

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	16195	Agenda Number	10.
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Meeting Date:	6/7/2012	Department:	Economic Growth and Redevelopment
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Subject

Approve a resolution declaring the City of Austin's official intent to reimburse itself from Certificates of Obligation in the amount of \$29,100,000 for the infrastructure projects, including parking, in the Seaholm Development District. Related to Items # 7, 8, 9 and 14.

Amount and Source of Funding

Fiscal Note

A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Kevin Johns, Director / EGRSO, 974-7802; Greg Canally, Deputy Chief Financial Officer / Financial Services, 974-2610
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

The Economic Growth and Redevelopment Services Office requests approval, in accordance with Federal Treasury Regulations, of an Official Declaration of Intent to Reimburse costs for infrastructure projects, including parking, in an amount of \$29,100,000. Of this amount \$20,400,000 will provide the funding for the infrastructure improvements surrounding Seaholm that are required to fully utilize the area for community purposes in a manner consistent with the Seaholm District Master Plan. The debt service for this \$20,400,000 will be paid by projected Tax Increment Financing revenue. The additional \$8,700,000 will be used to provide funding for the purchase of 315 spaces in a unified parking garage structure in the district. The debt service for this \$8,700,000 will be paid by projected parking revenue.

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.