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Austin to Sell $474 Million of Municipal Bonds for Capital Projects.

The City of Austin, Texas plans to sell about $474 million of municipal bonds to finance capital improvements.

The city will issue $301.3 million of Public Improvement and Refunding Bonds and $103.5 million in Certificates of Obligation, according to preliminary official statement posted Thursday on MuniOS. The securities mature from 2025 through 2044. Austin will also sell $29.9 million of Public Property Finance Contractual Obligations due from 2025 through 2031.

Another $32 million of Public Improvement Bonds and $7.4 million of Certificates of Obligation will be available for purchase by investors. Both series are taxable and mature from 2025 through 2044.

A date of sale and initial pricing were unavailable. The securities are expected to be delivered on Dec. 19.

The bonds, the taxable bonds and the contractual obligations are direct obligations of the city and are backed by an annual ad valorem tax on eligible property, according to the official statement. The certificates and taxable certificates have the same pledge for repayment, along with a limited pledge of surplus revenue from the city's solid waste disposal system.

Proceeds will be used to finance capital improvements, refund for savings portions of the city's outstanding general obligation debt, and purchase equipment and other personal property for use by various city departments.

Austin's five-year capital improvement program estimates city-wide spending of $2.2 billion in fiscal year 2025.

S&P Global Ratings assigned the securities a rating of AAA, and Fitch Ratings has rated them at AA+.

Piper Sandler & Co. and Baird are lead managers for the sale.

Dow Jones

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November 22, 2024 17:47 ET (22:47 GMT)

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