

Bill No. 3798-08

No. 03-08-RE

A RESOLUTION

A Resolution approving a Project for the benefit of the University of Pittsburgh Medical Center ("UPMC") to be financed by the Allegheny County Hospital Development Authority by the issuance of the Authority's tax-exempt or taxable bonds, to be issued in one or more series, in the aggregate principal amount not in excess of \$500,000,000, provided that the taxing power of the County of Allegheny, Pennsylvania, shall not be obligated in any way with respect to the Bonds (hereinafter defined), and determining that the purpose of the financing will be to benefit the health and welfare of the citizens of Allegheny County, Pennsylvania.

Whereas, UPMC, a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania, desires to undertake a project consisting of financing, through the issuance of one or more series of tax-exempt or taxable bonds in an aggregate principal amount not expected to exceed \$500,000,000 (the "Bonds") by the Allegheny County Hospital Development Authority (the "Authority"); and

Whereas, the Project ("Project") shall consist of all or any portions (as determined by UPMC) of the following:

- (a) reimburse UPMC for previously incurred capital expenditures for hospital and/or health care facilities; and
- (b) finance certain new capital costs to be incurred by UPMC; and
- (c) refund all or a portion of the Authority's outstanding (1) UPMC Health System Revenue Bonds, Series 2002A, consisting of a Subseries 2002A-1 and a Subseries 2002A-2; (2) University of Pittsburgh Medical Center Revenue Bonds, Series 2003A; (3) University of Pittsburgh Medical Center Revenue Bonds, Series 2004B-1; (4) University of Pittsburgh Medical Center Revenue Bonds, Series 2004B-2; (5) University of Pittsburgh Medical Center Revenue Bonds, Series 2005A, consisting of a Subseries 2005A-1 and a Subseries 2005A-2; and (6) University of Pittsburgh Medical Center Revenue Bonds, Subseries 2007A-3; and
- (d) refund all or a portion of the Pennsylvania Higher Educational Facilities Authority's outstanding University of Pittsburgh Medical Center Revenue Bonds, 2003C, consisting of a Subseries 2003C-1 and a Subseries 2003C-2 ; and
- (e) refund any amounts drawn under the Credit Agreement, as amended, among UPMC, certain lenders thereunder and National City Bank, as Agent; and
- (f) pay all or a portion of the related financing costs (collectively, the "Project"); and

Whereas, the Authority was created by the County of Allegheny, Pennsylvania (the "County") under the Municipality Authorities Act, as amended (the "Act"), and is authorized under the Act to issue its bonds for the purposes aforesaid, and the Authority has determined that the public interest will be served and that the purposes of the Act can be furthered by the Authority's issuance of bonds in order to obtain funds to loan to UPMC for the foregoing purposes; and

Whereas, Section 5607(b)(2)(iv) of the Act provides, among other things, that hospital projects or health centers to be leased to or financed with loans to public hospitals, nonprofit corporation health centers or nonprofit hospital corporations serving the public, such as UPMC, may be financed by an authority created under the Act, if the municipality organizing such authority declares by resolution or ordinance that it is desirable for the health, safety and welfare of the people in the area served by such projects and facilities to have such projects and facilities provided by, or financed through, such authority; and

Whereas, the location of the facilities included in the Project are at various addresses throughout Allegheny County all of which are owned by UPMC; and

Whereas, the following resolutions are also adopted to give effect to the provisions of the Municipality Authorities Act, Act No. 22 of 2001, as amended by Act No. 110 of 2001, 53 Pa.C.S. Section 5601 et seq., including without limitation Section 5607(a)(14) thereof; and

Whereas, neither the Bonds nor the approval granted hereby shall obligate taxing power of the County of Allegheny in any way, and shall be limited obligations of the Authority, payable solely from the revenues pledged by the Authority for such payment.

The Council of the County of Allegheny hereby resolves as follows:

Section 1. Incorporation of Preamble.

The provisions set forth in the preamble to this Resolution are incorporated by reference in their entity herein.

