RESOLUTION NO.

WHEREAS, in 2000, the City of Austin determined that constructing a convention center headquarters hotel adjacent to the Austin Convention Center would result in economic benefits to the City; and

WHEREAS, the City of Austin thus formed Austin Convention Enterprises, Inc. ("ACE"), a Texas nonprofit public facility corporation acting on behalf of the City of Austin, to finance the construction, renovation, and improvement of the convention center headquarters hotel, garage, and supporting facilities; and

WHEREAS, in Resolution 00303-030, Council adopted corporate bylaws for ACE that grant the City of Austin the ability to approve all programs and expenditures and to review annual financial statements; and

WHEREAS, Austin Convention Enterprises, Inc. may, in its authority under the Amended and Restated Indenture of Trust between ACE and U.S. Bank, National Association, dated May 1, 2017, make payments of "capital project expenditures constituting public facilities in the approximate area of the Hotel that the Corporation Board believes would be of direct or indirect benefit to the Hotel", subject to the bond trustee's receipt of an opinion of bond counsel relating to federal tax issues; and

WHEREAS, some of the monies generated by ACE are placed into ACE's "Excess Revenues Fund" ("Fund"); and

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WHEREAS, new revenue caps imposed by the Legislature will severely restrict basic service delivery, making new options for revenue critical; **NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF AUSTIN CITY COUNCIL:**

The City Council directs the City Manager to provide a memorandum to the Council that:

- provides the current financial status and financial projections for the Fund; and
- identifies the Fund's expenditures over the past five years; and
- identifies projects potentially eligible for funding from this Fund; and
- describes ACE's competitive and non-competitive procurement policies for professional, consulting, and construction services; and
- identifies ACE's largest expenditures; and
- identifies options to increase the monies generated by ACE that could be applied toward City of Austin capital and operating expenses; and
- studies the operational and legal feasibility of additional Council oversight for expenditures for amounts that exceed the City Manager's authority; and
- makes recommendations on whether ACE's procurement policies should be modified to align with current city practices.

The memorandum shall be provided to Council no later than December 1, 2019.

ADOPTED: _____, 2019 **ATTEST:** _____

Jannette S. Goodall
City Clerk

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