

LM 11/15/17  
RAM

ORDINANCE  
OF THE  
COUNTY OF DAUPHIN  
COMMONWEALTH OF PENNSYLVANIA

ORDINANCE NO. # 6-2017  
Enacted: November 15, 2017

APPROVING A PROJECT BEING UNDERTAKEN BY THE DAUPHIN COUNTY GENERAL AUTHORITY (THE "AUTHORITY"), CONSISTING, *INTER ALIA*, OF (I) A REFUNDING PROJECT CONSISTING OF THE CURRENT REFUNDING OF THE GUARANTEED LEASE REVENUE NOTE, SERIES OF 2006 (1300 ROLLESTON STREET PROJECT), THE GUARANTEED LEASE REVENUE NOTE, SERIES OF 2007 (2125 PAXTON CHURCH ROAD PROJECT), THE GUARANTEED LEASE REVENUE NOTE SERIES A OF 2007 (5925 STEVENSON AVENUE PROJECT), THE GUARANTEED LEASE REVENUE NOTE, SERIES OF 2013 (DISTRICT JUSTICE OFFICE – WEST HANOVER TOWNSHIP PROJECT), AND THE GUARANTEED LEASE REVENUE NOTE, SERIES OF 2015 (DISTRICT JUSTICE OFFICE – LOWER PAXTON TOWNSHIP PROJECT) ALL OF WHICH WERE PREVIOUSLY ISSUED BY DAUPHIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, AND (II) A CAPITAL PROJECT CONSISTING OF THE ACQUISITION AND CONSTRUCTION OF A NEW MAGISTERIAL DISTRICT JUSTICE OFFICE AND COURTROOM TO BE SITUATED ON A PARCEL OF PROPERTY LOCATED IN THE TOWNSHIP OF SWATARA, DAUPHIN COUNTY, PENNSYLVANIA AND CURRENTLY OWNED BY THE COUNTY; DESCRIBING CERTAIN PRIOR PROJECTS AND RATIFYING AND CONFIRMING THE PREVIOUSLY ESTIMATED REALISTIC USEFUL LIVES THEREOF AND STATING THE REMAINING USEFUL LIVES THEREOF; STATING THAT REALISTIC COST ESTIMATES HAVE BEEN MADE FOR THE CAPITAL PROJECT AND STATING THE ESTIMATED PROJECT COMPLETION DATE; STATING THE REALISTIC ESTIMATED USEFUL LIFE OF THE CAPITAL PROJECT; AUTHORIZING THE INCURRENCE OF LEASE RENTAL DEBT BY THE COUNTY IN THE MAXIMUM PRINCIPAL AMOUNT OF \$5,917,000 EVIDENCED BY THE GUARANTY AGREEMENT, IN CONNECTION WITH THE GUARANTEED LEASE REVENUE NOTE, SERIES OF 2017 BEING ISSUED BY THE AUTHORITY; AUTHORIZING OFFICERS OF THE COUNTY TO PREPARE AND CERTIFY A DEBT

