

Legislation Text

File #: 080543, **Version:** 0

Authorizing the creation of a loan or loans to provide funds for and toward various capital municipal purposes; authorizing the Mayor, City Controller and City Solicitor or a majority of them to sell bonds at public or private negotiated sale; setting forth the capital purposes and the amounts for which the proceeds of the loan or loans will be expended, including reimbursement of City capital expenditures; providing for the maturities and for other terms and conditions and for the form of the bonds; providing that certain bonds may be redeemable prior to maturity; providing sinking funds for the bonds and for appropriations to the Sinking Fund Commission for the payment thereof; authorizing agreements to provide credit or payment or liquidity sources for the bonds and interest rate swaps in connection with issuance of the bonds, and certain other actions; providing for obtaining the consent of the electors to increasing the indebtedness of the City of Philadelphia; and fixing a day for holding the election for obtaining such consent and providing for the arrangements for holding such election.

WHEREAS, the Council desires by this Ordinance to authorize the creation of a loan or loans for the purpose of financing new capital projects and expenditures of the City, including reimbursing City capital expenditures previously made in connection with the identified capital projects, subject to the approval of the electors; now therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Mayor, City Controller and City Solicitor, or a majority of them (in this Ordinance called the “Bond Committee”), are hereby authorized on behalf of the City to borrow, by the issuance and sale of general obligation bonds of the City for the payment of which the full faith, credit and taxing power of the City shall be pledged, a sum or sums which in the aggregate, shall not exceed FIFTY THREE MILLION EIGHT HUNDRED FORTY THOUSAND DOLLARS (\$53,840,000), to be expended as provided in Section 2 of this Ordinance; provided, however, that the authority to increase the City’s indebtedness as herein contained shall not be effective unless the electors shall give their consent thereto at a public election to be held on Tuesday, November 4, 2008 and the results of such election shall have been filed in and certified by the Office of Prothonotary. Each issue of bonds authorized by this Ordinance may be sold at a private negotiated sale, or at a public sale to the highest responsible bidder as authorized by law, at such price and upon such other terms and conditions not inconsistent with this Ordinance and other applicable law as the Bond Committee shall prescribe; provided, however, that prior to a private negotiated sale of any bonds pursuant to this Ordinance, the Council shall adopt a resolution which finds that private negotiated sale is in the best financial interest of the City.

SECTION 2. The monies raised by the loan or loans authorized by Section 1 of this Ordinance shall be used as authorized by the Act of June 15, 1915, P.L. 846, Section 1 (53 P.S. §15782) to provide capital funds for and toward the acquisition of interests in real estate, property and equipment and the extension, construction and improvement of facilities and other capital expenditures, including reimbursement of City capital expenditures, for the following purposes, and in amounts not to exceed, as follows:

Transit	\$ 3,401,000
Streets and Sanitation	\$ 10,935,000
Municipal Buildings	\$ 24,858,000
Parks, Recreation and Museums	\$ 11,753,000
Economic and Community Development	\$ 2,893,000
Total	\$ 53,840,000

Provided, that with the approval of Council so much of the total loan or loans as it may not be practical, advisable or desirable to use for any of the forgoing purposes may be used for any of the other purposes listed.

SECTION 3. The date of each issue of bonds authorized under this Ordinance, the determination whether to issue such bonds in different series, the maturities of such bonds or series of bonds, the provision for payments into the sinking fund created by Section 4 hereof, which payments must be in equal or graded annual or other periodic installments, commencing as to at least one series on a date not more than one and one-half (1-1/2) years from the date of such bonds, and the other terms, conditions, provisions and details thereof, within the requirements and limitations of this Ordinance, shall be determined by the Bond Committee, or as applicable, may be specified in the purchase proposal of the successful bidder or bidders for the bonds responsive to specifications of the bidding. The bonds of each issue shall be in the denominations of five thousand dollars (\$5,000) or any whole multiple thereof or such larger amounts as may be determined by the Bond Committee, shall be in fully registered form, and shall be substantially in the form provided for serial issues of the City by Section 19-301 (1)(b) of The Philadelphia Code as the same may from time to time be amended, with such modifications as may be required to express the terms and conditions authorized by this Ordinance; provided, however, that the Bond Committee is hereby also authorized to issue all or part of each issue authorized by this Ordinance in such other form (including book entry securities) or combination of forms as the Bond Committee shall determine.

