

Drafted by	Stevens & Lee
Sponsored by/Referred by	Managing Director
Introduced on	June 8, 2015
Advertised on	Not required by City

CITY OF READING  
COUNTY OF BERKS  
COMMONWEALTH OF PENNSYLVANIA

ORDINANCE NO. 33  
ENACTED: JUNE 22, 2015

AN ORDINANCE OF THE COUNCIL OF THE CITY OF READING, BERKS COUNTY, PENNSYLVANIA, AUTHORIZING THE LEASE OF CERTAIN REAL PROPERTY TO THE REDEVELOPMENT AUTHORITY OF THE CITY OF READING PURSUANT TO A LEASE AGREEMENT; DECLARING THE GUARANTY OF SAID AUTHORITY'S GUARANTEED LEASE REVENUE NOTE FOR THE BENEFIT OF THE CITY OF READING TO BE A PROJECT OF THE CITY FOR WHICH LEASE RENTAL DEBT IS TO BE INCURRED; STATING THE REALISTIC ESTIMATED USEFUL LIFE OF THE FACILITIES RELATING TO THE NOTE; DETERMINING TO INCUR LEASE RENTAL DEBT IN A PRINCIPAL AMOUNT OF FOUR MILLION SEVEN HUNDRED SIXTY-THREE THOUSAND DOLLARS (\$4,763,000) IN RESPECT OF SAID PROJECT, SUCH DEBT TO BE EVIDENCED BY THE CITY'S SUBLEASE AND GUARANTY AGREEMENT WITH RESPECT TO SAID NOTE; AUTHORIZING CERTAIN CITY OFFICERS TO PREPARE, CERTIFY AND FILE WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT THE DEBT STATEMENT REQUIRED BY SECTION 8110 OF THE LOCAL GOVERNMENT UNIT DEBT ACT AND AUTHORIZING THE PREPARATION OF A BORROWING BASE CERTIFICATE; APPROVING THE FORM OF, AND AUTHORIZING, SUBJECT TO CERTAIN CONDITIONS, EXECUTION AND DELIVERY OF THE AFORESAID LEASE AGREEMENT AND SUBLEASE AND GUARANTY AGREEMENT; REPEALING INCONSISTENT PRIOR ORDINANCES; SETTING FORTH CERTAIN CONDITIONS TO THE EXECUTION AND DELIVERY OF THE AFORESAID LEASE AGREEMENT AND SUBLEASE AND GUARANTY AGREEMENT; AND AUTHORIZING THE PROPER OFFICERS OF THE CITY TO TAKE ALL REQUIRED, NECESSARY OR DESIRABLE RELATED ACTION IN CONNECTION WITH SUCH PROJECT AND THE EXECUTION AND DELIVERY OF THE LEASE AGREEMENT AND THE SUBLEASE AND GUARANTY AGREEMENT.

WHEREAS, the Redevelopment Authority of the City of Reading (the "Authority") is a body corporate and politic organized under the provisions of the Urban Redevelopment Law, Act of May 24, 1945, P.L. 991, as amended and supplemented (the "Act"); and

WHEREAS, the Authority previously issued its Federally Taxable Guaranteed Lease Revenue Note, Series of 2006 (the "2006 Note") to finance a project on behalf of the City of Reading, Berks County, Pennsylvania (the "City"); and

WHEREAS, the City has determined to undertake a project (the "Project") involving (1) the City leasing to the Authority, pursuant to the provisions of a lease agreement between the City and the Authority (the "Lease Agreement"), all of the City's right, title and interest in certain real property as more specifically identified in the Lease Agreement; and (2) the refunding of the City's 2006 Note; and

WHEREAS, the City desires to authorize the refunding of the outstanding 2006 Note for the purpose of reducing total debt service over the life of the series; and

WHEREAS, the Authority intends to finance the costs of the Project and specifically all or a portion of the cost of the acquisition of its leasehold interest in such real property from the City through the issuance of its Federally Taxable Guaranteed Lease Revenue Note, Series of 2015 (the "2015 Note") in a principal amount of \$4,763,000; and

