

**Carson City
Agenda Report**

Date Submitted: 7/10/12

Agenda Date Requested: 7/19/12

Time Requested: 10 minutes

To: Mayor and Supervisors

From: Nick Providenti, Finance Director

Subject Title: For Possible Action: Action to adopt a resolution indicating the intent of Carson City, Nevada, to issue its Hospital Revenue Refunding Bonds for the purpose of refunding certain Hospital Revenue Bonds previously issued by Carson City, Nevada, for the benefit of Carson Tahoe Regional Healthcare; fixing the time and place of a hearing concerning such bonds; providing for the publication of a notice concerning such hearing; approving the form of an agreement between Carson City, Nevada and Carson Tahoe Regional Healthcare; and prescribing other details in connection therewith.

Staff Summary: Authorizes a public hearing on the issuance of hospital refunding bonds for, and a preliminary agreement with, Carson Tahoe Regional Healthcare.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

Does this action require a Business Impact Statement: () Yes (xx) No

Recommended Board Action: I move to adopt Resolution # _____, a resolution indicating the intent of Carson City, Nevada, to issue its Hospital Revenue Refunding Bonds for the purpose of refunding certain Hospital Revenue Bonds previously issued by Carson City, Nevada, for the benefit of Carson Tahoe Regional Healthcare; fixing the time and place of a hearing concerning such bonds; providing for the publication of a notice concerning such hearing; approving the form of an agreement between Carson City, Nevada and Carson Tahoe Regional Healthcare; and prescribing other details in connection therewith.

Explanation for Recommended Board Action: Carson City is authorized by the County Economic Development Revenue Bond Law now constituting NRS Sections 244A.669 to 244A.763, inclusive (the "Act") to finance or acquire, whether by construction, purchase, gift, devise, lease or sublease, to improve and equip, and to sell or otherwise dispose of one or more projects or parts thereof located within the State, and which may be located within or partly within and partly outside the City so that health and care facilities may be acquired, developed, expanded and maintained by enterprises who will provide health care of high quality at reasonable rates for the benefit of the residents of the City and of the State. The City is further authorized by the Act to issue its revenue bonds for the purpose of financing or defraying all or any portion of the cost of acquiring, improving, and equipping any land, building or other improvement and all real and personal properties necessary in connection therewith, whether or not in existence, suitable for a health and care facility.

Carson City has issued pursuant to the Act: (i) its "Carson City, Nevada Hospital Revenue Bonds, Series 2002" originally issued in the aggregate principal amount of \$45,185,000 and currently outstanding in the aggregate principal amount of \$20,760,000 and (ii) its "Carson City,

Nevada Hospital Revenue Bonds, Series 2003A” originally issued in the aggregate principal amount of \$45,185,000 and currently outstanding in the aggregate principal amount of \$40,110,000. Carson Tahoe Regional Healthcare Corporation is requesting that the City take steps to issue one or more series of revenue refunding bonds under the Act in a principal amount not to exceed \$59,000,000 for the purpose of (i) refunding all or any portions of the 2002 Bonds and the 2003A Bonds and (ii) paying the costs of issuing the Bonds.

The Bonds shall be special, limited obligations of the City and shall be payable solely from the revenues to be received by the City pursuant to a loan agreement, lease agreement or other agreement to be entered into between the City and Carson Tahoe Regional Healthcare Corporation. The Bonds shall never constitute a debt or indebtedness of the City or a charge against its general credit or taxing power.

The Resolution is also indicating that the Board of Supervisors will hold a public hearing on August 16, 2012 to hear and consider the views of all interested person concerning the proposed issuance by the City of the Bonds to finance the Refunding Project and all information supplied by the Corporation to enable the Board to make the determinations required by NRS 244A.711.

Applicable Statute, Code, Policy, Rule or Regulation: NRS Chapter 244.669 to 244A.763, inclusive.

Fiscal Impact: None to the City.

Explanation of Impact: The Bonds shall be special, limited obligations of the City and shall be payable solely from the revenues to be received by the City pursuant to a loan agreement, lease agreement or other agreement to be entered into between the City and Carson Tahoe Regional Healthcare Corporation. The Bonds shall never constitute a debt or indebtedness of the City or a charge against its general credit or taxing power.

