

AGENDA

**Recommendation for Council Action****AUSTIN CITY COUNCIL****Regular Meeting: March 22, 2018**Item Number: **044****Transportation - Mobility Bond**

Approve a resolution declaring the City of Austin's official intent to reimburse itself from proceeds of general obligation bonds to be issued for transportation and mobility-related expenditures in the total amount of \$60,000,000. Related to Item #37.

Lead Department	Austin Transportation Department
Fiscal Note	A fiscal note is attached.
Prior Council Action	<p>August 18, 2016 - Council passed Resolution No. 20160818-074, which included information on the projects to be included in the Mobility Bond on a 7-1 vote with Council Member Houston voting nay, Council Members Garza, Troxclair, and Zimmerman abstaining.</p> <p>August 18, 2016 - Council passed Ordinance No. 20160818-023, which ordered a special election for the purpose of authorizing the issuance of general obligation bonds for transportation and mobility on a 7-1 vote with Council Member Houston voting nay, Council Members Garza, Troxclair, and Zimmerman abstaining.</p> <p>September 13, 2017 - Council passed Ordinance No. 20170913-001; which adopted the City of Austin Budget for Fiscal Year 2017-2018 on an 8-3 vote. Those voting aye were: Mayor Adler, Mayor Pro Tem Tovo, Council Members Alter, Casar, Garza, Kitchen, Pool and Renteria. Those voting nay were: Council Members Flannigan, Houston and Troxclair.</p>
For More Information	Mike Trimble, 512-974-3442; Robert Spillar, 512-974-2488; Gilda Powers, 512-974-7092; Kathryn Potenza-Arnold, 512-974-7987

--	--

Additional Backup 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 reviewed 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. Tax-exempt debt to reimburse these expenditures 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. This action expressed the City Council's intent to authorize the reimbursement for costs associated.

This reimbursement resolution includes the following amounts:

Proposition 1 Mobility (\$60,000,000)

(NOTE: staff is tracking categories of expenditures to ensure compliance with the contract with the voters).

Austin Transportation Department TOTAL = \$60,000,000

- Corridor Improvement Projects \$60,000,000

All funds will be spent in accordance with the contract with voters established by Council in Resolution No. 20160818-074 and in Ordinance No. 20160818-023. On November 8, 2016, the voters of Austin approved Proposition 1, \$720 million in general obligation bonds for transportation and mobility improvements. Staff anticipates that bonds related to reimbursement of these proceeds will begin no earlier than August 2018.