

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	25209	Agenda Number	62.
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Meeting Date:	6/27/2013	Department:	Treasury
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Subject

Approve a resolution directing the publication of an Official Notice of Intention to Issue \$25,355,000 City of Austin Certificates of Obligation, Series 2013.

Amount and Source of Funding

Fiscal Note

Purchasing Language:	
Prior Council Action:	
For More Information:	Art Alfaro, Treasurer 974-7882; Tina Van Wie, Corporate Budget Manager 974-7921
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 before the sale of Certificates of Obligation by the City. The sale is scheduled to take place as part of the City's annual general obligation bond sale in August 2013. The \$25.4 million in Certificates of Obligation are to 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 - \$355,000

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 the FY 2011 and

2012 Capital Budgets. Debt service will be funded by transfers from these enterprise funds.

Waller Creek Tunnel Project - 25,000,000

This is the third 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 2012 Approved Capital Budget. In 1998, an election was held in the City, and voters approved a proposed tunnel project as a venue project. Venue project bonds in the principal amount of \$25,000,000 were authorized for the Waller Creek Tunnel Project. In 2000, engineering consultants retained by the City to perform the preliminary engineering for the Waller Creek Tunnel Project provided cost estimates for three versions of the Waller Creek Tunnel Project, and determined that the cost estimates to construct each of the three versions of the Waller Creek Tunnel Project substantially exceeded the \$25,000,000 in venue project bonds authorized. No venue project bond proceeds were expended for the actual construction of the Waller Creek Tunnel Project. As a result, the Waller Creek Tunnel Project has evolved and changed in scope from the project envisioned in 1998. The Waller Creek Tunnel Project now consists of a storm water bypass tunnel to be constructed from 12th Street at Waterloo Park to Lady Bird Lake just upstream of the mouth of Waller Creek. Among the more notable changes from the preliminary plans, the tunnel will vary in diameter from approximately 20 feet to 26 feet and will be approximately 5,600 feet in length; creek side inlets are proposed between 4th and 5th Streets and between 8th and 9th Streets to capture additional flood waters below 12th Street; the inlet facility has been moved nearer to 12th Street; the inlet structure and the pump house building will be combined; and the outlet facility also has been redesigned to address water flood control issues. In 2007, the City approved an ordinance creating Tax Increment Financing Reinvestment Zone No. 17 ("Zone No. 17") to finance the construction of flood control improvements along lower Waller Creek. It is anticipated that tax increment revenues collected within Zone No. 17 will be used to defray the debt service on the Certificates of Obligation issued for the Waller Creek Tunnel Project. The August 2013 bond sale will include up to \$25 million in Certificates of Obligation for this project.