

BOARD OF COUNTY COMMISSIONERS

DATE: May 7, 2013
AGENDA ITEM NO. /

Consent Agenda ☐

Regular Agenda ☐

Public Hearing ☒

County Administrator's Signature

Subject:

Consideration of Approval of a Tax Equity Fiscal Responsibility Act (TEFRA) Resolution for Issuance by the Pinellas County Health Facilities Authority of its Health Care Facilities Refunding Revenue Bonds (Mease Manor, Inc. Project), Series 2013 as Property Advertised Pursuant to the Affidavit of Publication of the TEFRA Notice for this May 7, 2013 Meeting.

Department:

County Administrator

Staff Member Responsible:

Mark Woodard, Assistant County Administrator

Recommended Action:

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD) HOLD A PUBLIC HEARING AND APPROVE THE ATTACHED TEFRA RESOLUTION AUTHORIZING THE TEFRA APPROVAL OF NOT TO EXCEED \$14,000,000 PINELLAS COUNTY HEALTH FACILITIES AUTHORITY (AUTHORITY) HEALTH CARE FACILITIES REFUNDING REVENUE BONDS (MEASE MANOR, INC. PROJECT), SERIES 2013 ON BEHALF OF MEASE MANOR, INC. THE BOARD OF THE PINELLAS COUNTY HEALTH FACILITIES AUTHORITY HAS ALSO RECOMMENDED THAT THE BOARD WAIVE THE INDIGENT CARE FEE.

Summary Explanation/Background:

Mease Manor, Inc. (Company), located at 700 Mease Plaza, Dunedin, Florida, is requesting that the Authority issue not to exceed \$14,000,000 of its Health Care Facilities Refunding Revenue Bonds (Mease Manor, Inc. Project), Series 2013 (Bonds), in one or more series, the proceeds of which would be used, together with other funds, for the (a) finance and refinance of certain capital expenditures related to the health facilities of the Borrower, including, but not limited to the acquisition, construction and equipping of a new administrative suite; the build out of additional independent living units, wellness amenities, resident common areas, upgrading and/or replacing certain mechanical systems, the health center roof and the assisted living nurse call system; the construction of as many as two (2) memory support buildings, with up to a total of 36 units; and parking and related capital facilities, located on the North side in the 600 block of Virginia Avenue between Milwaukee Avenue and Orange Avenue in Dunedin, Florida; (b) refund the Authority's outstanding Health Care Facilities Revenue Bonds, Series 1995A (Mease Manor, Inc. Project) and Taxable Health Care Facilities Revenue Bonds, Series 1995B (Mease Manor, Inc. Project); (c) pay capitalized interest on the Series 2013 Bonds; (d) fund certain reserve funds; and (e) pay certain costs of issuance of the Series 2013 Bonds.

The Authority adopted an initial inducement resolution on April 10, 2013, which recommended to the Board of County Commissioners the initial waiver of the indigent care fee, based upon the plan of the Company to continue to provide substantial amounts of combined health care and housing services in order to meet the needs of the lower income elderly in Pinellas County, Florida. Further information concerning the Company's request is attached as Exhibit B to the TEFRA Resolution.

Fiscal Impact/Cost/Revenue Summary:

No fiscal impact on County; the Company is responsible for payment of all fees and expenses.

Exhibits/Attachments Attached:

TEFRA Resolution
Affidavit of Publication

RESOLUTION NO. 13-____

RESOLUTION OF PINELLAS COUNTY, FLORIDA,
APPROVING ISSUANCE OF NOT TO EXCEED \$14,000,000
PINELLAS COUNTY HEALTH FACILITIES AUTHORITY
HEALTH CARE FACILITIES REFUNDING REVENUE BONDS,
SERIES 2013 (MEASE MANOR, INC. PROJECT), PURSUANT TO
SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986,
AS AMENDED; PROVIDING CERTAIN OTHER MATTERS IN
CONNECTION THEREWITH; MAKING PROVISION
REGARDING THE INDIGENT CARE FEE; AND PROVIDING
AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners (the "Board") of Pinellas County, Florida, as a political subdivision created and existing under the laws of the State of Florida, created the Pinellas County Health Facilities Authority pursuant to Ordinance No. 82-33 adopted on October 10, 1982, as amended (the "Ordinance"), which is a special district and a body corporate and politic in Pinellas County, Florida (the "Authority"), and the Authority is authorized pursuant to the Constitution and the laws of the State of Florida, including particularly the Health Facilities Authorities Law (Part III of Chapter 154, Florida Statutes) and the Florida Industrial Development Financing Act (Part II of Chapter 159, Florida Statutes) (collectively, the "Act"), to issue its revenue bonds, the interest on which may or may not be excluded from gross income for federal income tax purposes, for the purpose of financing or refinancing any "Project" (as defined in the Act) in furtherance of the public purpose for which it was created; and

