

ALACHUA COUNTY
BOARD OF COUNTY COMMISSIONERS

RESOLUTION NO -19-__

A RESOLUTION APPROVING THE ISSUANCE BY THE ALACHUA COUNTY HEALTH FACILITIES AUTHORITY OF ITS (A) NOT TO EXCEED \$371,000,000 HEALTH FACILITIES REVENUE BONDS, (SHANDS TEACHING HOSPITAL AND CLINICS, INC. AT THE UNIVERSITY OF FLORIDA), SERIES 2019, IN ONE OR MORE SERIES; THE PROCEEDS FROM THE SALE OF WHICH WILL BE USED PRINCIPALLY TO FINANCE, REFINANCE, AND REIMBURSE THE COST OF CERTAIN CAPITAL IMPROVEMENTS WHICH ARE HEALTH FACILITIES OWNED AND OR OPERATED BY SHANDS TEACHING HOSPITAL AND CLINICS, INC., A FLORIDA NOT-FOR-PROFIT CORPORATION; AND PROVIDING AND EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ALACHUA COUNTY, FLORIDA:

SECTION 1. FINDINGS. It is hereby ascertained, determined and declared as follows:

A. The Alachua County Health Facilities Authority (the "Authority") has submitted to the Board of County Commissioners of Alachua County, Florida (the "County"), a copy of a resolution of the Authority adopted on August 27, 2019, attached hereto as Exhibit A (the "Authority Resolution"), granting its approval for the issuance by the Authority of its: (a) not to exceed \$175,000,000 Health Facilities Revenue Bonds, (Shands Teaching Hospital and Clinics, Inc. at the University of Florida), Series 2019A, in one or more series; and (b) not to exceed \$196,000,000 Health Facilities Revenue Bonds, (Shands Teaching Hospital and Clinics, Inc. at the University of Florida), Series 2019B, which may be combined and/or may be issued in one or more series but in no event to exceed \$371,000,000 as the overall total par amount (collectively, the "Bonds"), for the primary purpose of: (i) financing, refinancing and/or reimbursing the cost of acquiring, constructing, improving and equipping certain healthcare facilities in Alachua County, Florida, as generally described below (the "Project"), owned or to be owned and operated by Shands Teaching Hospital and Clinics, Inc., a Florida not-for-profit corporation ("Shands"); (ii) refunding all or a portion of the Authority's Health Facilities Revenue Bonds, Series 2007A (Shands HealthCare Project), currently outstanding in the principal amount of \$100,395,000 (the "2007A Bonds"), Health Facilities Revenue Refunding Bonds, Series 2007B (Shands HealthCare Project), currently outstanding in the principal amount of \$35,000,000 (the "2007B Bonds"), Health

Facilities Revenue Bonds, Series 2010A (Shands Healthcare Project), currently outstanding in the principal amount of \$41,363,636 (the "2010A Bonds"), Health Facilities Revenue Bonds, Series 2012A (Shands Healthcare Project), currently outstanding in the principal amount of \$28,620,000 (the "2012A Bonds"), and Health Facilities Revenue Bonds, Series 2012B (Shands Healthcare Project), currently outstanding in the principal amount of \$31,275,000 (the "2012B Bonds," and together with the 2007A Bonds, 2007B Bonds, 2010A Bonds and 2012A Bonds, the "Refunded Bonds"); (iii) funding any necessary reserves; (iv) funding a swap termination payment; and (v) paying costs and expenses associated with the issuance of the Bonds.

B. The Project consists of medical and research facilities identified in Shands' capital improvement and master facilities plan including, but not limited to: (a) renovations, improvements, equipping and modifications to Shands' primary medical center campus with a primary address of 1600 S.W. Archer Road, Gainesville, Florida and including adjacent and proximate facilities with primary addresses of 1505 and 1515 S.W. Archer Road, Gainesville, Florida (collectively, the "Primary Medical Campus") including, but not limited to: (i) renovations to a 27 bed intensive care unit and burn unit; (ii) renovations to the pediatric preoperative care unit and postoperative care unit; (iii) renovations to operating rooms and related supporting areas; (iv) renovations to the endoscopy and gastroenterology suite; (v) construction and equipment for the UF Health Neuromedicine and UF Health Heart and Vascular Hospitals; (vi) renovations to the pediatric infusion center; and (vii) renovations to the labor and delivery rooms (collectively, the "Medical Campus Projects"); (b) the construction and equipment of an ambulatory surgery center and outpatient facility to be located at 6201 West Newberry Road in Gainesville, Florida, commonly known as Oaks Mall (the "Oaks Mall Project"); and (c) renovations, improvements, equipping and modifications to UF Health Florida Recovery Center located at 4001 S.W. 13th Street, Gainesville, Florida and including adjacent and proximate facilities with a primary address of 3939 S.W. 13th Street, Gainesville, Florida (the "Recovery Center Project"). The principal amount of the Series 2019A Bonds issued to finance the Medical Campus Projects is not expected to exceed \$138,800,000. The principal amount of the Series 2019A Bonds issued to finance the Oaks Mall Project is not expected to exceed \$34,000,000. The principal amount of the Series 2019A Bonds issued to finance the Recovery Center Project is not expected to exceed \$2,200,000.

