

SUGGESTED MOTION: Adopt resolution #2025-07 calling for a public hearing on host approval on the issuance of revenue bonds, series 2025 (Sanford) on behalf of Sanford by the South Dakota Health and Educational Facilities Authority and authorize the publication of a notice of the public hearing.

From: [Kaushagen, Taylor](#)
To: [Kaushagen, Taylor](#)
Subject: FW: Sanford - Public Hearing
Date: Wednesday, April 30, 2025 8:08:00 AM

From: Ronni A. Martin <rmartin@chapman.com>
Sent: Monday, April 14, 2025 3:04 PM
To: Madrigga, Brandy <MadriggaB@casscountynd.gov>
Subject: Sanford - Public Hearing

CAUTION: EXTERNAL EMAIL

Hi Brandy!

It was great chatting with you today! As we discussed, Sanford was hoping to be added to the agenda for the May 5th Commissioner Meeting. At the May 5th meeting we will ask the Commissioners to adopt a resolution calling for a public hearing. We would then ask the Commissioners to hold the public hearing during the May 19th Commissioner meeting and adopt a second resolution relating to the public hearing.

As I mentioned earlier, we will coordinate publishing the public notice regarding the public hearing with the Forum.

Finally, just to reconfirm Cass County will not be liable for the tax-exempt bonds. We are only asking Cass County to hold a public hearing in order for us to meet the federal income tax requirements for Sanford to be in a position to issue tax-exempt bonds and use a portion of the proceeds within Cass County.

Please feel free to reach out with any questions or concerns. I will share drafts of documents with you once available. Thank you so much and I look forward to working with you!

Best regards,

Ronni A. Martin | Associate
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**EXTRACT OF MINUTES OF A MEETING OF THE
COUNTY COMMISSIONERS OF CASS COUNTY, NORTH DAKOTA**

Pursuant to due call and notice thereof, a regular meeting of the County Commissioners of Cass County, North Dakota was duly called and held in the County Commission Room, Cass County Courthouse, 211 9th Street South, Fargo, North Dakota, on Monday, the 5th day of May, at 3:30 p.m. The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2025-07

**RESOLUTION CALLING FOR A PUBLIC HEARING ON HOST APPROVAL ON THE
ISSUANCE OF REVENUE BONDS, SERIES 2025 (SANFORD) ON BEHALF OF SANFORD BY THE
SOUTH DAKOTA HEALTH AND EDUCATIONAL FACILITIES AUTHORITY AND
AUTHORIZING THE PUBLICATION OF A NOTICE OF THE PUBLIC HEARING**

BE IT RESOLVED by the Board of the County Commissioners (the “*Commissioners*”) of Cass County, North Dakota (the “*County*”), as follows:

1. The Borrowers and the Financing Purposes. Sanford, a North Dakota nonprofit corporation (“*Sanford*”) and/or certain tax-exempt affiliates thereof (collectively with Sanford, the “*Borrowers*”), is proposing that the South Dakota Health and Educational Facilities Authority (the “*Authority*”) issue the hereinafter defined Series 2025 Bonds for the benefit of the Borrowers. As a part of this financing, a portion of the proceeds of the Series 2025 Bonds will be used in the County, together with certain other moneys, in a principal amount not to exceed \$50,000,000 (interim financing) and not to exceed \$350,000,000 (permanent financing, which amount includes a portion used to refinance the interim financing), to (i) finance the costs of remodeling, furnishing, or equipping certain of Sanford’s healthcare facilities located at 720 4th Street N, 820 4th Street N, 1720 University Drive S and 5225 23rd Avenue S in Fargo, North Dakota and for the acquisition and outfitting of a medical helicopter hangared at 5225 23rd Avenue S in Fargo, North Dakota and used in integrated operations, (ii) refund all or a portion of the outstanding (a) \$186,105,000 original principal amount of South Dakota Health and Educational Facilities Authority Revenue Bonds, Series 2014B (Sanford) (the “*Sanford Series 2014B Bonds*”) and (b) \$176,315,000 original principal amount of South Dakota Health and Educational Facilities Authority Revenue Bonds, Series 2015 (Sanford) (the “*Sanford Series 2015 Bonds*” and, together with the Sanford Series 2014B Bonds, the “*Prior Sanford Bonds*”),

(iii) pay a portion of the interest on the Series 2025 Bonds, if deemed necessary or advisable by the Authority or the Borrowers, (iv) provide working capital, if deemed necessary or advisable by the Authority or the Borrowers, (v) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrowers, and (vi) pay certain expenses incurred in connection with the issuance of the Series 2025 Bonds (collectively, the “*Financing Purposes*”).

