



## Legislation Text

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**File #:** 21-0818, **Version:** 1

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**Agenda Item Name:**

Health Facilities Authority - approval of resolution to allow issuance of bonds for Oak Hammock

**Presenter:**

Alex Corona 352-337-6167

**Description:**

The Alachua County Health Facilities Authority has requested that the Board of County Commissioners adopt a resolution to approve issuance by the Authority of health facilities bonds not to exceed \$85,000,000 for the benefits of Oak Hammock.

**Recommended Action:**

Approve the resolution to approve issuance of bonds by the Alachua County Health Facilities Authority for Oak Hammock and authorize Finance & Accounting's issuance of an invoice to Oak Hammock for processing the application for issuance of tax exempt bonds.

**Prior Board Motions:**

N/A

**Fiscal Consideration:**

There is no liability to the County by issuing these bonds.

**Strategic Guide:**

N/A

**Background:**

Chapter 154, Part III, Florida Statutes allows for the creation of local health facility authorities to assist local not-for-profit health facilities to acquire, construct, finance, and refinance various projects to ensure that there are adequate health facilities in a community. In 1980, the Board adopted Resolution 80-44 which established the Alachua County Health Facilities Authority.

The interest payable to the bond holder for tax-exempt bonds is exempt from federal income tax. Because such bonds are more readily purchased, the financing of the bonds generally costs less. These cost savings are passed to the health facility.

In 1986 federal income tax laws were changed to require that, in order to be tax exempt, any private activity bond issuance be approved by the elected public body in the geographical area where the bonds are issued. The Board's approval of bond issuance for the Health Facilities Authority does not create any debt, obligation, or liability of the County (section 154.223, Florida Statutes). The Board's approval is not a pledge of faith and credit of the County and does not obligate the County in terms of

any levy or pledge of any County taxation.