

CIP BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

8/17/17

CONTACT DEPARTMENT(S):

Office of Real Estate Services

SUBJECT: Approve a resolution declaring the City of Austin's official intent to reimburse itself from proceeds of certificates of obligation to be issued for expenditures in the total amount of \$121,850,000 for facilities for City office space, parking, and related amenities.

(Related to Items #XX and #XX)

CURRENT YEAR IMPACT: This item has no fiscal impact to the total debt service or tax rate in FY 2017. The debt will not be issued until August 2019 or later.

FIVE YEAR IMPACT:

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Estimated Debt Service	\$0	\$0	\$9,710,000	\$9,707,000	\$9,710,000
Impact on Tax Rate	0.00000	0.00000	0.00609	0.00574	0.00542

ANALYSIS / ADDITIONAL INFORMATION: 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.

Therefore, to be in compliance with state law, this action expresses the City Council's intent to authorize reimbursement of expenditures included in the 2016-2017 Amended Capital Budget in the amount of \$121,850,000.

