

1 Introduced by the Council President at the request of the Mayor:
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4 **ORDINANCE 2020-368**

5 AN ORDINANCE PROVIDING FOR AND AUTHORIZING THE
6 ISSUANCE BY THE CITY OF JACKSONVILLE, FLORIDA
7 OF ITS HEALTH CARE FACILITIES REVENUE BONDS
8 (BROOKS REHABILITATION), SERIES 2020, IN AN
9 AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING
10 \$200,000,000 FOR THE PURPOSE OF OBTAINING
11 FUNDS TO LOAN TO GENESIS HEALTH, INC., A
12 FLORIDA NOT FOR PROFIT CORPORATION, TO (A)
13 REFUND THE OUTSTANDING JACKSONVILLE ECONOMIC
14 DEVELOPMENT COMMISSION HEALTH CARE FACILITIES
15 REVENUE BOND (BROOKS HEALTH SYSTEM), SERIES
16 2010, JACKSONVILLE ECONOMIC DEVELOPMENT
17 COMMISSION HEALTH CARE FACILITIES REVENUE
18 BONDS (BROOKS HEALTH SYSTEM), SERIES 2011A and
19 SERIES 2011B AND CITY OF JACKSONVILLE HEALTH
20 CARE FACILITIES REVENUE BOND (BROOKS
21 REHABILITATION), SERIES 2013, THE PROCEEDS OF
22 ALL THREE OF WHICH WERE LOANED TO GENESIS
23 HEALTH, INC. OR ITS AFFILIATES AND FINANCED,
24 REIMBURSED OR REFINANCED THE COST OF
25 ACQUIRING, CONSTRUCTING AND EQUIPPING VARIOUS
26 HEALTH CARE FACILITIES FOR SUCH CORPORATION
27 AND OTHER MEMBERS OF ITS OBLIGATED GROUP IN
28 AND OUTSIDE OF THE CITY OF JACKSONVILLE,
29 FLORIDA AND (B) FINANCE OR REIMBURSE TWO
30 TERMINATION PAYMENTS FOR TWO INTEREST RATE
31 SWAPS ENTERED INTO BY AFFILIATES OF GENESIS

1 HEALTH, INC. RELATING TO SUCH SERIES 2010 AND
2 2011 BONDS; AND (C) FINANCE OR REIMBURSE THE
3 CONSTRUCTION AND EQUIPPING OF A 60-BED
4 INPATIENT REHABILITATION FACILITY AND OTHER
5 CAPITAL IMPROVEMENTS OF THE BORROWER AND ITS
6 AFFILIATES; WAIVING AND MODIFYING THE
7 PROVISIONS OF ORDINANCE CODE SECTION
8 104.306(b)(2) IN CONNECTION WITH THE ISSUANCE
9 OF SUCH 2020 BONDS; PROVIDING THAT SUCH SERIES
10 2020 BONDS SHALL NOT CONSTITUTE A GENERAL DEBT
11 OR LIABILITY OF THE CITY OR A DEBT LIABILITY
12 OR OBLIGATION OF DUVAL COUNTY, FLORIDA, OR OF
13 THE STATE OF FLORIDA OR ANY POLITICAL
14 SUBDIVISION THEREOF, BUT SHALL BE PAYABLE
15 SOLELY FROM THE REVENUES HEREIN PROVIDED;
16 APPOINTING A BOND TRUSTEE; AUTHORIZING A
17 DELEGATED NEGOTIATED SALE OF SUCH SERIES 2020
18 BONDS, APPROVING THE CONDITIONS AND CRITERIA
19 FOR SUCH SALE, AND AUTHORIZING THE ECONOMIC
20 DEVELOPMENT OFFICER OF THE CITY OF
21 JACKSONVILLE, FLORIDA TO AWARD THE NEGOTIATED
22 SALE OF SUCH SERIES 2020 BONDS TO THE
23 UNDERWRITER; PROVIDING FOR THE RIGHTS OF THE
24 HOLDERS OF SUCH SERIES 2020 BONDS; MAKING
25 CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION
26 WITH THE ISSUANCE OF SUCH SERIES 2020 BONDS;
27 APPROVING AND AUTHORIZING THE EXECUTION AND
28 DELIVERY OF A TRUST INDENTURE, A LOAN
29 AGREEMENT, AN INTERLOCAL AGREEMENT AND A BOND
30 PURCHASE AGREEMENT WITH RESPECT TO SUCH SERIES
31 2020 BONDS; APPROVING AND AUTHORIZING THE

1 EXECUTION AND DELIVERY OF CERTAIN OTHER
2 DOCUMENTS REQUIRED IN CONNECTION WITH THE
3 FOREGOING; MAKING CERTAIN OTHER APPOINTMENTS;
4 AND PROVIDING CERTAIN OTHER DETAILS IN
5 CONNECTION THEREWITH; AND PROVIDING AN
6 EFFECTIVE DATE.

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8 **BE IT ORDAINED** by the Council of the City of Jacksonville:

9 **Section 1. Authority.** This Ordinance is enacted pursuant
10 to Chapter 104 of the Ordinance Code of the City of Jacksonville,
11 Florida (referred to herein as the "City" or the "Issuer"), as
12 amended, particularly as amended by Ordinance 2012-681-E enacted by
13 the City Council (the "Council") of the City on February 12, 2013;
14 Chapter 159, Part II, Florida Statutes, as amended; and other
15 applicable provisions of law.

16 **Section 2. Definitions.**

17 "Act" means the Florida Industrial Development Financing Act,
18 Chapter 159, Part II, Florida Statutes, as amended.

19 "Bond Counsel" means the law firm of Rogers Towers, P.A.,
20 Jacksonville, Florida.

