



Philadelphia Authority for  
Industrial Development

# AGENDA

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

**FROM:** PAUL J. DEEGAN, 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, May 5, 2015, 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 April 21, 2015.
  
- II. Consider and approve the following Resolutions authorizing PAID to:
  - A. Issue a tax-exempt financing bond on behalf of the Albert Einstein Healthcare Network
  
  - B. Enter into a lease with:
    1. Brightfields, Inc.
  
    2. Haines and Kibblehouse, Inc

May 5, 2015

## **RESOLUTION**

Philadelphia Authority for Industrial Development

*Albert Einstein Healthcare Network (“AEHN” or the “Borrower”)*

A Resolution authorizing Philadelphia Authority for Industrial Development’s (“PAID” or the “Authority”) consent for the issuance of a \$526,000,000 tax-exempt financing through the Montgomery County Industrial Development Authority (“MCIDA” or the “Issuer”), on behalf of the Borrower.

The proceeds of the bonds will finance (i) the advance refunding of the Pennsylvania Economic Development Financing Authority’s Health System Revenue Bonds, Albert Einstein Healthcare Network Issue, Series 2009A, and MCIDA’s FHA Insured Mortgage Revenue Bonds (New Regional Medical Center Project), the proceeds of which were used to construct Einstein Medical Center Montgomery, (ii) the refinancing of taxable debt incurred with the construction of the Einstein Medical Center Montgomery (iii) the payment or reimbursement of costs for building renovations, equipment or other miscellaneous capital expenditures for various controlled affiliates of the Borrower, including Albert Einstein Medical Center, Philadelphia and Elkins Park campuses and Einstein Crisis Response Center, (iv) the funding of a debt service reserve fund, and (v) 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**

AEHN is a private, not-for-profit organization which operates several major acute care facilities providing cardiac, vascular, oncological, orthopedic and rehabilitative care, as well as many outpatient centers, throughout Philadelphia and Montgomery counties.

On June 23, 2010, the Montgomery County Industrial Development Authority issued its \$309,435,000 FHA Insured Mortgage Revenue Bonds, Series 2010 (the “2010 Bonds”). The proceeds of the bonds were used to finance the (i) reimbursement to AEHN for the acquisition, construction and equipping a new medical center located in central Montgomery County (ii) payment of a portion of interest accruing on the 2010 Bonds (iii) the funding of a debt service reserve fund and (iv) cost of issuance of the 2010 Bonds.

On June 18, 2009, the Pennsylvania Economic Development Financing Authority (“PEDFA”) issued its \$148,020,000 Health System Revenue Bonds, Series 2009A (the “2009 Bonds”). The proceeds of the 2009 Bonds were

used by the Borrower to finance the (i) the refinancing of a commercial bank loan which was used to refund all of The Hospitals and Higher Education Facilities Authority of Philadelphia's Health System Revenue Bonds, Series 1998A (ii) the refunding of PEDFA's Health System Revenue Bonds, Series 2005B (iii) the funding of a debt service reserve fund and the (iv) costs of issuance.

# PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

## RESOLUTION Adopted May 5, 2015

WHEREAS, the Philadelphia Authority for Industrial Development (the “Authority”) is a body corporate and politic constituting a public instrumentality of the Commonwealth of Pennsylvania (the “Commonwealth”) created under and pursuant to the Pennsylvania Economic Development Financing Law (Act of August 23, 1967, P.L. 251), as amended and supplemented (the “Act”); and

WHEREAS, Albert Einstein Healthcare Network (the “Corporation”), a non-profit corporation incorporated and existing under the laws of the Commonwealth of Pennsylvania (the “Commonwealth”), has requested the Montgomery County Industrial Development Authority (“MCIDA”) to issue its tax exempt revenue bonds in a maximum principal amount of up to \$526,000,000, in one or more series (the “MCIDA Bonds”) to assist in the financing of a project (the “Project”) of the Corporation consisting generally of: (a) the advance refunding of (i) the Pennsylvania Economic Development Financing Authority’s Health System Revenue Bonds, Albert Einstein Healthcare Network Issue, Series 2009A (the “2009 Bonds”), the proceeds of which were used to refinance taxable debt, the proceeds of which were used to finance and refinance the acquisition, renovation and construction of certain health care facilities, capital equipment and related health care facilities and (ii) the Authority’s FHA Insured Mortgage Revenue Bonds (New Regional Medical Center Project) Series 2010 (the “2010 Bonds), the proceeds of which were used to construct Einstein Medical Center Montgomery (the 2010 Bonds, together with the 2009 Bonds, shall be referenced herein as the “Prior Bonds”), (b) the refinancing of taxable debt incurred to pay a portion of the capitalized costs associated with the construction of the Einstein Medical Center Montgomery financed with the proceeds of the 2010 Bonds, (c) the payment of (or reimbursement to the Corporation for) costs of building renovations, equipment or other miscellaneous capital expenditures for various controlled affiliates of the Corporation, including expansions, renovations and upgrades to Albert Einstein Medical Center, Philadelphia and Elkins Park campuses, and Einstein Crisis Response Center, and the acquisition and upgrade of information systems, (d) the funding of a deposit to a debt service reserve fund, and (e) the payment of costs of issuance of the Bonds; and

