

1 STATE OF NEW YORK:

2 BROOME COUNTY:

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4 Public Hearing Regarding
5 United Health Services Hospitals, Inc.

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7 A virtual public hearing held by the Broome County
8 Local Development Corporation on the 8th day of July,
9 2020, commencing at 12:02 PM.

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11 BEFORE: JOSEPH B. MEAGHER, ESQ
12 Counsel for the Broome County
13 Local Development Corporation

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17 REPORTED BY: CZERENDA COURT REPORTING, INC.
18 71 State Street
19 Binghamton, New York 13901-3318
20 JESSICA BRIELMEIER
21 Shorthand Reporter
22 Notary Public
23 Binghamton - (607) 723-5820
24 (800) 633-9149

Matter of UHS, Inc.

1 HEARING OFFICER: Okay. Good
2 afternoon, all. My name is Joseph Meagher.
3 I'm counsel to the Broome County Local
4 Development Corporation, which is conducting
5 this hearing pursuant to Section 147F of the
6 Internal Revenue Code to seek public comment
7 on application for financial assistance
8 submitted by United Health Services
9 Hospital, Inc., UHS to the ELDC -- BCLDC,
10 excuse me, requesting that the BCLDC issue
11 revenue bonds in one or more series in an
12 aggregate principal amount not to exceed
13 \$310 Million for the purpose of financing
14 and refinancing capital improvement at the
15 facilities of UHS as more particularly set
16 forth in the notice of public hearing which
17 is available on the BCLDC's website.

18 The bonds will be special limited
19 obligations of the BCLDC payable solely from
20 the revenues derived from the payments made
21 by UHS pursuant to a loan agreement and
22 secured by certain assets of UHS pledged for
23 the repayment of the bonds. Approval of the
24 issuance of the bonds by the county

Matter of UHS, Inc.

1 executive of Broome County, New York, is
2 necessary under the code in order for the
3 interest on the bonds to be excluded from
4 gross income for federal income tax
5 purposes.

6 The bond shall not be in debt of
7 the State of New York or any political
8 subdivision thereof, including Broome
9 County, and neither the State of New York or
10 any political subdivision thereof, including
11 Broome County, shall be liable therein.

12 The acceptance of the filing by the
13 BCLDC does not infer any position on the
14 approval or disapproval of the financial
15 assistance requested. No position will be
16 taken by the BCLDC until the public hearing
17 is concluded. A copy of the application is
18 available for viewing on the BCLDC's
19 website.

20 Notice of this hearing was placed
21 on the website on June 26, 2020. And I want
22 all to be aware that these proceedings are
23 being recorded and that a court reporter is
24 participating in these proceedings that will

Matter of UHS, Inc.

1 prepare a transcript to be presented to the
2 board of directors of the BCLDC prior to
3 that board making its decision on this
4 application.

5 I request that each person wishing
6 to speak state his or her name, and if
7 you're speaking on behalf of an entity or
8 organization, please, identify that entity
9 or organization. The hearing will remain
10 open until all public comment is concluded.
11 That said, is there anyone on who wishes to
12 speak either for or against this
13 application?

14 (Whereupon there was no response)

15 HEARING OFFICER: I'll ask again:
16 Is there anyone who wishes to speak either
17 for or against this application?

18 (Whereupon there was no response)

19 HEARING OFFICER: Could we, at
20 this time, have each participant identify
21 themselves for the court reporter? And I'll
22 initiate these comments, I'll start it, to my
23 left, with Natalie.

24 MS. ABBADESSA: Natalie Abbadessa

Matter of UHS, Inc.

1 with the agency.

2 HEARING OFFICER: Stacey.

3 MS. DUNCAN: Stacey Duncan,
4 executive director of the agency.

5 HEARING OFFICER: Brendan.

6 MR. O'BRYAN: Brendan O'Bryan with
7 the agency.

8 HEARING OFFICER: Rich. Mayor.

9 MR. BUCCI: Rich Bucci. Member of
10 the board of the agency.

11 HEARING OFFICER: Joe Mirabito.

12 MR. MIRABITO: Joe Mirabito,
13 member of the board of the agency.

14 HEARING OFFICER: Tom.

15 MR. GRAY: Tom Gray, deputy
16 director of operations for the agency.

17 HEARING OFFICER: Amy.

18 MS. WILLIAMSON: Amy Williamson
19 with the agency.

20 HEARING OFFICER: Carrie.

21 We can't hear you.

22 Let the record reflect that Carrie
23 Hornbeck is participating in the meeting and
24 will un-mute herself at some point.

