



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: August 20, 2018

Title: Resolution to conduct a public hearing on Maricopa County Industrial Development Authority Revenues Bonds - a portion of which will be spent on Banner Facilities in Pima County.

8/20/18 10:33 AM PCQ KEP AP
#3

Introduction/Background:

Maricopa County's Industrial Development Authority plans to issue revenue bonds of which a portion will be spent on Banner Health facilities in Pima County. Because a portion of the proceeds will be spent on projects within Pima County, in order for Maricopa County's Industrial Development Authority to issue tax exempt bonds, Pima County must approve the bonds after a public hearing. The public hearing and approval of Pima County is required by the Internal Revenue Code of 1986, Section 147(f). The Maricopa IDA has asked Pima County to take formal action directing the hearing to be held. This resolution appoints Pima County's Finance Director or her designee to conduct the public meeting and report on the public hearing to Pima County's Board of Supervisors at which time the Board will be asked to take formal action.

Discussion:

The bonds will not be Pima County's debt. Neither the taxing power of Pima County nor the County's revenues will be pledged to repay the bonds. Pima County's approval will be solely for the purpose of satisfying Section 147(f) of the Internal Revenue Code requiring public approval for tax exempt status.

Conclusion:

Because the bonds will not be Pima County debt, and Pima County will receive the benefits of enhanced health care facilities in Pima County, Pima County should cause a public hearing to be conducted and then consider approving the bonds.

Recommendation:

Approve this resolution causing a public hearing to be conducted.

Fiscal Impact:

There will be no direct fiscal impact to Pima County. However, Pima County will receive the benefits of improved health care facilities in Pima County.

Board of Supervisor District:

1 2 3 4 5 All

Department: Finance and Risk Management Telephone: 724-8410

Contact: Michelle Campagne Telephone: 724-8410

Department Director Signature/Date: Michelle Campagne 8-7-18

Deputy County Administrator Signature/Date: Tom Burke 8-7-18

County Administrator Signature/Date: C. D. Dulbury 8/7/18

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA APPOINTING MICHELLE CAMPAGNE, DIRECTOR OF FINANCE AND RISK MANAGEMENT OF PIMA COUNTY, OR HER DESIGNEE, TO CONDUCT A PUBLIC HEARING AS REQUIRED BY THE PROVISIONS OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED IN CONNECTION WITH THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF MARICOPA OF ITS REVENUE BONDS (BANNER HEALTH) SERIES 2018

WHEREAS, The Industrial Development Authority of the County of Maricopa (the "Authority") proposes to issue its Revenue Bonds (Banner Health) Series 2018 (the "Bonds") and to loan a portion of the proceeds from the sale of the Bonds to Banner Health (the "Borrower"), to (i) finance the construction and equipping of a new, approximately 700,000 square-foot, 204-bed patient and clinical care tower to be located at Banner-University Medical Center Tucson ("Banner-UMC Tucson"), and to finance and refinance miscellaneous capital projects at the Banner-University Medical Center Tucson campus, (ii) to refund all or a portion of the Arizona Health Facilities Authority Revenue Bonds (Banner Health), Series 2015D (the "Prior Bonds"), a portion of the proceeds of which were applied by the Borrower to finance and refinance the costs of acquisition by the Borrower from the University of Arizona Health Network of the Banner-UMC Tucson facilities and administrative offices (collectively, the "Tucson Projects"), and (iii) pay costs of issuance of the Bonds; and

WHEREAS, prior to the issuance of the Bonds, the Borrower and the Authority must satisfy the public hearing and approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Section 147(f)") and the regulations promulgated thereunder (the "Regulations"); and

WHEREAS, Section 147(f) and the pertinent Regulations require that Pima County, being the governmental unit having jurisdiction over the area in which the Tucson Projects are or will be located, approve the issuance of the Bonds. Pursuant to the Code and the pertinent Regulations, Pima County, Arizona may appoint an individual to: (a) hold a public hearing concerning the proposed issuance of the Bonds at which a reasonable opportunity to be heard shall be provided for persons with differing views on the issuance of the Bonds and the location and nature of the Tucson Projects (the "Hearing"), (b) give public notice at least fourteen (14) days in advance thereof, and (c) report on the Hearing.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Pima County, Arizona as follows:

Michelle Campagne, Director of Finance and Risk Management of Pima County, or a person designated by her, is appointed to conduct the Hearing, after appropriate public notice, as required by the provisions of Section 147(f), with regard to the financing and refinancing of the Tucson Projects described herein and the issuance by the Authority of the Bonds, and to report the results of the Hearing to this Board. Following such report, the Board will consider approving the issuance of the Bonds, solely for the purpose of satisfying the public approval requirement of Section 147(f); and provided that in no event shall Pima County, Arizona, be liable for the payment of the Bonds or the Prior Bonds nor shall the Bonds or the Prior Bonds constitute a debt of Pima County, Arizona.

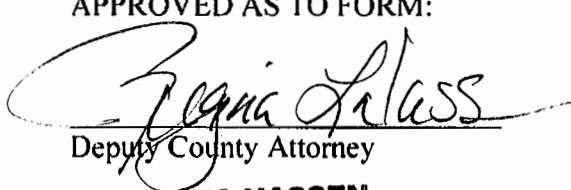
ADOPTED AND APPROVED this _____ day of August, 2018.

Chairman, Board of Supervisors
Pima County, Arizona

ATTEST:

Clerk, Board of Supervisors
Pima County, Arizona

APPROVED AS TO FORM:



Deputy County Attorney
REGINA NASSEN