

FY 2023-2024 BUDGET QUESTION
Response to Request for Information

DEPARTMENT(S): Financial Services Department

CBQ NO.: 066

REQUESTED BY: Kelly

DATE REQUESTED: 07/18/2023

DATE POSTED: 08/09/2032

REQUEST: It has been proposed that ATP can issue bonds for Project Connect without a bond election. Does this require City approval? Would these bonds be backed by the full faith and credit of the City and count against the City's bond capacity? If ATP issues Revenue Bonds instead of GO debt using the 20% of City M & O taxes as revenue, is the City under any obligation to provide any funds more than the taxes raised by the 20%?

RESPONSE:

Issuance of bonds by Project Connect would not require City approval. Any bonds issued by Austin Transit Partnership (ATP) would not be obligations of the City and would not be backed by the full faith and credit of the City. The City's transfer of property tax revenue to ATP is based on a fixed formula defined by the November 2020 Project Connect tax rate election and the related interlocal agreement with ATP; this formula will not change based on any decision by ATP to issue debt of any kind.