

**BEFORE THE CITY COUNCIL OF THE
CITY OF PORT ST. LUCIE, FLORIDA**

Resolution No. 11-R80

**RESOLUTION RELATING TO
MARTIN MEMORIAL MEDICAL CENTER, INC.;
PROVIDING FOR AN EFFECTIVE DATE OF NOVEMBER 14, 2011**

WHEREAS, Martin Memorial Medical Center, Inc. (the "Martin Medical"), a Florida not-for-profit corporation, has represented to the City Council of the City of Port St. Lucie (the "City Council") that Martin Medical now owns and operates two acute-care hospitals in Stuart and Port Salerno, Florida; and

WHEREAS, the Martin County Health Facilities Authority (the "Authority") has represented to the City Council that the Authority has heretofore issued and delivered: (1) \$21,205,000 aggregate principal amount of its Hospital Revenue Refunding Bonds, Series 1997B (Martin Memorial Medical Center) (the "Series 1997B Bonds"), (2) \$20,000,000 aggregate principal amount of its Hospital Revenue Bonds, Series 1998 (Martin Memorial Medical Center Project) (the "Series 1998 Bonds"), (3) \$16,295,000 Hospital Revenue Refunding Bonds, Series 2002B (Martin Memorial Medical Center) (the "Series 2002B Bonds"), (4) \$10,000,000 Hospital Revenue Bonds, Series 2005 (Martin Memorial Medical Center Project) (the "Series 2005 Bonds"), (5) \$13,930,000 Hospital Variable Rate Demand Revenue Bonds, Series 2007A (Martin Memorial Medical Center) (the "Series 2007A Bonds"), (6) \$17,190,000 Hospital Variable Rate Demand Revenue Bonds, Series 2007B (Martin Memorial Medical Center) (the "Series 2007B Bonds") and (7) \$24,095,000 Hospital Revenue Bonds, Series 2010 (Martin Memorial Medical Center) (the "Series 2010 Bonds" and, together with the Series 1997B Bonds, the Series 1998 Bonds, the Series 2002B Bonds, the Series 2005 Bonds, the Series 2007A Bonds and the Series 2007B Bonds, the "Prior Bonds"); and

WHEREAS, the Authority has heretofore entered into the \$10,000,000 Master Lease and Sublease Agreement dated as of July 1, 2008 among Banc of America Public Capital Corp, as lessor, the Authority, as lessee, and the Medical Center, as sub-lessee; and

WHEREAS, in order to more effectively provide adequate health care facilities and services the Authority and the City of Port St. Lucie, Florida (the "City") entered into an Interlocal Agreement dated as of June 14, 2011, authorizing the Authority to issue the Bonds; and

WHEREAS, the Authority has represented to the City Council that Martin Medical has requested it to: (i) finance a portion of the costs of acquiring, constructing, renovating and equipping certain health care facilities including an approximately 82-bed acute care hospital in the City of Port St. Lucie, in St. Lucie County (the "Project"), (ii) finance or reimburse Martin Medical for a portion of the costs of acquiring, constructing, renovating and equipping certain improvements at the existing health care facilities of Martin Medical (the "Capital Improvements"), (iii) refinance certain outstanding indebtedness (the "Refunded Bonds") the Authority incurred for the benefit of Martin Medical, (iv) fund a debt service reserve fund, (v) pay capitalized interest on the Bonds (hereinafter defined) through the completion of

construction of the Project, and (vi) finance the costs of issuing the Bonds and refinancing the Refunded Bonds. The health care facilities are owned and operated by Martin Medical; and

WHEREAS, the Authority is a public body corporate and politic created by the Board of Martin County, Florida pursuant to the Health Facilities Authority Law of the State of Florida, as amended, and is a Local Agency under Part II, of the Florida Industrial Development Financing Act, as amended (collectively, the "Act") and is authorized to issue revenue bonds for the purpose of financing hospital facilities; and

WHEREAS, the Authority has represented to the City Council that Martin Medical has requested the Authority to assist Martin Medical in providing funds for the above described purposes; and

WHEREAS, the Authority has represented to the City Council that in order to provide funds to accomplish the foregoing, Martin Medical has proposed that the Authority issue its Hospital Revenue Bonds, Series 2012 (Martin Memorial Medical Center Project) (the "Bonds"), in a principal amount not to exceed \$195,000,000; and

