

TOWNSHIP OF OHIO

ORDINANCE NO. 255

AN ORDINANCE OF THE TOWNSHIP OF OHIO, ALLEGHENY COUNTY, PENNSYLVANIA, AUTHORIZING THE TOWNSHIP TO INCUR LEASE RENTAL DEBT IN THE MAXIMUM PRINCIPAL AMOUNT OF \$7,000,000 BY GUARANTYING BONDS IN THAT AMOUNT TO BE ISSUED BY THE REDEVELOPMENT AUTHORITY OF ALLEGHENY COUNTY FOR THE PURPOSE OF (1) FINANCING A PORTION OF THE COSTS OF PUBLIC IMPROVEMENTS WITHIN A TAX INCREMENT FINANCING DISTRICT CREATED BY ALLEGHENY COUNTY, PENNSYLVANIA, (2) FUNDING A DEBT SERVICE RESERVE FUND, (3) PAYING CAPITALIZED INTEREST ON THE BONDS, AND (4) PAYING CERTAIN COSTS OF ISSUANCE RELATING TO THE BONDS; AGREEING TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; APPROVING THE FORM OF GUARANTY; AUTHORIZING OTHER NECESSARY AND PROPER ACTION AND REPEALING INCONSISTENT ORDINANCES AND RESOLUTIONS.

WHEREAS, the Pennsylvania Tax Increment Financing Act, as amended, 53 P.S. 6930.1 et seq. (the "TIF Law") provides authority for local taxing bodies to cooperate in providing financing for redevelopment of blighted areas in their jurisdictions which will generate new development; and

WHEREAS, the Redevelopment Authority of Allegheny County (the "Authority"), acting as and on behalf of the Planning Commission of the County of Allegheny, Pennsylvania has certified certain areas in the Township of Ohio, Allegheny County, Pennsylvania (the "Township") as "blighted" in accordance with the Urban Redevelopment Authority Law; and

WHEREAS, the Authority prepared the Mt. Nebo Pointe Tax Increment Financing Plan dated October 9, 2002 (the "Project Plan"), for the TIF District (as hereinafter defined) which was presented to the Township, the County of Allegheny, Pennsylvania (the "County"), and the Avonworth School District, Allegheny County, Pennsylvania (the "School District") for their review and approval (the Township, the County and the School District being each hereinafter referred to as a "Taxing Body" and collectively as the "Taxing Bodies"); and

WHEREAS, the Authority has received formal resolutions of approval and of participation in the Project Plan from the Township, the County and the School District, which are the only Taxing Bodies levying real property taxes within the TIF District; and

WHEREAS, after legal notice and public hearing on November 26, 2002, as required by the TIF Law, the County Council of the County adopted a resolution on January 22,

2003, effective on January 28, 2003 (the "Resolution"), said Resolution being the authorizing legislation for the adoption of the Project Plan and the creation of the TIF District; and

WHEREAS, the County has created the Mt. Nebo Pointe Tax Increment Financing District in the Township (the "TIF District"); and

WHEREAS, the Authority and the Taxing Bodies have authorized the execution and delivery of a Cooperation Agreement (the "Cooperation Agreement") relating to the Project Plan pursuant to which the parties thereto make certain agreements regarding the terms by which the TIF Revenues (as defined in the Cooperation Agreement) shall be derived from real property located within the TIF District and the means of financing, monitoring and directing the implementation of the Project Plan and providing for the appropriate termination of the TIF District; and

WHEREAS, in order to acquire, construct and equip certain public improvements within the TIF District (the "Redevelopment Project"), to provide capitalized interest and to pay certain costs of the financing, the Authority has determined to issue its Guaranteed Redevelopment Tax Increment Revenue Bonds (Ohio Township/Mt. Nebo Pointe Project), 2003 Series A (the "Bonds"), in the maximum aggregate principal amount of \$7,000,000; and

WHEREAS, it is anticipated that a portion of the debt service on the Bonds will be paid from TIF Revenues derived from the TIF District; and

WHEREAS, to enhance the marketability of the Bonds, the Authority has requested the Township to guarantee the payment of the Bonds; and