STATEMENT AND BORROWING BASE CERTIFICATE AND DIRECTING THE OFFICERS OF THE COUNTY TO FILE SUCH STATEMENT AND BORROWING BASE CERTIFICATE, TOGETHER WITH A CERTIFIED COPY OF THIS ORDINANCE AND PROOFS OF PUBLICATION, WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT AND TO PAY ANY NECESSARY FILING FEES; APPROVING THE FORM OF (I) A GUARANTY AGREEMENT, BY AND AMONG SAID AUTHORITY, THE COUNTY AND THE BANK; (II) A MASTER LEASE TERMINATION AGREEMENT, BETWEEN THE COUNTY, AS LESSEE, AND THE DAUPHIN COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, AS LESSOR, WITH RESPECT TO VARIOUS MAGISTERIAL DISTRICT JUSTICE OFFICE BUILDINGS; (III) VARIOUS LEASE AGREEMENTS, BETWEEN SAID AUTHORITY, AS LESSOR, AND THE COUNTY, AS LESSEE, WITH RESPECT TO VARIOUS MAGISTERIAL DISTRICT JUSTICE OFFICE BUILDINGS; AND (IV) A GROUND LEASE, BETWEEN THE COUNTY, AS LESSOR, AND SAID AUTHORITY, AS LESSEE; AUTHORIZING THE EXECUTION AND DELIVERY OF SAID GUARANTY AGREEMENT, SAID TERMINATION AGREEMENT, SAID LEASES AND SAID GROUND LEASE BY OFFICERS OF THE COUNTY; STATING THE ANNUAL AMOUNTS OF PRINCIPAL AND INTEREST TO BE PAID UNDER THE GUARANTY AGREEMENT, COVENANTING THE PAYMENT THEREOF AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY THEREFOR; AUTHORIZING THE OFFICIALS OF THE COUNTY TO TAKE ANY OTHER APPROPRIATE ACTION; REPEALING ALL ORDINANCES INCONSISTENT HERewith; SEVERABILITY OF PROVISIONS AND STATING EFFECTIVE DATE

WHEREAS, the County of Dauphin, Pennsylvania (the “**County**”) exists under laws of the Commonwealth of Pennsylvania (the “**Commonwealth**”) and is a “local government unit,” as such term is defined under the Local Government Unit Debt Act, 53 Pa. C.S. § 8001 et seq. (the “**Debt Act**”); and

WHEREAS, the Dauphin County General Authority (the “**Authority**”) is a body corporate and politic organized and existing under the Pennsylvania Municipality Authorities Act, 53 Pa. Cons. Stat. §§ 5601-5622 (2005) (the “**Act**”); and

WHEREAS, the Dauphin County Industrial Development Authority (the “**Dauphin County IDA**”) heretofore issued its Guaranteed Lease Revenue Note, Series of 2006 (1300 Rolleston Street Project) in the original principal amount of \$900,000 (the “**2006 Note**”) in order to finance the acquisition and construction of a building situated at 1300 Rolleston Street in

the City of Harrisburg, Dauphin County, Pennsylvania (the “**MDJ Postelle Project**”), which was leased by the Dauphin County IDA to the County pursuant to an Agreement of Lease (the “**Original MDJ Postelle Lease**”) for use as a magisterial district justice office and courtroom; and

WHEREAS, the Dauphin County IDA heretofore issued its Guaranteed Lease Revenue Note, Series of 2007 (2125 Paxton Church Road Project) in the original principal amount of \$410,650.52 (the “**2007 Note**”) in order to finance the acquisition of a building situated at 2125 Paxton Church Road in the Township of Susquehanna, Dauphin County, Pennsylvania (the “**MDJ Lenker Project**”), which was leased by the Dauphin County IDA to the County pursuant to an Agreement of Lease (the “**Original MDJ Lenker Lease**”) for use as a magisterial district justice office and courtroom; and

WHEREAS, the Dauphin County IDA heretofore issued its Guaranteed Lease Revenue Note, Series A of 2007 (5925 Stevenson Avenue Project) in the original principal amount of \$900,000 (the “**2007A Note**”) in order to finance the acquisition and renovation of a building situated at 5925 Stevenson Avenue, Lower Paxton Township, Dauphin County, Pennsylvania (the “**MDJ Wenner Project**”), which was leased by the Dauphin County IDA to the County pursuant to an Agreement of Lease (the “**Original MDJ Wenner Lease**”) for use as a magisterial district justice office and courtroom; and