WHEREAS, the 2015 Note shall be issued under and pursuant to a resolution of the Authority; and

WHEREAS, the proceeds derived from the issuance of the 2015 Note are to be applied to the costs of the Project which will benefit the Authority and the City; and

WHEREAS, the City desires that the Authority issue the 2015 Note in a principal amount of \$4,763,000 and apply the proceeds as aforesaid and is willing to enter into a sublease and guaranty agreement (the "Sublease and Guaranty Agreement") in order to enhance the marketability of the 2015 Note and thereby achieve interest cost and other savings with respect to the Project and as an inducement to the purchase of the 2015 Note; and

WHEREAS, the obligation of the City under the Sublease and Guaranty Agreement constitutes lease rental debt under the Local Government Unit Debt Act, Act No. 177 of 1996, approved December 19, 1996, as amended (the "Debt Act"); and

WHEREAS, the Debt Act requires certain actions as a prerequisite to incurring lease rental debt;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF READING, BERKS COUNTY, PENNSYLVANIA HEREBY ORDAINS AS FOLLOWS:

Section 1. The City authorizes and requests the Authority to undertake and proceed with the Project. The City hereby declares the guaranty of the Authority's 2015 Note, the proceeds of which will be used for the Project, to be a project of the City for which lease rental debt is to be incurred in a principal amount of \$4,763,000.

Section 2. The City hereby declares the Project to be desirable for the health, safety and welfare of the residents of the City.

Section 3. The realistic estimated useful life of the project of the Authority to be financed with the proceeds of the 2015 Note is hereby declared to be not less than 15 years.

Except as permitted by the Debt Act, stated installments or maturities of principal of the 2015 Note will not be deferred beyond the later of one year after the estimated date for the completion of the construction portion of the Project, if any, or two years from the date of issuance of the 2015 Note.

The City hereby finds and certifies that realistic cost estimates have been obtained for the costs of the Project from financial analysts, registered architects, professional engineers or other persons qualified by experience to provide such estimates.

In connection with the issuance and sale of the 2015 Note, the Council, as required by the provisions of the Act, hereby finds, determines and states (a) that the purpose of the refunding of the 2006 Note is to reduce total debt service over the life of the 2006 Note; and (b) that the refunding of the 2006 Note is authorized and permitted under and pursuant to the provisions of Section 8241 of the Act. The Council further finds and determines that the final maturity date of the 2015 Note issued to effect the refunding of the 2006 Note does not extend to a date that could not have been included in the 2006 Note.

The Council of the City hereby authorizes and directs its proper officers, agents and employees to execute all documents and take all actions necessary in connection with accomplishing the refunding of the 2006 Note, including, but not limited to providing notice to the Paying Agent for the 2006 Note, and to call the 2006 Note for optional redemption in full on the first date the 2006 Note is eligible to be called for optional redemption. In accordance with Section 8246 of the Act, it is the intent of the Council that the 2006 Note shall no longer be outstanding from and after the date of the issuance of the 2015 Note.

Section 4. The City hereby authorizes the incurring of lease rental debt in the form of the Sublease and Guaranty Agreement to secure the payment of principal or redemption price of, and interest on, the 2015 Note which the Authority proposes to issue to provide funds for and toward the costs of the Project. The City determines that the Authority shall incur debt, which shall be lease rental debt of the City pursuant to the Debt Act, for the purposes of the Project; and hereby declares that such lease rental debt is within the limitations imposed by law upon the incurring of debt by the City. The City hereby covenants with the holders of the 2015 Note that it (i) shall include the amounts payable in respect of the Sublease and Guaranty Agreement for each fiscal year in which such sums are payable in its budget for that year, (ii) shall appropriate such amounts to the payment of such Sublease and Guaranty Agreement, and (iii) shall duly and punctually pay or cause to be paid the amount payable in respect of the Sublease and Guaranty Agreement on the dates and places and in the manner stated in the Sublease and Guaranty Agreement according to the true intent and meaning thereof. For such budgeting, appropriation and payment the City does hereby pledge its full faith, credit and taxing power. As provided in the Debt Act, the foregoing covenant shall be specifically enforceable.