Matter of UHS, Inc.

1 Is there anyone else other than the
2 parties -- obviously, Jess, our court
3 reporter, is here, also. Is there anyone
4 else on that I have failed to mention?

5 (Whereupon there was no response)

6 HEARING OFFICER: Okay. Hearing
7 none, okay.

8 Okay. We are at 12:07. I
9 recommend that we stay here to 12:15. Do you
10 think that would be satisfactory? Someone
11 wishing to get on?

12 MS. DUNCAN: Yes. That's fine,
13 Joe.

14 HEARING OFFICER: Okay. And let
15 the record reflect that anyone who wishes --
16 who misses this meeting and wishes to submit
17 written comments can do so at the agency's
18 address at 5 -- is it College Park Drive?

19 MS. DUNCAN: South College Drive.

20 HEARING OFFICER: -- South College
21 Drive, Binghamton. The Zip?

22 MS. DUNCAN: 13905.

23 HEARING OFFICER: 13905.

24 So, again, if somebody does contact

Matter of UHS, Inc.

1 us later and for whatever reason they miss
2 this meeting, they are entitled to submit
3 comments that the board can take into
4 consideration, and that meeting is scheduled
5 for July 15th.

6 MR. BUCCI: Is there a deadline
7 when the comments have to be in by?

8 HEARING OFFICER: There's isn't
9 officially, so I would say --

10 MR. BUCCI: By the end of this
11 week or next Monday?

12 HEARING OFFICER: Well, I think it
13 would probably be that CHK to ignore
14 comments that we receive in writing --

15 MS. DUNCAN: Any comments -- Joe,
16 any comments we receive, we will forward to
17 the board --

18 HEARING OFFICER: Yeah. Once the
19 board meets and makes its determination on
20 this application, obviously, there's no
21 moment to listen to them any further --

22 MR. BUCCI: Up to the point of the
23 meeting, they can submit them?

24 HEARING OFFICER: Yeah,

Matter of UHS, Inc.

1 absolutely.

2 MR. BUCCI: Okay.

3 HEARING OFFICER: I think,
4 technically, it would be hard for us to get
5 a written comment to the board once we start
6 the meeting.

7 MR. BUCCI: Right. It would be
8 probably the day before.

9 HEARING OFFICER: Absolutely.

10 MR. BUCCI: Okay. Sounds good.

11 HEARING OFFICER: At this point, I
12 will ask the court reporter to spread upon
13 the record of these proceedings the notice
14 of public hearing and the affidavit of
15 website posting, and both of which I will
16 supply to you, Jessica.

17 Okay. It's 12:10. This is going
18 to be one long five minutes, but I said we
19 will go on until 12:15.

20 MS. DUNCAN: We may have some
21 latecomers.

22 (Whereupon a discussion was held
23 off the record)

24 HEARING OFFICER: All right. It

Matter of UHS, Inc.

1 is 12:15, so I am going to request one more
2 time if there is anyone who wishes to speak
3 either for or against the application?

4 (Whereupon there was no response)

5 HEARING OFFICER: Hearing none,
6 I'm going to call this public hearing to a
7 close at 12:15 PM.

8 As I indicated at the outset, a
9 transcript will be made by the court
10 reporter, Jessica, who will provide a copy of
11 that transcript to the members of the board
12 prior to the vote on the application
13 scheduled for July 15, 2020.

14 Okay. So if there's nothing
15 further, we will adjourn this meeting.

16 (Whereupon the hearing concluded at
17 12:17 PM)

18 (Whereupon Exhibits CHK I DON'T
19 HAVE ANY EXHIBITS YET SO NOT SURE WHAT TO DO
20 were marked for identification)

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EXHIBIT:

PAGE:

1 - Notice of Public Hearing

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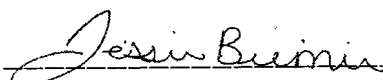
2 - Affidavit of website posting

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1 STATE OF NEW YORK :

2 COUNTY OF BROOME :

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4 I, JESSICA BRIELMEIER, Shorthand Reporter,
5 do certify that the foregoing is a true and accurate
6 transcript of the proceedings In the Matter of a Public
7 Hearing Regarding United Health Services Hospitals,
8 Inc., held telephonically on the 8th day of July, 2020.

