

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY**

DEPT: Chief Executive Office

BOARD AGENDA:6.B.3
AGENDA DATE: May 15, 2018

SUBJECT:

Approval to Set a Public Hearing for the June 5, 2018 Meeting, Pursuant to the Tax and Equity Fiscal Responsibility Act (TEFRA), Relating to the Proposed Issuance by the California Municipal Finance Authority of Conduit Revenue Bonds for Use by Golden Valley Health Centers

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2018-0214

On motion of Supervisor Withrow , Seconded by Supervisor Olsen
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None


1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:



ATTEST: PAM VILLARREAL, Assistant Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Chief Executive Office

BOARD AGENDA:6.B.3
AGENDA DATE: May 15, 2018

CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: No

SUBJECT:

Approval to Set a Public Hearing for the June 5, 2018 Meeting, Pursuant to the Tax and Equity Fiscal Responsibility Act (TEFRA), Relating to the Proposed Issuance by the California Municipal Finance Authority of Conduit Revenue Bonds for Use by Golden Valley Health Centers

STAFF RECOMMENDATION:

1. Approve the setting of a Public Hearing on June 5, 2018, pursuant to the Tax and Equity Fiscal Responsibility Act (TEFRA), relating to the proposed issuance by the California Municipal Finance Authority for Conduit Revenue Bonds for use by the Golden Valley Health Centers.

DISCUSSION:

Golden Valley Health Centers, a local Federally Qualified Health Center (the "Borrower") has requested that the California Municipal Finance Authority (CMFA) serve as the municipal issuer of tax-exempt revenue bonds (the "Loan") in an aggregate principal amount not to exceed \$23 million. The proceeds of the bonds will be used to finance several projects located in the County, together with projects in San Joaquin County and Merced County:

- (a) West Modesto-MedNow Prompt Care: The West Modesto-MedNow Prompt Care project consists of the renovation of an approximately 2,500 square foot leased building located at 901 North Carpenter Road, Modesto, California, to provide six (6) exam rooms.
- (b) North Modesto-MedNow Prompt Care: The North Modesto-MedNow Prompt Care project consists of the renovation of an approximately 5,000 square foot leased building located at 4707 Greenleaf Court, Modesto, California, to provide nine (9) exam rooms.
- (c) Turlock Colorado: The Turlock Colorado clinic will be the construction of an approximately 15,000 square foot building consisting of 21 exam rooms and three (3) operatories next to Emmanuel Hospital at 1910, 1930 and 1936 Colorado Avenue, Turlock, California.

- (d) Planada Medical/Dental: The Planada Medical/Dental project consists of the renovation of an approximately 4,906 square foot building located at 9235 East Broadway, Planada, California, to repair the roof, remodel the front reception, upgrade the sterilization area, acquire capital equipment (AC unit, dental chairs, cassettes w/instruments, Auto Sterilizer), and acquire furniture/fixtures including replacing window blinds.
- (e) Newman Medical/Dental: The Newman Medical/Dental project consists of the renovation of an approximately 4,754 square foot building located at 637 Merced Street, Newman, California, to make renovations (roof, painting exterior w/repairs, flooring) and to acquire capital equipment (Overhead Pelton Crain lights).
- (f) Patterson Medical/Dental: The Newman Medical/Dental project consists of the renovation of an approximately 10,108 square foot building located at 200 C Street, Patterson, California, to make renovations (roof, painting, flooring, windows/doors, bathrooms), acquire capital equipment (exam table, NST Machine, Overhead Pelton Crain Lights, dental delivery system with water system), acquire furniture/fixtures, and make land improvements (fence around patio to the front for security).
- (g) Florida Suites: The Florida Suites project consists of the renovation of an approximately 14,152 square foot building located at 1510 Florida Avenue, Modesto, California, to make renovations (roof, floors, painting, facework for wood on front of building, etc.), and acquire capital equipment (HVAC units).
- (h) Corner of Hope: The Corner of Hope project consists of the renovation of an approximately 1,855 square foot building located at 1130 6th Street, Modesto, California, to renovate reception area.
- (i) Empire Dental: The Empire Dental project, an approximately 1,406 square foot building located at located at 189 G Street, Empire, California, consists of the acquisition of furniture and fixtures.
- (j) Hanshaw Dental: The Hanshaw Dental project, an approximately 2,880 square foot building located at 1717 Las Vegas Street (Hanshaw Middle School), Modesto, California, consists of the acquisition of furniture and fixtures including storage.
- (k) Ceres East Medical/Dental: The Ceres Medical/Dental project, an approximately 8,300 square foot building located at located at 1920 Memorial Drive, Ceres, California, consists of the acquisition of furniture and fixtures.

The facilities financed or refinanced with proceeds of the Loan are, or will be upon acquisition and placement in service, operated by the Borrower.