The maximum amounts required to be paid under the Sublease and Guaranty Agreement from the general revenues of the City are set forth as Exhibit A hereto. Exhibit A is incorporated herein by reference with the same force and effect as if fully set forth in the text hereof. Proper officers of the City are hereby authorized and directed to make any payment required under the Sublease and Guaranty Agreement.

The City hereby establishes a "sinking fund," as such phrase is defined or applied in the Debt Act, as amended and supplemented from time to time, with respect to its obligations under such Sublease and Guaranty Agreement, and the purchaser of the 2015 Note, which shall be a bank or bank and trust company authorized to do business in the Commonwealth, is hereby appointed "sinking fund depository" and "paying agent," as such phrases are defined or applied in the Debt Act, as amended and supplemented from time to time, to the extent necessary with respect to obligations of the City under such Sublease and Guaranty Agreement.

Section 5. The President or Vice President of the Council and the City Clerk or any duly appointed successor to any thereof, as the case may be, are hereby authorized and directed to prepare, certify and file with the Department of Community and Economic Development (the "Department"), in accordance with the Debt Act, a debt statement required by Section 8110 thereof; and the President or Vice President of the Council and the City Clerk or any duly appointed successor to any thereof, as the case may be, are hereby authorized and directed to prepare and execute a certificate stating the City's borrowing base, as such term is defined in the Debt Act, for submission to the Department and, in connection with such application, the City shall pay or cause to be paid to the Department the filing fee required by the Department, the payment of which filing fee is authorized and approved.

Section 6. Subject to Section 8 hereof, the Mayor of the City, attested to by the City Clerk or any duly appointed successor to any thereof, as the case may be, are hereby authorized and directed to execute and deliver and to affix and attest the corporate seal of the City to, the Sublease and Guaranty Agreement in such form as the solicitor or special counsel to the City may advise and the officers executing the same may approve, their approval and the conclusive approval of the City to be evidenced by their execution thereof and to take any other actions necessary to effectuate the Project.

Section 7. All prior ordinances or parts thereof inconsistent herewith are hereby repealed.

Section 8. The Sublease and Guaranty Agreement shall be executed and delivered as provided in Section 6 hereof and the Lease Agreement shall be executed and delivered as provided in Section 9 hereof only after the Department shall have approved the incurrence by the City of the lease rental debt evidenced by this Ordinance pursuant to the Debt Act.

Section 9. Subject to Section 8 hereof, the Mayor of the City, attested to by the City Clerk or any duly appointed successor to any thereof, as the case may be, are hereby authorized and directed to execute, attest, seal and deliver the Lease Agreement in such form and identifying such property to be subject to the Lease Agreement as the officers of the City executing said document shall deem necessary and appropriate with the advice of the solicitor or special counsel to the City. The execution, attestation and delivery of the Lease Agreement by appropriate officers of the City shall constitute conclusive evidence of such approval and the approval of the City.

Section 10. The proper officers of the City are hereby authorized and directed to execute, attest and deliver any and all necessary or appropriate documents and to do any and all

necessary or appropriate things in connection with the transactions hereby contemplated, including, without limitation, approving the commitment letter relating to the 2015 Note of the purchaser of the 2015 Note presented to the Authority and the City.

Section 11. Reference in the Ordinance to specified officers of the City shall include and shall be construed to include, if and as applicable, their respective successors in office.

Section 12. This Ordinance shall become effective in accordance with provisions of Section 8103 of the Debt Act.

Section 13. If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

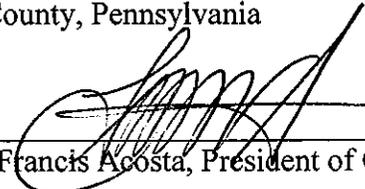
Section 14. This Ordinance shall become effective immediately upon approval.

