

CAPITAL BUDGET FISCAL NOTE

CONTACT DEPARTMENT(S):

Parks and Recreation

SUBJECT: Approve a resolution declaring the City of Austin's official intent to reimburse itself from proceeds of certificates of obligations to be issued for the Chain of Parks in the Waller Creek District in the total amount of \$25,000,000. Related to Items 11, 12, 13, 14, 16, 50, and 65

CURRENT YEAR IMPACT: This item has no fiscal impact to the total debt service or tax rate in FY 2018. The debt will not be issued until August 2018 or later.

FIVE YEAR IMPACT:

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Estimated Debt Service	0	0	\$2,005,000	\$2,007,250	\$2,007,500
Impact on Tax Rate	0.000	0.00000	0.00125	0.00120	0.00114

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 with the Waterloo Park Link.

This is reimbursement resolution, in companion with the associated budget amendment is part of the overall updated Project and Financing Plan for the Tax Increment Financing Reinvestment Zone (TIRZ) No. 17, which allows for the issuance of a maximum of \$110 million to finance additional projects in the TIRZ. This public funding will be matched by \$203 million in private contributions. This is the first appropriation of the \$110 million.