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City of Austin, Texas

$36,720,000

Town Lake Park Community Events Center Venue Project Refunding Bonds, Series 2005

Pricing Report
May 12, 2005

PFM
Public Financial Management
Financial and Investment Advisors

$36,715,000
Town Lake Center Refunding Bonds, Series 2005

Bond Purpose – Proceeds from the sale of the Bonds will be used to refund $35,140,000 of the City's outstanding Town Lake Park Community Events Center Venue Project Bonds, Series 1999, and to pay certain costs of issuance of the Bonds. The obligations being refunded include Series 1999 Serial Bonds maturing 2011 to 2025 and the Term Bonds maturing in 2029.

This transaction resulted in $3,098,926.25 in net present value savings for the City, or 8.8188% of the refunded bonds.

$36,720,000
Town Lake Center Refunding Bonds, Series 2005

ISSUER	City of Austin, Texas
TYPE OF SALE	Negotiated
BOND COUNSEL	Fulbright & Jaworski L.L.P.
DISCLOSURE COUNSEL	McCall, Parkhurst & Horton L.L.P.
AUDITOR	KPMG LLP/Richard Mendoza, CPA
FINANCIAL ADVISOR	Public Financial Management
LEAD UNDERWRITER	Siebert Brandford Shank
UNDERWRITER'S COUNSEL	Bickerstaff, Heath, Smiley, Pollan, Kever & McDaniel, L.L.P.

Bond Market Update

MARKET POST: MUNIS FIRM; $290M NYS EDC BONDS REPRICED May 11 2005 2:30

By Anastasija Johnson and Bill Curran NEW YORK -- The municipal bonds market posted gains this afternoon but lagged behind a government market benefiting from a flight-to-quality bid, while in the primary the New York State Empire Development Corp. sold $290 million bonds. Bear, Stearns & Co. lowered yields on most maturities by two to five basis points when repricing the New York State Empire Development Corp. revenue refunding offering. Bonds were priced to yield from 2.80% in 2007 to 4% in 2019. FSA *insured most bonds maturing after 2011. The bonds are rated AA-minus by Standard & Poor's and A-plus by Fitch Ratings.*

In the competitive sector, Citigroup Global Markets bought $297 million of Florida Board of Education capital outlay deal and reoffered bonds from 2.95% in 2009 to 4.30% in 2025. Bonds are callable in 2015 at 101, declining to par in 2016. The credit is rated Aa1 by Moody's Investors Service, and AA-plus by Standard & Poor's and Fitch. Meanwhile, secondary traders said municipal bonds were higher in price and lower in yield by three to four basis points amid sporadic buying. "It definitely feels a little bit stronger with this flight to quality and credit spreads widening out a little bit," a trader in New York said. "I don't know who's really buying on the long end other than the dealer community and arbs. " Though still firmly in positive territory, Treasuries faded from their highs of the day even as buyers showed strong demand for a $15 billion auction of five-year U.S. government notes - the second leg of the Treasury's $51 billion quarterly refunding. The five-year notes pay coupon of 3 7/8% and were priced at 99.93 to yield 3.89%. The bid-to-cover ratio was 2.47, much higher than the 1.86 ratio at the previous five-year auction on April 13. Indirect bidders, including foreign central banks, also played a more significant role in this auction, buying 33% of bonds versus 28% at the last sale. The Treasury sold $22 billion of three-year notes yesterday and will wrap up its refunding with an auction of $14 billion of 10-year notes tomorrow. Treasuries extended yesterday's gains as rumors continued to circulate that the hedge fund industry might be suffering serious losses on various credit derivatives in the wake of a downgrade of General Motors and Ford debt to junk-bond status last week. Ralph Axel, a fixed income strategist at HSBC Securities, said the market is concerned that participants will start to unwind trades with credit derivatives, which went against them after the downgrade. "The rumors are not meaningful, but they are indicative of market's concerns and that's how you should read them," Axel said. "We are not blowing up, this is not like a ... crisis, but it's a developing story. It's a heightened sense of risk in all credit markets. It's not a particular liquidation or a particular blow-up somewhere, it's more of a spread-out, large-scale sense of riskiness that is going on that benefits Treasuries." These concerns as well as widening credit spreads led participants to seek the safety of government bonds and the market paid little attention to a smaller-than-expected foreign trade deficit reported this morning. The Commerce Department reported the nation's trade gap narrowed to $55 billion in March from a revised $60.6 billion deficit in February. IFR BondData Americas forecast a gap of $62 billion in March.

