

RESOLUTION NO. R2017-001

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, APPROVING THE EXECUTION AND DELIVERY OF A LEASE AND RELATED DOCUMENTS BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF YUMA, ARIZONA; AND DECLARING AN EMERGENCY

WHEREAS, the City Council of the City of Yuma, Arizona (the “City Council”) approved the incorporation of The Industrial Development Authority of the City of Yuma, Arizona (the “Authority”) by Resolution No. 2301 on April 20, 1983; and

WHEREAS, the Authority has approved and authorized the execution and delivery of a lease, sublease and related documents, in the aggregate principal amount not to exceed \$30,000,000 (the “Lease”), in accordance with and pursuant to Title 35, Chapter 5, Arizona Revised Statutes (“A.R.S.”), as amended (the “Act”), and is authorized and empowered, among other things, to finance or refinance the cost of any “project” as defined in the Act, including, without limiting the generality of the foregoing, the construction and equipping of facilities for a “health care institution” as defined in A.R.S. § 36-401; and

WHEREAS, Yuma Regional Medical Center is an Arizona nonprofit corporation (the “Corporation”) which operates hospital and other health care facilities and provides hospital and other health care services to the residents of the City and surrounding areas; and

WHEREAS, the Corporation has requested the Authority assist the Corporation through the execution and delivery of lease documents for the purposes of financing or refinancing: (i) all or a portion of the costs of acquiring hospital equipment, including software, for use in certain facilities of the Corporation; and (ii) certain costs incurred in connection with the execution and delivery of one or more lease documents (together, the “Project”), all in accordance with the Act; and

WHEREAS, Section 35-721(B) of the Act requires approval of the Lease by the City Council; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), requires that the City Council approve the execution and delivery of the Lease after a public hearing held by the Authority following public notice published in advance of said hearing; and

WHEREAS, a TEFRA public hearing was conducted by a director of the Authority on February 23, 2017, with respect to the aforementioned financing at the law office of Byrne & Benesch, P.C., 230 W. Morrison Street, Yuma, Arizona, following public notice published at least 14 days in advance of said hearing; and

WHEREAS, the Authority has heretofore delivered to this City Council the Authority’s resolution, forms of the Lease documents (listed on Exhibit A hereto), the proceeds delivered from which will assist the Corporation to pay the costs of the Project, and information regarding the Project, and the City Council deems it appropriate to approve the execution and delivery of the Lease by the Authority.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Yuma, Arizona, as follows:

SECTION 1: That the City Council hereby approves the execution and delivery by the Authority of the Lease, as presented at this meeting and on file with the Authority’s counsel and the City Clerk (which documents may be revised in accordance with the Authority’s Resolution), in accordance with the requirements of the Act and

of Section 147(f) of the Code, provided that the principal amount of the Lease may not to exceed the aggregate principal amount of \$30,000,000.

SECTION 2: That the various, requisite City officers and employees are authorized and directed to take all actions necessary to effectuate the purposes of this Resolution.

SECTION 3: That all resolutions or ordinances, or parts thereof, which contemplate the same subject matter as this Resolution and which are in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

SECTION 4: That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 5: That the immediate operation of this Resolution is necessary for the preservation of the peace, health and safety of the City, particularly the timely completion of the Lease for the purchase of medical equipment and software, and the removal of uncertainty associated with market interest rate fluctuations. For these reasons, an emergency is hereby declared to exist so that this Resolution shall be in full force and effect from and after its approval by the City Council, and therefor exempt from the referendum provisions of the Constitution and laws of the State of Arizona and the Yuma City Charter.

Adopted this ____ day of _____, 2017.

Approved:

Douglas J. Nicholls
Mayor

ATTESTED:

Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

Richard W. Files
City Attorney

EXHIBIT A

1. Resolution No. 2017-1 of the Authority adopted on 02/21/2017, authorizing the execution and delivery of the Lease.
2. Master Lease and Sublease Agreement among Authority, Banc of America Public Capital Corporation or its designee (the “Lessor”), as Lessor, the Corporation.
3. Equipment Schedule No.1 to Master Lease and Sublease, among the Lessor, the Authority and the Corporation.