



W A S H I N G T O N  
**HEALTH CARE FACILITIES**  
A U T H O R I T Y  
*Financing the Health Care Future*

**Washington Health Care Facilities Authority**  
**410 11th Avenue S.E., Suite 201**  
**Olympia, WA 98504**  
**Wednesday, December 14, 2016 Meeting Minutes**

A special meeting was held at the office of the Washington Health Care Facilities Authority. Meeting notices were mailed to all members of the Authority, to all persons who requested such meeting notice, and to those members of the media presently on the mailing list for receiving meeting notices of the Washington Health Care Facilities Authority.

**Members Present:**

Lieutenant Governor Brad Owen, Member, Chair  
AnnaLisa Gellermann, Insurance Commissioner's Designee/Member, by conference speakerphone  
Ron Sperling, Public Member, by conference speakerphone

**Authority Staff Present:**

Shannon Govia, Assistant Executive Director  
Ashlee Frye, Chief Financial and Compliance Officer  
Danni Miller, Executive Assistant/Office Manager

**Others Present:**

Dan Gottlieb, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S., by conference speakerphone  
Raul Ardelean, Authority Financial Advisor, Melio & Company, by conference speakerphone  
Mayling Leong, Authority Bond Counsel, Orrick, Herrington & Sutcliffe LLP, by conference speakerphone  
Rusty Fallis, Authority Assistant Attorney General  
Doug Dale, Chief Financial Officer & Vice President of Finance, Sea-Mar Community Health Centers

Lieutenant Governor Owen called the meeting to order at 8:30 a.m. after noting a quorum was present consisting of himself, AnnaLisa Gellermann and Ron Sperling.

**Board Members**

Governor  
**Jay Inslee**  
Chair

Governor's Designee  
**David Schumacher**

Lieutenant Governor  
**Cyrus Habib**

Insurance Commissioner  
**Mike Kreidler**

Insurance Commissioner's  
Designee  
**AnnaLisa Gellermann**

Secretary  
Department of Health  
**John Wiesman**

Public Member  
**Ronald K. Sperling**

Executive Director  
**Donna A. Murr**

**Review, discussion and possible action regarding the Minutes of November 15, 2016.**

After discussion and upon motion by Mr. Sperling and seconded by Ms. Gellermann, the minutes of the November 15, 2016 Authority meeting were unanimously accepted by roll call vote.

**Review, discussion and possible action regarding the acceptance of an amendment to the 2016 application for financial assistance submitted by Sea-Mar Community Health Centers**

Sea-Mar Community Health Centers submitted an application for financial assistance in an amount not to exceed \$3,880,000, which was accepted by the Authority on August 12, 2016. Proceeds of the loan are to be used to reimburse Sea-Mar for the acquisition of a facility in Mt. Vernon, WA and for the acquisition of a facility in Lynwood, WA and to pay costs of issuance.

The Mt. Vernon facility was financed by HomeStreet Bank in the amount of \$880,000 funded through the Series 2016A Bond and the Lynwood facility is to be financed by MUFJ Union Bank N.A. in the approximate amount of \$3,000,000 funded through the issuance of the Series 2016B Bond.

Subsequent to the acceptance of the application, Sea-Mar and MUFJ Union Bank N.A. have determined that it would be economically beneficial to also finance the acquisition costs of two additional properties located in Tacoma, WA. The additional facilities in Tacoma will be used for Sea-Mar's Healthcare for the Homeless Program, which provide medical, dental and behavioral health services.

The requested amendment would add the additional Tacoma, WA properties and increase the amount requested to \$5,880,000. The Series 2016A Bond will remain unchanged and the Series 2016B Bond will increase by \$2,000,00 for the acquisition of the two Tacoma, WA facilities.

A motion is necessary to accept the application as amended in an amount not to exceed \$5,880,000. Mr. Govia urged acceptance of the amended application.

Mr. Govia introduced Mr. Doug Dale, Chief Financial Officer and Vice President of Finance for Sea-Mar. Mr. Dale thanked the Authority for the continued support. Mr. Dale stated that the additional facilities in Tacoma will allow Sea-Mar to provide services to the homeless that have been funded by a federal grant.

In response to Mr. Sperling's inquiry regarding Union Bank and their approval of the amended loan amount, Mr. Dale stated that Union Bank has approved the increased amount and provided an approved term sheet. .

There being no further discussion, without public comment and upon motion by Mr. Sperling, seconded by Ms. Gellermann the amendment to the 2016 application for

financial assistance submitted by Sea-Mar Community Health Centers was unanimously accepted by roll call vote.

**Review, discussion and possible action regarding the adoption of Resolution No. 2016-12 approving the application for financial assistance as amended and authorizing the issuance and sale of a bond for Sea Mar Community Health Centers 2016B (Sea Mar).**

Mr. Govia summarized Resolution No. 2016-12, which if adopted would approve the application for financial assistance as amended and authorize the issuance and sale of a bond for Sea Mar in the amount of \$5,000,000. The proceeds of the loan will be used to reimburse Sea Mar for the acquisition of a facility in Lynwood, WA to be used initially for behavioral health and later for medical and dental services; and the acquisition of two facilities in Tacoma, WA to be used for the Sea-Mar Healthcare for the Homeless Program and to pay costs of issuance. This transaction is a Quick Loan – private placement and the lender is MUFG Union Bank, N.A. The primary security is a deed of trust. A Certificate of Need is not required per the Department of Health. Feasibility has been determined by the lender. A TEFRA Hearing was held on December 6, 2016 and no individuals testified for or against the project. The bond is to be issued at a fixed rate of 2.36% with a 10-year initial term and 25-year maturity. The depository agent is MUFG Union Bank, N.A. It is anticipated by Sea Mar that it will save approximately \$467,687 in interest costs over traditional taxable interest rate financing.

Based on the determinations that are required by Authority WACs, the due diligence investigation conducted by Orrick, Herrington & Sutcliffe LLP serving as bond counsel as well as information in the application and private placement letter, Mr. Govia recommended the adoption of Resolution No. 2016-12 for the benefit of Sea Mar.

Ms. Leong summarized the documents presented for approval and indicated that they are all in good order.

In response to Lieutenant Governor Owen's inquiry regarding the federal grant received by Sea-Mar specifically what was the grant for, Mr. Dale responded by stating that the federal grant is to provide homeless services in Tacoma to include mental and behavioral health care, substance abuse, medical and dental services.

In response to Mr. Sperling's inquiry regarding the federal grant received by Sea-Mar specifically what is the size of the federal grant, Mr. Dale responded by stating that the federal grant is for \$1.1 million on an annual basis to fund operational costs. The grant does not cover or include facility costs.

There being no further discussion, without public comment and upon motion by Mr. Sperling, seconded by Ms. Gellermann, Resolution No. 2016-12 was unanimously adopted by roll call vote.

**Executive Directors Report.**

Mr. Govia stated, for the record, that the executive directors report will be postponed until the next Authority Board Meeting.

**Adjournment:**

The meeting was adjourned at 8:42 a.m.

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John Wiesman, Secretary