Funding Source: N/A

Alternatives: Elect not to refund the bonds

Supporting Material: Resolution

Prepared By: Nick Providenti

Reviewed By: Nancy Paulso Date: 7/10/12
(Department Head)

: [Signature] Date: 7/10/12
(City Manager)

: [Signature] Date: 7/10/12
(District Attorney)

: Nancy Paulso Date: 7/10/12
(Finance Director)

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____ _____

(Vote Recorded By)

Summary - authorizes a public hearing on the issuance of hospital revenue refunding bonds for, and a preliminary agreement with, Carson Tahoe Regional Healthcare

RESOLUTION NO. _____

A RESOLUTION INDICATING THE INTENT OF CARSON CITY, NEVADA, TO ISSUE ITS HOSPITAL REVENUE REFUNDING BONDS FOR THE PURPOSE OF REFUNDING CERTAIN HOSPITAL REVENUE BONDS PREVIOUSLY ISSUED BY CARSON CITY, NEVADA, FOR THE BENEFIT OF CARSON TAHOE REGIONAL HEALTHCARE; FIXING THE TIME AND PLACE OF A HEARING CONCERNING SUCH BONDS; PROVIDING FOR THE PUBLICATION OF A NOTICE CONCERNING SUCH HEARING; APPROVING THE FORM OF AN AGREEMENT BETWEEN CARSON CITY, NEVADA AND CARSON TAHOE REGIONAL HEALTHCARE; AND PRESCRIBING OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, Carson City, in the State of Nevada (the “City” and “State,” respectively), is organized and operating pursuant to the provisions of Chapter 276, Statutes of Nevada 1971 (the “Charter”), and the general laws of the State; and

WHEREAS, the City is authorized by the County Economic Development Revenue Bond Law now constituting NRS Sections 244A.669 to 244A.763, inclusive (the “Act”), to finance or acquire, whether by construction, purchase, gift, devise, lease or sublease, to improve and equip, and to sell or otherwise dispose of one or more projects or parts thereof located within the State, and which may be located within or partly within and partly outside the City so that health and care facilities may be acquired, developed, expanded and maintained by enterprises who will provide health care of high quality at reasonable rates for the benefit of the residents of the City and of the State; and

WHEREAS, the City is further authorized by the Act to issue its revenue bonds for the purpose of financing or defraying all or any portion of the cost of acquiring, improving, and equipping any land, building or other improvement and all real and personal properties necessary in connection therewith, whether or not in existence, suitable for a health and care facility; and

WHEREAS, the City has heretofore issued pursuant to the Act: (i) its “Carson City, Nevada Hospital Revenue Bonds (Carson-Tahoe Hospital Project), Series 2002,” originally issued in the aggregate principal amount of \$45,185,000 and currently outstanding in the aggregate principal amount of \$20,760,000 (the “2002 Bonds”); and (ii) its “Carson City, Nevada Hospital Revenue Bonds (Carson-Tahoe Hospital Project), Series 2003A,” originally

issued in the aggregate principal amount of \$45,000,000 and currently outstanding in the aggregate principal amount of \$40,110,000 (the "2003A Bonds"); and

WHEREAS, a portion of the net proceeds of the 2002 Bonds and the 2003A Bonds were used to finance the costs of a new hospital and related facilities for Carson Tahoe Regional Healthcare (f/k/a Carson-Tahoe Hospital), a Nevada non-profit corporation (the "Corporation"), all of which collectively constitute a "health and care facility" under the Act; and

WHEREAS, the City is further authorized by the Act to: (i) issue its revenue refunding bonds for the purpose of refunding any revenue bonds previously issued by it under the Act; and (ii) take such other actions as are necessary or useful in order to accomplish and otherwise carry out the provisions thereof; and

WHEREAS, the Corporation has requested that the City take steps preliminary to the issuance of one or more series of revenue refunding bonds under the Act in a principal amount not to exceed \$56,400,000 (collectively, the "Bonds") for the purpose of (i) refunding all or any portion of the 2002 Bonds and the 2003A Bonds and (ii) paying the costs of issuing the Bonds (the "Refunding Project"); and

WHEREAS, before availing itself of its power to issue revenue refunding bonds with respect to any project under the Act, and pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the Board of Supervisors of the City (the "Board") must publish notice of its intention and hold at least one public hearing not less than fourteen nor more than twenty days after the date of publication of such notice.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF CARSON CITY, NEVADA:

Section 1. A public hearing shall be held on August 16, 2012, at 8:30 a.m., at the Carson City Community Center, Sierra Room, 851 E. William Street, Carson City, Nevada, at which time and place the Board will hear and consider: (i) the views of all interested persons concerning the proposed issuance by the City of the Bonds to finance the Refunding Project; and (ii) all information supplied by the Corporation to enable the Board to make the determinations required by NRS Section 244A.711.

Section 2. The Bonds shall be special, limited obligations of the City and shall be payable solely from the revenues to be received by the City pursuant to a loan agreement, lease agreement or other agreement to be entered into between the City and the Corporation. The Bonds shall never constitute a debt or indebtedness of the City or a charge against its general credit or taxing power.

