

Legislation Text

File #: 070998, **Version:** 0

Approving the plan, estimated costs and proposed method of assessment and charges of the Center City District for and concerning business improvements and administrative services to the central business district of the City of Philadelphia for 2008-2012; and approving estimated costs for debt service through 2025; all under certain terms and conditions.

WHEREAS, Under the Municipality Authorities Act ("the Act"), the City authorized, in an ordinance approved on March 28, 1990 (Bill No. 727), the organization of an authority (originally known as the "Special Services District of Central Philadelphia") for the purpose of making business improvements and providing administrative services, as those terms are defined in the Act, to the central business district of the City of Philadelphia; and

WHEREAS, Articles of Incorporation were filed with the Secretary of the Commonwealth and the Authority was incorporated on May 4, 1990; and

WHEREAS, In accordance with the requirements of the Act, the Authority completed a plan for business improvements and administrative services to be made and provided through the 1995 fiscal year of the Authority to the central business district of the City of Philadelphia, and the Authority held public hearings respecting such plan; and

WHEREAS, Legally sufficient written objections were not received from property owners and the City approved the Authority's plan to serve the central business district area (the "District") bounded and described in the ordinance approved on November 2, 1990 (Bill No. 1069), which boundaries were subsequently expanded by the ordinance approved on November 25, 1996 (Bill No. 960631); and

WHEREAS, The Articles of Incorporation of the Special Services District of Central Philadelphia were amended on October 30, 1992 to change the name of the Authority to the "Center City District"; and

WHEREAS, Under the Act the City authorized, in an ordinance approved on January 6, 1995 (Bill No. 940632), an extension of the term of the Authority from five (5) to twenty-five (25) years by approving an amendment to the Authority's Articles of Incorporation; and

WHEREAS, An amendment to the Authority's Articles of Incorporation was filed with the Secretary of the Commonwealth on March 30, 1995, pursuant to which the Authority's term was extended from five (5) to twenty-five (25) years; and

WHEREAS, In 1995 the Authority issued bonds (the "1995 Bonds") with a term ending in 2015, the proceeds of which were used to finance capital improvements and maintenance within the District; and

WHEREAS, In 2004 the Authority re-financed the 1995 Bonds for the purpose of reducing debt service, and issued new bonds (the "2004 Bonds"); and

WHEREAS, Under the Act the City authorized, in an ordinance approved on November 10, 2004, (Bill No. 040873), an extension of the term of the Authority through December 31, 2025 by approving an

amendment to the Authority's Articles of Incorporation; as well as a plan for fiscal years 2005 through 2009; and

WHEREAS, An amendment to the Authority's Articles of Incorporation was filed with the Secretary of the Commonwealth on December 23, 2004, pursuant to which the Authority's term was extended to December 31, 2025; and

WHEREAS, The Authority has recently completed a plan for fiscal years 2008 through 2012 to continue its services as well as to enhance evening cleaning and provide expanded landscape maintenance services, which will be financed by assessments and charges to be paid by property owners within the District (the "5-Year Operating Plan"); and

WHEREAS, The first year of the 5-Year Operating Plan is a plan for the 2008 fiscal year of the Authority; and

WHEREAS, The Authority mailed to each property owner and to each commercial tenant in the District "The Plan and Budget for the Center City District", which includes a description of the 5-Year Operating Plan, the proposed method of assessment and charges, and the annual debt service on the 2004 Bonds, all of which are herein collectively referred to as the "Plans"; and

WHEREAS, After sending to each property owner and to each commercial tenant in the District the Plans and the cost to each property owner together with notice of public hearings respecting the Plans and after due advertisement of such public hearings, public hearings have been held by the Authority pursuant to the Act and legally sufficient written objections have not been received either from persons representing the ownership of one-third (1/3) of the properties in the District or from property owners within the District whose property valuation as assessed for taxable purposes amounts to more than one-third (1/3) of the total property valuation of the District; and

WHEREAS, The Authority has submitted to City Council for review and approval the Plans, which are attached hereto as Exhibit "A," and City Council has held public hearings respecting the Plans; and

WHEREAS, City Council desires to take appropriate action with respect to the Plans; NOW THEREFORE,

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. It is hereby declared that the participation of the Authority in projects for and concerning business improvements and administrative services to the central business district area (the "District"), as contemplated in the "2008-2012 Plan and Budget for the Center City District," which includes a description of the Authority's 5-Year Operating Plan and Budget, and the proposed method of assessment and charges, all of which are herein collectively referred to as the "Plans" and are attached as Exhibit "A," is desirable for the entire City of Philadelphia to preserve and improve the economic vitality of the District and to generate jobs for residents of the City. The Plans, having been duly reviewed and considered, are approved.

SECTION 2. Estimated costs for debt service in the amount of \$1,265,000 for 2008, \$1,262,000 for 2009, \$1,263,000 for 2010, \$1,260,000 for 2011, \$1,265,000 for 2012 and estimated costs no less than the annual amount of \$2,521,640 for the years 2013 through 2025, the estimated costs for 2013 through 2025 representing two times the amount of debt service on bonds to be issued to finance the capital improvements set forth in the Plans, pursuant to the method of assessment set forth in the Plans, are approved, pursuant to the Act.

Notwithstanding the estimated costs for debt service set forth in the preceding sentence of this Section 2, the Authority is hereby authorized, and may so covenant for the benefit of the holders of its bonds, to fix, levy and collect its assessments in each fiscal year such that the available revenues of the Authority pledged to secure the Authority's bonds, including such assessments, shall never be less than 200% of the debt service requirement for that fiscal year.

SECTION 3. The Authority is authorized to take such action as may be necessary to carry out the Plans, including, but not limited to, issuing or refinancing bonds, in conformance with the provisions of the Act, which had been issued to finance CCD capital improvements. City Council authorizes the Authority to proceed with minor changes in substantial conformity with the Plans.

SECTION 4. The approval of the "2008-2012 Plan and Budget for the Center City District" of this Ordinance supersedes the approval of the District's Plan and Budget for fiscal years 2008 and thereafter, as provided in Bill No. 040873, and to the extent there is any conflict between the approval provided in this Ordinance and the approval provided in Bill No. 040873, then the provisions of this Ordinance shall prevail.

EXHIBIT "A"
PLAN AND BUDGET FOR THE CENTER CITY DISTRICT