



TO: Mayor and Council Members

FROM: Elaine Hart, Chief Financial Officer, Financial Services

DATE: May 14, 2018

SUBJECT: Municipal Court Bond Funds

This memo is provided as a response to questions raised at the May 10, 2018 Council meeting during the deliberations on agenda item #91, a lease for facility space for the Municipal Court. Questions included:

- What was the original amount of bonds approved in 2006?
- What amount of 2006 bonds are remaining?
- How much funding would be needed for a 3P transaction for a North and South Municipal Court center?

2006 Bond – Proposition 7

City Council passed [Ordinance No. 20060824-006](#) on August 24, 2006, which called for a special election to be held on November 7, 2006. Austin voters approved seven bond propositions authorizing \$567.4 million for capital improvement projects. Proposition 7 totaling \$58.1million provided funding for public safety facility initiatives.

The Proposition 7 language (shown at the end of this memo) was broad, rather than specific, which has allowed for flexibility in funding the public safety facility initiatives. Of the \$58.1 million general obligation bonds authorized, there remains \$5.0 million authorized, but unissued after accounting for the \$53.1 million bonds issued to date.

On November 29, 2007, Council authorized negotiation and execution of a real estate contract for acquisition of about 13.8 acres at 906 East St. John Avenue (“Home Depot” site) for the Municipal Court and Police Northeast Substation, in an amount not to exceed \$8,100,000 for the land and improvements. The property includes a building of about 105,580 square feet that was expected to be renovated to accommodate both the Municipal Court and Northeast Substations projects.

On October 24, 2013, Council authorized negotiation and execution of a second real estate transaction to purchase adjacent property (“Chrysler Tract”) totaling a little over 5 acres located at 7309 North Interstate Highway 35 (IH 35) in an amount not to exceed \$2,900,000. This property provided additional frontage road along IH 35 which improved the combined site’s development potential. The combined site is referred to as the “St. John property”.

P3 transaction for a North and South Municipal Court center

Our work on a P3 model real estate transaction for permanent North and South municipal court centers will include due diligence, a Request for Information, followed by a Request for Proposals. Costs, including real estate costs, would be identified during the P3 real estate transaction process.

St. John Property Community Engagement

As you may recall, Council approved [Resolution 20171207-058](#) which called for a community engagement process to solicit information about achieving a new vision for the St. John property and explore funding options to implement the new vision. The Economic Development Department has initiated this work.

Should you have additional questions, please contact me or Greg Canally.

November 7, 2006 Bond Election

PROPOSITION NO. 7 - Ordinance #20060608-084			
Yes	% Yes	No	% No
110514	71.00%	45148	29.00%
SHALL THE CITY COUNCIL OF THE CITY OF AUSTIN, TEXAS BE AUTHORIZED TO ISSUE AND SELL GENERAL OBLIGATION BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF \$58,100,000 FOR THE PUBLIC PURPOSES OF CONSTRUCTING, RENOVATING, IMPROVING, AND EQUIPPING PUBLIC SAFETY FACILITIES, INCLUDING, WITHOUT LIMITATION, A PUBLIC SAFETY TRAINING FACILITY, POLICE STATIONS, EMERGENCY MEDICAL SERVICE BUILDINGS AND FACILITIES, A MUNICIPAL COURTHOUSE, AN ANIMAL SHELTER, AND OTHER RELATED FACILITIES AND ACQUIRING LAND AND INTERESTS IN LAND AND PROPERTY NECESSARY TO DO SO; WITH THE BONDS AND NOTES TO BE ISSUED IN ONE OR MORE SERIES OR ISSUES, TO MATURE SERIALY OR OTHERWISE AND BEAR INTEREST AT A RATE OR RATES NOT TO EXCEED THE RESPECTIVE LIMITS PRESCRIBED BY LAW AT THE TIME OF ISSUANCE, AND TO BE SOLD AT THE PRICE OR PRICES AS THE CITY COUNCIL DETERMINES AND SHALL THERE BE LEVIED AND PLEDGED, ASSESSED, AND COLLECTED ANNUALLY AD VALOREM TAXES ON ALL TAXABLE PROPERTY IN THE CITY IN AN AMOUNT SUFFICIENT TO PAY THE ANNUAL INTEREST ON THE BONDS AND NOTES AND TO PROVIDE A SINKING FUND TO PAY THE BONDS AND NOTES AT MATURITY?			