for such services shall be submitted to and approved by this Governing Authority.

SECTION 10. State Bond Commission. Application is hereby made to the State Bond Commission, Baton Rouge, Louisiana at the appropriate time for approval of not to exceed \$30,000,000 of the City's Revenue Bonds (Shreveport Sports Complex Project) in one or more series, on a tax-exempt and/or taxable basis, and on a senior and/or subordinate basis, to mature on or before twenty years (20) from the date thereof and to bear interest at a rate not to exceed six percent (6.00%) per annum for the purposes stated above and as further described above. The Bonds will be secured by lawfully available funds, pursuant to La. R.S. 39:1430. A certified copy of this resolution shall be submitted to the State Bond Commission, together with a request for prompt consideration and approval of the aforesaid applications.

By virtue of applicant/issuer's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval(s) resolved and set forth herein, it resolves that it understands and agrees that such approval(s) are expressly conditioned upon, and it further resolves that it understands, agrees and binds itself, its successors and assigns, to full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products Hedges, Etc.", adopted by the State Bond Commission on July 20, 2006, as to the borrowing(s) and other matter(s) subject to the approval(s), including subsequent application and approval under said Policy of the implementation or use of any swap(s) or other product(s) or enhancement(s) covered thereby.

SECTION 11. Authorization for Payment. The chief financial officer of the City is hereby empowered and directed to make or cause to be made payment to the aforesaid professionals of the fees herein provided for under the conditions herein enumerated, from the proceeds of the respective bonds, or from other lawfully available sources.

SECTION 12. Authorization of Officers. This City Council hereby authorizes and directs its Chairman, Vice-Chairman and Clerk to do any and all things necessary and incidental to carry out the provisions of this resolution.

SECTION 13. Severability. If any provision or item of this resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of

this resolution which can be given effect without the invalid provisions, items or applications, and to this end, the provisions of this resolution are hereby declared to be severable.

APPROVED AS TO LEGAL FORM:

City Attorney's Office

RESOLUTION NO. 147 OF 2017

September 12, 2017

Read by title and as read motion by Councilman _____ seconded by Councilman _____ for adoption. Approved by the following vote: Ayes: _____
_____. Nays: __ Absent: _____. Out of the Chamber: __. Abstentions: __.

Approved:

James Flurry, Chairman

Ollie S. Tyler, Mayor

Approved by the City Council _____

Approved by the Mayor _____

And Effective on _____

At 12:01 o'clock a.m.

Arthur G. Thompson, Clerk of Council

I, ARTHUR G. THOMPSON, CLERK OF COUNCIL OF THE CITY OF SHREVEPORT, HEREBY CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY OF RESOLUTION NO. 147 OF 2017.

Arthur G. Thompson, Clerk of Council