



**CITY of NOVI CITY COUNCIL**

**Agenda Item 1  
July 28, 2008**

**SUBJECT:** Approval of resolution relating to issuance of bonds by the Colorado Authority for the Fox Run Village Project pursuant to IRS Section 147(f).

**SUBMITTING DEPARTMENT:** Finance

**CITY MANAGER APPROVAL:** 

The Colorado Authority will be issuing bonds for Fox Run Village, Inc. which includes Fox Run Village in Novi. The IRS Section 147(f) requires "public approval", and therefore the City of Novi City Council is being asked to approve the attached resolution.

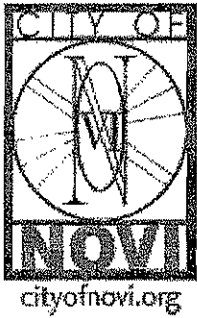
This resolution does not commit the City of Novi for any liability or other responsibilities.

**RECOMMENDED ACTION:** Approval of resolution relating to issuance of bonds by the Colorado Authority for the Fox Run Village Project pursuant to IRS Section 147(f).

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Capello				
Council Member Crawford				
Council Member Gatt				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				

# MEMORANDUM



**TO:** Clay Pearson, City Manager  
**FROM:** Kathy Smith-Roy, Finance Director  
**CC:** Pam Antil, Assistant City Manager  
Maryanne Cornelius, City Clerk  
**SUBJECT:** Fox Run Public Hearing and Related Resolution  
**DATE:** July 16, 2008

7/16/08  
To: Mayor and City Council Members  
FYI. *[Signature]*

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Fox Run Village, Inc. will be utilizing tax exempt bonds issued by the Colorado Authority. Pursuant to IRS Section 147 (f), the entity must hold a Public Hearing and provide a Resolution adopted by the local governing body of the entity(ies) receiving the benefit, which satisfies the "Public Notice" provision of the IRS code.

The Notice of Public Hearing will be advertised this week and will be included on the July 28, \* 2008 City Council Agenda, along with the related resolution.

If you have any questions, or need any additional information, please let me know.

*No City liability or obligation other than to assist by providing this public hearing forum.*

## **NOTICE OF PUBLIC HEARING CITY OF NOVI, MICHIGAN**

Notice is hereby given that the City of Novi, Michigan (the "City") will hold a public hearing on Monday, July 28, 2008 at 7:00 p.m. in the Council Chambers, Novi Civic Center, 45175 W. Ten Mile Road, Novi, Michigan 48375, for the purpose of considering public comment with respect to a resolution which is currently pending before the City Council that approves the issuance of revenue bonds by the Colorado Health Facilities Authority (the "Colorado Authority") to (a) finance and refinance a portion of the costs relating to the acquisition and construction of the Fox Run Village continuing care retirement community, located on an approximately 102 acre parcel of land at 41000 13 Mile Road, Novi, Michigan 48377; and (b) finance the payment of capitalized interest on the bonds, reserve funds, costs of issuance and other related costs of the transaction (collectively, the "Project"). The Project also includes land or interests in land, buildings, landscaping, structures, machinery, equipment, furnishings or other real or personal property located on the same site as the Project. Upon completion and as currently contemplated, the Project will include approximately 1,456 independent living units, 96 assisted living units and 132 skilled nursing units. The Project also will include three community buildings and related support facilities and common areas, including dining rooms, convenience stores, a bank branch, beauty salons, game rooms, an aquatic center, classrooms, a woodworking shop, an in-house cable television station, a non-denominational chapel, walking paths, a nature trail and a health club. Services provided in the common facilities include an on-site medical center and services for residents.

Fox Run Village, Inc. ("Fox Run"), a nonprofit 501(c)(3) organization, will operate the Fox Run Village continuing care retirement community.

Novi Campus, LLC will be the initial owner of the Project and will lease the Project to Fox Run.

The Project is located at 41000 13 Mile Road, Novi, Michigan 48377.