C. The 2007A Bonds and 2007B Bonds were issued for the purposes of financing and refinancing the costs of certain capital improvements to Shands' healthcare facilities located: (i) on the Primary Medical Campus; (ii) on the campus of UF Health Shands Psychiatric Hospital and UF Health Shands Rehab Hospital located at 4101 N.W. 89th Boulevard, Gainesville, Florida (the "Psychiatric Hospital Campus"); (iii) on the campus of Shands AGH (now closed) located at 801 S.W. 2nd Avenue, Gainesville, Florida; (iv) on the campus of Shands Starke Regional Medical Center located at 922 E. Call Street, Starke, Florida; and (v) on the campus of Shands Live Oak Regional Medical Center located at 1100 11th Street S.W., Live Oak, Florida.

D. The 2010A Bonds were issued for the purpose of financing the costs of certain capital improvements to Shands healthcare facilities located at the Primary Medical Campus, including certain costs of improvements to UF Health Shands Cancer Hospital.

E. The 2012A and 2012B Bonds were issued for the purpose of refinancing certain costs of construction of the UF Health Shands Cancer Hospital on the Primary Medical Campus.

F. On August 27, 2019, the Authority held a public hearing, which public hearing was duly conducted by the Authority on such date upon reasonable public notice, and at which hearing members of the public were afforded reasonable opportunity to be heard on all matters pertaining to: (i) the issuance of the Bonds; (ii) refunding of the Refunded Bonds; (iii) financing, location and nature of the Project; and (iv) for those other purposes described in the Authority Resolution. No members of the public appeared and requested to be heard at the public hearing held by the Authority and no comments were received.

G. Pursuant to the Authority Resolution, the Authority has requested the County to approve the issuance of the Bonds for the limited purpose of satisfying the requirements of Section 147(f) of the Internal Revenue Code of 1986.

H. The purposes of Part III of Chapter 154, Florida Statutes, will be effectively served and it is desirable and in the best interest of the County that the issuance of the Bonds to finance, refinance, and reimburse Shands for the costs of the Project and to refund the Refunded Bonds be approved by the Board of County Commissioners (the "Board") of the County.

SECTION 2. APPROVAL OF ISSUANCE OF THE BONDS AND THE PROJECT. The issuance of the Bonds and the use of the proceeds thereof to finance and reimburse Shands for the costs of the Project and to refund the Refunded Bonds as contemplated by the Authority Resolution be and hereby are approved; provided, that Shands shall be obligated to pay all fees and costs, including but not limited to the County's conduit debt review fee and bank eligible obligation issuance fee, imposed by the Authority or the County.

SECTION 3. LIMITED APPROVAL. The approval given herein shall not be construed as: (i) an endorsement of the creditworthiness of Shands or the financial viability of the Project; (ii) a recommendation to any prospective purchaser to purchase the Bonds; (iii) an evaluation of the likelihood of the repayment of the debt service on the Bonds; or (iv) approval of any necessary rezoning application or approval or land use nor approval for any other regulatory permits relating to the Project, and the Board shall not be construed by reason of its adoption of this Resolution to make any such endorsement, finding or recommendation or to have waived any right of the Board or estopping the Board from asserting any rights or responsibilities it may have in such regard. Further, the approval by the Board of the issuance of the Bonds by the Authority

shall not be construed to obligate the County to incur any liability, pecuniary or otherwise, in connection with either the issuance of the Bonds or the acquisition and construction of the Project, and the Authority shall so provide in the financing documents setting forth the details of the Bonds.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

DULY ADOPTED this 24th day of September 2019.

**BOARD OF COUNTY COMMISSIONERS
OF ALACHUA COUNTY, FLORIDA**

ATTEST:

By: _____
J.K. "Jess" Irby, Esq.
Clerk

By: _____
Charles S. Chestnut, IV, Chair

APPROVED AS TO FORM

(SEAL)

By: _____
Alachua County Attorney

EXHIBIT A

AUTHORITY RESOLUTION