



March 4, 2024

Mr. Steven Mann
Mr. Thomas Colis
Miller, Canfield, Paddock & Stone, P.L.C.
150 West Jefferson, Suite 2500
Detroit, MI 48226

RE: City of Ann Arbor, County of Washtenaw, State of Michigan, 2024 Capital Improvement Bonds (Limited Tax General Obligation) (Taxable)

Dear Steve and Tom:

Pursuant to the directions given to us by the City, below are the specifications needed for you to draft the necessary legal documents for the above referenced bond issue for consideration at the City's May 20th City Council meeting.



555 Briarwood Circle
Suite 333
Ann Arbor, MI 48108
734.994.9700

pfm.com

Bond Sale Method:	Competitive Sale	
Bidding locations:	Municipal Advisory Council (MAC) via email or Parity	
Bond Amount:	Not to exceed \$9,000,000	
Bond Details:	Dated:	Date of delivery
	First Interest Payment:	Est. to be November 1, 2024
	Capitalized Interest:	None
	Interest Payments:	November 1 and May 1
	Principal Maturity:	May 1, annually (amounts subject to change)

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2025	\$370,000	2034	\$495,000
2026	355,000	2035	515,000
2027	370,000	2036	535,000
2028	385,000	2037	560,000
2029	405,000	2038	585,000
2030	420,000	2039	615,000
2031	435,000	2040	640,000
2032	455,000	2041	675,000
2033	475,000	2042	710,000

Maturity Adjustment: The City reserves the right to adjust the aggregate principal amount of the Bonds after receipt of the bids and prior to final award. If any, such adjustment will be made in increments of \$5,000, and may be made in any maturity.

Adjustment to Purchase Price: The purchase price of the bonds will be adjusted proportionately to the adjustment in principal amount of the bonds and in such manner as to maintain as comparable an underwriter spread as possible to that bid.

Term Bonds: The initial purchaser may designate any one or more maturities as term bonds.



Par Optional Redemption:	Bonds of this issue maturing in the years 2025 to 2034, inclusive, shall not be subject to redemption prior to maturity. Bonds maturing in the year 2035, and after MAY be subject to redemption prior to maturity on ANY date on or after May 1, 2034, at par plus accrued interest to the date fixed for redemption. (Final par optional redemption provisions to be determined prior to publishing the Official Notice of Sale).
Make-Whole Optional Redemption:	Bonds of this issue maturing in the years 2025 to 2034 shall be subject to redemption at the option of the City, in whole or in part, and if in part, from such maturities as the City determines and by lot within maturities, on any date prior to May 1, 2034 at a make-whole redemption price to be determined and defined prior to publishing the Official Notice of Sale.
Mandatory Redemption:	The amounts of the maturities which are aggregated in a designated term bond shall be subject to mandatory redemption on the dates and in the amounts set forth in the maturity schedule at par, plus accrued interest to the date of mandatory redemption.
Bidding Details:	Maximum Rate 7.00% Multiples: 1/8 or 1/1,000 of 1% or both Purchase Price: Not less than 99% or more than 110%
Interest Rate Restriction:	No maturity of the Bonds may have an initial offering price to the public less than 98.5% of par.
Bond Insurance:	The Purchaser may purchase municipal bond insurance on this issue.
Award of Bonds:	Based on the TIC computed from an estimated DELIVERY DATE to be determined at the time of setting the bond sale date.
Bank-qualification:	The bonds will be issued as taxable obligations.
Official Statements:	The Official Statement will be prepared and provided in an electronic only form to prospective bidders and the purchaser of the bonds.
CUSIP Numbers:	If required, PFM will request CUSIP numbers for the bonds prior to sale and CUSIP numbers will be printed on the bonds at the option and expense of the Purchaser.
Transfer Agent:	To be determined
Good Faith Deposit:	No Good Faith Deposit Requirement
Adjustments:	Authorize the Chief Financial Officer to make any adjustments necessary to the bond size, term, structure, redemption provisions, etc.