21 "Bond Indenture" means the Trust Indenture to be executed by
22 and between the Issuer and the Trustee.

23 "Bond Purchase Agreement" means the Bond Purchase Agreement to
24 be executed by and among the Issuer, the Borrower and the
25 Underwriter.

26 "Bonds" means the bonds of the Issuer to be designated "City
27 of Jacksonville, Florida Health Care Facilities Revenue Bonds
28 (Brooks Rehabilitation), Series 2020" in one or more series, in an
29 aggregate principal amount not to exceed \$200,000,000,
30 substantially in the form and with rates of interest, maturity
31 dates and other details provided for herein, in the Bond Indenture

1 and the Bond Purchase Agreement, to be authorized and issued by the
2 Issuer, authenticated by the Trustee and delivered under the Bond
3 Indenture.

4 "Borrower" means Genesis Health, Inc., a Florida not for
5 profit corporation, (doing business as Brooks Rehabilitation) and
6 any successor thereto.

7 "Code" means the Internal Revenue Code of 1986, as amended
8 from time to time, and the regulations promulgated thereunder,
9 whether proposed, temporary or final.

10 "Corporation Secretary" as used herein refers to the
11 Corporation Secretary of the Issuer or such other person as may be
12 authorized to act in the place of the Corporation Secretary.

13 "County" means Duval County, Florida.

14 "Economic Development Officer" as used herein refers to the
15 Economic Development Officer of the Issuer or such other person as
16 may be authorized to act in the place of the Economic Development
17 Officer.

18 "Financing Project" means refunding the Refunded Bonds,
19 financing or reimbursing the Termination Payments and financing or
20 reimbursing the New Money Project, including without limitation,
21 (i) paying certain capitalized interest on the Bonds, (ii) funding
22 debt service reserves for the Bonds, if any, (iii) reimbursing
23 capital expenditures; and (iv) paying all or a portion of the costs
24 of issuing the Bonds.

25 "Interlocal Agreement" means the Interlocal Agreement to be
26 executed by and between the Issuer and the City of Daytona Beach,
27 Florida.

28 "Loan Agreement" means the Loan Agreement to be executed by
29 and between the Issuer and the Borrower.

30 "Master Indenture" means the master trust indenture dated as
31 of December 1, 2007 (as heretofore and hereafter amended and

1 supplemented from time to time) between the Borrower, as Obligated
2 Group Representative thereunder and Regions Bank, as successor
3 master trustee thereunder.

4 "Master Note" means the Master Note, Series 2020 to be issued
5 under the Master Indenture by the Obligated Group Representative
6 under the Master Indenture to the Trustee.

7 "New Money Project" means the construction and equipping of a
8 60-bed inpatient rehabilitation facility, acquisition of meditech
9 ambulatory equipment, interior renovation to the existing
10 rehabilitation hospital, buildout of Healthcare Plaza improvements
11 and other general capital improvements located in the County, all
12 of the Borrower or its affiliates.

13 "Obligated Group" means, collectively, the Borrower, Genesis
14 Rehabilitation Hospital, Inc., Genesis Health Development, Inc.,
15 Physical Medicine Specialists, Inc., Brooks Home Care Advantage,
16 Inc., Brooks Skilled Nursing, Inc., Brooks Skilled Nursing Facility
17 A, Inc., Brooks Skilled Nursing Facility Holdings A, Inc. and
18 Brooks Skilled Nursing Facility Holdings B, Inc.

19 "Official Statement" means the official statement relating to
20 the Bonds.

21 "Original Project" means what was financed by the Refunded
22 Bonds; in particular and all of which are located in Jacksonville
23 except as otherwise indicated, (i) as to the Refunded Bonds bearing
24 series designation 2010, (a) the acquisition, construction and
25 installation of improvements, renovations, equipment and other
26 capital expenditures at the then-existing inpatient rehabilitation
27 hospital owned and operated by Genesis Rehabilitation Hospital,
28 Inc. (the "Hospital"); (b) the acquisition and installation by
29 Brooks Home Care Advantage, Inc. ("Home Care"), of certain capital
30 improvements, fixtures, furnishings, equipment and related real and
31 personal property, used to provide home health services, (c) the

1 acquisition, construction and installation of capital improvements,
2 including but not limited to, leasehold improvements and equipment,
3 to be used to provide physical, occupational and other
4 rehabilitation therapy at the following outpatient rehabilitation
5 facilities, each of which is operated by Genesis Health
6 Development, Inc. ("Health Development"): the outpatient facility
7 located at the main campus of the Hospital and at various other
8 rehabilitation centers; (d) the acquisition, construction and
9 installation of infrastructure and land improvements, of the
10 Borrower and/or one or more of its affiliates, to provide access to
11 and support for a 68-bed skilled nursing facility (now called
12 Bartram Crossing Skilled Nursing), including related real and
13 personal property, facilities, fixtures, furnishings and equipment;
14 (ii) as to the Refunded Bonds bearing series designation 2011, (a)
15 the acquisition by Home Care of certain operating assets of a then-
16 existing skilled nursing facility in St. Augustine, Florida, which
17 was replaced by a new health care facility now called Bartram
18 Crossing Skilled Nursing located in Jacksonville, providing skilled
19 nursing and assisted living services, (b) the acquisition and
20 installation by Brooks Skilled Nursing Facility A, Inc. ("Skilled
21 Nursing A") of related property, facilities, fixtures, furnishings
22 and equipment at such health care facility; (iii) as to the
23 Refunded Bonds bearing series designation 2013, (a) financing or
24 refinancing the acquisition, construction, installation and
25 equipping of what is now University Crossing Skilled Nursing in
26 Jacksonville, including related real and personal property,
27 facilities, license and associated assets, fixtures, furnishings
28 and equipment, and owned and operated by Brooks Skilled Nursing A;
29 (b) refinancing the acquisition by Skilled Nursing A of a skilled
30 nursing home license for 32 beds and associated assets to provide
31 additional licensed beds in connection with the operation of

