

ORDINANCE NO. _____

PART _____. The Council establishes that the following bond proposition shall be presented to the voters at the special bond election on November 8, 2016:

PROPOSITION TWO

Shall the City Council of the City of Austin, Texas be authorized to issue general obligation bonds and notes of the City for transportation and mobility purposes, to wit: planning, designing, engineering, acquiring, constructing, reconstructing, renovating, improving, operating, maintaining and equipping rail systems, facilities and infrastructure, including a fixed rail transit system to be operated by Capital Metropolitan Transportation Authority (which may spend its funds to build, operate and maintain such system) servicing the Guadalupe and North Lamar Corridor, downtown Austin, the State Capitol complex, Crestview Station, the Department of Public Safety, the State of Texas North Austin Complex, the Austin State Hospital, Republic Square Station, Seton Medical Center, the University of Texas, the Travis County Central Campus, and surrounding neighborhoods; roadway improvements related to such rail systems, facilities and infrastructure; acquiring land and interests in land and property necessary therefor; and all matters necessary or incidental thereto; with the bonds and notes to be issued in one or more series or issues, in the aggregate principal amount of \$397,500,000, to mature serially or otherwise and bear interest at a rate or rates not to exceed the respective limits prescribed by law at the time of issuance, and to be sold at the price or prices as the City Council determines and shall there be levied and pledged, assessed, and collected annually ad valorem taxes on all taxable property in the City in an amount sufficient to pay the annual interest on the bonds and notes and to provide a sinking fund to pay the bonds and notes at maturity?

PART _____. The Proposition will appear on the official ballot in substantially the following form, and the ballot shall be prepared to permit voting "for" or "against" the Proposition:

PROPOSITION TWO

The issuance of \$397,500,000 bonds and notes for rail systems, facilities and infrastructure, including a fixed rail transit system to be operated by Capital Metropolitan Transportation Authority (which may spend its funds to build, operate and maintain such system) servicing the Guadalupe and North Lamar Corridor, downtown Austin, the State Capitol complex, Crestview Station, the Department of Public Safety, the State of Texas North Austin Complex, the Austin State Hospital, Republic Square Station, Seton Medical Center, the University of Texas, the Travis County Central Campus, and surrounding neighborhoods, and roadway improvements related to such rail systems, facilities and infrastructure; and the levy of a tax sufficient to pay for the bonds and notes.

PART _____. As planned in the land use, traffic circulation, and mass transit elements of the Imagine Austin Comprehensive Plan including the Austin Metropolitan Area Transportation Plan (AMATP) City of Austin [Ordinance No. 950309-G](#), the Brentwood Highland Combined Neighborhood Plan City of Austin [Ordinance 040513-30](#), the Central Austin Combined Neighborhood Plan City of Austin [Ordinance 040826-56](#), the Crestview Wooten Combined Neighborhood Plan City of Austin [Ordinance 20040401-Z002](#), the Hyde Park Neighborhood Plan City of Austin [Ordinance 000413-63](#), a fixed rail transit system is expected to consist of a 5.3 mile urban rail double-tracked, electrified route in mostly dedicated guideways. The general location of the proposed route of the fixed rail transit system is expected to run along a route that will serve the Guadalupe and North Lamar Corridor, downtown Austin, the State Capitol complex, Crestview Station, the Department of Public Safety, the State of Texas North Austin Complex, the Austin State Hospital, Republic Square Station, Seton Medical Center, the University of Texas, the Travis County Central Campus, and surrounding neighborhoods. The general description of the form of the fixed rail transit system, including the general location of the proposed route, is provided herein pursuant to Section 451.071, Texas Transportation Code, to authorize Capital Metropolitan Transportation Authority to participate and to spend its funds in building, operating and maintaining the fixed rail transit system. The final alignment of the route may be adjusted to accommodate any required governmental approvals and to maximize service characteristics, including stop spacing, speed, frequency, and reliability. Capital Metropolitan Transportation Authority shall participate in

building, operating and maintaining the fixed rail transit system to the extent and pursuant to such terms and conditions as shall be mutually acceptable to the City and Capital Metropolitan Transportation Authority.

