

No. 48-03-RE

Bill No. 1296-03

RESOLUTION

Regarding the issuance by the Allegheny County Hospital Development Authority of its Hospital Revenue Note, Series of 2003 (Chapel Harbor Independent Living, Inc. project) for the benefit of Chapel Harbor Living, Inc., in the aggregate amount not to exceed \$15,000,000 pursuant to the Municipality Authorities Act, 53 Pa.C.S.A. §5601, et. seq.

WHEREAS, the Allegheny County Hospital Development Authority, a public body corporate and politic (the "Authority"), created under and pursuant to the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), particularly the Municipality Authorities Act, 53 Pa.C.S.A. § 5601, et seq., as amended, (the "Act"), is authorized in furtherance of the public purposes described under the Act to, among other things, make available funds by issuing its revenue Note and entering into agreements in connection therewith to benefit the people of the Commonwealth by increasing their commerce, health and safety; and

WHEREAS, Chapel Harbor Independent Living, Inc. (the "Borrower"), a nonprofit corporation, organized and existing under the laws of the Commonwealth, has requested the Authority to issue its tax-exempt revenue note or notes, to be designated the Allegheny County Hospital Development Authority Hospital Revenue Note, Series 2003 (Chapel Harbor Independent Living, Inc. Project), in an aggregate principal amount not to exceed \$15,000,000 (the "Note"); and

WHEREAS, the Note, together with other available funds, shall be used to finance a project consisting of: the funding of capital expenditures in furtherance of its exempt purposes and those of its affiliate, UPMC, and the payment of all or a portion of the financing costs; (collectively, the "Project"); and

WHEREAS, the Authority desires to assist the Borrower in the Project by issuing the Note and has determined that the Project will promote the health, safety and general welfare of the people of the Commonwealth and will further the purposes of the Act and the purposes for which the Authority was incorporated; and

WHEREAS, the Note will be issued pursuant to a Financing and Security Agreement (the "Financing Agreement") to be executed among the Authority, the Borrower and Highmark, Inc., a Pennsylvania nonprofit corporation ("Highmark"), the proceeds of which will be loaned to the Borrower (the "Loan") and applied to the costs of the Project; and

WHEREAS, the Note shall be a limited obligation of the Authority payable from the loan payments made by the Borrower to Highmark, and other sources and security as described in the Financing Agreement; and

WHEREAS, in connection with the issuance of the Note and the financing of the Project, the Authority shall be required to execute various agreements, certificates and documents (hereinafter collectively called the "Note Documents"), including, among others, the following: (i) the Note; (ii) the Financing Agreement; (iii) an Assignment of Financing Agreement, assigning certain rights to payments under the Financing Agreement to Highmark, (iv) an Arbitrage and Tax Certificate, and (viii) such other documents which are deemed necessary and appropriate; and

WHEREAS, the Borrower shall indemnify the Authority with respect to the Project as shall be set forth in the Note Documents; and

WHEREAS, the Authority duly adopted resolutions at a meeting duly convened and held on August 27, 2003 (the "Resolution"), at which a quorum was present and acting throughout, authorizing the issuance of the Note in an aggregate principal amount not to exceed \$15,000,000 which resolution has not been altered, amended or repealed and is in full force and effect as of the date hereof; and

WHEREAS, the obligations and undertaking of the Authority contemplated by the Resolution, the Note Documents or any related documents shall be strictly limited as provided in the Act, and neither the general credit of the Authority nor the general credit or taxing power of the Commonwealth of Pennsylvania or any political subdivision of the Commonwealth of Pennsylvania will be pledged to the payment of the principal of or interest or premium, if any, on the Note; and

WHEREAS, pursuant to the provisions of the Act, as a condition precedent to the issuance of the Note for the Borrower, the municipality that organized the Authority is required to declare the financing of the Project through the Authority as being desirable for the health, safety and welfare of the people in the area to be served by the Project; and

WHEREAS, the County of Allegheny is the municipality that organized the Authority.

Be it resolved by the Council of Allegheny County, as follows:

Section 1. The County hereby approves of the Project and the issuance of the Note pursuant to the Note Documents in accordance with the requirements of the Internal Revenue Code of 1986, as amended, which require approval from the elected officials.

