

RESOLUTION NO. 2016-47

A RESOLUTION AUTHORIZING THE APPROVAL OF REVENUE REFUNDING BONDS (SALEM HEALTH PROJECTS), IN ONE OR MORE SERIES, ISSUED BY THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM, OREGON IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$225,000,000.

Whereas, the Hospital Facility Authority of the City of Salem, Oregon (the Authority), has received a request from Salem Health (formerly known as Salem Hospital), a nonprofit corporation organized and existing under the laws of the State of Oregon (the Borrower), to issue its Revenue Refunding Bonds (Salem Health Projects), in one or more series and in an aggregate principal amount not to exceed \$225,000,000 (the Bonds) to finance and/or refinance the costs of the following projects (collectively, the Project):

1. Refund all or a portion of the Authority's Revenue Bonds (Salem Hospital Project), Series 2006A, dated November 15, 2006 and issued in the original aggregate principal amount of \$120,000,000 (the "2006A Bonds");
2. Refund all or a portion of the Authority's Revenue Bonds (Salem Hospital Project), Series 2008A, dated October 8, 2008 and issued in the original aggregate principal amount of \$59,710,000 (the "2008A Bonds");
3. Refund or restructure all or a portion of the Authority's Revenue Bonds (Salem Hospital Projects), Series 2013A and Series 2013B, each dated June 27, 2013 and issued in the original aggregate principal amount of \$70,000,000 (the "2013 Bonds" and together with the 2006A Bonds and the 2008A Bonds, the "Refunded Bonds"); and
4. Pay costs of issuance of the Bonds; and

Whereas, on September 20, 2016 the Authority adopted a resolution authorizing the sale, execution and delivery of the Bonds and related bond documents for and on behalf of the Borrower; and

Whereas, the principal of and interest on the Bonds will not constitute a debt of the City, nor shall the Bonds be payable from a tax of any nature levied upon any property within the City or any other political subdivision of the State of Oregon. The Bonds will be payable only from the revenues and resources provided by the Borrower; and

Whereas, the Internal Revenue Code of 1986, as amended, (the Code) authorizes the issuance of revenue bonds for a "qualified 501(c)(3) entity," such as the Borrower; and

Whereas, section 147(f) of the Code requires that qualified 501(c)(3) obligations (in this case the Bonds) be approved (1) by the applicable elected representatives of the governmental unit having jurisdiction over the area in which the Project is located; and (2) by the applicable elected representatives of the governmental unit issuing such obligations. The Board of Directors of the Authority are not elected representatives. The members of the City Council of the City of Salem (the City Council) are the applicable elected representatives for the Authority; and

Whereas, on September 20, 2016, the Authority conducted a public hearing (the Public Hearing) with respect to the proposed issuance of the Bonds by the Authority. The notice of Public Hearing was published September 6, 2016 in the *Statesman-Journal* (the Notice). An affidavit of publication of the Notice is attached hereto as Attachment 3. The public hearing was intended to provide a reasonable opportunity for members of the public to be heard by the Authority regarding the Project and the issuance of the Bonds. A copy of the Public Hearing Report is attached hereto as Attachment 4 (the Public Hearing Report); and

Whereas, the City Council finds that it would be in the best interest of the City to approve of the authorization, execution, sale and delivery of the Bonds by the Authority pursuant to the requirements of Section 147(f) of the Code.

NOW, THEREFORE, THE CITY OF SALEM RESOLVES, AS FOLLOWS:

Section 1. The City Council has reviewed the Affidavit of Publication of the Notice and finds that such publication was reasonable public notice of such hearing, and the Council has reviewed the Public Hearing Report and finds that no written comments were received and no members of the public appeared at the public hearing to express their views on the proposed Project.

Section 2. The City Council, as the applicable elected representatives of the governmental unit on behalf of which the Bonds will be issued, and as the applicable elected representatives of the governmental unit having jurisdiction over the area in which the Project financed and refinanced with the Bonds is located, approves of the issuance of the Bonds by the Authority for purposes of Section 147(f) of the Code in an aggregate principal amount not to exceed \$225,000,000.

Section 3. The Bonds are nonrecourse revenue Bonds of the Authority payable solely from the revenues and resources provided by the Borrower. The City has no liability or obligation with respect to the Bonds.

Section 4. The City Manager, or the City Manager's designee, are hereby authorized to enter into an agreement indemnifying the City of Salem and its appointed or elected officials, employees and agents harmless against and from all claims arising from the City's participation in the approval of the Bonds or the construction, acquisition, operations or use of the facilities financed with the Bonds.

Section 5. This Resolution shall take effect immediately upon its adoption by the City Council.

ADOPTED by the Council this 26th day of September 2016.

ATTEST:

By: _____
City Recorder

Approved By: _____
City Attorney

