

4E

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: February 5, 2013 [] Consent [] Regular [] Ordinance [X] Public Hearing

Department: Department of Economic Sustainability

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to: (A) conduct a Public Hearing for the purposes of approving the issuance of the Notes, as defined below, within the meaning of Section 147(f) of the Internal Revenue Code of 1986, as amended; and (B) adopt an authorizing Resolution which, among other things, authorizes the issuance of not exceeding \$4,000,000 in aggregate principal amount of Palm Beach County, Florida Bond Anticipation Notes, Series 2013 (CCRC Pre-Development Project) (the "Notes"), and approves the form of certain documents relating to the issuance of the Notes.

Summary: On December 21, 2010, the Board of County Commissioners (BCC) approved an application (the "Application") from Federation CCRC Development, LLC (the "Company") for the County to issue the Palm Beach County, Florida Bond Anticipation Notes, Series 2011 (CCRC Pre-Development Project) (the "Original Notes") as non-recourse obligations to the County to finance certain pre-development costs associated with a continuing care retirement community located in Palm Beach County, Florida (the "CCRC Project"). Such pre-development costs include, but are not limited to marketing, design, engineering and consulting costs relating to the CCRC Project. On June 15, 2011 and July 14, 2011, the County issued the Original Notes in the aggregate principal amount of \$9,450,000. The CCRC Project will be located on an approximately 22 acre site located on the S.E. and N.W. corners of 95th Avenue South and Baron Coleman Boulevard in unincorporated Palm Beach County, Florida. The CCRC Project, when built, will consist of independent living units, assisted living units, memory support units and skilled nursing beds and will be owned by a Florida not-for-profit corporation owned by the Company. The net proceeds of the Original Notes were not sufficient to pay all pre-development costs because of cost overruns and changes in the scope of the pre-development costs. As a result, the Company has updated the Application and has requested the County issue the Notes. The Notes will be issued pursuant to the terms and provisions of an Amended and Restated Trust Indenture, the form of which is attached to the subject authorizing Resolution. The proceeds will be loaned to the Company by an Amended and Restated Loan Agreement. The Notes will be issued on parity with the Original Notes, payable solely from the net proceeds of future industrial development bonds issued by the County or such other governmental issuer to permanently finance the construction and equipping of the CCRC Project. The Economic Impact Analysis demonstrates a positive impact exceeding \$150 Million over five (5) years for the CCRC Project. Neither the taxing power nor the faith and credit of the County, nor any County funds, shall be pledged to pay principal or redemption premium, if any, or interest of the Notes. District 5 (PFK)

Background and Justification: The Notes will be sold only to accredited investors and secured by the net proceeds of a future bond issue and a first lien mortgage.

Attachments:

- 1. Proof of Publication
2. Authorizing Resolution with attached form Bond documents
3. Economic Impact Analysis

Recommended By: [Signature] Department Director 1-25-13 Date

Approved By: [Signature] Assistant County Administrator 2-2-13 Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

| Fiscal Years | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------------|-------------------|------|------|------|------|
| Capital Expenditures | | | | | |
| Operating Costs | | | | | |
| External Revenues | (\$20,000) | | | | |
| Program Income | | | | | |
| In-Kind Match (County) | | | | | |
| NET FISCAL IMPACT | (\$20,000) | | | | |

| | | | | | |
|---|--|--|--|--|--|
| # ADDITIONAL FTE POSITIONS (Cumulative) | | | | | |
|---|--|--|--|--|--|

Is Item Included In Current Budget? Yes _____ No _____


Budget Account No.:

Fund _____ Dept _____ Unit _____ Object _____ Program Code/Period _____

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

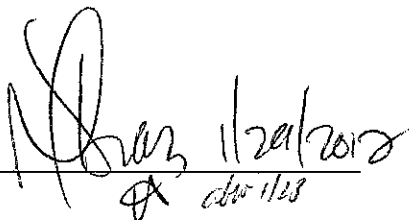
All costs to be borne by Applicant. Palm Beach County will receive \$20,000 in industrial development revenue bond fees as well as legal fees for services rendered in reviewing this project.

