

FROM (DEPT/ DIVISION): County Counsel

SUBJECT: Hospital Facility Bond Reissuance and Extension

<p>Background:</p> <p>In 2008, the Board authorized the issuance of revenue bonds for hospital facility construction. The Board is now being requested to authorize the reissuance and extension of portion of those revenue bonds. A public hearing on the request is required to be held. After the hearing, an order approving the request can be adopted.</p>	<p>Requested Action:</p> <p>(1) Conduct Public Hearing on request to reissue and extend hospital facility construction revenue bonds;</p> <p>(2) Adopt Order No. BCC2018-071</p>
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ATTACHMENTS: Public Hearing Notice; Proposed Order

*****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:

Scheduled for meeting on: October 17, 2018

Action taken:

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, October 17, 2018 at 9:00 AM, local time, in Room 130 in the Umatilla County Courthouse, 216 SE Fourth Street, Pendleton, Oregon, 97801, regarding the proposed reissuance and extension by the Hospital Facility Authority of Umatilla County, Oregon (the "Authority") of its revenue bonds, in a maximum dollar amount not to exceed \$5,000,000 (the "Bonds"), the proceeds of which were loaned to Yakima Valley Farm Workers Clinic, a nonprofit corporation ("YVFWC").

Proceeds of the Bonds were used to finance the construction, equipping and furnishing of a single-story, approximately 17,849 square foot medical office building located at 589 NW 11th Street, Hermiston, Oregon, 97838 (the "Project"). The Project is owned and operated by YVFWC.

THE BONDS SHALL NOT REPRESENT OR CONSTITUTE A DEBT OR PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE COUNTY, THE AUTHORITY OR OF THE STATE OF OREGON. THE AUTHORITY HAS NO TAXING POWER.

The public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). Any person who wishes to express an opinion regarding the Project, 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 Project.

This notice is published pursuant to the public approval requirements of the Code and the regulations and rulings issued thereunder.

UMATILLA COUNTY, OREGON

Published October 2, 2018 in *The East Oregonian* in Pendleton, Oregon, 14 days prior to meeting date.

THE BOARD OF COMMISSIONERS OF UMATILLA COUNTY

STATE OF OREGON

IN THE MATTER OF APPROVING THE)
REISSUANCE AND EXTENSION OF) Order No. BCC2018-071
REVENUE BONDS FOR THE BENEFIT)
OF YAKIMA VALLEY FARM)
WORKERS CLINIC, IN A PRINCIPAL)
AMOUNT NOT TO EXCEED \$5,000,000,)
ISSUED BY THE HOSPITAL FACILITY)
AUTHORITY OF UMATILLA COUNTY,)
OREGON)

WHEREAS, the Board of County Commissioners of Umatilla County, Oregon (the “Commissioners”) acknowledges that The Hospital Facility Authority of Umatilla County, Oregon (the “Authority”) has received a request from the Yakima Valley Farm Workers Clinic, (the “Borrower”), a nonprofit corporation organized and existing under the laws of the State of Washington authorized by law to operate nonprofit health care facilities 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 reissuance and extension of revenue bonds (the “Bonds”), proceeds of which, in an aggregate principal amount not to exceed \$5,000,000, were used in Umatilla County, Oregon (the “County”).

WHEREAS, the proceeds of the Bonds were used to make a loan to the Borrower to finance the acquisition, design, construction, equipping and furnishing of a medical office building located in Hermiston, Oregon, and to pay certain expenses incurred in connection with the financing (the “Project”).

WHEREAS, the Project is owned and operated by the Borrower and is located at 589 Northwest 11th Street, Hermiston, Oregon, 97838.

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, the Authority, nor any other political subdivision of the State of Oregon. By approving the reissuance and extension of the Bonds, the Commissioners are not incurring and will not incur any liability for the repayment of the Bonds. The Authority has no taxing power. 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 Project is located, have conducted a public hearing regarding the reissuance and extension 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 reissuance and extension of the Bonds by the Authority for the purpose of financing the Project pursuant to the requirements of Section 147(f) of the Code.

NOW THEREFORE the Board of County 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 Project is located, and having held the public hearing, the Commissioners approve of the reissuance and extension of the Bonds.

Section 2. Approval of the Bonds. The reissuance and extension of the Bonds to finance the Project is 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, the Authority, nor within any other political subdivision of the State of Oregon. By approving the reissuance and extension of the Bonds, the Commissioners are not incurring and will not incur any liability for the repayment of the Bonds. The Authority has no taxing power. 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 Commissioners.

DATED this 17th day October, 2018.

UMATILLA COUNTY BOARD OF COMMISSIONERS

George L. Murdock, Chair

William J. Elfering, Commissioner

W. Lawrence Givens, Commissioner

ATTEST:
OFFICE OF COUNTY RECORDS

Records Officer