WHEREAS, the Authority has represented to the City Council that in order to preserve the ability of the Authority to issue tax-exempt revenue bonds and to comply with federal tax law it will be necessary for the City Council to approve the portion of the bond issue allocated to the City; and

WHEREAS, the City Council, at the request of the Authority, has heretofore held a public hearing on this date with respect to the issuance of the Bonds and the application of the proceeds thereof; and

WHEREAS, the City Council has been requested to approve said Bonds allocated to the City for purposes of complying with Section 147(f) of the Internal Revenue Code of 1986 (the "Code"):

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ST. LUCIE, FLORIDA, THAT:

1. The Bonds allocated to the City and the issuance thereof by the Authority are hereby approved.

2. The financing of the Project with the proceeds of the Bonds is hereby approved pursuant to and in accordance with Section 147(f) of the Code.

3. Pursuant to Chapter 154, Part III, Florida Statutes, as amended, and Resolution No. 82-2.13 of the Board of County Commissioners of Martin County, Florida, the Bonds shall not be deemed to constitute a debt, liability, or obligation of the Authority, the City, the State of Florida or Martin County, or a pledge of the faith and credit of the Authority, the City, the State of Florida or Martin County, but shall be limited, special obligation of the Authority payable solely from the revenues provided therefor in the approving resolution and other documents of the Authority. The Bonds shall contain on the face thereof a statement to the effect that the Authority shall not be obligated to pay the same or the interest thereon except from certain revenues under the Loan Agreement and as otherwise provided in the approving resolution and that neither the faith and credit nor the taxing power of the Authority, the City, Martin County, the State of Florida or of any political subdivision thereof is pledged to the payment of the principal or of the interest on such Bonds. The issuance of the Bonds shall not directly, indirectly, or contingently obligate the Authority, the City, the State of Florida or Martin County to levy or to pledge any form of taxation whatever therefor after approval from any other revenue or payment thereof.

4. All resolutions and orders or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

This Resolution will become effective November 14, 2011.

Duly passed and adopted this 14th day of November, 2011.

**CITY COUNCIL OF THE CITY OF PORT ST.
LUCIE, FLORIDA**

By: _____
JoAnn M. Faiella, Mayor

ATTEST:

Karen A. Phillips, City Clerk

Approved as to form and correctness:
By: _____
Roger Orr, City Attorney

CERTIFICATE OF THE CITY COUNCIL

I, _____, the undersigned, the duly qualified and acting _____ of the City Council of the City of Port St. Lucie, Florida do hereby certify as follows:

1. Resolution No 11-R80 (the "Resolution") attached hereto as Exhibit A is a true and correct copy of the Resolution adopted by the City Council of the City of Port St. Lucie, Florida (the "City Council") on November 14, 2011, at a meeting at which a quorum of the City Council was present and voting throughout said meeting. The Resolution was duly introduced and read at said meeting and the Resolution was duly adopted by a majority of the City Council members present and voting at said meeting.

2. All legal actions relative to the adoption of the Resolution were taken at a meeting of the City Council which was open to the public, and all deliberations of said City Council and of its committees and subcommittees, if any, which resulted in such legal action were taken in meetings open to the public, and in full compliance with applicable legal requirements, including Chapter 286.011, Florida Statutes, as amended.

3. Notice for the meeting of the City Council at which the Resolution was adopted was duly given in accordance with the law.

4. The Resolution has not been altered, amended, or repealed as of the date hereof.

IN WITNESS WHEREOF, this Certificate is executed and delivered this 14th day of November, 2011.

JoAnn M. Faiella, Mayor
of the City Council of the City of Port St.
Lucie, Florida

(SEAL)

CITY COUNCIL AGENDA ITEM SUMMARY

TITLE

HEARING OF THE CITY COUNCIL OF THE CITY OF PORT ST. LUCIE REGARDING THE ISSUANCE BY THE MARTIN COUNTY HEALTH FACILITIES AUTHORITY OF CERTAIN OBLIGATIONS TO PROVIDE FOR THE FINANCING OF CERTAIN COSTS OF ACQUIRING, CONSTRUCTING AND EQUIPPING CERTAIN HEALTH FACILITIES INCLUDING AN APPROXIMATELY 82-BED ACUTE CARE HOSPITAL IN THE CITY OF PORT ST. LUCIE AND OF CERTAIN IMPROVEMENTS TO THE EXISTING HEALTH CARE FACILITIES OF MARTIN MEMORIAL MEDICAL CENTER, INC. AND FOR THE REFUNDING OF CERTAIN EXISTING INDEBTEDNESS OF THE AUTHORITY AND RESOLUTION TO APPROVE THE OBLIGATIONS TO BE ISSUED BY THE AUTHORITY.

