

1 Introduced by the Council President at the request of the Mayor and
2 amended by the Neighborhoods, Community Services, Public Health &
3 Safety Committee:

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6 **ORDINANCE 2020-368-E**

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

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

1 AGREEMENT, AN INTERLOCAL AGREEMENT AND A BOND
2 PURCHASE AGREEMENT WITH RESPECT TO SUCH SERIES
3 2020 BONDS; APPROVING AND AUTHORIZING THE
4 EXECUTION AND DELIVERY OF CERTAIN OTHER
5 DOCUMENTS REQUIRED IN CONNECTION WITH THE
6 FOREGOING; MAKING CERTAIN OTHER APPOINTMENTS;
7 AND PROVIDING CERTAIN OTHER DETAILS IN
8 CONNECTION THEREWITH; AND PROVIDING AN
9 EFFECTIVE DATE.

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

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

19 **Section 2. Definitions.**

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

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

24 "Bond Indenture" means the Trust Indenture to be executed by
25 and between the Issuer and the Trustee.

26 "Bond Purchase Agreement" means the Bond Purchase Agreement to
27 be executed by and among the Issuer, the Borrower and the
28 Underwriter.

29 "Bonds" means the bonds of the Issuer to be designated "City
30 of Jacksonville, Florida Health Care Facilities Revenue Bonds
31 (Brooks Rehabilitation), Series 2020" in one or more series, in an

1 aggregate principal amount not to exceed \$200,000,000,
2 substantially in the form and with rates of interest, maturity
3 dates and other details provided for herein, in the Bond Indenture
4 and the Bond Purchase Agreement, to be authorized and issued by the
5 Issuer, authenticated by the Trustee and delivered under the Bond
6 Indenture.

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

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

13 "Corporation Secretary" as used herein refers to the
14 Corporation Secretary of the Issuer or such other person as may be
15 authorized to act in the place of the Corporation Secretary.

16 "County" means Duval County, Florida.

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

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

28 "Interlocal Agreement" means the Interlocal Agreement to be
29 executed by and between the Issuer and the City of Daytona Beach,
30 Florida.

1 "Loan Agreement" means the Loan Agreement to be executed by
2 and between the Issuer and the Borrower.

3 "Master Indenture" means the master trust indenture dated as
4 of December 1, 2007 (as heretofore and hereafter amended and
5 supplemented from time to time) between the Borrower, as Obligated
6 Group Representative thereunder and Regions Bank, as successor
7 master trustee thereunder.

8 "Master Note" means the Master Note, Series 2020 to be issued
9 under the Master Indenture by the Obligated Group Representative
10 under the Master Indenture to the Trustee.

11 "New Money Project" means the construction and equipping of a
12 60-bed inpatient rehabilitation facility, acquisition of meditech
13 ambulatory equipment, interior renovation to the existing
14 rehabilitation hospital, buildout of Healthcare Plaza improvements
15 and other general capital improvements located in the County
16 (including reimbursements therefor), all of the Borrower or its
17 affiliates.

18 "Obligated Group" means, collectively, the Borrower, Genesis
19 Rehabilitation Hospital, Inc., Genesis Health Development, Inc.,
20 Physical Medicine Specialists, Inc., Brooks Home Care Advantage,
21 Inc., Brooks Skilled Nursing, Inc., Brooks Skilled Nursing Facility
22 A, Inc., Brooks Skilled Nursing Facility Holdings A, Inc. and
23 Brooks Skilled Nursing Facility Holdings B, Inc.

24 "Official Statement" means the official statement relating to
25 the Bonds.

26 "Original Project" means what was financed by the Refunded
27 Bonds; in particular and all of which are located in Jacksonville
28 except as otherwise indicated, (i) as to the Refunded Bonds bearing
29 series designation 2010, (a) the acquisition, construction and
30 installation of improvements, renovations, equipment and other
31 capital expenditures at the then-existing inpatient rehabilitation

