

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (Authority)

STAFF SUMMARY RECOMMENDATION

MARSHALL MEDICAL CENTER

Supplement and Amendment to Resolution No. 440

May 25, 2023

PRIOR APPROVAL DATE: March 26, 2020
PRIOR AMOUNT APPROVED: \$82,000,000
PROJECT SITES: See Exhibit 1 for list of project sites

PURPOSE OF THE SUPPLEMENT AND AMENDMENT

Marshall Medical Center, (Marshall) seeks approval of the Supplement and Amendment to Resolution No. 440 (Original Resolution) to include an additional project identified in Exhibit 1.

BACKGROUND

In March 2020, the Authority adopted the Original Resolution, authorizing the issuance of tax-exempt bonds in an amount not to exceed \$56,000,000 and taxable bonds in an amount not to exceed \$26,000,000. Bond proceeds were authorized to finance the costs of the acquisition, construction, expansion, remodeling, renovation, furnishing, equipping and reimbursement of multiple facilities either owned or leased by Marshall as listed in the Original Resolution. Additionally, bond proceeds were used to refund the CHFFA 2004 Series B bonds.

In April 2020, the Authority issued Series 2020A tax-exempt bonds in the principal amount of \$46,975,000. Marshall intended to use a portion of the Series 2020A bonds for certain capital projects that were expected to be completed within a year or two. However, those certain projects were significantly delayed or had to be redesigned due to the COVID-19 pandemic, leaving an amount of approximately \$13,000,000 of the Series 2020A tax-exempt bond proceeds unspent. Marshall intends to repurpose the unspent bond proceeds for another qualified capital project.

Marshall requests the Authority supplement and amend the Original Resolution to apply the remaining Series 2020A Bond proceeds of approximately \$13,000,000 to the additional project described below:

- (a) finance a portion of the costs of the acquisition and remodeling of a two story, 49,077 square-foot building to be used for clinical services at 4201 Town Center Boulevard, El Dorado Hills, California, in an approximate amount of \$13,000,000. The remaining costs will be paid for with operating cash of Marshall, board-designated cash and philanthropy donations.

RECOMMENDATION

Staff recommends the Authority approve the Supplement and Amendment to Resolution No. 440, with all prior provisions and conditions remaining unchanged and in full effect.

EXHIBIT 1

PROJECT SITES

Marshall Medical Center

Resolution No. 440 (Original Resolution)

- 1045, 1095, and 1100 Marshall Way, Placerville, CA 95667
- 1000 Fowler Way, Placerville, CA 95667
- 3185, 3193, 3197, and 3207 Washington Street, Placerville, CA 95667
- 3177 and 3180 Turner Street, Placerville, CA 95667
- 1106-1112, 1126, and 1128 Corker Street, Placerville, CA 95667
- 3501 and 3581 Palmer Drive, Cameron Park CA 95682
- 6425 Capitol Avenue, Diamond Springs, CA 95619

Additional Project (Supplement and Amendment to Resolution No. 440)

- 4201 Town Center Boulevard, El Dorado Hills, CA 95762

SUPPLEMENT AND AMENDMENT TO RESOLUTION NO. 440

**RESOLUTION OF THE CALIFORNIA HEALTH
FACILITIES FINANCING AUTHORITY PROVIDING FOR
BOND PROCEEDS TO BE USED FOR A 2023 PROJECT
FOR MARSHALL MEDICAL CENTER**

May 25, 2023

WHEREAS, the California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized and empowered by the provisions of the California Health Facilities Financing Authority Act (the “Act”) to issue revenue bonds and loan the proceeds thereof to any participating health institution to finance the construction, expansion, remodeling, renovation, furnishing, equipping and acquisition of health facilities (including by reimbursing expenditures made for such purposes), to refinance indebtedness of a participating health institution in connection therewith and to refund any outstanding bonds or any outstanding series or issue of bonds of the Authority;

WHEREAS, Marshall Medical Center (the “Borrower”) is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California which owns and operates health care facilities in the State of California;

WHEREAS, pursuant to Resolution No. 440, adopted on March 26, 2020 (the “Original Resolution”), the Authority authorized the issuance of its Insured Revenue Bonds (Marshall Medical Center), Series 2020A (the “Bonds”) for the purposes described therein, including for the New Project, which was described in full in Exhibit A to the Original Resolution;

WHEREAS, on April 27, 2020, the Authority issued the Bonds in the aggregate principal amount of \$46,975,000 and then loaned the proceeds thereof to the Borrower for the purposes described in the Original Resolution;

WHEREAS, due to unexpected events, the Borrower seeks to use approximately \$13,000,000 of the proceeds of the Bonds to finance the costs of the acquisition, construction, expansion, remodeling, renovation, furnishing and equipping of a certain health facility (the “2023 Project”) that was not originally described in the New Project;

WHEREAS, the Borrower has requested that the Authority amend the Original Resolution to include the 2023 Project in the New Project so that proceeds of the Bonds may be used for the 2023 Project;

NOW, THEREFORE, BE IT RESOLVED by the California Health Facilities Financing Authority as follows:

Section 1. The Original Resolution is hereby supplemented and amended as follows: The definition of New Project, appearing in the fourth WHEREAS clause of the Original Resolution and Exhibit A attached to the Original Resolution, is amended to include the 2023 Project, as described in Exhibit A attached hereto and incorporated herein.

Section 2. The provisions of the Authority's Resolution No. 2022-05 apply to the documents and actions approved in the Original Resolution, as amended by this Supplement and Amendment to Resolution No. 440.

Section 3. Except as herein amended and supplemented, all of the findings, terms and provisions of the Original Resolution are hereby ratified, confirmed and approved.

Section 4. This Supplement and Amendment to Resolution No. 440 shall take effect from and after the date of adoption.

Date of Adoption: _____

EXHIBIT A

2023 Project

The acquisition, construction, expansion, remodeling, renovation, furnishing and equipping of a certain health facility, located at 4201 Town Center Boulevard, El Dorado Hills, California.