Section 2. The County hereby approves of the Project and the issuance of the Note pursuant to the Note Documents as a project which is desirable and which will promote the health, safety, general welfare and benefit of the citizens of Allegheny County.

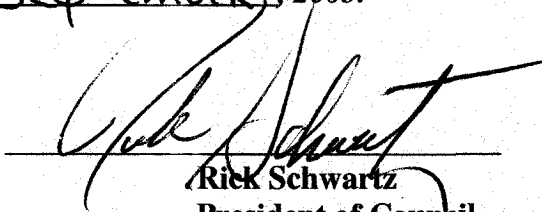
Section 3. The obligations and undertaking of the Authority contemplated by the Resolutions adopted by the Authority on August 27, 2003, the Note Documents or any related documents shall be strictly limited as provided in the Act, and neither the general credit of the Authority nor the general credit or taxing power of the Commonwealth of Pennsylvania or any political subdivision of the Commonwealth of Pennsylvania will be pledged to the payment of the principal of or interest or premium, if any, on the Note.

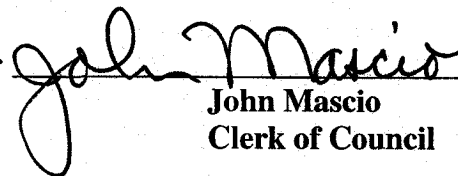
Section 4. If any provision of this Resolution shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Resolution, which shall be in full force and effect.

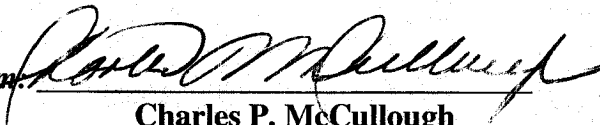
Section 5. Any Resolution or Ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.

Enacted in Council, this 29th day of September, 2003.

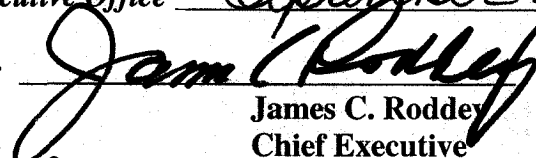
Council Agenda No. 1296-03

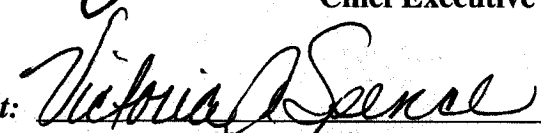

Rick Schwartz
President of Council

Attest: 
John Mascio
Clerk of Council

Approved as to form: 
Charles P. McCullough
County Solicitor

Chief Executive Office September 29, 2003

Approved: 
James C. Roddey
Chief Executive

Attest: 
Victoria Spence
Executive's Secretary

The Allegheny County Hospital Development Authority (the "ACHDA") will issue tax-exempt revenue notes in an amount not to exceed \$15,000,000 on behalf of Chapel Harbor Independent Living, Inc. (the "Borrower"). The proceeds of the notes will be used to acquire land and subsequently construct a 125 unit independent congregate living facility for senior citizens. The project is located in O'Hara Township, Allegheny County, Pennsylvania. The Borrower, an affiliate of UPMC is part of a network of retirement villages that are sprouting throughout the region. At this affordable living facility, monthly rent includes a private, spacious studio-efficiency or two bedroom apartment. Most importantly, this facility fills a need for area seniors who want a worry-free, enjoyable and affordable lifestyle.

RECEIVED


SEP 04 2003

COUNTY COUNCIL

MEMORANDUM

OFFICE OF THE COUNTY MANAGER

TO: John Mascio
Chief Clerk

FROM: Robert B. Webb 
County Manager

DATE: September 4, 2003

RE: Requesting County Council Approval

Attached is a Resolution regarding the issuance by the Allegheny County Hospital Development Authority of its Hospital Revenue Note, Series of 2003 (Chapel Harbor Independent Living, Inc. project) for the benefit of Chapel Harbor Living, Inc., in the aggregate amount not to exceed \$15,000,000 pursuant to the Municipality Authorities Act, 53 Pa.C.S.A. §5601, et. seq. This request is submitted by the Department of Economic Development.

Please put on the next agenda for County Council approval.

Thank you.