



Philadelphia Authority for
Industrial Development

AGENDA

TO: THE MEMBERS OF THE BOARD OF DIRECTORS OF THE
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

FROM: DAVID HYMAN, SECRETARY

The following is the Agenda for the Meeting of the Board of Directors of the Philadelphia Authority for Industrial Development to be held on Tuesday, January 30, 2018, at 5:00 p.m. in PIDC's Board Room, 26th Floor, Centre Square West, 1500 Market Street, Philadelphia, PA.

- I. Approval of the Minutes of the Authority for the meeting held on January 16, 2018.
- II. Consider and approve a Resolution authorizing PAID to issue tax exempt revenue bonds to Greater Philadelphia Health Action, Inc.

RESOLUTION

Philadelphia Authority for Industrial Development

Greater Philadelphia Health Action, Incorporated
(“GPHA” or the “Borrower”)

A Resolution authorizing the issuance of one or more series of revenue bonds (the “Bonds”) through the Philadelphia Authority for Industrial Development (“PAID” or the “Authority”) in the form attached hereto, in an amount not to exceed \$2,000,000, on behalf of the Borrower.

The proceeds of the Bonds will be used by the Borrower to (i) finance or refinance debt incurred in connection with the acquisition, furnishing and equipping of a three-story 7,600 square foot Medical Office Building, and administrative facility located at 1401-09 South 4th Street; and (ii) costs of issuance.

The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements, and to do such other acts necessary to assist the Borrower, upon such terms and conditions as they deem to be in the best interests of the Authority.

BACKGROUND

GPHA, incorporated in 1979, is the largest non-hospital healthcare provider in the Delaware Valley. GPHA’s mission is to provide quality comprehensive medical, dental, behavioral health and child development services throughout the Delaware Valley. GPHA has eight comprehensive healthcare centers, eight dental centers, three behavioral healthcare centers and the Woodland Academy Child Development Center.

On March 24, 2015 the PAID Board approved an issuance of \$62,000,000 Healthcare Revenue Bonds for the (i) acquisition and construction of the Carl Moore Health Center, located at 1401 South 31st Street; (ii) relocation of GPHA’s administration offices and the Chinatown Medical Center; (iii) extension of a \$5 million line of credit with Santander Bank; (iv) current refunding of the Authority's Variable Rate Healthcare Revenue Bonds (Greater Philadelphia Health Action Project) Series 2008 (the “Series 2008 Bonds”); (v) refunding of a Bank of America, N.A. term loan; (vi) payment of a swap termination penalty in connection with the Series 2008 Bonds; (vii) funding of certain reserves, and capitalized interest; and (viii) payment of costs of issuance. This financing closed on June 1, 2015 and was underwritten by Stifel Financial Corp.

On March 25, 2014 the PAID Board approved an issuance of \$9,000,000 Healthcare Revenue Bonds for the refunding of the Authority's Variable Rate Healthcare Revenue Bonds (Greater Philadelphia Health Action Project), Series of 2008, and certain other indebtedness of the Borrower. The plan of finance was revised and the financing never closed.

On June 3, 2008, the PAID Board approved an issuance of \$12,000,000 Healthcare Revenue Bonds for (i) the current refunding of PAID's Healthcare Revenue Bonds, Series of 2003, (ii) the refunding of subordinated debt issued to finance the acquisition, furnishing and equipping of certain facilities of GPHA and (iii) cost of issuance. This financing closed on August 21, 2008 and was underwritten by Banc of America Securities LLC.

On December 3, 2002, the PAID Board approved a change to one of three project locations referenced in the resolution adopted on July 30, 2002. One project location was changed from 5400 Woodland Avenue to 5000-5020 Woodland Avenue.

On July 30, 2002, the PAID Board approved the issuance of \$9,500,000 Healthcare Revenue Bonds for (i) the acquisition, renovation and equipping of three (3) properties located at 4500-4508 Frankford Avenue; 800 Washington Avenue; and 5400 Woodland Avenue, (ii) the current refunding of the Authority's 1999 tax-exempt revenue bonds, and (iii) costs of issuance. This financing closed on November 20, 2003. Commerce Bank provided a direct-pay letter of credit for this financing. Commerce Capital Markets, Inc. served as the Underwriter.

On October 6, 1998, the PAID Board approved an issuance of \$2,100,000 Variable Rate Demand/Fixed Rate Revenue Bonds for the refunding of existing debt and the acquisition, improvements and equipping of facilities located at 432 North 6th Street, 1999 West Hunting Park Avenue and 2520 Snyder Avenue, Philadelphia. This financing closed on February 4, 1999. First Union National Bank provided a direct-pay letter of credit for this financing. First Union Capital Markets Corp. served as the Placement Agent.

