



MEMORANDUM

TO: City of the Village of Douglas
FROM: Thomas D. Colis, Miller Canfield
RE: Bond Authorizing Resolution (415 Wiley Road Property)
DATE: December 2, 2024

The bond authorizing resolution (the “Resolution”) is the second and final step in authorizing the issuance of capital improvement bonds for the purpose of paying the cost of renovating, furnishing and equipping the 415 Wiley Road property for use as city hall and the police department along with other administrative offices, including related site improvements and all appurtenances and attachments thereto (the “Project”).

City Council previously authorized the publication of a notice of intent to issue bonds which provided that bonds may be issued without a vote of the electors of the City unless a proper petition was filed with the City Clerk within a forty-five (45) day period from the date of publication. The notice was published in the Commercial Record on October 17, 2024. The 45-day referendum period expires as of the close of business on December 2, 2024. So long as no proper petition was filed within the 45-day period, City Council can consider the adoption of the Resolution.

The Resolution provides for the issuance of a series of capital improvement bonds in the amount of \$3,323,000 to pay for the costs of the Project and the cost of issuance of the bonds. The Resolution also provides the following:

1. Provides that the bonds are secured by the limited tax pledge of the City.
2. Authorizes the Mayor and City Clerk to sign the bonds and affix the City seal on the bonds.
3. Establishes a Debt Retirement Fund and Construction Fund. The bond proceeds will be deposited to the Construction Fund.
4. Provides the form of bond.
5. Accepts the offer of Capital One Public Funding, LLC to purchase the bonds pursuant to the term sheet attached to the Resolution as Exhibit A.
6. Provides that the City shall take all actions within its control to maintain the tax-exempt status of the bonds and designates the bonds as “qualified tax-exempt obligations”.
7. Authorizes the Mayor, City Clerk, Treasurer and City Manager to take all other actions as are necessary to effectuate the sale and delivery of the bonds, including signing any necessary documents and making any necessary filings.

The bonds shall bear interest at a rate of 5.35% per annum. Principal on the bonds shall be payable annually on December 15 from 2025 through 2044. Interest shall be payable semi-annually on June 15 and December 15 of each year, beginning June 15, 2025. The principal amounts to be paid annually are set forth in Exhibit B to the Resolution.

The City can prepay or redeem the bonds in whole on any date on or after December 15, 2034. The City can also prepay the bonds in part on any interest payment date, but only from the proceeds of the sale of existing City properties and subject to the additional conditions set forth in Exhibit B to the Resolution.

It is currently expected that the bond issue will be closed, and the City will receive the bond proceeds on December 18, 2024.

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