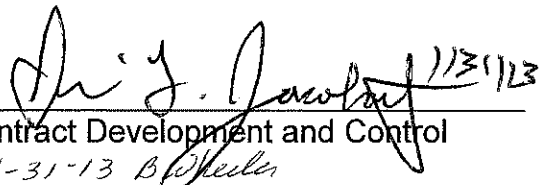
C. Departmental Fiscal Review:


 1/28/13 Shairette Major, Fiscal Manager I

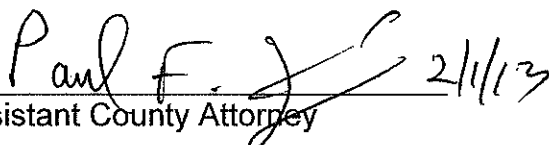
III. REVIEW COMMENTS

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


 OFMB
 1/29/13


 Contract Development and Control
 1-31-13 B. Wheeler

B. Legal Sufficiency:


 Assistant County Attorney
 2/1/13

C. Other Department Review:

Department Director

**NOTICE OF PUBLIC HEARING BY PALM BEACH COUNTY,
FLORIDA REGARDING THE ISSUANCE BY PALM BEACH
COUNTY, FLORIDA OF ITS NOT TO EXCEED \$4,000,000 IN
INITIAL AGGREGATE PRINCIPAL AMOUNT OF BOND
ANTICIPATION NOTES, SERIES 2013 (PRE-DEVELOPMENT
CCRC PROJECT)**

NOTICE IS HEREBY GIVEN, that the Board of County Commissioners of Palm Beach County, Florida (the "Board"), the governing body of Palm Beach County, Florida (the "County"), will conduct a public hearing at 9:30 A.M., or as soon thereafter as the same may be heard, on February 5, 2013, concerning the proposed issuance by the County of up to \$4,000,000 in initial aggregate principal amount of its Bond Anticipation Notes, Series 2013 (Pre-Development CCRC Project) (herein, the "Notes"), in one or more series pursuant to a plan of finance. The proceeds of the Notes will be used to pay marketing, design, engineering, consulting and other additional costs incurred in connection with the proposed construction of a continuing care retirement community to be built in one or more stages and providing up to 352 units (or beds in the case of skilled nursing) for independent living, assisted living, memory support and skilled nursing (herein, the "Project"). The Project will be located on an approximately 22 acre site located on the S.E. and N.W. corners of 95th Avenue South and Baron Coleman Boulevard in unincorporated Palm Beach County, Florida. Certain of the pre-development costs were financed by the County's Bond Anticipation Notes, Series 2011 issued in the initial aggregate principal amount of \$9,450,000 ("2011 Notes"). The Notes will be issued on parity with the 2011 Notes.

The proceeds of the Notes will be loaned to Federation CCRC Development, LLC, a Florida limited liability company (herein, the "Borrower"). The sole member of the Borrower is the Jewish Federation of South Palm Beach County, Inc., a Florida non-profit 501(c)(3) corporation. It is expected that the Project will be owned by Federation CCRC Property Corporation, a Florida non-profit corporation and developed and operated by Federation CCRC Operations Corp., a Florida non-profit corporation. The Borrower will be the sole member of both Federation CCRC Property Corp. and Federation CCRC Operations Corp. (herein collectively, the "Related Corporations"). The Borrower has filed applications with the Internal Revenue Service to obtain Section 501(c)(3) status for the Related Corporations. If such 501(c)(3) status is obtained, Federation CCRC Operations Corp. anticipates that the County, or such other permitted governmental issuer, will authorize long-term revenue bonds to be issued in one or more series to finance a portion of the costs of constructing and equipping the Project in a principal amount of not to exceed \$140,000,000 (herein, the "Bonds"). The Notes will accrue interest from the date of issuance, which shall be payable, together with the principal amount of such Notes, on the maturity date (which shall not be later than five years from the date of issuance) or upon an earlier redemption date. The Notes are limited obligations of the County and shall be payable solely from a first lien on the net proceeds of the Bonds. The Notes will also be secured by a first lien mortgage on the Project site. The Bonds, if issued by the County, when issued, will also be a limited obligation of the County payable from the revenues of the Project and secured by a first lien mortgage of the Project.

