

RESOLUTION OF THE GOVERNING AUTHORITY OF DEKALB COUNTY, GEORGIA AUTHORIZING THE NEGOTIATION AND PREPARATION OF A CONTRACT BETWEEN THE FULTON-DEKALB HOSPITAL AUTHORITY AND DEKALB COUNTY, GEORGIA, REGARDING THE CONSTRUCTION AND DEVELOPMENT OF A NEW SURGERY CENTER PROJECT, THE EXPANSION OF THE PONCE CENTER/INFECTIOUS DISEASE PROGRAM AND THE PROVISION OF MEDICAL SERVICES AND HOSPITAL FACILITIES FOR THE INDIGENT SICK IN FULTON AND DEKALB COUNTIES; AND FOR OTHER PURPOSES.

WHEREAS, pursuant to the provisions of Georgia Laws 1941, pp. 241 *et seq.*, DeKalb County, Georgia (the “County”) and Fulton County, Georgia (“Fulton County”) were authorized to establish a hospital authority and, pursuant thereto, the Board of Commissioners of the County (the “Board of Commissioners”) by resolution adopted on August 9, 1941 and the Board of Commissioners of Fulton County by resolution adopted on August 6, 1941 duly established “The Fulton-DeKalb Hospital Authority” (the “Authority”) in accordance with the law then in effect; and

WHEREAS, the Hospital Authorities Law, Article 4, Chapter 7 of Title 31 of the Official Code of Georgia Annotated (the “Act”), provides for the powers, duties and functions of hospital authorities, including the Authority; and

WHEREAS, pursuant to the Official Code of Georgia Annotated Section 36-1-19.1, counties having a population of 400,000 or more are authorized to provide for the appropriation of money to any institution for purely charitable purposes, including health; and

WHEREAS, the population of the County pursuant to the 2010 U.S. census was 691,893 and the population of Fulton County pursuant to the 2010 U.S. Census was 920,581; and

WHEREAS, pursuant to Section 31-7-84 of the Act, a county shall have the power to adopt a resolution and execute a contract for the use of facilities and services of an authority and provision shall be made annually by such county contracting with an authority for the payment for the services and facilities of an authority used by a county out of general funds or out of tax revenues realized for the purpose of providing medical care or hospitalization for the indigent sick and others entitled to the use of the services and facilities of an authority; and

WHEREAS, pursuant to Section 31-7-85 of the Act, a county, for the purpose of using the facilities of an authority, is authorized by action of its governing body to enter into contracts with an authority for a period not exceeding 40 years as shall be necessary to provide for the continued maintenance and use of the facilities of an authority; and

WHEREAS, the Authority now owns a complete medical center including hospital facilities known as “Grady Memorial Hospital” and outpatient clinical facilities and related parking and other facilities (collectively, the “Grady Health System”); and

WHEREAS, the Authority has leased the Grady Health System pursuant to a Lease and Transfer Agreement, dated as of April 7, 2008 (the “Lease Agreement”), to Grady Memorial Hospital Corporation, a Georgia nonprofit corporation (the “Corporation”) which now operates the Grady Health System; and

WHEREAS, the County and Fulton County (together, the “Counties”), together with the Authority, entered into that certain contract dated June 20, 1984, as amended by amendments dated December 30, 1987, July 14, 1988, December 29, 1988, June 22, 1989 and December 14, 1989, and as extended pursuant to certain contract extensions (such contract, as amended and extended, being referred to herein as the “Operating Contract”), pursuant to which the Authority agreed, among other things, to continue to provide medical services and hospital facilities for the indigent sick of the Counties and the Counties agreed, among other things, to pay the operating costs and expenses of the Grady Health System, all in accordance with the terms thereof; and

WHEREAS, the Authority heretofore issued and sold \$258,400,000 in original aggregate principal amount of The Fulton-DeKalb Hospital Authority Refunding Revenue Certificates, Series 2003 (the “2003 Certificates”) on the terms and conditions set forth in a Certificate Resolution adopted by the Authority on November 21, 2003, as supplemented by a Supplemental Resolution adopted on December 4, 2003 (as supplemented, the “2003 Certificate Resolution”), in order to refund certain prior indebtedness; and

WHEREAS, the Authority and the Counties entered into a Contract dated as of December 1, 2003 (the “2003 Contract”), pursuant to which the Authority agreed, among other things, to continue to provide medical services and hospital facilities needed to serve the indigent sick of the Counties and the Counties agreed, among other things, to make payments to the Authority sufficient to enable the Authority to pay the principal of and interest on the 2003 Certificates; and

WHEREAS, the Authority and Fulton County previously determined that it was advisable, feasible and in the best interest of Fulton County to defease and refund a portion of the 2003 Certificates pro rata in the aggregate principal amount equal to approximately 69% of the principal amount of the 2003 Certificates then outstanding (the “Refunded Certificates”); and

WHEREAS, the Authority and Fulton County previously determined that, in order to financially benefit Fulton County, the defeasance and the refunding of the Refunded Certificates should be accomplished through the Authority’s issuance of a second series of taxable refunding revenue certificates (the “2012 Certificates”), of which a portion of the proceeds were used by the Authority to defease and refund the Refunded Certificates pursuant to the terms of the 2003 Certificate Resolution and to pay the costs associated with the issuance of the 2012 Certificates; and

WHEREAS, the Authority and the County heretofore issued and sold \$41,380,000 in original principal amount of The Fulton-DeKalb Hospital Authority Refunding Revenue Certificates, Series 2013 (the “Series 2013 Certificates”) on terms and conditions set forth in a Certificate Resolution adopted on November 11, 2013 and December 16, 2013 (collectively, the “2013 Certificate Resolution”) in order to (i) restructure and defer a portion of the County’s payment obligations under the 2003 Contract due from June 2013 through and including December 2013 and (ii) refund the outstanding 2003 Certificates; and