1 Bartram Crossing Skilled Nursing constructed by Brooks Skilled
2 Nursing Facility Holdings A, Inc. ("Skilled Nursing Holdings A"),
3 the financed property to be owned by Skilled Nursing Holdings A and
4 used by Skilled Nursing A in connection with the operation of such
5 skilled nursing facility upon the commencement of operations of
6 such facility; (c) financing or refinancing the commitment of
7 Genesis Health Development, Inc. ("Health Development") the sole
8 member of which is the Borrower, for the construction, installation
9 and equipping of a 40 licensed bed inpatient comprehensive medical
10 rehabilitation unit (the "Rehabilitation Unit"), including related
11 capital improvements, fixtures, furnishings and equipment, to be
12 located on two floors of Halifax Medical Center, which is an acute
13 care hospital located in Daytona Beach, Florida and which is owned
14 and operated by Halifax Hospital Medical Center, a special taxing
15 district of the State of Florida doing business as Halifax Health
16 ("Halifax Health"); the Rehabilitation Unit is to be operated by HB
17 Rehabilitative Services, Inc., a Georgia nonprofit corporation the
18 sole members of which are (x) Brooks Halifax Rehabilitation
19 Services, LLC, a Florida limited liability corporation the sole
20 member of which is Health Development and (y) East Volusia Health
21 Services, Inc., a Florida not for profit corporation the sole
22 shareholder of which is Halifax Health; (d) financing the
23 acquisition and installation by Home Care, of capital improvements,
24 fixtures, furnishings, equipment and related real and personal
25 property, used to provide home health services, owned and operated
26 by Home Care; (e) financing the acquisition, construction and
27 installation of improvements, renovations, equipment and other
28 capital expenditures at the existing inpatient rehabilitation
29 hospital owned and operated by the Hospital; and (f) financing the
30 acquisition, construction and installation of capital improvements,
31 including but not limited to, leasehold improvements and equipment,

1 to be used to provide physical, occupational and other
2 rehabilitation therapy at various outpatient rehabilitation
3 facilities, each of which is operated by Health Development.

4 "Refunded Bonds" mean the outstanding Jacksonville Economic
5 Development Commission Health Care Facilities Revenue Bond (Brooks
6 Health System), Series 2010, Jacksonville Economic Development
7 Commission Health Care Facilities Revenue Bonds (Brooks Health
8 System), Series 2011A and Series 2011B, and City of Jacksonville
9 Health Care Facilities Revenue Bond (Brooks Rehabilitation), Series
10 2013.

11 "State" means state of Florida.

12 "Termination Payments" means the interest rate swap
13 termination payments relating to two swaps entered into by
14 affiliates of the Borrower with Compass Bank on or about August 16,
15 2010 and May 31, 2011 in contemplation of the issuance of the
16 Refunded Bonds bearing series designations 2010 and 2011.

17 "Trustee" means Regions Bank, and any successor banking
18 organization or trust company at the time serving as trustee under
19 the provisions of the Bond Indenture.

20 "Underwriter" means any of UBS Financial Services Inc., or any
21 other underwriting firm designated in writing by the Borrower, and
22 their successors and assigns.

23 All other terms used herein in capitalized form, unless
24 otherwise defined herein, shall have the same meanings as ascribed
25 to them in the resolution pertaining to the Bonds referenced below
26 (the "Preliminary Resolution"), adopted by the Industrial
27 Development Revenue Bond Review Committee on June 10, 2020, a copy
28 of which is **On File** with the Legislative Services Division and
29 incorporated herein by reference.

30 **Section 3. Findings.** The Issuer hereby finds and declares
31 as follows:

1 (A) The Issuer is a consolidated municipal and county
2 political subdivision of the State of Florida, and is a local
3 agency as defined in the Act. As such, the Issuer is duly
4 authorized and empowered by the Act to provide for the issuance of
5 and to issue and sell its industrial development revenue bonds for
6 the purpose of financing all or any part of the "cost" of any
7 "project," including any project for a "health care facility" (as
8 such terms are defined or used in the Act), in order to promote and
9 foster the economic growth and development of the Issuer and of the
10 State, to improve health care in the City and the State, to enhance
11 and expand industry and other economic activity in the City and the
12 State, and to increase purchasing power and opportunities for
13 gainful employment, to improve living conditions and health care
14 and to advance and improve the prosperity and the welfare of the
15 State and its inhabitants, to foster the industrial and business
16 development of the Issuer and the State, and to otherwise provide
17 for and contribute to the health, safety and welfare of the people
18 of the Issuer and the State.

19 (B) The Borrower has requested that the Council authorize the
20 issuance of the Bonds in one or more tax-exempt or taxable series
21 to be designated, for the purpose of financing the Financing
22 Project.

23 (C) On June 10, 2020, the Industrial Development Revenue Bond
24 Review Committee of the Issuer adopted the Preliminary Resolution
25 expressing the intent of the Issuer to issue the Bonds and
26 authorizing the execution and delivery of a Memorandum of Agreement
27 with the Borrower relating to the proposed issuance of the Bonds.
28 A copy of the Preliminary Resolution is **On File** with the
29 Legislative Services Division and incorporated herein by reference,
30 and a copy of the Memorandum of Agreement is **On File** with the
31 Legislative Services Division and incorporated herein by reference.

