

## A G E N D A



## Recommendation for Council Action

Austin City Council - Commissioners Court Meeting	Item ID	34886	Agenda Number	111.
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Meeting Date:	8/28/2014	Department:	Treasury
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## Subject

Approve a resolution authorizing the issuance of Mueller Local Government Corporation Contract Revenue Bonds, Series 2014 in a par amount not to exceed \$18,265,000, by the Mueller Local Government Corporation (Corporation), by February 28, 2015, in accordance with the parameters set out in the resolution, authorizing all related documents between the City and the Corporation, and approving related fees.

## Amount and Source of Funding

\$794,774 in the estimated first year debt service requirement and \$1,000 annual administration fee for the trustee/paying agent for the proposed bond sale will be funded from property taxes generated in the Tax Increment Reinvestment Zone Number 16 (TIRZ # 16), which is the Mueller property.

## Fiscal Note

No fiscal note is required.

Purchasing Language:	
Prior Council Action:	On August 16, 2009 Council approved an interlocal agreement by and between the City, TIRZ # 16 and the Corporation.
For More Information:	Greg Canally, Deputy Chief Financial Officer 974-2609
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

## Additional Backup Information

It is recommended that the City Council approve a resolution authorizing the issuance of the Bonds in an amount not to exceed \$18,265,000 by the Mueller Local Development Corporation (Corporation). The City has previously determined that it would be in the best interest of the general public to redevelop property within the City formerly known as Robert Mueller Municipal Airport (Mueller). To facilitate the redevelopment of Mueller, the City entered into a Master Development Agreement (MDA) with Catellus Austin, LLC. Under the MDA the City agreed to issue debt to finance certain "Public Finance Reimbursement Project Costs," either directly or through the Corporation.

In August 2009, the Corporation successfully issued \$15,000,000 in contract revenues bonds. In August 2012, the Corporation issued another \$16,735,000 in contract revenue bonds. This will be the

third bond issuance to meet the obligations set out in the approved MDA. Debt service on the bonds is funded by the property taxes generated in the Tax Improvement Reinvestment Zone (TIRZ) #16.

The Debt Service cost for the \$18,265,000 Series 2014 issuance is estimated as follows:

	2014-15:	Total Over 15 Years:	Average Per Year
Principal	\$325,000	\$18,265,000	\$1,217,667
Interest	<u>469,774</u>	<u>5,325,372</u>	<u>355,025</u>
Total Debt Service	\$794,774	\$23,590,372	\$1,572,692

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 (Pricing Officer) to complete the sale of the bond transaction in accordance with the parameters in the resolution. In addition, the authority of the Pricing Officer to exercise the authority delegated by Council under this resolution expires on February 28, 2015.

Senior Manager:  
RBC Capital Markets

Co-Managers:  
Ramirez & Company  
SAMCO Capital Markets  
Coastal Securities, Inc  
Siebert, Bradford, Shank & Co.

For this transaction, McCall, Parkhurst & Horton, L.L.P. will serve as bond counsel, Fulbright & Jaworski L.L.P. will serve as disclosure counsel, and serving as underwriter's counsel will be Haynes & Boone L.L.P. Public Financial Management is the City's financial advisor.