

No. 11-03-RE

Bill No. 1078-03

A RESOLUTION

Resolution of the County of Allegheny regarding the issuance by Allegheny County Hospital Development Authority of its UPMC Health System Revenue Bonds to finance all or a portion of the costs 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 Hospital Revenue Bonds, Series 1992B (Presbyterian University Health System Project) (the "1992 Presbyterian Bonds") which are currently outstanding in the aggregate principal amount of \$90,845,000, on behalf of UPMC Health System ("UPMCHS") (formerly known as Presbyterian University Health System); and

Whereas, the Authority has heretofore issued its Hospital Revenue Refunding Bonds, Series 1992 (Magee-Women's Hospital Project) (the "1992 Magee Bonds") which are currently outstanding in the aggregate principal amount of \$40,255,000, on behalf of Magee-Women's Hospital; and

Whereas, the Authority has heretofore issued its Hospital Revenue Bonds, Series 1993 (Magee Women's Hospital Project) (the "1993 Magee Bonds") which are currently outstanding in the aggregate principal amount of \$38,930,000, on behalf of Magee Women's Hospital; and

Whereas, the Butler County Industrial Development Authority (the "Butler Authority") has heretofore issued its Health Center Revenue Refunding Bonds, Series 1993, Pittsburgh Lifetime Care Community (Sherwood Oaks Project) (the "Sherwood Oaks Bonds") which are currently outstanding in the aggregate principal amount of \$25,620,000, on behalf of Pittsburgh Lifetime Care Community, d/b/a Sherwood Oaks (the 1992 Presbyterian Bonds, the 1992 Magee Bonds, the 1993 Magee Bonds, and the 1993 Sherwood Oaks Bonds being hereinafter collectively referred to as the "Prior Bonds"); and

Whereas, subsequent to the issuance of the 1992 Magee Bonds and the 1993 Magee Bonds, Magee Women's Hospital became a controlled subsidiary hospital of UPMCHS; and

Whereas, on February 4, 2003, County Council adopted by resolution Bill No. 1011-03 authorizing the issuance of bonds by the Authority on behalf of UPMCHS to undertake a project (the "Project") consisting of (a) the advance refunding of all or a portion of the 1992 Magee Bonds, the 1993 Magee Bonds, and the Sherwood Oaks Bonds; (b) funding any necessary reserves; (c) obtaining credit support and/or liquidity support, if necessary; and (d) payment of all or a portion of the financing cost, it being understood that, depending upon market conditions, some or all of the 1992 Magee Bonds, the 1993 Magee Bonds and/or the Sherwood Oaks Bonds will be refunded with the proceeds of the Bonds; and

Whereas, on February 4, 2003, County Council adopted by resolution Bill No. 1012-03 authorizing the issuance of bonds by the Authority on behalf of UPMCHS to undertake a project (the "Project") consisting of (a) the refunding of all or a portion of the 1992 Presbyterian Bonds, the 1992 Magee Bonds, and the 1993 Magee Bonds; (b) the financing of various capital expenditures for UPMCHS and its controlled subsidiary hospitals in the approximate amount of \$20,000,000; (c) the funding any necessary reserves; (d) the obtaining of credit support and/or liquidity support, if necessary; and (e) payment of all or a portion of the financing costs; and

Whereas, UPMCHS requests that County Council amend its previous resolution, referred to as Bill No. 1011-03, to amend the description of the project to include, in addition to the project components enumerated in said resolution, the financing of various capital expenditures for UPMCHS and its subsidiary hospitals in an amount not to exceed \$15,000,000; and

Whereas, UPMCHS requests that County Council amend its previous resolution, referred to as Bill No. 1012-03, by authorizing an increase in the financing of various capital expenditures for UPMCHS and its controlled subsidiary hospitals from the approximate amount of \$20,000,000 to \$63,000,000; and

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

Whereas, the bonds shall be designated as the "Allegheny County Hospital Development Authority UPMC Health System Revenue Bonds and such other designation of the year and series as both the Authority and UPMCHS shall subsequently determine, in one or more series, in fixed or variable interest rate modes, and in an aggregate principal amount not to exceed \$284,000,000 (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 UPMCHS 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 UPMCHS 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 the County of Allegheny hereby enacts as follows:

Section 1. 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. The undertaking by the Authority of the Project is hereby approved.

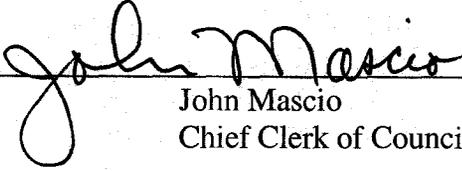
Section 3. *If any provision of this Resolution shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Resolution, which shall be in full force and effect.*

Section 4. *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 4th day of MARCH, 2003,

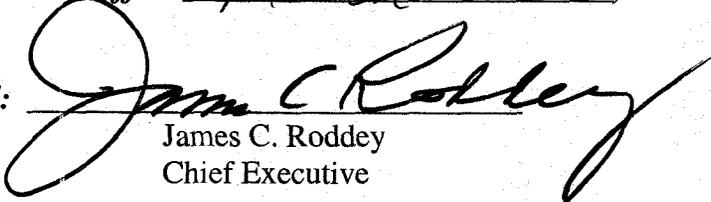
Council Agenda No. 1078-03


James E. Simms
President of Council

Attest: 
John Mascio
Chief Clerk of Council

Approved as to form: 
Charles P. McCullough
County Solicitor

Chief Executive Office March 11, 2003.

Approved: 
James C. Roddey
Chief Executive

Attest: 
Victoria Spence
Executive's Secretary

OFFICE OF THE COUNTY MANAGER

OFFICE OF THE
COUNTY COUNCIL

County of Allegheny

PM 12: 01



ROBERT B. WEBB
COUNTY MANAGER

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NANCY L. CARROLL
DEPUTY COUNTY MANAGER

MEMORANDUM

OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

FROM: Robert B. Webb *RBW*
County Manager

DATE: February 13, 2003

RE: Requesting County Council Approval

03 FEB 13 PM 12: 01

OFFICE OF THE
COUNTY COUNCIL

Attached is a Resolution of the County of Allegheny regarding the issuance by Allegheny County Hospital Development Authority of its UPMC Health System Revenue Bonds to finance all or a portion of the costs of a Project, and making certain findings.

Please put on the next agenda for County Council approval.

Thank you.