Section 2. Terms Defined.

Terms used in the Recitals to these Resolutions are herein used as therein defined.

Section 3. Approval of Project and Bonds.

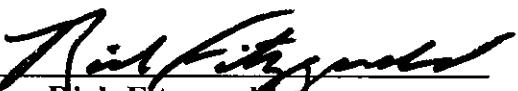
For the purposes set forth in the Recitals, and subject to the limitations set forth in the last Recital stated above, the County of Allegheny, Pennsylvania, acting by and through its County Council, hereby declares that it is desirable for the health, safety and welfare of the people of the County of Allegheny to have the Project financed through the Authority.

Section 4. Severability. If any provision of this Resolution shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Resolution which shall be in full force and effect.

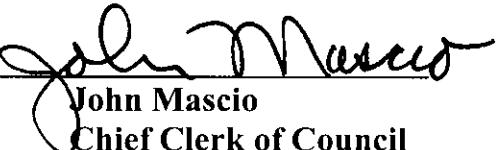
Section 5. Repealer. Any resolution or ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.

Enacted in Council, this 4th day of March, 2008.

Council Agenda No. 3798-08

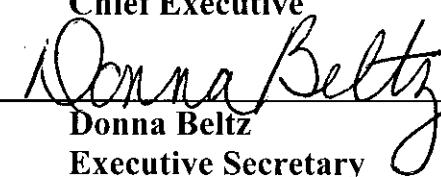


Rich Fitzgerald
President of Council

Attest: 
John Mascio
Chief Clerk of Council

Chief Executive Officer  MARCH 5, 2008

Approved: 
Dan Onorato
Chief Executive

Attest: 
Donna Beltz
Executive Secretary

SUMMARY OF LEGISLATION
UNIVERSITY OF PITTSBURGH MEDICAL CENTER (UPMC)
SUBMITTED FOR COUNCIL MEETING MARCH 4, 2008

On behalf of the University of Pittsburgh Medical Center (UPMC), a non-profit corporation, the Allegheny County Hospital Development Authority (the "Authority") intends to issue \$500,000,000 of Tax-Exempt Bonds (the "Bonds"). The Bonds will finance the costs of the following:

- (a) reimburse UPMC for previously incurred capital expenditures for hospital and/or health care facilities;
- (b) finance certain new capital costs to be incurred by UPMC;
- (c) refund all or a portion of the Authority's outstanding (1) UPMC Health System Revenue Bonds, Series 2002A, consisting of a Subseries 2002A-1 and a Subseries 2002A-2; (2) University of Pittsburgh Medical Center Revenue Bonds, Series 2003A; (3) University of Pittsburgh Medical Center Revenue Bonds, Series 2004B-1; (4) University of Pittsburgh Medical Center Revenue Bonds, Series 2004B-2; (5) University of Pittsburgh Medical Center Revenue Bonds, Series 2005A, consisting of a Subseries 2005A-1 and a Subseries 2005A-2; and (6) University of Pittsburgh Medical Center Revenue Bonds, Subseries 2007A-3;
- (d) refund all or a portion of the Pennsylvania Higher Educational Facilities Authority's outstanding University of Pittsburgh Medical Center Revenue Bonds, 2003C, consisting of a Subseries 2003C-1 and a Subseries 2003C-2 ; and
- (e) refund any amounts drawn under the Credit Agreement, as amended, among UPMC, certain lenders thereunder and National City Bank, as Agent.

Additionally, the proceeds of the Bonds will fund any necessary reserves and pay all or a portion of the costs of issuance, including the costs of providing credit enhancement for the Bonds.

As is typical with these transactions issued through the Hospital Development Authority, the Bonds are limited obligations, of the Authority, payable solely from the project or from UPMC.

