City of Austin

Recommendation for Action

File #: 26-2280, **Agenda Item #:** 17. 8/27/2026

Posting Language

Approve an ordinance authorizing the issuance and sale of tax-exempt City of Austin, Texas, Certificates of Obligation, Series 2026, in a par amount not to exceed $142,665,000, 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:

Previous Reimbursement Resolutions approved by City Council:
Resolution 20150908-007
Resolution 20170913-006
Resolution 20180809-025
Resolution 20180911-007
Resolution 20210902-067
Resolution 20230223-007
Resolution 20230504-003
Resolution 20230914-017
Resolution 20231109-005
Resolution 20240229-018
Resolution 20240530-022
Resolution 20240718-021
Resolution 20240829-031
Resolution 20240912-010
Resolution 20241024-014
Resolution 20241212-015
Resolution 20250424-007
Resolution 20250925-011
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 $142,665,000 in City of Austin Certificates of Obligation, 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 federal 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.

Fire/EMS Station Improvements - $1,200,000
This supports a plan to address three Fire/Emergency Medical Services (EMS) stations in need of critical and urgent repair and renovation. These three stations include Fire Station 1/EMS station 6, Fire Station 3, and Fire Station 22/EMS12. The improvements include a rebuild of Station 22 due to the extent of foundation and structural issues, a bay replacement at Station 3, and extensive electrical and structural repairs, lead and asbestos abatement at Fire Station 1/EMS Station 6.

Fire/EMS Station Improvements - $1,000,000
This supports a plan to fully renovate five stations aligning the stations to current EMS/Fire design program standards. Program standard modifications will include renovations and additions for living quarters, more efficient and functional apparatus bays, updated emergency alerting systems, back-up emergency power, and additional upgrades to the heating, ventilation, and air conditioning systems. These stations include EMS Station 13, Station 1, Station 5, Station 7, EMS Station 10/Fire Station 25.

Administrative Office Buildings - $82,500,000
This funding supports all necessary actions for the acquisition, construction, renovation, furnishing, and equipping of administrative offices for the Northeast Service Center (NESC) and University Park facilities. The NESC will incorporate administrative offices and support functions, vehicle servicing shop areas, warehousing, outside storage, and vehicle storage. The University Park facility will be used as administrative offices for City staff.

Administrative Office and Public Safety Facilities Capital Improvements - $19,000,000
This funding supports various capital improvement projects at City administrative offices and public safety facilities. Administrative office space renovations include the Town Lake Center and Ben White facilities. Facilities management capital rehabilitation supports a variety of administrative and public safety facilities throughout the City.

Roy G Guerrero Park Pedestrian Bridge - $325,000
This funding supports Roy G. Guerrero Pedestrian Bridge replacement. The bridge was rendered unusable following the 2015 Memorial Day floods that caused severe erosion along the creek channel. This project will support the construction of a new pedestrian bridge.

Longhorn Dam - $3,075,000
This funding supports design and construction of safety improvements to the Longhorn Dam to create Lady Bird Lake.

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Administrative Offices for Public Safety Operations - $16,500,000
This funding supports all necessary actions for the acquisition, renovation, furnishing, and equipping of a public safety campus for co-locating multiple departments such as Austin Police, Austin Fire, and Emergency Medical Services.

Public Safety Warehouse - $2,000,000
This funding supports all necessary actions for the renovation, furnishing, and equipping of warehouse space for the Public Safety operations of the City.

Parks Improvements - $1,450,000
This funding supports various Parks improvements including the installation of permanent shade structures and park facility renovation projects at various parks throughout the City. Funding also supports the renovation of the Nash-Hernandez Building to accommodate office and community spaces.

Street and Roadway Improvement Projects - $5,265,000
This funding supports various street and roadway improvement projects that address transportation safety, signals, improved access to schools such as sidewalks, traffic calming, and improved access to transit.

Colony Park Transportation and Utility Infrastructure Improvements - $10,000,000
This funding supports public infrastructure improvements and land preparation in the Colony Park Sustainable Community as outlined in the Project and Financing Plan approved by City Council on July 18, 2024. These improvements include the installation of electric, water, wastewater, reclaimed water, roadways, storm sewers, and erosion control.

Non-Tax Supported Item:

Braker Lane Street Extension - $350,000
This funding supports the Braker Lane extension project that is extending the road from Samsung Blvd to Dawes Place.

The debt service costs for the currently-proposed $142,665,000 Certificates of Obligation, Series 2026 issuance are estimated as follows:

<u>Total Over 20 Years:</u>
Principal $142,665,000
<u>Interest $86,292,250</u>
Total Debt Service: $228,957,250

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. Additionally, 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.

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