



Legislation Details (With Text)

File #: 140072 **Version:** 0 **Name:**
Type: Bill **Status:** ENACTED
File created: 2/6/2014 **In control:** Committee on Finance
On agenda: **Final action:** 4/3/2014

Title: Authorizing and approving the execution and delivery of a Service Agreement between the City and the Philadelphia Municipal Authority relating to the financing of the acquisition from the Philadelphia Authority for Industrial Development of an approximately fifteen- acre tract of land in the City bounded by 46th Street, Market Street, Haverford Avenue, and 48th Street, together with the improvements thereon, and the making of certain capital improvements to such land and improvements, including the development of a new Police Department headquarters and related parking accommodations; approving the issuance by the Philadelphia Municipal Authority of bonds, notes or other evidences of indebtedness to finance or refinance such project; and authorizing and approving the undertaking by the City of all necessary steps to comply with such Agreement, including paying in full when due the Service Fee and other amounts payable thereunder, and covenanting to make necessary appropriations in each of the City's fiscal years to provide for the Service Fee and other amounts due thereunder; all under certain terms and conditions.

Sponsors: Councilmember Blackwell
Indexes: PAID, PHILADELPHIA MUNICIPAL AUTHORITY

Code sections:

Attachments: 1. 140072 - Exhibit A, As Introduced.pdf, 2. CertifiedCopy14007200.pdf

Date	Ver.	Action By	Action	Result	Tally
4/4/2014	0	MAYOR	SIGNED		
4/3/2014	0	CITY COUNCIL	READ AND PASSED	Pass	16:0
3/27/2014	0	CITY COUNCIL	SUSPEND THE RULES OF THE COUNCIL	Pass	
3/27/2014	0	CITY COUNCIL	ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR		
3/27/2014	0	CITY COUNCIL	ORDERED PLACED ON THIS DAY'S FIRST READING CALENDAR		
3/20/2014	0	Committee on Finance	HEARING NOTICES SENT		
3/20/2014	0	Committee on Finance	HEARING HELD		
3/20/2014	0	Committee on Finance	REPORTED FAVORABLY, RULE SUSPENSION REQUESTED		
2/6/2014	0	CITY COUNCIL	Introduced and Referred	Pass	

Authorizing and approving the execution and delivery of a Service Agreement between the City and the Philadelphia Municipal Authority relating to the financing of the acquisition from the Philadelphia Authority for Industrial Development of an approximately fifteen- acre tract of land in the City bounded by 46th Street, Market Street, Haverford Avenue, and 48th Street, together with the improvements thereon, and the making of certain capital improvements to such land and improvements, including the development of a new Police Department headquarters and related parking accommodations; approving the issuance by the Philadelphia Municipal Authority of bonds, notes or other evidences of indebtedness to finance or refinance such project; and authorizing and approving the undertaking by the City of all necessary steps to comply with such Agreement, including paying in full when due the Service Fee and other amounts payable thereunder, and covenanting to make

necessary appropriations in each of the City's fiscal years to provide for the Service Fee and other amounts due thereunder; all under certain terms and conditions.

WHEREAS, The City of Philadelphia (the "City") desires to undertake a project (the "4601 Market Project") consisting of: (i) the acquisition from the Philadelphia Authority for Industrial Development of an approximately fifteen-acre tract of land together with the improvements thereon (the "Facility") situated in the City in the area bounded by 46th Street, Market Street, Haverford Avenue, and 48th Street, known as 4601 Market Street; (ii) the demolition, remediation, renovation and equipping of the Facility as the headquarters of the City's Police Department and for certain public safety and health related uses; (iii) the construction of parking accommodations and other capital improvements to the Facility; and (iv) the financing of interest on the Obligations (as defined herein); and

WHEREAS, The City, by separate ordinance, has approved the acquisition of the Facility from the Philadelphia Authority for Industrial Development; and

WHEREAS, The City and the Philadelphia Municipal Authority (the "Authority") have determined that the Authority will, at the direction, and with the cooperation, of the City, undertake the financing of the 4601 Market Project and any other capital projects of the City designated by the Director of Finance and approved by ordinance of the Council and resolution of the Authority (collectively, the "Project"); and

WHEREAS, The Council of the City (the "Council") has, by this Ordinance, determined that it is in the best interests of the City to: (i) authorize and approve the execution and delivery of a Service Agreement (the "Service Agreement") by and between the City and the Authority; (ii) approve the issuance by the Authority of bonds, notes or other evidences of indebtedness in such amount and for such purposes as described in Section 1 herein in one or more series, either as taxable or tax-exempt obligations; and (iii) authorize and approve the performance by the City of its obligation to pay in full when due the Service Fee (as defined in the Service Agreement) and other amounts payable under the Service Agreement; and

