

Bill No. 1626-04

No. 21-04-OR

## AN ORDINANCE

An Ordinance of the County of Allegheny amending the debt ordinance enacted September 10, 2002 and numbered 38-02, as amended October 8, 2002, by Resolution Number 55-02.

**Whereas**, on September 10, 2002, the County of Allegheny (the "County") enacted Ordinance No. 38-02 (the "2002 Ordinance") authorizing lease rental debt in an aggregate principal amount not to exceed \$65 million by entering into a Guaranty Agreement (the "Guaranty Agreement") with the Allegheny County Industrial Development Authority (the "Authority") pursuant to which the County agreed to guaranty the payment of debt service on the Authority's Guaranteed Revenue Bonds (Allegheny County Office Building Project) Series 2002A and Series 2002B (together, the "Bonds"); and

**Whereas**, the Authority intended to construct an eight story office building with a portion of the proceeds of the Bonds but has subsequently determined, at the request of the County, to discontinue the development of the office building; and

**Whereas**, the County advised the Authority that it desired that the Authority authorize an alternate use of a portion of the proceeds of the Bonds, such use being, upon the request of the County, purchasing, renovating, repairing, improving, equipping and furnishing existing buildings as well as constructing, equipping and furnishing new structures or improving infrastructure located within the geopolitical boundaries of the County by the Authority; and

**Whereas**, the Authority authorized such a use of the proceeds by Resolution adopted May 26, 2004; and

**Whereas**, this change in the project description will require the County to amend its 2002 Ordinance, in compliance with the Local Government Unit Debt Act, and will require that certain amendments be made to the Guaranty Agreement.

***The Council of the County of Allegheny hereby enacts as follows:***

### ***SECTION 1.***

The fourth 'whereas' paragraph in Ordinance No. 38-02 is hereby deleted in its entirety and replaced with the following "whereas" clause:

Whereas, the County has requested that the Authority demolish the Jail Annex Building previously known as the Jones Law Building and, upon the request of the County, purchase existing buildings, construct new structures and

make improvements to infrastructure located within the geopolitical boundaries of the County (hereinafter referred to as the "Structures") to be used by the County as office space, infrastructure, or otherwise, and improve, renovate, repair, furnish and equip, as the case may be, said Structures (the demolition cost of the Jail Annex Building and the cost of constructing, purchasing, improving, renovating, repairing, furnishing and equipping said Structures, together with the capitalized interest and costs of issuance of the Bonds and the refunding of certain bonds previously issued by the Authority with respect to the Premises, is collectively referred to as the "Project").

## **SECTION 2.**

The term "Building" as used in the fifth "whereas" clause of Ordinance No. 38-02 shall be replaced with the term "Structures" and shall have the meaning set forth herein.

## **SECTION 3.**

The definition of "Project" in the Guaranty Agreement shall be amended to delete references to the "construction, equipping and furnishing of a new 8-story office building" in subsection (i) and shall instead recite the "purchase of existing buildings, construction of new structures and improving infrastructure, and the improvement, renovation, repair, furnishing and equipping of new or existing buildings located within the geopolitical boundaries of the County to be used by the County as office space, or otherwise."

## **SECTION 4.**

All references to the "Building" in the Guaranty Agreement shall be read and understood to mean buildings to be constructed, purchased, improved, renovated and repaired with a portion of the proceeds of the Bonds, and to the furnishing and equipping thereof. Upon the advice of the County Solicitor and the Solicitor to the Authority, the Guaranty Agreement may be further amended to conform its provisions to the revised Project definition.

## **SECTION 5.**

The requirement of Section 7 (c) of the Guaranty Agreement shall be amended to provide that the County shall enter into a lease agreement with respect to at least one of the existing buildings to be built, purchased, improved, renovated and repaired with a portion of the proceeds of the Bonds as aforesaid.

## **SECTION 6.**

All other non-conflicting provisions of the Guaranty Agreement shall remain in full force and effect.

**SECTION 7.**

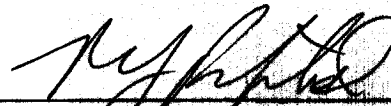
All projects funded by the lease rental debt authorized by Ordinance No. 38-02, ratified by Resolution No. 55-02, except for the purchase of one building and lot, shall be approved by County Council prior to action by the Authority on said project.

**SECTION 8. Severability** *If any provision of this Ordinance shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Ordinance which shall be in full force and effect.*

**SECTION 9. Repealer** *Any Resolution or Ordinance or part thereof conflicting with the provisions of this Ordinance is hereby repealed so far as the same affects this Ordinance.*

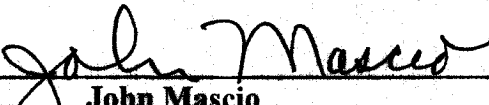
Enacted in council, this 13<sup>th</sup> day of July, 2004.

Council Agenda No. 1626-04



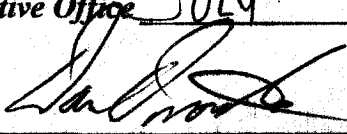
Rich Fitzgerald  
President of Council

Attest:

  
John Mascio  
Chief Clerk of Council

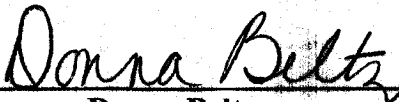
Chief Executive Office JULY 23 2004

Approved:



Dan Onorato  
Chief Executive

Attest:

  
Donna Beltz  
Executive's Secretary

SUMMARY PAGE

AN ORDINANCE OF THE COUNTY OF ALLEGHENY AMENDING THE DEBT ORDINANCE ENACTED SEPTEMBER 10, 2002 AND NUMBERED 38-02, AS AMENDED OCTOBER 8, 2002, BY RESOLUTION NUMBER 55-02.

