

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	48044	Agenda Number	13.
---------------------	---------	-------	---------------	-----

Meeting Date:	8/20/2015	Department:	Treasury
---------------	-----------	-------------	----------

Subject

Approve an ordinance authorizing the issuance and sale by February 20, 2016, of City of Austin Public Improvement Bonds, Taxable Series 2015, in a par amount not to exceed \$10,000,000 in accordance with the parameters set out in the ordinance, authorizing related documents, and approving related fees.

Amount and Source of Funding

\$901,291 in anticipated first year debt service requirements and an estimated annual administration fee of \$500 for the paying agent/registrar for the proposed bond sale was included in the 2015-16 Proposed Operating Budget of the General Obligation Debt Service Fund. These bonds are being issued to provide funding relating to a reimbursement resolution previously approved by Council for affordable housing projects funded with proceeds from voter-approved 2013 general obligation bonds.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	Reimbursement Resolution No. 20140123-029 approved 01/23/2014, and Reimbursement Resolution No. 20140908-008 approved 09/08/2014
For More Information:	Art Alfaro, Treasurer, 512-974-7882
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

Approval of this ordinance will authorize the issuance of City of Austin Public Improvement Bonds, Taxable Series 2015, in the amount of \$10,000,000.

The entire Public Improvement Bonds Taxable Series 2015 is being issued to provide funding for affordable housing projects pursuant to a reimbursement resolution that was previously approved by Council. Reimbursement resolutions declare an issuer's official intent to reimburse a project's expenditure with the proceeds of obligations to be issued after the expenditure may have been incurred. This action is required by state law. The City generally submits reimbursement resolutions for Council consideration as a part of the annual budget adoption in September, the same time as the new capital appropriations are adopted, or at the time of a capital budget amendment for a particular project.

The General Obligation Debt Service cost for the \$10,000,000 Public Improvement Bonds, Taxable Series 2015

issuance is estimated as follows:

	2015-16:	Total Over 20 Years:	Average Per Year
Principal	\$401,291	\$10,000,000	\$500,000
Interest	<u>500,000</u>	<u>6,009,225</u>	<u>300,461</u>
Total Debt Service	\$901,291	\$16,009,225	\$800,461

In order to provide the City with the flexibility to respond quickly to changing market conditions, the proposed ordinance delegates the authority to the City Manager or Chief Financial Officer (the "Pricing Officer") to complete the sale of the bond transaction in accordance with the parameters in the ordinance. Additionally, the authority of the Pricing Officer to exercise the authority delegated by Council under this ordinance expires on February 20, 2016.

This transaction will be sold through Loop Capital.

For this transaction, Andrews Kurth LLP will serve as bond counsel, McCall, Parkhurst & Horton L.L.P. will serve as disclosure counsel, and serving as underwriter's counsel will be Haynes & Boone L.L.P. Public Financial Management is the City's financial advisor.