Agenda Item #: 40-2

# PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

### **AGENDA ITEM SUMMARY**

| Meeting Date: | July 14, 2020                       | [ ] Consent<br>[ ] Ordinance | [X] Regular<br>[ ] Public Hearing |  |  |  |
|---------------|-------------------------------------|------------------------------|-----------------------------------|--|--|--|
| Department:   | Housing and Economic Sustainability |                              |                                   |  |  |  |

### I. EXECUTIVE BRIEF

**Motion and Title: Staff recommends motion to adopt:** a Resolution of the Board of County Commissioners of Palm Beach County, Florida, approving a plan of finance concerning the issuance by the Palm Beach County Health Facilities Authority of its Revenue Bonds (Toby & Leon Cooperman Sinai Residences of Boca Raton Phase II), in one or more series pursuant to a plan of finance, in an aggregate principal amount not to exceed \$185,000,000 for the purpose of financing the costs of the project, funding a debt service reserve fund, if any, paying capitalized interest, if any, and paying certain expenses incurred in connection with the issuance of the bonds.

Summary: Federation CCRC Operations Corp., a Florida non-profit corporation (Borrower) requests the Palm Beach County Health Facilities Authority (Authority) issue tax-exempt Revenue Bonds (Bonds) in an amount not to exceed \$185,000,000, pursuant to a TEFRA public hearing held on June 29, 2020. The bonds are to be issued by the Authority for the purpose of providing funds to the Borrower to: (i) acquire, construct, and equip the Phase II expansion of the Toby & Leon Cooperman Sinai Residences of Boca Raton; (ii) fund a debt service reserve fund, if any; (iii) pay capitalized interest on the Bonds, if any; and (iv) pay certain expenses incurred in connection with the issuance of the Bonds. The Toby & Leon Cooperman Sinai Residences of Boca Raton is a continuing care retirement community located on 4.6 acres of land at 21050 95<sup>th</sup> Avenue South in Boca Raton. It is owned and operated by the Borrower. Approval by an elected body is required by the Internal Revenue Code; however, adoption of this 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 the principal, premium, if any, or interest on the Bonds. District 5 (DB)

**Background and Policy Issues**: The Palm Beach County Health Facilities Authority was created pursuant to Part III of Chapter 154, Florida Statutes, and by Resolutions adopted by the Board of County Commissioners (BCC) on April 12 and April 19, 1977. The Authority is governed by a five (5) member governing board whose members are appointed by the BCC. The Internal Revenue Code requires that certain tax-exempt debt be approved by an elected governmental agency after a public hearing. This approval does not in any way obligate the County on the Bonds.

Attachment(s):

| 1. Resolution  |                                |                   |  |
|----------------|--------------------------------|-------------------|--|
| Recommended    | By: Jonathan Brown             | 6/22/2020         |  |
|                | Department Director            | ' Date            |  |
| Approved By: _ | Son Da. Milli                  | 6/30/2000         |  |
|                | Assistant County Administrator | <sup>′</sup> Date |  |

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

| Fiscal Years  | 2020              | 2021                | 2022           | 2023                                    | 2024      |
|---|-------------------|---------------------|----------------|---|-----------|
| Capital Expenditures                                  |                   |                     |                |   |           |
| Operating Costs                                       |                   |                     |                |   |           |
| External Revenues                                     |                   |                     |                |   |           |
| Program Income  |                   |                     |                |   |           |
| In-Kind Match (County)                                |                   |                     |                |   |           |
| NET FISCAL IMPACT                                     | -0-               |                     |                |   |           |
| # ADDITIONAL FTE POSITIONS (Cumulative)               | 177               |                     |                |   |           |
| s Item Included In Curre<br>Does this Item include th | nt Budget?        | leral Funds         | Yes            | No X                                    |           |
| Budget Account No.:                                   | c use of f ce     | iciai i uiius       | . 103          |   |           |
| und Dept U  | nit OI            | oject               | Program Co     | de/Period                               |           |
| 3. Recommended So                                     | urces of Fur      | nds/Summa           | ry of Fiscal   | Impact:                                 |           |
| No fiscal impact                                      |                   |                     |                |   |           |
| _   |                   |                     | 2              |   | ,         |
| C. Departmental Fisc                                  | al Review:        | Beverley B          | Reid, Division | Manager                                 |           |
| ·   |                   | Deveney 1           | icia, Division | Manager                                 |           |
|   | III. <u>RE</u>    | VIEW COMI           | MENTS          |   |           |
| A. OFMB Fiscal and/o                                  | or Contract I     | Developmeı          | nt and Contr   | ol Comments                             | <b>S:</b> |
| Palento   | elevo b           | 26/2020<br>6/24 Cor | itract Develop | pment and Co                            | 10/29/30  |
| B. Legal Sufficiency:                                 |                   |                     | 10             | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |           |
| Assistant County At                                   | 6/30/20<br>torney | <br>570             |                |   |           |
| C. Other Department                                   | Review:           |                     |                |   |           |
| Department Directo                                    | r                 |                     |                |   |           |

#### RESOLUTION R2020-

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, APPROVING A PLAN OF FINANCE CONCERNING THE ISSUANCE BY THE PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY OF ITS REVENUE BONDS (TOBY & LEON COOPERMAN SINAI RESIDENCES OF BOCA RATON PHASE II), IN ONE OR MORE SERIES PURSUANT TO A PLAN OF FINANCE, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$185,000,000 FOR THE PURPOSE OF FINANCING THE COSTS OF THE PROJECT, FUNDING A DEBT SERVICE RESERVE FUND, IF ANY, PAYING CAPITALIZED INTEREST, IF ANY, AND PAYING CERTAIN EXPENSES INCURRED IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

