

# OPERATING BUDGET FISCAL NOTE

**DATE OF COUNCIL CONSIDERATION:**  
**DEPARTMENT:**  
**FUND:**

5/9/2013  
Austin Convention Center  
Convention Center Operating

**SUBJECT:** Approve an ordinance amending the Fiscal Year 2012-2013 Austin Convention Center Operating Fund Operating Budget (Ordinance No. 20120910-001) by increasing revenue in the amount of \$1,820,000, increasing expenditures by \$6,325,000 and decreasing the ending balance by \$4,505,000 for payment of a judgment in *City of Austin v. Harry M. Whittington, et al.*, Cause No. D-1-GV-07-00942, in the 353<sup>rd</sup> Judicial District Court, Travis County, Texas for the City's condemnation of Lots 1-8, inclusive, of Block 38 of the Original City of Austin, and declaring an emergency.

**FINANCIAL INFORMATION:**

	2012-13 Approved	This Action	2012-13 Amended
Beginning Balance	17,095,926	0	17,095,926
Revenue			
Interest Income	147,339	1,820,000	1,967,339
All Other Revenue	13,182,124	0	13,182,124
Total Revenue	13,329,463	1,820,000	15,149,463
Total Transfers In	20,124,494	0	20,124,494
Total Appropriated Funds	33,453,957	1,820,000	35,273,957
Total Department Appropriations	30,040,298	0	30,040,298
Total Transfers Out	4,768,080	0	4,768,080
Other Requirements			
Judgment Payment	0	6,325,000	6,325,000
All Other Requirements	69,341	0	69,341
Total Other Requirements	69,341	6,325,000	6,394,341
Total Requirements	34,877,719	6,325,000	41,202,719
Excess (Deficiency) of Total Available Over Total Requirements	(1,423,762)	(4,505,000)	(5,928,762)
Ending Balance	15,672,164	(4,505,000)	11,167,164

**FIVE-YEAR IMPACT:**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Total Revenue	1,820,000	0	0	0	0
Total Requirements	6,325,000	0	0	0	0
Net Budget Impact	(4,505,000)	0	0	0	0

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**ANALYSIS / ADDITIONAL INFORMATION:** This budget amendment to the Austin Convention Center Operating Fund Operating Budget adds \$1,820,000 in revenue from interest accrued on monies deposited into the registry of the court and increases requirements in the amount of \$6,325,000 for a one-time payment of a judgment in City of Austin v. Harry M. Whittington, et al., Cause No. D-1-GV-07-00942, in the 353rd Judicial District Court, Travis County, Texas for the City's condemnation of Lots 1-8, inclusive, of Block 38 of the Original City of Austin. The net impact is a \$4,505,000 reduction in the ending balance of the Austin Convention Center Operating Fund.

The Convention Center owns the land subject to this judgment; with its original purchase funded through issuance of \$5.3 million in debt plus a \$2.5 million interfund loan from Austin Energy. (The remaining balance owed to Austin Energy is less than \$320,000.) This Convention Center funding provided the \$7.76 million deposited into the registry of the court after the first trial proceeding in this case in 2002, which will be applied to the amount owed for the property in the judgment.

The value of the property of \$10.5 million plus the pre- and post-judgment interest of approximately \$3.6 million totals \$14.1 million, a difference of \$6.3 million from the \$7.76 million currently deposited into the registry of the court. The City will receive back from the court registry approximately \$1.82 million in interest that has accrued on the amounts deposited by the City in 2002 and 2003. This action will return the \$1.82 million of interest to the Convention Center and authorize payment of \$6.3 million for the judgment, resulting in a net impact of approximately \$4.5 million to the Austin Convention Center Operating Fund Ending Balance.