City of Austin

Recommendation for Action

File #: 26-2281, **Agenda Item #:** 18. 8/27/2026

Posting Language
Approve an ordinance authorizing the issuance and sale of taxable City of Austin, Texas Certificates of Obligation, Taxable Series 2026, in a par amount not to exceed $13,600,000, 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. Funding: The Fiscal Year 2026-2027 debt service requirements and estimated annual administration fees for the paying agent/registrar for the proposed bond sale are included in the Fiscal Year 2026-2027 Operating Budget of the General Obligation Debt Service Fund.

Lead Department
Austin Financial Services.

Fiscal Note
The Fiscal Year 2026-2027 debt service requirements and estimated annual administration fees for the paying agent/registrar for the proposed bond sale are included in the Fiscal Year 2026-2027 Operating Budget of the General Obligation Debt Service Fund.

Prior Council Action:
Reimbursement Resolutions approved by Council:
Resolution 20130909-009
Resolution 20180911-007
Resolution 20190910-006
Resolution 20230914-017
Notice of Intention to issue certificates was approved May 28, 2026.

For More Information:
Belinda Weaver, Treasurer, Austin Financial Services, 512-974-7885.

Additional Backup Information:
On May 28, 2026, Council authorized publication of an Official Notice of Intention to Issue Certificates of Obligation (“Notice of Intention”). State law requires that a Notice of Intention 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. State law also requires that the Notice of Intention be continuously posted on the City’s internet website. These notices were published June 7, 2026, and June 14, 2026, and were posted on the City’s internet website on June 5, 2026, and included descriptions of the projects to be financed.

Approval of this ordinance will authorize the issuance of up to $13,600,000 in City of Austin, Texas Certificates of Obligation, Taxable Series 2026, to be issued to provide funding pursuant to reimbursement resolutions that were previously approved by Council for the projects described below. Reimbursement resolutions declare an issuer’s official intent to reimburse a project’s expenditure with the proceeds of obligations to be issued after the expenditure may have occurred. The action is required by IRS and U.S. Treasury rules and state law. The City generally submits reimbursement

Resolutions for Council consideration as a part of the annual budget adoption in August/September, the same time as the new capital appropriations are adopted, or at the time of a capital budget amendment for a particular project.

Waller Creek District Park Improvements - $7,500,000
This is part of the overall plan for projects in the Tax Increment Financing Reinvestment Zone (TIRZ) No. 17. Waller Creek District Chain of Parks. This funding supports design and construction for stream restoration/stabilization, trails, bridges, water quality, and utility improvements along Waller Creek.

Waller Creek District Surface Improvements - $5,000,000
This funding supports various watershed protection related projects within the Waller Creek District.

Family Violence Shelter - $1,100,000
This funding supports the renovation, remodel and conversion of an existing City owned facility, to function as a protective shelter for victims of domestic violence. The project includes the addition of a commercial kitchen with individual cooking stations, addition of laundry facilities, playrooms, computer room, and upgrades to the existing systems, including HVAC systems, electrical, plumbing and fire systems.

The debt service costs for the currently-proposed $13,600,000 Certificates of Obligation, Taxable Series 2026 issuance are estimated as follows:
Total Over 20 Years:
Principal $13,600,000
Interest $8,227,750
Total Debt Service $21,827,750

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, Chief Financial Officer, or Director of Austin Financial Services (each, a "Pricing Officer") to complete the sale of the bond transaction in accordance with the parameters in the ordinance. The authority of the Pricing Officer to exercise the authority delegated by Council under this ordinance expires on February 27, 2027.

The Certificates of Obligation will be sold via competitive sale. Electronic Bids are expected to be accepted on or about September 22, 2026. Bids will be verified by the City's municipal advisor, PFM Financial Advisors LLC, and the Certificates of Obligation will be awarded to the bidder providing the City with the lowest true interest cost.

For this transaction, McCall, Parkhurst & Horton L.L.P. will serve as bond counsel, and Orrick, Herrington & Sutcliffe LLP will serve as disclosure counsel.