



Recommendation for Action

File #: 20-3035, **Agenda Item #:** 15.

10/15/2020

Posting Language

Approve a resolution declaring the City of Austin's official intent to reimburse itself from proceeds of Certificates of Obligation to be issued for expenditures in the total amount of \$1,710,000 to purchase the Shady Hollow Fire Station. Related to Items 13, 14, 16, 17, and 18.

Lead Department

Management Services

Managing Department

Austin Fire Department

Fiscal Note

\$1,710,000 in General Obligation Certificates of Obligations to be issued August 2021 or later. A fiscal note is attached.

Prior Council Action:

September 26, 2013 - Council conducted a public hearing regarding the Strategic Partnership Agreement between the City of Austin and Shady Hollow Municipal Utility District (MUD) in accordance with procedural requirements of Section 43.0751 of the Texas Local Government Code. The public hearing was conducted and the motion to close the public hearing was approved on Council Member Spelman's motion, Council Member Martinez' second on a 7-0 vote.

October 3, 2013 - Council conducted a public hearing to consider an ordinance adopting a Strategic Partnership Agreement between the City of Austin and Shady Hollow Municipal Utility District (MUD), and regarding future full purpose annexation. The public hearing was conducted and the motion to close the public hearing and approve the first reading of the ordinance was approved on Mayor Pro Tem Cole's motion, Council Member Morrison's second on a 7-0 vote.

November 21, 2013 - Council approved Ordinance No. 20131121-070 adopting a Strategic Partnership Agreement between the City of Austin and Shady Hollow Municipal Utility District (MUD). The item was approved on Council Member Spelman's motion, Council Member Martinez' second on a 7-0 vote.

May 21, 2020 - City Council approved to approved Resolution No. 20200521-010 relating to negotiation of an amendment of the City's Strategic Partnership Agreement with the Shady Hollow Municipal Utility District, on consent on Council Member Pool's motion, Council Member Renteria's second, with an 11-0 vote.

For More Information:

Chief of Staff Rob Vires, Austin Fire Department, (512) 974-0132; Assistant Chief Brandon Wade, Austin Fire Department, (512) 974-0311

Additional Backup Information:

For the City to spend money today, but reimburse itself from the issuance of debt obligations in the future, a

reimbursement 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 contain certain information and protect the tax-exempt status of the future issuance. Failure to adopt a qualified declaration of official intent will prohibit the City from reimbursing the cost with the proceeds of tax-exempt obligations. Reimbursement bonds generally must be issued no later than 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.

This action expressed the City Council's intent to authorize the reimbursement for costs associated with Fiscal Year 2020-2021 Capital Budget items for General Obligation debt as described below:

- Shady Hollow Fire Station \$1,710,000

Strategic Outcome(s):

Safety.