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MEMORANDUM

TO: Mayor Oscar Leeser
City Representatives

FROM: Norman Gordon

RE: August 27, 2013 - City Council Agenda
Agenda Item Additions
Colorado Health Facilities Authority Public Hearing and Resolution

DATE: August 20, 2013

There are two items on the agenda for August 27, 2013 Council Meeting for a public hearing and approval of a bond issue by the Colorado Health Facilities Authority. The project involved is the Evangelical Good Samaritan White Acres facility in El Paso. This facility was refinanced with similar bonds from the Colorado Health Facilities Authority in 2000, and in 2006. The purpose of this bond issue is to finance a skilled nursing facility at the current location of the White Acres facility. That project is part of the entire bond issue for facilities across the country of approximately \$115,000,000.

The Evangelical Lutheran Good Samaritan Society (the "Society") is a non-profit corporation founded in 1922 under the laws of the State of North Dakota. The Society is engaged primarily in owning and operating nursing homes and residential facilities for the elderly. The residential facilities are generally operated in conjunction with nursing home facilities at the same location. Revenues from nursing home operations constitute the primary source of the Society's operating revenues. The Society owns and operates nursing homes and residential facilities at approximately 177 locations, manages approximately 11 nursing homes and residential facilities and leases three nursing homes and residential facilities in 24 states. The Colorado Health Facilities Authority anticipates issuing revenue bonds in October 2013 in the approximate amount of \$115,000,000 on behalf of the Society. Colorado Health Facilities Authority, an agency of the state of Colorado, is the sole issuer of the bonds, which will finance approximately 30 projects in 14 different states. This financing is being done on a multi-state basis because the

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30 projects are all relatively small. By financing the projects as a single large issuance, the Society is able to increase efficiency by saving governmental efforts, avoiding unnecessary transactional costs, and generally invoking the economies of scale principle.

As stated in the public notice which was published in the El Paso Times, approximately \$3,200,000 of the proceeds will be utilized in connection with the El Paso Facility. The public hearing, and Mayor's approval is required in order to comply with the Internal Revenue Code requirements for the issuance of tax exempt bonds. The bonds, when issued will be only a limited obligation of the Colorado Health Facilities Authority, to be paid by The Evangelical Lutheran Good Samaritan Society. Although the bonds are issued by the Colorado Health Facilities Authority, a public hearing is required in each jurisdiction in which the proceeds of the bonds will be used for a project, such as here in El Paso.

The bonds will not be an obligation directly or indirectly of the City of El Paso or any of its agencies or instrumentalities.

At the public hearing a local representative of the White Acres facility will be present, as will I to answer any questions. After the Public Hearing, Council is asked to approve a resolution allowing the Mayor to execute the Certificate of Public Hearing and Approval of the Issuance of the Bonds.

cc: Joyce Wilson, City Manager
Sylvia Borunda Firth, City Attorney

RESOLUTION

WHEREAS, the Colorado Health Facilities Authority (the "Authority") is in the process of issuing its Health Facilities Revenue Bonds (The Evangelical Lutheran Good Samaritan Society Project), Series 2013 (the "Bonds"), a portion of which will be used to finance the Evangelical Lutheran Good Samaritan Society—White Acres facility located in El Paso, Texas (the "Project");

WHEREAS, the City of El Paso has conducted and held a public hearing regarding issuance of the Bonds and the Project on August 27, 2013, at 8:30 a.m., pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended;

WHEREAS, the City approves and encourages the Authority in its efforts to accomplish the issuance of the Bonds and, as part of such transaction, is willing to provide a Certificate For Resolution and Certificate Of Public Hearing concerning the conduct of the Public Hearing on August 27, 2013, copies of which are both attached hereto as Exhibits to this Resolution and made a part hereof for all purposes.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

1. THAT the Preambles to this Resolution set forth above are incorporated herein and made part of this Resolution.
2. THAT the Mayor and the City Clerk of the City of El Paso and the other officers of the City are hereby authorized, jointly and severally, to execute and deliver such endorsements, instruments, certificates, documents, or papers necessary and advisable to carry out the intent and purposes of this Resolution and the issuance of the Bonds.

(Signature page to follow)

(Signature Page)

SIGNED this _____ day of August 2013.

