

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

**RESOLUTION NO. 2017-R-33**

**A RESOLUTION INDICATING THE INTENT OF CARSON CITY, NEVADA, TO ISSUE (A) ITS HOSPITAL REVENUE BONDS FOR THE PURPOSE OF FINANCING THE CONSTRUCTION, ACQUISITION AND EQUIPPING OF HEALTH AND CARE FACILITIES AND SUPPLEMENTAL FACILITIES FOR HEALTH AND CARE FACILITIES FOR THE BENEFIT OF CARSON TAHOE REGIONAL HEALTHCARE, AND (B) 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 the City, so that health and care facilities and supplemental facilities for 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 a supplemental facility for a health and care facility; and

**WHEREAS**, Carson Tahoe Regional Healthcare, f/k/a Carson-Tahoe Hospital, a Nevada non-profit corporation (the "Corporation"), owns and operates a "health and care facility" and a "supplemental facility for a health and care facility" within the meaning of the Act; and

**WHEREAS**, the Corporation has requested that the City take steps preliminary to the issuance of economic development revenue bonds in one or more series under the Act in an aggregate principal amount not to exceed \$61,695,000 (collectively, the "2017A Bonds") for the purpose of: (i) financing the construction, acquisition, and equipping of certain additional health and care facilities and supplemental facilities for a health and care facility for the benefit of the Corporation; (ii) financing capitalized interest on the 2017A Bonds, if any; and (iii) paying the costs of issuing the 2017A Bonds (collectively, the "Improvement Project"); 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 City has heretofore issued pursuant to the Act: (i) its "Carson City, Nevada Hospital Revenue Bonds (Carson-Tahoe Hospital Project), Series 2003B," originally issued in the aggregate principal amount of \$50,000,000 and currently outstanding in the aggregate principal amount of \$36,870,000 (the "2003B Bonds"); and (ii) its "Carson City, Nevada Hospital Revenue Bonds (Carson Tahoe Regional Medical Center Project), Series 2005," originally issued in the aggregate principal amount of \$15,000,000 and currently outstanding in the aggregate principal amount of \$11,540,000 (the "2005 Bonds"); 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 an aggregate principal amount not to exceed \$49,378,000 (collectively, the "2017B Bonds," and together with the 2017A Bonds, the "Bonds") for the purpose of: (i) refunding all or any portion of the 2003B Bonds and the 2005 Bonds; and (ii) paying the costs of issuing the Bonds (collectively, the "Refunding Project," and together with the Improvement Project, the "Project"); and

**WHEREAS**, before availing itself of its power to issue revenue bonds and 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 at a regular meeting of the Board to be held on October 19, 2017, at the hour of 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 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 one or more loan agreements, lease agreements or other agreements 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(s), lease agreement(s) or other agreement(s) for the financing of the 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 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 BONDS AND HOSPITAL REVENUE REFUNDING BONDS OF CARSON CITY, NEVADA IN ONE OR MORE SERIES, FOR THE PURPOSE OF FINANCING AND REFINANCING A PORTION OF THE COSTS OF CONSTRUCTING AND EQUIPPING CERTAIN HEALTH AND CARE FACILITIES AND CERTAIN SUPPLEMENTAL FACILITIES FOR HEALTH AND CARE FACILITIES OWNED AND OPERATED BY CARSON TAHOE REGIONAL HEALTHCARE AND PAYING RELATED COSTS.

NOTICE IS HEREBY GIVEN that a public hearing will be held at a regular meeting of the Board of Supervisors of Carson City, Nevada to be held on October 19, 2017, at the hour of 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: (i) its hospital revenue bonds in one or more series (collectively, the "2017A Bonds") under the County Economic Development Revenue Bond Law, NRS Sections 244A.669 to 244A.763, inclusive (the "Act"), for the benefit of Carson Tahoe Regional Healthcare, f/k/a Carson-Tahoe Hospital (the "Corporation"), for the purpose of (a) constructing, acquiring, and equipping certain additional health and care facilities and certain supplemental facilities for health and care facilities, (b) financing capitalized interest on the 2017A Bonds, if any, and (c) paying the costs of issuing the 2017A Bonds (collectively, the "Improvement Project"); and (ii) its hospital revenue refunding bonds in one or more series (collectively, the "2017B Bonds," and together with the 2017A Bonds, the "Bonds") under the Act, for the benefit of the Corporation, for the purpose of (a) refunding all or any portion of the outstanding aggregate principal amount of the City's Hospital Revenue Bonds (Carson-Tahoe Hospital Project), Series 2003B and the City's Hospital Revenue Bonds (Carson Tahoe Regional Medical Center Project), Series 2005, and (b) paying the costs of issuing the 2017B 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 resolutions 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 2017A Bonds under the Act in an aggregate principal amount not to exceed \$61,695,000 for the purposes outlined above, and issue the 2017B Bonds under the Act in an aggregate principal amount not to exceed \$49,378,000 for the purposes outlined above. The Bonds shall be special, limited obligations of the City, payable from revenues derived by the City from one or more financing agreements to be entered into 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/or operator of the facilities for which the Bonds will be issued will be the Corporation. The Bond proceeds will be used to finance or refinance the costs of constructing, acquiring, and equipping health and care facilities, supplemental facilities for health and care facilities and other capital improvements for the benefit of the Corporation, including facilities, equipment, and improvements located or to be located on, in, or adjacent to the Corporation's regional medical center at 1600 Medical Parkway, Carson City, Nevada, and facilities, equipment, and improvements located or to be located on or in the following Corporation facilities: (i) Carson Tahoe Sierra Surgery Center located at 1400 Medical Parkway, Carson City, Nevada; and (ii) Carson Tahoe Cancer Center located at 1535 Medical Parkway, Carson City, Nevada.

