

Bill No. 1877-05

No. 07-05-RE

RESOLUTION

A Resolution of the Council of the County of Allegheny recognizing that it is desirable for the health, safety, and welfare of the people in the area served by Ohio Valley General Hospital and authorizing the Allegheny County Hospital Development Authority to issue its bonds on behalf of Ohio Valley General Hospital for a project consisting of financing all or a portion of the costs of: (a) constructing, acquiring, and equipping certain renovations and additions to the hospital facilities, including a new obstetrics unit, new operating rooms and miscellaneous other capital expenditures relating to the healthcare facilities of the Hospital devoted to its exempt activities, including the reimbursement of prior capital expenditures; (b) funding a debt service reserve fund for the bonds; (c) funding capitalized interest on the bonds through project completion; and (d) paying the costs of issuance of the bonds.

Whereas, the Allegheny County Hospital Development Authority (the "Issuer") is a body corporate and politic duly organized, existing and in good standing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), pursuant to the provisions of the Municipality Authorities Act, 53 Pa. C.S.A. §5601 et seq., as amended (the "Act"), the purpose and intent of which is to benefit the people of the Commonwealth by, among other things, increasing their commerce, health, safety and prosperity; and

Whereas, the Issuer is authorized by law to acquire, hold, construct, finance, improve, maintain, operate, own and lease as lessee or lessor, hospitals and health centers, to borrow money, to make and issue negotiable bonds and to secure the payment of such bonds or any part thereof by pledge or deed of trust of all or any of its revenues and receipts, and to make such agreements with the purchasers or holders of such bonds, or with others in connection with any such bonds, whether issued or to be issued, as the Issuer shall deem advisable; and

Whereas, Ohio Valley General Hospital (the "Hospital"), a nonprofit corporation organized and existing under the laws of the Commonwealth, by duly adopted resolutions, has undertaken a project consisting of financing all or a portion of the costs of: (a) constructing, acquiring and equipping certain renovations and additions to the hospital facilities, including a new obstetrics unit, new operating rooms and miscellaneous other capital expenditures relating to the healthcare facilities of the Hospital devoted to its exempt activities, including the reimbursement of prior capital expenditures (collectively, the "Capital Project"); (b) funding a debt service reserve fund for the Bonds (defined hereinafter); (c) funding capitalized interest on the Bonds through project completion; and (d) paying the costs of issuance of the Bonds (collectively, the "Project"); and

Whereas, the Hospital has requested the Issuer to issue its bonds on behalf of the Hospital in one or more series and in an aggregate principal amount not to exceed \$25,000,000 to provide funds to finance the costs of the Project; and

Whereas, the Bonds shall be designated as the "Allegheny County Hospital Development Authority, Hospital Revenue Bonds, Series 2005 (Ohio Valley General Hospital Project)" (the "Bonds") or such other designation as both the Issuer and the Hospital should subsequently determine, in one or more series and in an aggregate amount not to exceed \$25,000,000 and shall be applied to finance all or a portion of the costs of the Project; and

Whereas, the Bonds shall be limited obligations of the Authority payable from the Trust Estate (as defined in the Indenture), derived by the Authority from the Hospital and assigned to the Trustee, and other sources and security as described in the Indenture; and

Whereas, the Act provides that none of the powers granted to an authority thereby shall be exercised in the construction, financing, improvement, maintenance, extension or operation of any project or projects which in whole or part shall duplicate or compete with existing enterprises serving substantially the same purposes; and

Whereas, the Act further provides that the foregoing limitations shall not apply to hospital projects or health centers financed with loans to nonprofit corporation health centers or nonprofit hospital corporations serving the public, if the municipality organizing the authority financing the project shall declare by resolution or ordinance that it is desirable for the health, safety and welfare of the people in the area served by such hospital or health center to have such facilities provided by, or financed through, such authority; and