BACKGROUND / RELATED STRATEGIC GOAL

Martin Medical has requested the Martin County Health Facilities Authority issue up to \$195,000,000 principal amount of Hospital Revenue Bonds pursuant to a Bond Trust Indenture, dated as of February 1, 2012, between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee. The Authority is considering the adoption of a resolution authorizing the issuance of the bonds. Section 147(f) of the Internal Revenue Code requires the City Council of the City of Port St. Lucie to approve the issuance of the allocation of bonds for the City of Port St. Lucie in order for interest on such bonds to be excluded from gross income for federal income tax purposes. Notice of a Public Hearing to be held by the City Council at its meeting on November 14, 2011 was advertised in *The Palm Beach Post* on October 31, 2011, which is at least 14 days prior to the meeting date.

Attached is the form of the Notice of Public Hearing published on October 31, 2011, and a proposed Resolution of the City Council approving the issuance of the bonds allocated to the City of Port St. Lucie, pursuant to Section 147(f) of the Internal Revenue Code. Before approval of this transaction by the City Council, the City Clerk must receive from the Authority a proof of publication of the Notice of Public Hearing in the form of a Publisher's Affidavit from *The Palm Beach Post*.

Squire, Sanders & Dempsey (US) LLP, the City of Port St. Lucie's bond counsel, has reviewed and approved this agenda item and the accompanying resolution.

ISSUES

There is no known opposition to the Authority issuing bonds for the benefit of Martin Medical. The bonds will be payable from certain payments made and assigned under a Loan Agreement between the Authority and Martin Medical and shall not be deemed to constitute a debt, liability or general obligation of Martin County, the City of Port St. Lucie, the Authority, the State of Florida or any political subdivision thereof, or a pledge of the faith and credit or taxing power of Martin County, the City of Port St. Lucie, the Authority, the State of Florida or any political subdivision thereof.

EXECUTIVE SUMMARY:

The Martin County Health Facilities Authority ("Authority"), at a meeting held on September 26, 2011 has been requested to issue up to \$195,000,000 principal amount of Hospital Revenue Bonds ("Bonds") for Martin Memorial Medical Center, Inc. ("Martin Medical") pursuant to a Bond Trust Indenture between the Authority and The Bank of New York Mellon Trust Company, N.A. The Bonds will be payable from certain funds pledged and assigned under a Loan Agreement between the Authority and Martin Medical and shall not be deemed to constitute a debt, liability or general obligation of the City of Port St. Lucie, Martin County, the Authority, the State of Florida or any political subdivision thereof, or a pledge of the faith and credit or taxing power of the City of Port St. Lucie, Martin County, the Authority, the State of Florida or any political subdivision thereof.

NOTICE OF PUBLIC HEARING

Notice is hereby given of a public hearing to be held by the City Council of the City of Port St. Lucie, Florida (the "City Council") on November 14, 2011 at 7:00 p.m., or as soon thereafter as the matter may be heard, at Port St. Lucie City Hall, 121 SW Port St. Lucie Boulevard, Port St. Lucie, Florida, regarding the proposed issuance by the Martin County Health Facilities Authority (the "Authority") of one or more series of Hospital Revenue Bonds, Series 2012 (Martin Memorial Medical Center) (the "Bonds") in an aggregate principal amount not to exceed \$195,000,000. The proceeds of the Bonds will be loaned to Martin Memorial Medical Center, Inc., a Florida not-for-profit corporation ("Martin Medical") to (i) finance a portion of the costs of acquiring, constructing, renovating and equipping certain health care facilities, including an approximately 82-bed acute care hospital in the City of Port St. Lucie, in St. Lucie County, Florida (the "Project"), (ii) finance or reimburse Martin Medical for a portion of the costs of acquiring, constructing, renovating and equipping certain improvements at the existing health care facilities of Martin Medical (the "Capital Improvements"), (iii) refinance certain outstanding indebtedness (the "Refunded Bonds") the Authority incurred for the benefit of Martin Medical, (iv) fund a debt service reserve fund, (v) pay capitalized interest on the Bonds through the completion of construction of the Project, and (vi) finance the costs of issuing the Bonds and refinancing the Refunded Bonds. The health care facilities are owned and operated by Martin Medical.

