

NOTICE OF PUBLIC HEARING

DEPARTMENT OF BUDGET AND FINANCE OF THE STATE OF HAWAII SPECIAL PURPOSE REVENUE BONDS QUEEN'S HEALTH SYSTEMS PROJECT

NOTICE IS HEREBY GIVEN that on May 15, 2025, at 9:00 a.m., 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 Department of Budget and Finance of the State of Hawaii (the "*Department*") as part of the public approval with respect to its proposed issuance of Special Purpose Revenue Bonds (The Queen's Health Systems), in one or more series (hereinafter collectively referred to as the "*Bonds*") in an aggregate principal amount not to exceed \$500,000,000 for the purpose of assisting The Queen's Health Systems, The Queen's Medical Center, Moloka'i General Hospital and Queen's North Hawaii Community Hospital, each an affiliated nonprofit corporation duly organized and existing under the laws of the State of Hawaii and an initial owner or principal user of the Project and Refunded Bond Projects (as both hereinafter defined).

It is anticipated that the Bonds will be issued in order (a) to finance the costs of acquiring, constructing and equipping certain health care facilities, including reimbursing The Queen's Health Systems or certain affiliates for the prior payment of certain costs (the "*Project*"); (b) to refinance the outstanding portion of the following series of bonds previously issued by the Department (herein collectively referred to as the "*Refunded Bonds*"): (i) \$206,345,000 aggregate principal amount of The Queen's Health Systems Special Purpose Revenue Bonds 2015 Series A (Department of Budget and Finance of the State of Hawaii), \$157,720,000 of which is outstanding on the date hereof; (ii) \$57,350,000 aggregate principal amount of The Queen's Health Systems Special Purpose Revenue Bonds 2015 Series B (Department of Budget and Finance of the State of Hawaii), \$35,260,000 of which is outstanding on the date hereof; and (iii) \$57,350,000 aggregate principal amount of The Queen's Health Systems Special Purpose Revenue Bonds 2015 Series C (Department of Budget and Finance of the State of Hawaii), \$35,260,000 of which is outstanding on the date hereof; and (c) to pay certain costs of issuance of the Bonds.

The Project is comprised of each of the following project components:

- Up to \$310,000,000 of the Bond proceeds will be used for the renovation and expansion from 24 to 55 care spaces in, and the addition of 24 new private patient care rooms on each of the second and third floors of, the Queen's Medical Center – West Oahu Emergency Department, which is located at 91-2141 Fort Weaver Road, Ewa Beach, Hawaii 96706;
- Up to \$148,600,000 of the Bond proceeds will be used for the renovation and expansion from 37 to 83 new care spaces and the construction of 27 new Emergency Department and Behavioral Health observation rooms and seven patient treatment pods, both in the Queen's Medical Center – Manamana General Services Building Emergency Department, which is located at 1301 Punchbowl St, Honolulu, Hawaii 96913;

- Up to \$33,300,000 of the Bond proceeds will be used for the acquisition and renovation of the Kahi Mohala Campus, currently known as The Queen's Medical Center – Kahi Mohala, located at 91-2301 Old Fort Weaver Road, Ewa Beach, Hawaii 96706;
- Up to \$60,400,000 of the Bond proceeds will be used for the renovation of the former Wahiawa General Hospital campus, which is now known as Queen's Medical Center – Wahiawa (Central Oahu location) and is located at 128 Lehua St, Wahiawa, Hawaii 96786; and
- Up to \$15,000,000 of the Bond proceeds will be used for the renovation and construction of a first-floor surgical center, at the Queen's Medical Center – West Campus, which is located at 91-2141 Fort Weaver Road, Ewa Beach, Hawaii 96706.
- Up to \$70,200,000 of the Bond proceeds will be used for the construction of a hybrid operating room, construction of two catheterization labs (Numbers 5 and 6), renovation of catheterization labs (Numbers 1-4), and construction and renovation of a radiographic/fluoroscopic, fixed imaging lab, all at the Queen's Medical Center – Manamana Campus, which is located at 1301 Punchbowl St, Honolulu, Hawaii 96913.

The proceeds of the Refunded Bonds were used (a) to refinance the acquisition, construction, improvement, expansion and equipping of the Queen Emma Tower project located at 1301 Punchbowl Street, Honolulu, Hawaii, and the renovation of areas vacated in connection therewith and related costs, and to provide for the financing or refinancing of the costs of the acquisition, construction, improvement, expansion and equipping of certain portions of health care facilities owned and operated by The Queen's Medical Center located at 1301 Punchbowl Street, Honolulu, Hawaii 96813, 1132 Bishop Street, Honolulu, Hawaii 96813, and 838 S. Beretania Street, Honolulu, Hawaii 96813 and (b) to finance, refinance, or reimburse the costs of acquiring, constructing, renovating and equipping the following health care facilities: (i) The Queen's Medical Center, 1301 Punchbowl Street, Honolulu, Hawaii; (ii) The Queen's Medical Center – West Oahu, 91-2141 Fort Weaver Road, Ewa Beach, Hawaii (including, but not limited to, the acquisition and renovation of a hospital facility having capacity for up to 135 beds, and related capital expenditures); (iii) North Hawaii Community Hospital, Inc., 67-1125 Mamalahoa Highway, Kamuela, Hawaii (including, but not limited to, the acquisition and renovation of a hospital facility licensed for 33 beds, and related capital expenditures); and (iv) Moloka'i General Hospital, 280 Home Olu Place, Kaunakakai, Hawaii ((a) and (b) collectively, the "Refunded Bond Projects"); as well as, (c) to pay costs of issuance of the Refunded Bonds.

The proposed special purpose revenue bonds and the interest thereon will be payable solely from the revenues received by or for the account of the Department pursuant, or with respect to one or more loan agreements to be entered into by the Department and The Queen's Health Systems. The Bonds shall not constitute a general or moral obligation of the State of Hawaii or a charge upon the general fund of the State of Hawaii and the full faith and credit of the State of Hawaii are not pledged to the payment of the principal of, or interest on, the Bonds.

The Bonds are expected to be issued as qualified 501(c)(3) bonds pursuant to Section 145 of the Code.

The hearing will commence at 9:00 a.m., local time, or as soon thereafter as the matter may be heard, and will be held at the Department of Budget and Finance, Conference Room 306, 250 South Hotel Street, No.1 Capitol District, Honolulu, Hawaii 96813. Interested persons wishing to express their views concerning the issuance of the Bonds or on the nature and location of the above-described health care facilities to be financed or refinanced may attend the public hearing or may submit written comments prior to the time of the public hearing. Written comments should be addressed to the Department of Budget and Finance, 250 South Hotel Street, Room 302, Honolulu, Hawaii 96813, Attention: Administrator, Financial Administration Division. Further information concerning the above-referenced matters may be obtained by calling Mr. Roderick Becker at (808) 586-1612 on regular business days between 7:45 a.m. and 4:30 p.m.

The meeting location is disability accessible. If special needs are required (*i.e.*, large print, taped materials, sign language interpreter, etc.), please call Mr. Roderick Becker at (808) 586-1612 by May 8, 2025. Those who are deaf or are hard of hearing should call relay telephone number 1-877-447-5990 or 711.

Dated: May 2, 2025

DEPARTMENT OF BUDGET AND FINANCE
OF THE STATE OF HAWAII

Luis P. Salaveria
Director of Finance