

# ^NORTON ROSE FULBRIGHT

September 17, 2013

## BY EMAIL AND FEDEX

The Honorable County Judge  
and County Commissioners  
of Fort Bend County  
301 Jackson Street  
Richmond, Texas 77469

Attention: Office of the Commissioners  
Agenda Coordinator

Fulbright & Jaworski LLP  
1301 McKinney, Suite 5100  
Houston, Texas 77010-3095  
United States

AGENDA ITEM

27b

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COUNTY JUDGE  
RECEIVED  
SEP 18 2013

## Re: Approval of Bonds for St. Luke's Health System

Gentlemen:

On behalf of our client, St. Luke's Health System Corporation, we respectfully request that the Commissioners Court consider adoption of the enclosed resolution to permit the issuance of tax-exempt limited obligation revenue bonds to finance and refinance the acquisition and construction of certain facilities described in the enclosed notice of public hearing and located in Fort Bend County, Texas.

A public hearing was held on September 16, 2013 regarding the proposed bonds and the facilities to be financed. Enclosed is (i) a notice of the public hearing, which was published in the *Houston Chronicle* on August 30, 2013, and describes facilities to be financed by the bonds, and (ii) a certificate reporting that no one appeared at the public hearing to oppose the financing.

As counsel to St. Luke's Health System Corporation for this matter, we respectfully request that the Commissioners Court consider adoption of the enclosed resolution at its regular meeting scheduled for Tuesday, September 24, 2013. We would suggest that this matter appear separately on the agenda for the Commissioners Court meeting as follows:

### RESOLUTION APPROVING THE ISSUANCE OF BONDS TO FINANCE AND REFINANCE CERTAIN PROJECTS FOR ST. LUKE'S HEALTH SYSTEM

Since St. Luke's is now part of the much larger Catholic Health Initiatives (CHI) health system, it is able to enjoy additional economics of scale, including in its financings. The bonds would be issued by the Colorado Health Facilities Authority as part of a larger financing of other CHI facilities. Section 147(f) of the Internal Revenue Code of 1986, as amended, provides that bonds to finance non-profit healthcare facilities in Fort Bend County must be approved by the Commissioners Court, the County Judge, or another governmental unit or official with jurisdiction, after a public hearing held on public notice, in order for interest on the bonds to be exempt from federal income taxes. As noted by the enclosed certificate, a public hearing for this purpose was held on September 16, 2013, without opposition.

Fulbright & Jaworski LLP is a limited liability partnership registered under the laws of Texas.

Fulbright & Jaworski LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP, Norton Rose Fulbright South Africa (incorporated as Deneys Reitz, Inc.), each of which is a separate legal entity, are members of Norton Rose Fulbright Verein, a Swiss Verein. Details of each entity, with certain regulatory information, are at [nortonrosefulbright.com](http://nortonrosefulbright.com). Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients.

9/30/13 6 originals returned to Donna at County Judge

The Honorable County Judge and County  
Commissioners of Fort Bend County  
September 17, 2013  
Page 2

Also enclosed with this letter is a form of a certificate regarding the enclosed resolution. We respectfully request that six (6) fully executed certificates and an executed copy of the resolution be returned after adoption of the enclosed resolution.

John. W. Beauchamp, Assistant Vice President and Chief Financial Officer at St. Luke's Sugar Land Hospital, and I will be present at your meeting to answer any questions that may arise. Please do not hesitate to contact the undersigned if you should need any additional information or have any questions which you would like answered before acting on this request.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Michael Swartz', with a stylized, flowing script.

