



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE:	March 1, 2017	<input type="checkbox"/> Motion
DEPARTMENT:	City Attorney	<input checked="" type="checkbox"/> Resolution
DIVISION:		<input type="checkbox"/> Ordinance - Introduction
		<input type="checkbox"/> Ordinance - Adoption
		<input type="checkbox"/> Public Hearing

TITLE:

Industrial Development Authority: Yuma Regional Medical Center Master Lease and Sublease

SUMMARY RECOMMENDATION:

Approve the execution of a master lease by the Industrial Development Authority of the City of Yuma, Arizona, with Banc of America Public Capital Corp, and a sublease with Yuma Regional Medical Center for the purchase of medical equipment and software; and declaring an emergency. (City Attorney) (Richard W. Files)

REPORT:

At a special meeting of the Industrial Development Authority of the City of Yuma, Arizona (Authority) on February 21, 2017, the Authority approved a master lease (Master Lease) with Banc of America Public Corp (Banc of America) and a sublease (Sublease) with Yuma Regional Medical Center (YRMC) for up to \$30,000,000.00 for YRMC to finance the purchase of medical equipment (Project). A copy of the Master Lease, Sublease and Medical Equipment Schedule is on file with the City Clerk's Office.

Under the Master Lease, Banc of America will deposit funds in escrow, which will be used to purchase the equipment for YRMC. The equipment will then be leased to the Authority, which sublets the equipment to YRMC. The terms of the Sublease require YRMC to make payments to the Authority; under the Master Lease, the Authority assigns all payments to Banc of America, so YRMC's payments go directly to Banc of America. The interest paid under the lease structure is tax exempt to Banc of America, which gives YRMC a lower interest rate.

The Authority is authorized to facilitate funding for this Project under Arizona Revised Statutes (A.R.S.) § 35-701(a)(iii), which permits funding of a health care institution as defined by A.R.S. § 36-401.

City Council approval of the Master Lease and Sublease Agreement is required by state and federal law. Pursuant to A.R.S. § 35-742, the City is not liable for the performance of any obligation or agreement of any kind undertaken by the Authority, and none of the Authority's obligations or agreements may be construed to constitute indebtedness of the City. The transaction is anticipated to close on March 14, 2017.

The proposed resolution would authorize the Authority to execute the Master Lease and Sublease and related documents necessary for the Project. This resolution is necessary for the preservation of the

peace, health and safety of the City, particularly through the timely completion of the Master Lease and Sublease for the purchase of medical equipment and software, and to remove the uncertainty associated with market interest rate fluctuations. For these reasons the resolution includes an emergency clause.

FISCAL REQUIREMENTS	CITY FUNDS:	\$0.00	BUDGETED:	\$0.00
	STATE FUNDS:	\$0.00	AVAILABLE TO TRANSFER:	\$0.00
	FEDERAL FUNDS:	\$0.00	IN CONTINGENCY:	\$0.00
	OTHER SOURCES:	\$0.00 \$0.00 \$0.00	FUNDING FOR THIS ITEM IS FOUND IN THE FOLLOWING ACCOUNT / FUND / CIP:	
	TOTAL:	\$0.00		
	FISCAL IMPACT STATEMENT:			
ADDITIONAL INFORMATION	SUPPORTING INFORMATION NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT IS ON FILE IN THE OFFICE OF THE CITY CLERK: 1. Resolution No. 2017- 1 of the Authority adopted on 02/21/2017 2. Master Lease and Sublease Agreement 3. Equipment Schedule No.1 to Master Lease and Sublease 4. 5.			
	IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL? <input type="radio"/> Department <input checked="" type="radio"/> City Clerk's Office <input type="checkbox"/> Document to be recorded			
SIGNATURES	CITY ADMINISTRATOR:		DATE:	
	Gregory K. Wilkinson		2/22/2017	
	REVIEWED BY CITY ATTORNEY:		DATE:	
	Richard W. Files		2/22/2017	
RECOMMENDED BY (DEPT/DIV HEAD):		DATE:		
WRITTEN/SUBMITTED BY:		DATE:		
Daniel R. White		2/13/2017		