9
10
11  _____

12 JESSICA BRIELMEIER

13 Shorthand Reporter

14 Notary Public

15 CZERENDA COURT REPORTING, INC

16 71 State Street

17 Binghamton, New York 13901-3318

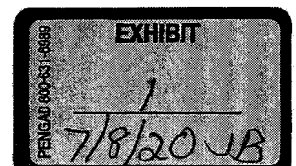
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23 COMPUTER OPERATOR: LORI KRALY

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NOTICE OF PUBLIC HEARING

Pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the Broome County Local Development Corporation (the "Issuer") will hold a public hearing on July 8, 2020, at 12:00 p.m. local time, in connection with the matter described below. As more fully set forth below, the public hearing will be held via toll-free telephone conference only. **PLEASE NOTE THE SPECIAL PUBLIC HEARING LOGISTICS AND INSTRUCTIONS INCLUDED AT THE END OF THIS NOTICE.**

United Health Services Hospitals, Inc. (on behalf of itself or an entity formed or to be formed on behalf of the foregoing, collectively, the "Institution"), a New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Code with offices at 10-42 Mitchell Avenue, Binghamton, New York, has submitted an application (the "Application") to the Issuer requesting that the Issuer issue its revenue bonds in one or more series in the aggregate principal amount not to exceed \$310,000,000 (the "Bonds") for the purpose of financing or refinancing capital improvements at the Institution's facilities located at 10-42 Mitchell Avenue, Binghamton, New York 13903 (the "Binghamton General Campus"), 33-57 Harrison Street, Johnson City, New York 13790 (the "Wilson Memorial Campus"), 4417 Vestal Parkway East, Vestal, New York (the "4417 Vestal Facility"), and 4433 Vestal Parkway East, Vestal, New York (the "4433 Vestal Facility"; and, together with the 4417 Vestal Facility, the "Vestal Campus"), and consisting of: (A) (i) the construction at the Wilson Memorial Campus of an approximately 159,275 square-foot, six-(6)-story building consisting principally of: (a) a new, right-sized Emergency Department, (b) an MRI unit, (c) an all-private room medical/surgical unit housing approximately thirty (30) beds, (d) a mechanical penthouse, and (e) a helipad; (ii) the renovation of approximately 24,100 square-feet of the existing Wilson Medical Center (collectively, items (A)(i) through (ii), the "Improvements"); (iii) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"); and (iv) the financing of the acquisition, equipping, installation and implementation of and/or additions to, various diagnostic treatment and other medical and ancillary equipment to be installed at the Binghamton General Campus and Wilson Memorial Campus (the "Medical Equipment Project"; and, together with the Improvements and the Equipment, the "Series 2020 Project"); (B) the refunding or refinancing of all or a portion of the outstanding principal amounts of, and the associated redemption or prepayment premiums or penalty on, the following outstanding indebtedness issued on behalf of, or incurred by, the Institution (i) the Issuer's Tax-Exempt Revenue Bonds (United Health Services Hospitals, Inc. Project), Series 2019 issued in the original principal amount of \$50,000,000 (the "Series 2019 Bonds"), (ii) the Dormitory Authority of the State of New York's ("DASNY") United Health Services Hospitals, Inc. Revenue Bonds Series 2015 issued in the original principal amount of \$22,900,000 (the "Series 2015 Bonds"), (iii) DASNY's United Health Services Hospitals, Inc. Revenue Bonds Series 2010 issued in the original principal amount of \$20,000,000 (the "Series 2010 Bonds"), (iv) four tax-exempt lease purchase financings undertaken by the Institution through DASNY (collectively, the "TELP Financings") to finance or refinance the acquisition, equipping, installation and implementation of and/or additions to, various diagnostic treatment and other medical and ancillary equipment located at the Wilson Memorial Campus and Binghamton General Campus, including construction costs relating to the installation of certain components of the foregoing equipment (collectively, the "TELP Projects"); (vii) a certain term loan (the "2017 Term Loan") to finance the acquisition of a portion of the Wilson Memorial Campus, specifically certain real property and the buildings and improvements thereon, located at 52 Harris Street (the "2017 Term Loan Project"); (viii) a certain



