



# City of Austin

## Recommendation for Action

**File #:** 25-1339, **Agenda Item #:** 29.

7/24/2025

### **Posting Language**

Approve an ordinance authorizing the issuance and sale of tax-exempt City of Austin, Texas, Certificates of Obligation, Series 2025, in a par amount not to exceed \$290,995,000, to be used for new Austin Fire Department and Emergency Medical Services stations; Austin Fire Department and Emergency Medical Services station improvements; the acquisition, renovation, furnishing, and equipping of administrative offices; replacement of the Roy G Guerrero Park Pedestrian Bridge; design and construction of safety improvements to the Longhorn Dam; public safety training facilities and warehouses; park improvements; street and roadway improvements; cap and stich design and the Braker Lane extension project, 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 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.

### **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 Council:

Resolution 20150908-007  
Resolution 20170913-006  
Resolution 20180809-025  
Resolution 20180911-007  
Resolution 20200827-005  
Resolution 20210902-067  
Resolution 20210902-068  
Resolution 20220915-002  
Resolution 20220616-032  
Resolution 20230223-007  
Resolution 20230504-003  
Resolution 20230914-017  
Resolution 20231109-005  
Resolution 20231214-010  
Resolution 20240321-063  
Resolution 20240530-022  
Resolution 20240926-111  
Resolution 20241024-014  
Resolution 20241121-017  
Resolution 20241212-015

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Resolution 20250424-007

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

**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 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 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 \$290,995,000 in City of Austin Certificates of Obligation, 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 Internal Revenue Service 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.

The projects to be financed are as follows:

**New Fire/EMS Stations - \$18,000,000**

This supports a comprehensive plan to build five new Austin Fire Department (AFD) and Emergency Medical Services (EMS) stations in the areas of immediate need identified by the Austin Fire Association (Local 975) and the Austin Fire Department. This is the fifth sale related to this plan. These five stations were chosen as locations that would benefit the Fire and EMS response times, and which could also support potential gaps in existing stations response times. The stations include Del Valle/Moore's Crossing, Travis Country, Loop 360/Davenport Ranch, Goodnight Ranch, and Canyon Creek/620 Station. This funding source was approved as part of the Fiscal Year 2022 and Fiscal Year 2023 Capital Budgets. Future issuances are anticipated.

**Fire/EMS Station Improvements - \$7,500,000**

This supports a plan to address three AFD and EMS stations in need of critical and urgent repair and renovation. This is the third sale related to this plan. These three stations include Fire Station 1/EMS Station 6, Fire Station 3, and Fire Station 22/EMS Station 12. 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. This funding source was approved as part of the Fiscal Year 2020 and Fiscal Year 2022 Capital Budgets. Future issuances are anticipated.

**Fire/EMS Station Improvements - \$6,000,000**

This supports a plan to fully renovate five stations aligning the stations to current EMS and AFD 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 Airconditioning systems. This is the second sale related to this plan. These stations include EMS Station 13, Station 1, Station 5, Station 7, EMS Station 10/Fire Station 25. This funding source was approved as part of the Fiscal Year 2023 Capital Budget. Future

issuances are anticipated.

**Administrative Office Building - \$136,705,000**

This funding supports all necessary actions for the acquisition, renovation, furnishing, and equipping of administrative offices for the City. This funding source was approved as part of the Fiscal Year 2023, 2024, and 2025 Capital Budgets. Future issuances are anticipated.

**Roy G Guerrero Park Pedestrian Bridge - \$1,300,000**

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 pedestrian bridge. This is the second sale related to this plan. The funding source was approved as part of the Fiscal Year 2015 and 2016 Capital Budgets. Future issuances are anticipated.

**Longhorn Dam - \$1,600,000**

This funding supports design and construction of safety improvements to the Longhorn Dam to create Lady Bird Lake. This is the second sale related to this plan. The funding source was approved as part of the Fiscal Year 2019 Capital Budget. Future issuances are anticipated.

**Administrative Offices for Public Safety Operations - \$53,020,000**

This funding supports all necessary actions for the acquisition, renovation, furnishing, and equipping of administrative offices for the Public Safety operations of the City. This funding source was approved as part of the Fiscal Year 2025 Capital Budget. Future issuances are anticipated.

**Public Safety Training Facility - \$2,235,000**

This funding supports the acquisition of real property for the future expansion of the Public Safety Training Facility. This funding source was approved as part of the Fiscal Year 2025 Capital Budget.

**Public Safety Warehouse - \$46,015,000**

This funding supports all necessary actions for the acquisition, renovation, furnishing, and equipping of warehouse space for the Public Safety operations of the City. This funding source was approved as part of the Fiscal Year 2024 Capital Budget. Future issuances are anticipated.

**Parks Improvements - \$1,410,000**

This funding supports various Parks improvements. This includes shade structures, park facility renovation projects, and Shoal Creek Landslide Trail repairs. This funding source was approved as part of the Fiscal Year 2021 and 2024 Capital Budgets. Future issuances are anticipated.

**Street and Roadway Improvement Projects - \$1,605,000**

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. The funding source was approved as part of the Fiscal Year 2018 and Fiscal Year 2019 Capital Budgets. Future issuances are anticipated.

**Cap and Stitch Design - \$15,440,000**

This funding supports the integration of cap and stitch structures into the design of the Interstate 35 Capital Express Central Project through an advance funding agreement with the Texas Department of Transportation. The funding source was approved as part of the Fiscal Year 2024 Capital Budget.

**Non-Tax Supported Item:**

**Braker Lane Street Extension - \$165,000**

This funding supports the Braker Lane extension project that is extending the road from Samsung Blvd to

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Dawes Place. This is the second sale related to this plan. The funding source was approved as part of the Fiscal Year 2022 Capital Budget. Future issuances are anticipated.

The debt service costs for the currently-proposed \$290,995,000 Certificates of Obligation Series 2025 issuance are estimated as follows:

	<b>Tot al Ove r 20 Yea rs:</b>	<b>Average Per Year</b>
Principal	\$290,995,000	\$14,549,750
Interest	<u>176,009,800</u>	<u>8,800,450</u>
Total Debt Serv	\$467,004,800	\$23,350,200

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 City 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.