

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	24522	Agenda Number	10.
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Meeting Date:	5/9/2013	Department:	Budget Office
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## Subject

Approve an ordinance amending the Fiscal Year 2012-2013 Austin Convention Center Operating Fund Operating Budget (Ordinance No. 20120910-001) by increasing revenue in the amount of \$1,820,000, increasing expenditures by \$6,325,000 and decreasing the ending balance by \$4,505,000 for payment of a judgment in City of Austin v. Harry M. Whittington, et al., Cause No. D-1-GV-07-00942, in the 353rd Judicial District Court, Travis County, Texas for the City's condemnation of Lots 1-8, inclusive, of Block 38 of the Original City of Austin, and declaring an emergency. Related to Item # 12.

## Amount and Source of Funding

Funding is available in the Fiscal Year 2012-2013 Austin Convention Center Operating Fund Operating Budget.

## Fiscal Note

A fiscal note is attached.

Purchasing Language:	
Prior Council Action:	
For More Information:	Elaine Hart, Financial Services, Chief Financial Officer 974-2283; Mark Tester, Director, 404-4040
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

## Additional Backup Information

This budget amendment to the Austin Convention Center Operating Fund Operating Budget adds \$1,820,000 in revenue from interest accrued on monies deposited into the registry of the court and increases requirements in the amount of \$6,325,000 for a one-time payment of a judgment in *City of Austin v. Harry M. Whittington, et al.*, Cause No. D-1-GV-07-00942, in the 353rd Judicial District Court, Travis County, Texas for the City's condemnation of Lots 1-8, inclusive, of Block 38 of the Original City of Austin. The net impact is a \$4,505,000 reduction in the ending balance of the Austin Convention Center Operating Fund.

We are asking for an immediate effective date so that city funds can be paid into the registry of the court immediately to avoid accruing additional daily interest.

The Convention Center owns the land subject to this judgment; with its original purchase funded through issuance of \$5.3 million in debt plus a \$2.5 million interfund loan from Austin Energy. (The remaining balance owed to Austin Energy is less than \$320,000.) This Convention Center funding provided the \$7.76 million deposited into the registry of the court after the first trial proceeding in this case in 2002, which will be applied to the amount owed for the property in the judgment.

The value of the property of \$10.5 million plus the pre- and post-judgment interest of approximately \$3.6 million totals \$14.1 million, a difference of \$6.3 million from the \$7.76 million currently deposited into the registry of the court. The City will receive back from the court registry approximately \$1.82 million in interest that has accrued on the amounts deposited by the City in 2002 and 2003. This action will return the \$1.82 million of interest to the Convention Center and authorize payment of \$6.3 million for the judgment, resulting in a net impact of approximately \$4.5 million to the Austin Convention Center Operating Fund Ending Balance.