WHEREAS, the Dauphin County IDA heretofore issued its Guaranteed Lease Revenue Note, Series of 2013 (District Justice Office - West Hanover Township Project) in the original principal amount of \$1,384,967 (the “**2013 Note**”) in order to finance the acquisition and construction of a building situated in the Clover Hill Business Park located at the intersection of Routes 39 and 22 in the Township of West Hanover, Dauphin County, Pennsylvania (the “**MDJ Witmer Project**”), which was leased by the Dauphin County IDA to the County pursuant to an Agreement of Lease (the “**Original MDJ Witmer Lease**”) for use as a magisterial district justice office and courtroom; and

WHEREAS, the Dauphin County IDA heretofore issued its Guaranteed Lease Revenue Note, Series of 2015 (District Justice Office - Lower Paxton Township Project) in the original principal amount of \$1,900,000 (the “**2015 Note**”, and together with the 2006 Note, the 2007 Note, the 2007A Note, and the 2013 Note, the “**Original Obligations**”) in order to finance the acquisition and construction of a building situated at the intersection of Locust Lane and Porsche Drive in the Township of Lower Paxton, Dauphin County, Pennsylvania (the “**MDJ Lindsey Project**”, and together with the MDJ Postelle Project, the MDJ Lenker Project, the MDJ Wenner Project, and the MDJ Witmer Project, the “**Original Projects**”), which was leased by the Dauphin County IDA to the County pursuant to an Agreement of Lease (the “**Original MDJ Lindsey Lease**”, and together with the Original MDJ Postelle Lease, the Original MDJ Lenker Lease, the Original MDJ Wenner Lease, and the Original MDJ Witmer Lease, the “**Original Leases**”) for use as a magisterial district justice office and courtroom; and

WHEREAS, as to each of the Original Obligations, the County delivered its guaranty, as authorized by the Debt Act, wherein the County unconditionally guaranteed the payment of the principal of, and interest on, each of the outstanding Original Obligations; and

WHEREAS, the County and the Dauphin County IDA have requested the Authority to issue the 2017 Note (defined below), a portion of the proceeds of which will be used to refund the Original Obligations (the “**Refunding Project**”), and in connection therewith the Dauphin County IDA, in consideration for the retirement of the Dauphin County IDA’s debt evidenced by the Original Obligations, shall transfer title to the Original Projects to the Authority, pursuant to one or more agreements, deeds, instruments and other documents that may be entered into by the Authority and the Dauphin County IDA from time to time to effectuate such transfer (collectively referred to herein as the “**Deeds**”);

WHEREAS, the County also has requested the Authority to undertake as a capital project (the “**MDJ Smith Project**”) the acquisition and construction of a new magisterial district justice office and courtroom to be situated on a parcel of property located in the Township of Swatara, Dauphin County, Pennsylvania and currently owned by the County (the “**MDJ Smith Parcel**”); and

WHEREAS, based on reasonable cost estimates obtained for the MDJ Smith Project, including the costs of issuance thereof, with the assistance of persons qualified by experience, the cost of the MDJ Smith Project is estimated to be at least \$1,500,000 and the estimated useful life of the MDJ Smith Project is estimated to be at least thirty-five (35) years; and

WHEREAS, the Authority has determined to issue its “County Guaranteed Lease Revenue Note, Series of 2017”, in the maximum principal amount of \$5,917,000 (the “**2017 Note**”) to provide funds for (i) the Refunding Project; (ii) the MDJ Smith Project, and (iii) the payment of the costs and expenses relating to the issuance of the 2017 Note ((i) – (iii) collectively referred to herein as the “**Project**”); and

WHEREAS, Integrity Bank, a division of S&T Bank (the “**Bank**”) has heretofore issued to the Authority its Commitment Letter, dated July 17, 2017 (the “**Commitment Letter**”) to purchase the 2017 Note, a copy of which shall be a part of the Authority’s records; and

WHEREAS, in order to further secure the payment of the principal of, and interest on, the 2017 Note, the County and the Authority will enter into a Guaranty Agreement (the “**Guaranty**”), with the Bank, as authorized by the Debt Act, providing for the unconditional guarantee by the County of the timely payment of the principal of, and interest on, the 2017 Note and the pledge by the County of its full faith, credit and taxing power to discharge all of its obligations under the Guaranty; and