Section 3. The Bonds shall not be issued unless: (i) the City has held the hearing required by NRS 244A.707 and made the findings required by NRS 244A.711; (ii) the City and the Corporation have agreed to mutually acceptable terms for the Bonds and the sale and delivery thereof, and mutually acceptable terms and conditions for the loan agreement, lease

agreement or other agreement for the financing of the Refunding Project; (iii) the Corporation shall have provided the City Manager or his designee with sufficient information such that the City Manager or his designee determines that it is acceptable to proceed with the financing; (iv) all requisite governmental approvals for the Bonds and the Refunding Project shall have been obtained; and (v) the City shall have completed all proceedings required by the Act.

Section 4. The City Clerk shall give notice of such hearing by publication one time in a newspaper of general circulation and published within the City, such publication to be not less than fourteen nor more than twenty days prior to the date of the hearing. Such notice shall be in substantially the following form:

[The remainder of this page intentionally left blank.]

(Form of Notice)

NOTICE OF HEARING CONCERNING THE PROPOSED
ISSUANCE OF HOSPITAL REVENUE REFUNDING BONDS
OF CARSON CITY, NEVADA, FOR THE PURPOSE OF
REFINANCING A PORTION OF THE COSTS OF
CONSTRUCTING AND EQUIPPING CERTAIN HEALTH AND
CARE FACILITIES OWNED AND OPERATED BY CARSON
TAHOE REGIONAL HEALTHCARE AND PAYING THE
COSTS OF ISSUING SUCH HOSPITAL REVENUE
REFUNDING BONDS.

NOTICE IS HEREBY GIVEN that a public hearing will be held on August 16, 2012, at 8:30 a.m., at the Community Center, Sierra Room, 851 E. William Street, Carson City, Nevada, for the purpose of considering the proposed issuance by Carson City, Nevada (the "City") of its hospital revenue refunding bonds, in one or more series (the "Bonds"), under the County Economic Development Revenue Bond Law, NRS Sections 244A.669 to 244A.763, inclusive (the "Act"), for Carson Tahoe Regional Healthcare, f/k/a Carson-Tahoe Hospital (the "Corporation"), for the purpose of (i) refunding all or any portion of the outstanding aggregate principal amount of (a) the City's Hospital Revenue Bonds (Carson-Tahoe Hospital Project), Series 2002, and (b) the City's Hospital Revenue Bonds (Carson-Tahoe Hospital Project), Series 2003A, and (ii) paying the costs of issuing the Bonds.

At such public hearing, the Board of Supervisors of Carson City will consider information supplied by the Corporation to enable the Board to make certain determinations required by the Act. Copies of the proposed resolution to be considered by the Board after such hearing will be on file during the ten days prior to the public hearing, in the office of the City Clerk in Carson City, Nevada, and will be available for inspection during normal and regular business hours.

The Corporation has requested that the City issue the Bonds under the Act in a principal amount not exceeding \$56,400,000 for the purposes outlined above. The Bonds shall be special, limited obligations of the City, payable from revenues derived by the City from a financing agreement between the City and the Corporation. The Bonds and the interest thereon shall never constitute the debt or indebtedness of the City and shall not constitute nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers.

The owner and operator of the facilities for which the Bonds will be issued will be the Corporation. The facilities being refinanced in part with the proceeds of the Bonds are located at 1600 Medical Parkway, Carson City, Nevada, and consist of a portion of an approximately 335,000 square foot hospital building and related equipment and fixtures located on an approximately 18.83 acre site, which includes 120 private patient rooms, 3 semi-private rooms, 8 licensed operating rooms, and a 24-hour fully staffed emergency department.

At the time and place designated above for the hearing the Board of Supervisors shall hear the view of all interested persons regarding the proposed issuance of the Bonds under the Act.

By Order of the Board of Supervisors, Carson City, Nevada, this July 19, 2012.

/s/ Alan Glover

City Clerk

(End of Form of Notice)

Section 5. Nothing herein shall be construed in any way as committing or obligating the City to issue the Bonds or to take any other steps to facilitate the Refunding Project. Nothing herein constitutes a City endorsement of the Refunding Project or a finding by the City that the Refunding Project is feasible or is in compliance with any laws or regulations.

Section 6. This resolution is conditioned upon the execution and delivery by the Corporation of an agreement in substantially the form attached as Exhibit I.

Section 7. The officers of the City be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 8. All resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any resolution or any part thereof heretofore repealed.

Section 9. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any remaining provisions of this resolution.

Section 10. This resolution shall be in effect after its passage in accordance with law.

PASSED AND ADOPTED this July 19, 2012.

