



Legislation Text

File #: 18-0554, **Version:** 1

Resolution Authorizing Notice and Issuance of General Obligation Bonds - 350 South Fifth Avenue (**6 Votes Roll Call**)

The attached resolution approves the City's issuance of City of Ann Arbor 2018 Capital Improvement Bonds, Series A (Limited Tax General Obligation) in the maximum amount of \$4,350,000 (the "Bonds"), for the purpose of obtaining title or reimbursing the City for the cost to obtain title to the parcel of real property within the City located at 350 South Fifth Avenue (the "Project"), pursuant to the City's rights under the Warranty Deed, dated April 2, 2014, between Fifth Fourth, LLC, a Michigan limited liability company as the Grantee and the City as Grantor, and to fund up to \$150,000 of costs to issue the bonds.

The bonds would be sold as a direct placement with a financial institution determined by a competitive bidding process based on the lowest interest cost proposal. The principal terms of the bonds are set forth in the resolution and will be determined in consultation with the City's financial advisor after evaluating the debt market conditions closer to the date of sale. The interest rate is anticipated to be variable, the payments interest only for the first four years, and the term not greater than fifteen years. Debt payments will need to be made from existing City resources or with assistance from the DDA. The City will have the option to prepay the bonds prior to maturity. Prepayment of the debt in full is anticipated to come from 1. Proceeds from the sale of the development rights above the Library Lane parking structure 2. Sale of the titled property at 350 S. Fifth Avenue or 3. Other City or DDA resources.

The Resolution authorizes the Mayor, City Clerk, City Treasurer and Chief Financial Officer to execute and deliver all required documentation in connection with the issuance, sale and delivery of the Bonds.

The City's bond counsel, Dykema Gossett, prepared the resolution, with further review by the City Attorney.

Prepared by: Tom Crawford, Chief Financial Officer
Approved by: Howard S. Lazarus, City Administrator
Sponsored by: Mayor Taylor
(See attached Resolution)