



Legislation Details (With Text)

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Title: Resolution to Approve Second Amendment to Articles of Incorporation of the Economic Development Corporation of the City of Ann Arbor

Sponsors:

Indexes:

Code sections:

Attachments: 1. 180710 EDC Letter - Proposed Amendments.pdf, 2. EDC Amendment 1 and Articles of Inc.pdf

Date	Ver.	Action By	Action	Result
9/4/2018	1	City Council	Approved	Pass

Resolution to Approve Second Amendment to Articles of Incorporation of the Economic Development Corporation of the City of Ann Arbor

The Economic Development Corporation of the City of Ann Arbor (“EDC/A2”) was formed under Michigan’s Economic Development Corporation Act in 1978. Its purpose is to assist in the attraction, relocation, retention and expansion of profit and non-profit organizations which provide employment and which are considered desirable and beneficial to the City. It has carried this out primarily by its issuance of tax-exempt revenue bonds. This has permitted borrowers to realize substantial savings in financing costs due to the difference between taxable and tax-exempt interest rates. Since its creation it has issued many such bonds but its enabling legislation makes clear that this need not be its only function. The Board of the EDC/A2 studied ways other than bond financing that the EDC/A2 might be helpful in encouraging economic development in the City. The proposed attached Amendments lists seven (7) examples of those programs and activities.

The procedure for amending EDC/A2 Articles of Incorporation is set forth in Section 30 in the EDC Act (MCL 125.1630) which provides as follows:

“The articles of incorporation of the corporation may be amended by resolution of the municipality which resolution shall be filed with the secretary of state. The effect of an amendment may include the alteration or changing of the structure, organization, programs or activities of the corporation included the power to terminate the existence of the corporation. However, an amendment shall not impair the obligation of a bond or contract.”

Reviewed by: Betsy Blake, Senior Assistant City Attorney
Tom Crawford, CFO

Approved by: Howard S. Lazarus, City Administrator

Whereas, The Economic Development Corporation of the City of Ann Arbor (EDC/A2) met on March 13, 2018, and proposed certain amendments to its Articles of Incorporation to expressly recite certain of those additional roles and services it may undertake under the authority of Act 338, Public Acts of Michigan, 1974, as amended; and

Whereas, The City Council deems it appropriate to approve and amend said Articles of Incorporation of the Economic Development Corporation of the City of Ann Arbor for said purpose;

RESOLVED, That the Second Amendment to the Articles of Incorporation of the Economic Development Corporation of the City of Ann Arbor as attached hereto be hereby adopted;

RESOLVED, That the City Clerk shall file a certified copy of this resolution with said amendment attached, with the Michigan Department of State, Office of the Great Seal, 430 West Allegan Street, R H Austin Building, First Floor, Lansing, Michigan 48198 pursuant to Section 30 of Act 338, Public Acts of Michigan, 1974, as amended; and

RESOLVED, All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution shall be and hereby are rescinded.