1 The Issuer has determined to authorize the issuance of the Bonds
2 and loan the proceeds of the Bonds to the Borrower pursuant to the
3 Loan Agreement for the purpose of financing the Financing Project.
4 The Borrower's obligations under the Loan Agreement will be secured
5 by the Master Note. The Issuer's rights under the Loan Agreement
6 (with the exception of certain rights to indemnification and
7 notices that will be retained by the Issuer) will be assigned to
8 the Trustee to secure the Bonds.

9 (D) The Original Project and the New Money Project each
10 constitutes a "health care facility" and a "project" within the
11 meaning and contemplation of the Act, is appropriate to the needs
12 and circumstances of, and shall continue to make a significant
13 contribution to the economic growth of the Issuer and the State,
14 shall provide or preserve gainful employment and shall serve a
15 public purpose by advancing the health, economic prosperity and the
16 general welfare of the State and its people and by improving living
17 conditions within the State.

18 (E) The Issuer is authorized under the Act to refinance the
19 Original Project and to finance the Termination Payments and the
20 New Money Project, all as herein contemplated and to fully perform
21 the obligations of the Issuer in connection therewith in order to
22 improve health care in the City, promote the industrial economy of
23 the City, increase and preserve opportunities for gainful
24 employment and purchasing power, improve the prosperity and welfare
25 of the State and its inhabitants, and otherwise contribute to the
26 prosperity, health and welfare of the City, and the inhabitants
27 thereof.

28 (F) The portion of the Original Project to be located in the
29 City of Daytona Beach, Florida, as described in clause (iii)(c) of
30 the definition of the "Original Project" is hereinafter referred to
31 collectively as the "Daytona Beach Project." The Borrower has

1 requested that the Issuer enter into the Interlocal Agreement with
2 the City of Daytona Beach, Florida or other local government entity
3 with jurisdiction ("Daytona Beach"), to provide for the issuance by
4 the Issuer of the Bonds to refinance the Daytona Beach Project
5 through a single financing plan which will result in substantial
6 cost savings for the Borrower in connection with the Original
7 Project. The Bonds will not be issued to refinance any part of the
8 Daytona Beach Project unless the City shall have entered into the
9 Interlocal Agreement with Daytona Beach.

10 (G) Upon consideration of the information furnished by the
11 Borrower and other available information, the Issuer has made the
12 following findings and determinations:

13 (1) The Financing Project will be in furtherance of the
14 purposes of the Act.

15 (2) The Original Project is appropriate to the needs and
16 circumstances of and shall continue to make a significant
17 contribution to the economic growth of the Issuer, shall preserve
18 and provide gainful employment and shall serve a public purpose by
19 advancing the economic prosperity, the public health and the
20 general welfare of the City and the State and its people as stated
21 in Section 159.26, Florida Statutes, as amended.

22 (3) The New Money Project is appropriate to the needs
23 and circumstances of and shall make a significant contribution to
24 the economic growth of the Issuer, shall preserve and provide
25 gainful employment and shall serve a public purpose by advancing
26 the economic prosperity, the public health and the general welfare
27 of the City and the State and its people as stated in Section
28 159.26, Florida Statutes, as amended.

29 (4) The Borrower is financially responsible based on
30 criteria established by the Act, and the Borrower is fully capable
31 and willing to serve the purposes of the Act and to fulfill its

1 obligations under the Loan Agreement and the Master Note and under
2 any other agreements to be made in connection with the issuance of
3 the Bonds and the use of the proceeds of the Bonds for the
4 Financing Project, including the obligation to pay loan payments or
5 other payments in an amount sufficient in the aggregate to pay all
6 of the interest, principal and redemption premiums, if any, on the
7 Bonds in the amounts and at the times required, the obligation to
8 operate, repair and maintain the Original Project and the New Money
9 Project at the Borrower's expense, and such other responsibilities
10 as may be imposed under such agreements.

11 (5) The Issuer and other local agencies will be able to
12 cope satisfactorily with the impact of the Original Project and the
13 New Money Project and will be able to provide, or cause to be
14 provided when needed, the public facilities, including utilities
15 and public services, that will be necessary for the construction,
16 operation, repair and maintenance of the Original Project and the
17 New Money Project and on account of any increase in population or
18 other circumstances resulting therefrom.

19 (6) The costs to be paid from the proceeds of the Bonds
20 shall be costs of a "health care facility" and costs of a "project"
21 within the meaning of the Act.

22 (H) The Issuer has initially determined that the interest on
23 the Bonds to be issued as "tax-exempt" obligations will be
24 excludable from gross income for federal income tax purposes under
25 Section 103(a) of the Code, based in part on a certificate to be
26 obtained from the Borrower with respect to the Bonds; and the Bonds
27 will not be issued as "tax-exempt" obligations unless the Issuer
28 has received a satisfactory opinion of Bond Counsel at the time of
29 delivery of the Bonds to the effect (among other things) that the
30 interest on the Bonds issued as "tax-exempt" obligations will be
31 excludable from gross income for federal income tax purposes. Any

1 Bonds not issued as "tax-exempt" obligations will be issued as
2 taxable obligations.

3 (I) The Issuer is not obligated to pay the Bonds except from
4 the proceeds derived from the repayment of the loan to the
5 Borrower, and neither the faith and credit of the Issuer, nor the
6 faith and credit or taxing power of the Issuer, the County, or of
7 the State or any political subdivision thereof is pledged to the
8 payment of the principal of, premium, if any, or the interest on
9 the Bonds. No owner or holder of the Bonds shall ever have the
10 power, directly or indirectly, to compel the exercise of the ad
11 valorem taxing power of the Issuer, the State or any political
12 subdivision thereof, for the payment of the principal of or
13 premium, if any, or interest on the Bonds.

