



# MEMORANDUM

Office of the City Attorney

LEGISLATIVE ITEM NO. 000755

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**TO:** Mayor and City Commission

**DATE:** December 11, 2000

**FROM:** City Attorney

PUBLIC HEARING  
RESOLUTION

**SUBJECT:** A Resolution of the City of Gainesville, Florida authorizing the issuance of its Health Facilities Revenue Note, Series 2000 (Shands Teaching Hospital and Clinics, Inc. Project) in the principal amount of \$10,000,000 (the "Note"); providing for the loan of the proceeds of such Note to Shands to finance the cost of certain capital improvements and equipment at Shands Teaching Hospital and Clinics, Inc. ("Shands"); providing for the rights of the holder of such Note; making certain other covenants and agreements in connection with the issuance of such Note; authorizing execution and delivery of a Loan Agreement and a Note Purchase Agreement; designating the Note as a bank qualified obligation; awarding the Note; and providing an effective date.

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Recommendation: The City Commission: 1) hear an explanation from Shands' representatives; 2) hold a public hearing; 3) acknowledge the report of the public hearing conducted by the Alachua County Health Facilities Authority; and 4) adopt the proposed Resolution.

## SHANDS FINANCING SUMMARY

Shands Teaching Hospital and Clinics, Inc. ("Shands"), a Florida not-for-profit corporation, has requested that the City issue a Health Facilities Revenue Note, Series 2000 (Shands Teaching Hospital and Clinics, Inc.) (the "Note"), pursuant to Part II, Chapter 159, Florida Statutes, in an amount not in excess of \$10,000,000 to finance the cost of capital improvements and equipment to be located at Shands Hospital at the University of Florida (the "Project"). The purpose of the use of such funds Shands, as explained by Bill Robinson, Vice President and Chief Financial Officer of Shands is to renovate several interior floors of the hospital. The ICU area would be expanded, a linear accelerator would be purchased, Shands would replace approximately 550 beds that have been utilized for a number of years and are getting to the point where new beds are required, and other related projects..

The Note shall not constitute a debt, liability or obligation of the City, Alachua County, or the State of Florida, or any political subdivision thereof, but shall be payable solely from revenues paid by Shands to the City under the terms of a Loan Agreement between the City and Shands. The Note will be purchased by Compass Bank pursuant to a Note Purchase Agreement.

A public hearing regarding the financing is required by the Internal Revenue Code. Such a public hearing following public notice published in The Gainesville Sun fourteen (14) days prior to such hearing has been conducted by the Alachua County Health Facilities Authority on

behalf of the City. At such hearing, reasonable opportunity was provided for all interested individuals to express their views, both orally and in writing, concerning the issuance of the Note and the Project. In consideration of the public hearing, this Resolution is offered for the Commission's consideration.

It is recommended that the City Commission adopt the Resolution, which (a) authorizes the City to authorize the financing for Shands pursuant to the terms of the Resolution, (b) approves the form of, and, subject to approval by City Attorney as to form and legality, authorizes the Mayor and the Clerk of the Commission to execute a Loan Agreement and Note Purchase Agreement, (c) approves the plan of financing in connection with the issuance of the Note for the purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended and (d) authorizes the execution, sale and delivery of the Note to Compass Bank.

Submitted by: Wayne Bowers  
Wayne Bowers  
City Manager

Submitted by: Marion J. Radsen  
Marion J. Radsen  
City Attorney