Michael Swartz

Enclosures

cc: Mr. Brian Doyle – St. Luke's Health System

## CERTIFICATE

We, the undersigned officers of Fort Bend County, Texas (the "*County*"), hereby certify as follows:

The Commissioners Court (the "*Court*") of the County convened in regular session, open to the public, on September 24, 2013 (the "*Meeting*"), at the Commissioners Court Room, 301 Jackson St., 7<sup>th</sup> Floor, Richmond, Texas, and the roll was called of the members of the Court, to-wit:

Robert E. Hebert, County Judge  
Richard Morrison, Commissioner, Precinct 1  
Grady Prestage, Commissioner, Precinct 2  
Andy Meyers, Commissioner, Precinct 3  
James Patterson, Commissioner, Precinct 4

All members of the Court were present, except the following: \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at such meeting: A written

### RESOLUTION APPROVING THE ISSUANCE OF BONDS TO FINANCE AND REFINANCE CERTAIN PROJECTS FOR ST. LUKE'S HEALTH SYSTEM

(the "*Resolution*") was duly moved and seconded and, after due discussion, said motion, carrying with it the adoption of such Resolution, prevailed and carried by the following votes:

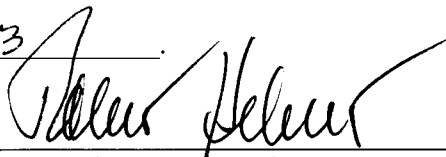
AYES: 5 NOES: 0

A true, full, and correct copy of the Resolution is attached to and follows this Certificate; the Resolution has been duly recorded in the Court's minutes of the Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Court's minutes of the Meeting pertaining to the adoption of the Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting members of the Court as indicated therein; each of the members of the Court was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting, and that the Resolution would be introduced and considered for adoption at the Meeting; each of such members consented in advance to holding of the Meeting for such purpose; and the Meeting was open to the public, and public notice of the time, place, and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED this Sept. 24, 2013.

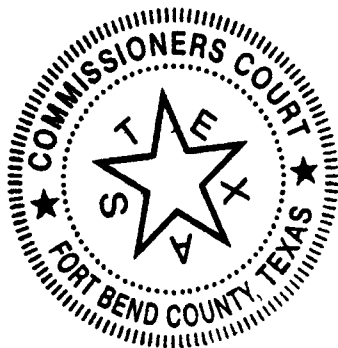


Dianne Wilson, County Clerk  
Fort Bend County, Texas



Robert E. Hebert, County Judge  
Fort Bend County, Texas

(SEAL)



**RESOLUTION APPROVING  
THE ISSUANCE OF BONDS TO FINANCE AND REFINANCE  
CERTAIN PROJECTS FOR ST. LUKE'S HEALTH SYSTEM**

WHEREAS, pursuant to 26 U.S.C. § 147(f), as amended (hereinafter referred to as "*Section 147(f) of the Code*"), after reasonable public notice (a copy of which is attached hereto as **Exhibit A**), a public hearing has been conducted on the issuance of its limited obligation revenue bonds (hereinafter referred to as the "*Bonds*") by the Colorado Health Facilities Authority, the interest of which is intended to be excluded from gross income for federal income tax purposes, to refinance and finance the acquisition of certain facilities described in such notice, including facilities (hereinafter referred to as the "*Projects*") located in Fort Bend County, Texas (the "*County*"), all of which are owned, operated, managed or otherwise used by St. Luke's Health System Corporation, a Texas non-profit corporation, or one or more affiliates as described in such notice; and

WHEREAS, the approval of the Bonds and the Projects by a governmental unit having jurisdiction over the area in which the Projects are located is a condition to the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes and, consequently, is necessary to finance and refinance the Projects at the favorable interest rates which are currently borne by tax-exempt obligations;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF FORT BEND COUNTY, TEXAS, THAT:

1. The issuance of a portion of the Bonds, in the maximum aggregate principal amount of \$185 million to finance and refinance the Projects, as well as the appointment of the person to hold the above-described public hearing, are hereby approved pursuant to Section 147(f) of the Code.