WHEREAS, a portion of the facilities to be financed or refinanced with proceeds of the MCIDA Bonds are located in the City of Philadelphia (the “Philadelphia Facilities”); and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), requires that each government unit having jurisdiction over the areas in which tax exempt bond-financed facilities are located approve the issuance of such bonds (the “TEFRA Approval”); and

WHEREAS, in accordance with the requirements of Section 147(f) of the Code, MCIDA held a public hearing at 9:00 a.m. on May 1, 2015, and a hearing report, certified by the hearing officer, has been delivered to the Authority on behalf of the City of Philadelphia (the “City”); and

WHEREAS, the Corporation has requested that the Authority assist the Corporation in obtaining the TEFRA Approval from the Mayor of the City, the City's highest elected official, in connection with the issuance of the MCIDA Bonds to finance the Philadelphia Facilities;

NOW, THEREFORE BE IT RESOLVED BY THE PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT, as follows:

Section 1. Approving Issuance of MCIDA Bonds. The Authority hereby approves the issuance by MCIDA of the MCIDA Bonds for the purpose of financing the Philadelphia Facilities.

Section 2. Incidental Action. The appropriate officers of the Authority are hereby authorized and directed to accept and approve the completed TEFRA application from the Corporation and to execute and deliver such other documents and instruments and to take or approve the taking of such other action as may be necessary or appropriate in order to assist the Corporation in obtaining the TEFRA Approval of the Mayor.

Section 3. Effective Date; Inconsistent Prior Resolutions Repealed. This Resolution shall take effect immediately upon its adoption, and all prior resolutions or parts thereof inconsistent herewith shall be repealed.

Section 4. Limitation of Liability. The issuance and sale of the MCIDA Bonds shall not be construed so as to give rise to any liability of the Authority or any of its members, officers, or employees, or to give rise to a charge upon the general credit of the Authority or such members, officers or employees, including without limitation in respect of general liability for repayment of the Bonds. The MCIDA Bonds shall not be in any way a debt or liability of the Commonwealth, the City of Philadelphia nor of any other political subdivision thereof. Neither the general credit nor the taxing power of the Commonwealth, the City of Philadelphia nor any other political subdivision thereof is pledged to the payment of the principal or purchase price of the MCIDA Bonds or interest thereon or any premium or other cost incident thereto. The Authority has no taxing power.

I, the (Assistant) Secretary of Philadelphia Authority for Industrial Development, do hereby certify that the foregoing is a true, correct and complete copy of a resolution adopted by the Authority at a meeting held on May 5, 2015, notice of which was given in accordance with the requirements of law and the by-laws of the Authority and at which a quorum of the Authority was present and acted throughout; and that such resolution has not been amended, modified or repealed.

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(Assistant) Secretary

May 5, 2015

## **RESOLUTION**

Philadelphia Authority for Industrial Development

*The Navy Yard  
Brightfields Inc.*

A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to enter into a lease with Brightfields Inc. for approximately 180 square feet of space in Quarters M2 in The Navy Yard's Historic Core section. The lease will have a term of 12 months with one, one-year renewal. Monthly rent will be \$1,200 on a gross basis, with an increase of 3% for the renewal term. All building operating expenses and the Navy Yard Common Area Maintenance Charges (CAM) are included in the monthly rent.

## **BACKGROUND**

Based in Wilmington DE, Brightfields Inc. is a woman-owned environmental services firm that specializes in Brownfield redevelopment and remediation. Brightfields Inc.'s move to The Navy Yard represents its third office. The expansion into The Navy Yard is a result of its growing work load in The City as well as the firm's effort to attract and retain its growing Philadelphia workforce.

Quarters M2, a 3,000 square foot former officers' quarters in the Historic Core section of The Navy Yard, has been modified from a single tenant office building to a multi-tenant office building in order to accommodate an emerging list of small companies interested in locating at The Navy Yard. Brightfields anticipates that its initial occupancy from this proposed lease will lead to a larger requirement at The Navy Yard at the conclusion of the 12 month term.

May 5, 2015

## **RESOLUTION**

Philadelphia Authority for Industrial Development

*The Navy Yard  
Haines and Kibblehouse Inc.*

A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to enter into a lease with *Haines and Kibblehouse Inc.* or its nominee or assignee for 580 square feet of space in Building 101 located in The Navy Yard's Historic Core section. The lease will have a fixed rental rate of \$2,000 per month, equaling \$24,000 per year. Building operating expenses and The Navy Yard Common Area Maintenance Charges (CAM) are included in the fixed rent. The initial lease will have a term of three years and includes a two-year renewal option.

## **BACKGROUND**

Founded in 1968 and with over \$50 million in annual revenues, Haines and Kibblehouse is the general contracting subsidiary of The H & K Group, one of the Mid Atlantic's largest construction materials and full-service site contracting providers. This will be its first permanent office location in The City in over two decades and demonstrates its growing business within Philadelphia. Haines and Kibblehouse will initially have three full time professional service employees with plans to expand into additional space at The Navy Yard, adding an additional ten employees within two years.