WHEREAS, the Authority has considered the application of Mease Manor, Inc. (the "Company"), requesting that the Authority issue not to exceed \$14,000,000 of its Health Care Facilities Refunding Revenue Bonds, Series 2013 (Mease Manor, Inc. Project), in one or more series (the "Bonds"), together with other funds, for the purpose of (a) finance and refinance certain capital expenditures related to the health facilities of the Borrower, including, but not limited to the acquisition, construction and equipping of a new administrative suite; the build out of additional independent living units, wellness amenities and resident common areas; upgrading and/or replacing certain mechanical systems, the health center roof and the assisted living nurse call system; the construction of as many as two (2) memory support buildings, with up to a total of 36 units; and parking and related capital facilities, located on the North side in the 600 block of Virginia Avenue between Milwaukee Avenue and Orange Avenue in Dunedin, Florida; (b) refund the Authority's outstanding Health Care Facilities Revenue Bonds, Series 1995A (Mease Manor, Inc. Project) and Taxable Health Care Facilities Revenue Bonds, Series 1995B (Mease Manor, Inc. Project); (c) pay capitalized interest on the Series 2013 Bonds; (d) fund certain reserve funds; and (e) pay certain costs of issuance of the Series 2013 Bond (collectively, the "Project"); and

WHEREAS, Section 9 of the Ordinance requires the consent and approval by resolution of the Board of County Commissioners of Pinellas County, Florida, of the issuance by the Authority of the Bonds; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires as a condition of exclusion from gross income for federal income tax purposes of the interest on private activity bonds, that the issuance of private activity bonds, as defined in Section 141(a) of the Code, such as the Bonds, be approved after a public hearing, following reasonable public notice, by the governmental unit on behalf of which such obligation is to be issued and the governmental unit having jurisdiction over the area in which the facility is to be located; and

WHEREAS, the Authority issues its revenue Bonds on behalf of Pinellas County, Florida, and the Board of County Commissioners of Pinellas County constitutes the elected legislative body of Pinellas County, Florida; and

WHEREAS, the Pinellas County Health Facilities Authority has requested the Board of County Commissioners, pursuant to Section 147(f) of the Code, to approve the issuance by the Authority of its Bonds; and

WHEREAS, the Board of County Commissioners of Pinellas County on April 21, 2013, published a notice of a public hearing in the *Tampa Bay Times*, a newspaper of general circulation in Pinellas County, Florida, to be held at 9:30 a.m. on the date hereof, in the Pinellas County Courthouse, 6th Floor Board Room, 315 Court Street, Clearwater, Florida, to consider the issuance of the Bonds and the location and nature of the Project to be financed and refinanced with the proceeds of the Bonds; and

WHEREAS, the public hearing so noticed, as indicated by the affidavit of the publisher of the *Tampa Bay Times*, a copy of which is attached hereto as Exhibit A, was duly held on the date hereof; and

WHEREAS, the Company provides substantial amounts of combined health care and housing services in order to meet the needs of the lower income elderly in Pinellas County, Florida; and

WHEREAS, by Resolution adopted on April 10, 2013, based upon the information provided by the Company as shown on Exhibit B hereof, the Authority has recommended that the Board of County Commissions of Pinellas County, Florida waive the requirement contained in Section 6(d) of the Ordinance, that there be charged a fee of one-quarter of one percent of the Bonds (the "Indigent Care Fee") for use by said County in serving the medically indigent; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PINELLAS COUNTY, FLORIDA:

Section 1. The issuance by the Pinellas County Health Facilities Authority of its not to exceed \$14,000,000 Pinellas County Health Facilities Authority Health Care Facilities

Refunding Revenue Bonds, Series 2013 (Mease Manor, Inc. Project), in one or more series (either taxable or tax-exempt), for the purpose of financing and refinancing the Project is hereby approved pursuant to and in accordance with Section 147(f) of the Code.