2. The approval herein granted is solely for purposes of Section 147(f) of the Code and shall not be construed as a representation, warranty, or other undertaking of any kind by the County in respect of the Bonds or the Projects. The Bonds shall not constitute obligations of the State of Texas, this County, or any other political subdivision or agency thereof, or a pledge of the faith and credit of any of them. Neither the State of Texas nor any political subdivision thereof, including this County, shall be obligated to pay the Bonds or the interest thereon. Neither the faith and credit nor the taxing power of the State of Texas, this County, or any other political subdivision or agency thereof shall be pledged to the payment of principal of, redemption premium, if any, or interest on the Bonds.

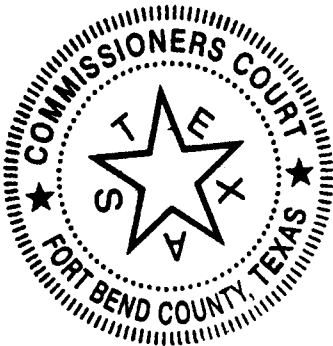
3. The County Judge, the County Commissioners, and the County Clerk and other officers of the County, or any of them, are hereby authorized to execute and deliver such endorsements, certificates, instruments, documents, or other papers and to do all other things necessary or advisable to give effect to the intent and purpose hereof.

PASSED AND APPROVED this 24 day of September, 2013.

ATTEST:

*Dianne Wilson*

Dianne Wilson, County Clerk



*Robert E. Hebert*

Robert E. Hebert, County Judge

*Richard Morrison*

Richard Morrison  
Commissioner Precinct 1

*Grady Prestage*

Grady Prestage  
Commissioner Precinct 2

*Andy Meyers*

Andy Meyers  
Commissioner Precinct 3

*James Patterson*

James Patterson  
Commissioner Precinct 4

Attachment

## NOTICE OF PUBLIC HEARING

Take Notice that, for purposes of section 147(f) of the Internal Revenue Code of 1986, as amended, a public hearing will be held on September 16, 2013, at 9:00 a.m. at the offices of Norton Rose Fulbright, Fulbright Tower, 1301 McKinney Street, Suite 5100, Houston, Texas 77010, with respect to the proposed issuance of limited obligation revenue bonds (the “*Bonds*”) of the Colorado Health Facilities Authority, portions of which will be used to fund (i) costs of acquisition of the following facilities at the locations described below in Harris, Montgomery, and Fort Bend Counties, Texas, (ii) a debt service reserve fund (if deemed necessary or advisable), and (iii) costs of issuance, in approximate maximum aggregate principal amounts of \$810 million for facilities in Harris County, \$205 million for facilities in Montgomery County, and \$185 million for facilities in Fort Bend County.

<u>Facilities</u>	<u>Location</u>
St. Luke’s Medical Center	6720 Bertner Ave. Houston, Harris County
St. Luke’s Medical Clinic	O’Quinn Medical Tower, 6624 Fannin, Houston, Harris County
6620 Main Building	6620 Main, Houston, Harris County
St. Luke’s The Woodlands Hospital	17200 St. Luke’s Way, The Woodlands, Montgomery County
St. Luke’s Sugar Land Hospital	1317 Lake Pointe Parkway, Sugar Land, Fort Bend County
Community Emergency Center– Holcombe	2727 West Holcombe Blvd, Houston, Harris County
Community Emergency Center – Pearland	11713 Shadow Creek Parkway, Pearland, Harris County
Community Emergency Center – San Felipe	6363 San Felipe; Houston, Harris County
Diagnostic & Treatment Center – Kirby Glen	2457 S. Braeswood, Houston, Harris County
St. Luke’s Radiation Therapy and CyberKnife Facility	2491 S. Braeswood, Houston, Harris County
St. Luke’s Hospital at The Vintage	20171 Chasewood Park Drive, Houston, Harris County

The facilities are owned, operated, or managed by St. Luke’s Medical Center (formerly St. Luke’s Episcopal Hospital), St. Luke’s Episcopal Properties Corporation, St. Luke’s Community Health Services d/b/a St. Luke’s The Woodlands Hospital, St. Luke’s Sugar Land Properties Corporation, St. Luke’s Community Development Corporation – Sugar Land d/b/a/ St. Luke’s Sugar Land Hospital, St. Luke’s Medical Tower Corporation, St. Luke’s Health System Corporation, St. Luke’s Community Development Corporation – The Vintage, SL Augusta Corp, and/or one or more of their affiliates.