Whereas, the Internal Revenue Code of 1986, as amended, (the "Code") requires that an issue of obligations be approved by the applicable elected representative of the governmental unit on behalf of which such obligations are to be issued after a public hearing following reasonable public notice; and

Whereas, a duly advertised public hearing will be held on March 11, 2005; and

Whereas, the Authority duly adopted a resolution at a meeting duly convened and held on February 23, 2005, at which a quorum was present and acting throughout, authorizing the issuance of the Bonds, which resolution has not been altered, amended or repealed and is in full force and effect on the date of this resolution, and no other resolutions relating to the transaction referred to in the Authority's resolution have been adopted by the Authority; and

Whereas, the Council of Allegheny County is the "applicable elected representative" within the meaning of Section 147 of the Code of the County of Allegheny, the governmental unit on behalf of which such obligations are to be issued and in which the site of the facilities to be financed by the issue is located.

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

Section 1. Desirability

It is desirable for the health, safety and welfare of the people in the area served by the Hospital to have the facilities of the Hospital financed through the Authority.

Section 2. Approval

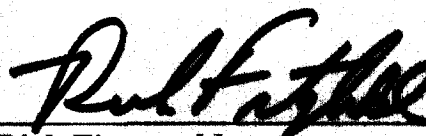
The Council of Allegheny County, in satisfaction of the public approval requirements of the Code, hereby approves the issuance of the Bonds and the Project for which the Bonds are to be issued, and authorizes the appropriate officials of the County to execute and deliver a certificate evidencing such approval.

Section 3. 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 4. 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 15th day of March, 2005

Council Agenda No. 1877-05



**Rich Fitzgerald
President of Council**

Attest: John Mascio
**John Mascio
Chief Clerk of Council**

Chief Executive Office March 21, 2005

Approved: Dan Onorato
**Dan Onorato
Chief Executive**

Attest: Donna Beltz
**Donna Beltz
Executive Secretary**

SUMMARY FOR OHIO VALLEY GENERAL HOSPITAL RESOLUTION
SUBMITTED FOR COUNCIL MEETING MARCH 1, 2005

Ohio Valley General Hospital has asked the Allegheny County Hospital Development Authority to issue Hospital Revenue Bonds in an amount not to exceed \$25,000,000 to: (a) construct, acquire and equip certain renovations and additions to the hospital facilities, including a new obstetrics unit, new operating rooms and miscellaneous capital expenditures related to healthcare facilities; (b) fund a debt service reserve fund for the Bonds; (c) fund capitalized interest on the Bonds through project completion; and (d) paying costs of issuance. The Bonds are limited obligations of the Authority payable solely from the project or from the Trust Estate.

The Hospital located in Kennedy Township is licensed for 119 acute care beds and provides general, medical, surgical and obstetrical care. The Hospital also maintains an inpatient rehabilitation unit and several specialized inpatient and outpatient programs. Also located on the Hospital's campus are schools of nursing and radiography, as well as independent and assisted living facilities for senior citizens.

MEMORANDUM
OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

FROM: James M. Flynn, Jr. *JA*
County Manager

DATE: February 24, 2005

RE: Proposed Resolution

Attached is a Proposed Resolution recognizing that it is desirable for the health, safety, and welfare of the people in the area served by Ohio Valley General Hospital and authorizing the Allegheny County Hospital Development Authority to issue its bonds on behalf of Ohio Valley General Hospital for a project consisting of financing all or a portion of the costs of: (a) constructing, acquiring, and equipping certain renovations and additions to the hospital facilities, including a new obstetrics unit, new operating rooms and miscellaneous other capital expenditures relating to the healthcare facilities of the Hospital devoted to its exempt activities, including the reimbursement of prior capital expenditures; (b) funding a debt service reserve fund for the bonds; (c) funding capitalized interest on the bonds through project completion; and (d) paying the costs of issuance of the bonds.

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.

Thank you.

RECEIVED

FEB 24 2005

Office of the Chief Clerk
Allegheny County Council