

Bill No. 3971-08

No. 22-08-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 (the "Authority") by the issuance of the Authority's tax-exempt or taxable bonds, a portion of which may be issued as commercial paper, to be issued in one or more series, in the aggregate principal amount not in excess of \$350,000,000, 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, as hereinafter defined, to be financed, through the issuance of one or more series of tax-exempt or taxable bonds, a portion of which may be issued as commercial paper, in an aggregate principal amount not expected to exceed \$350,000,000 (the "Bonds") by the Authority; and

Whereas, the Project ("Project") shall collectively 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 or restructure all or a portion of the Authority's outstanding (1) Health Center Revenue Bonds, Series 1990 A, B, C, and D (Presbyterian-University Health System, Inc.); (2) Health Center Revenue Refunding Bonds, Series 1992B (Presbyterian University Health System, Inc. Project); (3) Health Center Revenue Bonds, Series 1998A (UPMC Health System); (4) Health Center Revenue Bonds, Series 1998 (Canterbury Place); and (5) Variable Rate Demand Revenue Bonds, Series 2003 (UPMC Senior Communities, Inc.); and

(d) refund or restructure all or a portion of the Allegheny County Industrial Development Authority Variable Rate Demand Revenue Refunding Bonds, Series 2002C (UPMC Health System); and

(e) pay all or a portion of the related financing costs; 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 entirety 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:

- A. The Project and the financing of the Project through the issuance of the Bonds are hereby approved and such approval does not obligate the taxing power of the County of Allegheny in any way; and

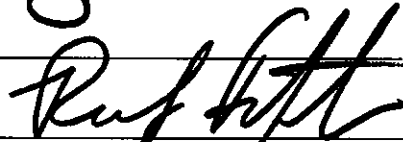
- B. It is desirable for the health, safety and welfare of the people of the County of Allegheny to have the Project financed through the Authority.

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 20th day of May, 2008,

Council Agenda No. 3971-08



Rich Fitzgerald
President of Council

Attest:



John Mascio
Chief Clerk of Council

Chief Executive Office

May 28, 2008

Approved:



Dan Onorato
Chief Executive

Attest:



Donna Beltz
Executive Secretary

SUMMARY OF LEGISLATION
UNIVERSITY OF PITTSBURGH MEDICAL CENTER (UPMC)
SUBMITTED FOR COUNCIL MEETING MAY 6, 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 \$350,000,000 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 or restructure all or a portion of the Authority's outstanding (1) Health Center Revenue Bonds, Series 1990 A, B, C, and D (Presbyterian-University Health System, Inc.); (2) Health Center Revenue Refunding Bonds, Series 1992B (Presbyterian University Health System, Inc. Project); (3) Health Center Revenue Bonds, Series 1998A (UPMC Health System); (4) Health Center Revenue Bonds, Series 1998 (Canterbury Place); and (5) Variable Rate Demand Revenue Bonds, Series 2003 (UPMC Senior Communities, Inc.); and

(d) refund or restructure all or a portion of the Allegheny County Industrial Development Authority Variable Rate Demand Revenue Refunding Bonds, Series 2002C (UPMC Health System).

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.

MEMORANDUM

OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

ALLEGHENY COUNTY COUNCIL

FROM: James M. Flynn, Jr.
County Manager

'08 MAY 1 PM12:09

DATE: May 1, 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 (the "Authority") by the issuance of the Authority's tax-exempt or taxable bonds, a portion of which may be issued as commercial paper, to be issued in one or more series, in the aggregate principal amount not in excess of \$350,000,000, 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.