M E M O R A N D U M

OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

FROM: James M. Flynn, Jr.
County Manager

DATE: February 25, 2008

RE: Proposed Resolution

Attached is a Resolution Approving a Project for the benefit of the University of Pittsburgh Medical Center ("UPMC") to be financed by the Allegheny County Hospital Development Authority by the issuance of the Authority's tax-exempt or taxable bonds, to be issued in one or more series, in the aggregate principal amount not in excess of \$500,000,000, provided that the taxing power of the County of Allegheny, Pennsylvania, shall not be obligated in any way with respect to the Bonds (hereinafter defined), and determining that the purpose of the financing will be to benefit the health and welfare of the citizens of Allegheny County, Pennsylvania.

The Allegheny County Law Department has reviewed this legislation prior to submitting it to Council.

Please place this on the next agenda for County Council approval.

ALLEGHENY COUNTY COUNCIL

108 FEB 25 PM 1:09



RICH FITZGERALD PRESIDENT

COMMITTEE ON
GOVERNMENT REFORM,
CHAIR

OFFICE OF THE COUNTY COUNCIL
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PHONE (412) 350-6575 · FAX (412) 350-6499
RICH.FITZGERALD@ALLEGHENYCOUNTY.US
[HTTP://WWW.ALLEGHENYCOUNTY.US/COUNCIL](http://www.allegenycounty.us/council)

TO: MEMBERS OF COUNCIL

FROM: RICH FITZGERALD, PRESIDENT
CHAIR, COMMITTEE ON ECONOMIC DEVELOPMENT AND HOUSING

DATE: FEBRUARY 25, 2008

SUBJECT: FEBRUARY 26, 2008 ECONOMIC DEVELOPMENT AND HOUSING
COMMITTEE MEETING AGENDA REVISION

At the request of County Manager Jim Flynn, the February 26, 2008, 5 p.m. Economic Development and Housing Committee meeting agenda will be amended to include the following discussion topic: Allegheny County Hospital Development Authority - UPMC Refinancing Project.

At this time, the Committee will discuss the attached draft resolution. This draft resolution is for the approval of a project for the benefit of the University of Pittsburgh Medical Center (UPMC) to be financed by the Allegheny County Hospital Development Authority. Essentially, UPMC intends to issue new bonds to refinance existing auction rate securities. There is no financial obligation to the county related to this transaction. Representatives from UPMC and Economic Development will be in attendance to answer any questions. (Please see the attached letter and draft resolution from County Manager Flynn for more information.)

The first reading of this resolution will be at the March 4th Regular Meeting of Council. Please note: County Manager Flynn has formally requested that this resolution's second reading be waived at the March 4th meeting.

Please feel free to contact me if you have any questions.



County of Allegheny

OFFICE OF THE COUNTY MANAGER

JAMES M. FLYNN, JR.
COUNTY MANAGER

KATHLEEN K. MCKENZIE
DEPUTY COUNTY MANAGER

TO: Hon. Rich Fitzgerald
Allegheny County Council President

FROM: James M. Flynn, Jr.
Allegheny County Manager

DATE: February 25, 2008

RE: Proposed Resolution

Attached please find a Resolution approving a Project for the benefit of the University of Pittsburgh Medical Center to be financed by the Allegheny County Hospital Development Authority by the issuance of the Authority's tax-exempt or taxable bonds, in the aggregate principal amount not in excess of \$500,000,000, provided that the taxing power of the County shall not be obligated in any way with respect to the Bonds (hereinafter defined), and determining that the purpose of the financing will be to benefit the health and welfare of the citizens of the County.

I am requesting that this item be placed on the agenda of the next Committee on Economic Development and Housing meeting, scheduled for Tuesday February 26, 2008. Appropriate representatives of the administration and also UPMC will be available to discuss this project.

Additionally, I will be submitting this resolution for a first reading at the next Regular Meeting of Council, and will respectfully request a waiver of the second reading at that meeting.

Thank you for your anticipated cooperation with this issue.

ALLEGHENY COUNTY COUNCIL

ATTACHMENT

08 FEB 25 PM 1:10

CC: All Members of Council (w/ attachment)