WHEREAS, the County, as lessee, and the Dauphin County IDA, as lessor, desire to enter into a Master Lease Termination Agreement (the “**Termination Agreement**”), the form of which is attached hereto as Exhibit A, pursuant to which the parties, in connection with the transfer of the Original Projects by the Dauphin County IDA to the Authority, will agree to terminate the Original Leases; and

WHEREAS, the County, as lessor, and the Authority, as lessee, desire to enter into a Ground Lease (the “**Ground Lease**”), the form of which is attached hereto as Exhibit B,

pursuant to which the Authority will lease from the County all or a portion of the MDJ Smith Parcel upon which the Authority will construct the MDJ Smith Project; and

WHEREAS, the County and the Authority desire to enter into an Agreement of Lease (the “**2017 MDJ Postelle Lease**”), the form of which is attached hereto as Exhibit C, whereunder the Authority, as lessor, shall lease the MDJ Postelle Project to the County, as lessee, and whereunder the County agrees, *inter alia*, to operate and maintain the MDJ Postelle Project and to pay certain rentals to the Authority or its assigns; and

WHEREAS, the County and the Authority desire to enter into an Agreement of Lease (the “**2017 MDJ Lenker Lease**”), the form of which is attached hereto as Exhibit D, whereunder the Authority, as lessor, shall lease the MDJ Lenker Project to the County, as lessee, and whereunder the County agrees, *inter alia*, to operate and maintain the MDJ Lenker Project and to pay certain rentals to the Authority or its assigns; and

WHEREAS, the County and the Authority desire to enter into an Agreement of Lease (the “**2017 MDJ Wenner Lease**”), the form of which is attached hereto as Exhibit E, whereunder the Authority, as lessor, shall lease the MDJ Wenner Project to the County, as lessee, and whereunder the County agrees, *inter alia*, to operate and maintain the MDJ Wenner Project and to pay certain rentals to the Authority or its assigns; and

WHEREAS, the County and the Authority desire to enter into an Agreement of Lease (the “**2017 MDJ Witmer Lease**”), the form of which is attached hereto as Exhibit F, whereunder the Authority, as lessor, shall lease the MDJ Witmer Project to the County, as lessee, and whereunder the County agrees, *inter alia*, to operate and maintain the MDJ Witmer Project and to pay certain rentals to the Authority or its assigns; and

WHEREAS, the County and the Authority desire to enter into an Agreement of Lease (the “**2017 MDJ Lindsey Lease**”) the form of which is attached hereto as Exhibit G, whereunder the Authority, as lessor, shall lease the MDJ Lindsey Project to the County, as lessee, and whereunder the County agrees, *inter alia*, to operate and maintain the MDJ Lindsey Project and to pay certain rentals to the Authority or its assigns; and

WHEREAS, the County and the Authority desire to enter into an Agreement of Lease (the “**2017 MDJ Smith Lease**”, and together with the 2017 MDJ Postelle Lease, the 2017 MDJ Lenker Lease, the 2017 Wenner Lease, the 2017 Witmer Lease, and the 2017 Lindsey Lease, the “**2017 Leases**”), the form of which is attached hereto as Exhibit H, whereunder the Authority, as lessor, shall lease the MDJ Smith Project to the County, as lessee, and whereunder the County agrees, *inter alia*, to operate and maintain the MDJ Smith Project and to pay certain rentals to the Authority or its assigns; and

WHEREAS, at the meeting of the Board of the Authority on November 15, 2017, the Authority authorized the execution and delivery of the Term Sheet and otherwise authorized the Project, the issuance of the 2017 Note and the execution and delivery of, *inter alia*, the Guaranty, the Deeds, the Ground Lease and the 2017 Leases; and

WHEREAS, the Board of Commissioners of the County has determined that the Refunding Project and the MDJ Smith Project are in the best interests of the County and its residents; and

WHEREAS, the execution of the Guaranty by the County constitutes the incurrence of lease rental debt by the County within the meaning of the Debt Act.

