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COUNTY OF DAUPHIN

Pennsylvania

Ordinance No. 7-2013

October 23, 2013

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF DAUPHIN, PENNSYLVANIA (THE "COUNTY"), AUTHORIZING AND APPROVING A CERTAIN PROJECT (THE "PROJECT") OF THE PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING AUTHORITY (THE "AUTHORITY") CONSISTING OF FINANCING A PORTION OF THE COSTS OF THE ACQUISITION BY THE AUTHORITY OF CERTAIN GARAGES, PARKING LOTS AND RELATED FACILITIES AND ASSETS (THE "PARKING FACILITIES") OF THE HARRISBURG PARKING AUTHORITY (THE "HPA") AND THE CITY OF HARRISBURG (THE "CITY"), AND DETERMINING THE REALISTIC ESTIMATED USEFUL LIFE OF THE PROJECT; STATING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE DEBT TO BE INCURRED BY THE AUTHORITY TO BE SECURED BY: i) A COUNTY GUARANTY DESCRIBED HEREIN; STATING THAT THE DEBT IS TO BE INCURRED AS LEASE RENTAL DEBT IN THE MAXIMUM PRINCIPAL AMOUNT OF NINETY NINE MILLION DOLLARS (\$99,000,000) PURSUANT TO THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT, 53 PA. CONS. STAT. § 8001 ET SEQ., AS AMENDED (THE "DEBT ACT") BY GUARANTY OF THE AUTHORITY'S SUBORDINATED GUARANTEED PARKING REVENUE BONDS (CAPITOL REGION PARKING PROJECT) SERIES B OF 2013 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$99,000,000 (THE "2013 SERIES B BONDS"); AND ii) A COUNTY GUARANTY DESCRIBED HEREIN; STATING THAT THE DEBT IS TO BE INCURRED AS LEASE RENTAL DEBT PURSUANT TO THE DEBT ACT IN THE MAXIMUM PRINCIPAL AMOUNT OF SEVENTY ONE MILLION DOLLARS (\$71,000,000) BY GUARANTY OF THE AUTHORITY'S SUBORDINATED GUARANTEED PARKING REVENUE BONDS (CAPITOL REGION PARKING PROJECT) SERIES C OF 2013 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$71,000,000 (THE "2013 SERIES C BONDS"); AUTHORIZING AND DIRECTING OFFICERS AND OFFICIALS OF THE COUNTY TO PREPARE AND VERIFY A DEBT STATEMENT REQUIRED BY SECTION 8110 OF THE DEBT ACT AND A BORROWING BASE CERTIFICATE; AND AUTHORIZING AND DIRECTING THE CHIEF CLERK TO FILE A TRANSCRIPT OF PROCEEDINGS REQUIRED BY SECTION 8111 OF THE DEBT ACT, INCLUDING A CERTIFIED COPY OF THIS ORDINANCE AND PROOFS OF PUBLICATION, WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT AND TO CAUSE TO BE PAID ANY NECESSARY FILING FEES; AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF THE GUARANTY AGREEMENTS; STATING THE MAXIMUM ANNUAL AMOUNTS TO BE PAID UNDER THE COUNTY GUARANTY AGREEMENTS, COVENANTING THE PAYMENT THEREOF AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY THEREFOR; APPROVING A REPORT RELATING TO THE SELF LIQUIDATING NATURE OF SUCH LEASE RENTAL DEBT OF THE COUNTY; AUTHORIZING AND DIRECTING PROPER OFFICIALS OF THE

COUNTY TO PREPARE VERIFY AND FILE THE DEBT STATEMENT, THE APPLICATION FOR EXCLUSION OF SELF LIQUIDATING DEBT AND OTHER APPROPRIATE DOCUMENTS REQUIRED BY THE DEBT ACT; AUTHORIZING THE EXECUTION AND DELIVERY OF REIMBURSEMENT AGREEMENTS BETWEEN THE COUNTY AND THE AUTHORITY AND BETWEEN THE COUNTY AND ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), AS INSURER OF THE AUTHORITY'S 2013 SERIES C BONDS; AUTHORIZING THE OFFICIALS OF THE COUNTY TO TAKE OTHER APPROPRIATE ACTION; REPEALING ALL ORDINANCES INCONSISTENT HERewith; PROVIDING FOR SEVERABILITY OF PROVISIONS OF THIS ORDINANCE; AND STATING THE EFFECTIVE DATE OF THIS ORDINANCE.

