



KENAI PENINSULA BOROUGH

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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Kelly Cooper, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Mike Navarre, Kenai Peninsula Borough Mayor *MN*

FROM: Colette Thompson, Borough Attorney *CT*
Brandi Harbaugh, Acting Finance Director *BH*

DATE: September 7, 2017

SUBJECT: Resolution 2017-56, Authorizing the Mayor to Execute a Second Amendment to the Specialty Clinic Operating Agreement to Extend the Expiration Date to December 31, 2027, and, for Compliance with Bond Requirements, to Update References to Revenue Procedures and Revise Provisions in the Operating Agreement as they Relate to the Specialty Clinic (Mayor)

The assembly authorized the issuance of up to \$43 million in revenue bonds to fund the design and construction of the Specialty Clinic Building on the Central Peninsula Hospital campus in resolution 2013-072, as amended by resolution 2014-008. It also made the issuance of those revenue bonds subject to assembly approval of an agreement with a facility operator to operate the facility and commit to pay all debt service on the bonds when due. The assembly approved the Specialty Clinic Operating Agreement ("Agreement") with Central Peninsula General Hospital, Inc. in resolution 2014-006. The Agreement was signed on January 16, 2014 and was subsequently amended to meet all requirements of resolution 2013-072 on June 3, 2014. This Agreement will expire on December 31, 2017 unless extended by the parties.

Additionally, the Agreement includes references to an outdated Revenue Procedure relating to tax exempt bonds which needs to be revised. The Agreement also needs to include reference to the new Operating Agreement, with an effective date of January 1, 2018, and modifications of certain terms and condition in relation to the Specialty Clinic to satisfy ongoing compliance with bond requirements.

This resolution authorizes the mayor to execute the Second Amendment to the Specialty Clinic Operating Agreement to allow for the changes noted above and set forth in the Amendment.