The public hearing will be held at the following time and location:

**9:30 A.M., on February 5, 2013
Palm Beach County Government Center
301 North Olive Avenue, West Palm Beach, Florida 33401
Jane Thompson Memorial Chambers - Sixth Floor.**

The Notes will not constitute an indebtedness of the County, 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 Notes shall not constitute a moral obligation of the County or a charge against its general credit. The owners of the Notes will never have the right to compel the exercise of the ad valorem taxing power of the County for the payment of the Notes. No property of the County, the State or any political subdivision thereof will be pledged for the payment of the Notes.

All interested persons are invited to attend the public hearing, which will be the only public hearing concerning the issuance of the Notes. At such meeting, persons will be given an opportunity to express their views, both orally and through written statements which are submitted to the County Administrator, 11th Floor, 301 North Olive Avenue, West Palm Beach, Florida 33401, on or before the public hearing. For further information regarding the proposed issuance of the Notes, contact Paul King, Esquire, Assistant County Attorney at (561)-355-2734. For further information regarding the Project or the Borrower, contact Mel Lowell at (561) 852-3140. Should any person decide to appeal any decision made by the County, he or she will need a record of the proceedings and may need to ensure that a verbatim record of the proceedings is made, which record must include testimony and evidence upon which the appeals may be based.

In accordance with the Americans with Disabilities Act, persons with disabilities needing special assistance accommodations to participate in this proceeding should contact Paul King, Esquire (at the number stated above), no later than five (5) days prior to the hearing for assistance; if hearing impaired, telephone the Florida Relay Service Numbers at (800) 955-8771 (TDD) or (800) 955-8700 (VOICE) for assistance.

This Notice is published pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, and Treasury Regulations Section 5f.103-2.

PALM BEACH COUNTY, FLORIDA

PUB: Palm Beach Post
January ____, 2013

WPB 382948510v3/1-8-13/013000.012500

RESOLUTION NO. R-2013-_____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, APPROVING AN UPDATE TO THE ORIGINAL APPLICATION FOR FINANCING PROVIDED BY THE COUNTY BY THE ISSUANCE OF BOND ANTICIPATION NOTES, SERIES 2011 (PRE-DEVELOPMENT CCRC PROJECT) IN THE ORIGINAL PRINCIPAL AMOUNT OF \$9,450,000; AUTHORIZING THE NEGOTIATED SALE OF ITS PALM BEACH COUNTY, FLORIDA, BOND ANTICIPATION NOTES, SERIES 2013 (CCRC PRE-DEVELOPMENT PROJECT) (THE "NOTES"), IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$4,000,000 TO COVER COST OVERRUNS AND CHANGES MADE TO THE SCOPE OF THE CCRC PROJECT; APPROVING THE ISSUANCE OF THE NOTES WITHIN THE MEANING OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; DETERMINING CERTAIN DETAILS OF SAID NOTES; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED LOAN AGREEMENT, AN AMENDED AND RESTATED TRUST INDENTURE, A NOTE PURCHASE AGREEMENT AND AUTHORIZING MODIFICATIONS TO THE MORTGAGE AND SECURITY AGREEMENT AND OTHER SECURITY DOCUMENTS; APPROVING THE FORM OF THE PRIVATE PLACEMENT MEMORANDUM FOR THE NOTES; RATIFYING THE PRIOR APPOINTMENT BY THE COUNTY OF THE PLACEMENT AGENT AND THE TRUSTEE; AUTHORIZING THE REGISTRATION OF THE NOTES UNDER A BOOK-ENTRY SYSTEM; AUTHORIZING THE PROPER OFFICERS OF THE COUNTY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE AS TO THE SALE AND DELIVERY OF THE NOTES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Federation CCRC Development, LLC, a Florida limited liability company (the "Borrower") has previously submitted an application (the "Application") requesting that Palm Beach County, Florida (the "County") issue its Bond Anticipation Notes, Series 2011 (Pre-Development CCRC Project) (the "Original Notes") to pay certain pre-development costs of the CCRC Project (as defined below) including, but not limited to, marketing, design, engineering, consulting and other costs relating to a continuing care retirement community sponsored by the Jewish Federation of South Palm Beach County (the "CCRC Project") and to pay the costs of issuing the Original Notes, which Application was approved by the Board (as defined below); and

WHEREAS, the Original Notes were issued by the County on June 25, 2011 and July 14, 2011 and the proceeds were loaned to the Borrower pursuant to the terms and provisions of that certain Loan Agreement dated as of June 1, 2011 (the "Original Loan Agreement") by and between the County and the Borrower; and

