

RESOLUTION NO.

RESOLUTION APPROVING THE ISSUANCE OF BONDS BY THE MUELLER LOCAL GOVERNMENT CORPORATION IN AN AGGREGATE PRINCIPAL NOT TO EXCEED \$15 MILLION AND THE FINANCING DOCUMENTS RELATING TO THE SALE OF SUCH BONDS.

WHEREAS, the City of Austin, Texas (the "City") has determined that it would be in the best interest of the City and the general public to redevelop property within the City formerly known as the Robert Mueller Municipal Airport ("Mueller"); and

WHEREAS, to facilitate the redevelopment of Mueller, the City entered into a Master Development Agreement with Catellus Austin, LLC, effective as of December 2, 2004 (the "Master Development Agreement"); and

WHEREAS, under the Master Development Agreement, the City agreed to issue debt to finance certain "Public Finance Reimbursement Project Costs" either directly or through the auspices of a local government corporation to be created by the City; and

WHEREAS, Mueller Local Government Corporation (the "Corporation") was created under the auspices of the City to aid, assist and act on behalf of the City in the performance of the City's governmental and

proprietary functions to promote the common good and the general welfare of the City, including, without limitation, the development of the geographic area of the City included or to be included in Reinvestment Zone Number Sixteen, City of Austin, Texas ("TIRZ Sixteen"), and neighboring areas in furtherance of the promotion of economic development, specifically the economic redevelopment of Mueller; and

WHEREAS, the City Council adopted a program pursuant to Chapter 380 of the Texas Local Government Code (the "Chapter 380 Program") whereby the City may make economic development loans or grants from City general funds to the Corporation in furtherance of the economic development objectives for TIRZ Sixteen, specifically with respect to the redevelopment of Mueller consistent with the provisions of the Master Development Agreement; and

WHEREAS, the transfer of tax increment revenues generated within TIRZ Sixteen is authorized pursuant to the terms of a Tri-Party Agreement among the City, TIRZ Sixteen and the Corporation, for the purpose of providing funds to secure the payment of debt service on the bonds authorized to be issued by the Corporation in accordance with this Resolution; and

WHEREAS, pursuant to the action taken by the City Council to establish the Chapter 380 Program, the City agrees to consider, subject to

annual appropriation, making an economic development grant to the Corporation to assist the Corporation in the payment of debt service on the bonds the Corporation may issue under authority of this Resolution; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

Section 1. The resolution (herein referred to as the "MLGC Resolution") to be adopted by the Corporation, in substantially the form and substance as attached to this Resolution and made a part hereof for all purposes, is approved, and tax increment contract revenue bonds in a principal amount of \$15,000,000 (the "Bonds") may be issued for the purpose of providing all or a portion of the cost of the projects as specified in the MLGC Resolution (the "Project"), subject to the following parameters: (a) the true interest cost of the Bonds will not exceed 6.00%; (b) the Bonds will not have a maturity that extends beyond September 1, 2029; and (c) the authority to sell the Bonds will not extend beyond November 27, 2009.

Section 2. The Indenture of Trust between the Corporation and the trustee named therein, in substantially the form attached to this Resolution and made a part hereof for all purposes, is approved.

Section 3. The Tri-Party Agreement among the City, TIRZ Sixteen and the Corporation, in substantially the form attached to this Resolution and

made a part hereof for all purposes, is approved.

Section 4. The Grant Agreement between the City and the Corporation, in substantially the form attached to this Resolution and made a part hereof for all purposes (the "Grant Agreement"), is approved.

Section 5. The City Manager, the Chief Financial Officer of the City, and any Assistant City Manager, is authorized to execute and deliver the Agreements the City is a party to and that have been approved by this Resolution

Section 6. This Resolution shall be effective immediately from and after its passage.

ADOPTED: _____, 2009 **ATTEST:** _____
Shirley A. Gentry
City Clerk