

Bill No. 1766-04

No. 43-04-RE

## RESOLUTION

Resolution of the County of Allegheny regarding the issuance by Allegheny County Hospital Development Authority of its University of Pittsburgh Medical Center Revenue Bonds, Series 2004B to finance all or a portion of a Project, and making certain findings.

**Whereas**, the Allegheny County Hospital Development Authority (the "Authority") 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 Authority 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 Authority shall deem advisable; and

**Whereas**, the Authority has heretofore issued its Health Center Revenue Bonds, Series 1993 (University of Pittsburgh Medical Center System Project) (the "Prior Bonds") which are currently outstanding in the aggregate principal amount of \$11,990,000, on behalf of UPMC Health System ("UPMC"); and

**Whereas**, UPMC desires to undertake a project (the "Project") consisting of (a) the refunding of the Prior Bonds, (b) the financing of the cost of acquiring, constructing and equipping certain renovations, improvements and other capital expenditures relating to the facilities of UPMC, its subsidiary hospitals and other affiliates devoted to their exempt purposes, including the reimbursement of prior capital expenditures, and (c) payment of all or a portion of the financing costs; and

**Whereas**, UPMC has applied to the Authority requesting that the Authority issue its bonds on behalf of UPMC to provide funds to finance the Project; and

**Whereas**, the bonds shall be designated as the "Allegheny County Hospital Development Authority University of Pittsburgh Medical Center Revenue Bonds", Series 2004B, and such other designation of the year and series as both the Authority and UPMC shall subsequently determine, in one or more series, in fixed or variable interest rate modes, and in an

aggregate principal amount not to exceed \$70,000,000 (the "Bonds") and shall be applied to finance all or a portion of the costs of the Project; and

**Whereas**, the Authority has determined to assist UPMC in the Project by issuing the Bonds which Bonds shall be issued pursuant to one or more Trust Indentures (the "Indentures") of the Authority and shall be limited obligations of the Authority payable from the Trust Estate (as defined in the Indentures) derived by the Authority from UPMC and assigned to the Trustee, and other sources and security as described in the Indentures; and

**Whereas**, the Act provides that none of the powers granted thereby shall be exercised in the construction, financing, improvement, maintenance, extension or operation of any project or 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 unless the municipality organizing an authority for such 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 facilities to have such facilities provided by or financed through an authority.

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

***Section 1. Declaration***

It is hereby declared that it is desirable for the health, safety and welfare of the people in the area served by the facilities comprising the Project that such facilities comprising the Project be financed by the Authority.

***Section 2. Approval***

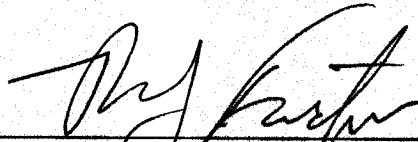
The undertaking by the Authority of the Project is hereby approved.

***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.***

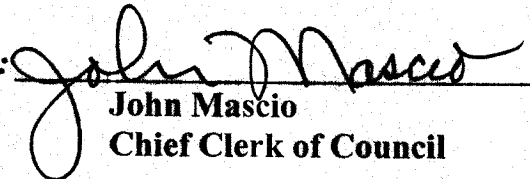
***Section 4. Repealer. Any Resolution or Ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.***

Enacted in Council, this 16<sup>th</sup> day of November, 2004

Council Agenda No. 1766-04

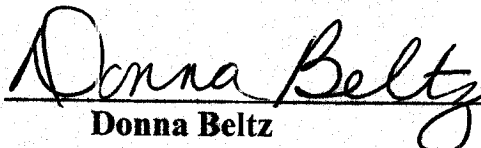


**Rich Fitzgerald**  
President of Council

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 University of Pittsburgh Medical Center ("UPMC"). UPMC has requested the Allegheny County Hospital Development Authority (the "Authority") issue up to \$70,000,000 in Tax-Exempt Bonds to (a) refund Bonds originally issued in 1993; (b) finance the cost of acquiring, constructing and equipping certain renovations, improvements and other capital expenditures for various facilities of UPMC; and (c) payment of all or a portion of the financing costs.

As is typical in these transactions, the Bonds will be limited obligations of the Authority payable only from revenues derived from UPMC or other sources 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 regarding the issuance by the Allegheny County Hospital Development Authority of its University of Pittsburgh Medical Center Revenue Bonds, Series 2004B.

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.