



MEMORANDUM

Office of the City Attorney

0 0 2 1 2 3

Phone: 334-5011/Fax 334-2229
Box 46

TO: Mayor and City Commission

DATE: November 26, 2001

RESOLUTION

FROM: City Attorney

SUBJECT: **A Resolution of the City of Gainesville, Florida authorizing the modification of its Health Facilities Revenue Note, Series 2000 (Shands Teaching Hospital and Clinics, Inc.); authorizing execution and delivery of an Omnibus Agreement that amends the documents pursuant to which such Series 2000 Note was issued; and providing an effective date.**

Recommendation: The City Commission: 1)hear an explanation from Shands' representatives; and 2) adopt the proposed Resolution.

The City Commission at its meeting of December 11, 2000, adopted a Resolution that authorized the issuance of a Health Facilities Revenue Note, Series 2000 (Shands Teaching Hospital and Clinics, Inc.) (the "Note"), to finance the cost of capital improvements and equipment to be located at Shands Hospital at the University of Florida (the "Project").

Bond counsel has requested that the City Commission adopt a new Resolution. The purpose of this resolution is to change the stated interest rate on the Note from the 3 month LIBOR rate minus 1.182% to 82% of the 3 month LIBOR rate. No new money will be issued so bond counsel advises that it is not necessary to file a TEFRA notice or have a TEFRA hearing. However, the modification of the interest rate is a "reissuance" for tax purposes and, for this reason, this Resolution must be adopted and new documents executed and filed.

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.

It is recommended that the City Commission adopt the Resolution, which (a) authorizes the City to modify the terms of the Note to modify the stated interest rate due to change in market conditions pursuant to the terms of the Resolution, and (b) authorizes the Mayor and the Clerk of the Commission to execute the Omnibus Agreement and Note.

The Director of Finance has reviewed these documents and has approved them for the purposes stated therein.

Submitted by:


Marion J. Radson, City Attorney
City Attorney