

# CAPITAL BUDGET FISCAL NOTE

**CONTACT DEPARTMENT(S):**

Austin Transportation

**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 expenditures in the total amount not to exceed \$3,305,000.

**CURRENT YEAR IMPACT:** This item has no fiscal impact to the total debt service or tax rate in FY 2019. The debt will not be issued until November 2019 or later.

**FIVE YEAR IMPACT:**

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
<b>Estimated Debt Service</b>	-	\$265,000.00	\$265,000.00	\$264,750.00	\$264,250.00
<b>Impact on Tax Rate</b>	0.00000	0.00017	0.00016	0.00015	0.00015

**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 reviewed 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. 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 expressed the City Council's intent to authorize the reimbursement for costs associated.

This reimbursement resolution includes the following amounts:

Proposition 1 Mobility (\$3,301,401) for Old Bee Caves Road Bridge Regional Mobility Improvements, a component of the TxDOT project referred to as the Oak Hill Parkway Project.  
(NOTE: staff is tracking categories of expenditures to ensure compliance with the contract with the voters).

Austin Transportation Department TOTAL = \$3,301,401  
Regional Mobility Improvements for Old Bee Caves Road Bridge \$3,301,401

All funds will be spent in accordance with the contract with voters established by Council in Resolution No. 20160818-074 and in Ordinance No. 20160818-023. On November 8, 2016, the voters of Austin approved Proposition 1, \$720 million in general obligation bonds for transportation and mobility improvements.