

**VOLUSIA COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY**

Friday, September 27, 2019

10:30 a.m.

Dennis R. McGee Room
Daytona Beach International Airport
Daytona Beach, Florida

- I. Call to Order – Dennis Stark
- II. Establish Quorum/Roll Call – Sally Sprague
- III. Approval of Minutes of May 1, 2019 – Dennis Stark
- IV. Financials
 - A. Year to Date Report – Zayna Gibson
 - B. Review and Adopt Annual Budget – Brad Harris
- V. Old Business
 - A. As Entertained by Chairman
- VI. Public Hearing – The Evangelical Lutheran Good Samaritan Society

A public hearing regarding the proposed issuance by the Colorado Health Facilities Authority (the “*Authority*”) of its revenue bonds in one or more series in an aggregate principal amount not to exceed \$480,000,000 (the “*Series 2019 Bonds*”). The proceeds of the Series 2019 Bonds will be loaned to Sanford, a North Dakota nonprofit corporation and an organization described in Section 501(c)(3) of the Code (“*Sanford*”). The proceeds of the Series 2019 Bonds will be applied, together with other available funds, (a) in a principal amount not to exceed \$65,000,000, to refund all or a portion of the outstanding \$70,565,000 original principal amount South Dakota Health and Educational Facilities Authority Revenue Bonds, Series 2009 (Sanford Health) (the “*Sanford Series 2009 Bonds*”); (b) in a principal amount not to exceed \$45,000,000, to refinance indebtedness of The Evangelical Lutheran Good Samaritan Society (“*Good Samaritan*”), a North Dakota nonprofit corporation and an organization described in Section 501(c)(3) of the Code (the “*Bank Loans*”); (c) in a principal amount not to exceed \$350,000,000, to refinance a portion of a loan (the “*Acquisition Bridge Loan*”), the proceeds of which were used by Sanford to acquire a controlling membership interest in Good Samaritan for an acquisition price in an amount necessary to redeem a portion of the (i) \$169,955,000 original principal amount Colorado Health Facilities Authority Health Facilities Revenue Bonds (The Evangelical Lutheran Good Samaritan Society Project) Series 2012 (the “*Series 2012 Bonds*”), (ii) \$63,675,000 original principal amount Colorado Health Facilities Authority Health Facilities Revenue Bonds (The

Evangelical Lutheran Good Samaritan Society Project) Series 2013 (the “*Series 2013 Bonds*”), (iii) \$204,290,000 original principal amount Colorado Health Facilities Authority Health Facilities Revenue and Revenue Refunding Bonds (The Evangelical Lutheran Good Samaritan Society Project) Series 2015A (the “*Series 2015 Bonds*”) and (iv) \$220,720,000 original principal amount Colorado Health Facilities Authority Health Facilities Revenue and Revenue Refunding Bonds (The Evangelical Lutheran Good Samaritan Society Project) Series 2017 Bonds (the “*Series 2017 Bonds*”), all previously issued for the benefit of Good Samaritan; (d) in a principal amount not to exceed \$10,000,000, to refund all or a portion of the outstanding \$9,309,427.76 original principal amount Morton County, North Dakota Nursing Facilities Revenue Refunding Bonds (Sanford Living Centers Project), Series 2014C (the “*Sanford Series 2014C Bonds*”) and \$2,137,912.42 original principal amount Morton County, North Dakota Nursing Facilities Revenue Refunding Bonds (Sanford Living Centers Project), Series 2014E (the “*Sanford Series 2014E Bonds*” and, together with the Sanford Series 2014C Bonds, the “*Sanford Series 2014 Bonds*”), (e) in a principal amount not to exceed \$10,000,000, to finance or reimburse the cost of remodeling, renovating, furnishing and equipping certain of Sanford’s or Good Samaritan’s (or any tax-exempt affiliate thereof) health care and/or senior living facilities located in several jurisdictions throughout the United States, including in Volusia County, Florida; (f) to pay a portion of the interest on the Series 2019 Bonds, if deemed necessary or advisable by the Authority or Sanford; (g) to provide working capital, if deemed necessary or advisable by the Authority or Sanford; (h) to fund a debt service reserve fund, if deemed necessary or advisable by the Authority or Sanford; and (i) to pay certain expenses incurred in connection with the issuance of the Series 2019 Bonds (collectively, the “*Financing Purposes*”).

