

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF CITY OF AUSTIN, TEXAS, RENTAL CAR SPECIAL FACILITY REVENUE BONDS, TAXABLE SERIES 2013; APPROVING THE FORM AND SUBSTANCE OF RELATED DOCUMENTS; AUTHORIZING AND RATIFYING OTHER ACTIONS; AND ENACTING OTHER RELATED PROVISIONS.

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

PART 1. FINDINGS.

(A) The City of Austin, Texas (City), owns and operates an air carrier airport known as Austin-Bergstrom International Airport (Airport) as part of the City's airport system.

(B) Pursuant to the City's bond ordinances authorizing the issuance of the City's outstanding airport system revenue bonds (Airport Bond Ordinances), the City has the right to issue airport system special facilities revenue bonds payable solely from certain payments received from lessees under leases with the City or other security relating to special facilities. The term "special facilities" when used in this ordinance has the same meaning as in the Airport Bond Ordinances.

(C) The City desires to develop certain new rental car and other facilities at the Airport (collectively, Project), all as more particularly described in the Master Lease (defined below).

(D) On May 24, 2012, council authorized the City to negotiate and execute:

(i) a Consolidated Rental Car Facility Master Lease Agreement (Master Lease) with Austin CONRAC, LLC, a Texas limited liability company (Austin CONRAC), to provide for:

(a) the lease of the Project to Austin CONRAC,

(b) the design, construction, financing, occupancy, operation, maintenance, and management of the Project pursuant to the terms of the Master Lease, and

(c) the subleasing of all or a portion of the Project to certain rental car companies pursuant to the sublease agreements, the form of which is attached to the Master Lease; and

(ii) Rental Car Concession Agreements (individually, Concession Agreement, and collectively, Concession Agreements) with certain rental car companies, to allow such companies to conduct rental car concessions at the Project.

(E) The Project constitutes special facilities within the meaning of the Airport Bond Ordinances.

(F) The City desires to authorize the issuance, sale, and delivery of its City of Austin, Texas, Rental Car Special Facility Revenue Bonds, Taxable Series 2013 (Bonds), to provide the funds necessary to develop the Project in accordance with the terms of the Master Lease.

(G) Council desires to authorize the execution and delivery of the Trust Indenture (Indenture) between the City and Deutsche Bank National Trust Company, as trustee (Trustee), in substantially the form attached as Exhibit A.

(H) Council desires to authorize the City to enter into the Bond Purchase Agreement relating to the sale of the Bonds (Bond Purchase Agreement) with Wells Fargo Bank, National Association, as representative of the group of underwriters named in the Bond Purchase Agreement (collectively, Underwriters), in substantially the form attached as Exhibit B setting forth certain terms and conditions upon which the Underwriters will purchase the Bonds from the City.

(I) Council has been presented with a draft of a preliminary official statement to be used in the public offering of the Bonds (Official Statement) and council desires to approve the Official Statement in substantially the form attached as Exhibit C.

(J) The development and construction of the Project are necessary and desirable to serve the transportation needs of the general public and in furtherance of the City's establishing, improving, enlarging, extending and repairing the Airport and constitutes a public purpose.

(K) Council desires to authorize the City to enter into the Master Lease with Austin CONRAC, in substantially the form attached as Exhibit D and a Concession Agreement with each rental car company desiring to conduct rental car concessions at the Project, in substantially the form attached as Exhibit E.

(L) The actions, documents, instruments, and other matters in this ordinance authorized and approved by council are carried out pursuant to the Constitution and laws of the State of Texas, including, without limitation, Chapter 1371, Texas Government Code (Chapter 1371), and Chapter 22, Texas Transportation Code.

PART 2. AUTHORIZATION.

(A) Issuance, Execution, and Delivery of Bonds. The issuance of the Bonds is authorized, all under and in accordance with this ordinance and the Indenture, and, upon execution and delivery of the Indenture, the mayor and the city clerk are authorized to execute, attest and affix the City's seal to the Bonds and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Trustee for authentication, and thereafter to deliver the Bonds to or upon the order of the Underwriters pursuant to the Bond Purchase Agreement.

(B) Authority to Determine Terms of Bonds. Each of the mayor, any designee of the mayor, the city manager, any designee of the city manager, the chief financial officer of the City, the Aviation Director, and the city treasurer (each, an Authorized Officer) are severally authorized and empowered, in accordance with Chapter 1371, to act on behalf of the City in selling and delivering the Bonds and carrying out the other acts and procedures specified in this ordinance, the Indenture, the Bond Purchase Agreement, and the Official Statement, including determining the price at which each maturity of the Bonds will be sold to the Underwriters, the form in which the Bonds will be issued, the years in which the Bonds will mature, the principal amount to mature in each of such years, the maturities or portions thereof and the aggregate principal amount of the Bonds, the designation of the Bonds, the dates, prices and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City and shall be subject to mandatory sinking fund redemption (if any), the series and subseries (if any) designation for the Bonds, whether to obtain a bond insurance policy as credit enhancement for all or a portion of the Bonds and all matters relating thereto, whether to obtain a debt service reserve insurance policy for the Bonds and all matters relating thereto, and all other matters relating to the issuance, sale, and delivery of the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by an Authorized Officer of the Indenture and the Bond Purchase Agreement; provided, however, (i) the true interest cost of the Bonds shall not exceed 9.00% per annum, (ii) the aggregate principal amount of the Bonds shall not exceed \$150,000,000, (iii) the final maturity of the Bonds shall occur no later than November 15, 2043, and (iv) the Bonds to be issued, prior to delivery, must have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations or one of the three highest rating categories for short term obligations. In no event shall the interest rate on the Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law. Any finding or determination made by an Authorized Officer relating to the issuance and sale of the Bonds and the execution of the Indenture, the Bond Purchase Agreement, and the Official Statement in connection therewith shall have the same force and effect as a finding or determination made by

council. The authority granted to the Authorized Officers under this paragraph shall expire on June 30, 2013, unless otherwise extended by council by separate action.

