

Item Title: Public Hearing and Request from WakeMed to Approve the Use of Tax-Exempt Private Activity Bonds to Finance Infrastructure Improvements and Refinance Previously Issued Bonds

Specific Action Requested:

That the Board of Commissioners, at the conclusion of a public hearing regarding the same, adopts a resolution approving for purposes of meeting the requirements of the Internal Revenue Code, of 1986, as amended, and Sections 66.0301, 66.0303 and 66.0304 (in each case as in effect on the date hereof) of the Wisconsin Statutes commonly known as the "Joint Exercise of Powers Law," the issuance by the Public Finance Authority of not to exceed \$480,000,000 in Tax-Exempt Private Activity bonds for the benefit of WakeMed.

Item Summary:

Purpose: Periodically, public entities seek to use tax-exempt private activity bonds issued under the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) to finance the construction of new infrastructure. Under the federal tax code, for private activity bonds to qualify for tax-exempt status, the governmental entity with jurisdiction over the area in which a bond financed project is located must approve the issuance of the Bonds after a public hearing. WakeMed seeks this approval from Wake County to proceed with this financing approach.

Background: As part of its capital plans, WakeMed plans to expand the WakeMed Cary complex, make capital improvements at other campuses around the County, and refinance previously issued debt. All of the planned improvements will be within Wake County.

To finance these improvements, WakeMed seeks to use tax-exempt private activity bonds through the Public Finance Authority of Wisconsin. Under the federal tax code and rules and regulations of the Public Finance Authority of Wisconsin, the Board of Commissioners will need to hold a public hearing and approve the financing. Parker Poe requests the Board hold a public hearing and approve the bond application.

Board Goal: This action supports routine County operations.

Fiscal Impact: This action has no financial impact on Wake County. The bonds will not constitute a debt of the County or a pledge of the County's credit or taxing authority. The Bonds will not affect the County's debt ratios or legal debt limit.

Additional Information:

The Board of Commissioners last approved a TEFRA application in Spring 2015, a roughly \$3.6 million financing for Habitat for Humanity of Wake County. This is the first TEFRA application seeking financing through the Public Finance Authority of Wisconsin.

WakeMed will use a significant portion of the proposed bond issuance to refinance previously issued debt. The hospital will also use the bonds to finance an expansion of the Cary Campus, and other infrastructure improvements at the Raleigh Campus off New Bern Road, Brier Creek Healthplex, and North Hospital Campus.

Attachments:

1. Presentation
2. Wake County Tax Exempt Private Activity Bonds Approval Policy (adopted January 2016)
3. Resolution
4. WakeMed TEFRA Application packet