Public approval by each local jurisdiction has been or will be obtained following a public notice and public hearing regarding the Series 2019 Bonds and the facilities financed and/or refinanced in that local jurisdiction. A portion of the proceeds of the Series 2019 Bonds (a) in a principal amount not to exceed \$10,000,000 will be used to refinance the Acquisition Bridge Loan, a portion of the proceeds of which were spent at Good Samaritan Society – Florida Lutheran (“*Good Samaritan Florida Lutheran*”) located at 436 and 450 North McDonald Avenue in DeLand, Florida and (b) in a principal amount not to exceed \$2,000,000 will be used to finance or reimburse the costs of remodeling, renovating, furnishing and equipping Good Samaritan Florida Lutheran.

Additional information can be found in the attached public notice.

VII. New Business

A. As Entertained by Chairman

VIII. Adjournment – Dennis Stark

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the “*Code*”), will be held by the Volusia County Industrial Development Authority on September 27, 2019, at 10:30 a.m. local time, in the Dennis R. McGee Room located on the second floor of the Daytona Beach International Airport, 700 Catalina Drive, Daytona Beach, Florida, regarding the proposed issuance by the Colorado Health Facilities Authority (the “*Authority*”) of its revenue bonds in one or more series in an aggregate principal amount not to exceed \$480,000,000 (the “*Series 2019 Bonds*”). The proceeds of the Series 2019 Bonds will be loaned to Sanford, a North Dakota nonprofit corporation and an organization described in Section 501(c)(3) of the Code (“*Sanford*”). The proceeds of the Series 2019 Bonds will be applied, together with other available funds, (a) in a principal amount not to exceed \$65,000,000, to refund all or a portion of the outstanding \$70,565,000 original principal amount South Dakota Health and Educational Facilities Authority Revenue Bonds, Series 2009 (Sanford Health) (the “*Sanford Series 2009 Bonds*”); (b) in a principal amount not to exceed \$45,000,000, to refinance indebtedness of The Evangelical Lutheran Good Samaritan Society (“*Good Samaritan*”), a North Dakota nonprofit corporation and an organization described in Section 501(c)(3) of the Code (the “*Bank Loans*”); (c) in a principal amount not to exceed \$350,000,000, to refinance a portion of a loan (the “*Acquisition Bridge Loan*”), the proceeds of which were used by Sanford to acquire a controlling membership interest in Good Samaritan for an acquisition price in an amount necessary to redeem a portion of the (i) \$169,955,000 original principal amount Colorado Health Facilities Authority Health Facilities Revenue Bonds (The Evangelical Lutheran Good Samaritan Society Project) Series 2012 (the “*Series 2012 Bonds*”), (ii) \$63,675,000 original principal amount Colorado Health Facilities Authority Health Facilities Revenue Bonds (The Evangelical Lutheran Good Samaritan Society Project) Series 2013 (the “*Series 2013 Bonds*”), (iii) \$204,290,000 original principal amount Colorado Health Facilities Authority Health Facilities Revenue and Revenue Refunding Bonds (The Evangelical Lutheran Good Samaritan Society Project) Series 2015A (the “*Series 2015 Bonds*”) and (iv) \$220,720,000 original principal amount Colorado Health Facilities Authority Health Facilities Revenue and Revenue Refunding Bonds (The Evangelical Lutheran Good Samaritan Society Project) Series 2017 Bonds (the “*Series 2017 Bonds*”), all previously issued for the benefit of Good Samaritan; (d) in a principal amount not to exceed \$10,000,000, to refund all or a portion of the outstanding \$9,309,427.76 original principal amount Morton County, North Dakota Nursing Facilities Revenue Refunding Bonds (Sanford Living Centers Project), Series 2014C (the “*Sanford Series 2014C Bonds*”) and \$2,137,912.42 original principal amount Morton County, North Dakota Nursing Facilities Revenue Refunding Bonds (Sanford Living Centers Project), Series 2014E (the “*Sanford Series 2014E Bonds*” and, together with the Sanford Series 2014C Bonds, the “*Sanford Series 2014 Bonds*”), (e) in a principal amount not to exceed \$10,000,000, to finance or reimburse the cost of remodeling, renovating, furnishing and equipping certain of Sanford’s or Good Samaritan’s (or any tax-exempt affiliate thereof) health care and/or senior living facilities located in several jurisdictions throughout the United States, including in Volusia County, Florida; (f) to pay a portion of the interest on the Series 2019 Bonds, if deemed necessary or advisable by the Authority or Sanford; (g) to provide working capital, if deemed necessary or advisable by the Authority or Sanford; (h) to fund a debt service reserve fund, if deemed necessary or advisable by the Authority or Sanford; and (i) to pay certain expenses incurred in connection with the issuance of the Series 2019 Bonds (collectively, the “*Financing Purposes*”).

