



Recommendation for Action

File #: 22-2703, Agenda Item #: 15.

9/1/2022

Posting Language

Approve an ordinance authorizing the issuance and sale of taxable City of Austin Certificates of Obligation, Taxable Series 2022, in an amount not to exceed \$16,500,000, in accordance with the parameters set out in the ordinance, authorizing related documents, approving the payment of the costs of issuance and all related fees, and providing that the issuance and sale be accomplished not later than March 1, 2023.

Lead Department

Financial Services Department.

Fiscal Note

The Fiscal Year 2022- 2023 debt service requirements and estimated annual administration fees for the paying agent/registrar for the proposed bond sale are included in the Fiscal Year 2022-2023 Proposed Operating Budget of the General Obligation Debt Service Fund.

Prior Council Action:

June 16, 2022 - Council approved a Notice of Intention to issue certificates.

August 27, 2020 - Council approved a Reimbursement Resolution.

September 11, 2018 - Council approved a Reimbursement Resolution.

September 9, 2013 - Council approved a Reimbursement Resolution.

For More Information:

Belinda Weaver, Treasurer, 512-974-7885.

Additional Backup Information:

On June 16, 2022, City Council authorized publication of an Official Notice of Intention to Issue Certificates of Obligation. State law requires that an Official Notice of Intention to Issue Certificates of Obligation be published once a week for two consecutive weeks with the date of the first publication occurring at least 45 days prior to the adoption of the ordinance authorizing the issuance of the Certificates of Obligation by the City. These notices were published June 24, 2022, and July 1, 2022, and included descriptions of the projects to be financed.

Waller Creek District Park Improvements - \$9,600,000

This is for part of the overall plan for projects in the Tax Increment Financing Reinvestment Zone (TIRZ) No. 17. This supports the Waterloo Greenway, formerly known as Waller Creek District Chain of Parks for the design and construction of Waterloo Park, the largest park within the Waterloo Greenway. Waterloo Park is a gathering space for City residents including: a civic lawn, a performing arts venue, food service in the park, unique hill country gardens, wetlands, and extensive nature-based play areas. This also funds the design and construction of stream restoration/stabilization, trails, bridges, water quality, and utility improvements along Waller Creek from Lady Bird Lake to 4th Street. The funding source was approved as part of the Fiscal Year

2013-2014 and Fiscal Year 2018-2019 Capital Budgets.

Family Violence Shelter - \$6,900,000

This funding supports all necessary actions, including engineering services, for the acquisition of a hotel property to serve as a protective shelter from family violence. The property is to be used only for shelter or related services. The funding source was approved as part of the Fiscal Year 2020-2021 Capital Budget.

The debt service costs for the currently proposed \$16,500,000 Certificates of Obligation, Taxable Series 2022, issuance are estimated as follows:

	Total Over 20 Years:	Average Per Year:
Principal	\$16,500,000	\$825,000
Interest	\$9,979,000	\$498,950
Total Debt Service :	\$26,479,000	\$1,323,950

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 (known as 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 March 1, 2023.

This transaction will be sold through the following underwriting team:

Senior Manager:
Raymond James & Assoc.

Co-Senior Manager:
Piper Sandler & Co.

Co-Managers:
Mesirow
Hilltop Securities

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

Strategic Outcome(s):

Government that Works for All.