



\$20,185,000

City of Austin, Texas

Hotel Occupancy Tax

Subordinate Lien Revenue Refunding Bonds, Series 2012

(Convention Center/Waller Creek Venue Project)

Bond Sale Summary

March 1, 2012

\$20,185,000 Hotel Occupancy Tax Subordinate Lien Revenue Refunding Bonds, Series 2012 (Convention Center/Waller Creek Venue Project)

ISSUER	City of Austin, Texas
TYPE OF SALE	Negotiated
BOND COUNSEL	Fulbright & Jaworski L.L.P.
FINANCIAL ADVISOR	Public Financial Management, Inc.
LEAD UNDERWRITER	Estrada Hinojosa & Co., Inc. (Lead Underwriter) RBC Capital Markets (Co-Underwriter)
UNDERLYING RATINGS	Moody's: A1 S&P: A

Purpose - The Bonds are being issued to refund \$20,175,000 of the City's outstanding Hotel Occupancy Tax Bonds, Series 1999A issued for the Convention Center/Waller Creek Venue Project. The purpose of refunding the outstanding bond indebtedness was to effect debt service savings.

Rating Agency Highlights

Moody's "A1" rating reflects:

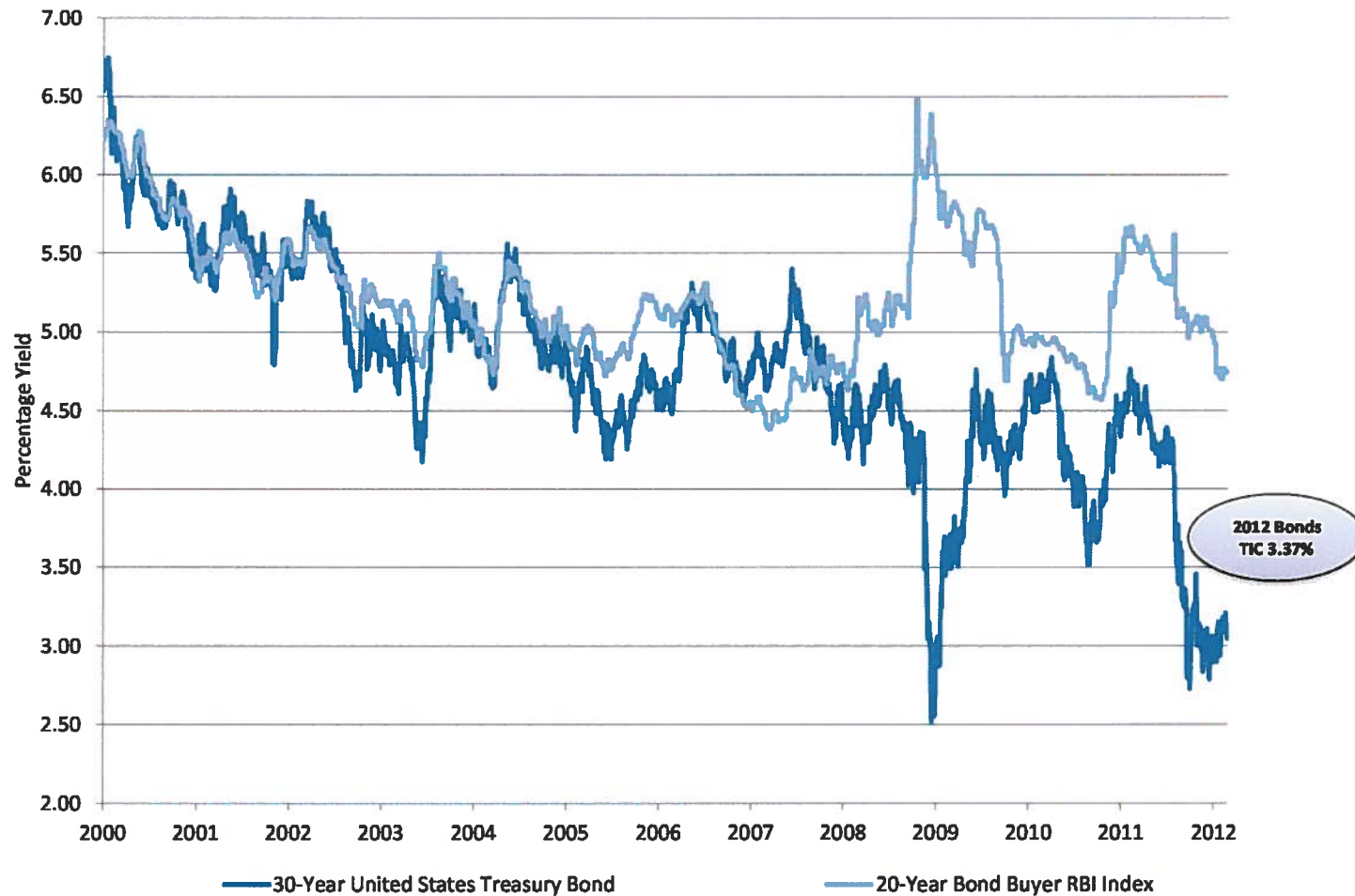
- Solid debt service coverage;
- A healthy service area including the State capital and the University of Texas.

