

Bill No. 1765-04

No. 42-04-RE

RESOLUTION

A Resolution of the Council of the County of Allegheny authorizing the issuance of up to \$13,000,000 principal amount of Allegheny County Hospital Development Authority Obligations to acquire helicopters for use by Allegheny General Hospital, the financing to be provided by GE Capital Public Finance, Inc.

Whereas, the Allegheny County Hospital Development Authority ("Authority") is organized under the Municipality Authorities Act, the Act of June 19, 2001, P.L. 22, as amended (the "Act") for the purpose of acquiring, holding, constructing, financing, improving, maintaining and operating, owning and leasing, either in the capacity of lessor or lessee, buildings and facilities for hospital projects and health centers provided that such buildings and facilities shall be declared by resolution adopted by the appropriate official or officials of the County of Allegheny ("County"), Pennsylvania, to be desirable for the health, safety and welfare of the people in the area served by such facilities to have them financed through the Authority and further provided that such declaration does not obligate the taxing power of the County in any way; and

Whereas, in order to finance a project consisting of the acquisition of one or more medical evacuation helicopters for use at Allegheny General Hospital (the "Project"), Allegheny General Hospital (the "Hospital") has requested that the Authority enter into a three party agreement, or supplement to the three party agreement executed and delivered between the parties in June 2001 (collectively, the "Master Financing Agreement") among the Hospital, the Authority and GE Capital Public Finance, Inc. (the "Lender"), wherein, among other things, (i) the Lender shall agree to loan an amount not to exceed \$13,000,000 to the Authority to finance the Project, (ii) the Authority shall agree to use such proceeds to purchase the medical evacuation helicopters as directed by the Hospital; (iii) the Authority shall agree to lease the medical evacuation helicopters to the Hospital and the Hospital shall agree to accept such lease on the terms contained in the Master Financing Agreement; (iv) the Hospital shall agree to make periodic lease payments to the Authority in consideration of the lease of the medical evacuation helicopters; and (v) the Authority shall agree to repay the loan to the Lender solely with moneys paid by the Hospital as lease payments as provided for in the Master Financing Agreement; and

Whereas, the loan made pursuant to the Master Financing Agreement will be in an aggregate principal amount not to exceed \$13,000,000, will bear interest at a floating rate to a maturity not later than 2015 as provided in the Master Financing Agreement, and will contain such other terms and conditions as may be provided in the Master Financing Agreement (the "Series 2004 Obligations"); and

Whereas, the obligation of the Authority under the Master Financing Agreement shall be a limited obligation of the Authority payable solely from the revenues derived by the Authority from the Hospital and assigned to the Lender and other sources and security as described in the Master Financing Agreement; and

Whereas, the Authority has approved the Project and issuance of the Series 2004 Obligations and the transactions described in the preceding recitals, has conducted a duly advertised public hearing on the Project and the Series 2004 Obligations and has requested that the County Council of Allegheny County, Pennsylvania, provide elected official approval of the Project and the Series 2004 Obligations for the purposes of Section 147(f)(2) of the Internal Revenue Code of 1986, as amended (the "Code"):

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

Section 1. Recitals

The Recitals to these Resolutions are incorporated herein by reference.

Section 2. Approval

The County Council of Allegheny County, Pennsylvania, approves the Project and the issuance by the Allegheny County Hospital Development Authority of the Series 2004 Obligations, such approval being for the purpose of complying with the requirements of Section 147(f)(2) of the Code and finds that the Project and such issuance of the Series 2004 Obligations shall be for the health and welfare of the citizens of Allegheny County, Pennsylvania.

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.

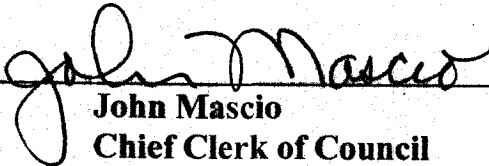
Section 4. Repealer. Any Resolution or Ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.

Enacted in Council, this 16th day of November, 2004

Council Agenda No. 1765-04




Rich Fitzgerald
President of Council

Attest: 
John Mascio
Chief Clerk of Council

Chief Executive Office November 17, 2004

Approved: 
Dan Onorato
Chief Executive

Attest: 
Donna Beltz
Executive Secretary


SUMMARY OF LEGISLATION

Requesting Allegheny County Council approve a Health and Welfare Resolution on behalf of Allegheny General Hospital ("AGH"). AGH has requested the Allegheny County Hospital Development Authority (the "Authority") issue up to \$13,000,000 in tax-exempt obligations to acquire medical evacuation helicopters for the use of AGH. The Authority will subsequently lease the helicopters to AGH whereby AGH will make the lease payments. These payments will go to pay the debt service on the obligations which are being financed by GE Capital Public Finance.

The Authority will be completely indemnified by AGH which will be supported by adequate insurance. Additionally, the obligations are limited obligations of the Authority which are payable solely from the revenues generated from AGH on this project or other sources they have within their control.

MEMORANDUM
OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

FROM: James M. Flynn, Jr. 
County Manager

DATE: November 10, 2004

RE: Proposed Resolution

Office of the Chief Clerk
Allegheny County Council

NOV 10 2004

RECEIVED

Attached is a Proposed Resolution authorizing the issuance of up to \$13,000,000 principal amount of the Allegheny County Hospital Development Authority to acquire helicopters for use by Allegheny General Hospital.

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.