



Legislation Text

File #: 18-4691, Version: 1

Title:

TEFRA Hearing - Southminster, Inc., Retirement Community

Summary

ACTION:

(1) Open TEFRA public hearing and receive comments on the proposed financing by Southminster, Inc., a North Carolina nonprofit corporation, of improvements on its continuing care retirement facilities

(2) Close public hearing and adopt resolution entitled:

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF MECKLENBURG, NORTH CAROLINA, APPROVING THE ISSUANCE OF NOT TO EXCEED \$150,000,000 OF TAX-EXEMPT BONDS TO BE ISSUED BY THE PUBLIC FINANCE AUTHORITY (THE "AUTHORITY") TO FINANCE CERTAIN COSTS OF VARIOUS RETIREMENT FACILITIES PROJECTS FOR THE BENEFIT OF SOUTHMINSTER, INC.

Staff Contact: Tyrone C. Wade, County Attorney

Presentation: No

BACKGROUND/JUSTIFICATION:

As more fully explained in the attached Resolution, the proceeds from the sale of the Bonds will be loaned to Southminster, Inc., a North Carolina nonprofit corporation (the "Borrower"), and used to (a) pay, or reimburse the Borrower, for all or a portion of the costs of acquiring, improving, constructing and equipping independent living, assisted living and health care facilities at the Borrower's continuing care retirement community known as Southminster, including, but not limited to, (i) constructing and equipping of two new "Terrace" buildings, which will include 66 independent living units, (ii) constructing and equipping of a five-level replacement health care center, which will initially include 60 nursing beds, 25 assisted living beds, new common areas for dining, library and events, new office and storage space, a kitchen expansion and underground parking, (iii) relocating and constructing a new loading dock for the facility and (iv) renovating the prior health care center to provide for 23 independent living units (collectively, the "Project"), (b) refund existing indebtedness of the Borrower, the proceeds of which were used to pay a portion of the costs of the Project, (c) pay

interest accruing on the Bonds during construction of the Project, (d) fund a debt service reserve fund for the Bonds and (e) pay certain fees and expenses incurred in connection with the sale and issuance of the Bonds. The Bonds are expected to be issued pursuant to Section 66.0304 of the Wisconsin Statutes, as amended, by the Authority, a commission organized under and pursuant to the provisions of Section 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended. The Project is or will be owned and operated by the Borrower and is located on the Borrower's campus at 8919 Park Road, Charlotte, Mecklenburg County, North Carolina 28210-7610.

In order to comply with federal tax law public hearings and approval requirements, the Borrower has requested that the Mecklenburg County Board of Commissioners hold a public hearing and approve the Resolution. This approval will not make the County responsible in any way for the Bonds or the Project financed with bond proceeds. Hosting the public hearing and approving the issuance of the Bonds are merely ministerial acts that will enable the Borrower to comply with federal tax law requirements in order that interest on the Bonds be exempt from federal income tax.

Representatives of the Borrower are planning to attend the hearing to answer any questions any Board members might have about the bonds or the project.

PROCUREMENT BACKGROUND:

N/A

POLICY IMPACT:

N/A

FISCAL IMPACT:

N/A