WHEREAS, the Township is willing to guarantee the Bonds; and

WHEREAS, a form of the Guaranty Agreement (the "Guaranty") has been presented to this meeting; and

WHEREAS, notice of the following Ordinance has been duly advertised in accordance with 53 Pa.C.S., the Local Government Unit Debt Act §§8001 *et seq.* (the "Debt Act");

NOW, THEREFORE, BE, AND IT HEREBY IS, ORDAINED AND ENACTED THAT:

SECTION 1. The indebtedness of the Township be increased in the maximum amount of \$7,000,000 to be evidenced by a guaranty of the Authority's Bonds.

SECTION 2. The debt to be incurred is lease rental debt and is to be incurred to enable the Authority to obtain financing for the Redevelopment Project. The useful life of the Redevelopment Project is at least 20 years.

SECTION 3. The maximum aggregate principal amount of the Bonds to be issued by the Authority is \$7,000,000.

SECTION 4. The Township Board of Supervisors hereby directs that the necessary documentation be filed with the Department of Community and Economic Development of the Commonwealth of Pennsylvania ("DCED") so that the debt incurred hereunder may be approved as lease rental debt of the Township. It is therefore hereby declared that the lease rental debt of the Township to be incurred hereunder shall not exceed \$7,000,000 which, together with all presently existing net debt of the Township, will not be in excess of the limitations as set forth in the Debt Act. The Chairman or Vice Chairman of the Township Board of Supervisors, the Township Secretary or any other proper officers of the Township, are hereby authorized and directed to prepare, verify and file the Debt Statement required by the Debt Act (53 Pa.C.S. §8110), together with the Borrowing Base Certificate and an application for approval of said indebtedness with DCED as promptly as practicable and to do and perform all other acts and sign all other documents necessary and proper in connection therewith. Said officers are further authorized to take the necessary action and to file all necessary documentation with DCED to exclude any portion of the debt incurred hereby from the appropriate debt limit as self-liquidating debt or subsidized debt.

SECTION 5. The maximum amount to be paid in each year under the Guaranty is set out on Schedule A attached to this Ordinance. The Township covenants that it will include the amount of each such payment in its budget for each year in which each such amount is payable; that it will appropriate such amounts from its revenues for such payments and that it will duly and punctually pay such amounts or cause them to be paid on the dates and at the places and in the manner stated in the Guaranty according to the true intent and meaning thereof. In preparing and adopting its budget for any year, the Township may, unless it has received notice of default under the Authority's Trust Indenture dated as of December 1, 2003, or the Bonds, treat as a revenue item an amount not in excess of the amount of its liability hereunder for such year which the Authority estimates will be available to pay debt service on the Bonds in that year from other sources. Such amount may be on deposit with the Trustee or estimated to be received during the year on or before the dates when payments of principal of or interest on the Bonds will be due. For such budgeting, appropriation and payment, the Township hereby pledges its full faith, credit and taxing power.

SECTION 6. Upon receipt by the Township of the approval of DCED to incur lease rental debt, the Township shall enter into the Guaranty, substantially in the form presented to this meeting, with such changes therein as shall be approved by the Township Solicitor and the officers executing the Guaranty, such approval to be conclusively evidenced by such execution.

SECTION 7. The Chairman or Vice Chairman of the Township Board of Supervisors are hereby authorized and empowered to execute the Guaranty for and on behalf of the Township and the Township Secretary shall attest the same and affix thereto the seal of the Township.

SECTION 8. The proper officers of the Township are hereby authorized and directed to perform all acts necessary and proper for the delivery of the Guaranty, the payment of the amounts due thereunder and the performance of all acts required thereby.

SECTION 9. Any resolution or ordinance or part thereof conflicting with the provisions of this Ordinance is hereby repealed insofar as the same affects this Ordinance.

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ORDAINED AND ENACTED into law by the Township of Ohio, Allegheny County, Pennsylvania in lawful session assembled this 10th day of November, 2003.