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

1 facilities, license and associated assets, fixtures, furnishings
2 and equipment, and owned and operated by Brooks Skilled Nursing A;
3 (b) refinancing the acquisition by Skilled Nursing A of a skilled
4 nursing home license for 32 beds and associated assets to provide
5 additional licensed beds in connection with the operation of
6 Bartram Crossing Skilled Nursing constructed by Brooks Skilled
7 Nursing Facility Holdings A, Inc. ("Skilled Nursing Holdings A"),
8 the financed property to be owned by Skilled Nursing Holdings A and
9 used by Skilled Nursing A in connection with the operation of such
10 skilled nursing facility upon the commencement of operations of
11 such facility; (c) financing or refinancing the commitment of
12 Genesis Health Development, Inc. ("Health Development") the sole
13 member of which is the Borrower, for the construction, installation
14 and equipping of a 40 licensed bed inpatient comprehensive medical
15 rehabilitation unit (the "Rehabilitation Unit"), including related
16 capital improvements, fixtures, furnishings and equipment, to be
17 located on two floors of Halifax Medical Center, which is an acute
18 care hospital located in Daytona Beach, Florida and which is owned
19 and operated by Halifax Hospital Medical Center, a special taxing
20 district of the State of Florida doing business as Halifax Health
21 ("Halifax Health"); the Rehabilitation Unit is to be operated by HB
22 Rehabilitative Services, Inc., a Georgia nonprofit corporation the
23 sole members of which are (x) Brooks Halifax Rehabilitation
24 Services, LLC, a Florida limited liability corporation the sole
25 member of which is Health Development and (y) East Volusia Health
26 Services, Inc., a Florida not for profit corporation the sole
27 shareholder of which is Halifax Health; (d) financing the
28 acquisition and installation by Home Care, of capital improvements,
29 fixtures, furnishings, equipment and related real and personal
30 property, used to provide home health services, owned and operated
31 by Home Care; (e) financing the acquisition, construction and

1 installation of improvements, renovations, equipment and other
2 capital expenditures at the existing inpatient rehabilitation
3 hospital owned and operated by the Hospital; and (f) financing the
4 acquisition, construction and installation of capital improvements,
5 including but not limited to, leasehold improvements and equipment,
6 to be used to provide physical, occupational and other
7 rehabilitation therapy at various outpatient rehabilitation
8 facilities, each of which is operated by Health Development.

9 "Refunded Bonds" mean the outstanding Jacksonville Economic
10 Development Commission Health Care Facilities Revenue Bond (Brooks
11 Health System), Series 2010, Jacksonville Economic Development
12 Commission Health Care Facilities Revenue Bonds (Brooks Health
13 System), Series 2011A and Series 2011B, and City of Jacksonville
14 Health Care Facilities Revenue Bond (Brooks Rehabilitation), Series
15 2013.

16 "State" means state of Florida.

17 "Termination Payments" means the interest rate swap
18 termination payments relating to three swaps entered into by
19 affiliates of the Borrower with Compass Bank on or about August 16,
20 2010 and May 31, 2011 in contemplation of the issuance of the
21 Refunded Bonds bearing series designations 2010, 2011A and 2011B.

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

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

28 All other terms used herein in capitalized form, unless
29 otherwise defined herein, shall have the same meanings as ascribed
30 to them in the resolution pertaining to the Bonds referenced below
31 (the "Preliminary Resolution"), adopted by the Industrial

1 Development Revenue Bond Review Committee on June 10, 2020, a copy
2 of which is **Revised On File** with the Legislative Services Division
3 and incorporated herein by reference.

4 **Section 3. Findings.** The Issuer hereby finds and declares
5 as follows:

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

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

28 (C) On June 10, 2020, the Industrial Development Revenue Bond
29 Review Committee of the Issuer adopted the Preliminary Resolution
30 expressing the intent of the Issuer to issue the Bonds and
31 authorizing the execution and delivery of a Memorandum of Agreement

1 with the Borrower relating to the proposed issuance of the Bonds.
2 A copy of the Preliminary Resolution is **Revised On File** with the
3 Legislative Services Division and incorporated herein by reference,
4 and a copy of the Memorandum of Agreement is **Revised On File** with
5 the Legislative Services Division and incorporated herein by
6 reference. The Issuer has determined to authorize the issuance of
7 the Bonds and loan the proceeds of the Bonds to the Borrower
8 pursuant to the Loan Agreement for the purpose of financing the
9 Financing Project. The Borrower's obligations under the Loan
10 Agreement will be secured by the Master Note. The Issuer's rights
11 under the Loan Agreement (with the exception of certain rights to
12 indemnification and notices that will be retained by the Issuer)
13 will be assigned to the Trustee to secure the Bonds.

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

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

1 prosperity, health and welfare of the City, and the inhabitants
2 thereof.