(C) Approval, Execution and Delivery of Indenture. The appointment of Deutsche Bank National Trust Company as trustee for the Bonds is approved. The Indenture is authorized and approved in substantially the form attached as Exhibit A and each Authorized Officer is severally authorized and directed to execute, and the city clerk is authorized and directed to attest and affix the City's seal to, the Indenture, and to deliver the Indenture to the Trustee.

(D) Approval, Execution, and Delivery of Bond Purchase Agreement. The sale of the Bonds to the Underwriters pursuant to the Bond Purchase Agreement is approved. The Bond Purchase Agreement is authorized and approved in substantially the form attached as Exhibit B and each Authorized Officer is severally authorized and directed to execute, and the city clerk is authorized and directed to attest and affix the City's seal to, the Bond Purchase Agreement, and to deliver the Bond Purchase Agreement to the Underwriters.

(E) Use and Distribution of the Official Statement. Council ratifies, approves and deems final the Official Statement in substantially the form attached as Exhibit C as of its date (except for the omission of pricing and related information) within the meaning and for the purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The mayor and city clerk are authorized and directed to execute the same and deliver appropriate numbers of copies to the Underwriters. The Official Statement as approved, executed, and delivered, with such appropriate variations as shall be approved by an Authorized Officer and the Underwriters, may be used by the Underwriters in the public offering and sale of the Bonds. The use and distribution of the Official Statement in the public offering of the Bonds by the Underwriters is ratified, approved, and confirmed.

(F) Approval, Execution and Delivery of Master Lease and Concession Agreements. The Master Lease is authorized and approved in substantially the form attached as Exhibit D and each Authorized Officer is severally authorized and directed to execute, and the city clerk is authorized and directed to attest and affix the City's seal to, the Master Lease, and to deliver the Master Lease to Austin CONRAC. The Concession Agreement is authorized and approved in substantially the form attached as Exhibit E and each Authorized Officer is severally authorized and directed to execute, and the city clerk is authorized and directed to attest and affix the City's seal to, each Concession Agreement, and to deliver each Concession Agreement to the respective rental car company desiring to conduct rental car concessions at the Project.

PART 3. RATIFYING PRIOR ACTIONS. All prior actions taken by council, the Authorized Officers, the city clerk, and other City officials and staff in connection with the issuance of the Bonds, the Master Lease, the Concession Agreements and the Project are ratified and approved.

PART 4. AUTHORITY TO INVEST PROCEEDS. All appropriate City officials are authorized to invest and reinvest or direct the Trustee to invest and reinvest the proceeds of the Bonds and the other funds and accounts established under the Indenture in any manner required by or consistent with the Indenture and Texas law.

PART 5. POWER TO REVISE FORM DOCUMENTS. Notwithstanding any other provision of this ordinance to the contrary, each Authorized Officer, the city clerk, and all other appropriate officers and staff of the City are severally authorized to make or approve such revisions, additions, deletions, and variations in the form of the documents attached to this ordinance as exhibits as may be necessary or convenient to carry out or assist in carrying out the purposes of this ordinance, the Bonds, the Indenture, the Bond Purchase Agreement, the Official Statement, the Master Lease and the Concession Agreements, including without limitation to conform to the requirements of the Attorney General, to conform to the requirements of bond rating agencies, to conform to the requirements of any commitment to provide a bond insurance policy or a debt service reserve insurance policy, if any, to conform the provisions of the Indenture, the Master Lease and each Concession Agreement among all of these documents, and to conform all of these documents to the terms of sale of the Bonds in the Official Statement. The execution and delivery of any such documents by the City shall conclusively establish that any revisions, additions, deletions, and variations in the form of such executed documents have been accomplished in full compliance with the authorization contained in this paragraph.

PART 6. FURTHER PROCEDURES. Each Authorized Officer, the city clerk, and all other appropriate officers and staff of the City are severally authorized to execute, attest, and affix the City's seal to such other agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other documents, and to take all actions and to do all things as may be necessary or convenient to carry out or assist in carrying out the purposes of this ordinance, the Bonds, the Indenture, the Bond Purchase Agreement, the Official Statement, the Master Lease and the Concession Agreements.

PART 7. SEVERABILITY. The provisions of this ordinance are severable. If any provision of this ordinance or its applications to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this ordinance.

PART 8. OPEN MEETING. The City posted sufficient written notice of the date, hour, place, and subject of the meeting of the city council at which this ordinance was adopted at a place convenient and readily accessible at all times to the general public at the Austin City Hall for the time required by the Open Meetings Law, Chapter 551, Texas Government Code. This meeting has been open to the public as required by law at all times during which this ordinance and its subject matter were discussed, considered, and formally acted upon. Council ratifies, approves, and confirms such written notice, its contents, and its posting.

PART 9. REPEALER. All orders, resolutions, and ordinances, or their parts that are inconsistent with this ordinance are repealed only to the extent needed to eliminate the inconsistency.

PART 10. EFFECTIVE IMMEDIATELY. This ordinance takes effect immediately on its passage pursuant to Section 1201.028, Texas Government Code.

PASSED AND APPROVED

_____, 2013 §
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Lee Leffingwell
Mayor

APPROVED: _____ **ATTEST:** _____
Karen M. Kennard Shirley A. Gentry
City Attorney City Clerk