

ORDINANCE NO.

AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF AUSTIN, TEXAS SPECIAL ASSESSMENT REVENUE BONDS SERIES 2018 (ESTANCIA HILL COUNTRY PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #2); APPROVING AND AUTHORIZING RELATED AGREEMENTS; APPROVING AND AUTHORIZING THE DISTRIBUTION OF A LIMITED OFFERING MEMORANDUM; AND PROVIDING FOR AN EFFECTIVE DATE.

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

PART 1. FINDINGS AND DETERMINATIONS.

The City Council finds and determines that:

- (A) Pursuant to Chapter 372 of the Texas Local Government Code (the “Act”), the City previously established the Estancia Hill Country Public Improvement District (the “District”) pursuant to Resolution No. 20130606-054, adopted by the City Council on June 6, 2013; and
- (B) Pursuant to the Act, the City published notice of and held a public hearing on December 13, 2018 regarding the levy of special assessments against benefitted property located in Improvement Area #2 of the District, and after hearing testimony at the public hearing, the City Council closed the public hearing and adopted Ordinance No. 20181213-095 (the “Assessment Ordinance”); and
- (C) In the Assessment Ordinance, the City Council approved and accepted the 2018 Amended and Restated Service and Assessment Plan relating to the District (including the Improvement Area #2 Assessment Roll) and levied the Improvement Area #2 Assessments against the Improvement Area #2 Assessed Property (each term, as defined in the 2018 Amended and Restated Service and Assessment Plan); and
- (D) The City is authorized by the Act to issue revenue bonds payable from the Improvement Area #2 Assessments, and other revenue received, for the purposes of (i) paying the costs of the Improvement Area #2 Improvements identified in the 2018 Amended and Restated Service and Assessment Plan, (ii) paying interest

on the bonds during and after the period of acquisition and construction of the Improvement Area #2 Improvements, (iii) establishing the other funds and accounts described in the Indenture (as defined below) or as are in connection with the issuance of the bonds, and (iv) paying the costs of issuing the bonds; and

- (E) The City Council finds and determines that it is in the best interest of the City to issue bonds to be designated City of Austin, Texas Special Assessment Revenue Bonds, Series 2018 (Estancia Hill Country Public Improvement District Improvement Area #2) (the Bonds), such series to be payable from and secured by the Pledged Revenues, as defined in the Indenture; and
- (F) The City Council finds that it should approve (i) the issuance of the Bonds to finance the Improvement Area #2 Improvements (as defined and identified in the 2018 Amended and Restated Service and Assessment Plan), (ii) the form, terms and provisions of an indenture of trust securing the City's bonds authorized by this Ordinance, (iii) the Bond Purchase Agreement (as defined below) between the City and purchasers of the Bonds (iv) approve the form, terms and provisions of a Landowner Agreement (as defined below), (v) the Limited Offering Memorandum (defined below), (vi) the Continuing Disclosure Agreement (as defined below) between the City and U.S. Bank National Association (the "Trustee") relating to the Bonds and the Improvement Area #2 Assessments, and (vii) approve the Redemption Agreement (as defined below); and
- (G) The meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of the meeting was provided as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

PART 2. APPROVAL OF ISSUANCE OF BONDS AND INDENTURE OF TRUST.

- (A) The issuance of the Bonds in the principal amount \$8,305,000 for the purpose of providing funds for (i) paying the costs of the Improvement Area #2 Improvements, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #2 Improvements, (iii) establishing the funds and accounts described in the Indenture or as required in

connection with the issuance of the Bonds, and (iv) paying the costs of issuing the Bonds, is authorized and approved.

(B) The Bonds shall be issued and secured under the Indenture of Trust (the “Indenture”) dated as December 1, 2018 between the City and the Trustee, in substantially the form attached as Exhibit A and incorporated for all purposes, is authorized and approved with such changes as are necessary. The Mayor or Mayor Pro Tem is authorized and directed to execute the Indenture.

(C) The Bonds shall be dated, mature on the date or dates and in the principal or maturity amounts, bear interest, be subject to redemption and have the other terms and provisions set forth in the Indenture. The Bonds shall be in substantially the form set forth in the Indenture, with such changes as are necessary to conform the form of bond to the actual terms of the Bonds. The Bonds shall be payable from and secured by the Pledged Revenues (as defined in the Indenture) and other assets of the Trust Estate (as defined in the Indenture) pledged to such series, and shall never be payable from ad valorem taxes.

PART 3. SALE OF BONDS; APPROVAL AND BOND PURCHASE AGREEMENT.