In the County, a portion of the proceeds of such Prior Sanford Bonds were originally issued to (i) pay the costs of acquiring, constructing and equipping a healthcare complex project consisting of an energy plant, a hospital, and a healthcare and clinic facility located on approximately 160 acres of land located at 5225 23rd Avenue S, Fargo, North Dakota, which is located on land that is bordered by 23rd Avenue South to the south, Veterans Boulevard to the west, Interstate Highway 94 to the north and 45th Street South to the east and (ii) pay certain costs of issuance relating to the issuance of each series of the Prior Sanford Bonds.

2. The Series 2025 Bonds. It is proposed that the Financing Purposes will be financed through the issuance of one or more series of the Authority’s Revenue Bonds, Series 2025 (Sanford), in the original aggregate amount of not to exceed \$1,000,000,000 (interim financing) and not to exceed \$2,100,000,000 (permanent financing, which amount includes a portion used to refinance the interim financing) (the “*Series 2025 Bonds*”). Under Section 147(f) of the Internal Revenue Code of 1986, as amended (the “*Code*”) and associated U.S. Treasury Regulations promulgated thereunder, the Authority may issue tax-exempt revenue bonds to finance and refinance projects located in other jurisdictions, as long as the “host jurisdiction” for each project provides consent after a public hearing.

3. Public Hearing; Host Approval. Since the Financing Purposes are located in the County, it is necessary for the Commissioners to hold a public hearing to consider “host approval” of the proposal, pursuant to Section 147(f) of the Code. The public hearing is proposed to be held by the Commissioners at its regular meeting on May 19, 2025. A form of the Notice (as defined below) for the Financing Purposes is on file with the County and attached hereto as Exhibit A. The general nature of the Financing Purposes and an estimate of the aggregate principal amount of the Series 2025 Bonds will be described in the Notice.

4. Notice of Public Hearing. The County is authorized and directed to cause notice (the “*Notice*”) of the public hearing to be published in the official newspaper of the County or a newspaper of general circulation available in the County not less than seven days prior to the date fixed for the public hearing and the County authorizes and hereby approves the publication of such notice.

This Resolution is hereby adopted by the County Commissioners of Cass County, North Dakota on this 5th day of May, 2025.

Chair

Attest: _____
Cass County Finance Director

The motion for the adoption of the foregoing resolution was duly seconded by member _____, and after full discussion thereof and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

STATE OF NORTH DAKOTA)

COUNTY OF CASS)

CITY OF FARGO)

I, the undersigned, being the duly qualified and acting Finance Director of Cass County, North Dakota, certify that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the County Commissioners of Cass County, North Dakota, duly called and held on the date therein indicated, insofar as such minutes relate to a resolution calling for a public hearing on host approval related to the issuance of Revenue Bonds, Series 2025 (Sanford), on behalf of Sanford by the South Dakota Health and Educational Facilities Authority.

WITNESS my hand this _____ day of May, 2025.

Cass County Finance Director

EXHIBIT A

NOTICE OF PUBLIC HEARING

Public Notice is hereby given that a public hearing, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), will be held by the County Commissioners (the “*County Commissioners*”) of Cass County, North Dakota (the “*County*”), on Monday, May 19, 2025, at 3:30 p.m. central time, or as soon thereafter as the matter can be heard, at the County Commission Room, Cass County Courthouse, 211 9th Street South, Fargo, North Dakota, on a proposal that the South Dakota Health and Educational Facilities Authority (the “*Authority*”) issue tax-exempt revenue bonds in an aggregate principal amount not to exceed \$1,000,000,000 (interim financing) and not to exceed \$2,100,000,000 (permanent financing, which amount includes a portion used to refinance the interim financing) (the “*Series 2025 Bonds*”) for Sanford, a North Dakota nonprofit corporation and an organization described in Section 501(c)(3) of the Code (“*Sanford*”), and/or any tax-exempt affiliate thereof that is a related party to Sanford (collectively with Sanford, the “*Borrowers*”). The Series 2025 Bonds will be issued in one or more series pursuant to Sections 1-16A-1 through 1-16A-92 of the South Dakota Codified Laws, as part of a plan of finance to provide the Borrowers with moneys to finance and refinance projects located in various states. Public approval by the necessary governmental entities will be obtained following public notice and public hearings regarding the Series 2025 Bonds and the projects to be financed and refinanced in locations other than the County. The Series 2025 Bonds will be issued as qualified 501(c)(3) bonds pursuant to Section 145 of the Code.

