



Rochester Hills

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Master

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File Name: Refunding Building Authority Bonds, GOLT, Series
2002, City Hall Building Bonds

Final Action:

Title label: Request for Authorization to refund all or part of the outstanding Building Authority General
Obligation Limited Tax Bonds, Series 2002

Notes:

Sponsors:

Enactment Date:

Attachments:

Enactment Number:

Contact:

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History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council Regular Meeting	04/12/2010					

Text of Legislative File 2010-0156

Title

Request for Authorization to refund all or part of the outstanding Building Authority General
Obligation Limited Tax Bonds, Series 2002

Body

Whereas, pursuant to the provisions of Act No. 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31"), the City of Rochester Hills (the "City") and the Rochester Hills Building Authority (the "Authority") have entered into a contract of lease dated as of February 1, 2002 (the "Contract of Lease") relative to the acquisition, construction, furnishing and equipping by the Authority of an addition and improvements and renovations to the City Hall of the City for lease to the City; and

Whereas, pursuant to the Contract of Lease and the provisions of Act 31, the Authority has issued its Building Authority Bonds, Series 2002 (the "Prior Bonds"); and

Whereas, the Prior Bonds remain outstanding in the aggregate principal amount of \$7,000,000, mature in various principal amounts in the years 2011 through 2021 and bear interest at rates per annum which vary from

4.125% to 4.75%; and

Whereas, the City and the Authority have been advised that the Prior Bonds could be refunded, in whole or in part, to secure savings for the City and thereby benefit the taxpayers of the City; and

Whereas, Section 11(1) of Act 31 and Part VI of Act No. 34, Public Acts of Michigan, 2001, as amended (“Act 34”) authorize the issuance of building authority refunding bonds for the purpose of refunding all or a portion of the Prior Bonds; and

Whereas, the City Council of the City has determined that it is in the best interest of the City to secure savings for the City through the issuance by the Authority of such building authority refunding bonds.

Now, Therefore, Be It Resolved that:

1. The Authority is requested and authorized to issue its building authority refunding bonds in the aggregate principal amount of not to exceed \$7,500,000 (the “Refunding Bonds”) pursuant to the provisions of Act 31 and Act 34 for the purpose of refunding all or part of the Prior Bonds and paying the costs of issuing the Refunding Bonds, provided that the present value of the savings (net of issuance costs) to be realized by the issuance of the Refunding Bonds shall be equal to or greater than 2.0% of the principal amount of the Prior Bonds to be refunded and in any event no less than \$100,000.

2. The proceeds of the Refunding Bonds shall be sufficient, together with other funds available to the City, if any, to pay the costs of issuing the Refunding Bonds and to establish an escrow fund in an amount that will be sufficient to pay the principal of, interest on and redemption premiums, if any, on the Prior Bonds to be refunded without further payment by the Authority.

3. The City covenants and agrees to continue to make payments to the Authority, in accordance with the requirements of the Contract of Lease, said payments to be in amounts sufficient to pay the principal of and interest on any of the Prior Bonds that are not refunded and on all Refunding Bonds as the same shall become due and all paying agency fees and other expenses and charges that are payable on account of the Prior Bonds that are not refunded and the Refunding Bonds. The City acknowledges and agrees that its obligations as set forth in the Contract of Lease shall continue for the Refunding Bonds and the Authority shall have all rights and remedies set forth in the Contract of Lease to enforce the obligations of the City with respect to the Refunding Bonds in the same manner and to the same extent that such rights and remedies are available with respect to the Prior Bonds.

4. The City specifically (but not by way of limitation) reaffirms its pledge of its full faith and credit for the payment of its obligations with respect to the Refunding Bonds and its obligation to levy taxes within existing constitutional, statutory and charter limitations for the making of the cash rental payments to the Authority in amounts sufficient to enable the Authority to pay the principal of and interest on any of the Prior Bonds which are not refunded and the Refunding Bonds in accordance with the provisions of the Contract of Lease.

5. The Mayor, the City Clerk, the Finance Director, the Treasurer, and other officials of the City are hereby authorized to take such steps on behalf of the City as are necessary to effectuate the refunding of all or part of the Prior Bonds as set forth herein.

6. The Mayor and the City Clerk are hereby authorized to execute a certificate of the City to comply with the continuing disclosure undertaking of the City with respect to the Refunding Bonds pursuant to paragraph (b)(5) of SEC Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended, and amendments to such certificate from time to time in accordance with the terms of such certificate (the certificate and any amendments thereto are collectively referred to herein as the “Continuing Disclosure Certificate”). The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate.

7. All resolutions and parts of resolutions insofar as they may be in conflict herewith are hereby rescinded.