The maximum principal amount of bonds proposed to be issued by the Colorado Authority is \$155 million.

Any interested parties have the right to attend the hearing for the purpose of asking questions or making comments on the proposed approval of the financing by the Colorado Authority. The subject hearing is in satisfaction of Section 147(f) of the Internal Revenue Code of 1986, as amended. The issuance of the Bonds as requested by Fox Run will not constitute a debt or a pledge of the faith and credit of the City, the County of Oakland, Michigan, the State of Michigan, the Colorado Authority, the State of Colorado or any other political subdivision thereof and neither the faith and credit nor the taxing power of the City, the County of Oakland, Michigan, the State of Michigan, the Colorado Authority, the State of Colorado or any other political subdivision thereof will be pledged to the payment of such Bonds but will be payable solely from the revenues derived from Fox Run and pledged to the payment thereof.

For additional information prior to the public hearing, please contact the City's Finance Director at (248) 347-0465.

City of Novi, Michigan

**CITY OF NOVI**

**COUNTY OF OAKLAND, MICHIGAN**

**RESOLUTION APPROVING THE ISSUANCE OF BONDS  
BY THE COLORADO AUTHORITY FOR THE FOX RUN VILLAGE PROJECT**

Minutes of a Regular Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall in said City on July 28, 2008, at seven o'clock P.M. Prevailing Eastern Time.

PRESENT: Councilmembers \_\_\_\_\_  
\_\_\_\_\_

ABSENT: Councilmembers \_\_\_\_\_  
\_\_\_\_\_

The following Resolution was offered by Councilmember \_\_\_\_\_  
\_\_\_\_\_ and supported by Councilmember \_\_\_\_\_.

WHEREAS, Fox Run Village, Inc. ("Fox Run"), a nonprofit 501(c)(3) organization, which will be the operator of the continuing care retirement community known as Fox Run Village, located on an approximately 110 acre parcel of land at 41000 Thirteen Mile Road, Novi, Michigan (the "Project"), has arranged for the issuance by the Colorado Health Facilities Authority (the "Colorado Authority") of tax-exempt bonds to finance the Project in the maximum principal amount of \$155 million (the "Bonds");

WHEREAS, before the Bonds can be issued by the Colorado Authority, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires that the issuance of the Bonds be approved by the governmental unit in which the Project is located;

WHEREAS, the approval by the City of Novi of the issuance of the Bonds by the Colorado Authority will not create any liability whatsoever on the part of the City for the repayment of the Bonds or in connection with the Project and the Bonds will not constitute a debt or pledge of the faith and credit of the City, the County of Oakland (the "County"), or the State of Michigan (the "State"), nor will the Bonds be payable out of taxes levied by the City, the County or the State, and, by virtue of its adoption of this resolution, the City neither assumes nor will it bear any liability whatsoever under the Bonds or in connection with the Project;

NOW, THEREFORE, BE IT RESOLVED:

1. The City Council of the City of Novi, solely for the purposes of Section 147(f) of the Code, hereby approves the issuance of the Bonds by the Colorado Authority for the benefit of Fox Run, in an amount not to exceed \$155 million.

2. The foregoing approval is given in accordance with the provisions of Section 147(f) of the Code and for no other purposes, and such approval is not to be construed as an undertaking by the City, the County or the State. The Bonds shall not constitute a liability, indebtedness or an obligation of the City, the County or the State, nor shall any of the assets of the City, the County, or the State be pledged to the payment of the Bonds.

3. This resolution shall take effect immediately from and after its passage.

AYES:

NAYS:

ABSTENTIONS:

ABSENT:

RESOLUTION DECLARED ADOPTED.

\_\_\_\_\_  
MARYANNE CORNELIUS, CITY CLERK

**CERTIFICATION**

I hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Novi at \_\_\_\_\_ meeting held this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
MARYANNE CORNELIUS, CITY CLERK