The amending ordinance changes the definition of "Project" in the 2002 Debt Ordinance to permit the Industrial Development Authority (IDA), upon the request of the County, to purchase existing buildings, construct facilities, and/or make infrastructure improvements located within the geopolitical boundaries of the County to be used by the County as office space, or otherwise and renovate, repair, improve, equip and furnish said buildings with a portion of the proceeds of the Allegheny County Industrial Development Authority, Guaranteed Revenue Bonds, Series 2002A and 2002B (Allegheny County Office Building Project) and removes references to the construction of a new building. The amending ordinance also permits the amendment of a Guaranty Agreement to conform to the amended Project definition.

# CERTIFICATE

I, the undersigned, Chief Clerk of County Council of Allegheny, Pennsylvania (the "County"), hereby certify that: (a) attached to this Certificate is a true, correct and complete copy of an Ordinance which was duly enacted at a meeting of the County Council on July 13, 2004, at which a second reading of the Ordinance occurred, a quorum was present and acting throughout, and which was at all times open to the public; (b) the Ordinance was duly recorded in the County's Ordinance Book, and a summary of the Ordinance was published as required by law in a newspaper of general circulation in the County; (c) the County met the advance notice requirements of Act No. 1986-84 by advertising the date of the meeting and posting a notice of the meeting at the public meeting place of the County Council; (d) a first reading of the Ordinance occurred on July 6 2004; (e) the total number of members of County Council is 15; and (f) the vote upon the Ordinance was called and duly recorded upon the minutes and that the members voted in the following manner:


	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Rich Fitzgerald, President	<u>X</u>	_____	_____	_____
Wayne Fontana, Council Vice-President	<u>X</u>	_____	_____	_____
Joan Cleary	<u>X</u>	_____	_____	_____
Doug Price	<u>X</u>	_____	_____	_____
John DeFazio	<u>X</u>	_____	_____	_____
Dr. Charles J. Martoni	<u>X</u>	_____	_____	_____
Vincent Gastgeb	<u>X</u>	_____	_____	_____
Eileen Watt	_____	_____	_____	<u>X</u>
William Russell Robinson	<u>X</u>	_____	_____	_____
Jan Rea	<u>X</u>	_____	_____	_____
Brenda Frazier	<u>X</u>	_____	_____	_____
Dave Fawcett	_____	_____	_____	<u>X</u>
Ronald L. Francis, Jr.	_____	_____	_____	<u>X</u>
Tom Shumaker	<u>X</u>	_____	_____	_____
C. L. Jabbour	<u>X</u>	_____	_____	_____

WITNESS my hand and the seal of the County on July 13, 2004

By: John Mascio  
Chief Clerk

**MEMORANDUM**  
**OFFICE OF THE COUNTY MANAGER**

TO: John Mascio  
Chief Clerk

FROM: James M. Flynn, Jr.   
County Manager

DATE: July 1, 2004

RE: Proposed Ordinance

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Attached is a Proposed Ordinance amending the debt ordinance enacted September 10, 2002 and numbered 38-02, as amended October 8, 2002 by resolution number 55-02.

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.

**From:** Flynn, James  
**Sent:** Friday, July 09, 2004 4:02 PM  
**To:** Fitzgerald, Rich; Robinson, William Russell  
**Cc:** Fontana, Wayne; Defazio, John P; Gastgeb, Vince; Catanese, Joe; Mascio, John; Uber, Derek; McKenzie, Kathleen; Wojcik, Michael  
**Subject:** Council Bill No 1626-04  
Dear Councilmen,

During 2002, the County of Allegheny enacted Ordinance No. 38-02 authorizing lease rental debt in an aggregate principal amount not to exceed \$65 million by entering into a Guaranty Agreement with the Allegheny County Industrial Development Authority. The County agreed to guaranty the payment of debt service on the Authority's bond issue for the construction of a new 8 story building that was be used for office space for the Department of Human Services and laboratory space for the Coroner's office. Ordinance No. 38-02 was later amended by Resolution Number 55-02.

As you are aware, the County has decided not to go forward with the construction of the new building and will pursue other options. As a result, the county submitted Bill No 1626-04 entitled, "An Ordinance of the County of Allegheny amending the debt ordinance enacted September 10, 2002 and numbered 38-02, as amended October 8, 2002, by Resolution Number 55-02". The Bill was introduced at the July 6<sup>th</sup> meeting and referred to the Budget & Finance Committee.

This bill will change the purpose of the original bond issue to include the "purchase of existing buildings, construction of new structures and improving infrastructure, and the improvement, renovation, repair, furnishing and equipping of new or existing buildings located within the geopolitical boundaries of the County to be used by the County as office space, or otherwise".

It is respectfully requested that this bill be placed on the agenda of the July 13<sup>th</sup> Budget & Finance Committee meeting and, if approved by the committee, be brought before the general County Council meeting on July 13<sup>th</sup>.

I will be available at the Budget & Finance Committee meeting on the 13<sup>th</sup> to answer any questions that you may have.

Thank you in advance for your consideration.

Jim Flynn