

ORDINANCE NO. 20110623-085

**AN ORDINANCE APPROVING A SUBSTITUTE
LETTER OF CREDIT REIMBURSEMENT
AGREEMENT RELATING TO THE "CITY OF
AUSTIN, TEXAS, COMBINED UTILITY SYSTEMS
TAXABLE COMMERCIAL PAPER NOTES"**

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

PART 1. FINDINGS

The City Council finds that:

1. On June 29, 2000, Ordinance No. 000629-90 was adopted amending and restating Ordinance No. 980513-B to increase the aggregate principal amount of “City of Austin, Texas, Combined Utility Systems Taxable Commercial Paper Notes” (the “Notes”) authorized to be outstanding from time to time from \$60,000,000 to \$160,000,000 and provide for a new letter of credit (the “Letter of Credit”) to be issued by Landesbank Hessen-Thüringen Girozentrale, acting through its New York Branch (the “Original Provider”) with respect to the Notes in accordance with the terms and provisions of a Letter of Credit and Reimbursement Agreement, dated as of July 1, 2000 (the “Agreement”);

2. The Agreement has been amended by the First Amendment to Letter of Credit and Reimbursement Agreement, dated and effective as of August 14, 2001 (the “First Amendment”) approved by Ordinance No. 010802-24 adopted by the City Council on August 2, 2001, the Second Amendment to Letter of Credit and Reimbursement Agreement, dated and effective as of October 6, 2004 (the “Second Amendment”) approved by Ordinance No. 040930-8 adopted by the City Council on September 30, 2004, the Third Amendment to Letter of Credit and Reimbursement Agreement, dated and effective as of July 14, 2005 (the “Third Amendment”) approved by Ordinance No. 050623-15 adopted by the City Council on June 23, 2005 and Fourth Amendment to Letter of Credit and Reimbursement Agreement, dated and effective as of June 29, 2008 (the “Fourth Amendment”) approved by Ordinance No. 20080618-057 adopted by the City Council on June 18, 2008;

3. The Letter of Credit Amount, as defined in the Letter of Credit, as amended, and the Agreement, has been reduced to \$50,000,000;

34 4. In accordance with Section 2.16 of the Agreement, as amended, the Original
35 Provider has filed with the City a Notice of Optional Termination Date notifying
36 the City that the Original Provider has elected to terminate the Letter of Credit on
37 July 13, 2011.

38 5. The City is required to provide a substitute liquidity facility to support the
39 Notes on or before the expiration date of the Letter of Credit.

40 6. A Letter of Credit Reimbursement Agreement, dated as of June 1, 2011
41 ("Reimbursement Agreement"), by and among the City and JPMorgan Chase
42 Bank, National Association (the "Bank"), to be effective on July 11, 2011, and a
43 Fee Agreement, dated as of June 1, 2011 between the City and the Bank ("Fee
44 Agreement") have been submitted to the City Council of the City for approval and
45 execution.

46 7. The City Council finds and determines that the Reimbursement Agreement
47 and Fee Agreement should be approved and City Council should authorize the
48 execution of the Reimbursement Agreement and Fee Agreement.

49 **PART 2. APPROVAL AND AUTHORIZATION FOR EXECUTION.**

50 (A) City Council approves the Reimbursement Agreement substantially in
51 the form attached as Exhibit A.

52 (B) City Council approves and authorizes the Fee Agreement substantially
53 in the form attached as Exhibit B.

54 **PART 3.** The Mayor, City Manager, Chief Financial Officer, City Treasurer,
55 City Clerk, Deputy City Clerk, and/or City Attorney are authorized and directed to
56 execute and deliver the Reimbursement Agreement, the Fee Agreement and any
57 related document on behalf of the City.

58 **PART 4. PUBLIC MEETING.** The meeting at which this ordinance was
59 adopted was open to the public and public notice of the time, place, and subject
60 matter of the public business to be considered at such meeting, including this
61 ordinance, was given; all as required by Texas, Government Code, Chapter 551.

62 **PART 5.** This ordinance takes effect on _____, 2011.

63 *[Remainder of page intentionally left blank]*
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PASSED AND APPROVED

_____, 2011

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Lee Leffingwell
Mayor

APPROVED: _____

Karen M. Kennard
City Attorney

ATTEST: _____

Shirley A. Gentry
City Clerk

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EXHIBIT A

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REIMBURSEMENT AGREEMENT

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DRAFT

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EXHIBIT B

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FEE AGREEMENT

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