



**Debt Issuance  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 5  
AGENDA DATE: Thu 03/10/2005  
PAGE: 1 of 2**

**SUBJECT:** Approve a resolution approving issuance by River Place Municipal Utility District of Unlimited Tax and Revenue Refunding Bonds, Series 2005, in an amount not to exceed \$6,050,000; and approving a substantial draft of the proposed Bond Order and Preliminary Official Statement.

**AMOUNT & SOURCE OF FUNDING:** The City is not responsible for payment of District bond debt service unless the District is annexed and dissolved.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Financial and **DIRECTOR'S**  
**DEPARTMENT:** Administrative Services - **AUTHORIZATION:** Vickie Schubert  
Treasury

**FOR MORE INFORMATION CONTACT:** John Stephens, Chief Financial Officer, 974-2076

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** N/A

---

River Place Municipal Utility District is located approximately 10 miles north of downtown Austin, in northwestern Travis County, approximately one mile south of the intersection of RM 620 and RM 2222. The District has proposed a refunding of its Series 1995 and Series 2000 Unlimited Tax and Revenue Bonds in order to reduce annual debt service requirements.

The net present value savings for the proposed transaction is currently projected to equal approximately \$256,000 or 4.26% of refunded par equal to approximately \$6.015 million. The currently projected net present value (NPV) savings due to reduced market interest rates approximates the City's target guideline of a 4.25% savings for its own bond refundings. Since the actual amount of savings is dependent on the terms of the sale, approval is requested for this transaction at a minimum net present value savings of 4.25% of refunded par, to allow for issuance of the refunding bonds in the event of market fluctuations.

These bonds are the sole obligation of this District, unless the City chooses to annex and dissolve the District. This will be the second refunding bond sale, however, the District has sold \$15.25 million in District Bonds to fund facilities installed under developer reimbursement agreements, in 1994, 1995, 1998 and 2000.

The District will realize gross and annual debt service savings through the remaining term of the refunded bonds, which does not extend past the term of the existing debt.

The City's Financial Services Department, Financial Advisor and Bond Counsel have reviewed the proposed refunding and recommend approval of River Place Municipal Utility District's proposed refunding of Series 1995 and Series 2000 District Bonds, subject to the following conditions:



**Debt Issuance  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 5  
AGENDA DATE: Thu 03/10/2005  
PAGE: 2 of 2**

- average annual debt service savings is approximately level throughout the life of the bonds;
- the term of the new bonds does not extend beyond that of the refunded bonds;
- the net present value savings will be at least 4.25% of refunded par; and
- review and approval of the final offering documents by the Chief Financial Officer's designee.