3 (F) The portion of the Original Project to be located in the
4 City of Daytona Beach, Florida, as described in clause (iii)(c) of
5 the definition of the "Original Project" is hereinafter referred to
6 collectively as the "Daytona Beach Project." The Borrower has
7 requested that the Issuer enter into the Interlocal Agreement with
8 the City of Daytona Beach, Florida or other local government entity
9 with jurisdiction ("Daytona Beach"), to provide for the issuance by
10 the Issuer of the Bonds to refinance the Daytona Beach Project
11 through a single financing plan which will result in substantial
12 cost savings for the Borrower in connection with the Original
13 Project. The Bonds will not be issued to refinance any part of the
14 Daytona Beach Project unless the City shall have entered into the
15 Interlocal Agreement with Daytona Beach.

16 (G) Upon consideration of the information furnished by the
17 Borrower and other available information, the Issuer has made the
18 following findings and determinations:

19 (1) The Financing Project will be in furtherance of the
20 purposes of the Act.

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

28 (3) The New Money Project is appropriate to the needs
29 and circumstances of and shall make a significant contribution to
30 the economic growth of the Issuer, shall preserve and provide
31 gainful employment and shall serve a public purpose by advancing

1 the economic prosperity, the public health and the general welfare
2 of the City and the State and its people as stated in Section
3 159.26, Florida Statutes, as amended.

4 (4) The Borrower is financially responsible based on
5 criteria established by the Act, and the Borrower is fully capable
6 and willing to serve the purposes of the Act and to fulfill its
7 obligations under the Loan Agreement and the Master Note and under
8 any other agreements to be made in connection with the issuance of
9 the Bonds and the use of the proceeds of the Bonds for the
10 Financing Project, including the obligation to pay loan payments or
11 other payments in an amount sufficient in the aggregate to pay all
12 of the interest, principal and redemption premiums, if any, on the
13 Bonds in the amounts and at the times required, the obligation to
14 operate, repair and maintain the Original Project and the New Money
15 Project at the Borrower's expense, and such other responsibilities
16 as may be imposed under such agreements.

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

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

28 (H) The Issuer has initially determined that the interest on
29 the Bonds to be issued as "tax-exempt" obligations will be
30 excludable from gross income for federal income tax purposes under
31 Section 103(a) of the Code, based in part on a certificate to be

1 obtained from the Borrower with respect to the Bonds; and the Bonds
2 will not be issued as "tax-exempt" obligations unless the Issuer
3 has received a satisfactory opinion of Bond Counsel at the time of
4 delivery of the Bonds to the effect (among other things) that the
5 interest on the Bonds issued as "tax-exempt" obligations will be
6 excludable from gross income for federal income tax purposes. Any
7 Bonds not issued as "tax-exempt" obligations will be issued as
8 taxable obligations.

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

20 (J) The payments to be made by the Borrower to the Issuer
21 under the Loan Agreement will be sufficient to pay all principal
22 of, premium, if any, and interest on the Bonds, as the same shall
23 become due, and to make all other payments required by the Loan
24 Agreement.

25 (K) A negotiated sale of the Bonds is required and necessary
26 and is in the best interest of the Issuer for the following
27 reasons: the Bonds will be a special and limited obligation of the
28 Issuer payable out of moneys derived by the Issuer from the
29 Borrower or as otherwise provided herein and will be secured by
30 funds and assets of the Borrower; the Borrower will be required to
31 pay all costs of the Issuer in connection with the financing; the

1 cost of issuance of the Bonds, which must be borne directly or
2 indirectly by the Borrower, would most likely be greater if the
3 Bonds are sold at public sale by competitive bids than if the Bonds
4 are sold in a negotiated sale, and there is no basis, considering
5 prevailing market conditions, for any expectation that the terms
6 and conditions of a sale of the Bonds at public sale by competitive
7 bids would be any more favorable than in a negotiated sale; because
8 prevailing market conditions are uncertain, it is desirable to sell
9 the Bonds at a predetermined price; and bonds having the
10 characteristics of the Bonds are typically sold in a negotiated
11 sale under prevailing market conditions.

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

16 (M) It is in the best interest of the Issuer to award the
17 sale of the Bonds to the Underwriter pursuant to the Bond Purchase
18 Agreement.

