



## Legislation Details (With Text)

**File #:** 110733      **Version:** 0      **Name:**

**Type:** Bill      **Status:** ENACTED

**File created:** 10/20/2011      **In control:** Committee on Finance

**On agenda:**      **Final action:**

**Title:** Authorizing and approving (i) the execution and delivery of one or more supplements to an existing service agreement (or a new service agreement on substantially the same terms) between the City and the Redevelopment Authority relating to a comprehensive neighborhood transformation program; (ii) the issuance by the Redevelopment Authority of bonds or other evidence of indebtedness to refund bonds previously issued to finance such neighborhood transformation program; and (iii) the obligation of the City to pay the amounts payable under such service agreement; authorizing certain City officers to take certain actions required to issue bonds; confirming covenants that the City will make necessary appropriations and payment each year to provide for the amounts due under such service agreement as so supplemented; and making such covenants with respect to such new service agreement; all under certain terms and conditions.

**Sponsors:** Councilmember Tasco

**Indexes:** REDEVELOPMENT AUTHORITY

**Code sections:**

**Attachments:** 1. CertifiedCopy11073300.pdf

Date	Ver.	Action By	Action	Result	Tally
12/21/2011	0	MAYOR	SIGNED		
12/8/2011	0	CITY COUNCIL	READ AND PASSED	Pass	17:0
12/1/2011	0	CITY COUNCIL	ORDERED PLACED ON THIS DAY'S FIRST READING CALENDAR		
12/1/2011	0	CITY COUNCIL	SUSPEND THE RULES OF THE COUNCIL	Pass	
12/1/2011	0	CITY COUNCIL	ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR		
11/29/2011	0	Committee on Finance	HEARING NOTICES SENT		
11/29/2011	0	Committee on Finance	HEARING HELD		
11/29/2011	0	Committee on Finance	REPORTED FAVORABLY, RULE SUSPENSION REQUESTED		
10/20/2011	0	CITY COUNCIL	Introduced and Referred	Pass	

Authorizing and approving (i) the execution and delivery of one or more supplements to an existing service agreement (or a new service agreement on substantially the same terms) between the City and the Redevelopment Authority relating to a comprehensive neighborhood transformation program; (ii) the issuance by the Redevelopment Authority of bonds or other evidence of indebtedness to refund bonds previously issued to finance such neighborhood transformation program; and (iii) the obligation of the City to pay the amounts payable under such service agreement; authorizing certain City officers to take certain actions required to issue bonds; confirming covenants that the City will make necessary appropriations and payment each year to provide for the amounts due under such service agreement as so supplemented; and making such covenants with respect to such new service agreement; all under certain terms and conditions.

*THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. This Ordinance is being enacted pursuant to the Ordinance (Bill No. 020036) of the Council of the City of Philadelphia (the “City”), approved by the Mayor on March 13, 2002 (the “2002 Ordinance”) which requires the approval of the Council of the City of certain supplements to the Service Agreement (defined below).

SECTION 2. The Council of the City hereby authorizes and approves: (i) the execution and delivery of one or more supplements (each a “Supplement”) to the Service Agreement dated April 15, 2002 (as amended and supplemented, the “Service Agreement”), with the Redevelopment Authority of the City of Philadelphia (the “RDA”); (ii) the issuance by the RDA of bonds, notes or other evidence of indebtedness (the “Refunding Bonds”) in one or more series, to pay the costs of the refunding of all or a portion of the RDA’s revenue bonds (the “NTI Bonds”) issued to finance the Program (as defined in the 2002 Ordinance), together with amounts necessary for any reserves, capitalized interest, costs of issuance and costs of credit or liquidity enhancement, subject to the limitation that the Annual Debt Service Requirement (as defined in the Service Agreement) not increase to more than \$20 million as a result of any such refunding, net of debt service payable from amounts available in any escrow or similar fund established in connection with a refunding and available to pay debt service on the refunded bonds; and (iii) the obligation of the City to pay in full when due the Service Fee payable under the Service Agreement (the “Service Fee”) and other amounts payable under the Service Agreement.

