

**FILE OF THE CITY CLERK**

**ADMINISTRATION ORDINANCE NO. 13 - 2016**

**ADMINISTRATION BILL NO. 12-2016**

**INTRODUCED – OCTOBER 11, 2016**

**ENACTED BY CITY COUNCIL – OCTOBER 25, 2016**

**AN ORDINANCE AUTHORIZING THE INCURRENCE OF LEASE RENTAL DEBT IN THE MAXIMUM PRINCIPAL AMOUNT OF \$9,550,000 IN CONNECTION WITH THE GUARANTY BY THE CITY OF THE GUARANTEED PARKING REVENUE BONDS BEING ISSUED BY THE PARKING AUTHORITY OF THE CITY OF LANCASTER, AND AUTHORIZING THE OFFICIALS OF THE CITY TO TAKE ALL APPROPRIATE ACTION IN CONNECTION THEREWITH.**

**WHEREAS**, The Parking Authority of the City of Lancaster (the “Authority”) is a body corporate and politic, organized by the City Council of the City of Lancaster, Lancaster County, Pennsylvania (the “City”) under the Parking Authorities Law, 53 Pa.C.S. §5501 *et seq.*, as amended and supplemented, of the Commonwealth of Pennsylvania (the “Parking Authorities Law”);

**WHEREAS**, the Authority, pursuant to power and authority vested in it by the Parking Authorities Law is the owner and operator of certain parking facilities, including parking garages, surface parking lots, parking meters and related facilities, including administrative facilities (all of the aforesaid, together with any future capital additions thereto, constituting the “Parking Facilities”); and

**WHEREAS**, the Authority has undertaken to finance a project (the “Refunding Project”) consisting of: (i) the advance refunding of the Authority’s outstanding Federally-Taxable Guaranteed Parking Revenue Bonds, Series B of 2007 (the “2007B Bonds”), and (ii) the payment of the costs and expenses associated with the issuance of the hereinafter defined Parking Revenue Bonds; and

**WHEREAS**, the Authority has determined to issue one or more series of guaranteed parking revenue bonds in the maximum aggregate principal amount of \$9,550,000 (the “Parking Revenue Bonds”), the proceeds of which will be applied to the costs of the Refunding Project and which will benefit the City; and

**WHEREAS**, the Parking Revenue Bonds will be issued under and secured by a Second Supplemental Trust Indenture (the “Second Supplemental Indenture”), amending and supplementing that certain Trust Indenture, dated as of September 15, 2007, as amended and supplemented by a First Supplemental Indenture, dated as of February 11, 2016 (collectively, the “Original Indenture,” and together with the Second Supplemental Indenture, the “Parking Indenture”), each from the Authority to Fulton Bank, N.A., as trustee (the “Trustee”); and

**WHEREAS**, in order to secure payment of the Parking Revenue Bonds, the City Council of the City is willing to authorize the City to guarantee payment of the principal of and interest on the Parking Revenue Bonds, to be issued for the Refunding Project, by execution of a Guaranty Agreement (the “Guaranty Agreement”), by and among the City, the Authority and the Trustee, to be dated as of the date of issuance of the Parking Revenue Bonds, as authorized by the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 et seq., as amended (the “Debt Act”), providing for the unconditional guarantee by the City of the timely payment of the principal of, and interest on, the Parking Revenue Bonds and the pledge by the City of its full faith, credit and taxing power to discharge all of its obligations under the Guaranty Agreement; and

**WHEREAS**, the Authority will enter into a reimbursement agreement with the City (the “Reimbursement Agreement”) defining certain obligations of the Authority in order to induce the City to enter into the Guaranty Agreement; and

**WHEREAS**, the execution of the Guaranty Agreement constitutes the incurrence of lease rental debt by the City within the meaning of the Debt Act; and

**WHEREAS**, the City desires to formally approve the Refunding Project and the financing thereof by the Authority, to authorize the incurrence of lease rental debt under the Debt Act, and the execution and delivery of the Guaranty Agreement and the Reimbursement Agreement.

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

1. Approval of Refunding Project and Financing Thereof; Prior Projects; Ratifying the Remaining Useful Life Thereof; and Estimated Project Completion Date. The City hereby approves the Refunding Project, as described above, and the financing thereof.

The 2007B Bonds were issued to finance the refunding of certain revenue bonds issued in connection with the financing or refinancing of the Parking Facilities. The realistic estimated useful life of the project financed or refinanced with the 2007B Bonds was determined at the time of issuance of the 2007B Bonds, and the principal amount of the 2007B Bonds equal to the cost of the projects financed or refinanced with the 2007B Bonds was scheduled to mature on or prior to December 1, 2025, based on the unexpired useful life of the projects financed or refinanced with the 2007B Bonds. Such determination is hereby ratified and confirmed, and the principal amount of the Parking Revenue Bonds equal to the cost of the projects financed or refinanced with the 2007B Bonds has been scheduled to mature prior to the unexpired useful life of the projects financed or refinanced with the 2007B Bonds, which is at least nine (9) years.

The estimated completion date of the Refunding Project is December 1, 2017.

2. Amount of Parking Revenue Bonds Secured by Guaranty Agreement; Incurrence of Lease Rental Debt. The maximum aggregate principal amount of Parking Revenue Bonds to be issued by the Authority and secured by the Guaranty Agreement is \$9,550,000.

