



## Staff Report

**File #:** 15-900, **Version:** 1

**Agenda Date:** 12/15/2015

### **Subject:**

Tax Equity Fiscal Responsibility Act Resolution for issuance by the Pinellas County Health Facilities Authority of its Healthcare Facilities Revenue and Revenue Refunding Bonds, Series 2015A, in an aggregate principal amount of not-to-exceed \$18.5 million on behalf of St. Mark Village, Inc.

### **Recommended Action:**

Adopt a Tax Equity Fiscal Responsibility Act (TEFRA) Resolution authorizing and approving issuance of the Pinellas County Health Facilities Authority Healthcare Facilities Revenue and Revenue Refunding Bonds, Series 2015A in an aggregate principal amount of not-to-exceed \$18.5 million on behalf of St. Mark Village, Inc. (Borrower), and a waiver of the indigent care fee.

### **Strategic Plan:**

Ensure Public Health, Safety, and Welfare

2.2: Be a facilitator, convener, and purchaser of services for those in need

### **Summary:**

St. Mark Village, Inc. (Borrower) has requested that the Pinellas County Health Facilities Authority (PCHFA) issue up to \$18.5 million in tax-exempt bonds (Series 2015A Bonds), for the purpose of refunding the PCHFA's outstanding First Mortgage Revenue Bonds (St. Mark Village Project), Series 2007A (Tax-Exempt) and reimbursing and financing additional improvements and renovations to the Borrower's facilities located at 2655 Nebraska Avenue, Palm Harbor, Florida 34684. The Borrower also seeks the issuance by the PCHFA of an issuance of taxable bonds (Series 2015B Bonds) for the purpose of refunding the existing First Mortgage Revenue Bonds (St. Mark Village Project), Series 2007B (Taxable). Proceeds will also be used to pay a portion of the costs associated with the issuance of the Bonds. The PCHFA adopted an initial inducement resolution on November 6, 2015, which recommended to the Board of County Commissioners the waiver of the indigent care fee.

### **Background Information:**

St. Mark Village, Inc. (Borrower) is a non-profit 501(c)(3) organization, is a Continuing Care Life Care retirement community founded in 1980 by James H. Fresh, Pastor of St. Mark Lutheran Church. Borrower has been serving seniors in Pinellas County for over 35 years and has capacity for approximately 550 residents spanning independent living, assisted living, assisted living-memory care, and skilled nursing facilities.

Providing for this financing and refinancing will allow Borrower to keep the debt outstanding and in place with a lower interest rate on a tax-exempt basis and continue amortizing the debt with the new lender and to finance the new project on a tax-exempt basis. The new project totals approximately \$3 million and includes renovation to several existing facilities and reimbursement of capital expenditures from 2014 and 2015 for generator replacement, refurbished elevators, air conditioner replacement, fire alarm panel and alarm replacement, new roofs, and renovations to the skilled nursing facility.

The Borrower previously paid the indigent care fee with respect to the prior bonds issued by the PCHFA. As such, the PCHFA recommends a waiver of the fee so that the Borrower is not charged twice. Additionally, the Borrower accepts Medicaid-funded residents and provides subsidies to retain residency for individuals who can no longer afford to fully fund their residency.

**Fiscal Impact:**

There is no fiscal impact to the County. The Borrower is responsible for payment of all fees and expenses. The PCHFA has received the bond application fee of \$2,500 from Borrower.

**Staff Member Responsible:**

Bill Berger, Director, Office of Management & Budget

**Partners:**

Pinellas County Health Facilities Authority

**Attachments:**

Resolution  
Notice of Public Hearing  
Ad  
Ad Affidavit

RESOLUTION NO. 15-\_\_\_\_

RESOLUTION OF PINELLAS COUNTY, FLORIDA, APPROVING THE ISSUANCE OF NOT TO EXCEED \$18,500,000 PINELLAS COUNTY HEALTH FACILITIES AUTHORITY HEALTHCARE FACILITIES REVENUE AND REVENUE REFUNDING BONDS (ST. MARK VILLAGE PROJECT), SERIES 2015A, IN ONE OR MORE SERIES, PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; WAIVING THE INDIGENT CARE FEE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners (the "Board") of Pinellas County, Florida ("Pinellas County"), 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 and supplemented (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 (Chapter 154, Part III, Florida Statutes) and the Florida Industrial Development Financing Act (Chapter 159, Part II, 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 St. Mark Village, Inc. (the "Borrower"), requesting that the Authority issue not to exceed \$18,500,000 of its Healthcare Facilities Revenue and Revenue Refunding Bonds (St. Mark Village Project), Series 2015A (the "Series 2015A Bonds"), together with a series of taxable bonds (the "Series 2015B Bonds") and collectively with the Series 2015A Bonds, the "Bonds"), together with other funds, for the purpose of (a) refunding the Authority's outstanding Variable Rate Demand Bonds (St. Mark Village Project), Series 1987, and (b) finance capital improvements to the Borrower's facilities located at its approximate 12-acre campus at 2655 Nebraska Avenue, Palm Harbor, Florida 34684 (the "St. Mark Campus"), including equipment and improvements, such as replacement of roofs, and HVAC repair (collectively, the "Refunded Project"); and