SECTION 3. The Director of Finance is hereby authorized to execute and deliver, on behalf of the City, each Supplement, in such form as the City Solicitor shall advise and the Director of Finance shall approve, consistent with the terms of this Ordinance and the 2002 Ordinance. A Supplement which causes the Annual Debt Service Requirement to increase to more than \$20 million as a result of any refunding, taking into account amounts available in any escrow or similar fund established in connection with a refunding and available to pay debt service on the refunded bonds, may only be executed if first approved by further ordinance of the Council of the City.

SECTION 4. The proceeds of the Refunding Bonds shall be applied to the refunding of all or a portion of the NTI Bonds together with amounts necessary for any reserves, capitalized interest, costs of issuance and costs of credit or liquidity enhancement. The Refunding Bonds shall not be executed or delivered until the Director of Finance has approved the terms thereof. No series of Refunding Bonds shall mature later than thirty years after the date of original execution and delivery of the Service Agreement unless approved by further ordinance of the Council of the City.

SECTION 5. The Director of Finance, the City Treasurer and all other proper officials of the City are hereby authorized, jointly and severally, on behalf of the City, to execute all documents (including one or more continuing disclosure agreements) and to take all actions as may be required by the Constitution, the laws of the Commonwealth of Pennsylvania or otherwise in order to issue the Refunding Bonds.

SECTION 6. The City confirms its covenant in the 2002 Ordinance to make appropriations beginning in Fiscal Year 2002 and in each and every fiscal year thereafter in such amounts as shall be required in order to make all Service Fee payments and all other amounts due and payable under the Service Agreement.

SECTION 7. The City confirms its covenant in the 2002 Ordinance to, as long as NTI Bonds or Refunding Bonds are outstanding, unconditionally make all Service Fee payments and all other amounts due as provided for under the Service Agreement directly to any trustee (the “Trustee”) to which the Service Fee may be assigned as security for payment of the NTI Bonds or Refunding Bonds and the obligations of the RDA under any credit facility and/or liquidity facility securing any NTI Bonds or Refunding Bonds or any interest rate swap or similar agreement relating thereto, only out of current revenues of the City, which payments shall not be suspended, abated, reduced, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever and regardless of any rights of set-off, recoupment or counterclaim that the City may have against the RDA or the Trustee or any bondholder or any other party or parties and regardless of any contingency, act of God, event or cause whatsoever and notwithstanding any circumstances or occurrence that may arise after the date thereof.

SECTION 8. In the alternative, at the option of the Director of Finance, the Council of the City hereby authorizes and approves: (i) the execution and delivery of a new service agreement (the “New Service Agreement”) with the RDA to provide for the payment of a service fee (the “New Service Fee”) with respect to the debt service on the Refunding Bonds; and (ii) the obligation of the City to pay in full when due the New Service Fee and other amounts payable under the New Service Agreement; provided, that the Annual Debt Service Requirement for all bonds secured by service fees paid under the Service Agreement or the New Service Agreement not increase to more than \$20 million in the aggregate as a result of any such refunding, net of debt service payable from amounts available in any escrow or similar fund established in connection with a refunding and available to pay debt service on the refunded bonds. The Director of Finance is hereby authorized to execute and deliver, on behalf of the City, (i) the New Service

Agreement, in substantially the form of the Service Agreement, with such changes thereto as the City Solicitor shall advise and the Director of Finance shall approve, consistent with the terms of this Ordinance and the 2002 Ordinance and (ii) any amendments or supplements to the New Service Agreement required in connection with the issuance of a series of Refunding Bonds in such form as the City Solicitor shall advise and the Director of Finance shall approve; provided that any amendment or supplement to the New Service Agreement which causes the Annual Debt Service Requirement for all bonds secured by service fees paid under the Service Agreement or the New Service Agreement to increase to more than \$20 million in the aggregate as a result of any refunding, taking into account amounts available in any escrow or similar fund established in connection with a refunding and available to pay debt service on the refunded bonds, may only be executed if first approved by further ordinance of the Council of the City. With respect to the New Service Fee payments and all other amounts due and payable under the New Service Agreement, the City hereby makes the covenants described in Sections 6 and 7 of this Ordinance.