WHEREAS, The City is authorized to enter into the Service Agreement and to undertake the financing and refinancing of the Project; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Council hereby: (i) authorizes and approves the execution and delivery of the Service Agreement, which shall be substantially in the form of Exhibit A hereto, with the Authority; (ii) approves the issuance from time to time by the Authority of bonds, notes or other evidences of indebtedness (the "Obligations") in an aggregate principal amount not to exceed Two Hundred Fifty Million Dollars (\$250,000,000) net of original issue discount, plus amounts necessary for costs of credit enhancement and issuing the Obligations, and amounts necessary to effect any refunding, at any one time outstanding, in one or more series, either as taxable or tax-exempt obligations, to finance or refinance the Project, costs of credit enhancement and issuing the Obligations, and amounts necessary to effect any refunding; and (iii) authorizes and approves the performance by the City of its obligation 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 2. The Director of Finance is hereby authorized to execute and deliver, on behalf of the City, the Service Agreement in substantially the form of Exhibit A hereto, with such changes as the City Solicitor shall advise and the Director of Finance shall approve, consistent with the terms of this Ordinance. No amendment or supplement to the Service Agreement which permits the aggregate principal amount (at any one time outstanding) described in Section 1 hereof to be exceeded shall be executed unless first approved by ordinance of the Council.

SECTION 3. The issuance of Obligations to refund outstanding Obligations (whether at maturity, through redemption or otherwise) is hereby approved (including the refinancing of interim indebtedness), and the Director of Finance is hereby authorized to execute and deliver, on behalf of the City, any required amendment or supplement to the Service Agreement in such form as the City Solicitor shall advise and the Director of Finance shall approve, consistent with the terms of this Ordinance; provided that no amendment or supplement to the Service Agreement shall permit the issuance of Obligations which cause the aggregate principal amount (at any one time outstanding) described in Section 1 hereof to be

exceeded unless first approved by ordinance of the Council.

SECTION 4. The Service Agreement authorized by this Ordinance (and any required amendment or supplement thereto) shall be executed in conjunction with the issuance by the Authority of its Obligations from time to time, in one or more series, either as taxable or tax-exempt obligations, in an aggregate principal amount (at any one time outstanding) that does not exceed the limitation set forth in Section 1 hereof to be applied for the purposes described in Section 1 hereof. The Obligations shall not be executed or delivered until the Director of Finance has approved the terms thereof.

SECTION 5. The City covenants to budget and make appropriations beginning in Fiscal Year 2015 and in each and every fiscal year thereafter in such amounts as shall be required in order to make timely all Service Fee payments due and payable and to pay timely all other amounts due and payable under the Service Agreement (including any amendments or supplements thereto as authorized hereby).

SECTION 6. As long as Obligations issued by the Authority to finance or refinance the Project are outstanding, the City covenants unconditionally to make all Service Fee payments and all other amounts due as provided for under the Service Agreement (including any supplements thereto as authorized hereby) directly to any trustee or other entity (the "Trustee") to which the Service Fee may be assigned as security for payment of the Obligations and the obligations of the Authority under any credit facility securing the Obligations, 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 Authority or the Trustee or any holder of Obligations 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 7. The City agrees to be bound by each and every provision, covenant and agreement set forth in the Service Agreement (including any amendments or supplements thereto as authorized hereby).

SECTION 8. The Director of Finance and all other proper officials of the City are hereby authorized, jointly and severally, on behalf of the City, to execute all documents (including without limitation one or more continuing disclosure agreements and a letter of representations) as may be necessary in order to accomplish the intent and purpose of this Ordinance and to take all actions as may be required by the Constitution and the laws of the Commonwealth of Pennsylvania in order to effectuate the financing or refinancing of the Project and the issuance of the Obligations.

SECTION 9. The Council reasonably expects that the proceeds of each series of tax-exempt Obligations will be expended for the Project within three years of the issuance of each such series and will not take any action or omit to take any action which would cause the expenditure of the proceeds of tax-exempt Obligations for the Project to proceed other than with due diligence.

SECTION 10. In accordance with Treasury Regulations § 1.150-2, the City hereby states its intention that a portion of the proceeds of the Obligations will be used to reimburse itself for expenditures paid for costs of the 4601 Market Project prior to the date of issuance thereof.

SECTION 11. This Ordinance shall take effect immediately.