term loan (the "2015 Term Loan") incurred by the Institution to refinance the outstanding principal amount of DASNY's United Health Services Hospitals, Inc. FHA-Insured Mortgage Hospital Revenue Bonds, Series 2009 issued in the original principal amount of \$28,880,000 (the "Series 2009 Bonds"), which in turn was issued for the purpose of refunding certain prior bonds of DASNY, the proceeds of which were used to finance or refinance the construction, renovation, upgrading and improving facilities at the Institution's Wilson Memorial Campus and Binghamton General Campus, and in particular: (1) the construction and equipping of an approximately 97,000 square foot multi-story wing at the North end of the Wilson Memorial Campus to house high intensity diagnostic and treatment services, ambulatory surgery suites, renovated emergency department space, operating rooms, cardiac catheterization labs, and a 16-bed coronary intensive care unit, and related improvements on the site of the new wing; (2) the replacement of obsolete facilities and related renovation both at the Binghamton General Campus and Wilson Memorial Campus; (3) the construction of patient and employee parking areas both at the Binghamton General Campus and Wilson Memorial Campus; and (4) the construction, equipping, furnishing and/or renovation of or otherwise providing facilities at the Wilson Memorial Campus and at the Binghamton General Campus; (C) the payment of fees associated with the termination of all or a portion of the outstanding interest rate swap agreement entered into by the Institution in connection with the Series 2015 Bonds; and (D) funding a debt service reserve fund, if any, paying capitalized interest, if any, and paying certain other costs incidental to the issuance of the Bonds (the costs associated with items (A) through (D) above being hereinafter collectively referred to as the "Project Costs").

The proceeds of the Series 2019 Bonds were applied to finance the following improvements at the Binghamton General Campus: (A) the acquisition and implementation of system-wide integrated electronic medical record software system, to replace existing software systems improving the unification of the Institution's operating entities, creating a single platform to promote clinical best practices, timely information to physicians and ease of use via handheld devices by clinicians, and the acquisition and installation of certain items of equipment, machinery and other tangible personal property in connection therewith (collectively, the "EPIC Project").

The proceeds of the Series 2015 Bonds were applied to finance, at the Vestal Campus, the construction of an approximately 70,000 square-foot two-story comprehensive orthopedics center with approximately 277 parking spaces and installation of utilities and site work related thereto (the "Series 2015 Project").

The proceeds of the Series 2010 Bonds were applied to finance, the construction, at the Vestal Campus, of an approximately 84,877 square-foot three-story hospital extension clinic to provide patient service areas including (i) a walk-in clinic, an outpatient lab, an imaging department consisting of x-ray, CT scan and magnetic imaging units and a retail pharmacy; (ii) two patient care units consisting of primary care and pediatrics with a waiting room area for each and physician offices, medical records area, and community room; and (iii) women's services areas including a gynecology unit, mammography rooms, a stereotactic room, and physician offices (collectively, the "Series 2010 Project").

The maximum amount of the Bonds to be issued to finance or refinance facilities and improvements located at the Wilson Memorial Campus shall not exceed \$227,416,171. The maximum amount of the Bonds to be issued to finance or refinance facilities and improvements located at the Binghamton General Campus shall not exceed \$15,097,343. The maximum amount

of the Bonds to be issued to finance or refinance facilities and improvements located at the Vestal Campus shall not exceed \$67,486,486. The maximum amount of the Bonds to be issued to finance or refinance facilities and improvements in connection with the EPIC Project shall not exceed \$56,000,000. Notwithstanding the foregoing, the maximum aggregate principal amount of the Bonds shall not exceed \$310,000,000.

The Issuer will loan the proceeds of the Bonds to the Institution to finance all or a portion of the costs of the Series 2020 Project, Series 2019 Project, Series 2015 Project, Series 2010 Project, 2017 Term Loan Project, 2015 Term Loan Project, and the TELP Projects (collectively, the "Project") pursuant to a Loan Agreement, executed and delivered contemporaneously with the issuance of the Bonds (the "Loan Agreement"), by and between the Issuer and the Institution.

