



*Live Well. Health Matters.*

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Date: May 15, 2019  
To: Board of Directors  
From: Monica Suua, Chief Financial Officer  
Subject: Resolution for Reimbursement from Proceeds of Tax-Exempt Financings

*(Review and recommend approval of Resolution 549: Resolution of the Board of Directors of Beach Cities Health District Declaring Its Intention to Reimburse Itself from the Proceeds of One or More Tax-Exempt Financings for Certain Expenditures made and/or to be made in Connection with the Acquisition, Construction, and/or Equipping of Certain Capital Improvements located at 514 Prospect Avenue, Redondo Beach*

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On April 29, 2019, the BCHD Finance Committee reviewed and recommended approval to the Board of Resolution 549 to declare its intent to reimburse itself from the proceeds of one or more tax-exempt financings from certain expenditures made and/or to be made in connection with the acquisition, construction, and/or equipping of certain capital improvements.

While the District is currently evaluating the most beneficial financial structure for phase 1 of the Healthy Living Campus construction, it is likely that the District will be able to finance a portion of the construction cost with tax-exempt financing. That is, some type of financing vehicle supported by the income received from the planned Residential Care for the Elderly (RCFE).

Therefore, as the District is starting the Environmental Impact Report (EIR) process and is continuing to invest in the Healthy Living Campus, management recommends the Board to adopt Resolution 549 to allow the District to be reimbursed from the proceeds from said financings for certain capital expenditures in connection the with Healthy Living Campus.

FY19-20 recommended District Budget includes \$1,300,000 of capital expenditures designated for the Healthy Living Campus resulting in a total inception to date budget of \$5,050,000 for the project.

Based on current analysis and estimates, management anticipates the District maximum borrowing amount to be \$50 Million based on total cost estimate for Phase one (1) of \$165 Million.

Please find attached Resolution #549 for review and approval.

**Action Item:**

Review and recommend approval of Resolution 549: Resolution of the Board of Directors of Beach Cities Health District Declaring Its Intention to Reimburse Itself from the Proceeds of One or More Tax-Exempt Financings for Certain Expenditures made and/or to be made in Connection with the Acquisition, Construction, and/or Equipping of Certain Capital Improvements.