

RESOLUTION NO.

WHEREAS, the City of Austin (Issuer) is a home rule city authorized to issue obligations to finance its activities, the interest on which is excludable from gross income for federal income tax purposes (tax-exempt obligations) pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the Code); and

WHEREAS, the Issuer will make, or has made not more than 60 days before this date, expenditures related to: street improvements in the amount of \$9,411,000 to be funded by General Obligation Bonds approved by the voters in the November 2000 Special Municipal Election; and projects to be funded by General Obligation Bonds approved by the voters in the November 2006 Special Municipal Election, as follows (collectively, GO Bond Projects):

- Proposition 1 project expenditures in the amount of \$24,660,000 related to street reconstruction, sidewalk reconstruction and improvements, and traffic signal improvements;
- Proposition 2 project expenditures in the amount of \$20,000,000 related to watershed protection master plan projects and open space acquisition;
- Proposition 3 project expenditures in the amount of \$15,855,000 related to

- park facility improvements, and renovations and parkland acquisition;
- Proposition 4 project expenditures in the amount of \$2,100,000 related to community and cultural facility projects;
 - Proposition 5 project expenditures in the amount of \$10,500,000 related to affordable housing programs;
 - Proposition 6 project expenditures in the amount of \$18,000,000 related to the new central library project; and
 - Proposition 7 project expenditures in the amount of \$16,475,000 related to public safety facility projects; and

WHEREAS, the Issuer will make, or has made not more than 60 days before this date, expenditures in the amount of \$2,500,000 related to capital expenditures for Zilker Park improvements to be funded by certificates of obligation (Certificate of Obligation Projects); and

WHEREAS, the Issuer intends to expend available moneys, including moneys on deposit in the Issuer's general fund, for these expenditures; and

WHEREAS, the Issuer has concluded that it does not currently desire to issue tax-exempt obligations to finance these expenditures; and

WHEREAS, the Issuer finds, considers and declares that the reimbursement of the payment by the Issuer of these expenditures will be

appropriate and consistent with the lawful objectives of the Issuer and chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the U.S. Treasury Regulations, to reimburse itself for such payments at such time as it issues tax-exempt obligations; and

WHEREAS, the Issuer reasonably expects to issue tax-exempt obligations to reimburse itself for expenditures made as described above; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The Issuer reasonably expects to reimburse itself for all costs that have been paid during the 60 days preceding this date or that will be paid after this date from the sale proceeds of tax-exempt obligations to be issued by or on behalf of the Issuer at a future date in an aggregate principal amount not to exceed \$117,001,000 for expenditures related to the GO Bond Projects, and not to exceed \$2,500,000 for expenditures related to the Certificate of Obligation Projects, for a total amount not to exceed \$119,501,000; and

All costs to be reimbursed will be capital expenditures; the tax-exempt obligations shall be issued within 18 months of the later of (i) the date the expenditures are paid or (ii) the date on which the property, with respect to which such expenditures were made, is placed in service; and the tax-exempt

obligations will not be issued on a date that is more than three years after the date any expenditure which is to be reimbursed is paid; and

The Issuer reasonably expects that the maximum aggregate principal amount of tax-exempt obligations issued to reimburse the Issuer for the above-stated expenditures will not exceed \$119,501,000.

ADOPTED: _____, 2008

ATTEST: _____

Shirley A. Gentry
City Clerk