



City of Austin

Recommendation for Action

File #: 25-1341, **Agenda Item #:** 30.

7/24/2025

Posting Language

Approve an ordinance authorizing the issuance and sale of taxable City of Austin, Texas Certificates of Obligation, Taxable Series 2025, in an amount not to exceed \$30,025,000, 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.

Lead Department

Financial Services Department

Fiscal Note

The Fiscal Year 2026 debt service requirements and estimated annual administration fees for the paying agent/registrar for the proposed bond sale are included in the 2025-26 Proposed Operating Budget of the General Obligation Debt Service Fund.

Prior Council Action:

Reimbursement Resolutions approved by City Council:

Resolution 20130909-009

Resolution 20180911-007

Resolution 20200827-005

Resolution 20210902-067

Resolution 20210902-068

Resolution 20220915-002

Resolution 20230914-017

Notice of Intention to issue certificates approved May 22, 2025.

For More Information:

Belinda Weaver, Treasurer, 512-974-7885.

Additional Backup Information:

On May 22, 2025, City Council authorized publication of an Official Notice of Intention to Issue Certificates of Obligation. State law requires that an 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 May 27, 2025 and June 3, 2025 and were posted on the City's internet website on May 23, 2025, and included descriptions of the projects to be financed.

Approval of this ordinance will authorize the issuance of up to \$30,025,000 in City of Austin Certificates of Obligation, Taxable Series 2025, to be issued to provide funding for 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 - \$8,275,000

This is part of the overall plan for projects in the Tax Increment Financing Reinvestment Zone No. 17. Waller Creek District Chain of Parks. This funding supports design and construction of the confluence from Lady Bird Lake to 4th Street, including stream restoration/stabilization, trails, bridges, water quality, and utility improvements along Waller Creek. This funding source was approved as part of the Fiscal Year 2014 and Fiscal Year 2019 Capital Budgets. Future issuances are anticipated.

Waller Creek District Surface Improvements - \$6,000,000

This funding supports various watershed protection related projects within the Waller Creek District Chain of Parks. This is the third sale related to this plan. The funding source was approved as part of the Fiscal Year 2014 Capital Budget.

Family Violence Shelter - \$8,000,000

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, upgrades to the existing systems Heating, Ventilation, and Airconditioning systems, electrical, plumbing and fire systems. The funding source appropriated in the Fiscal Year 2021 Capital Budget. Future issuances are anticipated.

Waterloo Confluence - \$7,750,000

This funding supports design and construction of the confluence from Lady Bird Lake to 4th Street, including stream restoration/stabilization, trails, bridges, water quality, and utility improvements along Waller Creek. This funding source was approved as part of the Fiscal Year 2023 Capital Budget.

The debt service costs for the currently-proposed \$30,025,000 Certificates of Obligation, Taxable Series 2025 issuance are estimated as follows:

	Total Over 20 Year s:	Average Per Year:
Principal	\$30,025,000	\$1,501,250
Interest	<u>18,159,750</u>	<u>907,988</u>
Total Debt Service	\$48,184,750	\$2,409,238

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 Financial Services (each a 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 January 24, 2026.

This transaction will be sold through the following underwriting team:
Senior Manager: Wells Fargo

Co-Senior Manager: Raymond James & Assoc.

Co-Managers: Robert W. Baird & Co, Ramirez & Co, and Stifel Nicolaus & Co.

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