



Broward County

Legislation Details (With Text)

File #: 22-1740 **Version:** 1

Status: Agenda Ready

In control: PUBLIC HEARING

On agenda: 11/15/2022 **Final action:** 11/15/2022

Title: A. MOTION TO OPEN Public Hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") relating to the issuance and application of not to exceed \$20,000,000 aggregate principal amount of Hospital Revenue and Refunding Bonds (Trinity Health Credit Group) from time to time in one or more series pursuant to a three-year plan of finance (the "Bonds") by the Michigan Finance Authority (the "Issuer"), for the purpose of financing and refinancing certain health care facilities of Holy Cross Hospital, Inc. ("Holy Cross") located in Broward County, owned and operated by Holy Cross in Broward County.

ACTION: (T-11:42 AM) Approved. (Refer to minutes for full discussion.)

VOTE: 7-0. Commissioner Moskowitz was not present.

B. MOTION TO ADOPT Resolution of the Board of County Commissioners of Broward County, Florida, approving for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, the issuance by the Michigan Finance Authority of its Hospital Revenue and Refunding Bonds (Trinity Health Credit Group) from time to time in one or more series in an aggregate principal amount not to exceed \$20,000,000 and related plan of financing in connection with the financing and refinancing of certain projects for Holy Cross Hospital and providing for an effective date.

ACTION: (T-11:42 AM) Approved Resolution No. 2022-532. (Refer to minutes for full discussion.)

VOTE: 7-0. Commissioner Moskowitz was not present.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit 1 - Resolution, 2. Exhibit 2 - Affidavit of Publication, 3. Exhibit 3 - TEFRA Script, 4. Exhibit 4 - Indemnification Letter to Broward County, 5. Exhibit 5 - Explanatory Letter

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Broward County Commission Regular Meeting

Director's Name: George Tablack

Department: Finance and Administrative Services **Division:** Administration

Information

Requested Action

A. MOTION TO OPEN Public Hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") relating to the issuance and application of not to exceed \$20,000,000 aggregate principal amount of Hospital Revenue and Refunding Bonds (Trinity Health Credit Group) from time to time in one or more series pursuant to a three-year plan of finance (the "Bonds") by the Michigan Finance Authority (the "Issuer"), for the purpose of financing and refinancing certain health care facilities of Holy Cross Hospital, Inc. ("Holy Cross") located in Broward County, owned and

operated by Holy Cross in Broward County.

ACTION: (T-11:42 AM) Approved. (Refer to minutes for full discussion.)

VOTE: 7-0. Commissioner Moskowitz was not present.

B. MOTION TO ADOPT Resolution of the Board of County Commissioners of Broward County, Florida, approving for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, the issuance by the Michigan Finance Authority of its Hospital Revenue and Refunding Bonds (Trinity Health Credit Group) from time to time in one or more series in an aggregate principal amount not to exceed \$20,000,000 and related plan of financing in connection with the financing and refinancing of certain projects for Holy Cross Hospital and providing for an effective date.

ACTION: (T-11:42 AM) Approved Resolution No. 2022-532. (Refer to minutes for full discussion.)

VOTE: 7-0. Commissioner Moskowitz was not present.

Why Action is Necessary

Motions A and B: The federal Tax Equity and Fiscal Responsibility Act (known as “TEFRA”) and U.S. Treasury Regulations promulgated thereunder concerning tax-exempt private activity bonds require a public hearing and adoption of TEFRA Resolution (as defined below) by the Board prior to the issuance of tax-exempt bonds. Although Broward County is not the issuer of the Bonds, since the facilities to be financed or refinanced by the Bonds are located within territorial limits of Broward County, TEFRA and related U.S. Treasury Regulations require that the Board give its “host approval” of the issuance of the Bonds by the Issuer for purposes of Section 147(f) of the Code.

What Action Accomplishes

Motions A and B: Ensures compliance with Section 147(f) of the Code and related U.S. Treasury Regulations concerning tax-exempt private activity bonds by providing for a public hearing and adoption of a TEFRA Resolution by the Board prior to the issuance of the Bonds, the proceeds of which are to be applied to finance and refinance capital projects at the facilities of Holy Cross located in Broward County.

Is this Action Goal Related

No

Previous Action Taken

None.

Summary Explanation/Background

THE FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT RECOMMENDS APPROVAL OF THE ABOVE MOTIONS.

Trinity Health Corporation (“Trinity”), an Indiana nonprofit corporation, and its affiliate, Holy Cross Hospital, Inc., a Florida nonprofit corporation, have requested that the Board hold the public hearing described herein (hereinafter, the “TEFRA Hearing”) and approve the Resolution described herein (hereinafter, the “TEFRA Resolution”) for purposes of, and as required by, Section 147(f) of the

Internal Revenue Code with respect to the issuance of the Bonds by the Issuer in an amount not to exceed \$20,000,000 from time to time in one or more series pursuant to a three-year plan of finance and the application of the proceeds of such Bonds to finance the Holy Cross Projects located in Broward County, as more particularly described in the TEFRA Resolution attached hereto as Exhibit 1.

Pursuant to Section 147(f) of the Code, the issuance of the Bonds by the Issuer and the related plan of financing must be approved by the Board because the Holy Cross Projects to be financed with the proceeds of the Bonds are located within the territorial limits of Broward County. Motions A and B provide for the public TEFRA Hearing and adoption of the TEFRA Resolution in accordance with the Tax Equity and Fiscal Responsibility Act (TEFRA) and Section 147(f) of the Code as the same relate to the issuance of tax-exempt private activity bonds. Notice of the TEFRA Hearing was published in The Sun-Sentinel on November 1, 2022. An affidavit of such publication is attached hereto as Exhibit 2. Exhibit 3 includes a public hearing script, which must be read into the official record by the presiding Hearing Officer.

Attached as Exhibit 4 is an Indemnification Letter from Trinity Health Corporation and attached as Exhibit 5 is a letter from Hawkins Delafield & Wood LLP, Bond Counsel to Trinity and Holy Cross, further describing the transaction.

The Bonds are expected to be issued by the Issuer beginning in January 2023.

Source of Additional Information

George Tablack, Chief Financial Officer, (954) 357-7130

Fiscal Impact

Fiscal Impact/Cost Summary

None. When issued, the Bonds will be special, limited obligations of the Issuer, payable solely from debt service payments to be made with respect thereto by Trinity and the Trinity Health Credit Group. The Bonds will not be a debt or liability of Broward County, the State of Florida or any political subdivision thereof, and neither Broward County, the State of Florida or any political subdivision thereof shall have any payment responsibility whatsoever in connection with the Bonds.