DULY ENACTED, THIS 22ND DAY OF JUNE, 2015, BY THE COUNCIL OF  
THE CITY OF READING, BERKS COUNTY, PENNSYLVANIA, IN LAWFUL SESSION  
DULY ASSEMBLED.

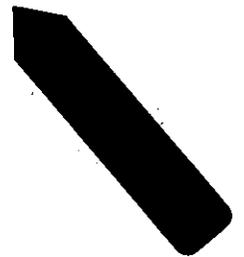
Attest:

CITY OF READING  
Berks County, Pennsylvania

  
Linda A. Kelleher CMC, City Clerk

By:   
Francis Acosta, President of Council

(SEAL)



**EXHIBIT A**  
**MAXIMUM SUBLEASE RENTAL OBLIGATIONS**

**CITY OF READING**  
**BERKS COUNTY, PENNSYLVANIA**

**GUARANTEED RDA LEASE REVENUE NOTE, SERIES OF 2015**

DEBT SERVICE REQUIREMENTS (TAXABLE) - SUSQUEHANNA BANK BID

DATE	PRINCIPAL	RATE	INTEREST	DEBT SERVICE	ANNUAL DEBT SERVICE
28-Jul-15					
15-Nov-15			50,937.64	50,937.64	50,937.64
15-May-16			84,278.64	84,278.64	
15-Nov-16	34,000.00	3.50%	85,204.78	119,204.78	203,483.42
15-May-17			83,217.26	83,217.26	
15-Nov-17	402,000.00	3.50%	84,596.56	486,596.56	569,813.82
15-May-18			76,143.18	76,143.18	
15-Nov-18	417,000.00	3.50%	77,405.22	494,405.22	570,548.40
15-May-19			68,805.14	68,805.14	
15-Nov-19	431,000.00	3.50%	69,945.56	500,945.56	569,750.70
15-May-20			61,558.97	61,558.97	
15-Nov-20	446,000.00	3.50%	62,235.44	508,235.44	569,794.41
15-May-21			53,372.38	53,372.38	
15-Nov-21	462,000.00	3.50%	54,257.00	516,257.00	569,629.38
15-May-22			45,242.46	45,242.46	
15-Nov-22	479,000.00	3.50%	45,992.33	524,992.33	570,234.79
15-May-23			36,813.39	36,813.39	
15-Nov-23	496,000.00	3.50%	37,423.56	533,423.56	570,236.95
15-May-24			28,240.33	28,240.33	
15-Nov-24	513,000.00	3.50%	28,550.67	541,550.67	569,791.00
15-May-25			19,057.79	19,057.79	
15-Nov-25	532,000.00	3.50%	19,373.67	551,373.67	570,431.46
15-May-26			9,696.07	9,696.07	
15-Nov-26	551,000.00	3.50%	9,856.78	560,856.78	570,552.85
	<b>4,763,000.00</b>		<b>1,192,204.82</b>	<b>5,955,204.82</b>	<b>5,955,204.82</b>

MAYOR'S ACTION  
Bill No. 33.2015

Submitted to Mayor: \_\_\_\_\_  
Date: 6/23/15

Received by Mayor's Office: \_\_\_\_\_  
Date: 6/23/15

Approved by Mayor: \_\_\_\_\_  
Date: 6/23/15

Vetoed by Mayor: \_\_\_\_\_  
Date: \_\_\_\_\_

Sustained by Council: \_\_\_\_\_  
Date: \_\_\_\_\_

Overridden by Council: \_\_\_\_\_  
Date: \_\_\_\_\_

I, LINDA A. KELLEHER, City Clerk of the City of Reading, Pa., do hereby certify, that the foregoing is a true and correct copy of the original Ordinance passed by the Council of the City of Reading, on the 23 day of June A. D. 2015. Witness my hand and seal of the said City this 24 day of June A. D. 2015.

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CITY CLERK