

Council Meeting
August 10, 2010

PUBLIC HEARING

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council

**Subject: Finance – Public Hearing – Conduit financing for Torrance
Memorial Medical Center (the “Borrower”)
Expenditure: None**

RECOMMENDATION

Recommendation of the Finance Director that the City Council hold a public hearing regarding the tax-exempt financing and the issuance of revenue bonds by the City of Torrance for the Borrower. The hearing is solely for the purposes of satisfying the requirements of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and the Internal Revenue Code.

On August 24, 2010, the City Council will be asked to approve a resolution authorizing the issuance of the bonds.

Funding

The City has no liability with respect to repayment of the bonds. The bonds will be payable solely from payments received from the Borrower. The City and the Borrower will be parties to the bond documents which will be submitted for approval by the City Council on August 24, 2010.

BACKGROUND

The City Council is being asked to hold a public hearing regarding the issuance of tax-exempt bonds for the benefit of the Borrower.

The Borrower requested that the City serve as the municipal issuer of tax-exempt revenue bonds in one or more series (the “Bonds”) in an aggregate principal amount not to exceed \$260,000,000. If the bond issue is approved, the proceeds of the Bonds will be loaned by the City to the Borrower.

The Borrower will apply the money to pay the costs of construction of the New Main Tower Project, which consists of a new 7-story tower with approximately 389,000 square feet located at the Borrower’s hospital campus at 3330 Lomita Boulevard, Torrance, CA (the

'Project"). The proceeds of the Bonds will also be used to refund the outstanding City of Torrance Hospital Revenue Bonds (Little Company of Mary Hospital – Torrance Memorial Medical Center) Series 1992 and to pay certain expenses incurred in connection with the issuance of the Bonds.

Under federal tax law, before tax-exempt bonds may be issued for a private entity by the City, the City must hold a public hearing. Following the hearing, the legislative body or other elected official of the City must approve the financing. Notice of the public hearing was published in The Daily Breeze, on July 22, 2010. A copy of the Affidavit of Publication is attached. The City's approval will be sought via resolution on August 24, 2010 and will not constitute any planning approval of the City or an approval for any other purpose.

Repayment of the Bonds will be the sole responsibility of the Borrower. All bond documents will contain clear disclaimers that the Bonds are to be paid only from funds provided by the Borrower.

Participation by the City in the issuance of the proposed Bonds does not impact the City's appropriations limits and will not constitute any type of indebtedness of the City.

Respectfully submitted



Eric E. Tsao
Finance Director

CONCUR:


LeRoy J. Jackson
City Manager

Attachment: Copy of The Daily Breeze Public Hearing Notice

Daily Breeze

21250 HAWTHORNE BLVE, STE 170 * TORRANCE CALIFORNIA 90503-4077
(310) 543-6635 * (310) 540-5511 Ext. 396

PROOF OF PUBLICATION (201 5.5 C.C.P.)

STATE OF CALIFORNIA

County of Los Angeles,

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principal clerk of the printer of the THE DAILY BREEZE

a newspaper of general circulation, printed and published _____

in the City of Torrance*
County of Los Angeles, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of County of Los Angeles, State of California, under the date of _____

June 10, 1974

Case Number SWC7146
that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement there of on the following dates, to-wit

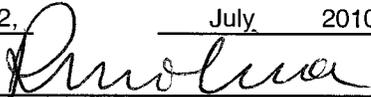
July 22,

all in the year 2010

the foregoing is true and correct.

Dated at Torrance

California, this 22, July 2010


Signature

*The Daily Breeze circulation includes the following cities:
Carson, Compton, Culver City, El Segundo, Gardena, Harbor City, Hawthorne, Hermosa Beach, Inglewood, Lawndale, Lomita, Long Beach, Manhattan Beach, Palos Verdes Peninsula, Palos Verdes, Rancho Palos Verdes, Redondo Beach, San Pedro, Santa Monica, Torrance and Wilmington

This space is for the County Clerk's Filing Stamp

Proof of Publication of

DB

DB 7-62

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Tuesday, August 10, 2010, a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986 will be held with respect to the proposed issuance, in one or more series and from time to time, by the City of Torrance (the "City") of its hospital revenue bonds in an amount not to exceed \$260,000,000 (the "Bonds"). The proceeds of the Bonds will be used to: (i) finance and refinance the cost of the construction, acquisition, improvement and equipping of health facilities located on and adjacent to the campus of Torrance Memorial Medical Center located generally at 3330 Lomita Boulevard, Torrance, California (the "Facilities"); (ii) fund a debt service reserve fund, if required; and (iii) pay certain expenses incurred in connection with the issuance of the Bonds. The Facilities will be owned and operated by Torrance Memorial Medical Center, a nonprofit public benefit corporation as described in Section 501(c)(3) of the Internal Revenue Code of 1986.

The hearing will commence at 7:00 p.m., or as soon thereafter as the matter can be heard, and will be held at the Council Chambers, City Hall, City of Torrance, 3031 Torrance Boulevard, Torrance, California. Interested persons wishing to express their views on the issuance of the Bonds or on the nature and location of the facilities proposed to be financed and refinanced will be given an opportunity to do so at the public hearing or may, prior to the time of the hearing, submit written comments to the City Clerk, City of Torrance, 3031 Torrance Boulevard, Torrance, California 90503.

Pub: July 22, 2010