Delegation: Delegate the Chief Financial Officer to take any and all actions to complete the sale and award of the Bonds under the following parameter(s):

Maximum TIC %:	7.00%
Maximum Bond Term:	18 years
Minimum Purchase Price:	99%

Appointments: Bond Attorney: Miller, Canfield, Paddock & Stone, P.L.C.
Financial Advisor: PFM Financial Advisors LLC

Additional Information: Additional information may be obtained from PFM Financial Advisors LLC, 555 Briarwood Circle, Suite 333, Ann Arbor, MI 48108 (734) 994-9700.

The City has received Qualified Status from the Department of Treasury for its June 30, 2023 fiscal year. Please forward us a copy of the legal documents when they are available. In the meantime, if you have any questions or require additional information, please contact us.

Sincerely,
PFM Financial Advisors LLC

Nathaniel Watson
Managing Director

Cc: Marti Praschan, City of Ann Arbor
Jennifer Hall, City of Ann Arbor Housing Commission
Michelle Landis, City of Ann Arbor
Paul Stauder / Sean Wahl / Lauren Kaufman, PFM Financial Advisors LLC



Table CI w FFC -- \$9,000,000 @ 4.90%

\$9,000,000
CITY OF ANN ARBOR
County of Washtenaw, State of Michigan
2024 Capital Improvement Bonds (Housing Projects)
(Limited Tax General Obligation)
(Taxable)

Dated Date:	07/09/24
1st Int Pymt Date:	11/01/24
Bond Term:	17.81 yrs
Average Life:	10.42 yrs
TIC:	4.90%
1:5 Ratio:	true

