



City of Austin, Texas

\$39,177,518

CITY OF AUSTIN, TEXAS

Whisper Valley

**Public Improvement District
Special Assessment Revenue Bonds**

\$15,500,000 Senior Series 2011

\$18,485,168 Subordinate Series 2011

Indian Hills

**Public Improvement District Special
Assessment Revenue Bonds**

\$2,860,000 Senior Series 2011

\$2,332,350 Subordinate Series 2011



The PFM Group

Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors

**Pricing Report
November 3, 2011**

PiperJaffray®



Financing Schedule

OCTOBER						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

NOVEMBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Date:

October 26

November 1

November 2

November 3

November 11

November 15

November 16

Action:

- Repost of Senior Bonds POS and Supplements
- Posting of Subordinate Bonds POS
- Market Update and Pre-Pricing Call with Financial Advisor, City & Developer
- Bond Pricing
- City Council Approval of the Financing and Pricing
- Documents finalized, approved and sent to Attorney General
- Document Signatures Collected
- Final Attorney General approval
- Pre-Closing of Financings
- Close of Financings

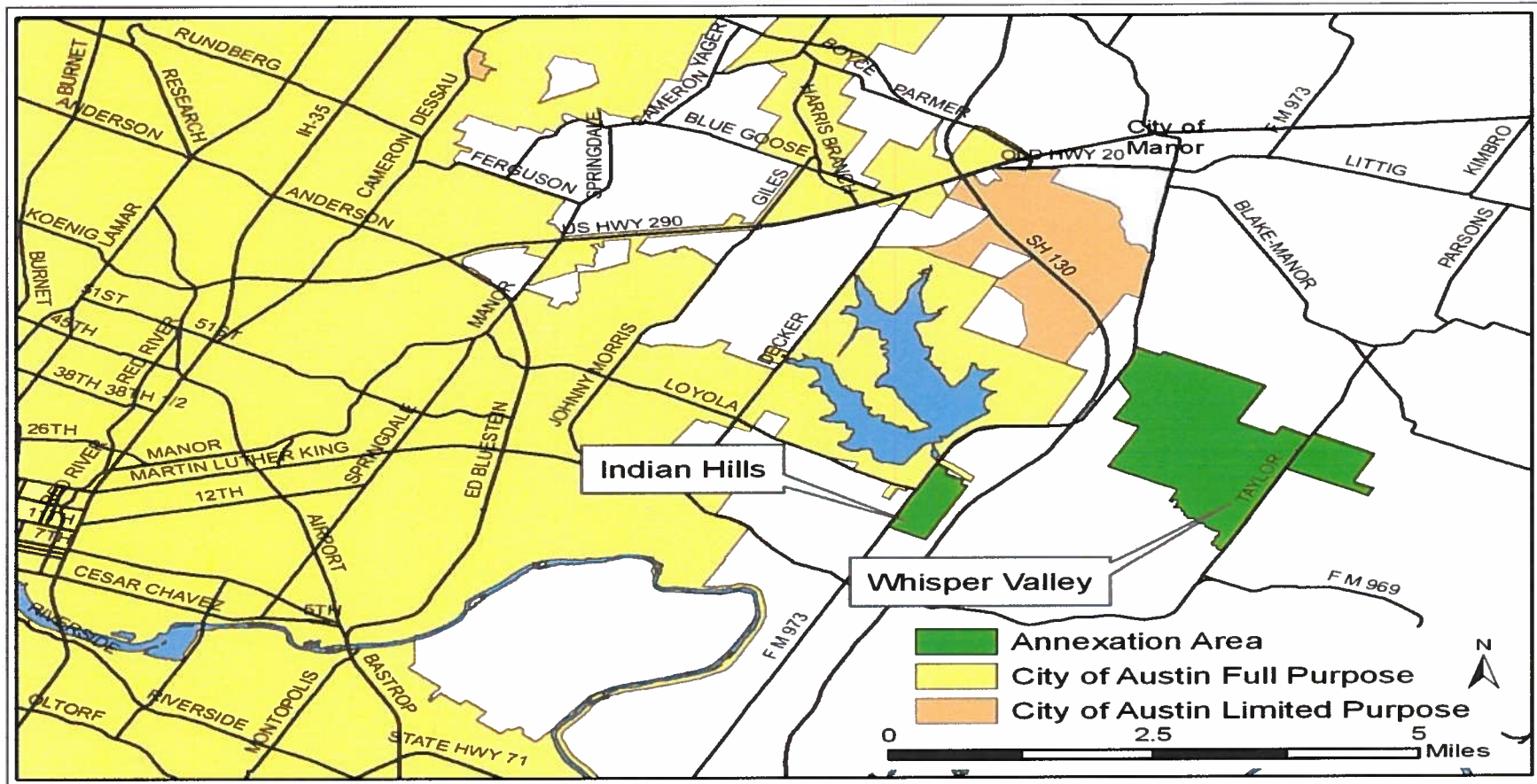


Financing Participants

ISSUER:	City of Austin, Texas
OBLIGOR:	Whisper Valley PID and Indian Hills PID
TYPE OF SALE:	Negotiated
BOND COUNSEL:	Fulbright & Jaworski
FINANCIAL ADVISOR:	Public Financial Management, Inc.
UNDERWRITER:	Piper Jaffray



Overview of Public Improvement Districts - Location





Prior Council Actions & Current Approval Requests

➤ Previous Actions

- ☐ 05-15-2008 Item from Council directing staff to begin negotiations with the developer, including funding provisions for infrastructure
- ☐ 12-18-2008 PID Policy & Criteria adopted
- ☐ 06-18-2009 Development Agreement
