



## Legislation Text

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**File #:** 18-1267, **Version:** 1

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**DATE:** December 10, 2018

**TO:** Board of Mayor and Aldermen

**FROM:** Eric Stuckey, City Administrator  
Kristine Tallent, Assistant City Administrator/CFO

**SUBJECT:**

\*PUBLIC HEARING: Consideration of Resolution 2018-103, A Resolution To Approve Issuance By The Health And Educational Facilities Board Of The Metropolitan Government Of Nashville And Davidson County, Tennessee Of Up To \$14,000,000 Healthcare Facilities Revenue Bonds (Centerstone Of America, Inc. Project) Series 2018 For Projects Located In Franklin, Tennessee And Related Transactions.

**Purpose**

The purpose of this memorandum is to provide the Board of Mayor and Aldermen (BOMA) with information to consider granting approval of the issuance of up to \$14 million of Healthcare Facilities Revenue Bonds (Centerstone of America, Inc. projects) Series 2018 issued by the Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson County, Tennessee.

**Background**

Centerstone of America, Inc. is a not-for-profit corporation engaged in providing services in the mental and behavioral healthcare sector. Centerstone has requested that The Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson County, Tennessee (the "Nashville Board") issue its revenue bonds and loan the proceeds generated to Centerstone to enable it to make improvements to various facilities located in and around the State of Tennessee and in other locations. Centerstone through its subsidiary owns a data center in Franklin (425 Duke Drive) that will receive improvements through these revenue bond proceeds.

The Bond proposed to be issued by the Nashville Board is payable solely from the revenues derived from payments to be made by Centerstone and its subsidiaries under its Loan Agreement with the Nashville Board and from security provided by the borrower and its subsidiaries. This Bond shall not be considered debt of The Health and Educational Facilities Board of the City of Franklin, Tennessee nor of the City of Franklin, Tennessee.

To finance projects outside of Davidson County, Tennessee, the Nashville Board is required, pursuant to T.C.A. 48-101-308(a)(5), to obtain host governmental entity approval of the financing where improvements will be made with Bond proceeds outside of Davidson County, Tennessee. At the request of Borrower (Centerstone of America, Inc. and its subsidiaries), the City of Franklin will need to conduct a public hearing concerning the

improvements to be made in Franklin, Tennessee and related matters required by Internal Revenue Code §147

**Financial Impact**

The approval of this revenue bond issue creates no obligation to the City of Franklin. It does facilitate the investment in facilities owned by Centerstone of America, Inc. and its subsidiaries.

**Recommendation**

Staff recommends conducting the required public hearing and granting approval of the issuance of up to \$14 million of Healthcare Facilities Revenue Bonds (Centerstone of America, Inc. projects) Series 2018 issued by the Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson County, Tennessee. (Resolution 2018-0260).