

**CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO. 4
AGENDA DATE: 09/15/2009**

Subject: Approve a resolution adopting the Fiscal Year 2009 -2010 Mueller Local Government Corporation Operating Budget in the amount of \$2,069,956 for the Mueller Redevelopment Project.

Amount and Source of Funding: Funding has been provided by a grant from the City of Austin and Tax Increment Financing Revenues from Tax Increment Financing Zone No 16.

Fiscal Note: A fiscal note is attached.

Agenda Category: Economic Growth & Redevelopment Services

For More Information: Rodney Gonzales, Acting Director, EGRSO / 974-2313; Tom Nuckols, Attorney, Legal / 974-2568.

Prior Council Action: 08/27/2009 Mueller Local Government Corporation Regular Board Meeting.

In the action proposed, the Board will adopt the Operating Budget for Fiscal Year 2009 – 2010, beginning October 1, 2009, and ending September 30, 2010. Revenue includes \$982,456 in grant funding from the City in addition to \$1,229,358 of ad valorem tax revenue from Tax Increment Financing Reinvestment Zone Number 16. The proposed expenditures of \$2,069,956 from the Mueller Local Government Corporation include interest, principal payments, and administration costs.

LOCAL GOVERNMENT CORPORATION

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Rodney Gonzales

Treasurer
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Date: September 8, 2009

To: Mueller Local Government Corporation Board of Directors

From: Jeff Knodel, Deputy Chief Financial Officer

Subject: 2010 Budget Adoption

2010 Operating Budget

As a part of the City's budget adoption process, the operating budget for the Mueller Local Government Corporation (MLGC) will be presented to the Board of Directors for approval. This occurs in a separate meeting on the same days as the City's budget readings, September 14, 15, and 16, 2009. If the MLGC budget is adopted on September 14, the meetings on the next two days will not be necessary.

I have attached a copy of the purpose and nature page for the MLGC Operating Fund as well as the fund summary. Revenues include a City of Austin grant payment from the Economic Incentives Reserve Fund, Tax Increment Financing revenues, and interest income.

For 2010, the requirements for the MLGC will include principal and interest payments for debt issued for the Mueller Redevelopment Project. In addition, other costs consist of bond issue costs related to issued debt.

Should you have any questions, please contact me at 974-2589.

Attachments

xc: Marc A.Ott, President
Leslie Browder, Vice President
Art Alfaro, Treasurer
Rodney Gonzales, Secretary

**MUELLER LOCAL GOVERNMENT CORPORATION
PROPOSED 2009-2010 OPERATING BUDGET**

	2007-08 ACTUAL	2008-09 AMENDED	2008-09 ESTIMATE	2009-10 PROPOSED
BEGINNING BALANCE	<u>7,054</u>	<u>0</u>	<u>219,917</u>	<u>10,055</u>
REVENUE				
City of Austin Grant	531,582	984,107	984,107	982,456
Accrued Interest Income	0	0	0	0
Tax Increment Financing	213,262	470,925	470,925	1,229,358
Interest Income	<u>0</u>	<u>874</u>	<u>874</u>	<u>2,137</u>
TOTAL REVENUE	<u>744,844</u>	<u>1,455,906</u>	<u>1,455,906</u>	<u>2,213,951</u>
TOTAL REVENUE AND TRANSFERS IN	<u>744,844</u>	<u>1,455,906</u>	<u>1,455,906</u>	<u>2,213,951</u>
REQUIREMENTS				
Principal	0	450,000	450,000	470,000
Interest Expense	531,981	531,581	531,581	1,299,956
Project Costs	0	470,925	684,187	0
Other	<u>0</u>	<u>3,400</u>	<u>0</u>	<u>300,000</u>
TOTAL REQUIREMENTS	<u>531,981</u>	<u>1,455,906</u>	<u>1,665,768</u>	<u>2,069,956</u>
EXCESS (DEFICIENCY) OF REVENUE OVER REQUIREMENTS	<u>212,863</u>	<u>0</u>	<u>(209,862)</u>	<u>143,995</u>
ENDING BALANCE	<u>219,917</u>	<u>0</u>	<u>10,055</u>	<u>154,049</u>

Mueller Local Government Corporation – 2009-10

Purpose and Nature of Fund

This fund was created to issue debt related to the development of the Mueller Redevelopment Project.

To facilitate the redevelopment of property formerly known as the Robert Mueller Municipal Airport, the City entered into a Master Development Agreement with Catellus Austin, LLC. The City agreed to issue debt to finance certain "Public Finance Reimbursement Project Costs," either directly or through the Corporation. Approximately \$12,000,000 in Contract Revenue Bonds was issued in August 2006 and approximately \$15,000,000 will be issued in September 2009.

In addition, ad valorem taxes collected within the Mueller Tax Increment Financing Zone (TIF) will be transferred to the Corporation from the Tax Increment Fund to fund debt service requirements associated with the Mueller Project.

Factors Affecting Revenue

Mueller Local Government Corporation Revenue includes \$982,456 from the Economic Incentives Reserve Fund for debt service of the 2006 Contract Revenue Bonds and a transfer in the amount of \$1,229,358 from ad valorem taxes collected within the zone for debt service related to the 2009 bond issuance. Future revenues from the Tax Increment Fund will be used for future debt issuances related to the Mueller Redevelopment Project.

Factors Affecting Requirements

The proposed expenditures of \$2,069,956 from the Mueller Local Government Corporation includes debt service for principal and interest payments and administrative costs.

	2007-08	2008-09	2008-09	2009-10
	Actual	Amended	Estimated	Proposed
Revenue	\$744,844	\$1,455,906	\$1,455,906	\$2,213,951
Transfers In	\$0	\$0	\$0	\$0
Requirements	\$531,981	\$1,455,906	\$1,665,768	\$2,069,956
Full-time Equivalents (FTEs)	0.00	0.00	0.00	0.00

RESOLUTION MLGC NO.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MUELLER
LOCAL GOVERNMENT CORPORATION**

The Board approves the Operating Budget for the Mueller Local Government Corporation for the 2009 – 2010 Fiscal Year, beginning October 1, 2009 and ending September 30, 2010, attached to this resolution.

ADOPTED: _____, 2009

ATTEST: _____

Rodney Gonzales
Secretary