

RESOLUTION NO. 21-R-29

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALVIN, TEXAS, APPROVING THE ISSUANCE OF BONDS BY THE PUBLIC FINANCE AUTHORITY TO FINANCE FACILITIES TO BE LOCATED IN ALVIN, TEXAS.

WHEREAS, Alvin Regional Medical Center Inc. (the “Borrower”), a Texas nonprofit corporation that is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), desires to finance the costs of design, construction, and equipping of a general acute care hospital with a capacity of 32 beds to be located at 1535 Bypass 35 South, Alvin, Texas, including the purchase of land expected to be leased to others on which a medical office building will be constructed (the “Project”); and

WHEREAS, the Public Finance Authority (the “Public Finance Authority”), a national issuer based in Wisconsin is proposing to issue its revenue bonds, in one or more series, in an aggregate principal amount not to exceed \$150,000,000 (the “Bonds”) and to lend the proceeds of the Bonds to the Borrower for the purpose of (i) financing the costs of design, acquisition, construction, and equipping of the Project, (ii) funding capitalized interest, (iii) funding a debt service reserve fund for the Bonds, (iv) funding start-up expenses and working capital, and (v) financing the cost of issuing the Bonds; and

WHEREAS, the Project will be owned and operated by the Borrower and will be managed by Quorum Health Resources, LLC, or its affiliate; and

WHEREAS, in order for interest on the Bonds to be excludable from gross income for federal income tax purposes, the issuance of the Bonds must, among other things, be approved by the governmental unit of the jurisdiction in which the Project is located, in compliance with Section 147(f) of the Code; and

WHEREAS, the legislation creating the Public Finance Authority provides that it may not issue bonds to finance a capital improvement project in any state or territory of the United States unless a political subdivision within whose boundaries the project is to be located has approved the financing of the project; and

WHEREAS, after publication of a notice of public hearing at least 7 days prior to the date of this approval, which notice was published in the *Alvin Sun*, a newspaper of general circulation in Alvin, Texas (the “City”), on November 9, 2021, a public hearing was held regarding the financing of the Project with the proceeds of the Bonds in accordance with IRS Revenue Procedure 2021-39; and

WHEREAS, there has been submitted to the City Council, as the governing body of the City, the report of the City’s authorized hearing officer regarding such public hearing; and

WHEREAS, the purposes of this approval are to (i) satisfy the public approval requirement of Section 147(f) of the Code, in order to qualify the interest on the Bonds for exclusion from the gross income of the owners thereof for federal income tax purposes pursuant

to the applicable provisions of the Code, and (ii) comply with the requirements of the Public Finance Authority; and

WHEREAS, the Bonds will be limited obligations of the Public Finance Authority payable solely from the loan repayments to be made by the Borrower to the Authority, and certain funds and accounts established by the trust indenture for the Bonds. In no event shall the City be liable for such Bonds, nor shall the Bonds constitute a debt or any other obligation of the City. None of the City's assets shall be pledged to the payment of the Bonds; and

WHEREAS, pursuant to the requirements of the Code, the issuance of the Bonds must be approved by the governing body or highest-ranking executive or administrator of the political body having jurisdiction over the area in which the Project is located; and

WHEREAS, the Public Finance Authority has requested that the City Council approve the financing of the costs of the Project and the issuance of the Bonds in order to satisfy Section 147(f) of the Code and the requirements of the Public Finance Authority; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALVIN, TEXAS:

Section 1. Findings.

(a) The facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct and are adopted as part of this Resolution for all purposes.

(b) It here hereby found and declared that the terms of this Resolution will be beneficial to the City and its citizens.

Section 2. Approval.

(a) For the limited purposes of satisfying the provisions of Section 147(f) of the Code and complying with the requirements of the Public Finance Authority, the issuance of the Bonds in the aggregate principal amount not to exceed \$150,000,000 for the purpose of (i) financing the costs of design, acquisition, construction, and equipping of the Project, (ii) funding capitalized interest, (iii) funding a debt service reserve fund for the Bonds, (iv) funding start-up expenses and working capital, and (v) financing the cost of issuing the Bonds is hereby approved.

(b) This approval is given solely for the purpose of compliance with provisions of the Code and the requirements of the Public Finance Authority and in no event shall this approval constitute any obligation on the part of the City with respect to the Bonds or for any other purposes.

(c) This Resolution does not constitute an approval by the City of any other aspect of the Project. In particular, but without limitation, this Resolution does not constitute zoning approval, approval of any building permit, or any other approval required by the City in regard to the Project other than approval of the Bonds.

(d) The Council hereby ratifies Jerry G. Peterson as the City’s hearing officer for purposes of attending and reporting on the public hearing recited in the seventh WHEREAS clause above.

Section 3. Open Meetings Act. It is hereby official found and determined that this meeting was open to the public, and the public notice of the time, place and purpose of said meeting was given, all as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

This Resolution shall be effective on the date of passage in accordance with the Alvin City Charter.

AND IT IS SO RESOLVED.

PASSED AND APPROVED on this the 18th day of November 2021.

CITY OF ALVIN, TEXAS

ATTEST

By: _____
Paul A. Horn, Mayor

By: _____
Dixie Roberts, City Secretary