14 (J) The payments to be made by the Borrower to the Issuer
15 under the Loan Agreement will be sufficient to pay all principal
16 of, premium, if any, and interest on the Bonds, as the same shall
17 become due, and to make all other payments required by the Loan
18 Agreement.

19 (K) A negotiated sale of the Bonds is required and necessary
20 and is in the best interest of the Issuer for the following
21 reasons: the Bonds will be a special and limited obligation of the
22 Issuer payable out of moneys derived by the Issuer from the
23 Borrower or as otherwise provided herein and will be secured by
24 funds and assets of the Borrower; the Borrower will be required to
25 pay all costs of the Issuer in connection with the financing; the
26 cost of issuance of the Bonds, which must be borne directly or
27 indirectly by the Borrower, would most likely be greater if the
28 Bonds are sold at public sale by competitive bids than if the Bonds
29 are sold in a negotiated sale, and there is no basis, considering
30 prevailing market conditions, for any expectation that the terms
31 and conditions of a sale of the Bonds at public sale by competitive

1 bids would be any more favorable than in a negotiated sale; because
2 prevailing market conditions are uncertain, it is desirable to sell
3 the Bonds at a predetermined price; and bonds having the
4 characteristics of the Bonds are typically sold in a negotiated
5 sale under prevailing market conditions.

6 (L) The Underwriter, prior to the issuance of the Bonds, will
7 provide to the Issuer a disclosure statement containing the
8 information required by Section 218.385(2), (3) and (6), Florida
9 Statutes, as amended.

10 (M) It is in the best interest of the Issuer to award the
11 sale of the Bonds to the Underwriter pursuant to the Bond Purchase
12 Agreement.

13 (N) All requirements precedent to the enactment of this
14 Ordinance, and all requirements of the Constitution and other laws
15 of the State, including the Act, has been complied with.

16 (O) The costs of the Financing Project will be paid from the
17 proceeds of the Bonds in accordance with the terms of the Bond
18 Indenture, and these costs constitute costs of a "project" within
19 the meaning of the Act.

20 **Section 4. Public Hearing.** A notice of a public hearing
21 to be held before the Economic Development Officer, or his
22 designee, inviting comments and discussion concerning the plan of
23 finance, the nature and location of the Project and the issuance of
24 the Bonds (the "Notice of Hearing"), was published in the *Financial*
25 *News and Daily Record*, a newspaper of general circulation in the
26 City, at least seven days prior to the date of such public hearing.
27 A proof of publication of such Notice of Hearing is **On File** with
28 the Legislative Services Division and is incorporated herein by
29 reference.

30 Following such notice, a public hearing was held by the
31 Economic Development Officer, or his designee, during which

1 comments and discussion concerning the plan of finance, the nature
2 and location of the Project and the issuance of the Bonds to
3 finance, reimburse or refinance a portion of the costs of the
4 Project were requested and allowed. A written report of the
5 hearing officer relating to such public hearing is **On File** with the
6 Legislative Services Division and is incorporated herein by
7 reference.

8 The Council is the elected legislative body of the Issuer and
9 has jurisdiction over the Original Project.

10 **Section 5. Financing of Financing Project Authorized.** The
11 Financing Project in the manner provided herein is hereby
12 authorized.

13 **Section 6. Authorization and Award of Bonds.**

14 (A) The special limited obligations of the Issuer to be known
15 as the "Health Care Facilities Revenue Bonds (Brooks
16 Rehabilitation), Series 2020" (or such other series designation as
17 may be set forth in the Bond Indenture) is hereby authorized and
18 approved to be issued in an aggregate principal amount not to
19 exceed two hundred million dollars (\$200,000,000), in the form and
20 manner described in the Bond Indenture; provided, however, that the
21 Bonds shall not be issued unless the Bonds meet the requirements of
22 Section 104.306(b)(3) of the Ordinance Code of the City of
23 Jacksonville, to the extent Section 104.306(b)(2) is waived and
24 modified hereby.

25 (B) The Bonds will be issued in one or more tax-exempt or
26 taxable series, dated such dates and in such denominations, will
27 mature in such years and amounts, contain such redemption
28 provisions, be payable at the place or places, mature at such times
29 and in such amounts, and bear interest at such rates (not exceeding
30 the maximum interest rate permitted by the Act or by other
31 applicable provisions of law), as provided in the Bond Indenture.

1 (C) The Bonds, in substantially the form attached as an
2 exhibit to the Bond Indenture, with such changes, alterations and
3 corrections as may be recommended by the Office of General Counsel
4 and as may be approved by the Economic Development Officer, such
5 approval to be presumed by his or her execution thereof, are hereby
6 approved by the Issuer, and the Issuer hereby authorizes and
7 directs the Economic Development Officer to execute, the
8 Corporation Secretary to attest and the Bond Trustee to
9 authenticate the Bonds and, subject to the provisions of this
10 Section 6, the Economic Development Officer to deliver the same to
11 the Underwriter upon receipt of the principal amount of the Bonds,
12 pursuant to and in accordance with the terms and conditions stated
13 in the Bond Purchase Agreement. Authorization for the issuance of
14 such aggregate principal amount of Bonds as is herein authorized
15 but which shall not be hereafter delivered pursuant to provisions
16 of the Bond Purchase Agreement is hereby cancelled and rescinded.

