



Legislation Text

File #: 15-1365, **Version:** 1

Resolution Calling a Public Hearing Concerning the Issuance of Bonds by the Wisconsin Public Finance Authority for the Benefit of the University Corporation for Advanced Internet Development (a/k/a Internet2)

The Public Finance Authority (PFA), has been approached by Internet2 to assist in financing property in Ann Arbor, located at 100 Phoenix Drive, Suite 111. The existing property is one out of 63 locations within a multi-state improvement project, in which the internet networks that consist of fiber optical cables, routers and supporting equipment will be added to improve the transmission of data over the internet. This portion of the project is currently expected to be \$350,000 out of a \$20,000,000 project.

The PFA is a political subdivision of the State of Wisconsin authorized to issue taxable and tax-exempt bonds for public benefit project nationwide. The PFA was formed and is sponsored by the National League of Cities and National Association of Counties. More information on the PFA can be found at www.pfauthority.org <<http://www.pfauthority.org>>. In order to complete the financing the local agency where the project is proposed must approve the PFA financing. The following is a brief discussion relating to this public hearing process under the Tax and Equity Fiscal Responsibility Act of 1982 ("TEFRA").

The TEFRA hearing process is a public accountability procedure involving the legislative body of the local agency in which the proposed project is located. During such process, the legislative body conducts a public hearing providing members of the community the opportunity to speak on behalf of or against the nature and location of the proposed project to be financed with tax-exempt bonds. Notice of such hearing must be published in a newspaper of general circulation at least 14 days prior to the date of the public hearing.

The City of Ann Arbor will be asked to adopt a resolution approving of the issuance of tax-exempt bonds for the financing of the proposed project. It is anticipated that this resolution will be on the Council agenda for December 21, 2015. Such approval is required for compliance with the federal tax laws under TEFRA, as well as the Wisconsin statutes requiring local approval. This approval will not constitute any other approval of the local agency. Each financing completed by the PFA has been structured so that the local agency completing the TEFRA hearing process has no liability with respect to the issuance of bonds or the repayment of any debt service relating to such bonds. More importantly, the local agency completing the TEFRA hearing process is not a party to any of the financing documents relating to the issuance of the bonds nor is it named in any of the disclosure documents describing the bonds or the proposed financing.

Prepared by: Matthew V. Horning, Treasurer
Reviewed by: Tom Crawford, Chief Financial Officer
Approved by: Steven D. Powers, City Administrator

**CITY COUNCIL
OF THE
CITY OF ANN ARBOR**

(UNIVERSITY CORPORATION FOR
ADVANCED INTERNET DEVELOPMENT)

RESOLUTION CALLING PUBLIC HEARING
CONCERNING THE ISSUANCE OF BONDS BY
THE WISCONSIN PUBLIC FINANCE AUTHORITY
FOR THE BENEFIT OF THE UNIVERSITY CORPORATION
FOR ADVANCED INTERNET DEVELOPMENT (A/K/A INTERNET2)

Minutes of a regular meeting of the City Council of the City of Ann Arbor, County of Washtenaw, Michigan (the "City") held on November __, 2015, at 7:00 o'clock P.M., Michigan Time.

Present: Members:

Absent: Members:

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

WHEREAS, the University Corporation for Advanced Internet Development (aka Internet2), a nonprofit corporation of international reputation, with offices located at 100 Phoenix Drive, Suite 111, Ann Arbor, Michigan, provides nationwide and international internet infrastructure for higher education, government and industry, to assist, among other things, in the movement of research data and information on the internet; and

WHEREAS, Internet2 has developed a financing plan for the improvement of its network throughout the United States, which plan will be implemented through the issuance of tax-exempt bonds in the maximum principal amount of \$1,100,000.00 (the "Bonds") by the Public Finance Authority of the State of Wisconsin (the "Wisconsin Public Finance Authority") to finance certain furniture, fixtures and equipment for the benefit of Internet2, with a maximum estimated cost of \$1,100,000.00, to be located at Internet2's offices in the City of Ann Arbor (the "Project"): and

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code"), requires that, as a condition precedent to the issuance of tax-exempt bonds for a non-governmental project, the municipality in which the project is located must approve the issuance of bonds for the project following a public hearing thereon; and

WHEREAS, this City Council has determined that assisting Internet2 by holding a public hearing and approving the Bonds will serve and constitute a public purpose; and

WHEREAS, the Code further requires that a notice of public hearing be published approximately two weeks before the public hearing, and bond counsel for the Wisconsin Public Finance Authority, Clark Hill PLC, of Birmingham, Michigan, has prepared an appropriate form of such notice, which is attached as Exhibit A;

NOW, THEREFORE, BE IT RESOLVED THAT:

City Clerk

Dated: _____