



Legislation Details (With Text)

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On agenda: 7/7/2014 **Final action:** 7/7/2014
Enactment date: 7/7/2014 **Enactment #:** R-14-234

Title: Resolution Calling Public Hearing Concerning the Issuance of Bonds by the Economic Development Corporation

Sponsors: Jane Lumm, Sally Petersen

Indexes:

Code sections:

Attachments: 1. EDC AA Resolutions (2) 070214

Date	Ver.	Action By	Action	Result
7/7/2014	1	City Council	Approved	Pass

Resolution Calling Public Hearing Concerning the Issuance of Bonds by the Economic Development Corporation
 Glacier Hills, Inc. has submitted its application to the Economic Development Corporation (EDC) for its assistance in a pending refinancing. The EDC Board recommended the application at its meeting next Wednesday, July 2, 2014.

Because this assistance would be in the nature of bonds refunding those issued previously by the EDC, City Council is requested to schedule a public hearing and consider the approval of a resolution for the issuance of bonds.

Approval of this bond issuance by City Council is required for issuance but does not encumber the City in any way. Glacier Hills will be solely and exclusively responsible for the repayment of the EDC Bonds. The EDC and the City of Ann Arbor and its taxpayers will not be liable in any respect for the payment of the EDC's Bonds or any liabilities or obligations related to such bonds or the projects refinanced with such bonds.

The proposed following schedule is:

- July 2, 2014 EDC Board accepts the Glacier Hills application and adopts its inducement resolution.
- July 7, 2014 Council adopts scheduling resolution
- July 10, 2014 Notice provided to Washtenaw County Legal News for publication
- July 14, 2014 Notice published in Washtenaw County Legal News
- August 7, 2014 Public Hearing
- City Council adopts approving resolution

Following City Council action, the EDC Board will meet to approve the issuance of the Glacier Hills Series 2014 bonds.

Sponsor: Councilmembers Lumm and Petersen

**CITY COUNCIL
OF THE
CITY OF ANN ARBOR
(GLACIER HILLS, INC. PROJECT)
RESOLUTION CALLING PUBLIC HEARING
CONCERNING THE ISSUANCE OF BONDS BY
THE ECONOMIC DEVELOPMENT CORPORATION**

Minutes of a regular meeting of the City Council of the City of Ann Arbor, County of Washtenaw, Michigan (the "City") held on July 7, 2014, at 7:00 o'clock P.M., Michigan Time.

Present: Councilmembers: Kailasapathy, Briere, Petersen, Lumm, Taylor, Kunselman, Teall, Eaton, Warpehoski, Anglin and Mayor Hieftje, 11;

Absent: 0.

The following preamble and resolution were offered by Councilmember Petersen and supported by Councilmember Lumm:

Whereas, there exists in the City of Ann Arbor, County of Washtenaw, Michigan ("City") the need for certain programs to alleviate and prevent conditions of unemployment and to revitalize the City's economy, and to assist industrial and commercial enterprises, and to encourage the location, expansion or retention of industrial and commercial enterprises to provide needed services and facilities to the City of its residents and to retain employment opportunities in the City; and

Whereas, The Economic Development Corporation of the City of Ann Arbor (the "EDC") has previously issued its limited obligation revenue bonds to finance and refinance capital improvements for the benefit of Glacier Hills, Inc., a Michigan nonprofit corporation located in the City of Ann Arbor ("Glacier Hills"), including the EDC's \$23,245,000 Adjustable Rate Demand Limited Obligation Revenue Bonds, Series 2000A (Glacier Hills, Inc. Project) of which \$15,440,000 is presently outstanding (the "Series 2000A Bonds"), and the EDC's \$9,875,000 Adjustable Rate Demand Limited Obligation Revenue Refunding Bonds, Series 2000B (Glacier Hills, Inc. Project) of which \$4,545,000 is presently outstanding (together with the Series 2000A Bonds, the "Series 2000 Bonds"); and

Whereas, The EDC has approved the issuance of one or more series of new bonds (the "Refunding Bonds") to refinance the Series 2000 Bonds; and

Whereas, Because the costs of issuing the Refunding Bonds will be included in the principal amount of the Refunding Bonds, the principal amount of the Refunding Bonds will be greater than the principal amount of the bonds to be refunded and for that reason federal income tax law requires that, as a condition precedent to the issuance of the Refunding Bonds, the City Council must hold a public hearing on the EDC's issuance of the Refunding Bonds and, after such hearing, approve the Refunding Bonds; and

Whereas, The EDC has concluded that the issuance of the Refunding Bonds serves a public purpose and, therefore, has requested the City Council to hold a public hearing on, and approve the Refunding Bonds;

RESOLVED That:

1. Pursuant to the request of the EDC, the City shall meet on August 7, 2014, at 7:00 o'clock P.M., at which time it shall conduct a public hearing on the issuance by the EDC of the Refunding Bonds.
2. The Clerk be and is hereby directed to give notice of such public hearing by publishing a notice thereof in the *Washtenaw County Legal News*, a newspaper of general circulation in the City, which notice shall be published and given at least fourteen (14) full days prior to the date set for the hearing.
3. The notice shall be in substantially the form set forth in Exhibit A hereto.
4. The City Council does hereby determine that the foregoing form of notice and the manner of publication directed is adequate notice to the citizens of the City of Ann Arbor and is well calculated to inform them of the intention of the City to hold a public hearing and the purpose of the public hearing.
5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

YEAS:

Councilmembers: Kailasapathy, Briere, Petersen, Lumm, Taylor, Kunselman, Teall, Eaton, Warpehoski, Anglin and Mayor Hieftje, 11;

NAYS: 0;
ABSENT: 0;
ABSTENTIONS: 0.

