

RESOLUTION NO. 2016-31

A RESOLUTION OF THE CITY OF SALEM AUTHORIZING THE APPROVAL OF REVENUE OBLIGATIONS FOR THE YAKIMA VALLEY FARM WORKERS CLINIC PROJECT, 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 \$13,000,000

Whereas, the Hospital Facility Authority of the City of Salem, 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 and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the Code), to issue tax-exempt revenue obligations, in one or more series, on its behalf, and in an aggregate principal amount not to exceed \$13,000,000 (the Bonds) to finance the costs of, or the reimbursement for, the acquisition, design, development, remodel, construction, improvements, renovations and equipping of a multi-service clinic providing medical; dental; pharmacy; laboratory; behavioral health; Women, Infants, and Children (WIC); and community health services and related facilities, to be owned and operated by the Borrower and to be located at 255 Lancaster Drive NE, Salem, Oregon 97301 (collectively, the Project); and

Whereas, on April 26, 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 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 of Salem, Marion County, 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 Code authorizes the issuance of revenue bonds for a “qualified 501(c)(3) organization,” 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 by: (1) the applicable elected representatives of the governmental unit having jurisdiction over the area in which the Project is located; and (2) 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 of the governmental unit issuing the Bonds; and

Whereas, 255 Lancaster Drive NE, Salem, Oregon, is just outside of the corporate limits of the City of Salem, and Marion County, Oregon, is the governmental unit having jurisdiction over the area in which the Project is located; and

Whereas, on June 29, 2016, the Board of Commissioners of Marion County, as the governmental unit having jurisdiction over the area in which the Project is located, adopted an order approving of the issuance of the Bonds by the Authority, following a public hearing at which oral and written comments of the public were received; and

Whereas, the City Council, as the applicable elected representatives of the governmental unit issuing the Bonds, has been requested to conduct a public hearing and approve of the issuance of the Bonds by the Authority. Notice of the public hearing held by the City Council was published June 27, 2016, in the *Statesman Journal*. The public hearing is intended to provide a reasonable opportunity for members of the public to be heard regarding the Project. The City Council has conducted the public hearing regarding the issuance of the Bonds and invited oral and written comments from the public; 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. Issuance of Bonds Authorized. As the applicable elected representatives of the governmental unit issuing the Bonds, and having held a public hearing, the City Council 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 \$13,000,000 (thirteen million dollars).

Section 2. Security. 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 3. Indemnification of the City of Salem. The City Manager, or the City Manager's designee, is hereby authorized to enter into an agreement with the Borrower indemnifying the City of Salem and its appointed or elected officials, employees, and agents and holding them harmless from and against all claims arising from the City's participation in the approval of the Bonds or the acquisition, design, development, remodel, construction, improvements, renovations, and equipping or use of the facilities financed with the Bonds.

Section 4. Effective Date. This resolution is effective upon adoption.

ADOPTED by the Council this 11th day of July 2016.

ATTEST:

By: _____
City Recorder

Checked By: _____