17 **Section 7. Authorization of Execution and Delivery of the**
18 **Loan Agreement.** As authorized by and in conformity with the Act, it
19 is desirable and in the public interest that the Issuer loan funds
20 to the Borrower to finance and refinance the Financing Project in
21 the manner provided herein and in the Loan Agreement, such loan to
22 be evidenced by and to be made pursuant to the Loan Agreement. The
23 Loan Agreement, with such changes, corrections, insertions and
24 deletions as may be approved by the Economic Development Officer,
25 such approval to be evidenced conclusively by execution thereof, is
26 hereby approved and authorized; the Issuer hereby authorizes and
27 directs the Economic Development Officer to date and execute the
28 Loan Agreement, and to deliver the Loan Agreement to the Borrower;
29 and all of the provisions of each Loan Agreement, when executed and
30 delivered by the Issuer as authorized herein and by the Borrower,

1 shall be deemed to be a part of this Ordinance as fully and to the
2 same extent as if incorporated verbatim herein.

3 **Section 8. Authorization of Execution and Delivery of the**
4 **Bond Indenture.** In order to secure the payment of the principal of
5 and premium, if any, and interest on the Bonds herein authorized,
6 according to their tenor, purport and effect, and in order to
7 secure the performance and observance of all the covenants,
8 agreements and conditions in the Bonds, the Issuer has agreed to
9 enter into the Bond Indenture with the Trustee. The Bond Indenture,
10 with such changes, corrections, insertions and deletions as may be
11 approved by the Economic Development Officer, such approval to be
12 evidenced conclusively by execution thereof, is hereby approved and
13 authorized; the Issuer hereby authorizes and directs the Economic
14 Development Officer to date and execute the Bond Indenture, and
15 deliver the Bond Indenture to the Trustee; and all of the
16 provisions of the Bond Indenture, when executed and delivered by
17 the Issuer as authorized herein and by the Trustee, shall be deemed
18 to be a part of this Ordinance as fully and to the same extent as
19 if incorporated verbatim herein.

20 **Section 9. Approval of Master Note Securing Bonds.** To provide
21 additional security for the payment of the Bonds, the Borrower has
22 agreed to issue the Master Note on behalf of the Obligated Group.
23 The Master Note is hereby approved, subject to such changes,
24 insertions and omissions as may be approved in such form by the
25 Obligated Group and by the Economic Development Officer, such
26 approval by the Economic Development Officer to be evidenced
27 conclusively by the Economic Development Officer's execution of the
28 Bond Indenture; and all of the provisions of the Master Note, when
29 executed by the Borrower, as representative of the Obligated Group,
30 and delivered to the Trustee as authorized herein, shall be deemed

1 to be a part of this Ordinance as fully and to the same extent as
2 if incorporated verbatim herein.

3 **Section 10. Approval and Authorization of Interlocal**
4 **Agreement.** In order to finance the Daytona Beach Project with a
5 portion of the proceeds of the Bonds, the Issuer and Daytona Beach
6 will enter into the Interlocal Agreement. The Interlocal
7 Agreement, with such changes, corrections, insertions and deletions
8 as may be approved by the Economic Development Officer, such
9 approval to be evidenced conclusively by execution thereof, is
10 hereby approved and authorized; the Issuer hereby authorizes and
11 directs the Economic Development Officer to date and execute the
12 Interlocal Agreement and to deliver the Interlocal Agreement to
13 Daytona Beach.

14 **Section 11. Approval and Authorization of Official**
15 **Statement.** The form of the Official Statement, with such omissions,
16 insertions and variations as may be necessary and/or desirable and
17 approved by the Economic Development Officer to allow the Economic
18 Development Officer to deem the Official Statement final as
19 hereinafter described, is authorized to be delivered by the Issuer
20 to the Underwriter, used by the Underwriter in connection with the
21 sale of the Bonds, and distributed by the Underwriter prior to the
22 issuance and delivery of the Bonds. The Economic Development
23 Officer is hereby authorized to deem the preliminary Official
24 Statement final as of its date on behalf of the Issuer for purposes
25 of Rule 15c2-12 of the Securities and Exchange Commission, as
26 amended (except for such omissions permitted by such Rule), and to
27 execute a certificate to that effect to be delivered to the
28 Underwriter. The Economic Development Officer is hereby authorized
29 to evidence the Issuer's approval of the Official Statement by the
30 Economic Development Officer's endorsement thereof upon one or more
31 copies, and approval of all such omissions, insertions and

1 variations may be presumed from such endorsement upon any copy of
2 such Official Statement. The use and distribution of a preliminary
3 official statement in substantially the form of the Official
4 Statement is hereby authorized.

5 **Section 12. Assignment of Loan Agreement.** All rights of
6 the Issuer under the Loan Agreement (other than certain rights of
7 the Issuer reserved therein) will be assigned by the Issuer to the
8 Trustee under the terms of the Bond Indenture.

9 **Section 13. Appointment of Trustee.** Regions Bank, with its
10 designated corporate trust office presently located in the City, is
11 hereby appointed as the Trustee under the Bond Indenture and as
12 registrar and paying agent with respect to the Bonds.

13 **Section 14. Validation.** The Bonds shall not be required to
14 be validated pursuant to Chapter 75, Florida Statutes, as amended;
15 provided, however, that if required by counsel to the Issuer,
16 counsel to the Borrower or Bond Counsel, the Bonds may be validated
17 and in such event Issuer's counsel is hereby authorized, at the
18 expense of the Borrower, to prepare validation pleadings on behalf
19 of the Issuer and to take any and all action as Issuer's counsel
20 may deem necessary or desirable for the validation of the Bonds.

