

Bill No. 2927-06

No. 02-07-RE

A RESOLUTION

Approving a Project for the benefit of Jefferson Regional Medical Center (formerly South Hills Health System) to be financed by the Allegheny County Hospital Development Authority by the issuance of the Authority's Bonds as hereinafter described to be issued in an aggregate principal amount not in excess of \$15,000,000, 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, safety 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, Jefferson Regional Medical Center, a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania (the "Corporation"), has requested that the Allegheny County Hospital Development Authority (the "Authority") finance the "Project" hereafter described by the issuance of the Authority's Hospital Revenue Bonds (Jefferson Regional Medical Center) Series 2007 or similar designation (the "Bonds") in one or more series in an aggregate principal amount not expected to exceed \$15,000,000; and

Whereas, the Project ("Project") shall consist of all or any portion (as determined by the Corporation) of the following:

(a) refinancing all or a portion of the Authority's outstanding \$14,775,000 Allegheny County Hospital Development Authority Hospital Revenue Bonds, Series B of 2000 (South Hills Health System Project) (the "Prior Bonds"),

(b) funding of any necessary reserves, and

(c) payment of all or part of the costs of issuing the Bonds including, but not limited to, the costs of providing credit enhancement for the Bonds; and

Whereas, the Prior Bonds were issued for the purpose of financing the costs of various capital projects, including the establishment of a cardiac surgery program, additions to and/or renovations of existing facilities, acquisition of management information system hardware and software, and various other capital items from the Corporation's capital budget, payment of capitalized interest on the Prior Bonds during construction, the funding of necessary reserves for the Prior Bonds, and the payment of all or a portion of the costs of issuance of the Prior Bonds (the capital projects financed with proceeds of the Prior Bonds are referred to as the "Prior Projects"); the assets and facilities to be refinanced with proceeds of the Bonds and the Prior Bonds are referred to collectively as the "Project Facilities"); and

Whereas, the Authority was created by the County of Allegheny, Pennsylvania (the "County") under 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. (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 fulfilled by the Authority's issuance of bonds in order to obtain funds to loan to the Corporation for the foregoing purposes; and

Whereas, the location of the Project Facilities financed with proceeds of the Prior Bonds are those of the Corporation and its affiliates located at 1800 West Street, Homestead, Pennsylvania 15120; 575 Coal Valley Road, Pittsburgh, Pennsylvania 15236 and 4129 Brownsville Road, Pittsburgh, Pennsylvania 15217, all in Allegheny County, Pennsylvania; 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 County Council is an applicable elected representative, within the meaning of Section 147 of the Code, the Authority will conduct a hearing on December 28, 2006, with respect to the Bonds and the Project after reasonable public notice, and the Authority has approved the Project and the Bonds at its public meeting on December 19, 2006, duly called with notice thereof published as required by law; and

Whereas, the following resolutions are also adopted to give effect to the provisions of the Act, including without limitation Section 5607(b)(2)(iv) thereof, which provides, among other things, that hospital projects or health centers, such as the Project Facilities, to be leased or financed with loans to public hospitals, nonprofit corporation health centers or nonprofit hospital corporations serving the public, such as the Corporation, may be financed by an authority created under the Act, notwithstanding that such projects may duplicate or compete with existing enterprises serving substantially the same purposes, if the municipality organizing such authority for such a project declares 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 such authority; and

Whereas, neither the Bonds nor the approval granted hereby shall obligate the 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 enacts as follows:

Section 1. Incorporation of the Preamble.

The provisions set forth in the preamble to this Resolution are incorporated by reference as set forth 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 approves the Project and the Bonds and determines that the purpose of the financing will benefit the health, safety and welfare of the citizens of the County of Allegheny, Pennsylvania.


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 23rd day of January, 2007.

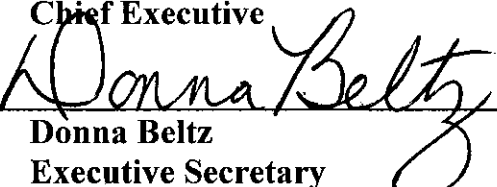
Council Agenda No. 2927-06


Rich Fitzgerald
President of Council

Attest: 
John Mascio
Chief Clerk of Council

Chief Executive Office January 29, 2007.

Approved: 
Dan Onorato
Chief Executive

Attest: 
Donna Beltz
Executive Secretary

SUMMARY PAGE
JEFFERSON REGIONAL MEDICAL CENTER
SUBMITTED FOR COUNCIL MEETING 12/19/06

On behalf of Jefferson Regional Medical Center, a non-profit corporation, the Allegheny County Hospital Development Authority (the "Authority") intends to issue \$15,000,000 of Tax-Exempt Hospital Revenue Bonds, Series 2007 (the "Bonds"). The Bonds will:


- ◆ refinance all or a portion of the Prior Bonds

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 obtaining 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 by Jefferson Regional Medical Center.

MEMORANDUM
OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

FROM: James M. Flynn, Jr. 
County Manager

DATE: December 14, 2006

RE: Proposed Resolution

ALLEGHENY COUNTY COUNCIL

'06 DEC 14 AM 10:58

Attached is a Resolution Approving a Project for the benefit of Jefferson Regional Medical Center (formerly South Hills Health System) to be financed by the Allegheny County Hospital Development Authority by the issuance of the Authority's Bonds as hereinafter described to be issued in an aggregate principal amount not in excess of \$15,000,000, 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, safety 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.