

City of Philadelphia



(Bill No. 030420)

AN ORDINANCE

Declaring it desirable for the health, safety and welfare of the people in the area served by Philadelphia Health & Education Corporation, a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania which operates a graduate school of medicine under the authority of Drexel University and provides medical education under the name "Drexel University College of Medicine," and which operates facilities at its Center City Hahnemann campus and its Queen Lane campus in Philadelphia, Pennsylvania, for The Hospitals and Higher Education Facilities Authority of Philadelphia to undertake a project for Drexel University College of Medicine.

WHEREAS, The Hospitals and Higher Education Facilities Authority of Philadelphia, a body politic and corporate, was duly incorporated February 19, 1974 pursuant to an Ordinance duly approved January 28, 1974, under the Municipality Authorities Act (the Act of June 19, 2001, P.L. 287, as amended (the "Act")); and

WHEREAS, The Act specifies *inter alia*, that the purpose of an authority shall be for "acquiring, holding, constructing, financing, improving, maintaining and operating, owning, leasing, either in the capacity of lessor or lessee, projects [including] . . . eligible educational institutions . . ."; and

WHEREAS, Philadelphia Health & Education Corporation, which operates a graduate school of medicine under the authority of Drexel University and provides medical education under the name "Drexel University College of Medicine" (the "University"), owns and operates an independent institution of higher education located in and chartered by the Commonwealth of Pennsylvania approved by the Pennsylvania Department of Education, which is operated not for profit and is not a theological seminary or school of theology or a sectarian or denominational institution; and

WHEREAS, the University constitutes an eligible educational institution within the meaning of the Act; and

WHEREAS, the University has requested The Hospitals and Higher Education Facilities Authority of Philadelphia (the "Authority") to issue its revenue bonds in one or more series in an aggregate principal amount not to exceed \$41,000,000 (excluding original issue discount) and lend the proceeds thereof to the University for the purpose of financing all or a portion of the projects described in Section 1 below; and

WHEREAS, the Act provides that none of the powers granted thereby shall be exercised in the construction, financing, improvement, maintenance, extension or operation of any

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project or projects which in whole or in part duplicate or compete with existing enterprises servicing substantially the same purposes, but that such limitation does not apply to projects or projects to be leased to, or financed with loans to, private, nonprofit, non-sectarian colleges and universities, if the municipality organizing the authority for such project shall declare by resolution or ordinance that it is desirable for the health, safety and welfare of the people in the area served by such private, nonprofit, non-sectarian colleges and universities, to have such facilities provided by, or financed through, such authority.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

Section 1. It is hereby declared desirable for the health, safety and welfare of the people in the area served by Philadelphia Health & Education Corporation, which operates a graduate school of medicine under the authority of Drexel University and provides medical education under the name “Drexel University College of Medicine” (the “University”) and which operates its facilities at its Center City Hahnemann campus and at its Queen Lane campus in Philadelphia, Pennsylvania, to have The Hospitals and Higher Education Facilities Authority of Philadelphia issue its revenue bonds in one or more series in an aggregate principal amount not to exceed \$41,000,000 (excluding original issue discount) for the purposes of financing or refinancing all or any portion of the following buildings and facilities (collectively, the “Project”) consisting generally of the acquisition and renovation of the building located at 219 North Broad Street, for use by faculty members of the University; renovations at the University’s Center City Hahnemann campus in connection with the relocation of the University’s Department of Microbiology and Immunology from its Queen Lane campus; renovations to the University’s research facilities at its Queen Lane campus and other acquisition of and renovations to property at the Queen Lane campus; renovations to the University’s research facilities at its Center City Hahnemann campus, as well as equipment and other expenditures in connection with upgrading and consolidating the University’s research facilities at its Center City Hahnemann campus; renovations to and equipping of the University’s Geary Auditorium and to lecture halls at its Center City Hahnemann campus; upgrades of the University’s classroom facilities, research facilities, clinical space and equipment and data processing systems at its Center City Hahnemann campus and its Queen Lane campus; funding capitalized interest; and funding a debt service reserve fund and paying certain costs of issuance.

Section 2. The Project is hereby approved. The approvals set forth in this Ordinance and issuance of any revenue bonds do not obligate the taxing power of the City of Philadelphia in any way or manner.

Section 3. The declarations made pursuant to Sections 1 and 2 above shall extend to additional bonds to complete the project and to any bonds issued to refund the aforesaid revenue bonds.

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on June 12, 2003. The Bill was Signed by the Mayor on July 7, 2003.



Patricia Rafferty
Chief Clerk of the City Council