The CMFA was created on January 1, 2004 pursuant to a joint exercise of powers

agreement to promote economic, cultural and community development, through the financing of economic development and charitable activities throughout California. To date, over 275 municipalities including Stanislaus County, have become members of CMFA.

The CMFA was formed to assist local governments, non-profit organizations and businesses with the issuance of taxable and tax-exempt bonds aimed at improving the standard of living in California. The CMFA's representatives and its Board of Directors have considerable experience in public bond financings.

The Joint Exercise of Powers Agreement provides that the CMFA is a public entity, separate and apart from each member executing such agreement. The debts, liabilities and obligations of the CMFA do not constitute debts, liabilities or obligations of the members executing such agreement.

Section 147(f) of the Internal Revenue Code of 1986 requires that both the governmental unit that issues the bonds (the "issuer") and a governmental unit with jurisdiction over the location of the financed project (the "host") approve the issuance of qualified private activity bonds. These approvals are referred to as the "issuer approval" and the "host approval". For purposes of the Golden Valley Health Centers financing project, CMFA is the issuer, and Stanislaus County is the host governmental unit.

Outside of holding the TEFRA hearing, and adopting the required resolution, no other participation or activity of the County or the Board of Supervisors with respect to the issuance of the bonds will be required. The bonds to be issued by the CMFA will be the sole obligation of the Borrower, Golden Valley Health Centers; the County will not be liable for repayment of the bonds under any circumstances.

The Debt Advisory Committee comprised of the Chief Executive Officer, Treasurer-Tax Collector, Assistant County Counsel, Planning Director, Public Works Director, and Auditor- Controller will meet and review this request in advance of the Board of Supervisors public hearing.

POLICY ISSUE:

The Board of Supervisors is asked to set the Public Hearing under the requirements of the Tax and Equity Fiscal Responsibility Act (TEFRA) and in accordance with the Internal Revenue Code of 1986.

Golden Valley Health Centers is an independent, Non-Profit whose mission is to improve the health of its patients by providing quality, primary health care services to people in the communities they serve regardless of language, financial or cultural barriers. Should the Board opt not to conduct the Public Hearing this would most likely terminate the financing for Golden Valley Health Center Projects, which in turn would impact their ability to better serve the community.

FISCAL IMPACT:

Administrative costs of staff time and publication costs associated with processing Golden Valley Health Centers' request to hold the TEFRA public hearing on their behalf for the issuance of conduit revenue bonds will be recovered from CMFA through a sharing of their issuance fee with the County when the bonds close.

Conduit revenue bonds are issued by public agencies in California and other states, where the proceeds of the bonds are lent to for-profit or nonprofit entities to finance capital assets in accordance with the requirements of the Internal Revenue Code of 1986. These bonds are a special limited obligation of the Authority payable solely through the Borrower's repayment of the Loan from the Authority, which repayment is used to pay the principal and interest on the bonds. The County is in no way obligated on the debt.

A letter from the Chief Executive Officer of Golden Valley Health Centers is attached outlining the financing request.

BOARD OF SUPERVISORS' PRIORITY:

Approval of the staff recommendation supports the Board's priority of *Supporting Community Health and Delivering Efficient Public Services & Community Infrastructure* by supporting the request for a TEFRA Public Hearing received from Golden Valley Health Centers in accordance with the Internal Revenue Code of 1986.

STAFFING IMPACT:

Existing staff of the Debt Advisory Committee, including the Chief Executive Office and County Counsel, have and will assist in providing the necessary support for the TEFRA Hearing. There are no other staffing impacts associated with this item.

CONTACT PERSON:

Patricia Hill Thomas, Chief Operations Officer, Telephone (209) 525-6333

Patrice Dietrich, Assistant Executive Officer. Telephone (209) 525-6333

ATTACHMENT(S):

1. TEFRA Notice

**BOARD OF SUPERVISORS
COUNTY OF STANISLAUS**

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Tuesday, June 5, 2018, a public hearing, as required by section 147(f) of the Internal Revenue Code of 1986, will be held by the Board of Supervisors of the County of Stanislaus (the "County") with respect to the proposed issuance by the California Municipal Finance Authority (the "Authority") of its revenue bonds in an amount not to exceed \$23,000,000 (the "Bonds"). The proceeds of the Bonds will be loaned by the Authority to the Golden Valley Health Centers, a California nonprofit, public benefit corporation ("GVHC"), and used to finance one or more of the projects located in the County, as follows, together with projects in Merced County and San Joaquin:

West Modesto-MedNow Prompt Care: The West Modesto-MedNow Prompt Care project consists of the renovation of an approximately 2,500 square foot leased building located at 901 North Carpenter Road, Modesto, California, to provide 6 exam rooms.

North Modesto-MedNow Prompt Care: The North Modesto-MedNow Prompt Care project consists of the renovation of an approximately 5,000 square foot leased building located at 4707 Greenleaf Court, Modesto, California, to provide 9 exam rooms.

