



Recommendation for Action

File #: 23-2901, **Agenda Item #:** 4.

9/14/2023

Posting Language

Approve a resolution declaring the City of Austin's official intent to reimburse itself from revenue bonds in an amount not to exceed \$544,788,638 for Austin-Bergstrom International Airport capital improvements.

Lead Department

Department of Aviation.

Fiscal Note

A fiscal note is attached.

For More Information:

Rajeev Thomas, Interim Deputy Chief of Finance, 512-530-2463.

Council Committee, Boards and Commission Action:

To be reviewed by the Airport Advisory Commission on September 13, 2023.

Additional Backup Information:

The Department of Aviation requests approval, in accordance with Federal Treasury Regulations (section 1.150-2), of a resolution officially declaring the City's intent to reimburse construction and other related costs of improvements to Austin-Bergstrom International Airport improvements.

A city must have budgeted for and provided a source of funds in order to enter into a contract. 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 to protect the tax-exempt status of the future debt obligation. The resolution must be approved not more than 60 days after the date that the expenditure to be reimbursed is paid. Failure to adopt an official intent will prohibit the City from reimbursing the costs with the proceeds of tax-exempt obligations. Reimbursement bonds generally must be issued no later than 18 months after the later of, the date the expenditure was paid, or the date that the project, with respect to which the expenditure was made, is placed in service, but in no event more than three years thereafter.