WHEREAS, proceeds of the Series 2015A Bonds shall also be used to: (i) finance and reimburse the costs of certain improvements, renovations and equipping of the Borrower's facilities including, but not limited to, roofing, dining room and kitchen renovations, renovations of the skilled nursing facilities, parking lot replacement for the assisted living

center, generator, boiler, elevator, fire alarm and related equipment (collectively, the "Project"); and (b) fund certain reserve funds, if required; and

WHEREAS, Section 9 of the Ordinance requires the consent and approval by resolution of the Board 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 Series 2015A 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, and the Board constitutes the elected legislative body of Pinellas County; and

WHEREAS, the Authority has requested the Board, pursuant to Section 147(f) of the Code, to approve the issuance by the Authority of its Series 2015A Bonds; and

WHEREAS, the Board on November 27, 2015, published a notice of a public hearing in the *Tampa Bay Times*, a newspaper of general circulation in Pinellas County, to be held at 6:00 p.m. on the date hereof, in the Pinellas County Courthouse, 6<sup>th</sup> Floor Board Room, 315 Court Street, Clearwater, Florida, to consider the issuance of the Series 2015A Bonds and the location and nature of the Refunded Project and the Project refinanced with the proceeds of the Series 2015A 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 Borrower provides substantial amounts of combined health care and housing services in order to meet the needs of the lower income elderly in Pinellas County; and

WHEREAS, by Resolution adopted on November 6, 2015, based upon the information provided by the Borrower, the Authority has recommended that the Board 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 Pinellas County in serving the medically indigent; and

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

The issuance by the Authority of its not to exceed \$18,500,000 Pinellas County Health Facilities Authority Healthcare Facilities Revenue and Revenue Refunding Bonds (St. Mark Village Project), Series 2015A (issued on parity with the taxable Series 2015B Bonds) for the

purpose of refunding the Refunded Project and financing and refinancing the Project is hereby approved pursuant to and in accordance with Section 147(f) of the Code.

Such approval by the Board does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Borrower, the Refunded Project 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 Borrower 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.

In recognition of the Borrower 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, 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 Borrower 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 Refunded Project and the Project who are otherwise unable to meet their obligations.

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.

This resolution shall take effect immediately upon its adoption.

In a regular meeting duly assembled on the 15<sup>th</sup> day of December, 2015, 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:

APPROVED AS TO FORM

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By:



Office of the County Attorney

EXHIBIT A

AFFIDAVIT OF PUBLICATION OF NOTICE OF PUBLIC HEARING

## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Board of County Commissioners of Pinellas County, Florida will consider the approval of an issue of revenue and revenue refunding bonds to be issued by the Pinellas County Health Facilities Authority (the "Authority"), in the aggregate principal amount of not to exceed \$18,500,000 of tax-exempt bonds (the "Series 2015A Bonds"), on behalf of St. Mark Village, Inc. (the "Borrower"), a Florida not-for-profit corporation, at a public hearing to be held at a meeting on December 15, 2015, beginning at 6:00 p.m., or as soon thereafter as may be heard, in the Board of County Commissioners' Assembly Room, Fifth Floor, at the Pinellas County Courthouse, 315 Court Street, Clearwater, Florida.

The proceeds of the Series 2015A Bonds will be used by the Borrower to refund the Authority's outstanding First Mortgage Revenue Bonds (St. Mark Village Project), Series 2007A (Tax-Exempt) and First Mortgage Revenue Bonds (St. Mark Village Project), Series 2007B (Taxable) (the "Series 2007 Bonds"). The proceeds of the Series 2007 Bonds were used to: (i) refund the Authority's outstanding Variable Rate Demand Bonds (St. Mark Village Project), Series 1987 (the "Series 1987 Bonds"); and (ii) finance capital improvements to the Borrower's facilities located at its approximate 12-acre campus at 2655 Nebraska Avenue, Palm Harbor, Florida 34684 (the "St. Mark Campus"), including equipment and improvements, such as replacement of roofs, and HVAC repair (collectively, the "Refunded Project"). Proceeds of the Series 2015A Bonds shall also be used to: (i) finance and reimburse the costs of certain improvements, renovations and equipping of the Borrower's facilities including, but not limited to, roofing, dining room and kitchen renovations, renovations of the skilled nursing facilities, parking lot replacement for the assisted living center, generator, boiler, elevator, fire alarm and related equipment (collectively, the "Project"); and (ii) fund certain reserve funds, if required. The Project will be owned and operated by the Borrower.

