



MEMORANDUM

Date: August 16, 2018

To: Julie Castaneda
Clerk of the Board

From: Michelle Campagne
Director

A handwritten signature in blue ink, appearing to read "MICH CAMPAGNE".

**Re: Additional Materials for August 20, 2018, Board of Supervisor Meeting,
Agenda Item No. 15, Resolution No. 2018-52**

Attached please find additional materials to Agenda Item No. 15, Resolution No. 2018-52, which provides additional information for the use of the funds.

NOTICE OF PUBLIC HEARING

Notice is hereby given that on September 4, 2018, a public hearing (the "Public Hearing") will be conducted by an authorized representative on behalf of the County of Pima, Arizona (the "County") at 8:45 am in the First Floor Lobby of the County Administration Building, 130 West Congress Street, Tucson, Arizona 85701 with respect to the proposed issuance by The Industrial Development Authority of the County of Maricopa (the "Maricopa Authority") of its Revenue Bonds (Banner Health), Series 2018 (the "Bonds") in one or more series from time to time. A portion of the proceeds of the Bonds in the maximum aggregate principal amount of \$311,000,000 will be used to assist Banner Health (the "Corporation"), an Arizona nonprofit corporation, to provide for a 3-year plan of financing and refinancing of the costs of the projects described herein in Tucson, Pima County, Arizona.

A portion of the proceeds of the Bonds in a maximum principal amount of \$212,000,000 will be applied by the Corporation to finance the costs of construction, renovations, furnishing and equipping of a new patient care and clinical tower to be located on the Banner-University Medical Center Tucson campus ("Banner UMC Tucson") located at 1501 North Campbell Avenue, Tucson, Arizona 85724 and related campus improvements and miscellaneous capital expenditures on the Banner UMC Tucson campus. The new patient care tower will total approximately 700,000 square feet, consisting of 9 stories and housing approximately 204 patient beds, operating rooms, diagnostic and laboratory facilities.

A portion of the proceeds of the Bonds in a maximum principal amount of \$99,000,000 will be applied by the Corporation to refund all or a portion of the Arizona Health Facilities Authority Revenue Bonds (Banner Health), Series 2015D (the "Prior Bonds"), a portion of which Prior Bonds were applied by the Corporation to finance and refinance the costs of the acquisition by the Corporation of (i) the Banner UMC Tucson facilities located at the address above, and including an emergency generator building located at 1611 North Cherry Avenue, Tucson, Arizona, and parking facilities located at 1625 North Martin Avenue, Tucson, Arizona and at 1652 N. Campbell Avenue, Tucson, Arizona, (ii) certain administrative office facilities located at 2701, 2711, 2721 and 2731 East Elvira Road, Tucson, Arizona, and (iii) the Banner-University Medical Center North Campus facilities located at 3838 North Campbell Avenue, Tucson, Arizona.

The owner and operator of Banner UMC Tucson and Banner UMC South is the Corporation through its wholly owned affiliates, Banner-University Medical Center Tucson Campus, LLC and Banner-University Medical Center South Campus, LLC. The projects to be financed and refinanced with the proceeds of the Bonds as described herein are or will be located at the addresses set forth herein. The Corporation expects that the mailing address of the Banner UMC Tucson campus will be changed to 1625 North Campbell Avenue, Tucson, Arizona in connection with the construction of the new patient tower described above.

The Bonds will be, and the Prior Bonds are, special limited obligations of the issuers thereof, payable solely from payments to be made therefor by the Corporation, and will not constitute a general obligation or a pledge of the faith and credit or the taxing power of the Maricopa Authority, the County of Pima, Arizona, the County of Maricopa, Arizona, the State of Arizona or any agency or political subdivision thereof. The Authority has no taxing power.

The Bonds are to be issued from time to time in one or more issues during the expected 3-year period commencing on the date of approval of the plan of financing described herein. The Corporation intends to issue the Bonds not later than one year from the date of approval of the plan of finance described herein.

Any person may appear at such hearing and express his or her views, or may submit his or her views in writing, regarding the proposed Bonds and the location and nature of the projects described herein to be financed and refinanced with the proceeds of the Bonds. Any written submissions must be sent to the County at County Administration Building, 130 West Congress Street, Tucson, Arizona 85701, Attention: Michelle Campagne, Director of Finance and clearly marked "Banner Health Projects." Written submissions should be mailed or delivered in sufficient time to be received on or before August 29, 2018.

THE COUNTY OF PIMA, ARIZONA