

CIP BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
CONTACT DEPARTMENT(S):

3/8/12
Parks and Recreation

SUBJECT: Approve a resolution declaring the City of Austin's official intent to reimburse itself from Certificates of Obligation in the amount of \$700,000 for improvements to the Morris Williams Golf Course.

CURRENT YEAR IMPACT: This item has no fiscal impact to the total debt service or tax rate in FY 2012. The debt will not be issued until FY 2013.

FIVE YEAR IMPACT: There is no fiscal impact to the tax rate because the Certificates of Obligation are to be non-tax supported.

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Estimated Debt Service	<u>75,649</u>	<u>75,033</u>	<u>74,480</u>	<u>78,830</u>	<u>77,990</u>

ANALYSIS / ADDITIONAL INFORMATION: The Parks and Recreation Department requests approval, in accordance with Federal Treasury Regulations, of an Official Declaration of Intent to Reimburse construction and other related costs of improvements to the Morris Williams Golf Course for a total amount of \$700,000.

This reimbursement resolution will provide a source of additional funding in the amount of \$250,000 for the construction of the pro-shop and cart barn. On February 9, 2012, Council approved the execution of a construction contract with STR Constructors, LTD for the Morris Williams Golf Course Pro Shop/Cart Barn for a total contract not to exceed \$2,085,615.

The resolution will also provide a source of funding for other golf course improvements including re-grading and re-grassing the fairways, drainage improvements, irrigation expansion, golf cart path improvements, and related soft costs for an amount of \$450,000.

The amounts for the pro shop/cart barn and the other golf course improvements total to \$700,000.

For the City to spend money today, but reimburse itself from the issuance of debt obligations in the future, a reimbursement resolution is required by state and federal law. The resolution must contain certain information and is generally drafted by bond counsel to protect the tax-exempt status of the future issuance. The resolution must be passed not more than 60 days after the date that the cost to be reimbursed is paid. 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 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.