

AGENDA



Thursday, August 27, 2009

**Discussion and Possible Action on Bond Sales
RECOMMENDATION FOR COUNCIL ACTION****Item No. 69**

Subject: Approve a resolution authorizing the issuance of \$15,000,000 Mueller Local Government Corporation Contract Revenue Bonds, Series 2009 (Bonds), by the Mueller Local Government Corporation (Corporation), establishing parameters for the sale of the Bonds, and approving all related documents.

Amount and Source of Funding: \$787,500 in the estimated first year debt service requirement and \$400 annual administration fee for the paying agent/registrar for the proposed bond sale will be funded from property taxes generated in Tax Increment Financing Reinvestment Zone Number 16 (TIRZ # 16), the former site of the Robert Mueller Municipal Airport.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Jeff Knodel, Deputy Chief Financial Officer 974-2589

Prior Council Action: On August 6, 2009 Council approved an interlocal agreement by and between the City, TIRZ #16 and the Corporation. Council approved a related Reimbursement Resolution on October 5, 2006. On August 6, 2009, Council approved the final Project Plan and Financing Plan for TIRZ #16.

In this action, Council will approve a resolution authorizing the issuance of Mueller Local Government Corporation Bonds (Bonds) in the amount of \$15,000,000. The City has determined that it is 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). To facilitate the redevelopment of Mueller, the City entered into a Master Development Agreement with Catellus Austin, LLC. Under the Master Development Agreement, the City agreed to issue debt to finance certain "Public Finance Reimbursement Project Costs" either directly or through the Corporation.

In order to provide the Mueller Local Government Corporation (Corporation) with the flexibility to quickly respond to changing market conditions, the proposed resolution delegates the authority to the President or Vice President of the Corporation (Pricing Officer) to complete the sale of the bond transaction in accordance with the parameters in the resolution. The parameters are as follows:

- The true interest cost for the bonds must not exceed 6.00%.
- The maximum maturity for the bonds must not be later than September 1, 2029.

In addition, the authority of the Pricing Officer delegated in the resolution expires on November 27, 2009.

The transaction will be sold through Siebert Brandford Shank & Co. who was selected due to their strong financial position, their ability to underwrite bonds, and their extensive retail distribution capabilities.

McCall, Parkhurst & Horton, L.L.P. will serve as bond counsel for this transaction.