

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: 3/23/2010 Consent Regular
 Public Hearing

Department

Submitted By: COUNTY ATTORNEY

Submitted For: Palm Beach County Health Facilities Authority

I. EXECUTIVE BRIEF

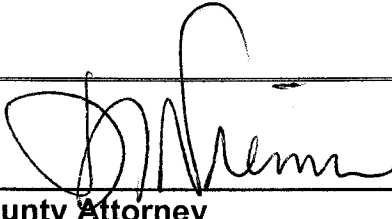
Motion and Title: Staff recommends motion to adopt a resolution approving the issuance of one or more series of revenue bonds in an amount not to exceed \$215,000,000 (the "Bonds") by the Palm Beach County Health Facilities Authority (the "Authority").

Summary: The proceeds of the Bonds will be used by the Authority to make one or more loans to Bethesda Healthcare System, Inc. (the "Corporation") for the Authority to: (i) pay or reimburse the Corporation for, or refinance outstanding indebtedness the proceeds of which were used for, the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain of its health facilities, including but not limited to the acquisition, construction and equipping of the Bethesda West Hospital; (ii) currently refund all or a portion of the outstanding principal amount of the Authority's outstanding Health Facilities Revenue Bonds (Bethesda Healthcare System, Inc. Project), Series 2001; (iii) refinance all or a portion of the outstanding principal amount of loans to the Corporation from the Palm Beach County Health Facilities Authority from proceeds of the Palm Beach County Health Facilities Authority Refunding Program Revenue Bonds, Series 1985 (Pooled Hospital Loan Program) (the "Pooled Loans"); and for certain other related uses for the proceeds of the Bonds. Approval of the Authority's issuance of the Bonds by the Board is required by the Internal Revenue Code; however, adoption of the resolution does not in any way obligate the County. **Neither the taxing power nor the faith and credit of the County, nor any County funds, shall be pledged to pay principal or redemption premiums, if any, or interest on the Bonds.** Districts 3 & 5 (PFK)

Background and Policy Issues: The Authority was created pursuant to Chapter 154, Part III, Florida Statutes, and by resolutions adopted by the Board in 1977. The Authority is governed by a five-member governing body whose members are appointed by the Board. The facilities to receive funding are located at the following addresses or locations: 2815 South Seacrest Boulevard; the site of Bethesda West Hospital, to be constructed at the northeast corner of Boynton Beach Boulevard and US 441/SR7; 2623 South Seacrest Blvd.; and 10301 Hagen Ranch Road, all in Boynton Beach, Florida. This approval has been given by the Board in the past for other bond issues of the Authority.

Attachments:

- 1. Resolution

Recommended by:  2/23/10
County Attorney Date
Approved by: N/A _____
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2010	2011	2012	2013	2014
Capital Expenditures	0	_____	_____	_____	_____
Operating Costs	0	_____	_____	_____	_____
External Revenues	0	_____	_____	_____	_____
Program Income (County)	0	_____	_____	_____	_____
In-Kind Match (County)	0	_____	_____	_____	_____
NET FISCAL IMPACT	0	_____	_____	_____	_____
# ADDITIONAL FTE POSITIONS (Cumulative)	0	_____	_____	_____	_____

Is Item Included in Current Budget? Yes ___ No X

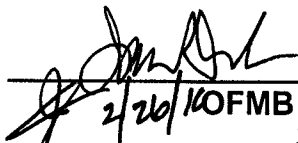
Budget Account No.: Fund ___ Department ___ Unit ___ Object ___
Reporting Category ___

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review: All costs to be borne by the Authority. No fiscal impact to the County.

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:




2/26/10 OFMB
5/2/10
2/25/10



Contract Development and Control 3/1/10

B. Legal Sufficiency:



Assistant County Attorney 2/25/10

C. Other Department Review:

Department Director

THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.

