



## Recommendation for Action

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**File #:** 21-1122, **Agenda Item #:** 41.

2/18/2021

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### **Posting Language**

Approve a resolution declaring the City's official intent to reimburse itself from proceeds of general obligation bonds to be issued for transportation and mobility-related expenditures related to the general obligation bonds projects approved by the voters in 2020 in the total amount of \$460,000,000. Related to Items #42 and #43.

### **Lead Department**

Austin Transportation Department

### **Fiscal Note**

A fiscal note is attached. \$460,000,000 in General Obligation Public Improvement Bonds to be issued in August 2021 or later.

### **Prior Council Action:**

Ordinance No. 20200812-010 - Ordering a special election for the purpose of authorizing the issuance of general obligation bonds for transportation infrastructure was approved on a 9-1 vote with Council Member Flannigan voting nay, and Council Member Alter abstaining.

Resolution 20200812-011 establishes the contract with the voters for these general obligation bonds.

### **For More Information:**

Robert Spillar, 512-974-2488; Richard Mendoza 512-974-7190; Anna Martin, 512-974-7105; Gilda Powers, 512-974-7092

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

Presented to the Mobility Committee on January 21, 2021.

### **Additional Backup Information:**

For the City to spend money today but reimburse itself from the issuance of tax-exempt debt obligations in the future, a reimbursement resolution is required by state and federal law. The resolution must contain certain information and is generally reviewed by bond counsel to preserve 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. Tax-exempt debt to reimburse these expenditures 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 expresses the City Council's intent to authorize the reimbursement for costs associated with: Proposition B Mobility (\$460,000,000) (NOTE: staff is tracking categories of expenditures to ensure compliance with the contract with the voters Resolution 20200812-011)).

### **Strategic Outcome(s):**

Mobility; Safety