RESOLUTION DECLARED ADOPTED:

Jacqueline Beaudry
City Clerk

STATE OF MICHIGAN)
)SS.
COUNTY OF WASHTENAW)

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of the City of Ann Arbor, Michigan, held on July 7, 2014, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No. 267 of the Michigan Public Acts of 1976, as amended.

Jacqueline Beaudry
City Clerk

Dated: _____

**EXHIBIT A
NOTICE OF PUBLIC HEARING ON THE ISSUANCE OF REFUNDING
BONDS BY THE ECONOMIC DEVELOPMENT CORPORATION
FOR THE BENEFIT OF GLACIER HILLS, INC.**

NOTICE IS HEREBY GIVEN that the City Council of the City of Ann Arbor, Michigan, will hold a hearing in the Council Chamber, 2nd Floor, Guy C. Larcom, Jr. Municipal Building, 301 East Huron, Ann Arbor, Michigan on Thursday, the 7th day of August, A.D., 2014, beginning at 7:00 o'clock P.M., Michigan Time.

The hearing shall consider the issuance of limited obligation revenue refunding bonds (the "EDC Bonds") by the Economic Development Corporation of the City of Ann Arbor (the "EDC") for the benefit of Glacier Hills, Inc., a Michigan nonprofit corporation ("Glacier Hills").

Glacier Hills is a senior living community providing residential and senior care and rehabilitation services to residents of Ann Arbor and surrounding communities. The principal offices and facilities of Glacier Hills are located at 1200 Earhart Road, Ann Arbor, Michigan 48105.

The EDC Bonds will refinance one or both of the series of bonds issued by the EDC in November of 2000 (together the "Refundings"), viz., the EDC's \$23,245,000 Adjustable Rate Demand Limited Obligation Revenue Bonds, Series 2000A (Glacier Hills, Inc. Project) of which \$15,440,000 is presently outstanding (the "Series 2000A Bonds"), and the EDC's \$9,875,000 Adjustable Rate Demand Limited Obligation Revenue Refunding Bonds, Series 2000B (Glacier Hills, Inc. Project) of which \$4,545,000 is presently outstanding (the "Series 2000B Bonds").

The public hearing and the approval of the EDC Bonds by the City Council is required by federal income tax law, as a condition precedent to the issuance of the EDC Bonds by the EDC, because the principal amount of the EDC Bonds will be greater than the principal amount of the bonds to be refunded.

The proceeds of the Series 2000A Bonds were used to finance the construction and equipping of 64 independent senior living apartments and 26 independent senior living duplex villas and the renovation of the existing Retirement Center. The proceeds of the Series 2000B Bonds were used principally to advance refund the EDC's \$8,244,000 outstanding Limited Obligation Revenue Bonds (Glacier Hills, Inc. Project), Series 1989, originally issued in the principal amount of \$9,052,000. The Official Statement relating to the Series 2000A Bonds and the Series 2000B Bonds can be found on the website of the Municipal Securities Rulemaking Board, www.emma.msrb.org <<http://www.emma.msrb.org>>.

Glacier Hills will be solely and exclusively responsible for the repayment of the EDC Bonds. The EDC and the City of Ann Arbor and its taxpayers will not be liable in any respect for the payment of the EDC's Bonds or any liabilities or obligations related to such bonds or the projects refinanced with such bonds.

Any aspect of the planned Refundings may be discussed at the public hearing and all interested persons will be given an opportunity to be heard. The hearing will provide the fullest opportunity for expression of opinion, arguments on the merits and introduction of documentary evidence relative to the Refundings.

If you would prefer to send written comments for consideration, please forward them to the City Clerk, at the Office of the Ann Arbor City Clerk, 301 East Huron, 2nd Floor, Guy C. Larcom, Jr. Municipal Building, Ann Arbor, Michigan. Or, if you have questions, you may call (734) 994-2725. We'll be pleased to try and answer any questions you may have concerning the Refundings.

Jacqueline Beaudry
City Clerk

**CITY COUNCIL
OF THE
CITY OF ANN ARBOR
(GLACIER HILLS, INC. PROJECT)
RESOLUTION APPROVING THE ISSUANCE OF BONDS BY
THE ECONOMIC DEVELOPMENT CORPORATION
FOR GLACIER HILLS, INC.**

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