



## Recommendation for Action

**File #: 22-2127, Agenda Item #: 8.**

6/16/2022

### **Posting Language**

Approve a resolution directing the publication of an Official Notice of Intention to Issue \$16,500,000 City of Austin, Texas, Certificates of Obligation, Series 2022.

### **Lead Department**

Financial Services.

### **Fiscal Note**

The fee to advertise the sale will be included in the upcoming bond sale's cost of issuance and is estimated to cost \$3,000. Debt service resulting from the actual sale of the Certificates of Obligation will be included in the 2022-23 Proposed Operating Budget of the General Obligation Debt Service Fund and is currently estimated at \$1,325,000.

### **Prior Council Action:**

Reimbursement Resolutions approved by City Council on September 9, 2012, September 11, 2018, August 27, 2020.

### **For More Information:**

Belinda Weaver, City Treasurer, 512-974-7885.

### **Additional Backup Information:**

State law requires publication of an Official Notice of Intention to Issue Certificates of Obligation once a week for two consecutive weeks. The date of the first publication must be 45 or more days before the date on which the City Council adopts an ordinance authorizing the issuance of the Certificates of Obligation. This proposed request for Council action will allow publication of the notice of intention in the Austin American Statesman, which is estimated to cost \$3,000 for the two-week required notification.

The actual authorization and sale of the Certificates of Obligation pursuant to a separate Council action is tentatively scheduled to take place as part of the City's general obligation bond sale, occurring each year in September. The City may generally remove items from the proposed sale notification after publication of the Notice of Intention, but any additional sale items would require an updated notice. Proceeds from the sale will be used to fund existing project appropriations that were previously approved by City Council with reimbursement resolutions, in accordance with the City's financial policies. Currently proposed issuances and descriptions are found below, for inclusion in the advertisement.

### **Non-Tax Supported Item:**

#### **Waller Creek District Park Improvements - \$9,600,000**

This is for part of the overall plan for projects in the Tax Increment Financing Reinvestment Zone (TIRZ) No. 17. This supports the Waterloo Greenway, formerly known as Waller Creek District Chain of Parks for the design and construction of Waterloo Park, the largest park within the Waterloo Greenway. Waterloo Park will be a gathering space for the City of Austin including: a civic lawn, a performing arts venue, food service in the

park, unique hill country gardens, wetlands, and extensive nature-based play areas. This also funds the design and construction of stream restoration/stabilization, trails, bridges, water quality, and utility improvements along Waller Creek from Lady Bird Lake to 4th Street. The funding source was approved as part of the Fiscal Year 2013-14 and Fiscal Year 2018-19 Capital Budgets. The Waller Creek Tax Increment Financing (TIF) revenue and Drainage Utility Fees are the funding source for the debt service payments and budget will be included in the FY 2022-23 proposed budget. Future issuances are anticipated.

*Non-Tax Supported Item:*

Family Violence Shelter - \$6,900,000

This funding supports all necessary actions including engineering services for acquisition of a hotel property to serve as a protective shelter from family violence. The property is to be used only for shelter, housing, or related services. The funding source was approved as part of the Fiscal Year 2020-21 Capital Budget. Tax revenue from the Operations and Maintenance tax rate is the funding source for the debt service payments and budget will be included in the FY 2022-23 proposed budget.

The debt service costs for the currently-proposed \$16,500,000 Certificates of Obligation Series 2022 issuance are estimated as follows:

	Total Over 20 Years:	Average Per Year
Principal	\$16,500,000	\$825,000
Interest	<u>9,979,000</u>	<u>498,950</u>
Total Debt Serv	\$26,479,000	\$1,323,950

**Strategic Outcome(s):**

Government that Works for All.