

FILE OF THE CITY CLERK

ADMINISTRATION ORDINANCE NO. 1 - 2016

ADMINISTRATION BILL NO. 21 - 2015

INTRODUCED – DECEMBER 8, 2015

ADOPTED BY CITY COUNCIL – JANUARY 12, 2016

ORDINANCE AUTHORIZING INCURRING OF LEASE RENTAL DEBT OF THE CITY OF LANCASTER IN AN AMOUNT OF \$19,530,000 BY: GUARANTEEING PAYMENT OF PRINCIPAL OF AND INTEREST ON THE PARKING AUTHORITY OF THE CITY OF LANCASTER (THE “AUTHORITY”) GUARANTEED PARKING REVENUE BOND, SERIES OF 2016 (THE “2016 BOND”), ISSUED FOR THE PURPOSE OF PROVIDING FUNDS FOR THE 2016 PROJECT WHICH INCLUDES: (I) THE ADVANCE REFUNDING OF A PORTION OF THE AUTHORITY’S OUTSTANDING GUARANTEED PARKING REVENUE BONDS, SERIES A OF 2007 (THE “2007A BONDS”) (THE “REFUNDING PROJECT”); (II) CONSTRUCTION OF IMPROVEMENTS TO THE AUTHORITY’S FACILITIES (THE “CAPITAL PROJECT”); AND (III) THE PAYMENT OF THE ISSUANCE COSTS OF THE 2016 BOND (COLLECTIVELY, THE “2016 PROJECT”); AUTHORIZING EXECUTION AND DELIVERY OF A GUARANTY AGREEMENT; FIXING THE AMOUNT OF ANNUAL PAYMENTS OF PRINCIPAL OF AND INTEREST ON THE 2016 BOND GUARANTEED BY THE CITY; AUTHORIZING THE FILING OF THE DEBT STATEMENT, BORROWING BASE CERTIFICATE, TRANSCRIPT OF PROCEEDINGS AND APPLICATION FOR APPROVAL WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AUTHORIZING THE PREPARATION AND FILING OF AN ENGINEERING OR CONSULTANT’S REPORT WITH RESPECT TO SELF-LIQUIDATING DEBT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF A REIMBURSEMENT AGREEMENT.

WHEREAS, the City Council of the City of Lancaster (the “City”) is willing to authorize the City of Lancaster to guarantee payment of the principal of and interest on the Guaranteed Parking Revenue Bond, Series of 2016 (the “2016 Bond”), of the Parking Authority of the City of Lancaster (the “Authority”), to be issued for the purposes stated in the caption and Section 1 hereof, by execution of a Guaranty Agreement (the “Guaranty Agreement”), to be made among the City, the Authority and the Trustee (as subsequently defined), and to be dated as of the date of issue of the 2016 Bond, to secure the 2016 Bond in an aggregate principal amount of \$19,530,000; and

WHEREAS, there has been submitted to this meeting a form of Guaranty Agreement for the 2016 Bond.

NOW, THEREFORE, IT IS HEREBY ENACTED AND ORDAINED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, LANCASTER COUNTY, PENNSYLVANIA, as follows:

1. That the authorized debt of the City is hereby increased in the principal amount of \$19,530,000 consisting of lease rental debt as defined in the Local Government Unit Debt Act, 53 Pa. C.S. § 8001 et. seq., as amended (the “Act”), which together with any other lease rental debt and other debt of the City now existing, will not result in a violation of the limitations of the Constitution of the Commonwealth of Pennsylvania or the Act. Said lease rental debt is to be incurred by guaranteeing payment of the principal of, and interest on, the Authority's 2016 Bond to be issued for the purpose of providing funds for (i) the advance refunding of a portion of the Authority's outstanding Guaranteed Parking Revenue Bonds, Series A of 2007 (“the “2007A Bonds”) (the “Refunding Project”); (ii) construction of improvements to the Authority's facilities (the “Capital Project”); and (iii) the payment of the issuance costs of the 2016 Bond (collectively the “2016 Project”). The maximum aggregate principal amount of the Authority's 2016 Bond to be secured by the Guaranty Agreement is \$19,530,000. The 2016 Bond is to be issued under the Trust Indenture dated as of September 15, 2007 (the “Original Indenture”), made between the Authority and Fulton Financial Advisors, National Association, now Fulton Bank, N.A. (the “Trustee”), as amended and supplemented by a First Supplemental Trust Indenture (the “Supplemental Indenture,” and, together with the Original Indenture, the “Indenture”) to be dated as of the date of issue of the 2016 Bond to be made between the Authority and the Trustee, which provides that the 2016 Bond shall be secured by the pledge of revenues derived by the Authority from its parking facilities and guaranteed by the Guaranty Agreement.

2. The above-mentioned debt to be incurred by the City shall be lease rental debt. The principal amount of lease rental debt hereby authorized and incurred by the City is \$19,530,000 consisting of the guaranty of the Authority's 2016 Bond.

