

City of Philadelphia



(Bill No. 070673)

AN ORDINANCE

Authorizing the issuance of one or more series of general obligation bonds to provide funds to refund certain outstanding general obligation bonds of the City of Philadelphia; authorizing the Mayor, City Controller and City Solicitor or a majority of them to sell the bonds at public or private negotiated sale; setting forth the purposes for which the proceeds of the bonds will be expended; providing for the maturities and for other terms and conditions and for the form of the bonds; providing that bonds may be redeemable prior to maturity; providing sinking funds for the bonds and for appropriations to the Sinking Fund Commission for the payment thereof; authorizing agreements to provide credit enhancement or payment or liquidity sources for the bonds, and agreements to manage interest costs and certain other actions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Mayor, City Controller and City Solicitor, or a majority of them (in this Ordinance, herein called the “Bond Committee”), are hereby authorized on behalf of the City of Philadelphia (the “City”) to borrow, by the issuance and sale from time to time, of one or more series of general obligation bonds of the City (the “Bonds”), for the payment of which the full faith, credit and taxing powers of the City shall be pledged, a sum or sums which, in the aggregate, shall not exceed Nine Hundred Fifty Six Million Three Hundred Forty Five Thousand Dollars (\$956,345,000), exclusive of costs of issuance, including, but not limited to, underwriters’ discount, original issue discount or redemption premiums, if any, on the Prior Bonds (hereinafter defined) or similar items, to be expended as provided in Section 2 of this Ordinance. The Bonds authorized by this Ordinance may be sold, from time to time, at a private negotiated sale or at a public sale to the highest responsible bidder as authorized by law, at such prices and upon such other terms and conditions not inconsistent with this Ordinance or other applicable law. The Council finds that the sale of all or any portion of the Bonds authorized by this Ordinance at a private negotiated sale or sales is in the best financial interest of the City.

SECTION 2. The proceeds of the Bonds shall be used to provide funds for and towards the refunding of all or a portion of the following general obligation bonds of the City: General Obligation Bonds, Series 1994B; General Obligation Bonds, Series 1995; General Obligation Bonds, Series 1998; General Obligation Refunding Bonds, Series 1998; General Obligation Bonds, Series 2001; General Obligation Bonds, Series 2003A; and General Obligation Bonds, Series 2006 (the “Prior Bonds”).

SECTION 3. The date(s) of issue of the Bonds authorized under this Ordinance, the maturities of such Bonds, the provisions for payments into the sinking fund created

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pursuant to Section 4 hereof, and the other terms, conditions, provisions and details thereof, within the requirements and limitations of this Ordinance, shall be determined from time to time by the Bond Committee, as shall be specified in one or more purchase proposals of the successful bidder or bidders or purchaser or purchasers of the Bonds authorized to be issued from time to time in accordance with the terms and provisions of this Ordinance. The Bonds: shall contain series or subseries designations; shall be in the denominations of at least Five Thousand Dollars (\$5,000) or any whole integral multiple thereof or such larger amounts or denominations as may be determined by the Bond Committee; shall be in fully registered form; and shall be substantially in the forms approved by the Bond Committee from time to time, consistent with applicable law and regulations, with such modifications as may be required to express the terms and conditions authorized by this Ordinance; provided, however, that the Bond Committee is hereby also authorized to issue all or any principal amount of the Bonds authorized by this Ordinance in such other form (including book entry securities) as the Bond Committee shall determine.

The Bonds shall bear interest from the respective dates of issuance thereof at the prescribed rates, including variable interest (not exceeding any limitation prescribed by law) payable initially on the date not more than six (6) months from the date of issuance thereof and thereafter on a monthly, quarterly, semi-annual or annual basis or such other time period as shall be set forth in the Bonds, to maturity or prior redemption, if any; may be subject to redemption prior to maturity at the option of the City, either as a whole or from time to time in part, or be subject to mandatory redemption, on prescribed dates, at prescribed prices, not less than par, and, in respect of partial redemption, by lot or prescribed order and within maturity by lot; may be subject to tender as shall be set forth in the Bonds; and shall be payable as to both principal and interest at the office of the City's Fiscal Agent and in lawful money of the United States. If the Bonds shall be subject to redemption prior to maturity, such redemption shall be made only after mailing notice of redemption to the registered owners of the Bonds at the owners' addresses on the registry of the Fiscal Agent not less than thirty (30) (or such lesser amount of days as shall be set forth in the Bonds) nor more than sixty (60) days prior to the date fixed for redemption.

SECTION 4. There is hereby created a sinking fund to be administered by the Sinking Fund Commission for the payment of the principal of and interest on the Bonds authorized by this Ordinance. The City covenants that in each year in which any such issue of Bonds shall be outstanding, there shall be appropriated from the tax and other general revenues of the City to the Sinking Fund Commission for deposit to the credit of such sinking fund a sum at least equal to the interest on and the principal of such Bonds as the same become due and payable, whether at maturity or upon redemption. The amounts of such appropriation shall be paid over to the Sinking Fund Commission in respect of principal and interest on or before the respective due dates of or required sinking fund payments for such principal and interest. The City also covenants that in each year that the Agreements (defined in Section 5) are outstanding, it shall appropriate

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from the tax and other revenues of the City sufficient funds to meet its obligations as they become due under the Agreements.

The City covenants that so long as any Bonds issued by virtue of this Ordinance shall remain outstanding, it will make payments out of its sinking fund or any other of its general revenues or funds at such times and in such annual amounts as shall be sufficient for the payment of interest thereon and the principal thereof when due, whether at maturity or redemption, and so long as the Agreements are outstanding, it will make payments out of its general revenues or funds at such times and in such amounts as shall be sufficient to pay the City's obligations under the Agreements.

SECTION 5. The Bond Committee is authorized on behalf of the City to enter into Agreements (the "Agreements") with any bank, insurance company or other appropriate entity providing credit or payment or liquidity sources for the Bonds, including, without limitation, letters of credit, lines of credit and insurance.

The Bond Committee or the Director of Finance is further authorized, on behalf of the City, to the extent otherwise permitted by law, to enter into interest rate hedging agreements or to utilize other derivative financial instruments with respect to all or a portion or portions of the Bonds, if the Bond Committee or the Director of Finance determines that such agreements will assist the City in managing its interest costs.

This authorization to enter into interest rate hedging agreements or to utilize other derivative financial instruments shall be for agreements or instruments approved by the Bond Committee as part of the plan of finance for the initial series of the Bonds issued pursuant to this Ordinance. Any additional agreements or other derivative financial instruments to be entered into with respect to any subsequent series of Bonds issued from time to time pursuant to this Ordinance shall require further approval of City Council.

The Bond Committee is further authorized to make all such covenants and to take any and all such other actions on behalf of the City as may be necessary or appropriate in connection with the consummation of the transactions contemplated herein or as may be necessary to effect this Ordinance.

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on November 15, 2007. The Bill was Signed by the Mayor on November 29, 2007.



Patricia Rafferty
Chief Clerk of the City Council