The PAID bonds issued in 1999, 2003 and 2008 have been fully refunded.

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

RESOLUTION

AUTHORIZING THE FINANCING OF A PROJECT FOR GREATER PHILADELPHIA HEALTH ACTION, INCORPORATED THROUGH THE ISSUANCE OF A HEALTHCARE REVENUE NOTE BY THE AUTHORITY; AUTHORIZING THE EXECUTION AND DELIVERY OF THE NOTE AND CERTAIN OTHER DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING OTHER NECESSARY ACTION.

WHEREAS, the Philadelphia Authority for Industrial Development (the “Authority”) is organized and existing under the laws of the Commonwealth of Pennsylvania (the “Commonwealth”) pursuant to the Economic Development Financing Law, as amended (the “Act”), established to promote the health, safety, morals and general welfare of the people of the Commonwealth for the public purpose of alleviating unemployment, maintaining employment at a high level, eliminating and preventing blight, and creating and developing business opportunities by the construction, improvement, rehabilitation, revitalization and financing of industrial, commercial, and other economic activities; and

WHEREAS, Greater Philadelphia Health Action, Incorporated (the “Borrower”) is a non-profit corporation duly created and validly existing under the laws of the Commonwealth; and

WHEREAS, the Borrower has applied to the Authority for financial assistance in a principal amount not to exceed \$2,000,000, which will be used by the Borrower to finance a capital project consisting of (i) the financing or refinancing of the acquisition of land and an existing building located at 1401-09 S. 4th Street, Philadelphia, Pennsylvania, and the equipping and furnishing of such building for use as a medical office building for the Borrower and its employees and an administrative facility for the Borrower (the “Facility”), and (ii) the funding of the costs and expenses of the financing (the “Project”); and

WHEREAS, pursuant to a bond purchase and loan agreement or other similar agreement (the “Agreement”) by and among the Authority, the Borrower and Santander Bank, N.A. (the “Bank”), the Authority intends to issue its Healthcare Revenue Note (Greater Philadelphia Health Action Project), Series 2018, on a tax-exempt basis (the “Note”), the proceeds of which will be loaned by the Authority to the Borrower to finance the Project; and

WHEREAS, the Note will be secured by, among other things, a first mortgage lien on the Facility, pursuant to an open-end mortgage and security agreement to be entered into by the Borrower and the Bank; and

WHEREAS, notice of a TEFRA hearing has been timely published in the *Philadelphia Daily News* and issuance of the Note is conditioned on the receipt of the approval of the issuance of the Note by the Mayor of the City of Philadelphia on or before the date of issuance of the Note; and

WHEREAS, the Authority desires to authorize the issuance, execution and delivery of the Note and the undertaking of the Project, and desires to authorize its Chairperson, Vice-Chairperson, Secretary and Assistant Secretary to execute, on behalf of the Authority, the Note, the Agreement and such other instruments and documents as shall be necessary or appropriate.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT AS FOLLOWS:

1. Approval of the Project. In accordance with the purposes and objectives of the Act, the Authority hereby authorizes, approves and undertakes the Project as described in the preambles of this Resolution, and the plan of finance for the Project as described in the preambles to this Resolution, subject to such modifications as the Chairperson, Vice-Chairperson, Secretary or Assistant Secretary of the Authority and counsel to the Authority shall approve, such approval of such modifications to be evidenced by the execution and issuance of the Note by the Chairperson, Vice-Chairperson, Secretary or Assistant Secretary of the Authority.

2. Authorization of the Agreement and the Assignment of Rights to the Bank. The Authority is hereby authorized to enter into the Agreement, and to loan the net proceeds of the Note to the Borrower to finance the Project. The Authority is hereby authorized to assign, transfer and pledge to the Bank all of its rights under the Note and the Agreement (other than certain reserved rights), and all of its rights under any instrument executed by the Borrower evidencing the Borrower's repayment obligation resulting from the loan of the proceeds of the Note, and the Authority hereby authorizes the execution of any such instrument to effect such assignment. The Agreement and any such assignment shall be in such form as shall be approved by the Chairperson, Vice-Chairperson, Secretary or Assistant Secretary of the Authority, with such approval to be conclusively evidenced by the execution thereof by such officer. In lieu of the execution and delivery of the Agreement, the relevant terms and conditions relating to the issuance of the Note and the loan of the proceeds thereof to the Borrower may be included in the Note itself.

