RESOLUTION 2019-22

Agenda Item

TO: Mayor and City Council

FROM: Timothy Wymes, Community Development Director

DATE: July 15, 2019

RE: City of Cameron Industrial Development Authority Bond Issuance

Issues

The City of Cameron IDA is proposing the approval for issuance of bonds for the Cameron Regional Medical Center expansion project. The purpose of the bonds is to provide funding to purchase, construct, extend, and make improvements to buildings, structures, facilities, fixtures and equipment that will be used as part of the hospital daily operations. The issuance of the bonds will not have a direct liability impact on the City, other than the City will serve as the in-between component required by state law for the issuance of the bonds. With the issuance of the bonds, CRMC will be able to expand facilities and create employment opportunities, therefore spurring economic growth.

Recommendation

Staff along with the City of Cameron IDA supports the issuance of the bonds.

Resolution 2019-22

A RESOLUTION APPROVING THE ISSUANCE OF BONDS BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF CAMERON, MISSOURI FOR CAMERON REGIONAL MEDICAL CENTER, INC.

WHEREAS, The Industrial Development Authority of The City of Cameron, Missouri (the "Authority"), is proposing to issue its Health Facilities Revenue Bonds (Cameron Regional Medical Center, Inc.), Series 2019A (the "Bonds"), pursuant to Chapter 349 of the Revised Statutes of Missouri, as amended (the "Act"), for the purpose of making a loan to Cameron Regional Medical Center, Inc., a Missouri nonprofit corporation (the "Corporation"), (a) to finance the costs of acquiring and constructing the Project (as described on **Exhibit A** hereto), (b) to fund a debt service reserve fund, and (c) to pay certain costs associated with the issuance of the Bonds; and

WHEREAS, the Bonds will be special limited obligations of the Authority and will not be obligations of the City of Cameron, Missouri (the "City"), and will not constitute a debt or liability of the City;

WHEREAS, the Corporation's health care facilities to be financed and refinanced (the "Projects") are located on land inside the city limits of the City;

WHEREAS, on July 15, 2019, at 5:00 p.m., a public hearing was held at Cameron City Hall, 205 North Main Street, Cameron, Missouri, concerning the request by the Corporation that the Authority issue its revenue bonds to finance costs of the above-described Project; and

WHEREAS, the Corporation has requested the Authority designate the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code, which requires that the City and subordinate entities of the City (including the Authority) not issue more than $10,000,000 of tax-exempt bonds in calendar year 2019.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CAMERON, MISSOURI, AS FOLLOWS:

Section 1. The issuance of revenue bonds by the Authority to finance costs of the Project is in the best interests of the City, and is hereby approved in accordance with the requirements of Section 147(f) of the Internal Revenue Code. This approval does not impose any liability on the City or in any way involve the City in the issuance of the bonds or the proposed Project but is an accommodation by the City to satisfy the requirements of the Internal Revenue Code.

Section 2. The City acknowledges that the Authority is designating the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code. The City acknowledges that it has not issued and does not reasonably expect to issue more than $10,000,000 of tax-exempt bonds in calendar year 2019.

Section 3. All prior resolutions of the City Council or any parts thereof in conflict with any or all of this Resolution are hereby repealed to the extent of such conflict.

Section 4. This resolution shall take effect and be in full force upon its adoption by the City Council.

PASSED and APPROVED by the City Council of the City of Cameron, Missouri, this 15th day of July, 2019.

_____
Mayor

ATTEST:

_____
City Clerk

EXHIBIT A

THE PROJECT

The Project consists of the acquisition, construction, renovation, expansion, equipping and furnishing of certain health care facilities of the Corporation, including a medical office building consisting of an outpatient clinic and ancillary health care facilities and other miscellaneous improvements to the health care facilities of the Corporation located in Cameron, Missouri.