

AGENDA ITEM FOR ADMINISTRATIVE MEETING ( ) Discussion only  
( X ) Action

FROM (DEPT/ DIVISION): County Counsel

SUBJECT: CHI Bonds

<p>Background: CHI is seeing to issue bonds to finance improvements. The matter is before the Board to conduct a public hearing and to approve the issuances of the bonds. The county is not involved in the issuance or funding of the bonds. This same process occurred in 2016.</p>	<p>Requested Action: Adopt Order No. BCC2017-041</p>
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ATTACHMENTS: Notice; Proposed Order

Date: (June 30, 2017) Submitted By: Douglas R. Olsen

\*\*\*\*\*For Internal Use Only\*\*\*\*\*

Checkoffs:

- ( ) Dept. Heard (copy)
- ( ) Human Resources (copy)
- ( ) Fiscal
- ( X ) Legal (copy)
- ( ) (Other - List:)

To be notified of Meeting:

Needed at Meeting:

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Scheduled for meeting on: July 5, 2017

Action taken:

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Follow-up:

## NOTICE OF PUBLIC HEARING

Notice is hereby given that the Board of Commissioners (the "Board") of Umatilla County, Oregon (the "County") will hold a public hearing on Wednesday, July 5, 2017 at 9:00 AM, local time, in Room 130 in the Umatilla County Courthouse, 216 SE Fourth Street, Pendleton, Oregon, regarding the proposed issuance by the Colorado Health Facilities Authority of tax-exempt bonds (the "Bonds"), the proceeds of which will be loaned to Catholic Health Initiatives, a Colorado nonprofit corporation ("CHI").

A portion of the Bonds not to exceed \$85,000,000 will be used in the County to: (i) finance, refinance, pay or reimburse the costs of, acquiring, constructing, renovating and installing certain additions and improvements to and facilities and equipment for certain healthcare facilities owned and/or operated by certain of the Affiliates listed below at certain of the locations listed below (the "2017 Bonds Projects") and/or (ii) to refinance, in whole or in part, the portion of the following bonds allocable to projects located in the County: (a) the Hospital Facility Authority of Umatilla County, Oregon's Revenue Bonds (Catholic Health Initiatives) Series 2004A (the "2004A Bonds"), (b) COHFA's Revenue Bonds (Catholic Health Initiatives) Series 2008D-1 (the "2008D Bonds") and/or (c) COHFA's Revenue Bonds (Catholic Health Initiatives) Series 2013C (the "2013C Bonds" and collectively with the 2004A Bonds and the 2008D Bonds, the "Refunded Bonds").

The proceeds of the 2004A Bonds were used to, among other things, pay the costs of certain capital improvements and equipment acquisitions at health facilities owned and/or operated by certain of the Affiliates listed below and located at certain of the addresses listed below, including, but not limited to, the construction of an addition to St. Anthony Hospital consisting of surgical and diagnostic imaging areas.

A portion of the proceeds of the 2008D Bonds was used to finance, refinance or reimburse the costs of expenditures made for acquiring, constructing, renovating and installing certain additions and improvements to and facilities and equipment for the healthcare facilities owned and/or operated by certain of the Affiliates listed below at certain of the locations listed below.

A portion of the proceeds of the 2013C Bonds was used to finance, refinance or reimburse the costs of expenditures made for acquiring, constructing, renovating and installing certain additions and improvements to and facilities and equipment for the healthcare facilities owned and/or operated by certain of the Affiliates listed below at certain of the locations listed below, including, but not limited to, an approximately 103,000 square foot replacement hospital at 2801 St. Anthony Way in Pendleton.

The 2017 Bonds Projects and the projects located in the County that were financed or refinanced by proceeds of the Refunded Bonds (collectively, the "Projects") are owned and operated by CHI, St. Anthony Hospital and/or their affiliates or subsidiaries (collectively, the "Affiliates") and are or will be located at the following addresses in Pendleton, Oregon: 1601 SE Court Avenue; 2801 and 3001 St. Anthony Way and 1415 Southgate.

THE BONDS SHALL NOT REPRESENT OR CONSTITUTE A DEBT OR PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE COUNTY OR OF THE STATE OF OREGON.

The public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended. Any person who wishes to express an opinion regarding the Projects, either orally or in writing, will be given the opportunity to do so at the public hearing at the above-stated time and place. Following the public hearing, the Board will be asked to give its approval pursuant to Section 147(f) of

the Code, as the applicable elected officials of the governmental unit having within its jurisdiction the above-described Projects.

**UMATILLA COUNTY, OREGON**

THE BOARD OF COMMISSIONERS OF UMATILLA COUNTY

STATE OF OREGON

IN THE MATTER OF APPROVING THE )  
ISSUANCE OF REVENUE BONDS )  
FOR THE BENEFIT OF CATHOLIC ) ORDER NO. BCC2017-041  
HEALTH INITIATIVES AND APPROVING )  
THE PROJECTS TO BE FINANCED WITH )  
SUCH BONDS IN UMATILLA COUNTY )  
IN A PRINCIPAL AMOUNT NOT TO )  
EXCEED \$85,000,000 )

WHEREAS, the Board of County Commissioners of Umatilla County, Oregon (the "Commissioners") has received a request from Catholic Health Initiatives (the "Borrower"), a private, nonprofit corporation organized and existing under the laws of the State of Colorado and an organization described in Section 501(c)(3) of the Internal Revenue code of 1986 (the "Code"), to conduct a public hearing and approve of the issuance by the Colorado Hospital Facilities Authority (the "Issuer") of tax-exempt bonds (the "Bonds"), a portion of the proceeds of which, in an aggregate principal amount not to exceed \$85,000,000, will be used in Umatilla County, Oregon (the "County").

