



Legislation Text

File #: 2018-5157, **Version:** 1

Consider a resolution expressing official intent to reimburse certain project expenditures related to design and construction of a Convention Center in conjunction with the Kalahari Resort, from the proceeds of a future taxable sales tax backed revenue debt issuance.

This resolution allows for project costs related to design and construction of a City owned convention center 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 convention center will include indoor convention, exhibition and meeting space.

The Round Rock Transportation and Economic Development Corporation plans to issue approximately \$48 million of taxable sales tax backed revenue debt for the design and construction of this facility and related bond issuance costs. The design and construction will not exceed \$40 million according to Section 7.04 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 \$48 million to ensure the \$40 million is available for direct project design and construction as required by the agreement.

This resolution, though not required by the IRS due the taxable nature of the debt, is being presented to the Board to be transparent to the public regarding a future bond issue.