WHEREAS, the Original Notes were issued pursuant to the terms and provisions of that certain Trust Indenture dated as of June 1, 2011 (the "Original Trust Indenture"), by and between the County and BB&T, as trustee (the "Trustee"); and

WHEREAS, the Borrower has determined because of cost overruns and changes to the scope of the CCRC Project, the proceeds from the Original Notes are not sufficient to pay all of the remaining pre-development costs and has requested that the County issue the Notes for that purpose; and

WHEREAS, in connection with such request, the Borrower has submitted an update to the Application; and

WHEREAS, the Notes will be issued on parity with the Original Notes, except as provided in the herein defined Trust Indenture, and will be issued only after the consent to the issuance of additional indebtedness required under the Original Loan Agreement and Original Trust Indenture has been obtained; and

WHEREAS, there was published, at least fourteen (14) days prior to the Public Hearing (as defined below), a notice of such hearing, proof of publication of such notice being attached hereto as Exhibit A; and

WHEREAS, on February 5, 2013, the Board of County Commissioners of Palm Beach County, Florida, as the governing body of the County (the "Board") held a public hearing (the "Public Hearing") regarding the proposed financing of all or a portion of the additional pre-development costs described above relating to the proposed CCRC Project through the issuance by the County of the Notes, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, it is intended that this Resolution shall constitute the approval of the issuance of the Notes required by Section 147(f) of the Code; and

WHEREAS, the County shall loan the net proceeds of the Notes to the Borrower pursuant to the terms and provisions of that certain Amended and Restated Loan Agreement, expected to be dated February 1, 2013 (the "Agreement"), in substantially the form attached hereto as Exhibit B by and between the County and the Borrower; and

WHEREAS, the Notes shall be issued pursuant to the terms and provisions of that certain Amended and Restated Trust Indenture, expected to be dated as of February 1, 2013 (herein, the "Trust Indenture"), in substantially the form attached hereto as Exhibit C, by and between the County and the Trustee; and

WHEREAS, in addition to the proof of publication of the Public Hearing, the Agreement, and the Trust Indenture, there has been prepared and submitted to the Board the following:

1. Note Purchase Agreement in substantially the form attached hereto as Exhibit D, by and among the County, the Borrower, and Herbert J. Sims & Co., Inc., as Placement Agent (herein, the "Note Purchase Agreement"); and
2. Draft Private Placement Memorandum to be used in connection with the offering and sale of the Notes (herein, the "Offering Memorandum") in substantially the form attached hereto as Exhibit E.

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

SECTION 1. RECITALS. That the recitals set forth above are adopted by the Board as the findings of the County and are incorporated herein.

SECTION 2. DEFINITIONS. That all capitalized terms used in this Resolution not otherwise defined shall have the meanings ascribed to such terms in the Trust Indenture, unless the context clearly indicates otherwise.

SECTION 3. TEFRA APPROVAL. The Notes are hereby approved within the meaning of Section 147(f) of the Code.

SECTION 4. PURPOSES AND NOTE DESIGNATION. That the County hereby authorizes and determines at this time (i) to issue not exceeding \$4,000,000 in the aggregate principal amount of its Notes for the purpose of financing all or a portion of the additional pre-development costs of the CCRC Project not previously financed with the net proceeds of the Original Notes, (ii) to pay a portion of the costs of issuing the Notes and (iii) to designate such Notes as its Bond Anticipation Notes, Series 2013 (CCRC Pre-Development Project)." Since the Notes are issued pursuant to 215.431, Florida Statutes, the County, subject to its policies and procedures and subsequent proceedings of the Board, hereby authorizes the issuance of Industrial Development Revenue Bonds (CCRC Project) in a principal amount necessary to refinance the principal of and accrued interest on the Notes and the Original Notes on or before the maturity date of the Notes. Such bonds shall be limited obligations of the County and payable and secured in such manner acceptable to County, the underwriters of such bonds and the Borrower or its assigns. The foregoing does not obligate the County issue such bonds.

