

**MINUTES**  
**JOINT AUSTIN CITY COUNCIL AND**  
**PORT AUTHORITY SPECIAL MEETING**  
**MONDAY, NOVEMBER 13, 2006**  
**5:30 P.M.**  
**COUNCIL CHAMBERS**

**Council Present:** Mayor Rietz, Council Member-at-Large Christopherson, Council Members McAlister, Baker, Dick Pacholl, Scott Pacholl, Hecimovich, and Nordin.

**Council Absent:** None.

**Commissioners Present:** Commissioners Jerry Mohrfeld, Brian McAlister, Norm Hecimovich, Larry Maus, and Jerry McCarthy.

**Commissioners Absent:** Commissioners Michael Bednar and Georgette Hinkle.

**Staff Present:** Executive Director Jim Hurm, Port Authority Attorney David Hoversten and Secretary Tom Dankert.

**Others Present:** Jeff Austin, Tom Stiehm, Brenda Krueger of Springsted, Inc., Austin Post Bulletin, and Austin Daily Herald.

Mayor Rietz and President McCarthy called the meeting to order at 5:30 pm. by noting this is a joint meeting, so different actions will be taken by both the City Council and the Port Authority tonight.

**Item #2 – Resolution approving bond sale for the Hormel institute expansion** –Mr. Dankert noted bids were received by Springsted this morning with nine bids being taken. Brenda Krueger of Springsted, Inc. noted the low bidder was Stifel, Nicolaus & Co, Inc. with a True Interest Cost (TIC) bid of 3.6941%. The highest bid was at 3.7854%, so all of the bids were relatively close. The original estimate on this bond issue was projected at 4.25% a few months ago. This bid included a premium of \$1,091,142, to offset some 7% coupon bonds that were bid on. This allows the holder of these bonds to potentially sell them off later and not take a loss. From the Port Authority’s side, this is all included in the TIC as the premium is offset against the higher interest payments.

Mayor Rietz questioned why so many bids came in. Ms. Krueger stated that the nine bids was more than usual, and attributed this to the non-callable feature of the bonds, the short term (ten years ) of the bond issue, and the security behind the bonds including the city’s A1 credit rating. The city was just rated and the A1 rating was reaffirmed, reasons included sound financial management and budgeting practices.

Both Council Members and Port Authority members asked questions, and both Mr. Dankert and Ms. Krueger answered.

After further discussion, motion by Port Authority Commissioner Hecimovich, seconded by Port Authority Commissioner Jerry Mohrfeld, to approve of a resolution authorizing issuance, prescribing form and details and providing for payment of \$10,000,000 general obligation economic development revenue bonds, series 2006A. Carried 5-0.

**Item #3 – Ordinance approving bond sale for the Hormel institute expansion**– Mr. Dankert noted since this is the first reading, the approval of this ordinance has to pass 7-0 otherwise the bond sale will be null and void.

Motion by Council Member Nordin, seconded by Council Member-at-Large Christopherson to have the city attorney prepare the ordinance. Carried 7-0.

Motion by Council Member Nordin, seconded by Council Member-at-Large Christopherson for the adoption and publication of the ordinance. Carried 7-0.

**Item #4 – Resolution approving paying the issuance and closing costs**– Mr. Dankert noted the estimated closing and issuance costs came to \$114,882 and were proposed to be paid for by the Port Authority, out of funds that would be transferred to the Port Authority from the City of Austin’s Small Business revolving Loan Fund (Fund 63). Mr. Dankert noted there may be some timing differences that require the Port Authority to “carry” the outstanding balance for a while, but it should be manageable.

Motion by Port Authority Commissioner Maus, seconded by Port Authority Commissioner Hecimovich, to approve of the payment of closing and issuance costs for the Hormel Institute expansion. Carried 5-0.

**Item #5 – Resolution authorizing transfer of funds** – Mr. Dankert noted the funds to pay for item #4 above are to come from the Fund 63 Small Business Revolving Loan Fund.

Motion by Council Member Hecimovich, seconded by Council Member Nordin, to approve of the transfer of funds between Fund 63 and the Port Authority. Carried 7-0.

**Item #8 – Adjourn** – With no further business of the City of Austin, motion by Council Member Nordin, seconded by Council Member-at-Large Christopherson to adjourn the city council portion of the meeting at 5:47 p.m. Carried 7-0.

**Item #6 – Motion amending the agreement with the DCA for the Cook Farm site option** – Mr. Hurm noted the DCA has decided to hold off on the closing of the Cook Farm site until sometime before April 30, 2007. Mr. Hurm noted some potential development may need a significant portion of the Cook Farm site, for which the DCA does not want to stand in the way.

Motion by Port Authority Commissioner Hecimovich, seconded by Port Authority Commissioner McAlister, to extend the option purchase agreement with the DCA to April 30, 2007. Carried 5-0.

**Item #7 – Extension to November 15 for purchase of lot in Burbank Addition** – Mr. Dankert noted Timber Development Corporation has requested a second extension of their purchase agreement for the 2.1 acres in the Burbank Addition until November 15, 2006. A \$20,000 non-refundable deposit has been made for this extension, and is being requested as an Austin Utilities action on November 14 is needed before this parcel can be bought by the developer.

Motion by Port Authority Commissioner Mohrfeld, seconded by Port Authority Commissioner Hecimovich to extend the option purchase agreement with Timber Development Corporation to November 15, 2006. Carried 5-0.

**Item #8 – Adjourn** – With no further business, motion by Port Authority Commissioner McAlister, seconded by Port Authority Commissioner Hecimovich to adjourn the meeting at 5:55 p.m. Carried 5-0.

Approved: \_\_\_\_\_

Mayor: \_\_\_\_\_

City Recorder: \_\_\_\_\_

Approved: \_\_\_\_\_

President: \_\_\_\_\_

Secretary: \_\_\_\_\_