

REQUEST FOR BOARD ACTION

HENDERSON COUNTY
BOARD OF COMMISSIONERS

**PUBLIC HEARING TO CONSIDER
HENDERSON COUNTY HOSPITAL CORPORATION DEEMED
REISSUANCE (CONVERTING 2013 REFUNDING BOND)
4 May 2015 at 5:30 o'clock p.m.**

ATTACHMENT(S): Notice of Public Hearing as published in The Times-News on April 20, 2015

SUMMARY:

Henderson County Hospital Corporation requests the Board to approve a resolution allowing what the Internal Revenue Service view as a "reissuance" of the 2013 Henderson County Hospital Corporation Refunding Bond. Doing so will insure compliance with tax provisions for tax-exempt lending given the Hospital Corporation's plans to lease a portion of its facilities to (non-profit, qualified under Internal Revenue Code Section 501(c)(3)) corporations Blue Ridge Community Health Services, Inc., and Pardee Memorial Hospital Foundation, Inc.

A prepared resolution will be provided for your consideration at the conclusion of the public hearing.

A public hearing has been scheduled on 4 May 2015 in the above matter.

REQUESTED ACTION:

Approval of the proposed Resolution.

PROPOSED MOTION:

I move that the Board adopt the proposed resolution regarding the 2013 Henderson County Hospital Corporation Refunding Bond.

**NOTICE OF PUBLIC HEARING REGARDING THE CONVERSION
BY THE COUNTY OF HENDERSON, NORTH CAROLINA OF CERTAIN OF ITS
OUTSTANDING FEDERALLY TAX-EXEMPT DEBT**

NOTICE IS HEREBY GIVEN to all interested persons that the Board of Commissioners of the County of Henderson, North Carolina (the "County") will hold a public hearing on May 4, 2015 at 5:30 p.m. in the Commissioners' Meeting Room, Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hendersonville, North Carolina 28792, at which time any person may be heard regarding the conversion of certain of the County's outstanding federally tax-exempt debt from qualified governmental bonds to qualified 501(c)(3) bonds.

The County has previously issued its (1) \$9,545,000 Hospital Revenue Refunding Bond (Margaret R. Pardee Memorial Hospital Project), Series 2013, the proceeds of which were used, among other purposes, to refund (a) the County's then-outstanding Hospital Revenue Bond (Margaret R. Pardee Memorial Hospital Project), Series 2010 (the "2010 Bond"), which 2010 Bond was issued to finance the acquisition of three medical office buildings in Hendersonville, North Carolina, including medical office buildings located at 643 Fifth Avenue West, Hendersonville, North Carolina 28739 (the "Fifth Avenue West Building"), 705 Sixth Avenue West, Hendersonville, North Carolina 28791 (the "Sixth Avenue West Building"), and 512 Sixth Avenue West, Hendersonville, North Carolina 28739 (the "OB-GYN Building"), and (b) the County's then-outstanding Hospital Revenue Bond (Margaret R. Pardee Memorial Hospital Project), Series 2008, the proceeds of which were applied, in part, to refund the County's then-outstanding Hospital Revenue Bonds (Margaret R. Pardee Memorial Hospital Project), Series 2001 (the "2001 Bonds"), which 2001 Bonds were issued to finance (a) the expansion of the emergency room facilities at Margaret R. Pardee Memorial Hospital (the "Hospital"), (b) the construction of a parking deck at the Hospital, and (c) the construction of a medical office building for the Hospital located at 709 North Justice Street, Hendersonville, North Carolina 28791 (the "North Justice Street Building") and (2) \$5,000,000 Hospital Revenue Bond (Margaret R. Pardee Memorial Hospital Project), Series 2014 (the "2014 Bond"), the proceeds of which were used to finance, among other purposes, capital up-fit improvements for the Hospital within the Pardee Clinical and Physician Areas of the Mission Pardee Health Campus, located at 2775 Hendersonville Road, Fletcher, North Carolina 28732 (the "Mission Pardee Project").

The Fifth Avenue West Building, North Justice Street Building, the Sixth Avenue West Building and the OB-GYN Building are and will be owned by the County and leased to the Hospital. The Mission Pardee Project is and will be owned by Mission Hospital, Inc., leased to Western North Carolina Healthcare Innovators III, LLC and sub-leased to the Hospital. All or a portion of each of the Fifth Avenue West Building, North Justice Street Building, the Sixth Avenue West Building, the OB-GYN Building and Mission Pardee Project will be sub-leased to Blue Ridge Community Health Services ("BRCHS"). The portion of each of the Fifth Avenue West Building, North Justice Street Building, the Sixth Avenue West Building, the OB-GYN Building and Mission Pardee Project not sub-leased to BRCHS will be operated by the Hospital.

On the conversion date, all or a portion of each of the 2013 Bond and 2014 Bond will be deemed to convert from a tax-exempt governmental obligation to a tax-exempt qualified 501(c)(3) bond for federal tax purposes. Neither the 2013 Bond nor the 2014 Bond will be

redeemed, nor will there be any changes to the interest rate, payment schedule or maturity date of the 2013 Bond or 2014 Bond.

Any person wishing to comment in writing on the conversion of the 2013 Bond or the 2014 Bond or the Fifth Avenue West Building, North Justice Street Building, the Sixth Avenue West Building, the OB-GYN Building or Mission Pardee Project may forward comments, for receipt prior to the date and time of the public hearing specified above, to the Clerk of the Board of Commissioners, 1 Historic Courthouse Square, Hendersonville, North Carolina 28792.

This the 20th day of April, 2015.

Teresa L. Wilson, Clerk to the
Henderson County Board of Commissioners