In the County, proceeds of the Series 2025 Bonds in an amount not to exceed \$50,000,000 (interim financing) and not to exceed \$350,000,000 (permanent financing, which amount includes a portion used to refinance the interim financing), will be used, together with certain other moneys, to (i) finance, refinance or reimburse the Borrowers for the costs of remodeling, furnishing, or equipping certain of Sanford’s existing healthcare facilities located at 720 4th Street N, 820 4th Street N, 1720 University Drive S and 5225 23rd Avenue S in Fargo, North Dakota and for the acquisition and outfitting of a medical helicopter hangared at 5225 23rd Avenue S in Fargo, North Dakota and used in integrated operations, (ii) refund all or a portion of the outstanding (a) \$186,105,000 original principal amount of South Dakota Health and Educational Facilities Authority Revenue Bonds, Series 2014B (Sanford) (the “*Sanford Series 2014B Bonds*”), in a principal amount not to exceed \$250,000,000, and (b) \$176,315,000 original principal amount of South Dakota Health and Educational Facilities Authority Revenue Bonds, Series 2015 (Sanford) (the “*Sanford Series 2015 Bonds*” and, together with the Sanford Series 2014B Bonds, the “*Prior Sanford Bonds*”), in a principal amount not to exceed \$150,000,000, (iii) pay a portion of the interest on the Series 2025 Bonds, if deemed necessary or advisable by the Authority or the Borrowers, (iv) provide working capital, if deemed necessary or advisable by the Authority or the Borrowers, (v) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrowers, and (vi) pay certain expenses incurred in connection with the issuance of the Series 2025 Bonds (collectively, the “*Financing Purposes*”).

In the County, a portion of the proceeds of the Prior Sanford Bonds were initially used to (i) finance, refinance or reimburse the Borrowers for the costs of acquiring, constructing and equipping a healthcare complex project consisting of an energy plant, a hospital, and a healthcare and clinic facility located on approximately 160 acres of land located at 5225 23rd Avenue S, Fargo, North Dakota, which is located on land that is bordered by 23rd Avenue South to the south, Veterans Boulevard to the west, Interstate Highway 94 to the north and 45th Street South to the east and (ii) pay certain costs of issuance relating to the issuance of each series of the Prior Sanford Bonds.

All of the facilities to be financed and/or refinanced with the proceeds of the Series 2025 Bonds in the County are or will be owned, operated or managed by the Borrowers at (i) 720 4th Street N, Fargo, North Dakota (not more than \$40,000,000 of the proceeds will be used to finance, refinance or reimburse assets located at this location), (ii) 820 4th Street N, Fargo, North Dakota (not more than \$40,000,000 of the proceeds will be used to finance, refinance or reimburse assets located at this location), (iii) 1720 University Drive S, Fargo, North Dakota (not more than \$10,000,000 of the proceeds will be used to finance, refinance or reimburse assets located at this location) and (iii) 5225 23rd Avenue S, Fargo, North Dakota (not more than \$20,000,000 of the proceeds will be used to finance, refinance or reimburse assets located at these locations), all in the County.

The Series 2025 Bonds shall not be deemed to constitute a debt or liability of the County, the State of North Dakota, the State of South Dakota, or of any political subdivision thereof other than the Authority or a pledge of the faith and credit of the County, the State of North Dakota, the State of South Dakota, or of any such political subdivision other than the Authority, and neither the County, the State of North Dakota, the State of South Dakota, nor any political subdivision thereof will be liable on the Series 2025 Bonds nor will the Series 2025 Bonds be payable out of any funds other than those pledged and assigned under the loan agreement between the Authority and Sanford and the First Amended and Restated Master Trust Indenture among the Borrowers and the master trustee named therein, as amended, supplemented or restated. The County will not issue the Series 2025 Bonds, nor will the County nor the State of North Dakota have any liability with respect to the Series 2025 Bonds or the sale or offering thereof.

Interested persons wishing to express their views on the issuance of the Series 2025 Bonds or on the nature and location of the facilities to be financed or refinanced by the Series 2025 Bonds in the County proposed to be financed or refinanced may attend the public hearing or, prior to the time of the hearing, submit written comments.

The public hearing is required by Section 147(f) of the Code. Written comments may be submitted to the Finance Director of the County at 211 9th Street South, P.O. Box 2806, Fargo, North Dakota, 58108 until May 15, 2025. Immediately following the public hearing, the County Commissioners will meet to consider approval of the issuance of the Series 2025 Bonds.

Additional information concerning the above matter may be obtained from the Finance Director of the County.

Notice dated: May 9, 2025

BY ORDER OF THE CASS COUNTY COMMISSIONERS