Section 2. Such approval by the Board does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Company or the Project, and the Bonds shall not constitute an indebtedness or obligation of the State of Florida or of Pinellas County, or any municipal corporation or political subdivision thereof but the Bonds shall be limited obligations of the Authority payable solely from the revenue derived from the Company and pledged to the payment thereof and no owner of any of the Bonds shall ever have the right to compel any exercise of the taxing power of said State or of any county, municipal corporation or political subdivision thereof, nor to enforce the payment thereof against any property of said State or of any such county, municipal corporation or political subdivision.

Section 3. In recognition of the Company having provided substantial amounts of health care and elderly housing services in order to meet the needs of the lower income elderly in Pinellas County, Florida, the Board hereby agrees to waive the requirement contained in Section 6(d) of the Ordinance, that there be charged a fee of one-quarter of one percent of the aggregate principal amount of bonds for use by Pinellas County in serving the medically indigent. The Board agrees with the Authority recommendation that in lieu of imposing the indigent care fee, that the Company has shown its willingness to provide care to its senior citizens otherwise unable to afford its care and has agreed to continue to be obligated to serve its low income elderly residents of the Project who are otherwise unable to meet their obligations.

Section 4. All acts and doings of the officers and Commissioners of the Board (or any successor thereto) which are in conformity with the purposes and intent of this Resolution shall be, and the same hereby are, in all respects approved and confirmed.

Section 5. This resolution shall take effect immediately upon its adoption.

In a regular meeting duly assembled on the ____ day of May, 2013, Commissioner _____ offered the foregoing resolution and moved its adoption, which was seconded by Commissioner _____, and upon roll call the vote was:

AYES:

NAYS:

ABSENT AND NOT VOTING:

EXHIBIT A

AFFIDAVIT OF PUBLICATION OF NOTICE OF PUBLIC HEARING

Tampa Bay Times

Published Daily

St. Petersburg, Pinellas County, Florida

STATE OF FLORIDA
COUNTY OF Pinellas

} S.S.

Before the undersigned authority personally appeared J. Murry who on oath says that he/she is Legal Clerk of the *Tampa Bay Times* a daily newspaper published at St. Petersburg, in Pinellas County, Florida; that the attached copy of advertisement, being a Legal Notice in the matter RE: NOTICE OF PUBLIC HEARING (PINELLAS COUNTY HEALTH FACILITIES AUTHORITY) was published in said newspaper in the issues of Classified N Pinellas, 4/21/2013.

Affiant further says the said *Tampa Bay Times* is a newspaper published at St. Petersburg, in said Pinellas County, Florida and that the said newspaper has heretofore been continuously published in said Pinellas County, Florida, each day and has been entered as second class mail matter at the post office in St. Petersburg, in said Pinellas County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement, and affiant further says that he/she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

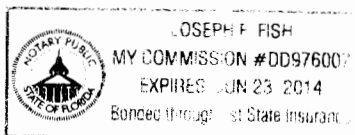
J. Murry
Signature of Affiant

Sworn to and subscribed before me
this 23rd day of April A.D.2013

Joseph F. Fish
Signature of Notary Public

Personally known ☒ or produced identification

Type of identification produced _____



**NOTICE OF PUBLIC HEARING
REGARDING THE PROPOSED ISSUANCE OF
NOT EXCEEDING \$14,000,000
PINELLAS COUNTY HEALTH FACILITIES AUTHORITY
HEALTH CARE FACILITIES REFUNDING REVENUE BONDS, SERIES 2013
(MEASE MANOR, INC. PROJECT)**

A hearing will be conducted by the Board of County Commissioners (the "Board") of Pinellas County, Florida (the "County") at the Board Room of the Board of County Commissioners of Pinellas County, Florida at 315 Court Street, 5th Floor, Clearwater, Florida, on May 7, 2013 at 9:30 a.m., or as soon thereafter as the matter may be heard.

