

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: May 10, 2018

Item Number: 006

Austin Water

Approve an ordinance amending the Fiscal Year 2017-2018 Austin Water Operating Budget (Ordinance No. 20170913-001) to increase the transfers in from the Capital Improvements Program by \$6,427,000 and increase the transfer out by \$26,860,841; and amending the Fiscal Year 2017-2018 Combined Utility Revenue Bond Redemption Fund (Ordinance No. 20170913-001) to increase the transfer in from the Austin Water Operating Budget by \$64,000,000 and increase other operating requirement expenditures by \$64,000,000 to fund debt defeasance. Related to Item #44.

Lead Department	Austin Water
Fiscal Note	Funding is available in the ending balances of the FY 2017-18 Austin Water operating funds. Reduction of these ending balances will maintain Austin Water's compliance with relevant City financial policies. A fiscal note is attached.
Prior Council Action	September 13, 2017 - Council approved an ordinance adopting the Budget for Fiscal Year 2017-2018.
For More Information	David Anders, 512-972-0323; Joseph Gonzales, 512-972-0131; Denise Avery, 512-972-0104
Council Committee, Boards and Commission Action	April 11, 2018- Recommended by the Water and Wastewater Commission on a 9-0 vote with Commissioner Ho off the dais and Commissioner Michel absent.

Additional Backup Information:

On June 21, 2007, Council approved an ordinance creating the Tax Increment Finance (TIF) Reinvestment Zone No. 17 in accordance with state law to finance the construction of flood control improvements along lower Waller Creek. The TIF is located within the area bounded on the west by Red River Street from 12th Street south to 3rd Street, then west along 3rd Street to Trinity Street, then south along Trinity Street to Lady Bird Lake; on the south by Lady Bird Lake from Trinity Street east to Cummings Street, then east along Cummings Street to East Avenue; on the east by East Avenue from Cummings Street north to the south bound access road of IH-35, then along said access road north to 11th Street, then west along 11th Street to Sabine Street, and north along Sabine Street to Red River Street; and on the north by 12th Street between Sabine Street and Red River Street.

The purpose of the Waller Creek Tunnel Project is to provide 100-year storm event flood protection with no out-of-bank or roadway flooding for the lower Waller Creek watershed. The project will provide flood protection to existing buildings, prevent the flooding of roadway crossings, and reduce the width of the floodplain in the Reinvestment Zone area, essentially containing it within the creekbed. This reduction in floodplain area resulting from the project will significantly increase the amount of developable land area in the lower Waller Creek watershed. The City is proposing to expand the project to include parks and other infrastructure within the District to improve the developable property within the District and to benefit the community that uses the area.

In a TIF, one or more political subdivisions contribute up to 100% of the property tax on the increase in value of real property in the reinvestment zone (tax increment) for TIF purposes. Under the terms of TIF Reinvestment Zone No. 17 and an Agreement to Participate in Tax Increment Reinvestment Zone No. 17, executed between the City of Austin and Travis County in March 2008, the City of Austin contributes 100% of its tax increment, and Travis County contributes 50% of its tax increment. The project has been funded by the issuance of debt that will be repaid primarily from the tax increment revenues collected during the 20-year duration of TIF Reinvestment Zone No. 17. At the end of the 20-year TIF, the City will pay all remaining debt and operations and maintenance expenditures. The City is proposing in this second amendment to expand the time that the TIF is operating to contribute 100% of the City's tax increment for a second 20 year period to make further improvements in the District in addition to the flood control improvements previously undertaken. If the County is interested in paying all or a portion of its contribution, the City would execute an amendment to the agreement with the County to reflect that continued contribution.

In accordance with state law, the Board of Directors of the Waller Creek TIF Reinvestment Zone No. 17 at any time may adopt an amendment to the project plan consistent with the requirements and limitations of applicable State law. The amendment takes effect on approval by the City of Austin, as the municipality that created the zone, and by the Travis County

Commissioners Court, under the terms of the Agreement to Participate in TIF Reinvestment Zone No. 17. State law requires that a hearing be held and an ordinance be adopted that satisfies the procedural requirements outlined in State law.

Prior to holding the hearing, the City will have completed the necessary procedural requirements set forth in Texas Tax Code 311, including presentations to local taxing jurisdictions regarding Amendment No. 1, and plans to hold a public hearing on May 24, 2018. Notice of the public hearing was published in the Austin American Statesman on May XX, 2018. The public hearing will be conducted prior to consideration of a second amendment to the project plan adopted by the Council in 2008, and amended in 2011. In addition to extending the term of the TIF, the items to be updated with the TIF amendment are (1) list and description of TIF funded projects , (2) updated project cost estimates, and (3) the most recent estimates of underlying funding sources that are anticipated to pay for the construction, operation and maintenance of the tunnel.