



Recommendation for Action

File #: 22-2701, Agenda Item #: 13.

9/1/2022

**Posting Language**

Approve an ordinance authorizing the issuance and sale of City of Austin Public Improvement Bonds, Taxable Series 2022, in an amount not to exceed \$60,000,000 in accordance with the parameters set out in the ordinance, authorizing related documents, approving the payment of the costs of issuance and all related fees, and providing that the issuance and sale be accomplished not later than March 1, 2023.

**Lead Department**

Financial Services Department.

**Fiscal Note**

The Fiscal Year 2022-2023 debt service requirements and estimated annual administration fees for the paying agent/registrar for the proposed bond sale are included in the Fiscal Year 2022-2023 Proposed Operating Budget of the General Obligation Debt Service Fund.

**Prior Council Action:**

September 2, 2021 - Reimbursement Resolution approved by Council.

August 27, 2020 - Reimbursement Resolution approved by Council.

**For More Information:**

Belinda Weaver, Treasurer, 512-974-7885.

**Additional Backup Information:**

Approval of this ordinance will authorize the issuance of \$60,000,000 in City of Austin Public Improvement Bonds, Taxable Series 2022, to provide funding for Affordable Housing (2018 Bond Election - Prop A) 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 occurred. This action is required by the Internal Revenue Service and U.S. Treasury rules and State law. The City generally submits reimbursement resolutions for Council consideration as a part of the annual budget adoption in August or 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 bond issuance is estimated as follows:

|                            | <b>Total Over 20 Years:</b> | <b>Average Per Year:</b> |
|----------------------------|-----------------------------|--------------------------|
| Principal:                 | \$60,000,000                | \$3,000,000              |
| Interest:                  | \$36,292,250                | \$1,814,612              |
| <b>Total Debt Service:</b> | <b>\$96,292,250</b>         | <b>\$4,814,612</b>       |

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 (known as 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 March 1, 2023.

**This transaction will be sold through the following underwriting team:**

Senior Manager:

Raymond James & Assoc.

Co-Senior Manager:

Piper Sandler & Co.

Co-Managers:

Mesirow

Hilltop Securities

For this transaction, McCall, Parkhurst & Horton L.L.P. will serve as bond counsel, and Norton Rose Fulbright US LLP will serve as disclosure counsel. PFM Financial Advisors, LLC., is the City's financial advisor.

**Strategic Outcome(s):**

Government that Works for All.