

**MINUTES OF A SPECIAL MEETING OF  
THE ALACHUA COUNTY HEALTH FACILITIES AUTHORITY**

**August 27, 2019**

A special meeting of the Alachua County Health Facilities Authority (Authority) was held on August 27, 2019, at 4:00 p.m. at the Law Offices of Chandler, Lang, Haswell & Cole, 726 Northeast First Street, Gainesville, Florida.

**Agenda Item No. 1: Call Meeting to Order/Attendance/Quorum.** The Chairman of the Authority, F. Parker Lawrence, called the meeting to order at 4:00 p.m. Authority members present at the meeting included: F. Parker Lawrence, Chairman; Ernest Moyer, Vice Chairman; and Daniel D. Faron, Secretary, thereby constituting a quorum. Mr. Faron announced that to avoid any appearance of a conflict of interest, he will abstain from voting on matters directly involving UF Health.

Also present at the meeting were, from Shands Teaching Hospital and Clinics, Inc. (UF Health), James Kelly, CFO, and Robert Thornton, VP of Finance; and Grace Dunlap and William Milford of Bryant, Miller & Olive, bond counsel for the Authority; and from the County, Stephanie Loven, Staff Liaison; and John H. Haswell, Esq., Counsel for the Authority.

**Agenda Item No. 2: Public Notice/Proof of Publication.** Mr. Haswell reported that notice of this meeting was published in *The Gainesville Sun* on August 19, 2019, and proof of that publication has been furnished to the Authority. Notice of this meeting was also posted on Alachua County's website.

**Agenda Item No. 3: Approval of Minutes of the March 11, 2019 Special Meeting.** After review, on motion by Mr. Faron and a second by Mr. Moyer, the Authority unanimously approved the minutes of the March 11, 2019 special meeting.

**Agenda Item No. 4: Public Hearing – TEFRA.** Chairman Lawrence then opened a public hearing to consider the request of Shands Teaching Hospital and Clinics, Inc. (Shands) for the issuance of: (i) not to Exceed \$175 Million Health Facilities Revenue Bonds (UF Health Project), Series 2019A, in one or more series either taxable or tax exempt; and (ii) not exceeding \$196 Million of its Health Facilities Revenue Refunding Bonds (UF Health Project), Series 2019B (collectively, "the Bonds") in one or more series either taxable or tax exempt. The Bonds will be issued for the principal purposes of constructing, improving and equipping certain healthcare facilities as more particularly described in the Notice of Public Hearing (TEFRA Notice). In addition, the bonds will be used for refunding all or a portion of the Authority's Health Facilities Revenue Bonds Series 2007A, 2007B, 2010A, 2012A and 2012B.

(a) Chairman Lawrence then asked representatives of Shands to review and describe the project, report on how proceeds will be used, the project's public purpose, those responsible for repaying the bonds, the maximum amount of taxes and bonds to be issued, and Shands' policies/procedures regarding maintenance of the tax exempt status of the bonds, post-closing.

The Shands' representatives present then reviewed the Project description and how the proceeds of the Bonds will be used. The Bonds will be issued for the principal purposes of: (i) financing 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 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 of payment; and (v) paying costs and expenses associated with the issuance of the Bonds.

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 SW Archer Road, Gainesville, Florida, and including adjacent and proximate facilities with primary addresses of 1505 and 1515 SW 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 Recovery Center located at 4001 SW 13<sup>th</sup> Street, Gainesville, Florida, and including adjacent and proximate facilities with a primary address of 3939 SW 13<sup>th</sup> 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.

Mr. Kelly then reiterated the public purpose for the bond issue and the economic benefits to Alachua County that the Project will bring. He assured the Authority that the documentation will provide that neither the Authority, Alachua County, nor the State of Florida will be responsible for repaying the Revenue Bonds, and that written procedures are in place to ensure

that post-closing all requirements of the Federal Income Tax Law to maintain the tax exempt status of the bonds to be issued will be following, and that Shands will also remediate any subsequent non-compliance.

(b) Chairman Lawrence then invited any member of the public present to speak for or against the project. Other than those persons listed in Agenda Item No. 1 above, there were no members of the public present.

(c) Chairman Lawrence then asked if Mr. Haswell had received any written communications regarding the project from members of the public. Mr. Haswell advised that he had received no verbal or written communications regarding the project.

(d) Hearing no further comments from the applicant, members of the Authority, or the public, Chairman Lawrence concluded the public hearing.

**Agenda Item No. 5: Consideration of the Adoption of an Inducement Resolution.** The Authority then considered adoption of the proposed Inducement Resolution for the UF Health Project described above. A proposed Inducement Resolution had previously been furnished to the Authority members for their review. On motion by Mr. Moyers and a second by Mr. Lawrence, the Authority adopted the Inducement Resolution. Mr. Faron abstained from voting. Chairman Lawrence reminded the Authority and the applicant that the Project will require the approval of the Alachua County Board of County Commissioners.

**Agenda Item No. 6: Old Business/Other Business.** None.

**Agenda Item No. 7: Adjournment.** There being no further business to come before the Authority, Chairman Lawrence declared the meeting adjourned at 4:30 p.m.

Respectfully submitted,

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John H. Haswell, Recording Secretary

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F. Parker Lawrence, Chairman

Attest:

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Daniel D. Faron, Secretary