

Bill No. 3452-07

No. 46-07-RE

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 Revenue Bonds (UPMC) Series 2007 to be issued in aggregate principal amount not in excess of \$120,000,000, provided that the taxing power of the County of Allegheny, Pennsylvania, shall not be obligated in any way with respect to the Bonds, and determining that the purpose of the financing will be to benefit the health and welfare of the citizens of Allegheny County, Pennsylvania, and constituting the elected official approval required by Section 147 of the Internal Revenue Code of 1986, as amended.

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 bonds in an aggregate principal amount not expected to exceed \$120,000,000 (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) all or a portion of the costs of reimbursing UPMC for previously incurred capital expenditures for hospital and/or healthcare facilities; and
- (b) financing of certain new capital costs to be incurred by UPMC; and
- (c) the refunding of the Authority's outstanding Healthcare Facilities Revenue Note, Series 2004 (Chapel Harbor Project) (the "Prior Debt"); and
- (d) paying of all or a portion of the 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 facilities and projects to be financed with loans to 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.

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, Section 147 of the Internal Revenue Code of 1986, as amended (“Code”) requires that elected officials of a governmental unit having jurisdiction of the area in which any facility of the Project is located approve the same for the purposes of that Section; 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)(15) 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. Terms Defined.

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

Section 2. 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 approves the Project and the Bonds.

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.

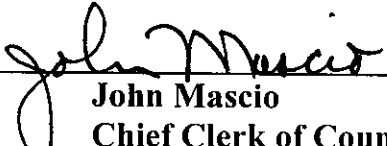
Section 4. Repealer. Any resolution or ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.

Enacted in Council, this 23rd day of October, 2007,


Council Agenda No. 3452-07.

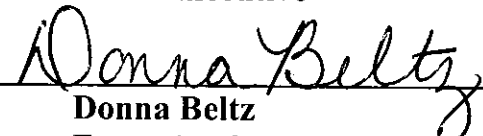


Rich Fitzgerald
President of Council

Attest: 
John Mascio
Chief Clerk of Council

Chief Executive Office  OCTOBER 29, 2007

Approved: 
Dan Onorato
Chief Executive

Attest: 
Donna Beltz
Executive Secretary

SUMMARY OF LEGISLATION
UNIVERSITY OF PITTSBURGH MEDICAL CENTER (UPMC)
SUBMITTED FOR COUNCIL MEETING OCTOBER 9, 2007

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 \$120,000,000 of Tax-Exempt Revenue Bonds (the "Bonds"). The Bonds will finance the costs of the following:

- (a) reimbursing UPMC for previously incurred capital expenditures for hospital and/or healthcare facilities;
- (b) financing of certain new capital costs to be incurred by UPMC; and
- (c) the refunding of the Authority's outstanding Healthcare Facilities Revenue Note, Series 2004 (Chapel Harbor Project) (the "Prior Debt").

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 the Medical Center.

MEMORANDUM

OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

ALLEGHENY COUNTY COUNCIL

FROM: James M. Flynn, Jr.
County Manager

'07 OCT 4 AM 9:07

DATE: October 4, 2007

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 Revenue Bonds (UPMC) Series 2007 to be issued in aggregate principal amount not in excess of \$120,000,000, provided that the taxing power of the County of Allegheny, Pennsylvania, shall not be obligated in any way with respect to the Bonds, and determining that the purpose of the financing will be to benefit the health and welfare of the citizens of Allegheny County, Pennsylvania, and constituting the elected official approval required by Section 147 of the Internal Revenue Code of 1986, as amended.

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.