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 September 21, 2017.

/s/ SUSAN MERRIWETHER

Clerk - Recorder

(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 Project. Nothing herein constitutes a City endorsement of the Project or a finding by the City that the 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.

Upon motion by Supervisor Karen Abowd, seconded by Supervisor Lori Bagwell, the foregoing Resolution was passed and adopted this 21<sup>st</sup> day of September, 2017, by the following vote:

AYES: Supervisor Karen Abowd  
Supervisor Lori Bagwell  
Supervisor John Barrette  
Mayor Robert Crowell

NAYS: None.

ABSENT: Supervisor Brad Bonkowski

ABSTAIN: None.



ROBERT L. CROWELL, Mayor  
Carson City, Nevada

(SEAL)

ATTEST:

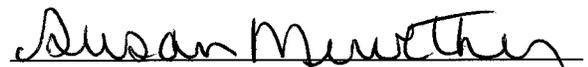
  
SUSAN MERRIWETHER, Clerk - Recorder

EXHIBIT I

**AGREEMENT**

This Agreement is entered into this 21<sup>st</sup> day of September, 2017, between Carson City, Nevada (the "City"), and Carson Tahoe Regional Healthcare, a Nevada nonprofit corporation (the "Corporation"), and relates to the proposed issuance of: (i) hospital revenue bonds in one or more series in an aggregate principal amount not to exceed \$61,695,000 (collectively, the "2017A Bonds") for the purpose of (a)(i) financing the construction, acquisition, and equipping of certain additional health and care facilities and supplemental facilities for health and care facilities for the benefit of the Corporation, (ii) financing capitalized interest on the 2017A Bonds, if any, and (iv) paying the costs of issuing the 2017A Bonds (collectively, the "Improvement Project"); and (b) hospital revenue refunding bonds in one or more series in an aggregate principal amount not to exceed \$49,378,000 (collectively, the "2017B Bonds," and together with the 2017A Bonds, the "Bonds") for the purpose of refunding, for the benefit of the Corporation, (i) its "Carson City, Nevada Hospital Revenue Bonds (Carson-Tahoe Hospital Project), Series 2003B," originally issued in the aggregate principal amount of \$50,000,000 and currently outstanding in the aggregate principal amount of \$36,870,000 (the "2003B Bonds"), and its "Carson City, Nevada Hospital Revenue Bonds (Carson Tahoe Regional Medical Center Project), Series 2005," originally issued in the aggregate principal amount of \$15,000,000 and currently outstanding in the aggregate principal amount of \$11,540,000 (the "2005 Bonds"), and (ii) paying the costs of issuing the 2017B Bonds (collectively, the "Refunding Project," and together with the Improvement Project, the "Project").

**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 September 21, 2017 (the "Resolution"), the City intends to undertake certain preliminary actions relating to its issuance of the Bonds to finance the 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 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 pursuant to engagement letters supplied to the City and agreed to by the Corporation.

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 Project or any City representation as to the Project or the issuance of the Bonds for the 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: \_\_\_\_\_  
ROBERT L. CROWELL, Mayor  
Carson City, Nevada

\_\_\_\_\_  
SUSAN MERRIWETHER, Clerk - Recorder

CARSON TAHOE REGIONAL  
HEALTHCARE

By: \_\_\_\_\_  
Chief Executive Officer

STATE OF NEVADA        )  
                                  ) SS.  
CARSON CITY             )

I am the duly chosen, qualified and acting Clerk - Recorder of Carson City (the "City"), in the State of Nevada, and do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of a resolution of the Board of Supervisors (the "Board") adopted at a meeting of the Board held on September 21, 2017.

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

Those Voting Aye:    Supervisor Karen Abowd  
                          Supervisor Lori Bagwell  
                          Supervisor John Barrette  
                          Mayor Robert Crowell

Those Voting Nay:   None.  
Those Absent:       Supervisor Brad Bonkowski

3. The original of the resolution has been approved and authenticated by the signatures of the Mayor of the City and myself as Clerk - Recorder 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 the officers and properly sealed.

4. All members of the Board were given due and proper notice of such meeting. 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 excerpts from the agenda for the meeting relating to the resolution, as posted no later than 9:00 a.m. on the third working day prior to the meeting on the City's website, the State of Nevada's official website, and at:

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

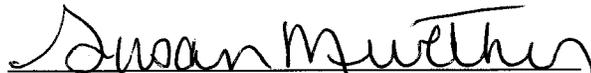
(ii)   Public Safety Complex  
       885 East Musser Street  
       Carson City, Nevada

- (iii) City Hall  
201 North Carson Street  
Carson City, Nevada
- (iv) Carson City Library  
900 North Roop Street  
Carson City, Nevada
- (v) Business Resource & Innovation Center (BRIC)  
108 East Proctor Street  
Carson City, Nevada

is attached as Exhibit "A."

5. At least 3 working days before such meeting, such notice was delivered to each member of the Board and to each person, if any, who has requested notice of meetings of the Board in accordance with the provisions of Chapter 241 of NRS.

**IN WITNESS WHEREOF**, I have hereunto set my hand this 21<sup>st</sup> day of September, 2017.

  
SUSAN MERRIWETHER, Clerk - Recorder