

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	7442	Agenda Number	86.
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Meeting Date:	6/23/2011	Department:	Treasury
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## Subject

Approve a resolution directing the publication of an Official Notice of Intention to Issue \$51,150,000 City of Austin, Texas, Certificates of Obligation, Series 2011.

## Amount and Source of Funding

There is no unanticipated fiscal impact. A fiscal note is not required.

## Fiscal Note

Purchasing Language:	
Prior Council Action:	11/5/09 – Approval of reimbursement resolution related to projects funded by Capital Metro “Quarter Cent” program 9/13/10 – Approval of Capital Budget for Fiscal Year 2010-11, and ; approval of related reimbursement resolution
For More Information:	Art Alfaro, Treasurer 974-7882; Kim Springer, Capital Planning Manager
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

## Additional Backup Information

State law requires that an Official Notice of Intention to Issue Certificates of Obligation be published no less than 30 days prior to the sale of Certificates of Obligation by the City. The sale is tentatively scheduled for August 25, 2011, as part of the City's annual general obligation debt issuance. The \$51,150,000 in Certificates of Obligation will fund existing project appropriations that were approved with reimbursement resolutions, in accordance with financial policies. These projects include:

*Environmental Remediation of Harold Court Service Center - \$6,350,000*

This project will undertake clean-up and slope stabilization at this service center site used by Austin Water Utility, Watershed Protection, Public Works, and Fleet for operations. The project was approved as part of FY 2011 Capital Budget. Debt service will be funded by transfers from these enterprise funds.

*Rosewood & Loop 360 Landfill Remediation - \$2,300,000*

This project will assess and cleanup these two historical landfill sites. The project was approved as part of FY 2011 Capital Budget. Debt service will be funded by the Environmental Remediation Fund.

*Transportation Projects/ Street Improvements - \$7,500,000*

These funds will go towards projects originally funded by the Interlocal Agreement with Capital Metro for the "Quarter Cent Program" until the program was restructured in April 2010. These projects include Brazos Streetscape Improvements, Lance Armstrong Bikeway and 2nd Street Improvements, among others. Debt service will be tax supported.

*Waller Creek Tunnel Project – up to \$35,000,000*

This is the first of several planned bond sales related to the approximately \$100 million portion of the Waller Creek Tunnel project that will be funded by Certificates of Obligation, of which \$67.3 million has already been appropriated as part of the FY 2011 Approved Capital Budget. Debt service will be covered primarily from revenue generated by the Waller Creek Tax Increment Reinvestment Zone. The August 2011 bond sale will include up to \$35 million in Certificates of Obligation for this project, but is expected to be less, depending on the cash flow requirements of the project. The amount of funding needed will be determined prior to the bond sale. These Certificates of Obligation are expected to mature no later than 30 years from the date of issuance.

EXHIBIT A

NOTICE OF INTENTION TO ISSUE  
CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that it is the intention of the City Council of the City of Austin, Texas, to issue one or more series of the interest bearing certificates of obligation of the City to be entitled "City of Austin, Texas Certificates of Obligation", bearing interest at such rate or rates, not to exceed the maximum interest rate now or hereafter allowed by law, as shall be determined at the discretion of the Austin City Council on or before the date of issuance thereof, and maturing no later than forty (40) years from the date of issuance of such certificates of obligation as shall be determined at the discretion of the Austin City Council, for the purpose of paying contractual obligations to be incurred by the City, to-wit, the costs related to the environmental remediation of Harold Court, located at 6301 Harold Court, the Rosewood site at 731 ½ McClain Street, and the Loop 360 site near the intersection of Loop 360 and South Lamar Boulevard; the design, engineering, construction and related costs for various transportation projects, including street improvements throughout the City; and design and construction of the Waller Creek Tunnel Project; and the payment of fiscal, engineering and legal fees incurred in connection with these projects. The City Council tentatively proposes to authorize the issuance of the series (one or more) of Certificates of Obligation at its regular meeting place located at 301 W. 2<sup>nd</sup> Street, at a meeting at 10:00 o'clock, a.m., on the 25th day of August, 2011. The maximum amount of Certificates of Obligation indebtedness that may be authorized to be sold on said date for such purposes described above is \$51,150,000. The City Council presently proposes to provide for payment of the series (one or more) of Certificates of Obligation from the levy of taxes and from a limited pledge (not to exceed \$1,000) of the revenues of the City's solid waste disposal system.

CITY OF AUSTIN, TEXAS

/s/ Lee Leffingwell  
Mayor