The Series 2015A Bonds will be payable solely from the revenues of the Borrower. The Series 2015A Bonds will not constitute an indebtedness of the Authority, Pinellas County, Florida, the State of Florida (the "State") or any political subdivision of the State within the meaning of any constitutional or statutory debt limitation or restriction. The Series 2015A Bonds be issued on parity with a series of bonds which will not be tax-exempt.

IF ANY PERSON DECIDES TO APPEAL ANY DECISION MADE BY PINELLAS COUNTY WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING SUCH PERSON WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE, SUCH PERSON MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS BASED.

The hearing is being held for the purpose of affording residents of Pinellas County, Florida and other interested persons an opportunity to express their views, both orally and in writing, on the proposed issuance of the Series 2015A Bonds and the nature and location of the Projects and the facilities to be financed and refinanced with the proceeds thereof as required by

Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). In accordance with the Americans With Disabilities Act, persons needing a special accommodation should call 727/464-4062 (Voice/TDD) or fax a written request to 727/464-4157. Prior to the issuance of the Series 2015A Bonds, the Authority must approve the issuance thereof.

Ken Burke, CPA  
Clerk to the Board of County Commissioners  
Pinellas County, Florida

November 27, 2015



### -Ad Proof-

This is the proof of your ad scheduled to run on the dates indicated below. Please proof read carefully if changes are needed,

please contact us prior to deadline at  
(727) 893-8358 or email at [legals@tampabay.com](mailto:legals@tampabay.com).

<p><b>Date:</b> 11/24/15</p> <p><b>Account #:</b> 106294</p> <p><b>Company:</b> BRYANT MILLER OLIVE</p> <p><b>Contact:</b> NANCY E. AKINS</p> <p><b>Address:</b> ONE TAMPA CITY CTR SUITE 2700 TAMPA, FL 33602</p> <p><b>Telephone:</b> (813) 273-6677</p> <p><b>Fax:</b> (813) 223-2705</p> <p><b>Email:</b> <a href="mailto:nakins@bmlaw.com">nakins@bmlaw.com</a></p>	<p><b>Publications:</b> Tampa Bay Times TampaBay.com</p> <p><b>Zones or Sections:</b> Baylink All Pinellas</p> <p><b>Classification:</b> Legal</p>
<p><b>Ad ID:</b> 224045</p> <p><b>Start:</b> 11/27/15</p> <p><b>Stop:</b> 11/27/15</p> <p><b>Total Cost:</b> \$379.60</p> <p><b>Billed Lines:</b> 118.0</p> <p><b>Total Depth:</b> 5.361</p> <p><b># of Inserts:</b></p> <p><b>Phone #</b> (727) 893-8358</p> <p><b>Email:</b> <a href="mailto:legals@tampabay.com">legals@tampabay.com</a></p>	

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Ken Burke, CPA  
Clerk to the Board of County Commissioners  
Pinellas County, Florida (224045) 11/27/2015

**Tampa Bay Times**

Published Daily

STATE OF FLORIDA } ss  
 COUNTY OF Pinellas County

Before the undersigned authority personally appeared **Johnnie Murry** who on oath says that he/she is **Legal Clerk of the Tampa Bay Times** a daily newspaper printed in St. Petersburg, in Pinellas County, Florida; that the attached copy of advertisement, being a Legal Notice in the matter **RE: St. Mark Village** was published in **Tampa Bay Times: 11/27/15**, in said newspaper in the issues of **Baylink All Pinellas**

Affiant further says the said **Tampa Bay Times** is a newspaper published in 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 a second class mail matter at the post office 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 neither paid not 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

*Johnnie Murry*  
 Signature of Affiant

Sworn to and subscribed before me this 11/27/2015.

*Joseph F. Fish*  
 Signature of Notary Public

Personally known ☒ or produced identification

Type of identification produced \_\_\_\_\_



JOSEPH F. FISH  
 NOTARY PUBLIC  
 STATE OF FLORIDA  
 Comm# FF116052  
 Expires 6/23/2018

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