

COUNTY ADMINISTRATOR
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TO: Jeff Irwin, Chair
Ways & Means Committee

FROM: Robert E. Guenzel
County Administrator

THROUGH: Curtis N. Hedger
Corporation Counsel

DATE: November 15, 2006

SUBJECT: Approval of Resolution Authorizing the Washtenaw County Board of Commissioners to Amend the Existing Lease Contract with the Washtenaw County Building Authority for Bond Series 2002 to Permit the County to use \$737,741.81 in Unused Bond Proceeds and Interest Earnings from This Bond Issue to Acquire Land and Pay for the Construction of the Proposed 14-A District Court in Saline

Board Action Requested:

County Administration requests that the Board of Commissioners approve a Resolution amending the existing Lease Contract with the Washtenaw County Building Authority for Bond Series 2002 to permit the County to use \$737,741.81 in unused bond proceeds and interest earnings from this bond issue to help pay for the purchase of land and construction of the proposed 14-A District Court in Saline.

Background:

On October 1, 2002, the Washtenaw County Board of Commissioners and the Washtenaw County Building Authority (“Authority”) executed a Lease Contract, pursuant to which, the Authority issued \$3,000,000.00 of bond money (“Series 2002 Bond”) to acquire, construct, furnish and equip the Head Start Facility in Superior Township, Michigan.

The Head Start Facility financed by the Series 2002 Bonds is now complete. Due to construction savings and interest earnings, the Series 2002 Bond Issue now has a surplus of \$737,741.81.

Discussion:

As noted above, the Head Start Facility that was funded by the Series 2002 Bond is now completed. This Bond Series has a surplus of \$737,741.81. To avoid possible arbitrage issues, these funds must either be used for another capital project or to defease the existing bond issue. Using the money to defease the existing bonds, however, would result in additional costs for the County. County Administration, in consultation with its bond attorney, believes it is better to amend the Lease Contract between the County and the Building Authority to permit this money to be used to pay for land as well as construction costs associated with the construction of the proposed 14-A District Court in Saline.

In addition, by separate Resolution, the Board of Commissioners are also being requested to approve the transfer of surplus funds from the Chevron construction bonds (Series 2004 Bonds) as well as the County's Public Improvement Fund into the Saline Court Acquisition Fund which will also help pay for the proposed 14-A District Court. By utilizing the surplus funds from the Series 2002 Bond, along with the surplus funds from the Series 2004 Bond and the Public Improvement Fund, the County will be able to pay for approximately half of the entire cost of the Saline Court project. The remaining costs will be advanced from the Capital Reserve Fund, which will be reimbursed from annual funds collected in the Public Improvement Fund. It is anticipated that it will take between 7-9 years for the Public Improvement Fund to fully reimburse the Capital Reserve Fund on this project. By utilizing the above-described funding plan, the County will be cost effectively using existing surplus monies rather than incurring a new bond with its related costs in paying for the proposed 14-A District Court.

Impact on Human Resources:

This request will have no impact on the County's human resources.

Impact on Budget:

The fund surplus of \$737,741.81 from the Series 2002 Bonds will be used to help pay for the purchase of land and construction of the proposed 14-A District Court in Saline. In addition, surplus funds from the Series 2004 Bond as well as the Public Improvement Fund will also be used to fund approximately half the total cost of the Project. The remaining costs will be paid by an advance from the Capital Reserve Fund, which will be reimbursed by the Public Improvement Fund over a 7-9 year period.

Impact on Indirect Costs:

There are no indirect costs associated with this Resolution.

Impact on Other County Departments or Outside Agencies:

Approval of the Resolution will approve the funding for the purchase of land and construction costs for the proposed 14-A District Court.

Conformity to County Policies:

This Resolution conforms to all County policies and procedures.

