



**Debt Issuance
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 19
AGENDA DATE: Thu 07/29/2004
PAGE: 1 of 1

SUBJECT: Authorize and direct publication of an Official Notice of Intention to Issue \$25,925,000 City of Austin, Texas, Certificates of Obligation, Series 2004.

AMOUNT & SOURCE OF FUNDING: There is no unanticipated fiscal impact. A fiscal note is not required.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Financial and **DIRECTOR'S**
DEPARTMENT: Administrative Services - **AUTHORIZATION:** Vickie Schubert
Treasury

FOR MORE INFORMATION CONTACT: Vickie Schubert, Deputy Chief Financial Officer 974-3344

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: Scheduled for review by the Audit and Finance Council Subcommittee on July 27, 2004.

State law requires that an Official Notice of Intention to Issue Certificates of Obligation be published no less than two weeks prior to the sale of Certificates of Obligation by the City. The sale is tentatively scheduled for August 26, 2004. The projects included in the Certificates of Obligation issuance are as follows.

1. Convention Center Expansion parking garage	\$16,400,000
2. School for the deaf (Renovations to building)	600,000
3. Mabel Davis Remediation of old landfill	<u>8,925,000 *</u>
	\$25, 925,000

The entire \$25,925,000 will be funded by transfers from operating funds.

* This is the maximum amount of certificates of obligation that will be needed for the Mabel Davis Remediation Project. If not all are needed, the actual issuance will be reduced.

RESOLUTION DIRECTING PUBLICATION OF NOTICE OF INTENTION
TO ISSUE CERTIFICATES OF OBLIGATION

WHEREAS, the City of Austin expects to pay expenditures in connection with the design, planning, acquisition and construction of the projects described in Exhibit A to this Ordinance prior to the issuance of the Certificates of Obligation hereinafter described; and

WHEREAS, the City Council hereby finds, considers and declares that the reimbursement of the payment by the City of such expenditures will be appropriate and consistent with the lawful objectives of the City and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the U.S. Treasury Regulations, to reimburse itself for such payments at such time as it issues the hereinafter described Certificates of Obligation; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was considered was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN, TEXAS:

Section 1. That attached hereto and marked "Exhibit A" is a form of notice, the form and substance of which are hereby passed and approved.

Section 2. That the City shall cause said notice to be published, in substantially the form attached hereto, in the *Austin American-Statesman*, a newspaper of general circulation in the City of Austin, Texas, for two consecutive weeks, the date of the first publication to be before the fourteenth day before the day tentatively proposed for authorizing the issuance of the Certificates of Obligation as shown in said notice.

Section 3. That the facilities and improvements to be financed with proceeds from the proposed Certificates of Obligation are to be used for the purposes described in the attached Notice of Intention.

Section 4. That all costs to be reimbursed pursuant to this Resolution will be capital expenditures; the proposed Certificates of Obligation shall be issued within 18 months of the later of (i) the date the expenditures are paid or (ii) the date on which the property, with respect to which such expenditures were made, is placed in service; and the foregoing notwithstanding, the Certificates of Obligation will not be issued pursuant to this Resolution on a date that is more than three years after the date any expenditure which is to be reimbursed is paid.

5. That the Mayor and City Clerk are hereby authorized to take such actions as may be appropriate to carry out the intent of this Resolution.

PASSED AND APPROVED this the 29th day of July, 2004.

Mayor, City of Austin, Texas

ATTEST:

City Clerk, City of
Austin, Texas

(SEAL)

EXHIBIT A

NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that it is the intention of the City Council of the City of Austin, Texas, to issue one or more series of the interest bearing certificates of obligation of the City to be entitled "City of Austin, Texas Certificates of Obligation", bearing interest at such rate or rates, not to exceed the maximum interest rate now or hereafter allowed by law, as shall be determined at the discretion of the Austin City Council on or before the date of issuance thereof, and maturing no later than forty (40) years from the date of issuance of such certificates of obligation as shall be determined at the discretion of the Austin City Council, for the purpose of paying contractual obligations to be incurred by the City, to-wit, the costs of constructing a parking garage for use at the Austin Convention Center, the costs of the construction of improvements to the City's Health and Human Services Department offices located at 601 Airport Boulevard, the costs of remediation of and improvements to property owned by the City located at 3427 Parker Lane, for use as public space and park purposes, and the payment of fiscal, engineering and legal fees incurred in connection therewith. The City Council tentatively proposes to authorize the issuance of said series (one or more) of Certificates of Obligation at its regular meeting place located at 3700 Lake Austin Boulevard, at a meeting to commence at 12:00 o'clock, p.m., on the 26th day of August, 2004. The maximum amount of Certificates of Obligation indebtedness that may be authorized to be sold on said date for such purposes described above is \$25,925,000. The City Council presently proposes to provide for payment of said series (one or more) of Certificates of Obligation from the levy of taxes and from a limited pledge (not to exceed \$1,000) of the revenues of the City's solid waste disposal system.

CITY OF AUSTIN, TEXAS

/s/ Will Wynn
Mayor