

A Regular meeting of the Downtown Development Authority was held Thursday, April 13, 1995 in the Lower Level Conference Room at City Hall, 500 W. Big Beaver. The meeting was called to order at 7:00 p.m.

PRESENT: Janet H. Jopke
Garry G. Carley
Michael S. Feigenbaum
William Kennis
Alan M. Kiriluk
John G. Pappageorge
Carol A. Price (arr. 7:05 p.m.)
William Sandy
James Schultz
Jeanne M. Stine
Eldon J. Thompson (arr. 7:10 p.m.)

ABSENT: Rebecca L. Maccardini
Daniel MacLeish

ALSO PRESENT: Glenn M. Watson
Robert Bendzinski

MINUTES

Resolution #95-22
Moved by Kennis
Seconded by Carley

RESOLVED, That the minutes of the meeting of January 25, 1995 be approved.

Yeas: Jopke, Carley, Feigenbaum, Kennis, Kiriluk, Pappageorge, Sandy, Schultz, Stine
Absent: Maccardini, MacLeish, Price, Thompson

BOND INSURANCE, BOND RATINGS AND BOND ISSUANCE

Resolution #95-23
Moved by Kiriluk
Seconded by Pappageorge

WHEREAS, the Board of Directors of the Downtown Development Authority of the City of Troy has entered a Development Agreement and Ground Lease with Frankel/Forbes-Cohen for the construction of a parking structure to serve a shopping center having Nordstrom Company and Dayton-Hudson Company as anchor department stores and which shopping center and anchor department stores are now under construction; and

WHEREAS, the Executive Director and City Manager of the Downtown Development Authority and City of Troy, respectively, and the Board of Directors of the Downtown Development Authority embarked upon plans to issue bonds for the parking structure, said bonds to be of investment grade "A" rating or better, having been bolstered with insurance naming the bond holders as beneficiaries; and

WHEREAS, added review and analysis by the McDonald & Company Securities as Underwriter for the bonds reveals the cost of insurance to exceed present value interest savings by \$80,336 on the Series A (Tax Exempt) Bonds and \$97,955 of costs in excess of present value interest savings on the Series B (Taxable) Bonds; and

WHEREAS, the analysis by McDonald & Company further illustrates the net annual average debt service costs to be reduced to \$19,000 less than the initial cost projections for the Series A (Tax Exempt) issue and a savings of \$54,000 for the Series B (Taxable) issue from the initial cost projection during the life of this issue;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Downtown Development Authority, as recommended by the Executive Director, as recommended by Bendzinski & Company, Financial Advisor, and as recommended by McDonald & Company, Underwriters, does hereby conclude and resolve as follows:

D-1

Bond Insurance, Bond Ratings and Bond Insurance, continued

- (a) That the acquisition of insurance and payment of premiums in excess of One-Half Million Dollars (\$500,000) for insurance which would name bondholders as beneficiaries is not economically advantageous to the Downtown Development Authority in its issuance of bonds; and
- (b) That the Development Agreement between Frankel/Forbes-Cohen, City of Troy and the Downtown Development Authority can be amended by a separate resolution of this Board and recommended for consideration and amendment by the City Council and Frankel/Forbes-Cohen regarding the definition of "investment grade determination" and amendments to the dates of bond issuances contained in the Agreement; and
- (c) That from and after amendment of the Development Agreement, McDonald & Company is hereby authorized and directed to proceed with the issuance of the Official Statement regarding the issues of the bonds and to use its marketing abilities and skills to further proceed with its efforts in the sale of the bonds.

Yeas: Jopke, Carley, Feigenbaum, Kennis, Kiriluk, Pappageorge, Price, Sandy, Schultz, Stine, Thompson
Absent: Maccardini, MacLeish

AMENDMENTS TO DEVELOPMENT AGREEMENT:
DATE OF BONDS AND DEFINITION OF
"INVESTMENT GRADE" BONDS

Resolution #95-24
Moved by Kiriluk
Seconded by Thompson

WHEREAS, the City of Troy (the "City") pursuant to the provisions of Act 197, Public Acts of Michigan, 1975, as amended ("Act 197"), has created the Downtown Development Authority of the City of Troy (the "DDA"); and

WHEREAS, the City and the DDA have engaged in discussions with Frankel/Forbes-Cohen Associates, a Michigan co-partnership ("FFC") respecting the location within the City and with the district boundaries of the DDA of a major regional shopping center (the "Center") to be owned and operated by FFC and in order to induce FFC to locate the Center within the City and to more clearly define the obligations, responsibilities, and undertakings of FFC, the City, and the DDA to one another, the FFC, the City and the DDA have entered into a development agreement (the "Development Agreement") as approved by the DDA by resolution adopted on January 25, 1995; and

