

**AGENDA**



**Recommendation for Council Action**

Austin City Council	Item ID	66026	Agenda Number	19.
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Meeting Date:	12/15/2016	Department:	Finance
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**Subject**

Approve an ordinance amending the Fiscal Year 2016-2017 Office of Real Estate Services Capital Budget (Ordinance No. 20160914-002) to increase appropriations by \$6,500,000 for HealthSouth facilities. (Related to Items 20 and 38)

**Amount and Source of Funding**

Funding in the amount of \$6,500,000 will be provided by the future issuance of Certificates of Obligation.

**Fiscal Note**

A fiscal note is attached.

**Purchasing Language:**

**Prior Council Action:**

**For More Information:** Greg Canally, Interim Chief Financial Officer, 974-2609

**Council Committee, Boards and Commission Action:**

**MBE / WBE:**

**Related Items:**

**Additional Backup Information**

This budget amendment will allow the City to purchase the 87,744 hospital facility located at 1215 Red River Street, as well as the adjacent 62-space parking garage at 606 East 12th Street for \$6.5 million. The City is currently the landlord and owner of the underlying property at 1215 Red River Street. The building is adaptable to a number of uses and the land is highly attractive in the market. Acquiring the property will allow the City to repurpose or redevelop the combined site and shape the future development of the Northeast District of Downtown. An independent appraiser valued the land, garage, facilities, and lease rights at \$36.4 million. Please see item # 65663 for more information.

A reimbursement resolution is a separate but related item on this Council agenda. A reimbursement resolution is required by federal and state law whenever a bond issuer plans to use bond proceeds to retroactively reimburse itself for expenditures the issuer already incurred. The use of a reimbursement resolution is approved in the City's financial policies and allows the City to start projects to be funded with bonds before the City's next scheduled general obligation bond sale. The City typically schedules its annual issuance of general obligation debt in August to coordinate with the budget cycle.