

ORDINANCE NO. 195-14

BY: **SCOTT TUMA**

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A BASE LEASE FOR THE PURPOSE OF GRANTING A PROPERTY INTEREST IN CERTAIN HOSPITAL FACILITIES LEASED TO THE PARMA COMMUNITY GENERAL HOSPITAL IN CONNECTION WITH A REFINANCING OF CERTAIN HOSPITAL REVENUE BONDS OF THE CITY THAT WERE PREVIOUSLY ISSUED FOR THE BENEFIT OF THE PARMA COMMUNITY GENERAL HOSPITAL ASSOCIATION; AUTHORIZING AND APPROVING RELATED MATTERS; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Parma, Ohio, a municipal corporation and political subdivision of the State of Ohio (the "State"), is authorized and empowered by virtue of the laws of the State, including without limitation, Chapter 140 of the Ohio Revised Code (the "Act"), among other things: (i) to acquire, construct, improve, furnish and equip hospital facilities; (ii) to enter into lease agreements to provide for the lease of hospital facilities to a hospital agency; and (iii) to enter into the Base Lease identified in this Ordinance and to sign and deliver certain other documents upon the terms and conditions identified in this Ordinance; and

WHEREAS, the City owns and leases to The Parma Community General Hospital Association (the "Hospital Association") certain property (the "City Property") constituting hospital facilities known as Parma Community General Hospital pursuant to an Indenture of Lease dated December 22, 1958 between the City and the Hospital Association, as supplemented and amended by the Amendment to Indenture of Lease dated April 13, 1989, the Second Amendment to Indenture of Lease dated January 26, 1995 and the Third Amendment to Indenture of Lease dated January 6, 1998 (collectively the "City Lease"); and

WHEREAS, the City previously issued and delivered its \$38,955,000 original principal amount of City of Parma, Ohio Hospital Revenue Bonds, Series 2006A (The Parma Community General Hospital Association) dated as of June 1, 2006 (the "Series 2006A Bonds") and its \$26,010,000 original principal amount of City of Parma, Ohio Hospital Revenue Bonds, Series 2006C (The Parma Community General Hospital Association) dated as of June 1, 2006 (the "Series 2006C Bonds") for the purpose of paying and refunding prior obligations issued to pay costs of hospital facilities within the meaning of the Act; and

WHEREAS, pursuant to and in accordance with the laws of the State of Ohio, including the Act, the Ohio Higher Educational Facility Commission (the "Commission") has determined to issue and sell State of Ohio Hospital Revenue Bonds, Series 2014 (University Hospitals Health System, Inc. Project) (the "Series 2014 Bonds") for the purpose of paying "costs of hospital facilities" as defined in the Act and to refund obligations previously issued to pay costs of hospital facilities, including to refund an interim taxable loan or loans used to refund all of the outstanding Series 2006A Bonds and Series 2006C Bonds; and

WHEREAS, a portion of the hospital facilities located at The Parma Community General Hospital that will be refinanced with a portion of the proceeds of the Series 2014 Bonds is owned by the City and in connection with the issuance of the Series 2014 Bonds, the State, acting by and through the Commission, is required under the Act to have sufficient property interest in such hospital facilities; and

WHEREAS, in connection with the issuance of the Series 2014 Bonds, the City Property will be leased by the State acting by and through the Commission to University Hospitals Health System, Inc.; and

WHEREAS, University Hospitals Health System, Inc. and The Parma Community General Hospital Association have requested that the City enter into a Base Lease in order to

grant to the State, acting by and through the Commission, sufficient interest in the City Property in order to facilitate the issuance of the Series 2014 Bonds; and

WHEREAS, the obligations of the Hospital Association under the City Lease will remain in full force and effect, and the 2014 Bonds will not represent or constitute debt, obligations or a pledge of the faith and credit of the City.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Parma, County of Cuyahoga, Ohio that:

Section 1. Base Lease. In connection with the issuance and sale of the Series 2014 Bonds, this Council authorizes a base lease conveying a leasehold interest from the City to the State, acting by and through the Commission, in the City Property (the "Base Lease"). The Mayor, the Auditor, the Treasurer, the Clerk of Council and any other appropriate officer of the City, alone or in conjunction with any of the foregoing, are authorized to sign and deliver, for and in the name and on behalf of the City, the Base Lease containing terms that are not inconsistent with this Ordinance, are not substantially adverse to the City, are permitted by law including the Act, are approved as to form by the Director of Law, and are approved by the officer or officers signing the Base Lease.

Section 2. Other Documents. The Mayor, the Director of Law, the Auditor, the Treasurer, the Clerk of Council and any other appropriate officer of the City, alone or in conjunction with any of the foregoing, are authorized and directed to sign, deliver and, if applicable, file, for and in the name and on behalf of the City, any certifications and other instruments and documents which are necessary or appropriate to reflect the transfer of a leasehold interest as contemplated in the Base Lease and to consummate the transactions contemplated in the Base Lease and the issuance of the Series 2014 Bonds by the State acting by and through the Commission.

Section 3. Findings and Determinations. This Council hereby finds and determines that:

(i) the Base Lease will promote the public purpose stated in Section 140.02 of the Revised Code and the City will be duly benefitted thereby; and

(ii) the contribution made by the City under the Base Lease will be fair consideration for the value and benefit to be derived by it under such Base Lease.

Section 4. Compliance with Open Meeting Requirements. It is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in those formal actions, were in meetings open to the public in compliance with all legal requirements.

Section 5. Emergency Clause. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the City, and for the further reason that the immediate execution and delivery of the Base Lease is necessary to accomplish the refinancing of the Series 2006A Bonds and the Series 2006C Bonds under the current favorable market conditions and thereby obtain cost savings and enhance the availability, efficiency and economy of hospital facilities within the City; wherefore, this Ordinance shall be in full force and effect from and immediately after its passage and approval by the Mayor, otherwise from and after the earliest period allowed by law.

PASSED: _____

PRESIDENT OF COUNCIL

ATTEST: _____

CLERK OF COUNCIL

APPROVED: _____

FILED WITH
THE MAYOR: _____

MAYOR, CITY OF PARMA, OHIO