PART _____. The Council intends that funding of the costs of the fixed rail transit system will be from the issuance of bonds or notes pursuant to the Proposition or one or more other federal or state sources, which may include federal match funding, federal grant funding or federal reimbursements, in an amount that, when combined with proceeds of bonds and notes authorized to be issued pursuant to the Proposition and any other sources of funding to be provided by the City, will be sufficient to fund the projected cost of the fixed rail transit system. The City shall request a Letter of No Prejudice from the Federal Transit Administration which will enable the costs of the fixed rail transit system to satisfy a local funding commitment to obtain grant or match funding toward future extensions to the fixed rail transit system.

PART _____. Pursuant to Section 3.009, Texas Election Code: (i) the proposition language that will appear on the ballot is set forth in Part ___, (ii) the purposes for which the bonds and notes are to be authorized are set forth in Part ___, (iii) the principal amount of bonds and notes to be authorized is set forth in Part ___, (iv) if the issuance of bonds and notes is authorized by voters, taxes sufficient, within the limits prescribed by law, to pay the annual principal of and interest on the bonds and notes and to provide a sinking fund to pay the bonds and notes may be imposed, as set forth in Part ___, (v) bonds and notes authorized pursuant to this ordinance may be issued to mature over not to exceed 40 years from their date of issuance and bearing interest at the rate or rates (not to exceed 15%), as authorized by law and determined by the Council, (vi) as of the beginning of the City's current fiscal year, the aggregate amount of outstanding principal of the City's debt obligations was \$_____, and the aggregate amount of outstanding interest on the City's debt obligations was \$_____, and (vii) the City's ad valorem debt service tax rate as of the date of adoption of this ordinance is \$_____ per \$100 of taxable property.

Based upon market conditions as of the date of this ordinance and using taxable assessed values for the 2015 tax year (2015/16 fiscal year), without adjustment for anticipated growth in taxable assessed value in future years, if the bonds and notes are authorized, the estimated total tax rate of the City is expected to be approximately \$0.____ per \$100 of taxable assessed value (which represents an increase of \$0.____ per \$100 of taxable assessed valuation as compared to the City's total tax rate as of the date of adoption of this ordinance), based on

current State law, which is subject to change. City financial staff has determined that, if the bonds and notes are issued, the City's total tax rate would increase by \$0.____ per \$100 of taxable assessed valuation (as compared to the City's total tax rate as of the date of adoption of this ordinance).

If approved by voters, the bonds and notes will be secured by an ad valorem tax that is sufficient, within the limits prescribed by law, to pay the principal of and interest on the bonds and notes and to provide a sinking fund to pay the bonds and notes. Actual tax rates, interest rates, maturity dates, aggregate outstanding indebtedness and interest on such debt, will only be established and known at the time that bonds and notes are issued. In addition, actual tax rates will depend upon, among other factors, the assessed valuation of taxable property, prevailing interest rates, the market for the City's bonds and notes and general market conditions at the time that bonds and notes are issued.

The estimated tax rates and other statements contained in this Part ____ are (i) based on certain assumptions, including assumptions concerning prevailing market and economic conditions at the time(s) of issuance of the bonds and notes, (ii) subject to change to the extent that actual facts, circumstances and conditions prevailing at the time that the bonds and notes are issued differ from such assumptions and projections, (iii) provided in satisfaction of the requirements of Section 3.009, Texas Election Code, without any assurance that such projections will be realized, and (iv) not intended to give rise to a contract with voters or limit the authority of the Council to issue bonds and notes in accordance with the Proposition submitted herein.

PART _____. This ordinance is adopted pursuant to the City Charter; pursuant to Section 41.001, Texas Election Code, specifying the date as a uniform election date on which a general election may be held; pursuant to Chapter 1251, Texas Government Code, to authorize the issuance of the City's general obligation bonds and notes for the purposes stated herein; and pursuant to Section 451.071, Texas Transportation Code, to authorize the financial participation of Capital Metropolitan Transportation Authority in building, operating and maintaining the fixed rail transit system.