



Legislation Text

File #: 18-1317, Version: 1

Resolution Authorizing Publication of Notice of Intent to Issue General Obligation Capital Improvement Bonds to Fund Downtown Development Authority Project (Not To Exceed \$15,500,000.00) **(6 Votes Roll Call)**

Recommended for Council is the publication of a notice of intent to issue general obligation capital improvement bonds in the maximum principal amount of \$15,500,000.00 for the purpose of financing capital project costs that will include various street, bikeway, sidewalk, streetlight, utility, landscaping and infrastructure improvements and pedestrian amenities in the downtown development area, including Huron Street (between Chapin/Third and Division), First and Ashley Streets (between Madison and Kingsley), and William Street (between Third and State Streets).

The bonds are planned to be repaid in full by the DDA, as a contractual obligation to the City, from the DDA's tax increment revenues received pursuant to Act 197, Public Acts of Michigan, 1975, as amended, and from certain revenues of the City's parking system as managed by the DDA.

The City's bond counsel, Dykema Gossett, prepared the attached notice with further review by the City Attorney.

Prepared by: Tom Crawford, Financial Services Area Administrator and CFO

Reviewed by: Betsy Blake, Senior Assistant City Attorney

Approved by: Howard Lazarus, City Administrator

CITY OF ANN ARBOR
County of Washtenaw, State of Michigan

RESOLUTION AUTHORIZING PUBLICATION
OF NOTICE OF INTENT TO ISSUE GENERAL OBLIGATION
CAPITAL IMPROVEMENT BONDS
(DOWNTOWN DEVELOPMENT PROJECT)

Minutes of a regular meeting of the City Council of the City of Ann Arbor, County of Washtenaw, State of Michigan, held on Thursday, August 9, 2018, at 7:00 o'clock p.m. Eastern Time.

PRESENT: Councilmembers Kailasapathy, Bannister, Westphal, Lumm, Grand, Ackerman, Eaton, Warpehoski, Smith, Mayor Taylor, 10;

ABSENT: Councilmember Krapohl

The following preamble and resolution were offered by Councilmember Warpehoski and supported by

Councilmember Smith:

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 an aggregate principal amount not to exceed Fifteen Million Five Hundred Thousand Dollars (\$15,500,000.00) (the "Bonds"), at the request of the Ann Arbor Downtown Development Authority (the "DDA"), for the purpose of financing a portion of certain capital project costs within the DDA's downtown development area pursuant to the DDA's Development Plan and Tax Increment Financing Plan; and

WHEREAS, such capital project costs will include various street, bikeway, sidewalk, streetlight, utility, landscaping and infrastructure improvements and pedestrian amenities in the downtown development area, including Huron Street (between Chapin/Third and Division), First and Ashley Streets (between Madison and Kingsley), and William Street (between Third and State Streets); and

WHEREAS, it is proposed that the Bonds be general obligation bonds secured by a pledge of the City's full faith and credit, subject to constitutional, statutory and charter limitations; and

WHEREAS, it is further proposed that the Bonds be primarily payable in full by the DDA, as a contractual obligation to the City, from the DDA's tax increment revenues received pursuant to Act 197, Public Acts of Michigan, 1975, as amended, and from certain revenues of the City's parking system as managed by the DDA; and

WHEREAS, a notice of intent to issue bonds must be published in accordance with Section 517 of Act 34, which will provide that the proposed capital improvement bonds may be issued without a vote of the electors of the City unless the requisite petitions for an election on the question of the issuance of the bonds are filed with the City Clerk within a period of 45 days from the date of publication.

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 Washtenaw County Legal News, 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, with such changes as the City Clerk shall deem necessary and appropriate, upon the advice of bond counsel:

[Form of Notice Follows]

**NOTICE OF INTENTION OF THE CITY OF ANN ARBOR
TO ISSUE GENERAL OBLIGATION
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 (the "City"), intends to issue and sell the City's General Obligation Capital Improvement Bonds, pursuant to Act 34, Public Acts of Michigan, 2001, as amended, in an aggregate principal amount not to exceed Fifteen Million Five Hundred Thousand Dollars (\$15,500,000.00) (the "Bonds"), for the purpose of financing a portion of certain capital project costs pursuant to the Development Plan and Tax Increment Financing Plan of the Ann Arbor Downtown Development Authority (the "DDA") within the DDA's downtown development area.

SAID BONDS will be payable in annual installments, not to exceed fifteen (15) 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 twelve percent (12%) per annum, on the balance of the Bonds from time to time remaining unpaid. Payment of principal of and interest on the Bonds will be secured by the City's limited tax general obligation pledge as described below. The Bonds are to be primarily payable in full by the DDA, as a contractual obligation to the City, from the DDA's tax increment revenues received pursuant to Act 197, Public Acts of Michigan, 1975, as amended, and from certain revenues of the City's parking system as managed by the DDA.

**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, 301 E. Huron Street, Ann Arbor, Michigan 48107.

Jacqueline Beaudry
City Clerk, City of Ann Arbor

[End of form of Notice]

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 Kailasapathy, Bannister, Westphal, Lumm, Grand, Ackerman, Eaton, Warpehoski,
Smith, Mayor Taylor, 10;

NAYS: 0;

ABSTAIN: 0.

RESOLUTION DECLARED ADOPTED.

Jacqueline Beaudry, 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 August 9, 2018, 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.

Jacqueline Beaudry, City Clerk

August __, 2018