- ☐ 08-26-2010 Whisper Valley PUD Zoning
- ☐ 08-26-2010 Indian Hills Zoning
- ☐ 08-26-2010 Limited Purpose Annexation
- ☐ 08-26-2010 Creation of Public Improvement Districts
- ☐ 08-26-2010 W&WW Cost Reimbursement Agreements
- ☐ 08-24-2011 Public Hearing on PID Service and Assessment Plans

➤ Actions Requiring Approval

- ☐ 11-03-2011 Adoption of PID Service and Assessment Plans
- ☐ 11-03-2011 Approval of PID Bond Sales
- ☐ 11-03-2011 Approval of Amendments to Related Agreements



Overview of Public Improvement District

- Whisper Valley Public Improvement District
 - 2,066 Acres
 - Public Infrastructure
 - Extension of Braker Lane
 - Water and Wastewater Extensions and Facilities
 - 700 acres of open space
 - including 600-acre public park
 - Single family residences (attached and detached), as well as apartments and commercial



Overview of Public Improvement District

- Indian Hills Public Improvement District
 - 240 Acres
 - Public Infrastructure
 - Extension of Decker Lake Road
 - Water and Wastewater Utility Extensions
 - Apartments, R&D, light industrial and neighborhood retail
- Both Projects require affordable housing
- Both Projects will be phased over 15-20 years



Special Assessment Revenue Bonds, Series 2011

- Bond sale planned to help finance portions of public infrastructure.
 - Two separate series to be issued for each project
 - Levy of assessments secures senior PID bonds
 - Reimbursement agreements with Austin Water Utility is primary security for subordinate PID bonds
- City's full faith, credit, or taxing power is not pledged to guarantee bond payments.
- After completion of initial infrastructure, developer will subdivide and sell land to builders
 - Future assessments are estimated at a level comparable to City's ad valorem tax rate



