

<b>Recommendation for Board Action</b>				
Mueller Local Government Corporation	Item ID	17902	Agenda Number	3.
Meeting Date:	8/23/2012		Department:	Finance
Subject				
<p>Approve a resolution authorizing the issuance of Mueller Local Government Corporation Contract Revenue Bonds, Series 2012 in a par amount not to exceed \$17,500,000, by the Mueller Local Government Corporation and authorizing all related documents between the City of Austin and the Corporation.</p>				
Amount and Source of Funding				
<p>\$895,000 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) which is the Mueller property.</p>				
Fiscal Note				
<p>There is no unanticipated fiscal impact. A fiscal note is not required.</p>				
Purchasing Language:				
Prior Council Action:	On August 6, 2009 the Board approved an interlocal agreement by and between the City, TIRZ # 16 and the Corporation.			
For More Information:	Greg Canally, Deputy Chief Financial Officer /974-2609			
Boards and Commission Action:				
MBE / WBE:				
Related Items:				
Additional Backup Information				
<p>It is recommended that the Board approve a resolution authorizing the issuance of the Bonds, in the amount of not to exceed \$17,500,000 by the Mueller Local Government Corporation (Corporation). The City of Austin (City) has determined that it would be in the best interest of 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 (MDA) with Catellus Austin, LLC, under the MDA, the City agreed to issue debt to finance certain "Public Finance Reimbursement Project Costs" either directly or through the Corporation.</p> <p>In August 2009, MLGC successfully issued \$15,000,000 in contract revenue bonds. This will be the second of the four planned bond issuances to meet the obligations set out in the approved MDA. Debt service on the bonds is funded by property taxes generated in the Tax Increment Reinvestment Zone (TIRZ) # 16.</p>				

The transaction will be sold through the following two underwriting firms:

Senior Manager: Stifel Nicolaus & Company (Regional Firm)

Co-Manager: Loop Capital Markets, LLC (MBE Firm)

Stifel Nicolaus & Company was selected due to their strong financial position and ability to underwrite bonds and their extensive retail distribution capabilities.

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