

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	60713	Agenda Number	31.
Meeting Date:	8/18/2016	Department:	Treasury	
Subject				
Approve an ordinance authorizing the issuance and sale by February 18, 2017, of City of Austin Public Improvement Bonds, Taxable Series 2016, in an amount not to exceed \$12,000,000 in accordance with the parameters set out in the ordinance, authorizing related documents, and approving related fees.				
Amount and Source of Funding				
\$965,000 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 2016-17 Proposed Operating Budget of the General Obligation Debt Service Fund. These bonds are being issued to provide funding relating to reimbursement resolutions previously approved by Council for film studios and affordable housing projects funded with proceeds from the 2012 and 2013 bond elections, respectively.				
Fiscal Note				
Information pertaining to the fiscal impact of this item is found under the "Amount and Source of Funding" and "Additional Backup Information" sections.				
Purchasing Language:				
Prior Council Action:	Reimbursement Resolutions approved by City Council on 05/09/13, 01/23/14, and 09/08/14. 05/16/16 presented update on General Obligation Bond Sale to Audit and Finance Committee.			
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 2016, in an amount not to exceed \$12,000,000.

Election Year	Description	New Money Amount
2012	Austin Film Studios	\$2,000,000
2013	Affordable Housing	\$10,000,000
		<hr/>
		\$12,000,000

The bonds are being issued to provide funding for film studios and affordable housing projects pursuant to reimbursement resolutions that were 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. The 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 \$12,000,000 Public Improvement Bonds, Taxable Series 2016 is estimated as follows:

	<b>2016-17:</b>	<b>Total Over 20 Years:</b>	<b>Average Per Year</b>
Principal	\$365,000	\$12,000,000	\$600,000
Interest	<u>600,000</u>	<u>7,260,750</u>	<u>363,038</u>
Total Debt Service	\$965,000	\$19,260,750	\$963,038

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 18, 2017.

This transaction will be sold through Senior Manager Siebert Brandford Shank & Co, and Co-Manager Piper Jaffray & Co., as Co-Manager.

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 Bracewell L.L.P. Public Financial Management is the City's financial advisor.