



City of Austin

Recommendation for Action

File #: 26-1854, **Agenda Item #:** 2.

5/28/2026

Posting Language

Approve a resolution authorizing the defeasance of certain outstanding 2025 General Obligation Public Improvement and Refunding Bonds in an amount not to exceed \$5,000,000, including authorizing the negotiation and execution of an escrow agreement with U.S. Bank Trust Company, National Association, and related documents, in accordance with the Master Development Agreement with Greystar Development Central, LLC or its affiliates and the Housing Authority of the City of Austin or its affiliates, governing the sales, development, construction, ground lease, and lease of a mixed-use development on City-owned parcels located at 800 E. St. Johns Avenue, Austin, Texas 78752, (formerly 7309 and 7211 North IH-35), known as the St. John Properties. Funding: This item has no fiscal impact. Funding for the defeasance will be an upfront payment from a private developer partner, Greystar Development Central, LLC or its affiliates, as part of public-private partnership redevelopment of the St. John Properties. Related to Items #3 and #4.

Lead Department

Austin Financial Services

Fiscal Note

This item has no fiscal impact. Funding for the defeasance will be an upfront payment from a private developer partner as part of public-private partnership redevelopment of approximately 19 acres of City-owned land located at 800 E. St. Johns Avenue, Austin, Texas 78752 (formerly 7309 and 7211 North IH-35).

For More Information:

Belinda Weaver, Treasurer, 512-974-7885.

Council Committee, Boards and Commission Action:

June 16, 2022 - Council approved Resolution No. 20220616-088 related to the community vision for St. John Property and the sale of the St. John Property to a public facility corporation controlled by the Housing Authority of the City of Austin, with the City reserving the right to repurchase the property.

October 5, 2023 - Council approved the multifamily and commercial development at the St. John Site.

March 12, 2026 - Council approved an amendment to the Master Development Agreement and related agreements with Greystar Development Central, LLC and the Housing Authority of the City of Austin for the St. John's Site.

Additional Backup Information:

A defeasance is a method of using available cash to pay off outstanding debt. The cash is placed in an escrow account with an escrow agent to make principal and interest payments on the required payment date for the bonds being defeased to maturity or a redemption date prior to maturity. Once the escrow is funded, the debt obligations payable from the escrow are no longer secured by or payable from the taxes or revenues initially pledged to their payment and the debt is considered to be legally retired.

The proposed action seeks authorization to defease and retire up to \$5,000,000 in principal (along with associated interest) for the City's outstanding 2025 General Obligation Public Improvement and Refunding

Bonds. The defeasance will allow the City to remove the debt from its books and is necessary to convey a property for a use not originally outlined in a purchase with General Obligation bonds. The property conveyance will be to support income-restricted affordable housing, 15,000 square feet of community serving retail, and expansion of dedicated parkland.

The source of funds for the defeasance is an upfront payment to the City from a private development partner, Greystar Development Central, LLC or its affiliates, provided at conveyance as part of a public-private partnership to redevelop the 19 acres of City-owned land located at 800 E. St. Johns Avenue, Austin, Texas 78752 (formerly 7309 and 7211 North IH-35).

For this defeasance transaction, PFM Financial Advisors LLC will serve as Municipal Advisor, McCall, Parkhurst & Horton LLP will serve as bond counsel, and Robert Thomas CPA will serve as Verification Agent.