The Institution has requested that the Issuer issue the Bonds. The Bonds will be special limited obligations of the Issuer payable solely from the revenues derived from the payments made by the Institution pursuant to the Loan Agreement and secured by certain assets of the Institution pledged to the repayment of the Bonds.

Under the Code, approval of the issuance of the Bonds by the County Executive of Broome County is necessary under Section 147(f) of the Code in order for the interest on the Bonds to be excluded from the gross income for federal income tax purposes.

THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING BROOME COUNTY, AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING BROOME COUNTY, SHALL BE LIABLE THEREON.

PLEASE NOTE SPECIAL PUBLIC HEARING CONDUCT INSTRUCTIONS AND INFORMATION:

A representative of the Issuer will be at the above-stated time and place to present a copy of the Institution's Project Application, which is available for viewing on the Issuer's website at: <https://documentcloud.adobe.com/link/track?uri=urn:aaid:scds:US:fc622218-e155-46c8-af81-a39c07724756>.

Given the ongoing COVID-19 public health crisis and related Executive Orders issued by Governor Andrew M. Cuomo, the Issuer will not be able to accommodate any in-person public attendance or participation at this hearing. Nonetheless, in furtherance of federal regulations requiring interested individuals to have a reasonable opportunity to express their view at this hearing, and in accordance with Executive Order 202.15 issued by Governor Andrew M. Cuomo allowing such hearing to continue if the Issuer is able to hold the public hearing remotely through use of telephone conference, the Issuer will provide all interested persons of the public the opportunity, at the time and on the date indicated above, to provide oral comments with respect to the Project and/or the issuance of the Bonds **via a Zoom conference by calling into the following toll-free telephone numbers or joining by video:**

Join Zoom Meeting

<https://us02web.zoom.us/j/85379271115?pwd=MFd1TnFObzVvVEM4ZXBkS0VSdmdoUT09>

Meeting ID: 853 7927 1115

Password: 492512

One tap mobile

+16465588656,,85379271115#,,,0#,,492512# US (New York)

+13126266799,,85379271115#,,,0#,,492512# US (Chicago)

Dial by your location

+1 646 558 8656 US (New York)

+1 312 626 6799 US (Chicago)

+1 301 715 8592 US (Germantown)

+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

Meeting ID: 853 7927 1115

Password: 492512

The Issuer also encourages all interested parties to submit written comments to the Issuer, which will be included within the public hearing record. Any written comments may be sent to Broome County Local Development Corporation, Attention: Stacey Duncan, Executive Director, Five South College Drive, Suite 201, Binghamton, New York 13905 and/or via email at smd@theagency-ny.com **no later than July 8, 2020.**

Dated: June 26, 2020

Broome County Local Development Corporation

By: John M. Bernardo, Chairman

AFFIDAVIT OF POSTING
OF NOTICE OF PUBLIC HEARING
ON PROPOSED PROJECT AND
FINANCIAL ASSISTANCE RELATING THERETO
(UNITED HEALTH SERVICES HOSPITALS, INC., ON BEHALF OF ITSELF,
OR AN ENTITY FORMED OR TO BE FORMED
ON BEHALF OF UNITED HEALTH SERVICES HOSPITALS, INC. PROJECT)

STATE OF NEW YORK:

: ss.:

COUNTY OF BROOME:

The undersigned, being duly sworn, hereby states:

1. That on June 26, 2020, I posted a copy of a Notice of Public Hearing in connection with the proposed United Health Services Hospitals, Inc., on behalf of itself, or an entity formed or to be formed on behalf of United Health Services Hospitals, Inc. Project to be undertaken by the Broome County Local Development Corporation.

2. Said Notice was posted on the Broome County Local Development Corporation's website located at <https://theagency-ny.com/economic-development-resources>.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of July, 2020.

Natalie abbadessa

Natalie Abbadessa

Subscribed to and Sworn before
me this 8th day of July, 2020

Susan M. McGregor
Notary Public

SUSAN M. MCGREGOR
Notary Public, State of New York
No. 01MC6215671
Qualified in Broome County
Commission Expires January 4, 2022