WHEREAS, the Palm Beach County Health Facilities Authority (the "Authority") adopted on June 29, 2020, a resolution expressing its intent to approve the issuance of the Palm Beach County Health Facilities Authority Revenue Bonds (Toby & Leon Cooperman Sinai Residences of Boca Raton Phase II), Series 2020, in one or more series, pursuant to a plan of finance, in an aggregate principal amount not to exceed \$185,000,000 (the "Bonds") to, together with other available moneys, if any, (i) pay or reimburse Federation CCRC Operations Corp., a Florida non-profit corporation (the "Borrower") for the payment of the costs of acquiring, constructing and equipping of the Phase II expansion to the Toby & Leon Cooperman Sinai Residences of Boca Raton, a continuing care retirement community, all to be located immediately adjacent to existing facilities of the Borrower on approximately 4.6 acres of land located at 21050 95th Ave, South, Boca Raton, Palm Beach County, Florida (the "Project") which will be owned and operated by the Borrower; (ii) fund a debt service reserve fund, if any; (iii) pay capitalized interest on the Bonds, if any; and (iv) pay certain expenses incurred in connection with the issuance of the Bonds; and

WHEREAS, in order to finance the costs of the Project from the proceeds of the Bonds on a tax-exempt basis, it is necessary to hold a public hearing and approve the issuance of the Bonds for the purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, following notice by publication in *The Palm Beach Post*, at least seven days prior to June 29, 2020, a public hearing was held by the Authority on June 29, 2020, during which comments and discussions concerning the plan of finance concerning issuance of the Bonds by the Authority to finance the Project were requested and heard, as required by Section 147(f) of the Code; and

WHEREAS, the Borrower has requested that the Board approve the issuance of the Bonds for purposes of Section 147(f) of the Code and the Authority has recommended to the Board that the Board so approve;

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

**SECTION 1.** Findings. The Board hereby finds, determines and declares as follows:

- **A.** Notice of a public hearing to be held on June 29, 2020, before the Authority, inviting comments and discussions concerning the plan of finance for the issuance of the Bonds was published in *The Palm Beach Post*, a newspaper of general circulation in the County, at least seven days prior to the date of such hearing.
- **B.** Following such notice, a public hearing was held before Authority on June 29, 2020, during which comments and discussions concerning the plan of finance for the issuance of the Bonds by the Authority were requested and heard.
- C. The Board is the elected legislative body of the County, and the County has jurisdiction over the entire area in which the Project is or will be located.

**SECTION 2.** Approval for Purposes of Section 147(f) of the Code. For the purposes of Section 147(f) of the Code, the Board hereby approves the plan of finance for the issuance of the Bonds by the Authority in one or more series, in an aggregate principal amount not exceeding \$185,000,000.

SECTION 3. Limited Approval. The approval given herein is solely for the purpose of satisfying the requirement of Section 147(f) of the Code and shall not be construed as an approval of any necessary rezoning application or any regulatory permits required in connection with the issuance of the Bonds or the acquisition, construction or operation of the Project, and this Board shall not be construed by virtue of its adoption of this Resolution to have waived, or be estopped from asserting, any rights or responsibilities it may have in that regard. To that end, the approval given herein shall not be construed as (i) an endorsement of the creditworthiness of the Borrower or the financial viability of the Project, (ii) a recommendation to any prospective purchaser of the Bonds, (iii) an evaluation of the likelihood of the repayment of the debt service on the Bonds, or (iv) any necessary governmental approval relating to the Project, and the County shall not be construed by reason of its adoption of this Resolution to have made any such endorsement, finding or recommendation or to have waived any of the County's rights or estopping the County from asserting any rights or responsibilities it may have in that regard.

**SECTION 4.** <u>Limited Obligation</u>. The Bonds shall be limited obligations of the Authority payable from amounts received in repayment of the loan of proceeds of the Bonds. The Bonds shall not constitute a debt, liability or obligation of the County, the State of Florida (the "State") or any political subdivision or agency thereof other than the Authority, or a pledge of the faith and credit of the Authority, the County, the State or of any political subdivision or agency thereof; and neither the County, the State nor any political subdivision or agency thereof will be obligated to levy taxes of any form to secure repayment of the Bonds.

**SECTION 5.** Laws Governing. This Resolution shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Florida.

SECTION 6. Effective Date. This Resolution shall take effect immediately upon its adoption.

| The foregoing Resolution was offered by Cadoption. The motion was seconded by Co   |  |                   |                              |
|--|--|-------------------|------------------------------|
| vote, the vote was as follows:   | _, and being put to a                                  |                   |                              |
| Commissioner Dave Kern<br>Commissioner Robert S. V<br>Commissioner Hal R. Val<br>Commissioner Gregg K. V<br>Commissioner Mary Lou<br>Commissioner Melissa Mo<br>Commissioner Mack Bern | Weinroth, Vice M<br>eche<br>Veiss<br>Berger<br>cKinlay | ayor              | -<br>-<br>-<br>-<br>-        |
| The Mayor thereupon declared the Resolution  | tion duly passed ar                                    | nd adopted this _ | day of                       |
|  | PALM BEACE<br>BOARD OF C                               | ,                 | LORIDA, BY ITS<br>MISSIONERS |
| APPROVED AS TO FORM AND LEGAL SUFFICIENCY  | ATTEST: SHA  |                   |                              |
| By: David Behar Assistant County Attorney  | By:  | rk                |                              |