

REQUEST FOR BOARD ACTION

HENDERSON COUNTY

BOARD OF COMMISSIONERS

MEETING DATE: 6 May 2013

SUBJECT: Reimbursement resolution for Henderson County Hospital Corporation financing

PRESENTER: Charles Russell Burrell

ATTACHMENT(S): Proposed "Resolution of the County of Henderson, North Carolina declaring the intent of the County of Henderson, North Carolina to reimburse itself for capital expenditures incurred in connection with the acquisition of land and the construction thereon of buildings housing physicians, clinical programs and the YMCA for use by Margaret R. Pardee Hospital from the proceeds of certain tax-exempt obligations to be executed and delivered in Calendar Year 2013"

SUMMARY OF REQUEST:

Hospital corporation officials request the County to adopt a reimbursement resolution for a possible financing to be undertaken during the coming fiscal year. As the County is the owner of all hospital facilities (which would likely be collateral for this financing), the financing requires County participation. A reimbursement resolution declares an issuer's official intent to reimburse itself for original expenditures with proceeds of a later financing.

This financing will cover some or all of the construction costs of the corporation's portion of the Mission-Pardee Health Campus in Fletcher. Note that Pardee's finance committee has decided not to seek financing for purchase of one-half of the value of Mission's interest in the land and buildings there at this time. Under the existing agreements, the option to purchase the same cannot be exercised until grant of the certificate of occupancy. Though not included in this resolution, this action may include the refinancing of the corporation's existing revenue bond indebtedness.

Attached is a proposed resolution prepared by bond counsel to allow reimbursement from the proceeds of the financing of expenditures for the project made prior to the actual financing.

County staff will be present and prepared if requested to give further information on this matter.

BOARD ACTION REQUESTED:

Approval of the proposed resolution.

If the Board is so inclined, the following motion is suggested:

I move that the Board approve the proposed resolution.

Extract of Minutes of a regular meeting of the Board of Commissioners of the County of Henderson, North Carolina, was duly held on May 6, 2013 at 5:30 p.m. in the Commissioners' Meeting Room, Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hendersonville, North Carolina. Chairman Charles D. Messer presiding.

* * *

The following members were present:

The following members were absent:

Also present:

* * *

Commissioner _____ moved that the following resolution (the "*Resolution*"), a copy of which was available with the Board and which was read by title:

RESOLUTION OF THE COUNTY OF HENDERSON, NORTH CAROLINA DECLARING THE INTENT OF THE COUNTY OF HENDERSON, NORTH CAROLINA TO REIMBURSE ITSELF OR MARGARET R. PARDEE HOSPITAL FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH THE PARDEE CLINICAL AND PHYSICIAN AREAS OF THE MISSION PARDEE HEALTH CAMPUS FOR USE BY MARGARET R. PARDEE HOSPITAL FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS TO BE EXECUTED AND DELIVERED IN FISCAL YEAR 2014

WHEREAS, the Board of Commissioners of the County of Henderson, North Carolina ("*County*") has determined that it is in the best interests of Margaret R. Pardee Hospital (the "*Hospital*") to incur capital expenditures in connection with the Pardee Clinical and Physician Areas of the Mission Pardee Health Campus, all for use by the Hospital (the "*Project*");

WHEREAS, the County presently intends, at one time or from time to time, to finance all or a portion of the costs of the Project with proceeds of tax-exempt obligations and reasonably expects to execute and deliver its tax-exempt obligations (the "*Obligations*") to finance, or to reimburse itself or the Hospital for, all or a portion of the costs of the Project; and

WHEREAS, the County desires to proceed with the Project, and the Hospital will incur and pay certain expenditures in connection with the Project prior to the date of execution and delivery of the Obligations (the "*Original Expenditures*"), such Original Expenditures to be paid for originally from a source other than the proceeds of the Obligations, and the County intends, and reasonably expects, to be reimbursed or to have the Hospital reimbursed for such Original Expenditures from a portion of the proceeds of the Obligations to be executed and delivered at a date occurring after the dates of such Original Expenditures;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Henderson, North Carolina as follows:

Section 1. **Official Declaration of Intent.** The County presently intends, and reasonably expects, to reimburse itself or have the Hospital reimburse itself for the Original Expenditures incurred and paid by the County or the Hospital on or after the date occurring 60 days prior to the date of adoption of this Resolution from a portion of the proceeds of the Obligations. The County reasonably expects to execute and deliver the Obligations to finance all or a portion of the costs of the Project and the maximum principal amount of Obligations expected to be executed and delivered by County to pay for all or a portion of the costs of the Project is \$7,000,000.

Section 2. **Compliance with Regulations.** The County adopts this Resolution as a declaration of official intent under Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended, to evidence the County's intent to reimburse itself or have the Hospital reimburse itself for the Original Expenditures from proceeds of the Obligations.

Section 3. **Itemization of Capital Expenditures.** The Finance Officer of the County, with advice from special counsel, is hereby authorized, directed and designated to act on behalf of the County in determining and itemizing all of the Original Expenditures incurred and paid by the County or the Hospital in connection with the Project during the period commencing on the date occurring 60 days prior to the date of adoption of this Resolution and ending on the date of execution and delivery of the Obligations.

Section 4. **Effective Date.** This Resolution is effective immediately on the date of its adoption.

On motion of Commissioner _____, seconded by Commissioner _____, the foregoing resolution entitled **“RESOLUTION OF THE COUNTY OF HENDERSON, NORTH CAROLINA DECLARING THE INTENT OF THE COUNTY OF HENDERSON, NORTH CAROLINA TO REIMBURSE ITSELF OR MARGARET R. PARDEE HOSPITAL FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH THE PARDEE CLINICAL AND PHYSICIAN AREAS OF THE MISSION PARDEE HEALTH CAMPUS FOR USE BY MARGARET R. PARDEE HOSPITAL FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS TO BE EXECUTED AND DELIVERED IN FISCAL YEAR 2014”** was duly adopted by the following vote:

AYES:

NAYS:

STATE OF NORTH CAROLINA)
)
COUNTY OF HENDERSON) ss:

I, *Teresa Wilson*, Clerk to the Board of Commissioners of the County of Henderson, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled **“RESOLUTION OF THE COUNTY OF HENDERSON, NORTH CAROLINA DECLARING THE INTENT OF THE COUNTY OF HENDERSON, NORTH CAROLINA TO REIMBURSE ITSELF OR MARGARET R. PARDEE HOSPITAL FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH THE PARDEE CLINICAL AND PHYSICIAN AREAS OF THE MISSION PARDEE HEALTH CAMPUS FOR USE BY MARGARET R. PARDEE HOSPITAL FOR USE BY MARGARET R. PARDEE HOSPITAL FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS TO BE EXECUTED AND DELIVERED IN FISCAL YEAR 2014”** adopted by the Board of Commissioners of the County of Henderson, North Carolina, at a meeting held on the 6th day of May, 2013.

WITNESS my hand and the corporate seal of the County of Henderson, North Carolina, this the ___ day of May, 2013.

Teresa Wilson
Clerk to the Board
County of Henderson, North Carolina