H: general/bondamend2

WASHTENAW COUNTY BUILDING AUTHORITY

At a _____ meeting of the Commission of the Washtenaw County Building Authority held in the Washtenaw County _____ Building in Ann Arbor, Michigan on _____, 2006, at __:__ .m., Eastern Standard Time, there were

PRESENT: _____

ABSENT: _____

The following preamble and resolution were offered by _____ and seconded by _____.

RESOLUTION TO APPROVE AN AMENDMENT TO THE LEASE CONTRACT

WHEREAS, the County of Washtenaw, Michigan (the "County"), and the Washtenaw County Building Authority (the "Authority") have entered into a Lease Contract dated as of October 1, 2002 (the "Lease Contract"), pursuant to which the Authority issued the \$3,000,000 Washtenaw County Building Authority, Building Authority Bonds, Series 2002 (the "Bonds") to acquire, construct, furnish, and equip the Head Start Facility Project (the "Original Project") as described in the Lease Contract pursuant to the terms of Act No. 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31"); and

WHEREAS, an excess of at least \$737,741.81 remains after completion of the Original Project; and

WHEREAS, the County proposes to undertake an additional project to acquire a piece of land and construct the Saline Court with funds remaining in part from the proceeds of the Bonds (the "Saline Court Project"); and

WHEREAS, it is necessary to amend the Lease Contract to provide for the Saline Court Project.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE WASHTENAW COUNTY BUILDING AUTHORITY as follows:

1. The preliminary plans and estimates relating to the Saline Court Project and identified in EXHIBIT 1 to APPENDIX I hereto are hereby approved.
2. The Amendment to Lease Contract in the form of APPENDIX I hereto is hereby approved, and the Chairperson and Secretary of the Authority are hereby

authorized and directed to execute and deliver the same for and on behalf of the Authority.

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YES: _____

NO: _____

ABSTAIN: _____

THE RESOLUTION WAS DECLARED ADOPTED.

CERTIFICATION OF PROCEEDINGS

The undersigned, being the duly qualified and acting Secretary of the Commission of the Washtenaw County Building Authority, hereby certifies that (a) the foregoing is a true and complete copy of a resolution duly adopted by the Commission of the Authority at a meeting held on _____, 2006, at which meeting a quorum was present and remained throughout, (2) that an original thereof is on file in the records of the County, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended), and (4) minutes of such meeting were kept and will be or have been made available as required thereby.

DATED: _____, 2006

Secretary, Washtenaw County
Building Authority

[SEAL]

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COUNTY OF WASHTENAW

At a _____ meeting of the Board of Commissioners of the County of Washtenaw, Michigan, held on the ____ day of _____, 2006, at ____:____.m., Eastern Standard Time, in the Washtenaw County Building in Ann Arbor, Michigan there were:

PRESENT: _____

ABSENT: _____

The following preambles and resolution were offered by _____ and seconded by _____.

RESOLUTION TO APPROVE AN AMENDMENT TO THE LEASE CONTRACT

WHEREAS, the County of Washtenaw, Michigan (the "County"), and the Washtenaw County Building Authority (the "Authority") have entered into a Lease Contract dated as of October 1, 2002 (the "Lease Contract"), pursuant to which the Authority issued the \$3,000,000 Washtenaw County Building Authority, Building Authority Bonds, Series 2002 (the "Bonds") to acquire, construct, furnish, and equip the Head Start Facility Project as described in the Lease Contract pursuant to the terms of Act No. 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31"); and

WHEREAS, an excess of at least \$737,741.81 remains after completion of the Original Project; and

WHEREAS, the County proposes to undertake an additional project to acquire a piece of land and construct the Saline Court with funds remaining in part from the proceeds of the Bonds (the "Saline Court Project"); and

WHEREAS, it is necessary to amend the Lease Contract to provide for the Saline Court Project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF WASHTENAW, MICHIGAN, as follows:

1. The preliminary plans and estimates relating to the Saline Court Project and identified in EXHIBIT 1 to APPENDIX I hereto are hereby approved and ordered filed with the County Clerk.