SECTION 5. AMENDED AND RESTATED LOAN AGREEMENT. That it is necessary to amend and restate the Original Loan Agreement to reflect the additional loan made by the County to the Borrower. The form, terms and provisions of the Amended and Restated Loan Agreement (the "Agreement"), substantially in the form attached hereto as Exhibit B, as submitted to this meeting, be and the same are hereby approved and accepted. Either the Mayor, any other member of the Board, the County Administrator or the Debt Manager, is hereby authorized and directed to execute and deliver the Agreement on behalf of the County in substantially the form submitted to this meeting, with such changes, insertions and deletions

thereto as are necessary or desirable for carrying out the purposes thereof as may be approved by the County Attorney's Office and Bond Counsel to the County, the execution of said Agreement being conclusive evidence of such approval.

SECTION 6. DESCRIPTION OF THE NOTES. The Notes shall be dated the date of issuance, initially shall bear interest at an interest rate necessary to privately place the Notes but not greater than the maximum rate permitted under Florida law and such Notes are expected to mature not later than five (5) years from the date of issuance of the Notes, subject to earlier redemption. The Bonds shall be subject to optional, extraordinary optional and mandatory redemption, all as provided in the Amended and Restated Trust Indenture described below.

SECTION 7. NEGOTIATED SALE. That the Board hereby finds that, based on present market conditions and the nature of the financing, it would be in the best interest of the County that the Notes be sold on a negotiated basis.

SECTION 8. AMENDED AND RESTATED TRUST INDENTURE. That it is necessary to amend and restate the Original Trust Agreement to reflect the issuance of the Notes on parity with the Original Notes. The form, terms and provisions of the Amended and Restated Trust Indenture (the "Trust Indenture"), substantially in the form attached hereto as Exhibit C, as submitted to this meeting, be and the same are hereby approved and accepted. Either the Mayor, any other member of the Board, the County Administrator or the Debt Manager, is hereby authorized and directed to execute and deliver the Trust Indenture on behalf of the County in substantially the form submitted to this meeting, with such changes, insertions and deletions thereto as are necessary or desirable for carrying out the purposes thereof as may be approved by the County Attorney's Office and Bond Counsel to the County, the execution of said Trust Indenture being conclusive evidence of such approval.

SECTION 9. MORTGAGE AND OTHER SECURITY DOCUMENTS. All amendments or supplements to the Mortgage and other security documents securing the Original Notes to reflect the issuance of the additional Notes are authorized to be amended, supplemented or restated as deemed necessary.

SECTION 10. SECURITY FOR THE NOTES. That the Notes shall be secured and payable solely from the trust estate created under, and as provided in, the Trust Indenture on parity with the Original Notes. The Notes shall be limited obligations of the County, payable solely from such trust estate and such Notes shall never constitute a general obligation of the County, or of the State of Florida (the "State") or any other political subdivision of the State. No property of the County is pledged for the payment of the Notes.

SECTION 11. NOTE PURCHASE AGREEMENT. That the form, terms and provisions of the Note Placement Agreement, substantially in the form attached hereto as Exhibit D, as submitted to this meeting, be the same are hereby approved and accepted. Either the Mayor, any other member of the Board, the County Administrator or the Debt Manager, is hereby authorized and directed to execute and deliver the Note Purchase Agreement on behalf of the County in substantially the form submitted to this meeting, with such changes, insertions and deletions thereto as are necessary or desirable for carrying out the purposes thereof as may be approved by the Debt Manager and Bond Counsel to the County, the execution of said Note Purchase Agreement being conclusive evidence of such approval. The disclosure statements of the Underwriter, as required by Section 218.385 of the Florida Statutes, to be delivered to the County prior to the execution of the Note Purchase Agreement, a copy of which is attached as an exhibit to the Note Purchase Agreement, will be entered into the official records of the County.

SECTION 12. PRIVATE PLACEMENT MEMORANDUM. That the form, terms and provisions of the Private Placement Memorandum (herein, the "Offering Memorandum"), in the form of the draft Offering Memorandum attached hereto as Exhibit E, with such changes as are necessary to conform to the details of the Notes and the requirements of the Note Purchase Agreement, is hereby approved. The County hereby authorizes the Offering Memorandum when in final form to be used in connection with the offering and sale of the Notes. The Offering Memorandum may be modified in a manner not inconsistent with the substance thereof and the terms of the Notes as shall be deemed advisable by Bond Counsel to the County or the County Attorney's Office.

SECTION 13. TRUSTEE. That the previous appointment by the Board of BB&T as the Trustee for the Notes is ratified.