21 **Section 15. Delegated Sale of Bonds; Authorization of**
22 **Execution and Delivery of the Bond Purchase Agreement.** Subject to
23 the satisfaction of the conditions set forth in this Section, a
24 delegated negotiated sale of the Bonds is hereby authorized. The
25 Economic Development Officer is hereby authorized and directed to
26 award the sale of the Bonds to the Underwriter pursuant to the
27 provisions of the Bond Purchase Agreement, subject to all the
28 following conditions:

29 (A) Receipt by the Economic Development Officer of a written
30 offer to purchase the Bonds by the Underwriter, substantially in
31 the form of the Bond Purchase Agreement, said offer to provide for,

1 among other things, (i) the issuance of the Bonds in an aggregate
2 principal amount of not to exceed \$200,000,000, (ii) an
3 underwriting discount (including management fee and all expenses)
4 not in excess of 1.00% of the par amount of the Bonds, (iii) a not
5 to exceed true interest cost of 6 percent (in the case of the Bonds
6 that are "tax-exempt") and of 7 percent (in the case of the Bonds
7 that are taxable), and (iv) the final maturity date of the Bonds to
8 be no later than 40 years from the dated date of the Bonds.

9 (B) With respect to any optional redemption terms of the
10 Bonds, the first call date may be no later than ten and one-half
11 years from the dated date of the Bonds and no call premium may
12 exceed 2 percent of the principal amount of the Bonds to be
13 redeemed. In addition, with respect to any optional redemption
14 terms of the Bonds that are taxable, the Bonds may be called on any
15 date by paying a call premium based on the net present value of the
16 remaining debt service due on such Bonds, the discount rate to be a
17 function of the semiannual equivalent yield to maturity or
18 interpolated (on a day-count basis) of United States Treasury
19 securities selected by an investment banker as having an actual or
20 interpolated maturity comparable to the remaining term of the Bonds
21 to be redeemed that would be used in pricing new issues of
22 corporate debt securities of a comparable maturity to the remaining
23 term of the Bonds plus additional basis points not in excess of 20.

24 (C) Receipt by the Economic Development Officer from the
25 Underwriter of a disclosure statement and truth-in-bonding
26 information complying with Section 218.385, Florida Statutes, as
27 amended.

28 (D) Prior to the issuance of the Bonds, the Bonds shall be
29 rated by at least one of the three major bond rating agencies, in a
30 rating category of at least "BBB+" or its equivalent (based upon a

1 waiver hereby granted) or shall otherwise meet the requirements of
2 Section 104.306(b) (3) of the Ordinance Code of the City.

3 Upon satisfaction of the foregoing conditions, the Bond
4 Purchase Agreement, with such other changes, corrections,
5 insertions and deletions as may be approved by the Economic
6 Development Officer, such approval to be evidenced conclusively by
7 the Economic Development Officer's execution thereof, is approved
8 and authorized; the Issuer hereby authorizes and directs the
9 Economic Development Officer to date and execute the Bond Purchase
10 Agreement and to deliver the Bond Purchase Agreement to the
11 Underwriter; and all of the provisions of the Bond Purchase
12 Agreement, when executed and delivered by the Issuer as authorized
13 herein and by the Borrower and the Underwriter, shall be deemed to
14 be a part of this Ordinance as fully and to the same extent as if
15 incorporated verbatim herein.

16 **Section 16. Authorization of Execution of other**
17 **Certificates and Instruments.** The Economic Development Officer, the
18 Corporation Secretary and the members of Council are hereby
19 authorized and directed, either alone or jointly, to execute and
20 deliver: (i) certificates of the Issuer certifying such facts as
21 the Issuer's counsel or Bond Counsel shall require in connection
22 with the issuance, sale and delivery of the Bonds, (ii) such
23 certificates as may be required under Section 103 of the Code or
24 under the provisions of Florida law, (iii) such agreements and
25 instruments as shall be necessary or desirable in connection with
26 the delivery of any credit enhancement or liquidity facilities
27 relating to the Bonds, and (iv) such other agreements and
28 instruments, including but not limited to, tax compliance
29 agreements, hedge agreements or swap agreements, deeds,
30 assignments, bills of sale and financing statements, as shall be
31 necessary or desirable to perform the Issuer's obligations under

1 the Loan Agreement, the Bond Indenture and the Bond Purchase
2 Agreement, and to consummate the transactions hereby authorized.

3 **Section 17. Waiver and Modification of Section 104.306 of**
4 **the Ordinance Code.** Section 104.306(b)(2) of the Ordinance Code of
5 the City is hereby waived and modified solely for purposes of the
6 issuance of the Bonds such that the reference to "'A' or better
7 without regard to modifiers" is waived and in substitution therefor
8 such provision shall be modified to "BBB+." This waiver and
9 modification shall only apply to the issuance of the Bonds. The
10 modified provision shall read as follows: "(2) No conduit bond
11 issue will be sold in the public bond market without a minimum
12 rating from at least one of the three major bond rating agencies of
13 'BBB+' or better. If the rating is achieved based upon third party
14 credit enhancement, the bond documents must prohibit any
15 remarketing of the Issuer's bonds by a remarketing agent, following
16 an optional or mandatory tender for purchase and remarketing,
17 without such minimum rating, unless the Issuer has given its prior
18 written approval to remarket such bonds without the minimum
19 rating."

20 **Section 18. Prerequisites performed.** All acts, conditions
21 and things relating to the passage of this Ordinance, to the
22 issuance, sale and delivery of the Bonds, and to the execution and
23 delivery of the Loan Agreement, the Bond Indenture and the Bond
24 Purchase Agreement, required by the Constitution or other laws of
25 the State, to happen, exist and be performed precedent to the
26 passage hereof, and precedent to the issuance, sale and delivery of
27 the Bonds, to the execution and delivery of the Loan Agreement, the
28 Bond Indenture and the Bond Purchase Agreement, have either
29 happened, exist and have been performed as so required or will have
30 happened, will exist and will have been performed prior to such
31 execution and delivery.