The hearing is open to the public and is being held pursuant to the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended, with regard to the proposed issuance of an amount not to exceed \$14,000,000 Health Care Facilities Refunding Revenue Bonds, Series 2013 (Mease Manor, Inc. Project) (the "Series 2013 Bonds"), in one or more series, by the Pinellas County Health Facilities Authority (the "Authority"). Proceeds of the Series 2013 Bonds will be loaned to Mease Manor, Inc., a Florida not-for-profit corporation, located at 700 Mease Plaza, Dunedin, Florida (the "Borrower") and used, together with other funds, to: (a) finance and refinance certain capital expenditures related to the health facilities of the Borrower, including, but not limited to the acquisition, construction and equipping of a new administrative suite; the build out of additional independent living units, wellness amenities, resident common areas, upgrading and/or replacing certain mechanical systems, the health center roof and the assisted living nurse call system; the construction of as many as two (2) memory support buildings, with up to a total of 36 units; and parking and related capital facilities, located on the North side in the 600 block of Virginia Avenue between Milwaukee Avenue and Orange Avenue in Dunedin, Florida; (b) refund the Authority's outstanding Health Care Facilities Revenue Bonds, Series 1995A (Mease Manor, Inc. Project) and Taxable Health Care Facilities Revenue Bonds, Series 1995B (Mease Manor, Inc. Project); (c) pay capitalized interest on the Series 2013 Bonds; (d) fund certain reserve funds; and (e) pay certain costs of issuance of the Series 2013 Bonds. The Project will be owned and operated by the Borrower.

Interested members of the public are invited to attend. Written comments may be submitted to the County at the address shown below. Persons are advised that if any person decides to appeal any decision made by the Board with respect to any matter considered at such hearing, such person will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and the evidence upon which the appeal is to be based.

In accordance with the Americans with Disabilities Act of 1990, the needs of persons requesting special accommodations (hearing or visually impaired) shall be met if the County is notified at least 48 hours prior to the public hearing by calling (727) 464-4062 (voice/TDD) or faxing a written request to (727) 464-4157.

Ken Burke, CPA
Clerk of the Circuit Court
Pinellas County, Florida
Board Records Department
315 Court Street, 5th Floor
Clearwater, Florida 33756 ATTN:

(1003947047) 4/21/2013

EXHIBIT B

REQUEST FOR WAIVER OF INDIGENT CARE FEE



Mease Manor, Inc. Request for Waiver of the Indigent Care Fee

Mease Manor currently supports our community by providing care for residents in our skilled nursing facility, Mease Continuing Care (MCC), through the Florida Medicaid program. By accepting Medicaid eligible residents we allow local families to have access to quality care for their loved ones without having to travel outside of the Dunedin community. Medicaid residents accounted for 36% of all MCC days and 3.7% of all Mease Manor revenues in 2012.

The cost (loss of revenue) to Mease Manor for this program was \$686,387 in 2012. \$432,944 was in discounts to the room rate versus the room rates for our other private pay residents and \$253,443 was the loss of revenue associated with ancillary services to our Medicaid residents. The Medicaid program requires Mease Manor to provide ancillary services needed by residents while at our facility. The services Mease Manor provided in 2012 to Medicaid residents included physical therapy, IV therapy, pharmacy, nursing supplies, DME equipment, incontinent supplies, air beds, oxygen and oxygen equipment, nutritional supplements, laboratory tests, and laundry.

Non-profit facilities such as Mease Manor are allowed to file for ad valorem tax exemption for their common areas if more than 25% of the apartments are occupied by residents whose incomes are below the CPI adjusted income levels, according to sections 196.1975 (4) and (8), Florida Statutes. The income level for 2013 is \$30,494 for single persons and \$34,235 for couples. Mease Manor is committed to serve the lower income population, as can be seen by the fact that 39% of the apartments are occupied by residents whose incomes are below that level in 2013. Ad Valorem tax savings are passed through to residents via lower monthly service fees.