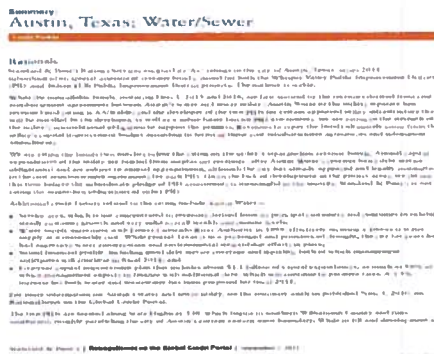
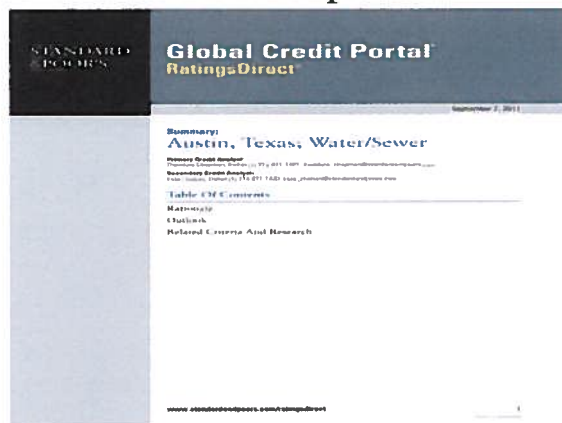
Special Assessment Revenue Bonds, Series 2011

	Whisper Valley Senior Series	Whisper Valley Subordinate Series	Indian Hills Senior Series	Indian Hills Subordinate Series
Par (\$)	15,500,000	18,485,168	2,860,000	2,332,350
Pricing Date	11/2/2011	11/2/2011	11/2/2011	11/2/2011
Dated Date	11/16/2011	11/16/2011	11/16/2011	11/16/2011
Rating	NR	"A+" SP	NR	"A+" SP
Primary Security	Assessment Revenue	Cost Reimbursement Payments	Assessment Revenue	Cost Reimbursement Payments
Use of Proceeds	•New Money •Wastewater Treatment Plant •Wastewater Interceptor •Water Line 1 •Water Line 2 •Capitalized Interest •Debt Service Reserve Fund •Costs of Issuance	•New Money •Wastewater Treatment Plant •Wastewater Interceptor •Water Line 1 •Water Line 2 •Costs of Issuance	•New Money •Decker Lake Road •Water Line 1 •Capitalized Interest •Debt Service Reserve Fund •Costs of Issuance	•New Money •Decker Lake Road •Water Line 1 •Capitalized Interest •Debt Service Reserve Fund •Costs of Issuance
Tax Status	Tax Exempt	Tax Exempt	Tax Exempt	Tax Exempt
Coupon Type	Fixed	Zero	Fixed	Zero
Maturities	9/1/2018 9/1/2020 9/1/2022 9/1/2026	12/1/2015 12/1/2016	9/1/2018 9/1/2020 9/1/2022 9/1/2026	12/1/2015 12/1/2016



Marketing Efforts

- Posted offering on internal “New Release” bulletins and calendars
- Distributed internal sales bulletin to sales force
- Disseminated Rating Reports
 - Standard & Poor’s “A+” rating on Subordinate Bonds
- Conducted “Net Roadshow” with potential investors & follow up phone calls
- Conducted internal sales strategy calls
- Transactions posted on Bloomberg



