



Legislation Details (With Text)

File #: 13-0702 **Version:** 1 **Name:** 7/1/13 - Notice of Intent to Issue General Obligation Capital Improvement Bonds To Fund Airport Box Hangar Project (Not To Exceed \$900,000)
Type: Resolution **Status:** Passed
File created: 7/1/2013 **In control:** City Council
On agenda: 7/1/2013 **Final action:** 7/1/2013
Enactment date: 7/1/2013 **Enactment #:** R-13-218

Title: Resolution Authorizing Publication of Notice of Intent to Issue General Obligation Capital Improvement Bonds to Fund Airport Box Hangar Project (Not To Exceed \$900,000.00)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Airport Hangar Refunding v2

Date	Ver.	Action By	Action	Result
7/1/2013	1	City Council	Approved	Pass

Resolution Authorizing Publication of Notice of Intent to Issue General Obligation Capital Improvement Bonds to Fund Airport Box Hangar Project (Not To Exceed \$900,000.00)

Recommended for Council is the publication of a notice of intent to issue general obligation capital improvement bonds in the maximum principal amount of \$900,000.00 for the purpose of refinancing the costs of acquiring and constructing six box hangars at the Ann Arbor Airport, which costs were initially funded through an advance from the City's pooled investment fund.

Following our Fiscal Year 2012 audit, the State of Michigan determined that this advance constituted a deficit position in our Airport Fund (Fund 0048). We were therefore required to submit a deficit elimination plan. That plan consisted of our intent to issue these bonds to eliminate the perceived deficit resulting from the advance from the pooled investment fund. Additionally, we expect that this bond issue will result in over \$50,000.00 in savings to the Airport Fund as a result of the current low interest rate environment.

Debt service on the bonds is expected to be paid from Ann Arbor Airport revenues. The bonds will mature over twelve (12) years, are to be secured as a limited tax general obligation of the City, and will be sold through competitive or negotiated sale.

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

Prepared by: Matthew V. Horning, City Treasurer
Reviewed by: Mary Joan Fales, Senior Assistant City Attorney
Approved by: Steven D. Powers, City Administrator

CITY OF ANN ARBOR
County of Washtenaw, State of Michigan

RESOLUTION AUTHORIZING PUBLICATION
OF NOTICE OF INTENT TO ISSUE GENERAL OBLIGATION
CAPITAL IMPROVEMENT BONDS
(AIRPORT BOX HANGAR PROJECT)

Minutes of a regular meeting of the City Council of the City of Ann Arbor, County of Washtenaw, State of Michigan, held on Monday, July 1, 2013, at 7:00 o'clock p.m. Eastern Time.

PRESENT: Members

ABSENT: Members

The following preamble and resolution were offered by Member _____ and supported by Member _____ :

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 an aggregate principal amount not to exceed Nine Hundred Thousand Dollars (\$900,000.00) (the "Bonds") for the purpose of refinancing the costs of acquiring and constructing six box hangars at the Ann Arbor Airport (the "Airport Box Hangar Project"); and,

WHEREAS, the costs of the Airport Box Hangar Project were initially funded internally through an advance from the City's pooled investment fund, and it is now necessary and appropriate to obtain external funding to repay the outstanding amount of such advance; 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 Washtenaw County Legal News, 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
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 an aggregate principal amount not to exceed Nine Hundred Thousand Dollars (\$900,000.00) (the "Bonds"), for the purpose of financing part of the costs of acquiring and constructing six box hangars at the Ann Arbor Airport.

SAID BONDS will be payable in annual installments not to exceed twelve (12) 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 six percent (6%) per annum on the balance of the Bonds from time to time remaining unpaid. Principal and interest on the Bonds is intended to be primarily payable from revenues of the Ann Arbor Airport. The Bonds will be further secured by the City's limited tax general obligation pledge as described below.

**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, 301 E. Huron Street, Ann Arbor, Michigan 48107.

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: Member

NAYS: Member

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 July 1, 2013, 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

July __, 2013

BH01\1838845.1

ID\BVB - 085125\0999