

Posted on: September 19, 2024 | Last Modified on: September 19, 2024

## Notice of Public Hearing - RCBH Hospital Bonds

NOTICE IS HEREBY GIVEN, as required by and in compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), that, commencing at 7:00 p.m., or as soon thereafter as the matter may be heard, on October 2, 2024 a public hearing will be held before the City Council of the City of San Luis in the City Council Chambers, San Luis City Hall, 1090 E. Union Street, San Luis, Arizona 85336, for the purpose of providing an opportunity for interested persons to express their views, orally and in writing, with respect to the proposed issuance by The Industrial Development Authority of the City of San Luis, Arizona (the "Issuer") of debt (the "Subject Debt") in the maximum stated principal amount of \$80,000,000, in one or more series and/or issuances from time to time pursuant to a plan of finance.

The proceeds of the Subject Debt are to be lent to Regional Center for Border Health, Inc., an Arizona nonprofit corporation and an organization described under Section 501(c)(3) of the Code (the "Borrower").

The Borrower proposes to use the proceeds of the Subject Debt as part of a plan of finance to (i) design, construct and equip a new approximately 16-bed hospital in San Luis, Arizona, to be known as the "Border Health Medical Campus/San Luis Community Hospital" (the "Project"), which is expected to be approximately 64,000 square feet in size and to be constructed on a 10-acre parcel owned by the Borrower with an anticipated street address of 311 South Oak Avenue, San Luis, AZ, 85349, which is adjacent to the Borrower's existing Medical Mall facilities located at 151 South Oak Avenue, San Luis, AZ, 85349 (all of the property to be financed with proceeds of the Subject Debt is collectively referred to herein as the "Financed Property"); (ii) pay certain costs associated with the issuance of such debt; and (iii) fund a reserve fund and pay capitalized interest, if applicable. The initial owner and principal user of the Financed Property will be the Borrower.

All or a majority of the Subject Debt is expected to be issued as tax-exempt qualified 501(c)(3) bonds as defined in Section 145 of the Code.

The Subject Debt will be a special, limited obligation of the Issuer and will not constitute a debt or pledge of the full faith and credit of the Issuer, the City of San Luis, the State of Arizona or any agency or political subdivision thereof.

The Subject Debt is to be secured by a pledge of and lien on the revenues generated by the Borrower's healthcare operations (less operating

expenses), which is to be on a parity with the lien of the Borrower's previously authorized and currently outstanding loans made by the United States Department of Agriculture ("USDA"). USDA's written consent is required prior to the issuance of any parity obligations with the outstanding USDA financings and, as of the date of this Notice, the Borrower is actively working with USDA to obtain such consent.

The public hearing will provide a reasonable opportunity to be heard for persons wishing to express their views on the issuance of the Subject Debt and the Project proposed to be financed thereby. Any person may appear at the hearing and express his or her views, or may submit his or her views in writing, relating to such issuance or Project. Any written submission should be sent to the Issuer's Legal Advisor, Glenn J. Gimbut, Attorney at Law, at P.O. Box 8385, 1534 N.9th Ave., San Luis, Arizona 85336, Attention: Glenn J. Gimbut, and should be clearly marked: Border Health Medical Campus/San Luis Community Hospital Project. Written submissions should be mailed in sufficient time to be received before the hearing on October 2, 2024.

