Legislation Details (With Text)

File #:	18-1677	**Version:**	1	**Name:**	10/15/18 Resolution Approving Financing Contract for City of Ann Arbor Capital Improvement Bonds (Downtown Development Project
Type:	Resolution			**Status:**	Passed
File created:	10/15/2018			**In control:**	City Council
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Title: Resolution to Approve a Financing Contract with the Ann Arbor Downtown Development Authority for City of Ann Arbor Capital Improvement Bonds (Downtown Development Project)

Sponsors:

Indexes:

Code sections:

Attachments: 1. A2 DDA Financing EXT.pdf

Date	Ver.	Action By	Action	Result
10/15/2018	1	City Council	Approved	Pass

Resolution to Approve a Financing Contract with the Ann Arbor Downtown Development Authority for City of Ann Arbor Capital Improvement Bonds (Downtown Development Project)
On October 3, 2018 the DDA approved a project financing contract between the DDA and the City to make payments for the City-issued 2018 LTGO Capital Improvement bonds, which are proposed to be issued for various street, bikeway, sidewalk, streetlight, utility, landscaping and infrastructure improvements and pedestrian amenities in the downtown development area. The improvements include 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 will be repaid in full by the DDA, as a contractual obligation to the City.

Staff recommends the approval of this contract with the DDA.
Prepared by: Tom Crawford, Financial Services Area Administrator and CFO
Reviewed by: Betsy Blake, Senior Assistant City Attorney
Approved by: Howard S. Lazarus, City Administrator
Whereas, The City of Ann Arbor (the “City”) created the Ann Arbor Downtown Development Authority (the “Authority”) pursuant to Act 197, Public Acts of Michigan, 1975, as amended (the “Act”);

Whereas, Pursuant to the Act, the Authority prepared its Development Plan and Tax Increment Financing Plan for the Authority’s Development Area, which was adopted by the City Council by Ordinance No. 55-82, and subsequently amended by the Authority and adopted, as amended, by the City Council by Ordinance No. 26-03 (the “Plan”);

Whereas, The Authority and the City have determined that it is necessary and appropriate at this time to finance certain capital project costs pursuant to and consistent with the goals of the Plan, which will include various street, bikeway, sidewalk, streetlight, utility, landscaping and infrastructure improvements and pedestrian amenities in the Authority’s District, including Huron Street (between Chapin/Third and Division), First and Ashley Streets (between Madison and Kingsley), and William

Street (between Third and State Streets) (collectively, the “Project”);

Whereas, The Authority and City have determined that the most advantageous and economical method of financing a substantial portion of the costs of the Project is through the issuance and sale by the City of capital improvement bonds, in a principal amount not to exceed $15,500,000 (the “Bonds”), pursuant to Section 517 of the Revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), maturing over a term of years within the remaining duration of the Plan, primarily secured by the City’s limited tax general obligation pledge, and to be primarily payable in full from the Authority’s tax increment revenues received pursuant to the Act and derived from taxes levied on real and personal property in the Authority’s District by the City, Washtenaw County, the Ann Arbor Transportation Authority, Washtenaw Community College and the Ann Arbor District Library (the “Taxing Jurisdictions”), and from certain revenues of the City’s parking system as managed by the Authority (collectively, the “Revenues”);

Whereas, The City Council has previously approved a resolution declaring the City’s intention to issue the Bonds for purposes of the Project; and

Whereas, The City has presented the Authority with, and the Authority has approved, the form of a Financing Contract (City of Ann Arbor Series 2019 LTGO Capital Improvement Bonds) attached hereto as Exhibit A (the “Financing Contract”), pursuant to which the Authority will remit the Revenues to the City as the primary source of payment of the Bonds in sufficient amounts to provide for timely payment of all principal of and interest on the Bonds as such become due throughout the term of the Bonds.

RESOLVED, That City Council approve the attached Financing Contract with the Ann Arbor Downtown Development Authority; and

RESOLVED, That the Mayor and City Clerk be authorized and are directed to execute said Agreement after approval as to form by the City Attorney and approval as to substance by the City Administrator.