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RESOLUTION NO. R-2010-_____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA APPROVING THE ISSUANCE OF ONE OR MORE SERIES OF PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY HEALTH FACILITIES REVENUE BONDS, SERIES 2010 (BETHESDA HEALTHCARE SYSTEM, INC. PROJECT) IN AN AMOUNT NOT TO EXCEED \$215,000,000 BY THE PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY

WHEREAS, the Palm Beach County Health Facilities Authority (the "Authority") is considering the issuance of the Authority's Health Facilities Revenue Bonds, Series 2010 (Bethesda Healthcare System, Inc. Project), in one or more series, in an aggregate principal amount not to exceed \$215,000,000 (the "Bonds"); and

WHEREAS, on February 23, 2010 a public hearing was held by the Authority (with regard to the issuance of the Bonds) and attached hereto as *Exhibit A* is a copy of the publisher's affidavit evidencing publication of the Notice of Public Hearing and the Minutes of a Public Hearing; and

WHEREAS, the Bonds are to be issued by the Authority for the purpose of providing funds to Bethesda Healthcare System, Inc., a Florida not-for-profit corporation (the "Corporation"), pursuant to a loan from the Authority to the Corporation to provide funds necessary to (i) pay or reimburse the Corporation for, or refinance outstanding indebtedness the proceeds of which were used for, the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain of its health facilities, including but not limited to the acquisition, construction and equipping of the Bethesda West Hospital; (ii) currently refund all or a portion of the outstanding principal amount of the Authority's outstanding Health Facilities Revenue Bonds (Bethesda Healthcare System, Inc. Project), Series 2001; (iii) refinance all or a portion of the outstanding principal amount of loans to the Corporation from the Palm Beach County Health Facilities Authority from proceeds of the Palm Beach County Health Facilities Authority Refunding Program Revenue Bonds, Series 1985 (Pooled Hospital Loan Program) (the "Pooled Loans"); (iv) fund a debt service reserve fund for the benefit of the Bonds, if deemed necessary or advisable by the Authority or the Corporation; (v) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Corporation; (vi) provide working capital, if deemed necessary or advisable by the Authority or the Corporation; and (vii) pay certain expenses incurred in connection with the issuance of the Bonds, including but not limited to the costs of refunding the Series 2001 Bonds and refinancing the Pooled Loans; and

WHEREAS, the Project is owned and operated by the Corporation and Bethesda Memorial Hospital, Inc., and may in the future be owned by Bethesda West Hospital, Inc.; and

WHEREAS, the Bonds will not be an obligation of the County, and will payable from funds of the Corporation; and

WHEREAS, pursuant to the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), as a prerequisite to the issuance of the Bonds it is necessary that the Board of County Commissioners of Palm Beach County approve the issuance thereof after said public hearing; and

WHEREAS, the Board of County Commissioners desires to evidence its approval of the issuance of the Bonds solely to satisfy the requirements of the Code.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY THAT:

Section 1. The Board of County Commissioners hereby approves the issuance of the Bonds solely for purposes of Section 147(f) of the Code.

Section 2. This Resolution shall take effect immediately upon its adoption.

The foregoing Resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

- Commissioner Burt Aaronson, Chair -
- Commissioner Karen T. Marcus, Vice Chair -
- Commissioner Jeff Koons -
- Commissioner Shelley Vana -
- Commissioner Steven L. Abrams -
- Commissioner Jess R. Santamaria -
- Commissioner Priscilla A. Taylor -

The Chair thereupon declared the Resolution duly passed and adopted this _____ day of _____, 2010.

PALM BEACH COUNTY, FLORIDA, BY ITS
BOARD OF COUNTY COMMISSIONERS

SHARON R. BOCK, CLERK & COMPTROLLER

By: _____
Deputy Clerk

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

By: Paul F. S.
County Attorney

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY

Report of Proceedings held at the office of the Palm Beach County
Health Facilities Authority

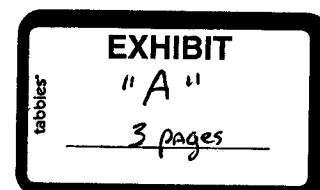
Moyle, Flanigan, Katz, White & Doorakian, P.A., Conference Room A, 625 North Flagler
Drive, 9th Floor West Palm Beach, FL 33401, on Tuesday,
February 23, 2010, at 2:00 o'clock P.M.