1 **Section 19. Compliance with Chapter 218, Part III, Florida**
2 **Statutes.** The Issuer hereby approves and authorizes the completion,
3 execution and filing with the Division of Bond Finance of the State
4 Board of Administration of the State, at the expense of the
5 Borrower, of advance notice of the impending sale of the Bonds, of
6 Bond Information Form BF 2003/2004, and of a copy of Internal
7 Revenue Service Form 8038, and any other acts as may be necessary
8 to comply with Chapter 218, Part III, Florida Statutes, as amended.

9 **Section 20. General Authority.** The members of the Council
10 and its officers, attorneys, agents and employees are hereby
11 authorized to do all acts and things required of them by this
12 Ordinance, the Bonds, and the Loan Agreement, the Bond Indenture
13 and the Bond Purchase Agreement, and to do all acts and things
14 which are desirable and consistent with the requirements hereof or
15 of the Bonds, and the Loan Agreement, the Bond Indenture and the
16 Bond Purchase Agreement, for the full, punctual and complete
17 performance of all the terms, covenants and agreements contained
18 herein or in the Bonds, or in the Loan Agreement, the Bond
19 Indenture and the Bond Purchase Agreement.

20 **Section 21. Authorization of Amendments and Supplements.**
21 The execution, delivery and performance of amendments or
22 supplements to the Bond Indenture, the Loan Agreement, the Bond
23 Purchase Agreement and related documents for such purpose as does
24 not materially change the basic purposes, terms and provisions of
25 the Bonds approved hereby and as agreed to by the Borrower and the
26 Underwriter; are hereby authorized. Any such amendments shall be
27 executed by the Economic Development Officer, and shall be in such
28 form as may be approved by the Economic Development Officer, with
29 the assistance of the Office of General Counsel, and attested by
30 the Corporation Secretary, and the execution of such amendments by
31 the Economic Development Officer, and attested by the Corporation

1 Secretary, as hereby authorized shall be conclusive evidence of any
2 such approval.

3 **Section 22. Repealing Clause.** All ordinances or parts
4 thereof in conflict with the provisions herein contained are, to
5 the extent of such conflict, hereby superseded and repealed.

6 **Section 23. Assents, Acceptance and Approvals; Actions.**
7 The Economic Development Officer is, subject to the terms hereof,
8 hereby authorized and empowered to execute and deliver the Bonds,
9 the Bond Indenture, the Loan Agreement, the Bond Purchase Agreement
10 and all documents contemplated thereby, in each case subject to
11 such changes and modifications as such officer may approve, such
12 execution to be conclusive evidence of any such approval. The
13 Economic Development Officer is hereby authorized to designate by
14 written certificate one or more authorized signatories to execute
15 any and all instruments, documents and certificates in his place.
16 Such signature shall have the effect of the Economic Development
17 Officer's signature as authorized in this Ordinance. The Economic
18 Development Officer is hereby authorized to designate by written
19 certificate one or more authorized signatories to execute any and
20 all instruments, documents and certificates in his place. Such
21 signature shall have the effect of the Economic Development
22 Officer's signature as authorized in this Ordinance.

23 **Section 24. Severability of Invalid Provisions.** If any one
24 or more of the covenants, agreements or provisions herein contained
25 shall be held contrary to any express provisions of law or contrary
26 to the policy of express law, though not expressly prohibited, or
27 against public policy, or shall for any reason whatsoever be held
28 invalid, then such covenants, agreements or provisions shall be
29 null and void and shall be deemed separable from the remaining
30 covenants, agreements or provisions, and shall in no way affect the
31 validity of any of the other provisions hereof or of the Bonds.

1 **Section 25. No Personal Liability.** No representation,
2 statement, covenant, warranty, stipulation, obligation or agreement
3 herein contained, or contained in the Bonds or the documents
4 referred to herein or any certificate or other instrument to be
5 executed on behalf of the Issuer in connection with the issuance of
6 the Bonds, shall be deemed to be a representation, statement,
7 covenant, warranty, stipulation, obligation or agreement of any
8 member, officer, employee or agent of the Issuer in his or her
9 individual capacity, and none of the foregoing persons nor any
10 officer of the Issuer executing the Bonds or any document referred
11 to herein or any certificate or other instrument to be executed in
12 connection with the issuance of the Bonds shall be liable
13 personally thereon or be subject, to any personal liability or
14 accountability by reason of the execution or delivery thereof.

15 **Section 26. No Third-Party Beneficiaries.** Except as
16 otherwise expressly provided herein, in the Bonds or in the
17 documents referred to herein, nothing in this Ordinance, the Bonds
18 or the documents, express or implied, is intended or shall be
19 construed to confer upon any person, firm, corporation or other
20 organization, other than the Issuer, the Borrower, the Obligated
21 Group and the Underwriter, any remedy or claim, legal or equitable,
22 under and by Underwriter of this Ordinance or any provision hereof,
23 or of the Bonds or the documents, all provisions hereof and thereof
24 being intended to be and being for the sole and exclusive benefit
25 of the Issuer, the Borrower and the Underwriter.

26 **Section 27. Effective Date.** This Ordinance shall become
27 effective upon signature by the Mayor or upon becoming effective
28 without the Mayor's signature.
29
30
31

1 Form Approved:

2

3 /s/ John Sawyer

4 Office of General Counsel

5 Legislation prepared by: Rogers Towers, P.A. and Assistant General

6 Counsel John Sawyer

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