A U S T I N C I T Y C O U N C I L

AGENDA



Monday, September 13, 2010

Budget **Item No. 9**
RECOMMENDATION FOR COUNCIL ACTION

Subject: Approve a resolution declaring the City of Austin's official intent to reimburse itself from November 2006 Proposition 1 General Obligation bonds to be issued for expenditures in the amount of $5,300,000 related to bikeways, sidewalks, and traffic signals; to reimburse itself from November 2006 Proposition 2 General Obligation bonds to be issued for expenditures in the amount of $18,000,000 related to watershed protection master plan projects; to reimburse itself from November 2006 Proposition 3 General Obligation bonds to be issued for expenditures in the amount of $6,135,000 related to parks facilities improvements and renovations, playscapes, pool improvements and renovations, and trails; to reimburse itself from November 2006 Proposition 4 General Obligation bonds to be issued for expenditures in the amount of $9,550,000 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 $6,495,000 related to affordable housing programs; and to reimburse itself from Certificates of Obligation in the amount of $75,951,000 for expenditures related to closed landfill remediation projects, Harold Court remediation, and the Waller Creek Tunnel.

Amount and Source of Funding: $45,480,000 in General Obligation Public Improvement Bonds to be issued in August 2011 or later and $75,951,000 in non tax-supported General Obligation Certifications of Obligation to be issued in August 2011 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 to spend money today, but reimburse itself from the issuance of debt obligations in the future, state and federal law require the City to approve a reimbursement resolution. The resolution must contain certain information and protect the tax-exempt status of the future issuance. Failure to adopt a qualified declaration of official intent will prohibit the City from reimbursing the cost 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 with respect to which the expenditure was made, is placed in service.

This action expresses the City Council’s intent to authorize the reimbursement for costs associated with 2010-2011 Approved Capital Budget items for General Obligation debt, as described below:

General Obligation Public Improvement Bonds: $45,480,000 • 2006 P1 - $2,000,000 for bikeways • 2006 P1 - $1,200,000 for sidewalk reconstruction and improvements • 2006 P1 - $2,100,000 for traffic signals • 2006 P2 - $18,000,000 for Watershed Protection Master Plan Projects • 2006 P3 - $3,390,000 for parks facility improvements and renovations • 2006 P3 - $650,000 for playscapes • 2006 P3 - $1,450,000 for pool improvements and renovations • 2006 P3 - $645,000 for trails • 2006 P4 - $5,000,000 for the Zach Scott Theater project • 2006 P4 - $4,550,000 for the Asian American Resource Center project • 2006 P5 - $6,495,000 for affordable housing programs

General Obligation Certificates of Obligation: $75,951,000 • $2,300,000 for closed landfill remediation projects • $6,350,000 for the Harold Court remediation project • $67,301,000 for the Waller Creek Tunnel project