

**CITY OF BROOKINGS
STATE OF OREGON**

RESOLUTION 13-R-1021

A RESOLUTION OF THE CITY OF BROOKINGS REDUCING THE INTEREST RATE AND APPLYING AN INTEREST RATE CREDIT FOR CURRY HEALTH NETWORK SYSTEM DEVELOPMENT CHARGES.

WHEREAS, Curry Health Network (CHN) has expended in excess of \$17.0 million in the construction of the Brookings Health Clinic, which employs 55 local residents; and

WHEREAS, in conjunction with said project, the total amount of System Development Charges (SDC) due to the City of Brookings (City) from CHN was \$560,261; and

WHEREAS, CHN chose to finance payment of said SDC's with the City through a payment plan which included the customary terms of a 9.0 percent interest rate and payment period of 10 years; and

WHEREAS, CHN has faithfully made all payments due the City, with principal payments totaling \$134,173 and interest payments totaling \$149,634; and

WHEREAS, the City's Urban Renewal Plan, adopted in 2002, identifies public projects that are eligible for financial assistance through the City's Urban Renewal Agency and that would contribute to the goals of the overall Urban Renewal Plan; and

WHEREAS, one of the projects identified in the aforementioned Urban Renewal Plan is, "Assist development of new medical facility;" and

WHEREAS, CHN has announced plans to seek a "Certificate of Need" from state and federal regulatory agencies for the expansion of the Brookings Health Clinic to a full service hospital with an Emergency Department and plans to seek an additional \$10 million in financing for said project; and

WHEREAS, expansion of the existing CHN Brookings facility would further increase the demand on City infrastructure thereby necessitating the payment of additional SDCs by CHN; and

WHEREAS, improvements to medical facilities and services are critical elements to the City's economic development strategy;

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Brookings finds that CHN is using its best efforts to improve the quality and availability of medical facilities and care to Brookings residents.

BE IT FURTHER RESOLVED that the City Council finds that it is in the best public interest to assist CHN in its financial planning for a facility expansion toward fulfillment of the goal of having a Brookings hospital and emergency room in the following manner:

1. The interest rate on current SDC indebtedness shall be reduced to 3.0 percent.

2. The amount of interest paid by CHN on the SDC indebtedness shall be recalculated at 3.0 percent from date of inception, and that portion of interest paid above 3.0 percent shall be credited against the remaining principal amount due.
3. The adjustments in SDC financing terms, as defined herein, are conditional upon CHN retaining consultant services and pursuing a certificate of need for a hospital and emergency room in Brookings.

Passed by the City Council August 26, 2013 and made effective the same date.



Mayor Ron Hedenskog

Attest:



City Recorder Joyce Heffington