SECTION 14. PLACEMENT AGENT; DISCLOSURE STATEMENT. That the County hereby ratifies the Borrower's selection of Herbert J. Sims & Co. as Placement Agent. The County requires that the Placement Agent submit, on or before the sale of the Notes, the disclosure statement and truth-in-bonding statement required by Section 218.385, Florida Statutes, copies of which will be attached to or incorporated in the Note Purchase Agreement.

SECTION 15. BOOK ENTRY NOTES. That the Board hereby determines that the registration of the Notes be by the Book Entry System of registration. The Blanket Issuer Letter of Representations dated May 11, 1995, to evidence a Book Entry System of registration with respect to certain of the County's debt obligations and previously filed with The Depository Trust Company shall be applicable to the Notes.

SECTION 16. APPLICATION. That the Board hereby accepts the justification proffered by the Borrower to issue the Notes and approves the financial update to the Borrower's Application.

SECTION 17. FURTHER AUTHORIZATIONS. That the Mayor of the Board, any other member of the Board, the Clerk or any Deputy Clerk, the County Administrator and the Debt Manager, and any other authorized official of the County, be and each of them is hereby authorized and directed to execute and deliver any and all documents and instruments, to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

SECTION 18. REPEALER. That all resolutions or proceedings, or parts thereof, in conflict with the provisions of this Resolution are to the extent of such conflict hereby repealed.

SECTION 19. EFFECTIVE DATE. That 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 being put to a vote, the vote was as follows:

| | |
|---------------------------------|---|
| STEVEN L. ABRAMS, Mayor | - |
| PRISCILLA A. TAYLOR, Vice Mayor | - |
| HAL R. VALECHE | - |
| PAULETTE BURDICK | - |
| SHELLEY VANA | - |
| MARY LOU BERGER | - |
| JESS R. SANTAMARIA | - |

The Chairperson thereupon declared the Resolution duly passed and adopted this 5th day of February, 2013.

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

**APPROVED AS TO FORM AND
LEGAL SELF SUFFICIENCY**

**ATTEST:
SHARON R. BOCK, CLERK & COMPTROLLER**

By: _____
Assistant County Attorney

By: _____
Deputy Clerk



INTEROFFICE MEMORANDUM

TO: Paul King
Assistant County Attorney
FROM: Sherry Howard
Deputy Director, Department of Economic Sustainability
DATE: January 17, 2013
RE: Industrial Development Bond Application
Jewish Federation of South Palm Beach County, Inc.

Department of Economic Sustainability
Administration
100 Australian Avenue South - Suite #500
West Palm Beach, FL 33406
(561) 233-3600
www.pbcgov.com/des

Palm Beach County Board of County Commissioners
Steven Abrams, Mayor
Priscilla A. Taylor, Vice Mayor
Hal Valeche
Paulette Burdick
Shelley Vana
Mary Lou Berger
Jess R. Santamaria

County Administrator
Robert Weisman, P.E.

"An Equal Opportunity Affirmative Action Employer"

The Palm Beach County Department of Economic Sustainability (DES) has reviewed the Industrial Development Bond Application (specifically for Bond Anticipation Notes) submitted by the Jewish Federation of South Palm Beach County, Inc. to be used for the construction of The Sinai Residences of Boca Raton - Continuing Care Retirement Community.

The Application requests that Palm Beach County issue \$4,000,000 in Industrial Development Bonds (IDB). The proceeds from the bond sales will be used to pay for the continuing pre-development costs such as architecture and engineering development; marketing and other related costs as well as capitalized interest, associated with construction of The Sinai Residences of Boca Raton.

Economic Analysis

Jewish Federation of South Palm Beach County, Inc is developing an 18 acre parcel of land located at 95th Avenue and Baron Coleman Boulevard in unincorporated Palm Beach County, FL. The Sinai Residences will be a Continuing Care Retirement Community that will benefit from ancillary services of the Jewish Federation.

The Application states that when the construction of the facility is complete, there will be 185 full-time equivalent employees. DES conducted a Regional Economic Models Inc. (REMI) analysis showing the following economic impact for the project, which reflects direct and indirect jobs as well as GDP, which represents both compensation and profits.