ATTEST:

TOWNSHIP OF OHIO

John F. Sullivan Jr. By Harvey Smith
(Assistant) Secretary Chairman, Board of Supervisors

(SEAL)

Schedule A

REDEVELOPMENT AUTHORITY OF ALLEGHENY COUNTY

\$7,000,000
 GUARANTEED REDEVELOPMENT
 TAX INCREMENT REVENUE BONDS
 (OHIO TOWNSHIP/MT. NEBO POINTE PROJECT),
 2003 SERIES A

LEASE RENTAL DEBT SERVICE SCHEDULE

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>	<u>Annual Total</u>
4/1/2004		\$116,449.49	\$116,449.49	
10/1/2004		139,739.39	139,739.39	\$256,188.88
4/1/2005		139,739.39	139,739.39	
10/1/2005		139,739.39	139,739.39	279,478.78
4/1/2006		139,739.39	139,739.39	
10/1/2006	\$ 75,000	139,739.39	214,739.39	354,478.78
4/1/2007		139,101.89	139,101.89	
10/1/2007	300,000	139,101.89	439,101.89	578,203.78
4/1/2008		134,601.89	134,601.89	
10/1/2008	310,000	134,601.89	444,601.89	579,203.78
4/1/2009		129,564.39	129,564.39	
10/1/2009	320,000	129,564.39	449,564.39	579,128.78
4/1/2010		124,164.39	124,164.39	
10/1/2010	330,000	124,164.39	454,164.39	578,328.78
4/1/2011		119,008.14	119,008.14	
10/1/2011	340,000	119,008.14	459,008.14	578,016.28
4/1/2012		112,845.64	112,845.64	
10/1/2012	355,000	112,845.64	467,845.64	580,691.28
4/1/2013		105,967.51	105,967.51	
10/1/2013	370,000	105,967.51	475,967.51	581,935.02
4/1/2014		99,122.51	99,122.51	
10/1/2014	380,000	99,122.51	479,122.51	578,245.02
4/1/2015		91,997.51	91,997.51	
10/1/2015	395,000	91,997.51	486,997.51	578,995.02
4/1/2016		84,097.51	84,097.51	
10/1/2016	410,000	84,097.51	494,097.51	578,195.02
4/1/2017		75,897.51	75,897.51	
10/1/2017	430,000	75,897.51	505,897.51	581,795.02
4/1/2018		67,028.76	67,028.76	
10/1/2018	445,000	67,028.76	512,028.76	579,057.52

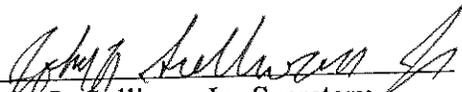
<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>	<u>Annual Total</u>
4/1/2019		57,350.01	57,350.01	
10/1/2019	465,000	57,350.01	522,350.01	579,700.02
4/1/2020		47,178.13	47,178.13	
10/1/2020	485,000	47,178.13	532,178.13	579,356.26
4/1/2021		36,386.88	36,386.88	
10/1/2021	505,000	36,386.88	541,386.88	577,773.76
4/1/2022		25,024.38	25,024.38	
10/1/2022	530,000	25,024.38	555,024.38	580,048.76
4/1/2023		12,834.38	12,834.38	
10/1/2023	555,000	12,834.38	567,834.38	580,668.76

CERTIFICATE

I, the undersigned, Secretary of the Township of Ohio, Allegheny County, Pennsylvania (the "Township") do hereby certify that the foregoing and attached is a true and correct copy of an Ordinance of the Township which was duly enacted by the affirmative vote of a majority of the Township Board of Supervisors at a meeting thereof duly called and held pursuant to proper notice on November 6, 2003, with said members voting in the following manner:

	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Herbert J. Hartle, Chairman	<u>✓</u>	_____	_____	_____
James R. Reid, Vice Chairman	<u>✓</u>	_____	_____	_____
George B. Wible, Supervisor	<u>✓</u>	_____	_____	_____

WITNESS my hand and the seal of the Township of Ohio this 10th day of November 2003.



John L. Sullivan, Jr., Secretary

[SEAL]