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY, JOHN F. FLANIGAN, LEGAL
COUNSEL, AS DESIGNEE:

Let the record show that this is a public hearing being held on Tuesday, February 23, 2010, at 2:00 P.M., at the office of the Palm Beach County Health Facilities Authority (the "Authority"), at the offices of Moyle, Flanigan, Katz, White & Doorakian, P.A., Conference Room A, 625 North Flagler Drive, 9th Floor West Palm Beach, FL 33401, regarding the proposed issuance by the Authority, of one or more of its series of its health facilities revenue bonds, in an aggregate principal amount not to exceed \$215,000,000 (the "Bonds"). The proceeds of the Bonds will be loaned to Bethesda Healthcare System, Inc. (the "Corporation"), to provide funds necessary to (i) pay or reimburse the Corporation for, or refinancing outstanding indebtedness the proceeds of which were used for, the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain of its health facilities, including but not limited to the acquisition, construction and equipping of the Bethesda West Hospital; (ii) currently refund all or a portion of the outstanding principal amount of the Authority's outstanding Health Facilities Revenue Bonds (Bethesda Healthcare System, Inc. Project), Series 2001; (iii) refinance all or a portion of the outstanding principal amount of loans to the Corporation from the Palm Beach County Health Facilities Authority from proceeds of the Palm Beach County Health Facilities Authority Refunding Program Revenue Bonds, Series 1985 (Pooled Hospital Loan Program) (the "Pool Loans"); (iv) fund a debt service reserve fund for the benefit of the Bonds, if deemed necessary or advisable by the Authority or the Corporation; (v) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Corporation; (vi) provide working capital, if deemed necessary or advisable by the Authority or the Corporation; and (vii) pay certain expenses incurred in connection with the issuance of the Bonds, including but not limited to the costs of refunding the Series 2001 Bonds and refinancing the Pool Loans (collectively, the "Project"). The Project is owned and operated by the Corporation and Bethesda Memorial Hospital, Inc., and may in the future be owned by Bethesda West Hospital, Inc.

The Bonds, when and if issued, will not be general obligations of the State of Florida, Palm Beach County, Florida or the Authority nor will the Bonds be payable in any manner by taxation. The Bonds will be limited obligations of the Authority payable solely from revenue derived by the Authority from payments made by the Corporation and pledged to the payment of the Bonds. The issuance of the Bonds will allow the acquisition and development of the Project and the refinancing of certain indebtedness, and is in furtherance of the public purpose of the Authority

CHIC_4637466 3



This hearing is being held to comply with Section 147(f) of the Internal Revenue Code of 1986. Notice of this hearing was published on February 9, 2010, in the *Palm Beach Post*, a newspaper being qualified under law for the publication of legal notices, said publication being at least 14 days prior to the date hereof.

All interested persons wishing to contest or protest against the proposed issuance of the Bonds by the Authority, orally or in writing, will be heard and all such written or oral statements will be considered by the Authority prior to the issuance of the Bonds.

Are there any comments regarding the proposed issuance of the Bonds by the Authority?

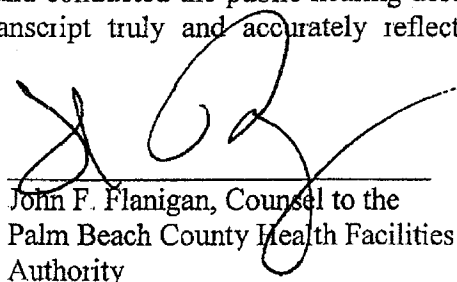
(No Response)

Let the record further show that no oral or written comments were submitted to the Authority for the purpose of this public hearing or with respect to the issuance of the Bonds.

Seeing that there are no comments to be considered, this public hearing is now adjourned.

* * *

The undersigned hereby certifies that he is Counsel to the Authority, acting as designee of the Authority, that he attended and conducted the public hearing described in the foregoing transcript, and that said transcript truly and accurately reflects the testimony at said hearing.



John F. Flanigan, Counsel to the
Palm Beach County Health Facilities
Authority

