

Legislation Details (With Text)

File #:	100751	Version:	0	Name:	
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File created:	11/4/2010	In control:		Committee on Finance	
On agenda:		Final action:		12/16/2010	
Title:	Authorizing the Director of Finance, on behalf of the City of Philadelphia (the "City"), to enter into a lease agreement to lease vehicles and equipment from the Philadelphia Municipal Authority, for the purposes of financing vehicles and equipment and to enter into an escrow agreement pursuant to the terms of the lease agreement, under certain terms and conditions.				
Sponsors:	Councilmember Tasco				
Indexes:	FLEET MANAGEMENT, PHILADELPHIA MUNICIPAL AUTHORITY				
Code sections:					
Attachments:	1. 100751 Exhibit Set, As Introduced.pdf, 2. CertifiedCopy10075100.pdf				

Date	Ver.	Action By	Action	Result	Tally
12/21/2010	0	MAYOR	SIGNED		
12/16/2010	0	CITY COUNCIL	READ AND PASSED	Pass	16:0
12/9/2010	0	CITY COUNCIL	ORDERED PLACED ON THIS DAY'S FIRST READING CALENDAR		
12/9/2010	0	CITY COUNCIL	SUSPEND THE RULES OF THE COUNCIL	Pass	
12/9/2010	0	CITY COUNCIL	ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR		
12/8/2010	0	Committee on Finance	HEARING NOTICES SENT		
12/8/2010	0	Committee on Finance	HEARING HELD		
12/8/2010	0	Committee on Finance	REPORTED FAVORABLY, RULE SUSPENSION REQUESTED		
11/4/2010	0	CITY COUNCIL	Introduced and Referred	Pass	

Authorizing the Director of Finance, on behalf of the City of Philadelphia (the "City"), to enter into a lease agreement to lease vehicles and equipment from the Philadelphia Municipal Authority, for the purposes of financing vehicles and equipment and to enter into an escrow agreement pursuant to the terms of the lease agreement, under certain terms and conditions.

WHEREAS, The Office of Fleet Management has determined there is a current need for vehicles and equipment that exceeds the current funding capacity of the Office of Fleet Management to purchase such vehicles and equipment; and

WHEREAS, The Director of Finance has determined that the most prudent course of action is to lease the vehicles and equipment through The Philadelphia Municipal Authority (the "Authority"); and

WHEREAS, The Authority will arrange for financing of the vehicles through a lease purchase agreement, the form of which is attached hereto as Exhibit "A", with a vendor selected from respondents to a request for proposals (the "Lease Purchase Agreement"), pursuant to which an escrow account will be funded by the vendor to finance the acquisition of the vehicles and equipment and the Authority will lease the vehicles

from the vendor over the term provided for in the Lease Purchase Agreement, with an option to purchase such vehicles and equipment at the end of the term; and

WHEREAS, In order to induce the Authority to arrange for the financing of the vehicles, the City will lease the vehicles and equipment from the Authority pursuant to a sub-lease purchaser agreement between the Authority and the City (the “Sub-Lease Agreement”), pursuant to which the City will agree to pay as a lease payment, solely out of its current revenues, amounts necessary to satisfy all of the obligations of the Authority under the Lease Purchase Agreement; and

WHEREAS, The City has included in its Fiscal Year 2011 budget an estimated amount necessary for payment to the Authority under the Sub-Lease Agreement during such fiscal year; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Director of Finance, on behalf of the City, is hereby authorized to enter into the Sub-Lease Agreement with the Authority for an amount not to exceed Thirty Million Dollars (\$30,000,000) and a term of not to exceed ten (10) years. Pursuant to the Sub-Lease Agreement, the City will agree to lease vehicles and equipment from the Authority, with an option to purchase such vehicles at the conclusion of the term, under certain terms and conditions, and to pay as a lease payment, solely out of its current revenues, amounts necessary to satisfy all of the obligations of the Authority under the Lease Purchase Agreement. The Sub-Lease Agreement shall be in substantially the form of Exhibit “B” attached hereto, with such changes as the City Solicitor deems necessary or appropriate to protect the interests of the City.

SECTION 2. The Director of Finance, or his designee, is hereby authorized to determine and negotiate an appropriate rate of interest to be paid by the City under the terms of the Sub-Lease Agreement, provided, however, that in no event shall the rate of interest be greater than 6.00% per annum.

SECTION 3. The Director of Finance, on behalf of the City, is further authorized to enter into an escrow agreement (the “Escrow Agreement”) as required pursuant to the terms of the Lease Agreement and the Sub-Lease Agreement. The Escrow Agreement shall be in substantially the form of Exhibit “C” attached hereto, with such changes as the City Solicitor deems necessary or appropriate to protect the interests of the City.

SECTION 4. The City covenants and agrees to be bound by each and every provision, covenant and agreement set forth in the Sub-Lease Agreement, including making all lease payments when due.

SECTION 5. The City covenants and agrees to make appropriations in each and every fiscal year during which a lease payment is due and payable under the Sub-Lease Agreement, in such amounts as shall be required in order to make all such lease payments.

SECTION 6. The Director of Finance and the Office of Fleet Management, on behalf of the City, are hereby authorized, empowered and directed, jointly and severally, to take all actions and execute and deliver all documents as they deem advisable to carry out the purposes of this Ordinance.

SECTION 7. The Chief Clerk of City Council shall keep all Exhibits to this Ordinance on file and make them available to the public for inspection and copying during regular office hours.

[Note: Exhibits to this Bill are on file in the Office of the Chief Clerk.]