3. Authorization of the Note. In order to provide funds to pay the costs of the Project, the Authority hereby authorizes the issuance of the Note in a principal amount of up to \$2,000,000. The Note shall mature no later than ten (10) years from its issuance date and shall bear interest and be subject to the other terms and provisions as set forth therein. The Note shall be in such form as shall be approved by the Chairperson or Vice-Chairperson of the Authority, with the advice and assistance of counsel to the Authority and bond counsel, such approval to be conclusively evidenced by the execution thereof as provided in Section 4 hereof.

4. Execution and Issuance of Note. The Chairperson or Vice Chairperson of the Authority is hereby authorized to execute the Note by manual or facsimile signature; the Secretary or any Assistant Secretary of the Authority is hereby authorized to attest by manual or facsimile signature and impress or cause to be imprinted the seal of the Authority on the Note, and following such execution, such officers of the Authority are hereby authorized to deliver or to cause the Note to be delivered to the Bank, against receipt of the purchase price of the Note, and to loan the proceeds of the Note to the Borrower. The receipt of the purchase price of the Note and the loan of the proceeds of the Note to the Borrower may be evidenced by the extinguishment of existing indebtedness of the Borrower to the Bank relating to the Facility.

5. Authorization of Tax Certificate. The Authority hereby authorizes and directs the preparation and execution by the Chairperson, Vice-Chairperson, Secretary or Assistant Secretary of the Authority of a Federal Tax Certificate pursuant to the Internal Revenue Code of 1986, as amended, in connection with the issuance of the Note.

6. Execution and Delivery of Financing Documents. The Chairperson, Vice-Chairperson, Secretary or Assistant Secretary of the Authority are hereby authorized to execute and deliver, in the name of the Authority and on its behalf, such other documents, agreements, security agreements, assignments, financing statements, instruments and certifications as counsel to the Authority, bond counsel and such executing officer shall determine to be reasonable and appropriate to provide for the issuance of the Note and to finance the Project.

Copies of the foregoing documents, together with the other documents relating to the transactions authorized hereby, in hard copy or electronic form, as executed and delivered by the parties thereto, shall be filed in the official records of the Authority.

7. Authority Fee. The Authority shall charge the Borrower a fee in connection with the Note to defray the expenses incurred in connection with the authorization and approval of the Note and the Project.

8. Ratification. Any and all acts by officers or members of the Authority consistent with the purpose and intent of this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved.

9. Nature of Authority's Obligations. All covenants, obligations and agreements of the Authority set forth in this Resolution and the documents authorized hereby shall be deemed to be the covenants, obligations and agreements of the Authority to the fullest extent authorized and permitted by law, and all such covenants, obligations and agreements shall be binding upon the Authority and its successors from time to time and upon any board or body to which powers or duties affecting the same shall be transferred by, or in accordance with, law. No covenant, obligation or agreement herein contained or contained in any document authorized hereby shall be deemed to be a covenant, obligation or agreement of any member, officer, agent or employee of the Authority in his or her individual capacity, and neither the members of the Authority nor any officer executing the Note or any of the documents authorized by this Resolution shall be

personally liable thereunder or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

10. Limited Obligation. Notwithstanding any other provision of this Resolution, the Note, when and if issued, shall not be deemed an obligation of the City or County of Philadelphia, the Commonwealth of Pennsylvania or any other political subdivision thereof, and shall be payable solely from the payments made by or on behalf of the Borrower. No recourse shall be had for the payment of principal or the redemption price of or the interest on the Note or for any other claim based on the Note, against the Authority or any successor body, against any officer, board member or employee of the Authority, past, present or future, or against any other moneys, accounts, rights or other assets the Authority may possess.

11. Further Action. Any officer or member of the Authority is hereby authorized and directed to execute such further documents, instruments and certificates and do such further things as may be necessary or proper to carry out the intent and purpose of this Resolution or any document herein authorized.

12. Appointment of Bond Counsel. The Authority hereby appoints Saul Ewing Arnstein & Lehr LLP as Bond Counsel in connection with the issuance of the Note.

13. Repeal of Inconsistent Resolutions. All prior resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistency.

14. Effective Date. This Resolution shall take effect immediately.

Adopted: January 30, 2018

CERTIFICATE OF SECRETARY

I, the undersigned (Assistant) Secretary of Philadelphia Authority for Industrial Development, hereby certify that the foregoing is the text of a resolution adopted by said Authority at a regular meeting held on January 30, 2018, after the giving of the required public notice and at which a quorum was present.

(Assistant) Secretary