Turlock Colorado: The Turlock Colorado clinic will be a construction of an approximately 15,000 square foot building consisting of with 21 exam rooms and 3 operatories next to Emmanuel Hospital at 1910, 1930 and 1936 Colorado Avenue, Turlock, California.

Planada Medical/Dental: The Planada Medical/Dental project consists of the renovation of an approximately 4,906 square foot building located at 9235 East Broadway, Planada, California, to repair the roof, remodel the front reception, upgrade the sterilization area, acquire capital equipment (AC unit, dental chairs, cassettes w/instruments, Auto Sterilizer), and acquire furniture/fixtures including replacing window blinds.

Newman Medical/Dental: The Newman Medical/Dental project consists of the renovation of an approximately 4,754 square foot building located at 637 Merced Street, Newman, California, to make renovations (roof, painting exterior w/repairs, flooring) and to acquire capital equipment (Overhead Pelton Crain lights).

Patterson Medical/Dental: The Newman Medical/Dental project consists of the renovation of an approximately 10,108 square foot building located at 200 C Street, Patterson, California, to make renovations (roof, painting, flooring, windows/doors, bathrooms), acquire capital equipment (exam table, NST Machine, Overhead Pelton Crain Lights, dental delivery system with water system), acquire furniture/fixtures, and make land improvements (fence around patio to the front for security).

Florida Suites: The Florida Suites project consists of the renovation of an approximately 14,152 square foot building located at 1510 Florida Avenue, Modesto,

California, to make renovations (roof, floors, painting, facework for wood on front of building, etc.), and acquire capital equipment (HVAC units).

Corner of Hope: The Corner of Hope project consists of the renovation of an approximately 1,855 square foot building located at 1130 6th Street, Modesto, California, to renovate reception area.

Empire Dental: The Empire Dental project, an approximately 1,406 square foot building located at located at 189 G Street, Empire, California, consists of the acquisition of furniture and fixtures.

Hanshaw Dental: The Hanshaw Dental project, an approximately 2,880 square foot building located at located at 1717 Las Vegas Street, Modesto, California, consists of the acquisition of furniture and fixtures including storage shed.

Ceres East Medical/Dental: The Ceres Medical/Dental project, an approximately 8,300 square foot building located at located at 1920 Memorial Drive, Ceres, California, consists of the acquisition of furniture and fixtures.

The Bonds and the obligation to pay principal of and interest thereon and any redemption premium with respect thereto do not constitute indebtedness or an obligation of the County, the Authority, the State of California or any political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them. The Bonds shall be a limited obligation of the Authority, payable solely from certain revenues duly pledged therefor and generally representing amounts paid by GVHC and secured by deeds of trust over certain of GVHC's property.

The hearing will commence at 9:00 A.M. or as soon thereafter as the matter can be heard, and will be held in the Board of Supervisors Chambers, Basement, 1010 10th Street, Modesto, California. Interested persons wishing to express their views on the issuance of the Bonds or on the nature and location of the facilities proposed to be financed may attend the public hearing or, prior to the time of the hearing, submit written comments.

Additional information concerning the above matter may be obtained from, and written comments should be addressed to, the Clerk of the Board of Supervisors of the County of Stanislaus, 1010 10th Street, Modesto, CA 95354, (209) 525-4494, KingL@stancounty.com.

Date: May 15, 2018

**DECLARATION OF PUBLICATION
(C.C.P. S2015.5)**

**COUNTY OF STANISLAUS
STATE OF CALIFORNIA**

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of THE MODESTO BEE, printed in the City of MODESTO, County of STANISLAUS, State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of STANISLAUS, State of California, Under the date of February 25, 1951, Action No. 46453; that the notice of which the annexed is a printed copy, has been published in each issue there of on the following dates, to wit:

May 22, 2018

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at

MODESTO, California on

May 22nd, 2018

(By Electronic Facsimile Signature)



STANISLAUS COUNTY
BOARD OF SUPERVISORS
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obligation of the County, the Authority, the State of California or any political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them. The Bonds shall be a limited obligation of the Authority, payable solely from certain revenues duly pledged therefor and generally representing amounts paid by GVHC and secured by deeds of trust over certain of GVHC's property. The hearing will commence at 9:00 a.m. or as soon thereafter as the matter can be heard, and will be held in the Board of Supervisors Chambers, Basement, 1010 10th Street, Modesto, California. Interested persons wishing to express their views on the issuance of the Bonds or on the nature and location of the facilities proposed to be financed may attend the public hearing or, prior to the time of the hearing, submit written comments. Additional information concerning the above matter may be obtained from, and written comments should be addressed to, the Clerk of the Board of Supervisors of the County of Stanislaus, 1010 10th Street, Modesto, CA 95354, (209) 525-4494, KingL@stancounty.com . Date: May 15, 2018

Pub Dates May 22, 2018