3. The Guaranty Agreement is hereby approved in substantially the form presented to this meeting, with such changes, if any, as may be approved by the officers of the City executing the Guaranty Agreement, which execution shall be conclusive evidence of such approval. The Mayor and City Controller are hereby authorized and directed to execute the Guaranty Agreement on behalf of the City with any such approved changes, and the City Clerk is hereby authorized and directed to attest, to affix the seal of the City thereto and to deliver the Guaranty Agreement to the Trustee on behalf of the City.

4. The principal of and interest on the Authority's 2016 Bond is to be payable from revenues derived from the operation of the Authority's parking facilities. The annual payments of principal and interest guaranteed by the City relating to the 2016 Bond are set forth on Exhibit A which is attached hereto and incorporated herein.

5. The City covenants with the holders from time to time of the Authority's 2016 Bond that it will include the amounts to be paid under the Guaranty Agreement in each fiscal year in which such sums are payable in its budget for that fiscal year, shall appropriate an

amount for the payment thereof from its revenues and shall duly and punctually pay or cause to be paid the amounts thereof to the Trustee for deposit in the appropriate funds created under the Indenture, to pay the principal of every 2016 Bond, and the interest thereon, at the dates and places and in the manner stated in the 2016 Bond, the Guaranty Agreement and the Indenture, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the City hereby pledges its full faith, credit and taxing power. The covenant contained in this paragraph 5 is specifically enforceable. It is the purpose and intent of this covenant of guaranty that the City shall be required to pay under this covenant only that portion of debt service which cannot be paid from money of the Authority available for that purpose in any account.

6. The Mayor, the President or Vice President of City Council, the City Clerk, the City Controller and Treasurer, and/or the public accounting firm for the City are hereby authorized and directed to prepare, execute and file with the Department of Community and Economic Development (“DCED”) of the Commonwealth of Pennsylvania, the debt statement of the City required by Section 8110 of the Act with an appended borrowing base certificate, certified by the City Clerk, or the accountant for the City, and all other documents required by the Act in connection with the execution and delivery of the Guaranty Agreement. Such officers are hereby authorized and directed to prepare and file any statements or reports required by Subsection B of Chapter 80 of the Act necessary to qualify the debt authorized herein for exclusion from the appropriate debt limit of the City as self-liquidating debt. The proper officers of the City are hereby authorized and empowered to take all such further action and execute such additional documents as they may deem appropriate to carry out the intent and purposes of this Ordinance.

7. An engineering report of the consultants of the Authority to be given pursuant to Section 8026 of the Act, is hereby authorized. Such consultant shall prepare such report as required to qualify the lease rental debt authorized herein as self-liquidating debt of the City, and shall conform its report to the financial information set forth in the proposal for purchase of the 2016 Bond received and accepted by the Authority from S&T Bank, dated December 11, 2015. Such report shall be filed with DCED, as authorized in Section 6 hereof.

8. The remaining realistic estimated useful lives of the capital items to be financed and refinanced by the 2016 Bond are in excess of 23 years.

9. The Mayor, City Controller and City Clerk are authorized to execute and deliver a Reimbursement Agreement, in form satisfactory to the City Solicitor, under the terms of which the Authority agrees to reimburse the City for any payment made by the City on behalf of the Authority with respect to the 2016 Bond under the terms of the Guaranty Agreement.

11. This Ordinance shall become effective on the earliest date permitted by the Act.

12. If any part of this Ordinance shall be held to be illegal or invalid, such illegality or invalidity shall not affect any other parts hereof, the remainder of which shall be construed as if the illegal or invalid part had not been included herein.

13. References in this Ordinance to specified officers of this City shall include and shall be construed to include, if and as applicable, their respective successors in office.

15. The Code of Ordinances, as amended, of the City of Lancaster, Lancaster County, Pennsylvania shall be and remain unchanged and in full force and effect except as amended, supplemented, and modified by this Ordinance. This Ordinance shall become a part of this Code of Ordinances upon adoption.

16. All ordinances and resolutions and parts thereof insofar as they are inconsistent herewith are hereby repealed or rescinded.

[signature page follows]

ENACTED AND ORDAINED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, LANCASTER COUNTY, PENNSYLVANIA THIS 12th DAY OF JANUARY, 2016.

CITY OF LANCASTER

By: _____
J. Richard Gray, Mayor

Attest:

Bernard W. Harris Jr., City Clerk

(CITY SEAL)

EXHIBIT A

CERTIFICATION

I, Bernard W. Harris, Jr., City Clerk of the City of Lancaster, hereby certify that the foregoing is a true and correct copy of an Ordinance, duly adopted by the majority vote of the members of the City Council of the City of Lancaster, Lancaster County, Pennsylvania, at a regular meeting of said City Council duly held on the 12th day of January, 2016, that said Ordinance was approved by the members of the City Council on the 12th day of January, 2016, and that the minutes of said meeting showing how each member of Council voted shall be duly recorded in the official minutes of said Council.

IN WITNESS WHEREOF, I, have hereunto set my hand and affixed the seal of the City of Lancaster, this 12th day of January, 2016.

City Clerk

(SEAL)