

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: August 9, 2018

Item Number: 025

Management Services

Approve a resolution declaring the City of Austin's official intent to reimburse itself from proceeds of certificates of obligation in the amount of \$6,000,000 to be issued for the funding of transportation safety and mobility projects that were previously planned to be funded through payments from Capital Metropolitan Transportation Authority.

Lead Department	Management Services.
Fiscal Note	This item has no fiscal impact.
Prior Council Action	<p>June 22, 2001: Capital Metro Transit Authority (Capital Metro) and the City of Austin (the City) entered into an Interlocal Agreement whereby Capital Metro would pay to the City its pro rata share of 25% (Quarter Cent) of its sales tax from the years 2001-2004 to carry out various approved transportation projects.</p> <p>April 22, 2010: An Amendment to Interlocal Agreements for Regional Mobility was executed, outlining both payments from Capital Metro to the City and Interagency Project Management Protocol.</p> <p>December 11, 2014: Council passed Resolution No. 20141211-127, dedicating \$2 million for infrastructure improvements on Airport Blvd.</p> <p>June 18, 2015: Council passed Resolution No. 20150618-093 directing the City Manager to identify projects for which the remaining funding can be used that address the following purposes (in addition to the criteria outlined in the Interlocal Agreement and Amendment):</p> <ul style="list-style-type: none"> • Transportation safety • Improved access to schools • New traffic signals • Existing infrastructure needs • Traffic calming • Improved access to transit

	<ul style="list-style-type: none"> Other transportation/mobility needs as outlined in the Quarter Cent Fund Interlocal Agreement <p>December 17, 2015: Council passed Resolution No. 20151217-076, directing staff to bring back all recommended projects to the full Council for consideration prior to implementation and prescribing a not-to-exceed amount of the funds to be spent in each Council District.</p> <p>January 28, 2016: Council passed Resolution No. 20160128-050, which adopted the recommended list of projects in each district. This approval triggered Capital Metro's 45 day approval process, as outlined in the Interlocal Agreement.</p> <p>April 6, 2016: Capital Metro approved all projects as per the 45 day approval process, and projects were assigned to City staff for project delivery.</p> <p>June 28, 2018: City Council passed Resolution No. 20180628-031 as amended, authorizing negotiation and execution of an amendment to the Interlocal Agreement to allow Capital Metro to use the \$6M in remaining/not-assigned funds for Project Connect, contingent on the City of Austin identifying and securing a replacement funding source to complete the funding in each Council District per Council Resolution No. 20151217-076 and directing the City Manager to continue to bring to Council for approval changes to the January 2016 project list.</p>
For More Information	ACM Robert Goode, 512-974-2411; Greg Canally, 512-974-2609; Cheyenne Krause, 512-974-7907.

Additional Backup Information:

This Resolution is required to comply with Federal Treasury Regulations. For a City to spend money today, but have the option of reimbursing itself from the issuance of debt obligations in the future, an inducement resolution is required by state and federal law. The resolution must contain certain information and is 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 costs with the proceeds of tax exempt obligations. Reimbursement bonds 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.

The City Council adopted Resolution No. 20180628-031, authorizing the City Manager to negotiate and execute an amendment to the Interlocal Agreement between the City and Capital Metropolitan Transportation Authority (Capital Metro) to allow Capital Metro to use \$6M in remaining/not-assigned funds for Project Connect preliminary engineering and environmental work, only if the City could identify and secure a replacement funding source to complete the funding of transportation and mobility improvements in each Council District per Council Resolution No. 20151217-076.

This item will authorize the use of Certificates of Obligation for up to \$6M to complete the transportation and mobility improvements that would have been funded with the Quarter-Cent funds. By approving the reimbursement resolution, Council will allow Quarter Cent projects to move forward quickly. The City Manager will continue to look for other funding sources that may be used in lieu of Certificates of Obligation, such as operational budget, funds remaining from previous voter-approved bonds, or other funding options.