



Legislation Text

File #: 14-1131, **Version:** 1

Resolution Approving the Issuance of Bonds by the Economic Development Corporation for Glacier Hills, Inc.

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 on Wednesday, July 2, 2014.

Because this assistance would be in the nature of bonds refunding those issued previously by the EDC, City Council was 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 schedule for holding the public hearing and approving the resolution was prepared as follows:

July 2, 2014 EDC Board accepts the Glacier Hills application and adopts its inducement resolution.
July 7, 2014 Council adopts resolution scheduling public hearing
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 City Council 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 APPROVING THE ISSUANCE OF BONDS BY
THE ECONOMIC DEVELOPMENT CORPORATION
FOR GLACIER HILLS, INC.**

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

Present: Council Members: Kailasapathy, Briere, Petersen, Lumm, Taylor, Kunselman,

Teall, Eaton, Warpehoski and Mayor Hieftje, 10;
Absent: Council Member: Anglin, 1.

The following preamble and resolution were offered by Council Member Lumm and supported by Council Member Petersen.

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 \$23,245,000.00 Adjustable Rate Demand Limited Obligation Revenue Bonds, Series 2000A (Glacier Hills, Inc. Project) of which \$15,440,000.00 is presently outstanding (the “Series 2000A Bonds”), and the EDC’s \$9,875,000.00 Adjustable Rate Demand Limited Obligation Revenue Refunding Bonds, Series 2000B (Glacier Hills, Inc. Project) of which \$4,545,000.00 is presently outstanding (together with the Series 2000A Bonds, the “Series 2000 Bonds”);

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

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;

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

Whereas, The City Council has held a public hearing regarding the EDC’s issuance of the Refunding Bonds and concurs in the determination of the EDC that such issuance will serve a public purpose within the meaning of the Act; and

Whereas, The EDC has assured this City Council that neither the City of Ann Arbor nor its residents will be liable or responsible in any respect with respect to or for the issuance of the Refunding Bonds or the projects refinanced thereby;

RESOLVED, That:

1. That this City Council hereby determines that the issuance of the Refunding Bonds will constitute a public purpose.

2. That the issuance of the Refunding Bonds by the EDC be and is hereby approved.

3. That the Clerk of this City be and hereby is instructed to communicate this approval of the Project Plan to the Board of Directors of the EDC by delivering to said Board of Directors a certified copy of this resolution.

4. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

YEAS: Council Members: Kailasapathy, Briere, Petersen, Lumm, Taylor, Kunselman, Teall, Eaton, Waprehoski and Mayor Hieftje, 10;

NAYS: Council Members: 0;

ABSENT: Council Member: Anglin, 1;

ABSTENTIONS: Council Members: 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 August 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: _____