Table with 6 columns: Category, Year 2013, Year 2014, Year 2015, Year 2016, Year 2017. Rows include Employment, Economic Impact (GDP) \$M, and Taxes.



REMI results indicate there is a positive economic impact exceeding \$150 M over the next five years. There is no impact on taxes as the Applicant qualifies as a non-profit organization.

Financial Overview

- Federation CCRC Development, LLC and its subsidiaries (collectively the "LLC") were formed in 2010 for the construction and development of the Sinai Residences of Boca Raton – Continuing Care Retirement Community (the CCRC).

The LLC is a wholly owned subsidiary of the Jewish Federation of South Palm Beach County, Inc.

Federation CCRC Development, LLC is a Florida not-for-profit corporation, which is exempt from taxation pursuant to the Internal Revenue Code.

- Federation CCRC Operations Corp. is a wholly owned subsidiary of Federation CCRC Development, LLC and has a pending application for 501(c)(3) status with the Internal Revenue Service (IRS). Its purpose in creation is for the construction development and eventual operation of the Sinai Residences of Boca Raton – Continuing Care Retirement Community (the "CCRC")
- Federation CCRC Property Corp. is a wholly owned subsidiary of Federation CCRC Development, LLC and has a pending application for 501(c)(3) status with the Internal Revenue Service (IRS).
- Jewish Federation of South Palm Beach County, Inc. (a nonprofit organization "The Federation") founded in 1979 consists of several subsidiaries in addition to Federation CCRC Development, LLC. All significant inter-fund activity has been removed from the financial statements upon consolidation.
- The proceeds from the bond sales will be used to continue the funding of pre-construction efforts for the project known as the Sinai Residences of Boca Raton including architectural and engineering costs

Summary of Financial Statement for the Period Ended August 31, 2012

The Federation's Financial Statements were audited and they received an unmodified opinion from Mayer Hoffman McCann P.C. For the period ended August 31, 2012, they had a decrease in net assets of approximately \$4M primarily due to fluctuations in the value of long term investments (representing less than 4% of total assets).



Contributions of Project to Palm Beach County

History: The Federation was incorporated in 1979 and has grown to serve the second largest Jewish community in The United States outside of New York. The Federation also helps victims (regardless of origin) of natural disasters, such as hurricanes, wildfires and other calamities.

Locations: Federation operates at a 28-acre campus in Boca Raton, FL funding 25 beneficiary agencies.

Project: The Federation is seeking an inducement, not-to-exceed \$4 M dollars to address pre-construction cost overruns on the Sinai Residences of Boca Raton - Continuing Care Retirement Community (the "CCRC") which will consist of:

| | |
|------------------------------------|-----------|
| 1. Independent Living Apartments: | 236 |
| 2. Assisted Living: | 48 |
| 3. Memory Support Assisted Living: | 24 |
| 4. <u>Nursing Beds:</u> | <u>60</u> |
| Total: | 368 |

Recommendation

Based on the review of the initial Application, updated financial statements, retained/created jobs, additional capital expenditures and the County's limited obligation, the Department of Economic Sustainability supports the Jewish Federation of South Palm Beach County's Application.

cc: Shannon LaRocque-Baas, P.E.
Assistant County Administrator

LIST OF EXHIBITS

- EXHIBIT A - Proof of Publication
- EXHIBIT B - Amended and Restated Loan Agreement
- EXHIBIT C - Amended and Restated Trust Indenture
- EXHIBIT D - Note Purchase Agreement
- EXHIBIT E - Draft Private Placement Memorandum

**NOTICE OF PUBLIC HEARING BY PALM BEACH COUNTY,
FLORIDA REGARDING THE ISSUANCE BY PALM BEACH
COUNTY, FLORIDA OF ITS NOT TO EXCEED \$4,000,000 IN
INITIAL AGGREGATE PRINCIPAL AMOUNT OF BOND
ANTICIPATION NOTES, SERIES 2013 (PRE-DEVELOPMENT
CCRC PROJECT)**

