



Legislation Text

File #: 2022-314, **Version:** 1

Consider a resolution expressing official intent to reimburse certain project expenditures for trails, parks, public safety, and the BCRUA regional water treatment plant as well as cost of acquiring certain vehicles and equipment.

This resolution allows for project costs related to 1) acquisition of land related to the next phase of trail projects; 2) acquisition of land and design costs related to the downtown signature park/the lawn at Brushy Creek; 3) acquisition of land for potential soccer fields; 4) design and construction of Central Fire Station's facility at a new location; 5) repaving of the Police Station parking lot; 6) construction costs for phases of the BCRUA expansion project; and 7) costs of acquiring certain vehicles and equipment.

This resolution will allow these projects to move forward using existing cash and then reimburse the funds once the General Obligation Bonds (GO) and Certificates of Obligation (CO) are issued.

CO debt can only be used for limited purposes: roads, public safety, fleet and equipment.

This resolution is for \$83.5 million consisting of the following:

- Future COs or GOs:
 - \$10 million to relocate and construct a new Fire Central Station No. 1
 - \$10 million for acquisition of land related to the next phase of trail projects as well as the downtown signature park (including design costs)
- Future SWIFT utility revenue bonds through Texas Water Development Board:
 - \$60 million for BCRUA Phases 1D and Phase 2 construction costs
 - Phase 1D for expanding the regional water treatment plant to 42 mgd
 - Phase 2 for a permanent, deep-water intake structure on lake Travis, a maintenance building with a chemical feed system, a gravity tunnel to transmit the raw water to a new pump station, a raw water pipeline connecting the raw water pump station to three locations (Brushy Creek Regional water treatment plant, the City of Cedar Park water treatment plant, and the City of Leander water treatment plant), as well as electrical infrastructure improvements
- Future Limited Tax Notes:
 - \$3.5 million for costs to replace certain vehicles and equipment. The City's practice has been to acquire these items with cash and subsequently finance them for five years through a tax-exempt leasing agreement that is bid out late in the fiscal year. This type of financing allows the City to replace equipment and rolling stock in a timely manner as requirement criteria are met. The adopted FY2022-23 budget assumes lease funding for

these vehicle and equipment purchases.

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

Staff recommends approval