

Legislation Text

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Approving the plan, estimated costs and proposed method of assessment and charges of the Center City District (the "Authority") for and concerning business improvements and administrative services to the central business district of the City of Philadelphia for 2013-2017; amending an Ordinance (Bill No. 1069, approved November 2, 1990, as amended by Bill No. 960631, approved November 25, 1996) adopted pursuant to the "Municipality Authorities Act of 1945," P.L. 382, as amended (the "Act") in order to add to the district to be served by the Authority the properties on the east and west sides of the blocks of South Broad street between Pine street and Lombard street, but including only those properties fronting on South Broad street (the "Added Properties"); authorizing the extension until 2045 of the term of the Authority pursuant to the provisions of the Act to enable the refinancing of existing debt; authorizing a change to the registered office address of the Authority; and approving estimated costs for debt service through 2045; all under certain terms and conditions.

WHEREAS, Under the Act, the City, in an ordinance approved on March 28, 1990 (Bill No. 727), authorized the organization of an authority then 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); and

WHEREAS, The City, by Ordinance (Bill No. 960631) approved on November 25, 1996 expanded the boundaries of the District by providing in Section 1 of such Ordinance that:

SECTION 1. Section 1 of the Ordinance approved November 2, 1990 (Bill No. 1069) is hereby amended by substituting, for the map referred to in Section 1 thereof and attached hereto as Exhibit "A", the map contained in Exhibit "C" attached hereto; and Section 2 of the Ordinance approved November 2, 1990 (Bill No. 1069) is hereby amended by making the deletions from and additions to Exhibit "B" thereto shown marked on Exhibit "B" attached hereto and by substituting for Exhibit "B" thereto the description attached hereto as Exhibit "D" and by attaching thereto (i) as Exhibit "C" the map attached hereto as Exhibit "C" and (ii) as Exhibit "D" the description of attached hereto as Exhibit "D" (except that such description attached hereto has been marked to show the amendments to the District proposed to be made by this Ordinance); 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 in an ordinance approved on January 6, 1995 (Bill No. 940632), the City authorized 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 in an ordinance approved on November 10, 2004, (Bill No. 040873), the City authorized 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, The Authority filed an amendment to its Articles of Incorporation 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 proposed to refinance the 2004 Bonds in 2014 and issue an additional \$10 million in bonds, which would enable the Authority to finance and leverage additional funding for pedestrian scale and façade lighting, streetscape and transit enhancements, park and other public area improvements throughout the District; and

WHEREAS, The Authority proposed and City Council desires to extend the term of the Authority to December 31, 2045 by filing an amendment to the Authority’s Articles of Incorporation to enable the Authority to refinance the 2004 Bonds and to issue the additional \$10 million of bonds; and

WHEREAS, The Authority’s registered office address currently on file with the Pennsylvania Department of State is 917 Filbert Street, Philadelphia, Pennsylvania 19107; and

WHEREAS, The Authority proposed and City Council desires to authorize a change of said registered office address to 660 Chestnut Street, Philadelphia, Pennsylvania 19106; and

WHEREAS, The Authority has recently completed a plan for fiscal years 2013 through 2017 to continue the level of services provided to property owners located within the District, 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 Act of February 14, 2012 (P.L. 83, No. 12) amended the Act to permit a business improvement district such as the Authority to elect to reduce by 50% the assessments on owner-occupied residential properties, such as condominiums and single-family properties; and

WHEREAS, Pursuant to the Act as amended, The Authority has elected to reduce the assessments on owner-occupied residential properties by 50% beginning in calendar year 2013 through all years covered by the 5-Year Operating Plan; and

WHEREAS, Pursuant to the Act as so amended, The Authority will assess each condominium building as a single benefitted property and provide to the condominium association an itemized bill to be paid by the condominium association from amounts collected from the individual unit owners; and

WHEREAS, The first year of the 5-Year Operating Plan is a plan for the 2013 fiscal year of the Authority; and

WHEREAS, for the Plans to become effective, the Authority must both comply with the notice, hearing, and objection process set forth in 53 Pa. C.S. § 5607(g), and Council must, separately, approve the Plans pursuant to 53 Pa. C.S. § 5607(d)(27)(ii); and

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

WHEREAS, City Council desires to take appropriate action with respect to the proposed amendments and the Plans; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Section 1 of the Ordinance approved November 2, 1990 (Bill No. 1069), as amended by the Ordinance approved November 25, 1996 (Bill No. 960631) is hereby amended by substituting, for the map referred to in Section 1 thereof and attached hereto as Exhibit “C”, the map contained in Exhibit “E” attached hereto; and Section 2 of the Ordinance approved November 2, 1990 (Bill No. 1069), as amended by the Ordinance approved November 25, 1996 (Bill No. 960631) is hereby amended by making the deletions from and additions to Exhibit “B” thereto shown marked on Exhibit “D” attached hereto and by substituting for Exhibit “B” thereto the description attached hereto as Exhibit “F”.

SECTION 2. City Council hereby approves the following amendment to the Authority’s Articles of Incorporation:

That paragraph (e) of the Articles of Incorporation be deleted in its entirety and replaced with the following:

- (e) The Authority shall exist for a term which shall commence on the date a certificate of incorporation is issued, as required by the provisions of the Act, by the Secretary of the Commonwealth of Pennsylvania and shall terminate on December 31, 2045.

SECTION 3. City Council hereby authorizes the Authority to advertise its intention to prepare and file with the Secretary of the Commonwealth, in the manner prescribed by the Municipality Authorities Act (53 Pa. C.S.A. § 5605), articles of amendment in substantially the form set forth in Exhibit “A” attached hereto.

SECTION 4. City Council hereby authorizes the Authority to change its registered office address on file with the Pennsylvania Department of State to 660 Chestnut Street, Philadelphia, Pennsylvania 19106 and to notify

the Secretary of the Commonwealth of said change by including a statement of the new address in the articles of amendment set forth in Exhibit “A” attached hereto.

SECTION 5. It is hereby declared that the participation of the Authority in projects for and concerning business improvements and administrative services to the District as expanded by this Ordinance, as contemplated in the “2013-2017 Plan and Budget for the Center City District,” which includes a map showing the addition of the Added Properties to the District, a description of the 5-Year Operating Plan which reflects inclusion of the Added Properties in the District, and the proposed method of assessment and charges, all of which are herein collectively referred to as the “Plans” and are attached as Exhibit “B,” is desirable for the entire City of Philadelphia to preserve and improve the economic vitality of the District and to generate almost 100,000 jobs for residents of the City. The Plans, having been duly reviewed and considered, are approved.

SECTION 6. Estimated costs for debt service in the amount of \$1,899,546 for 2013, \$1,500,000 for 2014, \$1,600,000 for 2015, \$1,700,000 for 2016, \$1,700,000 for 2017 and estimated costs no less than the annual amount of \$3,400,000 for the years 2018 through 2045, the estimated costs for 2018 through 2045 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 7. 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 Authority capital improvements. City Council authorizes the Authority to proceed with minor changes in substantial conformity with the Plans.