WHEREAS, The Pennsylvania Economic and Development Financing Authority (the "Authority") was created and is existing pursuant to the Pennsylvania Economic Development Financing Law, 73 Pa.C.S. Section 371. et seq; and

WHEREAS, the County of Dauphin, Pennsylvania (the "County") is a third class county of the Commonwealth of Pennsylvania (the "Commonwealth") and is a "local government unit" under provisions of the Act of the General Assembly of the Commonwealth, as reenacted; amended and supplemented, from time to time, known as the Local Government Unit Debt Act (the "Debt Act"); and

WHEREAS, the Authority pursuant to authority vested in it by law and pursuant to a certain Asset Transfer Agreement, by and among the Authority, HPA and the City (the "Asset Transfer Agreement") has determined to lease from HPA the Off-Street Parking System ( as defined in the Asset Transfer Agreement) and to acquire a license and franchise from the City to operate the On-Street Parking System (except the Parking Enforcement Powers as more fully set forth the Asset Transfer Agreement); and

WHEREAS, pursuant to a certain Trust Indenture to be dated as of November 1, 2013 ( the "Trust Indenture") by and between the Authority and U.S. Bank XXXXXX, as Trustee, (the "Trustee") the Authority is obligated *inter alia* to issue its Parking Senior Revenue Bonds (Capitol Region Parking Project) Series A of 2013 (the "2013 Series A Bonds" and collectively with the 2013 Series B Bonds and the 2013 Series C Bonds the "2013 Bonds"), its 2013 Series B Bonds in a principal amount not to exceed Ninety Nine Million Dollars (\$99,000,000) and its 2013 Series C Bonds in a principal amount not to exceed Seventy-one Million dollars (\$71,000,000) to be used for the purpose of financing (i) the cost of the acquisition of the Parking System, (ii) the funding Debt Service Reserve Funds, and (iii) paying the costs of the issuance of the 2013 Bonds (the "Parking Facilities Project"); and

WHEREAS, the Authority and the County have received realistic cost estimates of the Parking Facilities Project from persons qualified by experience; and

WHEREAS, the Board of Commissioners of the County have determined that the Authority's undertaking of the Parking Facilities Project is in the best

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interests of the County and of the health and welfare of its residents and desires to approve the Parking Facilities Project; and

**WHEREAS**, as an inducement to the Authority to issue the 2013 Series C Bonds, the Assured Guaranty Municipal Corp (the "AGM") will issue a municipal bond insurance policy (the "AGM Policy") insuring the prompt payment of principal and interest on the 2013 Series C Bonds; and

**WHEREAS**, as an inducement to the Authority to issue the 2013 Series B Bonds, the County desires to enter into a Guaranty Agreement (the "Series B Guaranty"), among the County, the Authority and the Trustee with respect to the full and prompt payment of the principal of and interest on the 2013 Series B Bonds when and as such shall be due and payable, all as permitted by and in accordance with the terms and conditions of the Debt Act, and

**WHEREAS**, as an inducement to the Authority to issue the 2013 Series C Bonds, the County desires to enter into a Guaranty Agreement (the "Series C Guaranty"), among the County, the Authority and the Trustee with respect to the full and prompt payment of the principal of and interest on the 2013 Series C Bonds, said Series C Guaranty to be secondary to the AGM Policy, when and as such shall be due and payable, all as permitted by and in accordance with the terms and conditions of the Debt Act, and

**WHEREAS**, In consideration of the Series B Guaranty and of the Series C Guaranty of the County, the Authority has agreed to contemporaneously enter into a Reimbursement Agreement with the County (the "Authority Reimbursement Agreement") pursuant to which the Authority will reimburse the County, in accordance with its terms and provisions, for payments made under the Series B and/or Series C Guaranty Agreements, plus interest, from the acquired assets and parking revenues received from the Parking System Revenues, as that term is defined in the Trust Indenture (the "Parking System Revenues"). The Authority Reimbursement Agreement is not and will not constitute an obligation of the Commonwealth of Pennsylvania and will be non-recourse as to the Authority and limited to the Parking System Revenues as defined therein ; and

