

AGENDA



Monday, September 8, 2008

Budget

Item No. 10

RECOMMENDATION FOR COUNCIL ACTION

Subject: Approve a resolution declaring the City of Austin's official intent to reimburse itself from November 2000 Proposition 1 General Obligation bonds to be issued for expenditures in the amount of \$9,411,000 related to street and bicycle improvements; to reimburse itself from November 2006 Proposition 1 General Obligation bonds to be issued for expenditures in the amount of \$24,660,000 related to street reconstruction, sidewalks, and traffic signals; to reimburse itself from November 2006 Proposition 2 General Obligation bonds to be issued for expenditures in the amount of \$20,000,000 related to watershed protection master plan projects and open space acquisition; to reimburse itself from November 2006 Proposition 3 General Obligation bonds to be issued for expenditures in the amount of \$15,855,000 related to parks facilities improvements and renovations, and parkland acquisition; to reimburse itself from November 2006 Proposition 4 General Obligation bonds to be issued for expenditures in the amount of \$2,100,000 related to community and cultural facilities; to reimburse itself from November 2006 Proposition 5 General Obligation bonds to be issued for expenditures in the amount of \$10,500,000 related to affordable housing programs; to reimburse itself from November 2006 Proposition 6 General Obligation bonds to be issued for expenditures in the amount of \$18,000,000 related to the new central library project; to reimburse itself from November 2006 Proposition 7 General Obligation bonds to be issued for expenditures in the amount of \$16,475,000 related to public safety facilities; and to reimburse itself from Certificates of Obligation in the amount of \$2,500,000 for expenditures related to Zilker Park improvements.

Amount and Source of Funding: \$117,001,000 in General Obligation Public Improvement Bonds to be issued in August 2009 or later; and \$2,500,000 in non tax-supported General Obligation Certifications of Obligation to be issued in August 2009 or later.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Greg Canally, Deputy Chief Financial Officer, 974-2609

A city must have budgeted for and provided a source of funds in order to enter into a contract. For the City of Austin to spend money today, but reimburse itself from the issuance of debt obligations in the future, state and federal law require the city to issue a reimbursement resolution. The resolution must contain certain information that protects the tax-exempt status of the future bond issuance. Failure to adopt a qualified declaration of official intent will prohibit the City from reimbursing the contract costs with the proceeds of tax-exempt obligations. Reimbursement bonds generally must be issued no later than 18 months after the later of, the date the expenditure was made, or the date that the project paid for with the funds is placed in service. (This resolution is required pursuant to Section 103 of the Internal Revenue Code, to ensure the tax exempt status of the funds.)

This action expresses the City Council's intent to authorize the reimbursement for costs associated with the 2008-2009 Approved Capital Budget items for General Obligation debt, as described below:

General Obligation Public Improvement Bonds: \$117,001,000
 2000 Proposition One - \$9,411,000 for street improvements
 2006 Proposition One - \$1,200,000 for sidewalks
 2006 Proposition One - \$1,550,000 for traffic signals

2006 Proposition One - \$21,910,000 for street reconstruction
2006 Proposition Two - \$10,000,000 for watershed protection master plan projects
2006 Proposition Two - \$10,000,000 for open space acquisition
2006 Proposition Three - \$11,855,000 for park facility improvements and renovations
2006 Proposition Three - \$4,000,000 for parkland acquisition
2006 Proposition Four - \$2,100,000 for community and cultural facilities
2006 Proposition Five - \$10,500,000 for affordable housing programs
2006 Proposition Six - \$18,000,000 for the central library project
2006 Proposition Seven - \$16,475,000 for public safety facilities

Certificates of Obligation: \$2,500,000

\$2,500,000 for capital expenditures for Zilker Park Improvements