City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

Legislation Details (With Text)

File #:	140512	**Version:** 1	**Name:**		
Type:	Bill		**Status:**	ENACTED	
File created:	6/5/2014		**In control:**	Committee on Finance	
On agenda:			**Final action:**	6/19/2014	

Title: Authorizing and approving the execution and delivery of a Service Agreement between the City of Philadelphia and the Philadelphia Authority for Industrial Development relating to the financing of additional operating funds for the School District of Philadelphia, approving the issuance by the Philadelphia Authority for Industrial Development of bonds, notes or other evidences of indebtedness in one or more series, to finance such additional operating funds; and authorizing and approving the obligation of the City of Philadelphia to pay in full when due the Service Fee and other amounts payable under the Service Agreement; authorizing certain City officers to take certain actions required to issue bonds, notes or other evidences of indebtedness; covenanting that the City of Philadelphia will make necessary appropriations in each of the City's fiscal years to provide for the Service Fee and other amounts due under the Service Agreement; covenanting that the City of Philadelphia will make timely payments of the Service Fee and other amounts due under the Service Agreement; and authorizing City officials to take necessary or appropriate actions, all under certain terms and conditions.

Sponsors: Councilmember Tasco

Indexes: PAID, SCHOOL DISTRICT OF PHILADELPHIA

Code sections:

Attachments: 1. Bill No. 14051200.pdf, 2. 140512 - Exhibit A, As Amended.pdf, 3. CertifiedCopy14051201.pdf

Date	Ver.	Action By	Action	Result	Tally
6/19/2014	1	CITY COUNCIL	PASSED	Pass	16:0
6/19/2014	1	MAYOR	SIGNED		
6/12/2014	1	CITY COUNCIL	ORDERED PLACED ON THIS DAY`S FIRST READING CALENDAR		
6/12/2014	1	CITY COUNCIL	SUSPEND THE RULES OF THE COUNCIL	Pass	
6/12/2014	1	CITY COUNCIL	ORDERED PLACED ON NEXT WEEK`S SECOND READING CALENDAR		
6/11/2014	0	Committee on Finance	HEARING NOTICES SENT		
6/11/2014	0	Committee on Finance	HEARING HELD		
6/11/2014	0	Committee on Finance	AMENDED		
6/11/2014	1	Committee on Finance	REPORTED FAVORABLY, RULE SUSPENSION REQUESTED		
6/5/2014	0	CITY COUNCIL	Introduced and Referred	Pass	

Authorizing and approving the execution and delivery of a Service Agreement between the City of Philadelphia and the Philadelphia Authority for Industrial Development relating to the financing of additional operating funds for the School District of Philadelphia, approving the issuance by the Philadelphia Authority for Industrial Development of bonds, notes or other evidences of indebtedness in one or more series, to finance such additional operating funds; and authorizing and approving the obligation of the City of Philadelphia to pay in full when due the Service Fee and other amounts payable under the Service Agreement; authorizing certain

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City officers to take certain actions required to issue bonds, notes or other evidences of indebtedness; covenanting that the City of Philadelphia will make necessary appropriations in each of the City's fiscal years to provide for the Service Fee and other amounts due under the Service Agreement; covenanting that the City of Philadelphia will make timely payments of the Service Fee and other amounts due under the Service Agreement; and authorizing City officials to take necessary or appropriate actions, all under certain terms and conditions.

WHEREAS, The City of Philadelphia (the "City") and the Philadelphia Authority for Industrial Development ("PAID") have determined that PAID will, at the direction, and with the cooperation, of the City, undertake the financing of a project consisting of providing additional operating funds to the School District of Philadelphia (the "School District"); and

WHEREAS, The Council of the City 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 PAID; (ii) approve the issuance by PAID 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 to enable the financing of additional operating funds for the School District; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Council of the City (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 PAID; (ii) approves the issuance from time to time by PAID of bonds, notes or other evidences of indebtedness (the "Obligations") in an aggregate principal amount not to exceed Twenty Seven Million Dollars ($27,000,000), net of original issue discount, plus amounts necessary for costs of issuance, amounts necessary to effect any refunding, interest on the Obligations and costs of credit or liquidity enhancement, at any one time outstanding, in one or more series, either as taxable or tax-exempt obligations, to finance additional operating funds for the School District, interest on the Obligations, costs of credit or liquidity enhancement, amounts necessary to effect any refunding, and the costs of issuig the Obligations; 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 authorized, 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 shall be executed in conjunction with the issuance by PAID of its Obligations for the purpose of financing additional operating funds for the School District, in an aggregate principal amount (at any one time outstanding) that does not exceed that 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

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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.

SECTION 6. As long as the Obligations issued by PAID are outstanding, the City covenants unconditionally to make all Service Fee payments and all other amounts due as provided for under the Service Agreement directly to any trustee and/or other entity (the "Trustee") to which the Service Fee may be assigned as security for payment of the Obligations and the obligations of PAID under any credit facility and/or liquidity 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 PAID 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.

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 approved hereby and the issuance of the Obligations.

SECTION 9. This Ordinance shall take effect immediately.

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