

## RESOLUTION NO. 2009-272

Adopted by the Sacramento City Council

May 5, 2009

### APPROVING A TAX-EXEMPT BONDS TO BE ISSUED BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY FOR THE BENEFIT OF KAISER PERMANENTE

#### BACKGROUND:

- A. Kaiser Foundation Hospitals, Kaiser Foundation Health Plan, Inc., Kaiser Health Plan Asset Management, Inc., Kaiser Hospital Asset Management, Inc., each a nonprofit public-benefit corporation (collectively, "Kaiser"), have requested that the California Statewide Communities Development Authority (the "Authority"), a joint-exercise-of-powers agency established under California law, participate in financing and refinancing the cost of acquisition and construction for certain capital facilities as more fully described below.
- B. The Authority will issue its revenue bonds in connection with the financing, in one or more series in an aggregate principal amount not to exceed \$2.2 billion (the "Bonds"). Kaiser will use approximately \$286 million of aggregate principal amount for reimbursement of expenditures and for completion of the South Sacramento Medical Center.
- C. The Authority and Kaiser will enter into a loan agreement (the "Loan Agreement") under which the Authority will loan the proceeds of the Bonds to Kaiser to provide a plan of financing for the following (collectively, the "Project"): financing and refinancing the cost of acquisition, construction improvement, equipping, renovation, rehabilitation, remodeling and other capital projects of certain health, parking, and other support facilities owned or operated by Kaiser Foundation Hospitals or one of its affiliates. The Project includes the facility known as South Sacramento Medical Center (the "Facilities") located in the City of Sacramento (the "City").
- D. Under section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the Authority's issuance of the Bonds must be approved by the City because the Facilities are located within the territorial limits of the City.
- E. The Sacramento City Council (the "City Council") is the elected legislative body of the City and as such is authorized to approve the issuance of the Bonds under section 147(f) of the Code.

- F. To satisfy both the public-approval requirement of section 147(f) of the Code and the requirements of section 9 of the Amended and Restated Joint Exercise of Powers Agreement dated as of June 1, 1988, to which the City is a party (the "Agreement"), the Authority has requested that the City Council approve the issuance of the Bonds.
- G. In accordance with section 147(f) of the Code, the City Council has held a public hearing, following reasonable public notice, regarding the issuance of the Bonds, and the City Council now desires to approve the issuance of the Bonds.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

Section 1. The City Council hereby approves the Authority's issuance of Bonds. The City Council intends that this resolution constitute approval of the issuance of the Bonds for the purposes of

- (a) section 147(f), which requires approval by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Facilities are to be located; and
- (b) section 9 of the Agreement.

Section 2. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and execute and deliver any and all documents they may deem necessary or advisable to consummate the Authority's issuance, sale, and delivery of the Bonds and to execute and deliver those documents as they may deem appropriate and otherwise to carry out, give effect to, and comply with the terms and intent of this resolution. Any actions previously taken by those officers in connection with the Bonds are hereby ratified and approved.

Section 3. The City Council expressly conditions its adoption of this resolution on its understanding that the City is not obligated to pay any principal, interest, fees, or other costs associated with the Authority's issuance of Bonds. The City Council's approval of the issuance, sale, and delivery of the Bonds is neither an approval of the underlying credit issues of the proposed Project nor an approval of the financial structure of the Bonds.

Section 4. This resolution takes effect immediately upon its adoption.

Adopted by the City of Sacramento City Council on May 5, 2009 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy,  
Tretheway, Waters, and Mayor Johnson.

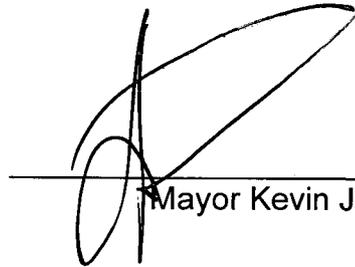
Noes: None.

Abstain: None.

Absent: None.

Attest:

  
Shirley Concolino  
Shirley Concolino, City Clerk

  
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Mayor Kevin Johnson