

CAPITAL BUDGET FISCAL NOTE

2/18/2021

Austin Transportation

CONTACT DEPARTMENT(S):

SUBJECT: Approve a resolution declaring the City of Austin’s official intent to reimburse itself from proceeds of general obligation bonds to be issued for transportation and mobility-related expenditures in the total amount of \$460,000,000.

CURRENT YEAR IMPACT: This item has no fiscal impact to the total debt service or tax rate in FY 2021. The debt will not be issued until August 2021 or later.

FIVE YEAR IMPACT:

	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Estimated Debt Service	\$0.00	\$36,910,000	\$36,909,500	\$36,909,250	\$36,912,500
Impact on Tax Rate	0.00000	0.02076	0.02055	0.01995	0.01937

ANALYSIS / ADDITIONAL 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 generally drafted 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 cost 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.

This action expressed the City Council’s intent to authorize the reimbursement for costs associated with Fiscal Year 2020-21 Amendment Capital Budget items for General Obligation debt as described below:

- Proposition B Mobility \$460,000,000