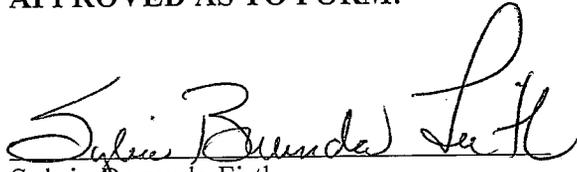
CITY OF EL PASO

Oscar Leeser
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Sylvia Borunda Firth
City Attorney

APPROVED AS TO CONTENT:

Norman J. Gordon
Issuer's Counsel

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CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

I, the undersigned, City Clerk of the City of El Paso, Texas (the "City"), do hereby certify as follows:

1. The City Council (the "Governing Body") of the City convened in regular session at its designated meeting place in El Paso, Texas, on August 27, 2013 (the "Meeting"), and the roll was called of the duly constituted members of the Governing Body, to-wit:

Oscar Leeser, Mayor	Ann Morgan Lilly)	
Eddie Holguin, Jr., Mayor Pro Tem	Larry E. Romero)	
	Emma Acosta)	
	Dr. Michiel Noe)	
	Carl L. Robinson)	Councilmembers
	Lily Limon)	
	Courtney Niland)	

All of said persons were present, except the following absentees: _____, thus constituting a quorum. Whereupon a written:

RESOLUTION APPROVING THE ISSUANCE OF COLORADO HEALTH FACILITIES AUTHORITY HEALTH FACILITIES REVENUE BONDS (THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY PROJECT), SERIES 2013, A PORTION OF WHICH WILL BE USED TO FINANCE THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY—WHITE ACRES PROJECT IN EL PASO, TEXAS (ALL DISTRICTS)

(the "Resolution") was duly moved and seconded and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried with all those present voted "Aye"

2. A true, full, and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Resolution has been duly recorded in the minutes of said Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to the adoption of said Resolution; the persons named in the above and foregoing paragraph are the

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duly chosen, qualified, and acting officers and members of the Governing Body; each of such members was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid Meeting and that said Resolution would be introduced and considered for adoption at said Meeting; and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED this _____ day of August, 2013.

Richarda Duffy Momsen
City Clerk

(SEAL)

CERTIFICATE OF PUBLIC HEARING AND APPROVAL

I, the undersigned, do hereby make and execute this certificate for the benefit of all persons interested in Colorado Health Authority's Health Facilities Revenue Bonds (The Evangelical Lutheran Good Samaritan Society Project), Series 2013 (the "Bonds") now in the process of issuance.

I hereby certify as follows:

1. That a public hearing was held before the City Council of the City of El Paso as part of its regular Council meeting on August 27, 2013 starting at 8:30 A.M. at the City Council Chambers, 300 N. Campbell El Paso, Texas, in connection with the issuance of the Bonds.

2. That notice of the public hearing was published no less than 14 days before the date of the public hearing in a newspaper of general circulation available to residents of El Paso, Texas; the notice included the date, time and place of the public hearing, the location, general nature and the initial owner, operator or manager of the project described therein (the "Project") and the maximum aggregate principal amount of the Bonds.

3. That all interested persons appearing at the public hearing were given an opportunity to comment on the proposed issuance of the Bonds and the Project. The names of all interested persons appearing at the public hearing, if any, are set forth in Exhibit "A," attached hereto;

4. That after giving all interested persons an opportunity to appear and comment the public hearing was declared closed.

5. That a copy of the Affidavit of Publication of the Notice of Public Hearing is attached hereto as Exhibit "B."

6. That a copy of the Minutes of Public Hearing is attached hereto as Exhibit "C."

7. The undersigned as the Mayor and highest elected official of the City approves, for the purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, the issuance of the Bonds and the Project for the purposes stated in the Notice. The City shall never make any payments on or in connection with the Bonds, payment on which are the sole responsibility of The Evangelical Lutheran Good Samaritan Society.

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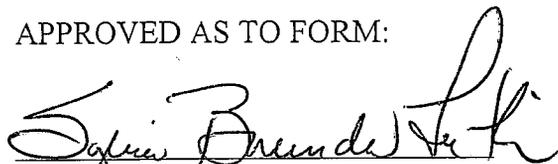
WITNESS MY HAND this _____ day of August, 2013.

Oscar Leeser
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Sylvia Borunda Firth
City Attorney

APPROVED AS TO CONTENT:

Norman J. Gordon
Issuer's Counsel

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Names of All Interested Persons

Representing the Issuer

Interested Persons Addressing Hearing

Norman J. Gordon