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

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

26 **Section 4. Public Hearing.** A notice of a public hearing
27 to be held before the Economic Development Officer, or his
28 designee, inviting comments and discussion concerning the plan of
29 finance, the nature and location of the Project and the issuance of
30 the Bonds (the "Notice of Hearing"), was published in the
31 *Jacksonville Daily Record*, a newspaper of general circulation in

1 the City, at least seven days prior to the date of such public
2 hearing. A proof of publication of such Notice of Hearing is
3 **Revised On File** with the Legislative Services Division and is
4 incorporated herein by reference.

5 Following such notice, a public hearing was held by the
6 Economic Development Officer, or his designee, during which
7 comments and discussion concerning the plan of finance, the nature
8 and location of the Project and the issuance of the Bonds to
9 finance, reimburse or refinance a portion of the costs of the
10 Project were requested and allowed. A written report of the
11 hearing officer relating to such public hearing is **Revised On File**
12 with the Legislative Services Division and is incorporated herein
13 by reference.

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

16 **Section 5. Financing of Financing Project Authorized.** The
17 Financing Project in the manner provided herein is hereby
18 authorized.

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

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

1 (B) The Bonds will be issued in one or more tax-exempt or
2 taxable series, dated such dates and in such denominations, will
3 mature in such years and amounts, contain such redemption
4 provisions, be payable at the place or places, mature at such times
5 and in such amounts, and bear interest at such rates (not exceeding
6 the maximum interest rate permitted by the Act or by other
7 applicable provisions of law), as provided in the Bond Indenture.

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

24 **Section 7. Authorization of Execution and Delivery of the**
25 **Loan Agreement.** As authorized by and in conformity with the Act, it
26 is desirable and in the public interest that the Issuer loan funds
27 to the Borrower to finance and refinance the Financing Project in
28 the manner provided herein and in the Loan Agreement, such loan to
29 be evidenced by and to be made pursuant to the Loan Agreement. The
30 Loan Agreement, with such changes, corrections, insertions and
31 deletions as may be approved by the Economic Development Officer,

1 such approval to be evidenced conclusively by execution thereof, is
2 hereby approved and authorized; the Issuer hereby authorizes and
3 directs the Economic Development Officer to date and execute the
4 Loan Agreement, and to deliver the Loan Agreement to the Borrower;
5 and all of the provisions of each Loan Agreement, when executed and
6 delivered by the Issuer as authorized herein and by the Borrower,
7 shall be deemed to be a part of this Ordinance as fully and to the
8 same extent as if incorporated verbatim herein.

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

26 **Section 9. Approval of Master Note Securing Bonds.** To provide
27 additional security for the payment of the Bonds, the Borrower has
28 agreed to issue the Master Note on behalf of the Obligated Group.
29 The Master Note is hereby approved, subject to such changes,
30 insertions and omissions as may be approved in such form by the
31 Obligated Group and by the Economic Development Officer, such

1 approval by the Economic Development Officer to be evidenced
2 conclusively by the Economic Development Officer's execution of the
3 Bond Indenture; and all of the provisions of the Master Note, when
4 executed by the Borrower, as representative of the Obligated Group,
5 and delivered to the Trustee as authorized herein, shall be deemed
6 to be a part of this Ordinance as fully and to the same extent as
7 if incorporated verbatim herein.

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

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

1 execute a certificate to that effect to be delivered to the
2 Underwriter. The Economic Development Officer is hereby authorized
3 to evidence the Issuer's approval of the Official Statement by the
4 Economic Development Officer's endorsement thereof upon one or more
5 copies, and approval of all such omissions, insertions and
6 variations may be presumed from such endorsement upon any copy of
7 such Official Statement. The use and distribution of a preliminary
8 official statement in substantially the form of the Official
9 Statement is hereby authorized.

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

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

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

26 **Section 15. Delegated Sale of Bonds; Authorization of**
27 **Execution and Delivery of the Bond Purchase Agreement.** Subject to
28 the satisfaction of the conditions set forth in this Section, a
29 delegated negotiated sale of the Bonds is hereby authorized. The
30 Economic Development Officer is hereby authorized and directed to
31 award the sale of the Bonds to the Underwriter pursuant to the

1 provisions of the Bond Purchase Agreement, subject to all the
2 following conditions:

3 (A) Receipt by the Economic Development Officer of a written
4 offer to purchase the Bonds by the Underwriter, substantially in
5 the form of the Bond Purchase Agreement, said offer to provide for,
6 among other things, (i) the issuance of the Bonds in an aggregate
7 principal amount of not to exceed \$200,000,000, (ii) an
8 underwriting discount (including management fee and all expenses)
9 not in excess of 1.00% of the par amount of the Bonds, (iii) a not
10 to exceed true interest cost of 6 percent (in the case of the Bonds
11 that are "tax-exempt") and of 7 percent (in the case of the Bonds
12 that are taxable), and (iv) the final maturity date of the Bonds to
13 be no later than 40 years from the dated date of the Bonds.