**NOW, THEREFORE, BE AND IT HEREBY IS ENACTED AND ORDAINED** by the Board of Commissioners of the County of Dauphin:

Section 1. Approval of Project and Financing Thereof; Combining the Projects for Financing Purposes; Prior Project and Ratifying the Remaining Useful Life Thereof; Realistic Estimated Useful Life of the Capital Project; Refunding Project Purpose and Estimated Project Completion Date. The County hereby approves the Project, as described above, and the financing thereof and combines the Refunding Project and the MDJ Smith Project for purposes of financing thereof.

The Board of Commissioners of the County hereby determines that the useful life of the MDJ Smith Project is at least thirty-five (35) years. The Board of Commissioners of the County hereby determines that the remaining useful lives of (a) the MDJ Postelle Project, originally financed with the 2006 Note, now being refinanced with a portion of the proceeds of the 2017 Note, is at least twenty-four (24) years, (b) the MDJ Lenker Project, originally financed with the 2007 Note, now being refinanced with a portion of the proceeds of the Note, is at least twenty-five (25) years, (c) the MDJ Wenner Project, originally financed with the 2007A Note, now being refinanced with a portion of the proceeds of the Note, is at least twenty-five (25) years, (d) the MDJ Witmer Project, originally financed with the 2013 Note, now being refinanced with a portion of the proceeds of the Note, is at least twenty-six (26) years, and (e) the MDJ Lindsey Project, originally financed with the 2015 Note, now being refinanced with a portion of the proceeds of the Note, is at least twenty-eight (28) years.

The Refunding Project is being undertaken for the purpose of reducing the amount of debt service due annually by extending the terms of each of the Original Obligations to 2038 in compliance with Section 8241(b)(2) of the Act.

The estimated completion date for the Capital Project is February 1, 2019. The estimated completion date for the Refunding Project is no later than ninety (90) days after the issuance date of the 2017 Note.

Section 2. Amount of 2017 Note Secured by Guaranty; Incurrence of Lease Rental Debt. The maximum principal amount of the 2017 Note to be issued by the Authority and secured by the Guaranty is \$5,917,000.

The County hereby authorizes and directs the incurring of lease rental debt of the County, pursuant to the Debt Act, in the maximum principal amount of \$5,917,000 to be evidenced by the Guaranty among the County, the Authority and the Bank.

Section 3. Debt Statement and Borrowing Base Certificate; Debt Proceedings. The Chairman, Vice Chairman or any other member of the Board of Commissioners, and the

Chief Clerk and Deputy Chief Clerk, if any, being proper officers of the County (the “Proper Officers”) are hereby authorized and directed to prepare and verify the debt statement required by Section 8110 of the Debt Act and to prepare or cause to be prepared a borrowing base certificate and such Proper Officers of the County are hereby authorized and directed to certify to the Pennsylvania Department of Community and Economic Development, in accordance with the Debt Act, a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized hereunder and to pay any filing fees necessary in connection therewith.

Section 4. Approval of Guaranty. The form, terms and provisions of the Guaranty, as presented to this meeting (copies of which shall be filed with the records of the County) are hereby approved. The Proper Officers of the County are hereby authorized and directed, upon receipt of approval from the Pennsylvania Department of Community and Economic Development, to execute the Guaranty in such form, subject to such changes and modifications, if any, as may be approved by such officer or officers, the execution of the Guaranty to be conclusive evidence of such approval, and such Proper Officers of the County are hereby authorized and directed to affix thereto the corporate seal of the County, to attest the same and to deliver the Guaranty to the Bank.

