

Bill No. 0799-02

No. 38-02

AN ORDINANCE

An ordinance of the County of Allegheny, Pennsylvania (the "County") determining to incur lease rental debt in an aggregate principal amount not to exceed sixty five million dollars (\$65,000,000) by entering into a Guaranty Agreement (the "Guaranty Agreement") with the Allegheny County Industrial Development Authority (the "Authority"): determining that such lease rental debt shall be evidenced by the Guaranty Agreement by which the County agrees to guaranty the debt service on the Allegheny County Industrial Development Authority bonds to be issued by the Authority in one or more series of bonds in an aggregate principal amount of up to \$65,000,000; authorizing and directing the proper officers of the County (a) to prepare to certify and to file the debt statement required by section 8110 of the Pennsylvania Local Government Unit Debt Act; and (b) to execute, to attest and to deliver, as appropriate, the Guaranty Agreement between the County and said Authority; approving the form of said Guaranty Agreement; specifying the maximum amount of the County obligation pursuant to said Guaranty Agreement and the sources of payment of such guaranty obligation and pledging the full faith, credit and taxing power of the County in support of such debt obligation; providing for proper officers of the County to take all other required, necessary or desirable related action in connection with said project and said Guaranty Agreement; providing for the effectiveness of this ordinance; providing for the severability of provisions of this ordinance: and providing for repeal of all inconsistent ordinances or resolutions or parts of ordinances or resolutions.

Whereas, the Allegheny County Industrial Development Authority (the "Authority") is a public body, politic and corporate, exercising public powers of the Commonwealth of Pennsylvania as an agency thereof, duly organized and existing under the provisions of the Economic Development Financing Law of the Commonwealth of Pennsylvania, as amended (73 P.S. § 371 et seq.) (the "Act"); and

Whereas, the Authority is authorized by law, among other things, to acquire, purchase and own property or any interest therein necessary or convenient for carrying out the purposes of the Authority and to lease, as lessor, transfer and dispose of any property acquired by it, to construct, improve, maintain and repair projects, and to borrow money, to make and issue negotiable notes, bonds, refunding bonds and other evidences of indebtedness or obligations of the Authority, and to secure the payment thereof or any part thereof by pledge of all or any of its revenues and receipts and to make such agreements with the purchasers or holders thereof or with others in connection therewith as the Authority shall deem advisable, and, in general, to provide for the security thereof and the rights of the holders thereof; and

Whereas, the Authority has acquired title from the County of Allegheny, Pennsylvania (the "County") to certain land and a building located at and adjacent to 526 Fourth Avenue, Pittsburgh, PA (the "Premises") on which there presently stands a 12 story office building currently known as the Jail Annex Building and previously known as the Jones Law Building; and

Whereas, the County has requested the Authority to demolish and rebuild, equip and furnish a new office building (the "Building") on the Premises (the cost of which work, together with capitalized interest and the costs of issuance of the Bonds and the refunding of certain bonds previously issued by the Authority with respect to the Premises, is referred to as the "Project"); and

Whereas, the County intends to lease the Building from the Authority; and

Whereas, in order to obtain the funds necessary to undertake the Project, the Authority is expected to issue its bonds to be designated "Allegheny County Industrial Development Authority Guaranteed Revenue Bonds (Allegheny County Office Building Project) Series A of 2002 and Series B of 2002" (herein collectively called the "Bonds"), in an aggregate principal amount of up to Sixty Five Million Dollars (\$65,000,000) which shall be fully registered Bonds and contain such terms and provisions as contained in the Trust Indenture with respect to the Bonds (the "Indenture") between the Authority and the trustee for the Bonds as appointed by the Authority (the "Trustee"); and

Whereas, the County desires to assist the Authority in undertaking the Project by guarantying the debt service on the Bonds pursuant to a guaranty agreement (the "Guaranty Agreement"), and

Whereas, by entering into the Guaranty Agreement with regard to the Bonds, the County will be incurring lease rental debt pursuant to the Local Government Unit Debt Act, the Act of December 19, 1996, P.L. 1158, No. 177 as amended (the "Debt Act"); and

Whereas, the notice of the following Ordinance has been duly advertised in accordance with Section 8003 of the Debt Act.

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

Section 1. The County hereby determines to incur lease rental debt in the aggregate principal amount of up to \$65,000,000 by entering into the Guaranty Agreement. The County also determines that the realistic estimated useful life of the Project is at least 40 years.

The County hereby determines that the estimated construction, renovation and other cost of the Project is in excess of \$65,000,000 and that such cost is based upon preliminary estimates received by the Authority from persons qualified by experience to provide such estimates.

Section 2. The Chief Executive, the County Manager and/or the Director, Department of Budget and Finance, of the County (each, an "Authorized Officer") is authorized and directed to execute and deliver an acceptance on behalf of the County of the Guaranty Agreement, subject to such Guaranty Agreement being satisfactory to such Authorized Officer, the interest rate on the Bonds not exceeding 6%, the term not extending beyond November 1, 2030 and a price of not less than 93% of the principal amount of the Bonds issued. The debt service schedule of the Guaranty Agreement shall be attached hereto as Schedule A and incorporated herein by reference as if set forth herein. One counterpart of the Guaranty Agreement shall be filed with the records of the County.

Section 3. The County shall enter into the Guaranty Agreement, substantially in the form referred to in Paragraph 5, with the Authority under the terms and provisions of which the County shall provide unconditionally for the benefit of registered owners, from time to time, of the Bonds, a guaranty of the full and prompt payment of the outstanding principal of and the interest on the Bonds, as such shall be due and payable with respect to the Bonds. The Guaranty Agreement shall be for the life of the Bonds and shall set forth terms, conditions, provisions, covenants and agreements to be observed by the County and the Authority.