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

29 (C) Receipt by the Economic Development Officer from the
30 Underwriter of a disclosure statement and truth-in-bonding

1 information complying with Section 218.385, Florida Statutes, as
2 amended.

3 (D) Prior to the issuance of the Bonds, the Bonds shall be
4 rated by at least one of the three major bond rating agencies, in a
5 rating category of at least "BBB+" or its equivalent (based upon a
6 waiver hereby granted) or shall otherwise meet the requirements of
7 Section 104.306(b)(3) of the Ordinance Code of the City.

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

21 **Section 16. Authorization of Execution of other**
22 **Certificates and Instruments.** The Economic Development Officer, the
23 Corporation Secretary and the members of Council are hereby
24 authorized and directed, either alone or jointly, to execute and
25 deliver: (i) certificates of the Issuer certifying such facts as
26 the Issuer's counsel or Bond Counsel shall require in connection
27 with the issuance, sale and delivery of the Bonds, (ii) such
28 certificates as may be required under Section 103 of the Code or
29 under the provisions of Florida law, (iii) such agreements and
30 instruments as shall be necessary or desirable in connection with
31 the delivery of any credit enhancement or liquidity facilities

1 relating to the Bonds, and (iv) such other agreements and
2 instruments, including but not limited to, tax compliance
3 agreements, hedge agreements or swap agreements, deeds,
4 assignments, bills of sale and financing statements, as shall be
5 necessary or desirable to perform the Issuer's obligations under
6 the Loan Agreement, the Bond Indenture and the Bond Purchase
7 Agreement, and to consummate the transactions hereby authorized.

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

25 **Section 18. Prerequisites performed.** All acts, conditions
26 and things relating to the passage of this Ordinance, to the
27 issuance, sale and delivery of the Bonds, and to the execution and
28 delivery of the Loan Agreement, the Bond Indenture and the Bond
29 Purchase Agreement, required by the Constitution or other laws of
30 the State, to happen, exist and be performed precedent to the
31 passage hereof, and precedent to the issuance, sale and delivery of

1 the Bonds, to the execution and delivery of the Loan Agreement, the
2 Bond Indenture and the Bond Purchase Agreement, have either
3 happened, exist and have been performed as so required or will have
4 happened, will exist and will have been performed prior to such
5 execution and delivery.

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

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

25 **Section 21. Authorization of Amendments and Supplements.**
26 The execution, delivery and performance of amendments or
27 supplements to the Bond Indenture, the Loan Agreement, the Bond
28 Purchase Agreement and related documents for such purpose as does
29 not materially change the basic purposes, terms and provisions of
30 the Bonds approved hereby and as agreed to by the Borrower and the
31 Underwriter; are hereby authorized. Any such amendments shall be

1 executed by the Economic Development Officer, and shall be in such
2 form as may be approved by the Economic Development Officer, with
3 the assistance of the Office of General Counsel, and attested by
4 the Corporation Secretary, and the execution of such amendments by
5 the Economic Development Officer, and attested by the Corporation
6 Secretary, as hereby authorized shall be conclusive evidence of any
7 such approval.

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

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

28 **Section 24. Severability of Invalid Provisions.** If any one
29 or more of the covenants, agreements or provisions herein contained
30 shall be held contrary to any express provisions of law or contrary
31 to the policy of express law, though not expressly prohibited, or

1 against public policy, or shall for any reason whatsoever be held
2 invalid, then such covenants, agreements or provisions shall be
3 null and void and shall be deemed separable from the remaining
4 covenants, agreements or provisions, and shall in no way affect the
5 validity of any of the other provisions hereof or of the Bonds.

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

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

31 **Section 27. Effective Date.** This Ordinance shall become

1 effective upon signature by the Mayor or upon becoming effective
2 without the Mayor's signature.

3

4 Form Approved:

5

6 /s/ Paige H. Johnston

7 Office of General Counsel

8 Legislation prepared by: Rogers Towers, P.A. and Assistant General
9 Counsel John Sawyer

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