

A G E N D A



Recommendation for Council Action

| | | | | |
|--|-------------------------------------|-------------|---------------|-----|
| Austin City Council | Item ID | 60721 | Agenda Number | 36. |
| Meeting Date: | 8/18/2016 | Department: | Treasury | |
| Subject | | | | |
| <p>Approve an ordinance authorizing the issuance and sale by February 18, 2017, of City of Austin Town Lake Park Community Events Center Venue Project Refunding Bonds Series 2016, in an amount not to exceed \$31,000,000 in accordance with the parameters set out in the ordinance, providing for the award of the sale of the bonds, authorizing related documents, and approving related fees.</p> | | | | |
| Amount and Source of Funding | | | | |
| <p>\$3,041,900 for principal and interest requirements and \$750 for the paying agent/registrar was included in the 2016-17 Proposed Operating Budget of the Convention Center Town Lake Park Venue Project Bond Redemption Fund.</p> | | | | |
| Fiscal Note | | | | |
| <p>Information pertaining to the fiscal impact of this item is found under the "Amount and Source of Funding" and "Additional Backup Information" sections.</p> | | | | |
| Purchasing Language: | | | | |
| Prior Council Action: | | | | |
| For More Information: | Art Alfaro, Treasurer, 512-974-7882 | | | |
| Council Committee, Boards and Commission Action: | | | | |
| MBE / WBE: | | | | |
| Related Items: | | | | |
| Additional Backup Information | | | | |

In November 1998, Austin voters approved Proposition No. 11, authorizing the financing, development and construction of the Town Lake Park Community Events Center (Palmer Events Center), parking facilities, and an urban cultural park in the area with a 5% short-term motor vehicle tax rental tax. In 1999, the City issued \$40,000,000 in bonds for this project. The 131,000 square foot multi-purpose events center operated by the Convention Center opened in June 2002.

Approval of this ordinance will authorize the issuance of up to \$31,000,000 in refunding bonds. Due to current favorable conditions in the municipal bond market, the City's financial advisor, Public Financial Management, has advised that refinancing, or "refunding" maturities from the City's existing Town Lake Park Community Events Center Venue Project Refunding Bonds, Series 2005, may result in present value savings (lower debt service costs) that exceed the City's target guideline of 4.25% of the refunded bonds. Using interest rates as of July 20, 2016, the transaction produced \$3,700,000 in present value savings or 12.3%.

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.

These bonds will be placed directly; an underwriter is not required on the issue. Norton Rose will serve as bond counsel and Public Financial Management is the City's Financial Advisor.