**WHEREAS**, In consideration of the Series of the Series C Guaranty of the County, AGM has agreed to contemporaneously enter into a Reimbursement Agreement with the County (the "AGM Reimbursement Agreement") pursuant to which AGM will reimburse the County for payments made under the Series C Guaranty in accordance with the terms and provisions as set forth therein.

**NOW, THEREFORE, BE IT ENACTED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF DAUPHIN, PENNSYLVANIA, AS FOLLOWS:**

**Section 1. Approval of the Parking Facilities Project and Financing Thereof; Realistic Estimated Useful Life of the Parking Facilities Project.** The County hereby approves the Parking Facilities Project, as described in the recitals hereof, the financing thereof and requests the Authority to undertake the Parking Facilities Project. The County ratifies and confirms all actions heretofore taken by any official of the County in connection with the

Parking Facilities Project. The realistic estimated useful life of the Parking Facilities Project is hereby determined by the County to be in excess of forty (40) years.

**Section 2. Incurrence of Lease Rental Debt.** The County approves the issuance of the 2013 Series B Bonds by the Authority and hereby authorizes and directs the incurring of lease rental debt, pursuant to the Debt Act, in an aggregate principal amount not to exceed \$99,000,000, to be evidenced by the Series B Guaranty. The County further approves the issuance of the 2013 Series C Bonds by the Authority and hereby authorizes and directs the incurring of lease rental debt, pursuant to the Debt Act, in the aggregate principal amount not to exceed of \$71,000,000, to be evidenced by the Series C Guaranty.

**Section 3. Debt Statement and Borrowing Base Certificate.** The Chairman of the Board of Commissioners (the "Chairman"), Vice Chairman of the Board of Commissioners (the "Vice Chairman") or the Chief Clerk of the County (or other authorized officers or officials of the County), as appropriate, are hereby authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Debt Act, to prepare or cause to be prepared and to file a borrowing base certificate, and to prepare and file originally and thereafter, as required, appropriate statements required by Section 8026 of the Act which are necessary to qualify all or any portion of lease rental debt of the County, which is subject to exclusion as self-liquidating debt, for exclusion from the appropriate debt limit of the County as self-liquidating debt. The Board of Commissioners of the County hereby approves the report made pursuant to Section 8026 of the Act, of Susquehanna Group Advisors, Inc., with respect to the Authority's 2013 Series B Bonds and 2013 Series C Bonds to be guaranteed by the County in connection with the Parking Facilities Project. The Chairman or Vice Chairman and the Chief Clerk are hereby authorized and directed to certify to the Pennsylvania Department of Community and Economic Development (the "Department") a transcript of the proceedings as required by Section 8111 of the Debt Act, and to cause to be paid any filing fees required under Section 8203 of the Debt Act. Said officers of the County are authorized and directed to take any and all action necessary at any time or from time to time in connection with carrying out the intent of this Ordinance or necessary to comply with the Debt Act.

**Section 4. County Guaranties.** The Chairman, the Vice Chairman or the Chief Clerk of the County, as appropriate, are hereby authorized and directed, upon receipt of approval from the Department, to execute, attest, seal and deliver the Series B Guaranty in such form, subject to such changes and modifications, if any, as may be approved by such officer or officers with the advice of Mette, Evans & Woodside, as Special Counsel to the County, the execution of the Guaranty to be conclusive evidence of such approval. Said officers of the County are authorized to take all other required, necessary or desirable action in connection with the Parking Facilities Project and the execution and delivery of the Series B Guaranty.

The Chairman, the Vice Chairman or the Chief Clerk of the County, as appropriate, are hereby authorized and directed, upon receipt of approval from the Department, to execute, attest, seal and deliver, subject to the conditions set forth below, the Series C Guaranty in such form, subject to such changes and

modifications, if any, as may be approved by such officer or officers with the advice of Mette, Evans & Woodside, as Special Counsel to the County, the execution of the Guaranty to be conclusive evidence of such approval. Said officers of the County are authorized to take all other required, necessary or desirable action in connection with the Parking Facilities Project and the execution and delivery of the Series C Guaranty.

