



Recommendation for Action

File #: 19-2726, **Agenda Item #:** 63.

8/22/2019

Posting Language

Approve an ordinance authorizing the issuance and sale of City of Austin Certificates of Obligation, Taxable Series 2019, in a par amount not to exceed \$15,000,000, in accordance with the parameters set out in the ordinance, authorizing related documents, and approving the payment of the costs of issuance, and all related fees, and providing that the issuance and sale be accomplished not later than February 22, 2020.

Lead Department

Treasury

Fiscal Note

The Fiscal Year 2020 debt service requirements and estimated annual administration fees for the paying agent/registrar for the proposed bond sale are included in the 2019-20 Proposed Operating Budget of the General Obligation Debt Service Fund.

Prior Council Action:

Reimbursement Resolutions approved by City Council on 5/24/2018. Notice of Intention to issue certificates approved 06/20/2019.

For More Information:

Belinda Weaver, Interim Treasurer, 512-974-7885

Additional Backup Information:

These Certificates of Obligation are being issued to provide funding related to reimbursement resolutions previously approved by Council for Waller Creek District improvements.

On June 20, 2019, City Council authorized publication of an Official Notice of Intention to Issue Certificates of Obligation. Current state law requires that the City publish an Official Notice of Intention to Issue Certificates of Obligation once a week for two consecutive weeks with the date of the first publication occurring at least 31 days prior to the sale of the Certificates of Obligation by the City. These notices were published July 1, 2019 and July 8, 2019 and included descriptions of the projects.

Waller Creek District Improvements - \$15,000,000

This is part of the overall plan for projects in the Tax Increment Financing Reinvestment Zone (TIRZ) No. 17. This supports the Waterloo Park Link. It is the largest of the Chain of Parks that will be a gathering space for the City of Austin including: a civic lawn, a performing arts venue, food service in the park, unique hill country gardens, wetlands, and extensive nature-based play areas. Within this link, a connection to Symphony Square and restoration of the creek and adjacent open space will be completed. This funds design and construction of the Waterloo Park. This funding source was approved as part of the Fiscal Year 2017-2018 Capital Budget.

The total debt service costs for the currently-proposed \$15,000,000 Certificates of Obligation, Taxable Series 2019 issuance are estimated as follows:

	Total Over 20 Years:	Ave rag e Per Yea r
Principal	\$15,000,000	\$750,000
Interest	<u>9,072,750</u>	<u>453,638</u>
Total Debt Service	\$24,072,750	\$1,203,638

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 22, 2020.

This transaction will be sold through the following underwriting team:

Senior Manager:
Ramirez & Co., Inc.

Co-Managers:
RBC Capital Markets, LLC
Loop Capital
Piper Jaffray & Co

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