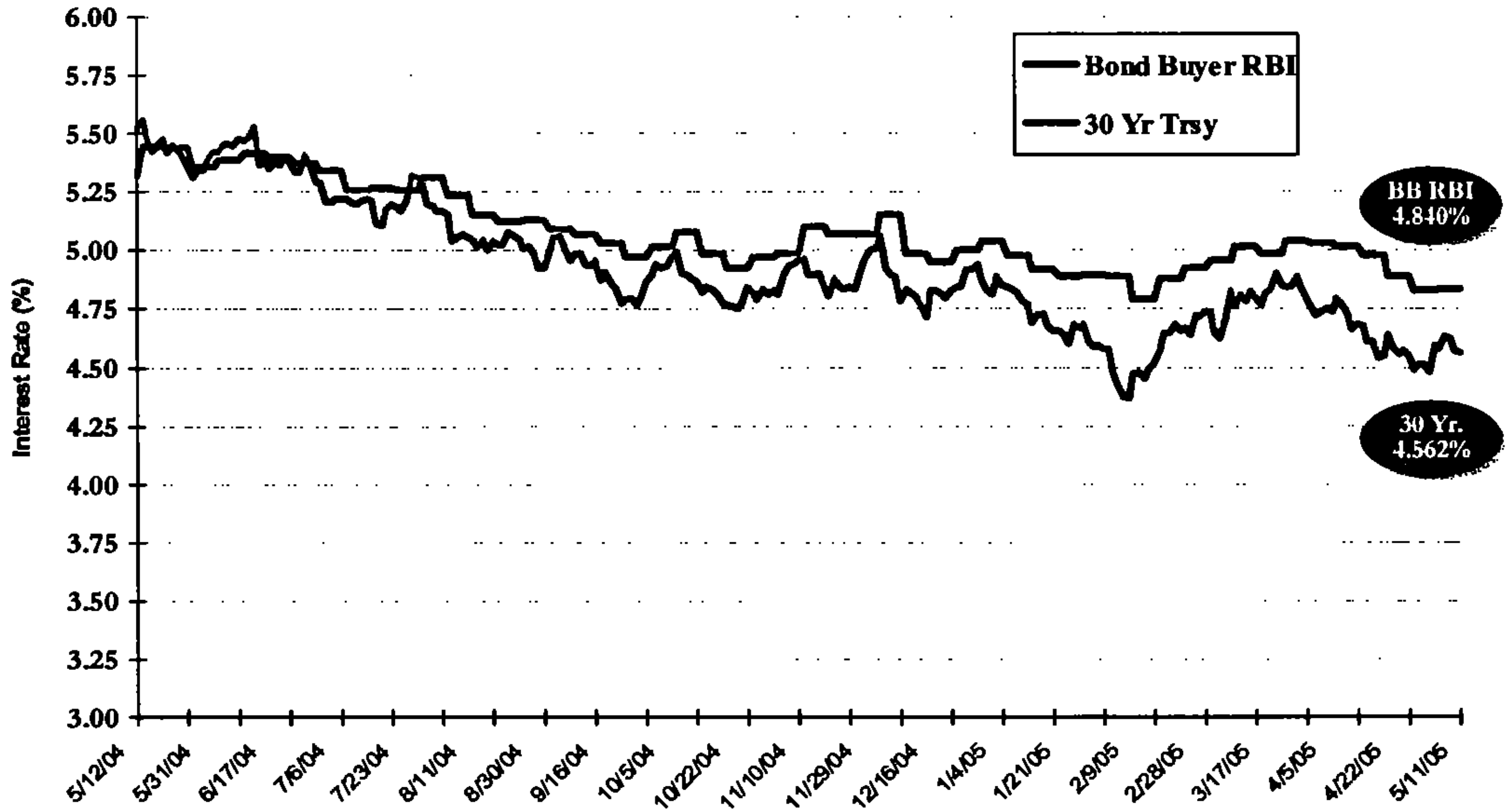
Bond Market Update , Continued

A narrower trade deficit suggests the economy was stronger in the first quarter than the advance figures showed, even though a decline in imports was larger than a rise in exports, according to John Lonski, chief economist at Moody's Investors Service. "If anything we had imports growing too rapidly to be sustained up until this latest report on trade," Lonski said. "The report suggests that quarter-to-quarter annualized increase by real GDP will be revised up from an initial estimate of 3.1% to perhaps 3.7%." Tax-exempt traders said Treasury gains caught market participants by surprise, since only last Friday it looked like yields were headed higher after a robust payrolls report. "Our market is better bid, but we will underperform Treasuries today," another trader in New York said. "We are back to almost 4.50% on the 30-year bond and back to under 4.20% on the 10-year notes. How did we get here? It wasn't long ago when people were scared to death. People are waiting to see where the Treasury market is at the end of the day." Relative value participants become better buyers during a rally in Treasuries, because municipals cheapen on a relative basis, while investors looking for higher absolute yields are once again disappointed. "It's yields again - absolute levels aren't great," a trader in Boston said. "All of a sudden the long end is near 4.30% and people don't care. There's not enough supply and there's tons of money on the sidelines, so all these spreads are compressed again. There's not much value out there." He said retail participation remains limited although some retail-friendly discount bonds have been trading in the last couple days. "The 4 1/4s and 4 1/2s are starting to trade a little more if you can find them at the right dollar price," he said.

Visible Supply The Bond Buyer's 30-day visible supply decreased $571 million to $7.97 billion today. The calendar is comprised of $2.60 billion of competitive transactions and $5.37 billion of negotiated deals.

