



MEMORANDUM

TO: Conrad Mallett, Corporation Counsel, Detroit Law Department

FROM: Hon. Scott Benson, City Council District 3

CC: Hon. Angela Calloway, Chair, Internal Operations Standing Committee

Hon. Janice Winfrey, City Clerk

David Whitaker, Director, Legislative Policy Division

Kevin Johnson, President & CEO

Malik Washington, Mayor's Liaison

VIA: Hon. Council President James Tate

DATE: 20 January 2026

RE: Request for Legal and Procedural Opinion: Bond Issuance

I am seeking a privileged opinion regarding the legal and procedural requirements for issuing approximately **\$200 million** in theoretical bond debt on behalf of DPL. These funds would be used for critical capital improvements to the existing Main branch and the strategic construction of new branches. The scenario is that DPL will service the debt by leveraging its current financial position, via its existing millage revenue, which recently increased due to the elimination of the DDA capture, and its budget surplus, which continues to grow past \$50m.

In the opinion please provide guidance on the following:

1. Issuance Authority: Clarification on whether DPL, as a unique entity established by state law, can issue bonds independently under the District Library Financing Act (MCL 397.281), or if issuance must occur through the City of Detroit under the Revised Municipal Finance Act. In addition, is the Hertel-Law-T. Stopczynski Port Authority Act (MCL 120.101 et seq.), an option for DPL bonding?
2. Voter Approval Requirements: Determination of whether this \$200 million issuance requires a new ballot initiative for Unlimited Tax General Obligation (UTGO) bonds, or if it can be structured as Limited Tax General Obligation (LTGO) debt backed by existing millage and surplus.
3. DEGC/DDA/DBA Coordination: Identifying the necessary role of the DEGC or the Detroit Building Authority in facilitating any development agreements related to the construction of the two proposed regional libraries.
4. Debt Service Structure: Legal feasibility of pledging both voter-approved millage and a one-time budget surplus toward a long-term (20-30 year) bond maturity.