Standard and Poor's upgrade to "A" rating and stable outlook reflect:

- Austin's diversified regional economy ("AAA" GO rating), which has exhibited strong growth in the tourism and business related hospitality industry;
- Strong performance of pledged revenues.



Historical Comparison of 30-Year Treasury and 20-Year Bond Buyer RBI Index



Top: Tuesday's Market: New Deals, Secondary Push Munis Higher

By Taylor Riggs, The Bond Buyer

Feb 29 2012 6:51

The tax-exempt market absorbed one of the largest days of new issuance this week very well as traders said new orders were flowing in during retail order periods. Other traders noted they weren't getting too excited since the real test will come later this week.

"The secondary is getting their cue from the new-issue calendar," a New York trader said. "They are pretty steady, but the real test will be when they free up and see if and how those bonds trade in the secondary later this week."

In the morning, there were buyers in the secondary, he said. "And I guess new deals in the primary are going very well."

"So far, so good," a Los Angeles trader said, referring to the \$2 billion California deal being priced for retail. "I think there are a lot of orders, but there are a lot of bonds to fill."

"We are certainly seeing order flow and there are a lot of people sitting on cash so they are putting it to work," he said. "We'll see if the demand matches the supply."

Munis were steady to firmer Tuesday, according to the Municipal Market Data scale. Yields inside nine years were steady while yields outside 10 years fell one basis point.

On Tuesday, the two-year yield ended steady at 0.26%, its record low as recorded by MMD on Feb. 16. The 10-year and the 30-year yields fell one basis point each to 1.84% and 3.22%, respectively.

After strengthening Tuesday morning, Treasuries ended the day weaker, snapping four consecutive days of gains. The two-year yield rose one basis point to 0.30%. The benchmark 10-year yield and 30-year yield jumped two basis points each to 2.95% and 3.07%, respectively.

Bond Pricing

Date	Amount	Rate	Yield
11/15/2012	\$ 340,000	2.00%	0.400%
11/15/2013	480,000	2.00%	0.750%
11/15/2014	490,000	2.00%	1.000%
11/15/2015	930,000	2.00%	1.250%
11/15/2016	950,000	2.50%	1.370%
11/15/2017	975,000	2.50%	1.660%
11/15/2018	1,010,000	5.00%	2.070%
11/15/2019	1,065,000	5.00%	2.420%
11/15/2020	1,115,000	5.00%	2.690%
11/15/2021	1,170,000	5.00%	2.860%
11/15/2022	1,230,000	5.00%	3.010%
11/15/2023	1,285,000	5.00%	3.110%
11/15/2024	1,350,000	5.00%	3.210%
11/15/2025	1,420,000	5.00%	3.280%
11/15/2026	1,485,000	5.00%	3.370%
11/15/2027	1,560,000	5.00%	3.460%
11/15/2028	1,630,000	5.00%	3.550%
11/15/2029	1,700,000	3.63%	3.730%
\$ 20,185,000			

Bond Statistics

- PV Savings: **\$1,337,876.25**
- % Savings of Refunded Bonds: **6.63%**