WHEREAS, the portion of the proceeds of the Bonds to be used in the County will be used to make a loan to the Borrower (i) to finance, refinance, pay or reimburse the costs of, acquiring, constructing, renovating and installing certain additions and improvements to and facilities and equipment for certain healthcare facilities owned and/or operated by certain of the Affiliates listed below at certain of the locations listed below (the "2017 Bonds Projects") and/or (ii) to refinance, in whole or in part, the portion of the following bonds allocable to projects located in the County: (a) the Hospital Facility Authority of Umatilla County, Oregon's Revenue Bonds (Catholic Health Initiatives) Series 2004A (the "2004A Bonds"), (b) the Issuer's Revenue Bonds (Catholic Health Initiatives) Series 2008D-1 (the "2008D Bonds") and/or (c) the Issuer's Revenue Bonds (Catholic Health Initiatives) Series 2013C (the "2013C Bonds" and collectively with the 2004A Bonds and the 2008D Bonds, the "Refunded Bonds").

WHEREAS, the proceeds of the 2004A Bonds were used to, among other things, pay the costs of certain capital improvements and equipment acquisitions at health facilities owned and/or operated by certain of the Affiliates listed below and located at certain of the addresses listed below, including, but not limited to, the construction of an addition to St. Anthony Hospital consisting of surgical and diagnostic imaging areas.

WHEREAS, a portion of the proceeds of the 2008D Bonds was used to finance, refinance or reimburse the costs of expenditures made for acquiring, constructing, renovating and installing certain additions and improvements to and facilities and equipment for the healthcare facilities

owned and/or operated by certain of the Affiliates listed below at certain of the locations listed below.

WHEREAS, a portion of the proceeds of the 2013C Bonds was used to finance, refinance or reimburse the costs of expenditures made for acquiring, constructing, renovating and installing certain additions and improvements to and facilities and equipment for the healthcare facilities owned and/or operated by certain of the Affiliates listed below at certain of the locations listed below, including, but not limited to, an approximately 103,000 square foot replacement hospital at 2801 St. Anthony Way in Pendleton.

WHEREAS, the 2017 Bonds Projects and the projects located in the County that were financed or refinanced by proceeds of the Refunded Bonds (collectively, the "Umatilla County Projects") are owned and operated by the Borrower, St. Anthony Hospital and/or their affiliates or subsidiaries (collectively, the "Affiliates") and are or will be located at the following addresses in Pendleton, Oregon: 1601 SE Court Avenue; 2801 and 3001 St. Anthony Way and 1415 Southgate.

WHEREAS, the Commissioners have been advised that the principal of and interest on the Bonds will not constitute a debt or obligation of the County, nor shall the Bonds be payable from a tax of any nature levied upon any property within the County nor any other political subdivision of the State of Oregon. By approving the Umatilla County Projects and the issuance of the Bonds, the Commissioners are not incurring and will not incur any liability for the repayment of the Bonds. The Bonds will be payable only from the revenues and resources provided by the Borrower.

WHEREAS, the Code authorizes the issuance of revenue bonds for a "qualified 501(c)(3) entity," such as the Borrower.

WHEREAS, Section 147(f) of the Code requires that qualified 501(c)(3) bonds be approved by the applicable elected representatives of (i) the governmental unit issuing such bonds, and (ii) the governmental unit (the Commissioners) having jurisdiction over the area in which the Umatilla County Projects are located.

WHEREAS, the Commissioners, as the applicable elected representatives of the governmental unit having jurisdiction over the area in which the Umatilla County Projects are located, have conducted a public hearing regarding the issuance of the Bonds and have invited oral and written comments from the public.

WHEREAS, the Commissioners find that it would be in the best interest of the County to approve of the issuance of the Bonds by the Issuer for the purpose of financing and refinancing the Umatilla County Projects pursuant to the requirements of Section 147(f) of the Code.

NOW THEREFORE the Board of Commissioners orders as follows:

Section 1. Public Hearing. As the applicable elected representatives of the governmental unit having jurisdiction over the area in which the Umatilla County Projects are located, and having held the public hearing, the Commissioners approve of the issuance of the Bonds.

Section 2. Project Approval. The Umatilla County Projects and the issuance of the Bonds to finance the Umatilla County Projects are hereby approved by the County. The principal of and interest on the Bonds will not constitute a debt of the County, nor shall the Bonds be payable from a tax of any nature levied upon any property within the County nor within any other political subdivision of the State of Oregon. By approving the Umatilla County Projects and the issuance of the Bonds, the Commissioners are not incurring and will not incur any liability for the repayment of the Bonds. The Bonds will be payable only from the revenues and resources provided by the Borrower.

Section 3. Effective Date of Order. This Order shall take effect immediately upon its adoption by the Board of Commissioners.

DATED this 5th day of July, 2017.

UMATILLA COUNTY BOARD OF COMMISSIONERS

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W. Lawrence Givens, Chair

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William J. Elfering, Commissioner

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George L. Murdock, Commissioner

ATTEST:  
OFFICE OF COUNTY RECORDS

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Records Officer