The delivery of the Series C Guaranty by the County is conditioned upon all of the following conditions having been met to the satisfaction of the County:

- A. A determination of credit worthiness of AGM;
- B. A determination that the terms of the AGM Policy are satisfactory to the County; and
- C. The identification of the County as a beneficiary of the AGM Policy.

**Section 5. Annual Amounts Payable Under County Guaranties; Covenant to Pay Such Amounts.** The amounts required to be paid under the Series B Guaranty, from the general revenues of the County, shall be as set forth in Exhibit "A" attached hereto. Exhibit "A" is incorporated herein by reference with the same force and effect as if fully set forth in the text hereof. If at any time the County is required to make any payment under the Series B Guaranty, the proper officers of the County are hereby authorized and directed to do so.

The County covenants to and with the registered owner of the 2013 Series B Bonds that; subject to the terms and conditions of and as more fully set forth in the Guaranty, the County 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 each such year, (ii) appropriate such amounts from its general revenues, 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, the amounts payable in respect of its guaranty, at the dates and places and in the manner stated in the Guaranty according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the County pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable in accordance with the Debt Act.

The amounts required to be paid under the Series C Guaranty, from the general revenues of the County, shall be as set forth in Exhibit "B" attached hereto. Exhibit "B" is incorporated herein by reference with the same force and effect as if fully set forth in the text hereof. If at any time the County is required to make any payment under the Series C Guaranty, the proper officers of the County are hereby authorized and directed to do so.

The County covenants to and with the registered owner of the 2013 Series C Bonds that; subject to the terms and conditions of and as more fully set

forth in the Guaranty, the County 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 each such year, (ii) appropriate such amounts from its general revenues, 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, the amounts payable in respect of its guaranty, at the dates and places and in the manner stated in the Guaranty according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the County pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable in accordance with the Debt Act.

**Section 6. Approval of Reimbursement Agreements.** The Chairman, the Vice Chairman or the Chief Clerk of the County, as appropriate, are hereby authorized and directed to execute, attest, seal and deliver the Authority Reimbursement Agreement in such form, subject to such changes and modifications, if any, as may be approved by such officer or officers with the advice of Mette, Evans & Woodside, as Special Counsel to the County, the execution of the Reimbursement Agreement to be conclusive evidence of such approval.

The Chairman, the Vice Chairman or the Chief Clerk of the County, as appropriate, are hereby authorized and directed to execute, attest, seal and deliver the AGM Reimbursement Agreement in such form, subject to such changes and modifications, if any, as may be approved by such officer or officers with the advice of Mette, Evans & Woodside, as Special Counsel to the County, the execution of the Reimbursement Agreement to be conclusive evidence of such approval.

**Section 7. Legislative Findings.** The recitals to this Ordinance are hereby incorporated by reference as if fully set forth herein, and shall constitute the legislative findings of the County.

**Section 8. Incidental Actions.** The proper officers of the County are hereby authorized, directed and empowered on behalf of the County to execute, attest and deliver 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 the transactions hereby contemplated.

**Section 9. Repealer.** All ordinances and resolutions or parts thereof inconsistent herewith be and the same hereby are repealed.

**Section 10. Severability.** In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of this County that the remainder of the Ordinance shall remain in full force and effect.

**Section 11. Effective Date.** This Ordinance will become effective in accordance with the provisions of the Debt Act.

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**ADOPTED AND ORDAINED**, this 23rd day of October, 2013, by the  
Board of Commissioners of the County of Dauphin.

COUNTY OF DAUPHIN,  
Pennsylvania

By: \_\_\_\_\_  
CHAIRMAN, BOARD OF  
COMMISSIONERS

By: \_\_\_\_\_  
MEMBER

By: \_\_\_\_\_  
MEMBER

**ATTEST:**

By: \_\_\_\_\_  
CHIEF CLERK  
(SEAL)