2. The Amendment to Lease Contract in the form of APPENDIX I hereto is hereby approved, and the Chair of the Board of Commissioners and the County Clerk are hereby authorized and directed to execute and deliver the same for and on behalf of the County.

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YES: _____

NO: _____

ABSTAIN: _____

THE RESOLUTION WAS DECLARED ADOPTED.

STATE OF MICHIGAN)

) ss.

COUNTY OF WASHTENAW)

The undersigned, being the duly qualified and acting Clerk of the County of Washtenaw, hereby certifies that the foregoing is a true and complete copy of a resolution duly adopted by the Washtenaw County Board of Commissioners at its _____ meeting held on the ___ day of _____, 2006, at which meeting a quorum was present and remained throughout and that an original thereof is on file in the records of the County. I further certify that the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, and that minutes of such meeting were kept and will be or have been made available as required thereby.

Washtenaw County Clerk

DATED: _____, 2006

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APPENDIX I

AMENDMENT TO LEASE CONTRACT

THIS FULL FAITH AND CREDIT GENERAL OBLIGATION AMENDMENT TO LEASE CONTRACT ("Amendment to Lease") made as of November 1, 2006, by and between the WASHTENAW COUNTY BUILDING AUTHORITY (the "Authority"), a building authority organized and existing under and pursuant to the provisions of Act No. 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31"), and the COUNTY OF WASHTENAW, a County of the State of Michigan (the "County"),

WITNESSETH:

WHEREAS, the County and the Authority have entered into a Lease Contract dated as of October 1, 2002 (the "Lease Contract"), pursuant to which the Authority issued the \$3,000,000 Washtenaw County Building Authority, Building Authority Bonds, Series 2002 (the "Bonds") to acquire, construct, furnish, and equip the Head Start Facility Project as described in the Lease Contract pursuant to the terms of Act No. 31, Public Acts of Michigan, 1948 (First Extra Session), as amended ("Act 31"); and

WHEREAS, an excess of at least \$737,741.81 remains after completion of the Original Project; and

WHEREAS, the County proposes to undertake an additional project to acquire a piece of land and construct the Saline Court with funds remaining in part from the proceeds of the Bonds (the "Saline Court Project"); and

WHEREAS, it is necessary to amend the Lease Contract to provide for the Saline Court Project.

THEREFORE, IN CONSIDERATION OF THE MUTUAL UNDERTAKINGS AND AGREEMENTS SET FORTH BELOW, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES TO THIS LEASE AS FOLLOWS:

1. The Lease Contract dated October 1, 2002 is hereby amended by adding Section 25 as follows:

“25. Authorization of Use of Remaining Bond Proceeds for Additional Project. The funds remaining in the Head Start Construction Fund #4092 are hereby authorized to be transferred to the Saline Court Acquisition Fund #4012 which funds shall be expended upon the direction of the County Finance Director for use as described in Exhibit 1 attached hereto.”

IN WITNESS WHEREOF, the WASHTENAW COUNTY BUILDING AUTHORITY, by its Commission, and the COUNTY OF WASHTENAW, by its Board of Commissioners, have caused this Lease to be signed by their duly authorized officers, and their seals to be affixed hereto, all as of the day and year first above written.

WITNESSES TO SIGNATURES
AUTHORITY
OF AUTHORITY OFFICERS:

WASHTENAW COUNTY BUILDING

_____ By: _____
Chairperson of its Commission

_____ By: _____
Secretary of its Commission

WITNESSES TO SIGNATURES
OF COUNTY OFFICERS:

COUNTY OF WASHTENAW

_____ By: _____
Chair, Board of Commissioners

_____ By: _____
County Clerk

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EXHIBIT 1

PROJECT DESCRIPTION

The additional project will consist of the acquisition of an 11.02 acre piece of property located at 750 N. Maple Road in Saline, Michigan on which the Saline Court will be constructed. The Saline Court Building will be a 9,000 to 10,000 square foot, one story, one courtroom courthouse with an accompanying parking lot.