The Bonds shall be sold to FMSbonds, Inc. (the “Underwriter”) pursuant to the terms of sale in the Bond Purchase Agreement, dated this date, between the City and the Underwriter, in substantially the form attached hereto as Exhibit B and incorporated for all purposes, which terms of sale are declared to be in the best interest of the City. The Bond Purchase Agreement is authorized and approved with such changes as are necessary, and the Mayor or Mayor Pro Tem is authorized and directed to execute the Bond Purchase Agreement.

PART 4. APPROVAL OF LANDOWNER AGREEMENT.

The Landowner Agreement between the City and SLF III – Onion Creek, L.P. is authorized and approved in substantially the form attached as Exhibit C and incorporated for all purposes, with such changes as are necessary. The City Manager, the Deputy City Manager, or an Assistant City Manager is authorized and directed to execute the Landowner Agreement.

92 **PART 5. LIMITED OFFERING MEMORANDUM.**

93 The Preliminary Limited Offering Memorandum for the Bonds and any
94 supplement or amendment (the “Preliminary Limited Offering Memorandum”) and the
95 final Limited Offering Memorandum (the “Limited Offering Memorandum”) presented to
96 and considered at the meeting at which this Ordinance was considered are approved and
97 adopted with such changes as are necessary. The Mayor or Mayor Pro Tem is authorized
98 and directed to execute the Limited Offering Memorandum. The Limited Offering
99 Memorandum may be used by the Underwriter in the offering and sale of the Bonds. The
100 City Clerk is authorized and directed to maintain copies of the Preliminary Limited
101 Offering Memorandum, the Limited Offering Memorandum, and any supplement or
102 amendment. Notwithstanding the prior approval and delivery of the Preliminary Limited
103 Offering Memorandum in the offering of the Bonds, the Preliminary Limited Offering
104 Memorandum is hereby ratified, approved and confirmed. Notwithstanding the approval
105 and execution of the Preliminary Limited Offering Memorandum and the Limited
106 Offering Memorandum by the Mayor or Mayor Pro Tem, the Mayor, the Mayor Pro Tem,
107 and the City Council are not responsible for, and have no specific knowledge of, the
108 information contained in the Preliminary Limited Offering Memorandum or the Limited
109 Offering Memorandum pertaining to the Project (as defined in the Bond Purchase
110 Agreement), the Landowner or its financial ability, any builders, and landowners, or the
111 appraisal of the property in the District.

112 **PART 6. CONTINUING DISCLOSURE AGREEMENT.**

113 The Continuing Disclosure Agreement between the City and U.S. Bank
114 National Association, as Dissemination Agent, in substantially the form attached hereto as
115 Exhibit D and incorporated for all purposes, is authorized and approved with such changes
116 as are necessary. The City Manager, the Deputy City Manager, an Assistant City Manager,
117 or Treasurer of the City is authorized and directed to execute the Continuing Disclosure
118 Agreement.

119 **PART 7. REDEMPTION AGREEMENT.**

120 The Agreement Regarding Conveyance of Right of Redemption and Waiver of
121 Agricultural Valuation – Estancia Hill Country Public Improvement District (the
122 “Redemption Agreement”) between the City and SLF III – Onion Creek, L.P., in

substantially the form attached as Exhibit E and incorporated for all purposes, is authorized and approved with such changes as are necessary. The City Manager, the Deputy City Manager, an Assistant City Manager, or the Treasurer of the City is authorized and directed to execute the Redemption Agreement.

PART 8. ADDITIONAL ACTIONS.

The Mayor, the Mayor Pro Tem, the City Manager, the Deputy City Manager, an Assistant City Manager, or the City Treasurer, and City Clerk are authorized and directed to take all necessary actions to execute all certificates, agreements, notices, instruction letters, requisitions, and other documents as are necessary in connection with the sale and issuance of the Bonds.

PART 9. GOVERNING LAW.

This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

PART 10. SEVERABILITY.

If any provision of this Ordinance or its application to any person or circumstance is held to be invalid, the remainder of this Ordinance and the application of the provision to other persons or circumstances shall be valid, and the City Council declares that this Ordinance would have been enacted without the invalid provision.

PART 11. INCORPORATION OF FINDINGS AND DETERMINATIONS.

The findings and determinations of the City Council in Part 1 of this Ordinance are incorporated for all purposes as if the same were restated in full in this Section.

PART 12. EFFECTIVE DATE.

This Ordinance is passed on one reading as authorized by Texas Government Code Section 1201.028, and shall be effective immediately upon its passage and adoption.

PASSED AND APPROVED

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_____, 2018

Steve Adler
Mayor

APPROVED:

Anne L. Morgan
City Attorney

ATTEST:

Jannette S. Goodall
City Clerk