



Legislation Text

File #: 09-0002, **Version:** 1

Resolution Authorizing Publication of Notice of Intent to Issue General Obligation Parking Facility Capital Improvement Bonds (South Fifth Avenue Parking Deck Project) (Not To Exceed \$55,000,000.00)

Recommended to Council is the publication of a notice of intent to issue general obligation capital improvement bonds in the maximum principal amount of \$55,000,000 (with a currently anticipated bond issue size of \$48,050,000), for the purpose of financing the construction of a 777 space, four story underground parking structure. The project includes a new street running west to east on the north side of the Ann Arbor Public Library, utility improvements under Fifth Avenue and Division Street, and a new downtown alley. The footprint of the project will be from the west side of Fifth Avenue to the west side of Division Street and under Fifth Ave from the northern edge of the current parking lot to William Street. The parking structure will be built in a manner to allow future construction of an up to 25-story building on the site.

The cost of construction is being funded 15% by Downtown Development Authority reserves and 85% by bond proceeds. Debt service on the bonds is expected to be paid from revenues of the City's public parking system and tax increment revenues collected by the Downtown Development Authority. The bonds are to be secured as a limited tax general obligation of the City.

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

Prepared by: Tom Crawford, Chief Financial Officer

Reviewed by: Mary Joan Fales, Senior Assistant City Attorney

Approved by: Roger Fraser, City Administrator

CITY OF ANN ARBOR

County of Washtenaw, State of Michigan

R-09-063

RESOLUTION AUTHORIZING PUBLICATION
OF NOTICE OF INTENT TO ISSUE GENERAL OBLIGATION
CAPITAL IMPROVEMENT BONDS
(south fifth avenue PARKING DECK project)

Minutes of a regular meeting of the City Council of the City of Ann Arbor, County of Washtenaw, State of Michigan held on Tuesday, February 17, 2009, at 7:00 o'clock p.m. Eastern Standard Time.

PRESENT: Councilmembers Teall, Hohnke, Anglin, Smith, Briere, Derezhinski, Rapundalo, Greden, Taylor, Mayor Hieftje, 10;

ABSENT: Councilmember Higgins, 1.

The following preamble and resolution were offered by Councilmember Greden and supported by Member Smith:

WHEREAS, the City of Ann Arbor, County of Washtenaw, State of Michigan (the "City") intends to issue and sell general obligation capital improvement bonds, pursuant to the Revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), in one or more series in

an aggregate principal amount not to exceed Fifty-Five Million Dollars (\$55,000,000.00) (the "Bonds") for the purpose of paying part of the costs of acquiring and constructing an approximately 677 space, four level, underground public parking structure in the City and related improvements, including a new street running west to east on the north side of the Ann Arbor Public Library, utility upsizing under Fifth Avenue and Division Street and a new downtown alley (the footprint of such project being from the west side of Fifth Avenue to the west side of Division Street and under Fifth Avenue from the northern edge of the current parking lot to the southern boundary of the lot), with the parking structure to be built in a manner to allow future construction of an up to 25-story building on the site. The project will also include the construction of streetscape improvements on Fifth Avenue and Division Streets from Beakes to Packard including improved crosswalks, new streetlights, trees, sidewalks, bike lanes, and curb; and,

WHEREAS, a notice of intent to issue bonds and of the right to petition for referendum thereon must be published at least 45 days before the issuance of the aforesaid Bonds in order to comply with the requirements of Section 517 of Act 34.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to cause a notice of intent to issue bonds to be published and prominently displayed once in The Ann Arbor News, of Ann Arbor, Michigan, a newspaper of general circulation in the City. Said notice of intent shall be published as a one-quarter (1/4) page display advertisement in substantially the following form:

NOTICE OF INTENTION OF THE CITY OF ANN ARBOR
TO ISSUE GENERAL OBLIGATION PARKING FACILITY
CAPITAL IMPROVEMENT BONDS
AND OF RIGHT TO PETITION FOR REFERENDUM THEREON

TO ALL ELECTORS AND TAXPAYERS OF THE
CITY OF ANN ARBOR:

PLEASE TAKE NOTICE that the City Council of the City of Ann Arbor, Washtenaw County, Michigan, intends to issue and sell General Obligation Capital Improvement Bonds, pursuant to Act 34, Public Acts of Michigan, 2001, as amended, in one or more series in an aggregate principal amount not to exceed Fifty-Five Million Dollars (\$55,000,000.00) (the "Bonds"), for the purpose of paying part of the costs of acquiring and constructing an approximately 777 space, four level, underground public parking structure in the City. The project includes a new street running west to east on the north side of the Ann Arbor Public Library, utility improvements under Fifth Avenue and Division Street, and a new downtown alley. The footprint of the project will be from the west side of Fifth Avenue to the west side of Division Street and under Fifth Ave from the northern edge of the current parking lot to the southern boundary of the lot. The parking structure will be built in a manner to allow future construction of an up to 25-story building on the site. The project will also include the construction of streetscape improvements on Fifth Avenue and Division Streets from Beakes to Packard including improved crosswalks, new streetlights, trees, sidewalks, bike lanes, and curb.

SAID BONDS will be payable in annual installments not to exceed thirty (30) in number and will bear interest at the rate or rates to be determined at public or negotiated sale but in no event to exceed seven percent (7%) per annum on the balance of the Bonds from time to time remaining unpaid.

FULL FAITH AND CREDIT AND TAXING POWER OF
THE CITY OF ANN ARBOR WILL BE PLEDGED

NOTICE IS FURTHER GIVEN that the Bonds will be general obligation bonds of the City. The full faith and credit of the City will be pledged to the payment of principal of and interest on the Bonds. Pursuant to such pledge of its full faith and credit, the City will be obligated to levy such ad valorem

taxes upon all taxable property in the City as shall be necessary to make such payments of principal and interest, which taxes, however, will be subject to applicable statutory, constitutional and charter limitations on the taxing power of the City.

RIGHT to petition for REFERENDUM

NOTICE IS FURTHER GIVEN to the electors and taxpayers of the City of Ann Arbor to inform them of their right to petition for a referendum on the question of issuance of the Bonds. The City intends to issue the Bonds without a vote of the electors thereon, but the Bonds shall not be issued until 45 days after publication of this notice and until final approval by the City Council. If, within such 45-day period, a petition for referendum requesting an election on the issuance of the Bonds, signed by not less than 10% or 15,000 of the registered electors of the City, whichever is less, has been filed with the City Clerk, the Bonds shall not be issued unless and until approved by a majority of the electors of the City voting thereon at a general or special election.

This notice is given by order of the City Council. Further information may be obtained at the office of the City Clerk, 100 North Fifth Avenue, Ann Arbor, Michigan 48107.

As Amended by Ann Arbor City Council on February 17, 2009

Jacqueline Beaudry, City Clerk, City of Ann Arbor

2. The City Council does hereby determine that the foregoing Notice and the manner of publication directed is the method best calculated to give notice to the City's electors and taxpayers of the City's intent to issue the Bonds, the purpose of the Bonds, the security for the Bonds, including the full faith and credit pledge to be issued by the City, and the right of referendum relating thereto, and the newspaper named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.

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

AYES: Councilmembers Teall, Higgins, Hohnke, Anglin, Smith, Briere, Derezhinski, Rapundalo, Greden, Taylor and Mayor Hieftje, 11;

NAYS: 0

RESOLUTION DECLARED ADOPTED.

Jacqueline Beaudry, City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Ann Arbor, County of Washtenaw, State of Michigan, at a regular meeting held on February 17, 2009, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Jacqueline Beaudry, City Clerk

September 22, 2009