The land referred to in this commitment, situated in the County of Washtenaw, City of Saline, State of Michigan is described as follows:

Parcel A:

Part of the Northwest $\frac{1}{4}$ Section 31, Town 3 South, Range 6 East, City of Saline, Washtenaw County, Michigan, described as: Commencing at the North $\frac{1}{4}$ corner of Section 31, Town 3 South, Range 6 East, City of Saline, Washtenaw County, Michigan, thence South 88 degrees 43 minutes 15 seconds East 829.54 feet (recorded as 830.33 feet) along the North line of said Section; thence South 45 degrees 52 minutes 00 seconds West 2300.20 feet along the Northwesterly right-of-way line of the New York Central Railroad to the point of beginning; thence continuing South 45 degrees 52 minutes 00 seconds West 671.17 feet along said right-of-way line to the Northeast corner of lands as described in Liber 1119, page 213, Washtenaw County Records; thence along the Northerly and Westerly lines of said parcel in the following courses,: North 44 degrees 08 minutes 00 seconds West 66.00 feet, South 45 degrees 52 minutes 00 seconds West 897.44 feet to a point on the East and West $\frac{1}{4}$ line of said Section; thence North 89 degrees 01 minutes 20 seconds West 2.34 feet along said East and West $\frac{1}{4}$ line; thence North 05 degrees 53 minutes 30 seconds East 1159.86 feet along the centerline of Maple Road; thence South 84 degrees 06 minutes 30 seconds East 1060.66 feet to the point of beginning, excepting that part dedicated for street purposes as recorded in Liber 1347, page 560, Washtenaw County Records.

Parcel B:

Part of the Northwest $\frac{1}{4}$ Section 31, Town 3 South, Range 6 East, City of Saline, Washtenaw County, Michigan, described as: Commencing at the North $\frac{1}{4}$ corner of Section 31, Town 3 South, Range 6 East, City of Saline, Washtenaw County, Michigan, thence South 88 degrees 43 minutes 15 seconds East 829.54 feet (recorded as 830.33 feet) along the North line of said Section; thence South 45 degrees 52 minutes 00 seconds West 1788.67 feet (recorded as 1789.87 feet) along the Northwesterly right-of-way line of the New York Central Railroad to the point of beginning; thence continuing South 45 degrees 52 minutes 00 seconds West 511.53 feet along said right-of-way line; thence North 84 degrees 06 minutes 30 seconds West 1060.66 feet; thence North 05 degrees 53 minutes 30 seconds East 392.00 feet along the centerline of Maple Road; thence South 84 degrees 06 minutes 30 seconds East 1389.30 (recorded as 1389.27 feet) to the point of beginning, excepting that part dedicated for street purposes as recorded in Liber 1347, page 560, Washtenaw County Records.

25-Foot Wide Sanitary Sewer Easement:

Commencing at the North $\frac{1}{4}$ corner of Section 31, Town 3 South, Range 6 East, City of Saline, Washtenaw County, Michigan, thence South 88 degrees 43 minutes 15 seconds East 829.54 feet (recorded as 830.33 feet) along the North line of said Section; thence

South 45 degrees 52 minutes 00 seconds West 2300.20 feet along the Northwesterly right-of-way line of the New York Central Railroad; thence North 84 degrees 06 minutes 30 seconds West 970.66 feet to the point of beginning; thence continuing North 84 degrees 06 minutes 30 seconds West 90.00 feet, thence North 05 degrees 53 minutes 30 seconds East 25.00 feet along the centerline of Maple Road; thence South 84 degrees 06 minutes 30 seconds East 90.00 feet; thence South 05 degrees 53 minutes 30 seconds West 25.00 feet to the point of beginning.

Tax Parcel No. 18-12-31-210-016

Estimated Acquisition and Construction Costs	\$1,413,500.98
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