

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	71365	Agenda Number	9.
---------------------	---------	-------	---------------	----

Meeting Date:	6/8/2017	Department:	Finance
---------------	----------	-------------	---------

Subject

Approve a resolution directing the publication of an Official Notice of Intention to Issue \$35,325,000 City of Austin, Texas, Certificates of Obligation, Series 2017.

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 2017-18 Proposed Operating Budget of the General Obligation Debt Service Fund and is currently estimated at \$2,925,000.

Fiscal Note

A fiscal note is not required. However, should the issuance of the \$35,325,000 Certificates of Obligation be approved by the City Council at a later date, the estimated FY 2018 debt service impact will be \$2,925,000.

Purchasing Language:	
Prior Council Action:	Reimbursement Resolutions approved by City Council on 09/08/14, 09/14/16, and 12/15/16.
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 31 or more days before the date on which the City Council adopts 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, which is estimated to cost \$1,400 for the two-week required notification.

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 used to fund existing project appropriations that were previously approved by City Council with reimbursement resolutions, in accordance with financial policies. Currently-proposed issuances and descriptions are found below, for inclusion in the advertisement.

Animal Shelter Improvements - \$5,425,000

7201 Leander Loop, Austin, TX 78702

This project consists of new kennel buildings, associated parking for the Animal Center and Campus buildings, loop road reconstruction, storm drainage and signage. City Council previously approved this appropriation and funding source as part of the Fiscal Year 2013-14 Capital Budget.

Women & Children's Shelter - \$2,900,000

This funding contributes to the overall renovation and expansion of the Women & Children's Center. The facility will be 13,328 square feet when completed and will provide emergency shelter, basic needs, counseling & educational services. City Council previously approved this appropriation and funding source as part of the Fiscal Year 2016-17 Capital Budget.

New Central Library - \$5,000,000

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. City Council previously approved this appropriation and funding source as part the Fiscal Year 2016-17 Capital Budget.

Watershed Home Buyout Program - \$22,000,000

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 Planation, and Silverstone, as well as the Williamson Creek neighborhoods of Fairview and Radam, as well as the Onion Creek subdivision in the Onion Creek watershed. City Council previously approved this appropriation and funding source as part of the FY 2014-15 Capital Budget.

The debt service costs for the currently-proposed \$35,325,000 Certificates of Obligation Series 2017 issuance are estimated as follows:

	2017-18:	Total Over 20 Years:	Average Per Year
Principal	\$1,070,000	\$35,325,000	\$1,766,250
Interest	<u>1,854,563</u>	<u>22,434,300</u>	<u>1,121,715</u>
Total Debt Service	\$2,924,563	\$57,759,300	\$2,887,965

Of the \$35,325,000 that is being issued, all \$35,325,000 is tax-supported.