WHEREAS, the Authority and the County entered into a Contract dated as of December 1, 2013 (the “2013 Contract”), pursuant to which the Authority agreed, among other things, to continue to provide medical services and hospital facilities needed to serve the indigent sick of the County and the County agreed, among other things, to make payments to the Authority

sufficient to enable the Authority to pay the principal of and interest on the 2013 Certificates; and

WHEREAS, the Authority and the County have determined that, in order to benefit the health and welfare of the County residents, the financing of a portion of the costs of a new surgery center for the Grady Health System and the expansion of the Ponce Center/Infectious Disease Program should be accomplished through the Authority's issuance of tax-exempt revenues certificates (the "Revenue Certificates"), the proceeds of which will be applied to expand the Grady Health System by the construction and development of a new center for advanced surgical services to be housed in an approximately 7-story, 198,000 square foot facility to be located at the former site of the Aldredge Building in downtown Atlanta and the expansion of the Grady Health System infectious disease facility located at 341 Ponce de Leon Avenue in Midtown Atlanta (collectively, the "Project"), and to pay the costs associated therewith; and

WHEREAS, it is expected that the Authority will adopt a resolution approving its execution, delivery and performance of the Surgery Center/Ponce Center Expansion Contract (defined below) and the issuance of the Revenue Certificates relating to the Project; and

WHEREAS, in order to secure the Revenue Certificates, the Authority and the County desire to negotiate, prepare and enter into a Contract in connection with the issuance of the Revenue Certificates (the "Surgery Center/Ponce Center Expansion Contract"), pursuant to which the Authority would agree, among other things, to facilitate the construction and development of the Project and to continue to provide medical services and hospital facilities needed to serve the indigent sick of the County, and the County would agree, among other things, to make payments to the Authority sufficient to enable the Authority to pay the principal of and interest on the Revenue Certificates, which would constitute the County portion of the public contribution for the Project in the approximate amount of and not to exceed \$30,000,000, and any obligation by the County under the Surgery Center/Ponce Center Expansion Contract, taking into account its obligations under the prior contracts listed herein, would be subject to the statutory seven mill limit under the Act or such greater limitation as may hereafter be authorized by law; and

WHEREAS, the County is expecting that Fulton County will also contribute a portion of the public contribution for the Project in the approximate amount of and not to exceed \$60,000,000 and the execution and delivery of the Surgery Center/Ponce Center Expansion Contract by the County will be conditioned on the approval and execution by Fulton County of a resolution and contract in similar form and substance to this resolution and the Surgery Center/Ponce Center Expansion Contract; and

WHEREAS, the breakdown of the aforementioned public contributions of Fulton County and DeKalb County is based on historical practice and current utilization of Grady Health System services from each County; and

WHEREAS, the Authority and the County have agreed that the Grady Memorial Hospital Corporation, combined with private philanthropy and other sources, will finance the balance of the Project as part of a 50/50 public/private partnership; and

WHEREAS, the negotiation and preparation of the Surgery Center/Ponce Center Expansion Contract is authorized by the provisions of Article IX, Section III, Paragraph I(a) and (c) of the Constitution of the State of Georgia and by the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING AUTHORITY OF DEKALB COUNTY, GEORGIA, and it is hereby resolved by authority of the same, that the negotiation and preparation by the County of the Surgery Center/Ponce Center Expansion Contract is hereby authorized and approved, and that the Surgery Center/Ponce Center Expansion Contract in substantially final form shall be presented to the County Governing Authority for approval and authorization at a future date. The County Chief Executive Officer and the County Attorney, are each hereby authorized to negotiate and cause to be prepared the Surgery Center/Ponce Center Expansion Contract on behalf of the County; and

[Remainder of Page Intentionally Left Blank]

BE IT FURTHER RESOLVED that any or all resolutions or ordinances or parts of resolutions or ordinances in conflict with this resolution are, to the extent of such conflict, hereby repealed, and this resolution shall take immediate effect and shall be in full force and effect from and after the date of its adoption.

SO PASSED AND ADOPTED, this ____ day of September, 2017.

KATHIE GANNON
Presiding Officer
Board of Commissioners
DeKalb County, Georgia

APPROVED by the Chief Executive Officer of DeKalb County, this ____ day of September, 2017.

MICHAEL L. THURMOND
Chief Executive Officer
DeKalb County, GEORGIA

ATTEST:

APPROVED AS TO FORM:

BARBARA H. SANDERS
Clerk

O.V. BRANTLEY
County Attorney
DeKalb County

CLERK'S CERTIFICATE

STATE OF GEORGIA,

DEKALB COUNTY

I, Barbara H. Sanders, Clerk of the Board of Commissioners and the Chief Executive Officer of DeKalb County, do hereby certify that the foregoing pages constitute a true and correct copy of the resolution adopted by the Governing Authority of DeKalb County at an open public meeting duly called and lawfully assembled at __ __.m., on the ____ day of September, 2017, the original of said resolution being duly recorded in the Minute Book of the Board of Commissioners, which Minute Book is in my custody and control. I do hereby further certify that the following members of the Board of Commissioners were present at said meeting:

_____	_____
_____	_____
_____	_____

and that the following members were absent:

_____	_____

and that said resolution was duly adopted by vote of:

yes _____ no _____

WITNESS my hand and the official seal of DeKalb County, Georgia, this the ____ day of September, 2017.

Clerk
Board of Commissioners and the Chief
Executive Officer of DeKalb County