The Bonds would be limited recourse obligations of the Colorado Health Facilities Authority payable solely from the repayment of the loan of proceeds of such obligations to Catholic Health Initiatives and would not constitute a debt or other obligation of Harris, Fort Bend, or Montgomery County, Texas, or any other public body or be in any way payable from taxes or other public funds.

All interested persons are invited to attend the public hearing and will be given an opportunity to address the question of whether the Commissioners Courts and/or the County Judges of such counties should approve the issuance of the Bonds and the facilities to be financed thereby. Following the public hearing a report concerning the hearing will be submitted to such Commissioners Courts and/or County Judges with a request to approve the issuance of the Bonds and the facilities.

Questions, requests for additional information, or written comments may be directed in writing to Norton Rose Fulbright, Fulbright Tower, 1301 McKinney Street, Suite 5100, Houston, Texas 77010-3095, Attention: Fredric A. Weber.

## AFFIDAVIT OF PUBLICATION

STATE OF TEXAS:

COUNTY OF HARRIS:

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared, the Newspaper Representative at the HOUSTON CHRONICLE, a daily newspaper published in Harris County, Texas and generally circulated in the Counties of: HARRIS, TRINTY, WALKER, GRIMES, POLK, SAN JACINTO, WASHINGTON, MONTGOMERY, LIBERTY, AUSTIN, WALLER, CHAMBERS, COLORADO, BRAZORIA, FORT BEND, GALVESTON, WHARTON, JACKSON, and MATAGORDA and that the publication, of which the annexed herein, or attached to, is a true and correct copy, was published to-wit:

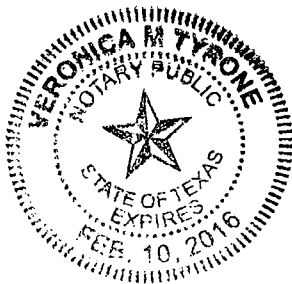
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NEWSPAPER REPRESENTATIVE

Sworn and subscribed to before me, this the 3rd Day of September A.D. 2013



  
\_\_\_\_\_  
Notary Public in and for the State of Texas



**NOTICE OF  
PUBLIC HEARING**

Take Notice that, for purposes of section 147(f) of the Internal Revenue Code of 1986, as amended, a public hearing will be held on September 16, 2013, at 9:00 a.m. at the offices of Norton Rose Fulbright, Fulbright Tower, 1301 McKinney Street, Suite 5100, Houston, Texas 77010, with respect to the proposed issuance of limited obligation revenue bonds (the "Bonds") of the Colorado Health Facilities Authority, portions of which will be used to fund (i) costs of acquisition of the following facilities at the locations described below in Harris, Montgomery, and Fort Bend Counties, Texas, (ii) a debt service reserve fund (if deemed necessary or advisable), and (iii) costs of issuance, in approximate maximum aggregate principal amounts of \$810 million for facilities in Harris County, \$205 million for facilities in Montgomery County, and \$185 million for facilities in Fort Bend County.