The City hereby authorizes and directs the incurring of lease rental debt of the City, pursuant to the Debt Act, in the maximum aggregate principal amount of \$9,550,000 to be evidenced by the Guaranty Agreement among the City, the Authority and the Trustee.

3. Debt Statement and Borrowing Base Certificate; Debt Proceedings. 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 and verify the debt statement required by Section 8110 of the Debt Act and to prepare or cause to be prepared a borrowing base certificate and the City Clerk, or the accountant for the City are hereby authorized and directed to certify to the Pennsylvania Department of Community and Economic Development (“DCED”), in accordance with the Debt Act, a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized hereunder and to pay any filing fees necessary in connection therewith.

Such officers are hereby authorized and directed to prepare and file any statements or reports required by Subsection B of Chapter 80 of the Debt Act necessary to qualify the lease rental 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.

An engineering report of the consultants of the Authority to be given pursuant to Section 8026 of the Debt 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 bond purchase agreement for purchase of the Parking Revenue Bonds received and accepted by the Authority from RBC Capital Markets LLC. Such report shall be filed with DCED, as authorized in this Section.

4. Approval of Guaranty Agreement. The Guaranty Agreement, in substantially the form presented to this meeting, is hereby approved 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.

5. Covenant to Pay Guaranty. The principal of and interest on the Parking Revenue Bonds are to be payable from revenues derived from the operation of the Authority's Parking Facilities. The maximum annual amounts of principal and interest covenanted to be paid by the City under the Guaranty Agreement are as set forth in Schedule I attached hereto and made a part hereof.

It is covenanted with the registered owners of the Parking Revenue Bonds that the City shall (i) include the amounts payable in respect of its guaranty for each fiscal year in which such sums are payable in its budget for that year; (ii) appropriate such amounts from its general fund for the payment of the amounts payable in respect of its guaranty; and (iii) duly and punctually pay, or cause to be paid from such revenues, to the extent of its obligations under the Guaranty

Agreement, the amounts payable in respect of its guaranty, at the dates and places and in the manner stated in the Guaranty Agreement, according to the true intent and meaning thereof. For such budgeting, appropriation and payment in respect of its guaranty of the Parking Revenue Bonds, the City pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable; subject, however, as to the enforceability of remedies, to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally. Nothing in this Section shall be construed to give the City any taxing power not granted by another provision of law. 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. Approval of Reimbursement Agreement. The Reimbursement Agreement, in substantially the form presented to this meeting, is hereby approved with such changes, if any, as may be approved by the officers of the City executing the Reimbursement Agreement, which execution shall be conclusive evidence of such approval. The Mayor and City Controller are hereby authorized and directed to execute the Reimbursement 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 Reimbursement Agreement to the Authority on behalf of the City.

7. Incidental Actions. The proper officers of the City are hereby authorized, directed and empowered on behalf of the City to execute any and all papers and documents, and to do or cause to be done any and all acts and things necessary or proper for the carrying out of the provisions of this Ordinance and in connection with the application by the Authority for, and the issuance of, municipal bond insurance.

8. Severability. In case any one or more of the provisions of this Ordinance shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Ordinance and this Ordinance shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

9. Effective Date. This Ordinance shall become effective on the earliest date permitted by the Debt Act.

10. Code of Ordinances. 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 enactment.

11. Repealer. All ordinances or parts of ordinances inconsistent herewith be and the same hereby are repealed or rescinded.

[signature page follows]

**ENACTED AND ORDAINED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, LANCASTER COUNTY, PENNSYLVANIA THIS 25TH DAY OF OCTOBER, 2016.**

CITY OF LANCASTER

By: \_\_\_\_\_  
J. Richard Gray, Mayor

Attest:

\_\_\_\_\_  
Bernard W. Harris Jr., City Clerk

(CITY SEAL)

SCHEDULE I  
to Ordinance of the  
City Council of the  
City of Lancaster, Lancaster County, Pennsylvania  
Enacted October 25, 2016

Maximum Annual Amounts Payable under the Guaranty Agreement

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2017			238,750	238,750	
12/01/2017	1,040,000	5.000%	238,750	1,278,750	1,517,500
06/01/2018			212,750	212,750	
12/01/2018	1,050,000	5.000%	212,750	1,262,750	1,475,500
06/01/2019			186,500	186,500	
12/01/2019	1,065,000	5.000%	186,500	1,251,500	1,438,000
06/01/2020			159,875	159,875	
12/01/2020	1,085,000	5.000%	159,875	1,244,875	1,404,750
06/01/2021			132,750	132,750	
12/01/2021	1,105,000	5.000%	132,750	1,237,750	1,370,500
06/01/2022			105,125	105,125	
12/01/2022	1,130,000	5.000%	105,125	1,235,125	1,340,250
06/01/2023			76,875	76,875	
12/01/2023	1,145,000	5.000%	76,875	1,221,875	1,298,750
06/01/2024			48,250	48,250	
12/01/2024	1,170,000	5.000%	48,250	1,218,250	1,266,500
06/01/2025			19,000	19,000	
12/01/2025	760,000	5.000%	19,000	779,000	798,000
	9,550,000		2,359,750	11,909,750	11,909,750

**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 25th day of October, 2016, that said Ordinance was approved by the members of the City Council on the 25th day of October, 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 25th day of October, 2016.

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City Clerk

(SEAL)