

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

September 10, 2024

FROM

MATTHEW ERICKSON, County Chief Financial Officer, Finance and Administration

SUBJECT

Loma Linda University Medical Center Tax Exempt Financing Hearing and Revenue Bond Approval

RECOMMENDATION(S)

1. Conduct a Tax Equity and Fiscal Responsibility Act public hearing regarding the issuance of one or more series of revenue bonds in an aggregate principal amount, not to exceed \$80,000,000, for the purpose of financing the acquisition, construction, improvement, renovation and/or equipping of certain health care facilities to be owned or operated by one or some combination of the Loma Linda University Medical Center and Loma Linda University Children's Hospital.
2. Adopt **Resolution No. 2024-134** approving the issuance of one or more series of tax-exempt and federally taxable revenue bonds, in an aggregate principal amount not to exceed \$127,000,000, for the purpose of financing and refinancing the acquisition, construction, improvement, renovation and/or equipping of certain capital projects owned and operated by one or some combination of Loma Linda University Medical Center and Loma Linda University Children's Hospital.

(Presenter: Matthew Erickson, County Chief Financial Officer, 387-5423)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Provide for the Safety, Health and Social Service Needs of County Residents.

Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). Bonds issued under this Resolution are limited obligations of the California Statewide Communities Development Authority (CSCDA), payable solely out the revenues and receipts derived from the loan made by CSCDA to the borrower, Loma Linda University Medical Center (LLUMC). Pursuant to Section 8 of the Amended and Restated Joint Exercise of Powers Agreement governing CSCDA, dated as of June 1, 1988, in which the County is a member, the bonds do not constitute a debt of the County nor do the bonds represent a pledge of the faith and credit of the County.

BACKGROUND INFORMATION

This item will allow LLUMC to borrow up to \$127,000,000 in tax-exempt and federally taxable bond proceeds, of which, up to \$80,000,000 of the proceeds will be from the issuance of tax-exempt bonds and will be used to finance the acquisition, construction, improvement,

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renovation, and/or equipping of capital projects owned or operated by one or a combination of LLUMC and Loma Linda University Children's Hospital. The remaining amount will be issued as taxable bonds to refinance bonds issued in 2014 by CSCDA for the benefit of the LLUMC. The bonds issued in 2014 were used to refinance certain debt of the LLUMC that was incurred for the LLUMC's capital and operational needs.

The capital projects that will be financed, with up to \$80,000,000 in tax-exempt proceeds, are for the health facilities located at 11234 Anderson Street, Loma Linda; 25333 Barton Road, Loma Linda; 26870 Barton Road, Redlands; and 1710 Barton Road, Redlands; including the installation and upgrading of an electronic medical record system that will be utilized at the health facilities located at 11175 Campus Street, Loma Linda; 250 S. G St., San Bernardino; 1003 E. Brier Dr., San Bernardino; 801 E. Mountain View Street, Barstow; 488 S. K Street, San Bernardino; 1455 East 3rd Street, San Bernardino and 815 S. Willow Avenue, Rialto.

Pursuant to the Federal Internal Revenue Code, a public hearing must be conducted by a governmental entity having jurisdiction over the area in which the project to be financed with tax exempt bond proceeds is or will be located.

Further, since LLUMC is working with the CSCDA to issue both tax-exempt and taxable bonds, the approving body must be a member of CSCDA. The County meets both of these requirements.

The bonds, when issued, will be limited obligations of CSCDA payable solely out of revenues and receipts derived from a loan agreement between CSCDA and LLUMC. The financing will be structured so that neither CSCDA nor the County has financial liability. The bonds will not represent a pledge of the faith or credit of the County.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Daniella Hernandez, Deputy County Counsel, 387-5455) on July 29, 2024; Finance (Amanda Trussell, Principal Administrative Analyst, 387-5423) on July 19, 2024; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on August 9, 2024.

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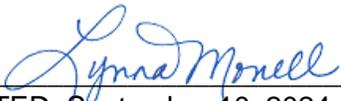
Record of Action of the Board of Supervisors
San Bernardino County

Hearing Opened
Public Comment: None
Hearing Closed

APPROVED

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: September 10, 2024



cc: File - Finance & Administration w/ resolution
JLL 09/10/2024