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The proceeds of the Series 2012 Bonds were used, among other things, to finance and refinance the costs of the acquisition, construction, improvement and equipping of certain skilled nursing facilities and other health care and senior living facilities owned and operated by Good Samaritan, fund a debt service reserve fund and pay costs of issuance.

The proceeds of the Series 2013 Bonds were used, among other things, to finance and refinance the costs of the acquisition, construction, improvement and equipping of certain skilled nursing facilities and other health care and senior living facilities owned and operated by Good Samaritan, fund a debt service reserve fund and pay costs of issuance.

The proceeds of the Series 2015 Bonds were used, among other things, to finance and refinance the costs of the acquisition, construction, improvement and equipping of certain skilled nursing facilities and other health care and senior living facilities owned and operated by Good Samaritan, fund a debt service reserve fund and pay costs of issuance.

The proceeds of the Series 2017 Bonds were used, among other things, to finance and refinance the costs of the acquisition, construction, improvement and equipping of certain skilled nursing facilities and other health care and senior living facilities owned and operated by Good Samaritan, including at Good Samaritan Florida Lutheran described above, fund a debt service reserve fund and pay costs of issuance.

The proceeds of the Sanford Series 2009 Bonds were used, among other things, to pay or reimburse Sanford and its affiliates for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain of the health facilities owned and operated by Sanford or its affiliates.

The proceeds of the Sanford Series 2014 Bonds were used, among other things, to refinance indebtedness used to finance or reimburse the cost of the acquisition, construction, expansion, remodeling, renovation, furnishing and equipping of skilled nursing facilities owned and operated by Sanford Living Centers, an affiliate of Sanford.

The Bank Loans were used, among other things, to finance, refinance indebtedness used to finance, or reimburse the cost of the acquisition, construction, expansion, remodeling, renovation, furnishing and equipping of senior living facilities owned and operated by Good Samaritan or its affiliates.

All property and facilities to be financed or refinanced with the proceeds of the Series 2019 Bonds have been and will be owned and operated by Sanford, Good Samaritan or a tax-exempt affiliate thereof.

The Series 2019 Bonds will constitute special limited obligations of the Authority payable solely from amounts received by the Authority pursuant to a loan agreement between the Authority and Sanford. The Volusia County Industrial Development Authority will not issue the Series 2019 Bonds, nor will the Volusia County Industrial Development Authority, Volusia County nor the State of Florida have any liability with respect to the Series 2019 Bonds or the sale or offering thereof.

Interested persons wishing to express their views on the issuance of the Series 2019 Bonds or on the nature and location of the health care and/or senior living facility in Volusia County proposed to be financed or refinanced may attend the public hearing or, prior to the time of the hearing, submit written comments.

Additional information concerning the above matter may be obtained from and written comments should be addressed to the Volusia County Industrial Development Authority, Daytona Beach International Airport, 700 Catalina Drive, Suite 200, Daytona Beach, Florida 32114. A complimentary parking pass (that is, free parking) will be provided for those attending this meeting. Parking is located next to the passenger terminal.

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the County of Volusia ("County") will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of County, should contact the office of the County's ADA Title II Coordinator, Mr. George Baker, at (386) 248-1760 as soon as possible but no later than 2 business days before the scheduled event or meeting. This paragraph shall likewise apply to written requests by a physically handicapped person needing a special accommodation to attend a public meeting in accordance with section 286.26, Florida Statutes.

A copy of the County's *Notice under the Americans with Disabilities Act (Title II)* can be obtained at <https://www.volusia.org/core/fileparse.php/4175/urlt/ADANotice.pdf> or requested from the County's ADA Title II Coordinator at the telephone number listed above.

If a person decides to appeal any decisions made by the authority with respect to any matter considered at such meeting, such person will need a record of the proceedings, and for such purpose, such person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

Dennis Stark, Chairman

Volusia County Industrial
Development Authority

NOTICE DATED: September 17, 2019