The bonds shall bear interest from the date thereof at prescribed rates, including variable rates (not exceeding any limitation prescribed by law) payable initially on a date not more than nine (9) months from the date of the bonds and weekly, monthly, quarterly or semi-annually or annually thereafter to maturity or prior redemption, if any; may be subject to redemption prior to maturity at the option of the City, either as a whole or from time to time in part, or be subject to mandatory redemption, on prescribed dates, at prescribed prices, not less than par, and, in respect of partial redemption, by lot or by prescribed order and within orders by lot; and shall be payable as to both principal and interest at the Office of the City's Fiscal Agent in the lawful money of the United States. If bonds of any issues shall be subject to redemption prior to maturity, such redemption shall be made only after mailing notice of redemption to the registered owners of bonds at the owner's address on the registry of the Fiscal Agent not less than ten (10) nor more than forty-five (45) days prior to the date fixed for redemption.

SECTION 4. There is hereby created a sinking fund to be administered by the Sinking Fund Commission for the payment of the principal of and interest on the bonds of each issue authorized by this Ordinance. The City covenants that in each year in which such issue of bonds shall be outstanding there shall be appropriated from the tax and other general revenues of the City to the Sinking Fund Commission for deposit to the credit of each such sinking fund a sum at least equal to the interest on and the principal of such bonds as the same becomes due and payable. The amounts of such appropriations shall be paid over on the respective due dates of required sinking fund payments for such principal and interest. The City also covenants that in each year the Agreements (defined in Section 5) are outstanding it shall appropriate from the tax and other revenues of the City sufficient funds to meet its obligations as they become due under the Agreements.

The City covenants that, so long as any bonds issued by virtue of this Ordinance shall remain unpaid, it will make payments out of its sinking fund or any other of its general revenues or funds at such times and in such annual amounts as shall be sufficient for the payment of the interest thereon and the principal thereof when due, and so long as the Agreements are outstanding, it will make payments out of its general revenues or funds at such time and in such amounts as shall be sufficient to pay the City's obligations under the Agreements.

SECTION 5. The Bond Committee is authorized on behalf of the City to enter into agreements (the

“Agreements”) with any bank, insurance company or other appropriate entity providing credit or payment or liquidity sources for the bonds, including, without limitation, letters of credit, lines of credit and insurance, and to enter into interest rate swap agreements in connection with the issuance of the bonds. Such Agreements may provide for payment or acquisition of the bonds if the City does not pay the bonds when due and may provide for repayment to the bank or other institution from the date of such payment or acquisition. The Bond Committee is authorized to take any and all other actions as may be necessary to effect this Ordinance.

SECTION 6. For the purpose of obtaining the consent of the electors to the increase of the City’s indebtedness in the sum of FIFTY THREE MILLION EIGHT HUNDRED FORTY THOUSAND DOLLARS (\$53,840,000), as authorized in Section 1, the Council by its Clerk, shall after the passage of this Ordinance, give notice by advertisement once a week for three (3) weeks in each of two (2) daily newspapers having a bona fide circulation in Philadelphia of at least thirty thousand (30,000) copies per issue and also in the Legal Intelligencer of an election to be held on Tuesday, November 4, 2008 for the purpose of obtaining such consent. The notice of advertisement shall contain a summary of the provisions of each section of this rdinance and shall also set forth a certificate of the City Controller as required by the Act of June 25, 1919, P.L. 581, Article XVIII, Section 5, as amended (53 P.S. §12585).

SECTION 7. The proper officers are hereby authorized and directed to prepare and distribute the necessary voting equipment and paraphernalia, and to take such action as may be required for the holding of said election as provided for in the laws of the Commonwealth of Pennsylvania governing the increase of indebtedness of cities of the first class and holding elections thereof.