

## AGENDA



Thursday, October 1, 2009

**Treasury Office  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 31**

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**Subject:** Adopt a resolution approving issuance by River Place Municipal Utility District of Unlimited Tax Refunding Bonds, Series 2009, in a principal amount not to exceed \$7,025,000; and approving the District's Bond Ordinance and Preliminary Official Statement in substantially the form provided by the District.

**Amount and Source of Funding:** The City is not responsible for payment of District bond debt service until annexation and dissolution of the District. If annexation occurs, the avoided debt service associated with the refunding would also benefit the City of Austin. There is no anticipated fiscal impact. A fiscal note is not required.

**For More Information:** Art Alfaro, Treasurer 974-7882

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River Place Municipal Utility District (District), located approximately 13 miles northwest of Austin's central business district, has proposed a refunding bond issue to reduce the District's annual debt service requirements. Proceeds of the issue will be used to currently refund the District's outstanding Unlimited Tax and Revenue bonds, Series 1995, Series 1998, Series 2000 and Unlimited Tax and Revenue Refunding Bonds, Series 2002. The net present value savings for this transaction is currently projected to be \$307,660 or 4.38% of the principal amount of the refunded bonds. The projected present value savings due to the reduced market interest rates meets the City's target guideline of a 4.25% savings for its own bond refundings. Since the actual amount of savings is dependent on the terms of the sale, approval is requested for this transaction at a minimum present value savings of 4.25%, to allow for market fluctuations.

The District will realize average annual debt service savings of over \$33,000 through the remaining term of the refunded bonds, which does not extend past the term of the existing debt. The City is not responsible for debt service on the District's Bonds. In the event of annexation of the District by the City, the City would benefit from the debt service savings associated with the refunding.

Subject to approval by the City Council, which may not be unreasonably denied or delayed, the District may refund or refinance its outstanding bonds so long as the proposed refinancing meets the financial criteria of the City. Approval of the District's proposed Series 2009 bond refunding is recommended, subject to final review of the offering documents by the Chief Financial Officer's designee.