Section 4. The County shall covenant and agree in the Guaranty Agreement and does hereby covenant and agree with the registered owners, from time to time, of the Bonds and with the Authority, that the County: (i) shall include the amounts payable in respect of the debt service on the Bonds, as guaranteed pursuant to the Guaranty Agreement, for each fiscal year in which such sums are payable, in its budget for that year; (ii) shall appropriate such amounts from its tax and other general revenues for the payment of such amounts; and (iii) shall duly and punctually pay or cause to be paid from any of its revenues or funds the amounts payable in respect of such amounts, on the dates and at the places and in the manner stated in the Guaranty Agreement according to the true intent and meaning thereof, and, for such budgeting, appropriation and payment in respect of such amounts, the County shall and does pledge its full faith, credit and taxing power. This covenant shall be enforceable specifically.

Section 5. The Guaranty Agreement shall be substantially in the form presented to this meeting, which form is approved with such changes, if any, as may be approved by the County Solicitor; and a copy of the Guaranty Agreement in the form so presented at this meeting and so approved, shall be filed with the Chief Clerk and shall be made available for inspection at reasonable times by interested persons requesting such inspection.

Section 6. The officers and officials of the County are hereby authorized and directed to execute and deliver the Guaranty Agreement in such form as referenced in Section 5 herein, such other documents and to take such other action as may be necessary or appropriate in order to effect the execution of the Guaranty Agreement, all in accordance with this Ordinance.

Any authorization granted to, power conferred on, or direction given to the Chief Executive, County Manager, County Treasurer, County Controller, or Director, Department of Budget and Finance, shall be deemed to run to the Deputy County Manager, Deputy or Acting Controller or Treasurer, Deputy or Acting Director, respectively, or to the holder of such similar successor office as may be in existence at the relevant time, as if such latter titles had been expressly included in the text hereof which grants such authorization, confers such power or gives such direction.

Section 7. The County Manager is hereby authorized and directed to prepare, verify and file with the Department of Community and Economic Development, in accordance with the Debt Act, a transcript of the proceedings relating to the Guaranty Agreement including the Debt Statement and Borrowing Base Certificate required by 53 Pa.C.S.A. §8110 of the Debt Act (which the County Controller is hereby requested to prepare), and to take other necessary action, and to prepare and file all necessary documents with the Department of Community and Economic Development including, if necessary or desirable, any statements required to exclude any portion of the debt evidenced by the Guaranty Agreement from the appropriate debt limit as self-liquidating or subsidized debt and to take all other necessary and proper action in connection therewith, including the payment to the Pennsylvania Department of Community and Economic Development of the filing fees as required by the Debt Act, the payment of which filing fees are hereby authorized and approved.

Section 8. The County hereby authorizes the appointment of Cohen & Grigsby, P.C. and R. Darryl Ponton & Associates, as Co-Bond Counsel, for the purpose of rendering any and all necessary opinions with respect to the tax-exempt status of the Bonds and the Guaranty Agreement, and Houston Harbaugh P.C., as Underwriters' Counsel, and RBC Dain Rauscher as Financial Advisor.

Section 9. Reference in this Ordinance to specified officers of the County shall include and shall be construed to include, if and as applicable, their respective successors in office.

Section 10. This Ordinance shall become effective in accordance with provisions of the Debt Act.

Section 11. The County will enter into a continuing disclosure agreement in order to assist the purchaser of the Bonds in complying with subsection (b)(5) of SEC Rule 15c2-12. The proper officers and officials of the County are hereby authorized and directed to execute and deliver such agreement.

Section 12. 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 13. 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.

SCHEDULE A

County of Allegheny, Pennsylvania
Commonwealth of Pennsylvania

Guaranty of
\$65,000,000

Allegheny County Industrial Development Authority
Guaranteed Revenue Bonds
Series A of 2002
Series B of 2002

Guaranty Agreement to be attached upon execution and delivery and to reflect maturity dates and principal amounts, interest rates and redemption features and to set forth a debt service schedule.

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 (the "Ordinance") which was duly enacted at a meeting of the Allegheny County Council on September 10, 2002, 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 Allegheny County Council; (d) a first reading of the Ordinance occurred on July 2, 2002; (e) the total number of members of Allegheny 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>
Dr. James E. Simms, President	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Dave Fawcett	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Ronald L. Francis, Jr.	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Jan Rea	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Thomas A. Shumaker, II	<u> </u>	<u> </u>	<u> </u>	<u> X </u>
Doug Price	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Vince Gastgeb	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Jim Fenton	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Rick Schwartz	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Charles J. Martoni	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
C.L. Jabbour	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
John P. DeFazio	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Rich Fitzgerald	<u> X </u>	<u> </u>	<u> </u>	<u> </u>
Wayne Fontana	<u> </u>	<u> X </u>	<u> </u>	<u> </u>
Brenda Frazier	<u> X </u>	<u> </u>	<u> </u>	<u> </u>


WITNESS my hand and the seal of the County on October 28, 2002.

By John Mascio
Chief Clerk of County Council

[SEAL]

Enacted in Council, this 10th day of September, 2002,

Council Agenda No. 0799-02



James E. Simms

President of Council

Attest: 

John Mascio

Chief Clerk of Council

Approved as to form: 

Terrence McVerry
County Solicitor

Chief Executive Office

September 16, 2002.

Approved: 

James C. Roddey
Chief Executive

Attest: 

Victoria Spence
Executive's Secretary