



Legislation Text

File #: 2018-5158, **Version:** 1

Consider a resolution expressing official intent to reimburse certain design and construction of onsite public improvement expenditures in conjunction with the Kalahari Resort, from the proceeds of a future tax-exempt sales tax backed debt issuance.

Consider a resolution expressing official intent to reimburse certain design and construction of onsite public improvement expenditures from the proceeds of a future tax-exempt sales tax backed debt issuance.

This resolution allows for project costs related to onsite public improvements that will be located on the property with Kalahari Resorts and Convention Center to be spent before the bond proceeds are received. This resolution will allow the project to move forward using existing cash and then reimburse the funds once the bonds are issued.

The Round Rock Transportation and Economic Development Corporation plans to issue approximately \$16.5 million of tax-exempt sales tax backed debt for the design and construction of onsite public improvements and related bond issuance costs. The design and construction will not exceed \$15 million according to Section 6.02 of the Master Development agreement between the City and KR CC, Inc. The costs of issuance and related costs will require that total debt issued be up to \$16.5 million to ensure the \$15 million is available for direct project design and construction as required by the agreement.

These improvements include:

- A. roadways and related facilities and utility improvements need to provide the Hotel and Convention Center with access to US 79 and Kenney Fort Blvd., and with water and wastewater service; and
- B. construction of an extension of a reuse water transmission line from the City's Wastewater Treatment Plant to a point of connection within the Property designated by the Developer to provide the service to the Property

This resolution is required to meet IRS rules and regulations regarding the use of tax-exempt bond funds.