Chairman

(SEAL)

Attest:

Clerk

EXHIBIT I

AGREEMENT

This Agreement is entered into this 19th day of July, 2012, between Carson City, Nevada (the "City"), and Carson Tahoe Regional Healthcare, a Nevada nonprofit corporation (the "Corporation"), and relates to the proposed issuance of hospital revenue refunding bonds by the City for the purpose of refunding of all or any portion of the outstanding aggregate principal amount of (i) the City's Hospital Revenue Bonds, (Carson-Tahoe Hospital Project), Series 2002, and (ii) the City's Hospital Revenue Bonds (Carson-Tahoe Hospital Project), Series 2003A (collectively, the "Refunding Project"), for the benefit of the Corporation.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND AGREEMENTS CONTAINED HEREIN, IT IS HEREBY AGREED AS FOLLOWS:

Section 1. As provided in the resolution adopted by the Board of Supervisors of Carson City, Nevada, on July 19, 2012 (the "Resolution"), the City intends to undertake certain preliminary actions relating to its issuance of hospital revenue refunding bonds in one or more series (the "Bonds") to finance the Refunding Project.

Section 2. The Corporation agrees to indemnify and hold the City harmless against all cost or expense incurred by the City in connection with the Refunding Project or the issuance of the Bonds. In particular, the Corporation agrees to pay the fees and expenses of the City in an amount not exceeding \$1,000, together with the fees of the City's bond counsel and the financial advisors retained by the City in connection with the issuance of the Bonds.

Section 3. This Agreement shall be effective on the date of its execution and remain in effect until the Bonds have been paid in full.

Section 4. This Agreement does not provide any City endorsement of the Refunding Project or any City representation as to the Refunding Project or the issuance of the Bonds for the Refunding Project, other than as provided in the Resolution.

Section 5. In the event that the Corporation breaches this Agreement, the City may sue for specific performance hereof by the Corporation, may pursue legal action against the Corporation, may use whatever other remedies may be available to it at law or in equity or may pursue any combination thereof. The Corporation agrees to pay the reasonable attorney fees incurred by the City if it prevails in an action seeking to enforce the terms of this Agreement.

Section 6. No person is a third party beneficiary of this Agreement and nothing herein requires that the City enforce the provisions hereof; however, any failure to enforce or delay in enforcing the provisions hereof does not constitute a waiver of the City's right to enforce this Agreement. Any single or partial enforcement of any provision hereof does

not preclude any other enforcement or the exercise of any other right, power or remedy the City may have.

Section 7. The persons signing this Agreement represent that they have the power to do so on behalf of the party for which they are signing.

IN WITNESS WHEREOF, the City and the Corporation have caused this Agreement to be signed as of the day and year mentioned above.

CARSON CITY, NEVADA

(SEAL)

By: _____
City Manager

City Clerk

CARSON TAHOE REGIONAL
HEALTHCARE

By: _____
Chief Executive Officer

STATE OF NEVADA)
) SS.
CARSON CITY)

I, Alan Glover, the duly elected, qualified and acting City Clerk of Carson City (herein "City"), Nevada, do hereby certify:

1. The foregoing pages constitute a true, correct, complete, and compared copy of a resolution passed and adopted by the Board of Supervisors of the City (the "Board") at a meeting of the Board held on July 19, 2012; and the original resolution has been approved and authenticated by the signature of the Mayor and myself as City Clerk, and sealed with the seal of the City, and has been recorded in the minute book of the Board kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

2. The members of the Board voted on the resolution as follows:

Those Voting Aye: Robert Crowell
 Karen Abowd
 Shelly Aldean
 John McKenna
 Molly Wait

Those Voting Nay: _____

Those Absent: _____

3. All members of the Board were given due and proper notice of the meeting held on July 19, 2012.

4. Public notice of such meeting was given and such meeting was held and conducted in full compliance with the provisions of NRS 241.020. A copy of the notice of meeting and an excerpt from the agenda for such meeting relating to the resolution, as posted at least 3 working days in advance of the meetings at the City's website and at the:

- (i) Community Center
851 East William Street
Carson City, Nevada

- (ii) Public Safety Complex
885 East Musser Street
Carson City, Nevada

(iii) City Hall
201 North Carson
Carson City, Nevada

(iv) Carson City Library
900 North Roop Street
Carson City, Nevada

is attached as Exhibit "A."

5. Prior to 9:00 a.m. at least 3 working days before such meeting, such notice was mailed to each person, if any, who has requested notice of the meeting of the Board in compliance with NRS 241.020(3)(b) by United States Mail, or if feasible and agreed to by the requestor, by electronic mail.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of Carson City, Nevada, this July 19, 2012.

(SEAL)

City Clerk

Exhibit "A"
(Attach Copy of Notice of Meeting)