



Recommendation for Action

File #: 20-2249, **Agenda Item #:** 48.

6/11/2020

Posting Language

Approve a resolution approving an Official Notice of Intention to Issue \$135,800,000 City of Austin, Texas, Certificates of Obligation, Series 2020 (Notice of Intention), directing the publication and posting of the Notice of Intention, and providing information regarding Certificates of Obligation and the City's outstanding debt obligations.

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 \$1,750. Debt service resulting from the actual bond sale will be included in the 2020-21 Proposed Operating Budget of the General Obligation Debt Service Fund and is currently estimated at \$10,895,000.

Prior Council Action:

Reimbursement Resolutions approved by City Council on 2/9/2017, 8/17/2017, 6/14/2018, 9/11/2018 and 9/10/2019.

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 \$1,750 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.

New Fire Stations - \$13,300,000

This is part of the comprehensive plan to build five new fire stations in the areas of immediate need identified by the Austin Fire Association (Local 975) and the Austin Fire Department. These five stations were chosen as locations that would benefit the Fire and EMS response times, and which could also support potential gaps in existing stations response times. The first station, Del Valle/Moore's Crossing Fire/EMS Station, includes a storage facility for EMS equipment. This funding source was approved as part of the Fiscal Year 2019-2020

Capital Budget.**Planning and Development Center - \$122,500,000**

The new Planning and Development Center is scheduled to open in June 2020 and will house City staff involved in providing land development planning, regulation, permitting, and inspection work. When complete, the 255,000 square foot building will house 750 staff in north central Austin on the site of the former Highland Mall campus. Construction and delivery of the developed property, and closing on this transaction, is anticipated to occur in summer 2020. This funding source was approved as part of the Fiscal Year 2016-2017 Capital Budget.

The debt service costs for the currently-proposed \$135,800,000 Certificates of Obligation Series 2020 issuance are estimated as follows:

	Tot al Ove r 20 Yea rs:	Average Per Year
Principal	\$135,800,000	\$6,790,000
Interest	<u>82,143,041</u>	<u>107,150</u>
Total Debt Serv	\$217,941,041	\$10,897,150

The entire issuance is tax-supported.

Strategic Outcome(s):

Government that Works for All.