NOTICE IS HEREBY GIVEN, that the Board of County Commissioners of Palm Beach County, Florida (the "Board"), the governing body of Palm Beach County, Florida (the "County"), will conduct a public hearing at 9:30 A.M., or as soon thereafter as the same may be heard, on February 5, 2013, concerning the proposed issuance by the County of up to \$4,000,000 in initial aggregate principal amount of its Bond Anticipation Notes, Series 2013 (Pre-Development CCRC Project) (herein, the "Notes"), in one or more series pursuant to a plan of finance. The proceeds of the Notes will be used to pay marketing, design, engineering, consulting and other additional costs incurred in connection with the proposed construction of a continuing care retirement community to be built in one or more stages and providing up to 352 units (or beds in the case of skilled nursing) for independent living, assisted living, memory support and skilled nursing (herein, the "Project"). The Project will be located on an approximately 22 acre site located on the S.E. and N.W. corners of 95th Avenue South and Baron Coleman Boulevard in unincorporated Palm Beach County, Florida. Certain of the pre-development costs were financed by the County's Bond Anticipation Notes, Series 2011 issued in the initial aggregate principal amount of \$9,450,000 ("2011 Notes"). The Notes will be issued on parity with the 2011 Notes.

The proceeds of the Notes will be loaned to Federation CCRC Development, LLC, a Florida limited liability company (herein, the "Borrower"). The sole member of the Borrower is the Jewish Federation of South Palm Beach County, Inc., a Florida non-profit 501(c)(3) corporation. It is expected that the Project will be owned by Federation CCRC Property Corporation, a Florida non-profit corporation and developed and operated by Federation CCRC Operations Corp., a Florida non-profit corporation. The Borrower will be the sole member of both Federation CCRC Property Corp. and Federation CCRC Operations Corp. (herein collectively, the "Related Corporations"). The Borrower has filed applications with the Internal Revenue Service to obtain Section 501(c)(3) status for the Related Corporations. If such 501(c)(3) status is obtained, Federation CCRC Operations Corp. anticipates that the County, or such other permitted governmental issuer, will authorize long-term revenue bonds to be issued in one or more series to finance a portion of the costs of constructing and equipping the Project in a principal amount of not to exceed \$140,000,000 (herein, the "Bonds"). The Notes will accrue interest from the date of issuance, which shall be payable, together with the principal amount of such Notes, on the maturity date (which shall not be later than five years from the date of issuance) or upon an earlier redemption date. The Notes are limited obligations of the County and shall be payable solely from a first lien on the net proceeds of the Bonds. The Notes will also be secured by a first lien mortgage on the Project site. The Bonds, if issued by the County, when issued, will also be a limited obligation of the County payable from the revenues of the Project and secured by a first lien mortgage of the Project.

The public hearing will be held at the following time and location:

**9:30 A.M., on February 5, 2013
Palm Beach County Government Center
301 North Olive Avenue, West Palm Beach, Florida 33401
Jane Thompson Memorial Chambers - Sixth Floor.**

The Notes will not constitute an indebtedness of the County, 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 Notes shall not constitute a moral obligation of the County or a charge against its general credit. The owners of the Notes will never have the right to compel the exercise of the ad valorem taxing power of the County for the payment of the Notes. No property of the County, the State or any political subdivision thereof will be pledged for the payment of the Notes.

All interested persons are invited to attend the public hearing, which will be the only public hearing concerning the issuance of the Notes. At such meeting, persons will be given an opportunity to express their views, both orally and through written statements which are submitted to the County Administrator, 11th Floor, 301 North Olive Avenue, West Palm Beach, Florida 33401, on or before the public hearing. For further information regarding the proposed issuance of the Notes, contact Paul King, Esquire, Assistant County Attorney at (561)-355-2734. For further information regarding the Project or the Borrower, contact Mel Lowell at (561) 852-3140. Should any person decide to appeal any decision made by the County, he or she will need a record of the proceedings and may need to ensure that a verbatim record of the proceedings is made, which record must include testimony and evidence upon which the appeals may be based.

In accordance with the Americans with Disabilities Act, persons with disabilities needing special assistance accommodations to participate in this proceeding should contact Paul King, Esquire (at the number stated above), no later than five (5) days prior to the hearing for assistance; if hearing impaired, telephone the Florida Relay Service Numbers at (800) 955-8771 (TDD) or (800) 955-8700 (VOICE) for assistance.

This Notice is published pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, and Treasury Regulations Section 5f.103-2.

PALM BEACH COUNTY, FLORIDA

PUB: Palm Beach Post
January ____, 2013

WPB 382948510v3/1-8-13/013000.012500