

A G E N D A



Recommendation for Council Action

Austin City Council		Item ID	58572	Agenda Number	10.
Meeting Date:	6/9/2016			Department:	Treasury
Subject					
Approve a resolution directing the publication of an Official Notice of Intention to issue \$83,850,000 City of Austin, Certificates of Obligation, Series 2016.					
Amount and Source of Funding					
The fee to advertise the sale will be included in the upcoming bond sale’s cost of issuance and is estimated to cost \$1,400. Debt service resulting from the actual bond sale will be included in the 2016-17 Proposed Operating Budget of the General Obligation Debt Service Fund and is currently estimated at \$6,749,925.					
Fiscal Note					
A fiscal note is not required. However, should the issuance of the \$83,850,000 Certificates of Obligation be approved by the City Council at a later date, the estimated FY 2017 debt service impact will be \$6,750,000, and the overall 20 year estimated debt service impact will be \$134,600,000.					
Purchasing Language:					
Prior Council Action:					
For More Information:	Art Alfaro, Treasurer - 512-974-7882				
Council Committee, Boards and Commission Action:					
MBE / WBE:					
Related Items:					

Additional Backup Information

State law requires publication of an Official Notice of Intention to Issue Certificates of Obligation once a week for two consecutive weeks. The date of the first publication must be before the 30th day before the date on which the City anticipates adopting an ordinance authorizing the issuance of the Certificates of Obligation. This proposed request for Council action will allow publication of the notice of intention in the Austin American Statesman.

The actual authorization and sale of the Certificates of Obligation pursuant to a separate Council action is tentatively scheduled to take place as part of the City's general obligation bond sale, occurring each year in August. The City may generally remove items from the proposed sale notification after publication of the Notice of Intention, but any additional sale items would require an updated notice. Proceeds from the sale will be issued to fund existing project appropriations that were approved with reimbursement resolutions, in accordance with financial policies. Currently-proposed issuances and descriptions are found below, for inclusion in the advertisement.

Seaholm Redevelopment Program- \$20,400,000

This program is the public infrastructure supporting the redevelopment of the former Seaholm Power Plant, located in southwest downtown Austin to become a new vibrant center of culture, entertainment, housing and retail. It includes the rehabilitation of the Seaholm Power Plant Building; the extension of Walter Seaholm Drive and West Avenue from 3rd Street to Cesar Chavez, including utilities and streetscapes; a public plaza and event lawn; and continuation of the dedicated bicyclist and pedestrian facility from the Pfluger Bridge and Gables development to provide a safe undercrossing of the Union Pacific Railroad whose route will come to grade at 3rd Street. This funding source was approved as part of the Fiscal Year 2007-08 and Fiscal Year 2011-12 Capital Budgets.

Seaholm Garage - \$9,900,000

This garage will provide for public parking at the Seaholm Redevelopment site. The City's investment in 315 parking spaces of the 538 space underground garage through a condominium interest is supported by future revenue generated by the parking asset. This funding source was approved as part of the Fiscal Year 2007-08 and Fiscal Year 2011-12 Capital Budgets.

New Central Library - \$3,550,000

710 West Cesar Chavez, Austin, Texas 78701

This funding contributes to the overall construction of the New Central Library. The library will be a 6 story building including 198,000 square feet with 2 levels of underground garage. This funding source was approved as part of Fiscal Year 2014-15 Capital Budget.

Watershed Home Buyout Program - \$50,000,000

This program is for the buyout and demolition of flood-prone properties in the Lower Onion Creek neighborhoods of Onion Creek Forest, Yarrabee Bend, Onion Creek Plantation, and Silverstone; as well the Williamson Creek neighborhoods of Fairview and Radam. This funding source was approved as part of Fiscal Year 2014-15 Capital Budget.

The debt service costs for the currently-proposed \$83,850,000 Certificates of Obligation Series 2016 issuance are estimated as follows:

	2016-17	Total Over 20 Years	Average Per Year
Principal	\$2,557,425	\$83,850,00	\$4,197,500
Interest	<u>4,192,000</u>	<u>50,746,020</u>	<u>2,537,301</u>
Total Debt Service	\$6,749,925	\$134,596,020	\$6,729,801

Of the \$83,850,000 that is being issued, \$53,550,000 is tax-supported and \$30,300,000 is self-supported debt. Self-supported debt is to be paid by a transfer to the General Obligation Debt Service Fund, rather than by property taxes.