Disclosure The Municipal Securities Rulemaking Board reported 30,951 trades Tuesday of 13,943 separate issues. Of all bonds traded, 1,757 changed hands at least four times. Most active was Idaho Water Resource Board 4.55s of 2035, which traded 192 times at par.

Bond Buyer Revenue Bond Index vs. 30 Year Treasury
May 2004 through May 2005



Municipal Markets Calendar

Negotiated

Week of May 9, 2005	Amount		Issuer	State	Issue	Manager
	$	**36,720,000**	**City of Austin**	**TX**	**REV**	**Siebert Brandford**
	$	226,842,000	Houston ISD	TX	GO	RBC Dain Rauscher
	$	129,930,000	San Antonio Convention Ctr.	TX	REV AMT	Citigroup
	$	9,928,000	Hillsboro ISD	TX	GO	RBC Dain Rauscher
	$	14,580,000	Parker County	TX	GO	Southwest Securities
	$	30,860,000	Greensboro	NC	REV	Banc of America
	$	19,890,000	Kansas Dev Fin Auth	KS	REV	Oppenheimer
	$	12,000,000	Salt Lake City	UT	REV	George K. Baum
	$	328,000,000	NYS Urban Dev Corp	NY	REV	Bear Stearns

Competitive

Week of May 9, 2005	Amount		Issuer	State	Issue	Manager
	$	9,525,000	Trinity River Auth	TX	REV	N/A
	$	10,690,000	Clear Brook City MUD	TX	REV	N/A
	$	9,600,000	Clear Lake Wtr Auth	TX	REV	N/A
	$	35,000,000	Essex County	NY	GO	N/A
	$	42,815,000	Suffolk County	NY	GO	N/A
	$	50,000,000	Tulsa	OK	GO	N/A
	$	27,775,000	Des Moines	IA	GO	N/A

Maturity Schedules

Maturity 15-Nov	Amount	Interest Rate	Price or Yield	Maturity 15-Nov	Amount	Interest Rate	Price or Yield
2011	$ 580,000	3.300%	3.400%	2019	$ 1,805,000	5.000%	4.130%
2012	1,315,000	3.500%	3.540%	2020	1,890,000	5.000%	4.180%
2013	1,370,000	4.000%	3.660%	2021	1,990,000	5.000%	4.230%
2014	1,435,000	5.000%	3.780%	2022	2,085,000	5.000%	4.270%
2015	1,510,000	5.000%	3.880%	2023	2,190,000	5.000%	4.310%
2016	1,590,000	5.000%	3.940%	2024	2,300,000	5.000%	4.350%
2017	1,660,000	4.000%	4.125%	2025	2,410,000	5.000%	4.380%
2018	1,725,000	4.000%	4.180%				

$10,865,000 5.00% Term Bonds Due November 15, 2029: 4.47%

Ratings

	Underlying	Insured
Standard and Poor's	A-	AAA
Moody's	NR	Aaa

TIC: 4.575514%