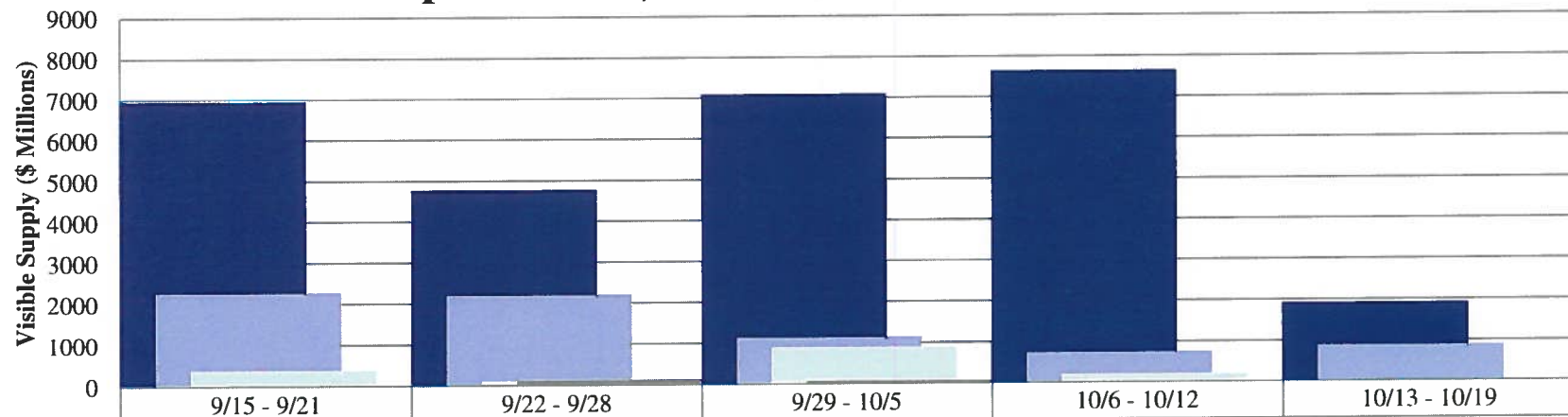


Municipal Market Commentary

➤ Municipal Issuance Volume is down year over year

- \$190.39 billion YTD September 2011
- \$289.35 billion YTD September 2010

Visible Supply September 15, 2011 - October 19, 2011



	9/15 - 9/21	9/22 - 9/28	9/29 - 10/5	10/6 - 10/12	10/13 - 10/19
■ National Negotiated	6930.155	4758.074	7081.503	7627.754	1924.925
■ National Competitive	2271.922	2200.518	1148.295	731.886	887.216
■ Texas Negotiated	382.329	96.873	889.274	211.085	7.145
■ Texas Competitive	26.75	125.665	72.93	13.665	33.57



Maturity Schedules

Whisper Valley Public Improvement Special Assessment Revenue Bonds \$15,500,000 Senior Series 2011			
Maturity	Principal	Coupon	Yield
11/1/2011	-		
9/1/2015	255,000	8.500%	8.875%
9/1/2016	370,000	8.500%	8.875%
9/1/2017	510,000	8.500%	8.875%
9/1/2018	660,000	8.500%	8.875%
9/1/2019	835,000	8.375%	8.875%
9/1/2020	1,035,000	8.375%	8.875%
9/1/2021	1,255,000	8.375%	8.875%
9/1/2022	1,500,000	8.375%	8.875%
9/1/2023	1,780,000	7.875%	8.750%
9/1/2024	2,085,000	7.875%	8.750%
9/1/2025	2,420,000	7.875%	8.750%
9/1/2026	2,795,000	7.875%	8.750%

Whisper Valley Public Improvement Special Assessment Revenue Bonds \$18,485,168 Subordinate Series 2011			
Maturity	Principal	Coupon	Yield
11/1/2011	-		
12/1/2015	5,508,161.40		2.500%
12/1/2016	12,977,006.70		2.800%

Indian Hills Public Improvement Special Assessment Revenue Bonds \$2,886,000 Senior Series 2011			
Maturity	Principal	Coupon	Yield
11/1/2011	-		
9/1/2015	45,000	8.500%	8.875%
9/1/2016	70,000	8.500%	8.875%
9/1/2017	95,000	8.500%	8.875%
9/1/2018	125,000	8.500%	8.875%
9/1/2019	155,000	8.375%	8.875%
9/1/2020	190,000	8.375%	8.875%
9/1/2021	230,000	8.375%	8.875%
9/1/2022	275,000	8.375%	8.875%
9/1/2023	330,000	7.875%	8.750%
9/1/2024	385,000	7.875%	8.750%
9/1/2025	445,000	7.875%	8.750%
9/1/2026	515,000	7.875%	8.750%

Indian Hills Public Improvement Special Assessment Revenue Bonds \$2,332,350 Subordinate Series 2011			
Maturity	Principal	Coupon	Yield
11/1/2011	-		
12/1/2015	1,189,364.90		2.500%
12/1/2016	1,142,984.85		2.800%

Blended TIC: 6.717625%

Blended TIC: 7.263494%

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