Section 5. Covenant to Pay Guaranty. The annual amounts of principal and interest covenanted to be paid by the County under the Guaranty for the 2017 Note is as set forth in Exhibit I attached hereto and made a part hereof.

It is covenanted with the registered owner of the 2017 Note that the County shall (i) include the amounts payable in respect of its Guaranty for each fiscal year in which such sums are payable in its budget for that year; (ii) appropriate such amounts from its general fund for the payment of the amounts payable in respect of its Guaranty; and (iii) duly and punctually pay, or cause to be paid from such revenues, to the extent of its obligations under the Guaranty, the amounts payable in respect of such guaranty, at the dates and places and in the manner stated in the Guaranty according to the true intent and meaning thereof. For such budgeting, appropriation and payment in respect of its guaranty of the 2017 Note, the County pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable; *subject, however*, as to the enforceability of remedies, to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors’ rights generally. Nothing in this Section shall be construed to give the County any taxing power not granted by another provision of law.

Section 6. Approval of Termination Agreement, Ground Lease and 2017 Leases. The form, terms and provisions of the Termination Agreement, the Ground Lease and the 2017 Leases, as presented to this meeting (copies of which shall be filed with the records of the County) are hereby approved. The Proper Officers of the County are hereby authorized and directed to execute the Termination Agreement, the Ground Lease and the 2017 Leases in such form, subject to such changes and modifications, if any, as may be approved by such officer or officers, the execution of the Termination Agreement, the Ground Lease and 2017 Leases to be conclusive evidence of such approval, and such Proper Officers of the County are hereby authorized and directed to affix thereto the corporate seal of the County, and to attest the same.

Section 7. Incidental Actions. Proper Officers of the County and other officers and officials of the County are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to carry out the provisions of this Ordinance, including, but not limited to, such documents, agreements, and instruments as may required by the Bank in connection with the Term Sheet.

Section 8. Repealer. Ordinance #4-2017, enacted July 26, 2017, is hereby repealed in its entirety, and all ordinances or parts of ordinances inconsistent herewith shall be and the same hereby are repealed.

Section 9. Severability. In case any one or more of the provisions of this Ordinance shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Ordinance and this Ordinance shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

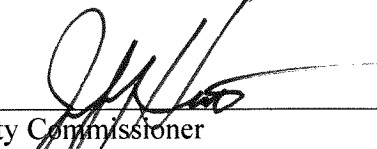
Section 10. Effective Date. This Ordinance shall become effective on the earliest date permitted by the Debt Act.


[Rest of Page Intentionally Left Blank]

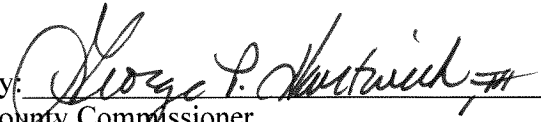


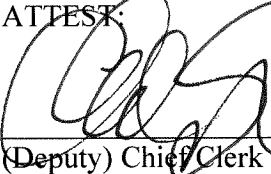
**DULY ADOPTED**, by the Board of Commissions of the County of Dauphin, in lawful session duly assembled, this 15th day of November, 2017.

COUNTY OF DAUPHIN, PENNSYLVANIA

By:   
County Commissioner

By:   
County Commissioner


By:   
County Commissioner

ATTEST:  
  
(Deputy) Chief Clerk

(SEAL)

I HEREBY CERTIFY that the foregoing is a true and correct copy of an Ordinance duly enacted by the affirmative vote of a majority of the members of the Board of Commissioners of the County of Dauphin, Pennsylvania, at a public meeting held the 15<sup>th</sup> day of November, 2017; that proper notice of such meeting was duly given as required by law; and that said Ordinance has been spread upon the Minutes of said Board, showing how each member voted thereon, and has been duly advertised as required by law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said County this 15<sup>th</sup> day of November, 2017.

  
\_\_\_\_\_  
(Deputy) Chief Clerk

(SEAL)