WHEREAS, the DDA and the City deem it necessary to modify the Development Agreement to reflect the appropriate dates and ratings on the bonds (the "Bonds") contemplated in the Development Agreement and the Development Plan and Tax Increment Financing Plan of the DDA to finance improvements relating to the Center; and

WHEREAS, it is deemed reasonable and necessary to approve Amendments to the Development Agreement relating to the dates and ratings on the Bonds;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This Board adopts and approves the Amendments to the Development Agreement as follows:
 - a. The phrase "Parking Structure Bonds dated January 1, 1995" in the definition of "Bond Redemption Amount" shall be deleted and replaced with the phrase "Parking Structure Bonds issued in 1995";
 - b. The phrase "calendar years which have elapsed from January 1, 1995" in the definition of "Purchase Price" shall be deleted and replaced with the phrase "twelve (12) consecutive month periods which have elapsed from the date the Parking Structure Bonds are issued";

Amendments to Development Agreement, continued

- c. All references to January 1, 1995 in Section 7.3 shall be deleted and replaced with the date June 1, 1995;
- d. The definition of "Investment Grade Determination" is amended to be as follows:

"Investment Grade Determination" means a rating recognized as being investment grade by a nationally recognized rating agency such as Moody's Investors Service or Standard and Poor's Corporation of at least Baa or BBB- respectively.
2. The Chairman and Secretary be and are hereby authorized and directed to execute any necessary documents relating to the amendments to the Development Agreement on behalf of the DDA, in substantially the form described in Section 1 above, subject to such changes as may be made therein which are not adverse to the City or the DDA.
3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Yeas: Jopke, Carley, Feigenbaum, Kennis, Kiriluk, Pappageorge, Price, Sandy, Schultz, Stine, Thompson
Absent: Maccardini, MacLeish

SCHEDULE OF EVENTS FOR
PROPOSED SALE OF BONDS

Glenn Watson of McDonald & Company, Underwriters, and Robert Bendzinski of Bendzinski & Company, Municipal Financial Advisors, were present to discuss the bond sale process. The following proposed schedule was recommended:

April 17, 1995	Official Statement to Printer
April 19, 1995	Official Statement Distributed
April 25 and 26, 1995	Pricing
May 4, 1995	Bond Sale Resolution and Trust Indenture Presented to DDA

PUBLIC INFORMATION PROGRAM

Resolution #95-25
Moved by Carley
Seconded by Pappageorge

RESOLVED, that the Executive Director of the Troy Downtown Development Authority is hereby directed to pursue the use of an ombudsman to work with the Troy Chamber of Commerce, Road Commission for Oakland County, and Somerset Collection and to request proposals from advertising agencies to provide information on the road construction and mall construction; and

BE IT FURTHER RESOLVED, that the Executive Director is hereby directed to make arrangements to have representative(s) of the Road Commission for Oakland County available at the next meeting of the Troy Downtown Development Authority (May 4, 1995).

Yeas: Jopke, Carley, Feigenbaum, Kennis, Kiriluk, Pappageorge, Price, Sandy, Schultz, Stine, Thompson
Absent: Maccardini, MacLeish

ESTABLISH MEETING DATE(S)

Resolution #95-26
Moved by Stine
Seconded by Feigenbaum

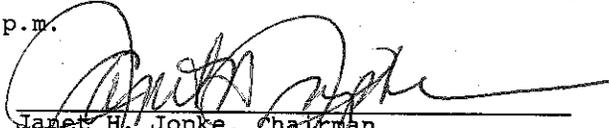
RESOLVED, that the Board of Directors of the Troy Downtown Development Authority (TDDA) will meet on Thursday, May 4, 1995 at 7:00 p.m. in the Lower Level Conference Room of the Troy Municipal Building, 500 West Big Beaver Road.

Yeas: Jopke, Carley, Feigenbaum, Kennis, Kiriluk, Pappageorge, Price, Sandy, Schultz, Stine, Thompson
Absent: Maccardini, MacLeish

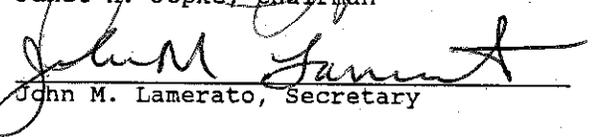
EXCUSE ABSENT MEMBERS

Members Maccardini and MacLeish were excused.

The meeting was adjourned at 8:10 p.m.



Janet H. Jopke, Chairman



John M. Lamerato, Secretary