**Facilities • Location**

St. Luke's Medical Center  
6720 Bertner Ave.  
Houston, Harris County

St. Luke's Medical Clinic  
O'Quinn Medical Tower  
6624 Fannin, Houston,  
Harris County

6620 Main Building  
6620 Main, Houston,  
Harris County

St. Luke's The Woodlands  
Hospital  
17200 St. Luke's Way,  
The Woodlands,  
Montgomery County

St. Luke's Sugar Land  
Hospital  
1317 Lake Pointe  
Parkway, Sugar Land,  
Fort Bend County

Community Emergency  
Center Holcombe  
2727 West Holcombe Blvd,  
Houston, Harris County

Community Emergency  
Center Pearland  
11713 Shadow Creek  
Parkway, Pearland, Harris  
County

Community Emergency  
Center San Felipe  
6363 San Felipe, Houston,  
Harris County

Diagnostic & Treatment  
Center Kirby Glen  
2457 S. Braeswood,  
Houston, Harris County

St. Luke's Radiation  
Therapy and CyberKnife  
Facility  
2491 S. Braeswood,  
Houston, Harris County

St. Luke's Hospital at  
The Vintage  
20171 Chasewood Park  
Drive, Houston,  
Harris County

The facilities are owned, operated, or managed by St. Luke's Medical Center (formerly St. Luke's Episcopal Hospital), St. Luke's Episcopal Properties Corporation, St. Luke's Community Health Services d/b/a St. Luke's The Woodlands Hospital, St. Luke's Sugar Land Properties Corporation, St. Luke's Community Development Corporation Sugar Land d/b/a/ St. Luke's Sugar Land Hospital, St. Luke's Medical Tower Corpora-

corporation Sugar Land d/b/a/ St. Luke's Sugar Land Hospital, St. Luke's Medical Tower Corporation, St. Luke's Health System Corporation, St. Luke's Community Development Corporation The Vintage, St. Augusta Corp. and/or one or more of their affiliates.

The Bonds would be limited recourse obligations of the Colorado Health Facilities Authority payable solely from the repayment of the loan of proceeds of such obligations to Catholic Health Initiatives and would not constitute a debt or other obligation of Harris, Fort Bend, or Montgomery County, Texas, or any other public body or be in any way payable from taxes or other public funds.

All interested persons are invited to attend the public hearing and will be given an opportunity to address the question of whether the Commissioners Courts and/or the County Judges of such counties should approve the issuance of the Bonds and the facilities to be financed thereby. Following the public hearing a report concerning the hearing will be submitted to such Commissioners Courts and/or County Judges with a request to approve the issuance of the Bonds and the facilities.

Questions, requests for additional information, or written comments may be directed in writing to Norton Rose Fulbright, Fulbright Tower, 1301 McKinney Street, Suite 5100, Houston, Texas 77010-3095. Attention: Fredric A. Weber.

## CERTIFICATE OF PUBLIC HEARING

I, the undersigned, hereby certify in connection with the proposed issuance by the Colorado Health Facilities Authority (the "*Issuer*") of its limited obligation revenue bonds for the benefit of St. Luke's Health System Corporation, a Texas non-profit corporation ("*St. Luke's*"), and affiliates, in the approximate aggregate principal amount not to exceed \$1,200,000,000 (the "*Bonds*"), as follows:

1. Commencing at 9:00 a.m. on Monday, September 16, 2013, at the offices of Norton Rose Fulbright, Fulbright Tower, 1301 McKinney Street, Suite 5100, Houston, Texas 77010, which offices were open to the public for purposes of the hearing, I conducted a public hearing on the issuance of the Bonds to finance the facilities described in the notice of such hearing published in the *Houston Chronicle* on August 30, 2013, all of which are owned, operated, or managed by St. Luke's or affiliates and located as described in the notice.

2. At the time for the commencement of the hearing, I publicly requested comments, either orally or in writing, on the facilities to be financed with proceeds of the Bonds and on the issuance of the Bonds.

3. At the hearing, no persons presented comments orally or in writing.

4. I imposed no time limitations on any public comments.

IN WITNESS WHEREOF, I have hereunto set my hand this September 16, 2013.

A handwritten signature in black ink, appearing to read "Fredric A. Weber", is written over a horizontal dotted line.

Fredric A. Weber