



Legislation Text

File #: 08-1090, **Version:** 1

Notice of Intent to Issue General Obligation Capital Improvement Bonds to Fund Construction of a Parking Structure at First and Washington Streets (Not To Exceed \$9,000,000.00)

On December 1, 2008 Council approved the site plan for the redevelopment of the City owned site located on the southeast corner of First and Washington Streets, which includes the construction of a parking structure with approximately 240 spaces. The Downtown Development Authority has entered into an agreement to pay for the construction of the parking deck, subject to it meeting specific design standards. The DDA anticipates funding the cost of construction by 15% from reserves and 85% from bond proceeds.

Recommended for Council consideration is the publication of a notice of intent to issue general obligation capital improvement bonds in the maximum principal amount of \$9,000,000, for the purpose of financing the construction of a parking structure at First and Washington Streets. The Bonds are secured as a 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 W. Fraser, City Administrator

Minutes of a regular meeting of the City Council of the City of Ann Arbor, County of Washtenaw, State of Michigan held on Monday, December 15, 2008, at 7:00 o'clock p.m. Eastern Standard Time.

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

ABSENT: 0.

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

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 Nine Million Dollars (\$9,000,000.00) (the "Bonds") for the purpose of paying part of the costs of acquiring and constructing a multi-level, approximately 240 space, public parking structure in the City to be located on the block bounded by First Street, Washington Street, Liberty Street and South Ashley Street, and for related capital improvements; 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 Nine Million Dollars (\$9,000,000.00) (the "Bonds"), for the purpose of paying part of the costs of acquiring and constructing a multi-level, approximately 240 space, public parking structure in the City to be located on the block bounded by First Street, Washington Street, Liberty Street and South Ashley Street, and for related capital improvements on such site.

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 nine percent (9%) 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.

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 Briere, Smith, Rapundalo, Derezinski, Greden, Taylor, Higgins, Teall, Anglin, Hohnke, and Mayor Hieftje, 11;

NAYS: 0

RESOLUTION DECLARED ADOPTED.

_____, 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 December 15, 2008, 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.

_____, City Clerk

December __, 2008