SCHEDULE OF PROJECTED AFFORDABLE HOUSING MILLAGE REVENUE AND ESTIMATED DEBT SERVICE & OPERATING EXPENSES

Levy Year	Yr. End 30-Jun	Taxable Value		Housing Millage Revenue & Est. Operating Exps				Capital Improvement Bonds (LTGO) \$9,000,000				Estimated Housing Millage Rev Avail after Ops & Debt Service	Net Coverage			
		Projected Taxable Value [1]	Taxable Value Growth Rate	Housing Mills*	Est. Housing Millage Revenue*	Operating Expenses to be funded by Millage	Growth	Estimated Housing Rev Avail after Ops	Interest Due 1-Nov	Principal Due 1-May	Interest Rates			Interest Due 1-May	Total Proposed Payment	
2023	2024	\$7,127,433,641		0.9933	\$7,079,680	\$500,000		\$6,579,680	-	-	0.000%	-	-	\$6,579,680		
2024	2025	7,483,805,323	5.00%	0.9933	7,433,664	510,000	2.00%	6,923,664	\$131,182	\$370,000	4.680%	\$210,828	\$712,009	6,211,655	9.72	
2025	2026	7,633,481,430	2.00%	0.9933	7,582,337	520,200	2.00%	7,062,137	202,170	355,000	4.380%	202,170	759,339	6,302,798	9.30	
2026	2027	7,786,151,058	2.00%	0.9933	7,733,984	530,604	2.00%	7,203,380	194,395	370,000	4.200%	194,395	758,790	6,444,590	9.49	
2027	2028	7,941,874,079	2.00%	0.9933	7,888,664	541,216	2.00%	7,347,447	186,625	385,000	4.140%	186,625	758,250	6,589,197	9.69	
2028	2029	8,100,711,561	2.00%	0.9933	8,046,437	552,040	2.00%	7,494,396	178,656	405,000	4.190%	178,656	762,311	6,732,085	9.83	
2029	2030	8,262,725,792	2.00%	0.9933	8,207,366	563,081	2.00%	7,644,284	170,171	420,000	4.220%	170,171	760,342	6,883,943	10.05	
2030	2031	8,427,980,308	2.00%	0.9933	8,371,513	574,343	2.00%	7,797,170	161,309	435,000	4.370%	161,309	757,618	7,039,553	10.29	
2031	2032	8,596,539,914	2.00%	0.9933	8,538,943	585,830	2.00%	7,953,113	151,804	455,000	4.450%	151,804	758,608	7,194,505	10.48	
2032	2033	8,768,470,712	2.00%	0.9933	8,709,722	597,546	2.00%	8,112,176	141,680	475,000	4.500%	141,680	758,361	7,353,815	10.70	
2033	2034	8,943,840,127	2.00%	0.9933	8,883,916	609,497	2.00%	8,274,419	130,993	495,000	4.550%	130,993	756,986	7,517,434	10.93	
2034	2035	9,122,716,929	2.00%	0.9933	9,061,595	621,687	2.00%	8,439,908	119,732	515,000	4.650%	119,732	754,463	7,685,445	11.19	
2035	2036	9,305,171,268	2.00%	0.9933	9,242,827	634,121	2.00%	8,608,706	107,758	535,000	4.750%	107,758	750,516	7,858,190	11.47	
2036	2037	9,491,274,693	2.00%	0.9933	9,427,683	646,803	2.00%	8,780,880	95,052	560,000	4.850%	95,052	750,103	8,030,777	11.71	
2037	2038	9,681,100,187	2.00%	0.9933	9,616,237	659,739	2.00%	8,956,497	81,472	585,000	4.950%	81,472	747,943	8,208,554	11.97	
2038	2039	9,874,722,191	2.00%	0.9933	9,808,562	672,934	2.00%	9,135,627	66,993	615,000	5.000%	66,993	748,986	8,386,642	12.20	
2039	2040	10,072,216,634	2.00%	0.9933	10,004,733	686,393	2.00%	9,318,340	51,618	640,000	5.060%	51,618	743,236	8,575,104	12.54	
2040	2041	10,273,660,967	2.00%	0.9933	10,204,827	700,121	2.00%	9,504,707	35,426	675,000	5.090%	35,426	745,852	8,758,855	12.74	
2041	2042	10,479,134,187	2.00%	0.9933	10,408,924	714,123	2.00%	9,694,801	18,247	710,000	5.140%	18,247	746,494	8,948,307	12.99	
2042	2043	10,688,716,870	2.00%	0.00	-	-		-	-	-	0.000%	-	-	-		
									\$2,225,279	\$9,000,000			\$2,304,925	\$13,530,203		

[1] Includes 2023 Taxable Value of \$7,506,560,375 less DDA and Brownfield Captured value of \$379,126,734

*Assumes the Affordable Housing millage is not reduced farther by a Headlee rollback factor in the future and a collections rate of 100%



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

GRETCHEN WHITMER
GOVERNOR

December 21, 2023

Approval

Municipality Code: 812010

Fiscal Year Ended: 6/2023

Report ID Number: 151378

Dear Chief Administrative Officer:

Thank you for submitting a Qualifying Statement for City of Ann Arbor to the Michigan Department of Treasury on December 20, 2023. Based upon the information provided in the Qualifying Statement, we have determined that the municipality is in material compliance with the criteria identified in Section 303(3) of Public Act 34 of 2001.

The municipality is now authorized to issue municipal securities under this Act without further approval from Treasury. This authorization will remain in effect for six months plus 30 business days after the end of your next fiscal year, or when Treasury has made a new determination, whichever occurs first.

Within 15 business days after the issuance of a municipal security, you will need to upload with the Department a [Treasury Website \(Security Report\)](#) and the documents required in [Michigan Legislature Website \(Section 319\)](#) of Public Act 34 of 2001.

If you would like to speak with a member of our team, please email our office at Treas_MunicipalFinance@Michigan.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "CJ Vaughn".

Cary Jay Vaughn, CPA, Administrator
Local Audit and Finance Division