



Legislation Text

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

The Wisconsin Public Finance Authority (WPFA), 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 \$350,000.00 out of a \$20,000,000.00 project.

The WPFA is a political subdivision of the State of Wisconsin authorized to issue taxable and tax-exempt bonds for public benefit project nationwide. The WPFA was formed and is sponsored by the National League of Cities and National Association of Counties. More information on the WPFA 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 WPFA financing.

The City of Ann Arbor has been asked to adopt a resolution approving of the issuance of tax-exempt bonds for the financing of the proposed project. 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.

City Council held a public hearing on December 21, 2015, which public hearing was duly noticed by publication in the *Washtenaw Legal News* to provide interested parties an opportunity to be heard, regarding the WPFA's issuance of the Bonds for the benefit of the University Corporation for Advanced Internet Development (a/k/a Internet2), a nonprofit corporation ("Internet2"). The public hearing and the approval of the Bonds by the City Council is required by federal income tax law, as a condition precedent to the issuance of the Bonds by the WPFA.

Prepared by: Matthew V. Horning, Treasurer/Interim CFO

Approved by: Tom Crawford, Interim City Administrator

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

**(UNIVERSITY CORPORATION FOR
ADVANCED INTERNET DEVELOPMENT)**

RESOLUTION APPROVING THE ISSUANCE OF BONDS BY

**THE WISCONSIN PUBLIC FINANCE AUTHORITY
FOR 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 December 21, 2015, at 7:00 o'clock P.M., Michigan Time.

Present: Council Members: Briere, Warpehoski, Grand, Krapohl, Westphal, Ackerman, Smith, Lumm, Eaton, and Mayor Taylor, 10;

Absent: Council Member: Kailasapathy, 1.

The following preamble and resolution were offered by Council Member Briere and supported by Council Member Warpehoski.

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 (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, 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 City Council has held a public hearing regarding the WPFA's issuance of the Bonds and has concluded that such issuance will serve a public purpose; and

WHEREAS, Internet2 and the WPFA have assured this City Council that neither the City of Ann Arbor nor its residents will be liable or responsible in any respect with respect to or for the issuance of the Bonds or the Project financed thereby;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. That this City Council hereby determines that the issuance of the Bonds will constitute a public purpose.
2. That the issuance of the Bonds by the WPFA be and is hereby approved.
3. That the Clerk of this City be and hereby is instructed to communicate this approval to the WPFA by delivering to said WPFA a certified copy of this resolution.
4. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

YEAS: Council Members: Briere, Warpehoski, Grand, Krapohl, Westphal, Ackerman, Smith, Lumm, Eaton, and Mayor Taylor, 10;

NAYS: 0;

ABSENT: Council Member: Kailasapathy, 1;

ABSTENTIONS: 0.

RESOLUTION DECLARED ADOPTED:

Jacqueline Beaudry
City Clerk

STATE OF MICHIGAN)
) SS.
COUNTY OF WASHTENAW)

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of the City of Ann Arbor, Michigan, held on December 21, 2015, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No. 267 of the Michigan Public Acts of 1976, as amended.

Jacqueline Beaudry
City Clerk

Dated: _____