



MEMORANDUM

TO: City of the Village of Douglas
FROM: Thomas D. Colis, Miller Canfield
RE: Notice of Intent to Issue Bonds Resolution (415 Wiley Road Property)
DATE: September 25, 2024

The purpose of the Notice of Intent Resolution is to authorize the publication of a notice of intent to issue capital improvement bonds in a maximum amount of \$4,000,000, payable in not more than 30 years from the date of issue, 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").

The resolution also states the City's intention to reimburse itself from bond proceeds for any capital expenditures made on the project prior to the bond proceeds being available.

The adoption of the Notice of Intent Resolution is the first of two steps required to issue capital improvement bonds for the Project. The adoption of the Notice of Intent Resolution does not obligate the City to issue the bonds, it only initiates the process of issuing the bonds.

Pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), a municipality may by resolution of its governing body, and without a vote of its electors, issue capital improvement bonds to finance the costs of any capital improvement items in the municipality. The process is initiated by the publication of a notice of intent to issue bonds which includes the maximum amount of bonds to be issued, the purpose of the bonds, the source of payment, and the right of referendum on the issuance of the bonds. The form of notice to be published in the paper is attached to the resolution as Exhibit A.

If a petition, signed by not less than 10% of the registered electors, is filed within 45 days after the publication of the notice, requesting a referendum on the question of issuing the bonds, then the City shall not issue the bonds until authorized by a vote of the registered electors in the City voting at a general or special election.

If no petition is filed within the aforementioned 45-day period, the City Council can proceed to the second step to issue the bonds by adopting a bond authorizing resolution. The bond authorizing resolution will authorize, among other things, the issuance of a series of bonds to finance the costs of the Project in a maximum amount, establish the various funds and accounts to be opened in connection with the bond issue (debt retirement fund/construction fund), determine the method of sale of the bonds (competitive/private placement), pledge the

City's limited tax full faith and credit to support the bonds, and authorize the award of the bonds pursuant to a sale order to be executed by certain designated authorized officers of the City, within the parameters provided for in the resolution.

If the City has received an offer to purchase the bonds prior to adoption of the bond authorizing resolution, then the resolution can provide for the private placement of the bonds to the purchaser without the need for a sale order.

The City will receive the proceeds of the bonds approximately 2-3 weeks following the adoption of the bond authorization resolution if the purchaser and the terms of the bonds were identified in the resolution.

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