The Authority has represented to the City Council that the Project is anticipated to be located at 10000 Innovation Way, Port St. Lucie, Florida 34987. The Authority has represented to the City Council that the Capital Improvements are anticipated to be located at Martin Medical's facilities at 509 Riverside Drive, Stuart, Florida 34994; 501 East Osceola Street, Stuart, Florida 34994; 524 East Osceola Street, Stuart, Florida 34994; 2129 S.E. Ocean Blvd., Stuart, Florida 34996; 2127 S.E. Ocean Blvd., Stuart, Florida 34996; 2141 S.E. Ocean Blvd., Stuart, Florida 34996; 2191 S.E. Ocean Blvd., Stuart, Florida 34996; 2195 S.E. Ocean Blvd., Stuart, Florida 34996; 2384 S.E. Ocean Blvd., Stuart, Florida 34996; 2398 S.E. Ocean Blvd, Suite B, Stuart, FL 34996; 3496 N.W. Federal Highway, Jensen Beach, Florida 34994; 200 Hospital Avenue, Stuart, Florida 34994; 300 Hospital Avenue, Stuart, Florida 34994; 308 Hospital Avenue, Stuart, Florida 34994; 2100 S.E. Salerno Road, Stuart, Florida 34997; 2150 SE Salerno Road, Suite 108, Stuart, Florida 34997; 3066 S.W. Martin Downs Blvd., Palm City, Florida 34990; 11602 S.E. Federal Highway, Hobe Sound, FL 33455; 900 East Ocean Blvd., Stuart, FL, 34994; 1095 NW St. Lucie West Blvd., Port St. Lucie, FL; 1651 SE Tiffany Avenue #202, Port St. Lucie, FL.

The Authority has represented to the City Council that the Bonds will be payable from certain payments to be made and assigned under a Loan Agreement between the Authority and Martin Medical and shall not be deemed to constitute a debt, liability or general obligation of Martin County, the City of Port St. Lucie, Florida (the "City"), the Authority, the State of Florida or any political subdivision thereof, or a pledge of the faith and credit or taxing power of Martin County, the City, the Authority, the State of Florida or any political subdivision thereof. The Authority has no taxing power.

The Authority has represented to the City Council that the Public Hearing and this Notice are required by Section 147(f) of the Internal Revenue Code of 1986 (the "Code").

Persons attending the public hearing will be given an opportunity to express their views on the Project, the Capital Improvements, the refunding of the Refunded Bonds and the issuance of the Bonds. In accordance with the Americans With Disabilities Act, persons needing a special accommodation or an interpreter to participate in this proceeding should contact Carol at (772) 871-7325. Hearing impaired persons may call (772) 871-7325 to request assistance. In addition, written comments may be submitted to the City Council at the address set forth in the first paragraph hereof, until the date of the hearing. Directly following the hearing, the City Council will consider adoption of a resolution to approve the issuance of the Bonds allocated to the City for purposes of Section 147(f) of the Code. Matters affecting your personal and property rights may be heard and acted upon. An agenda of items to be considered at the meeting of the City Council will be available to the public after November 15, 2011, at the address set forth in the first paragraph hereof. The City Council may also discuss items not on the agenda as may be in the best interest of the public health, safety and welfare.

If any person decides to appeal any decision made with respect to any matter considered at the meeting or hearing of the City Council, that person will need a record of the proceedings and, for such purpose, that person may need to insure that a verbatim record of the proceedings is made, which record shall include the testimony and evidence upon which the appeal is to be based.

**CITY COUNCIL OF THE CITY OF PORT
ST. LUCIE**

Date: October 31, 2011

THE PALM BEACH POST
Published Daily and Sunday
West Palm Beach, Palm Beach County, Florida

PROOF OF PUBLICATION

STATE OF FLORIDA
COUNTY OF PALM BEACH

Before the undersigned authority personally appeared **Ellen Sanita**, who on oath says that she is **Call Center Revenue Manager** of The Palm Beach Post, a daily and Sunday newspaper, published at West Palm Beach in Palm Beach County, Florida; that the attached copy of advertising for a **Notice** in the matter **IO #RA280081** was published in said newspaper in the issues of **October 31, 2011**. Affiant further says that the said The Post is a newspaper published at West Palm Beach, in said Palm Beach County, Florida, and that the said newspaper has heretofore been continuously published in said Palm Beach County, Florida, daily and Sunday and has been entered as second class mail matter at the post office in West Palm Beach, in said Palm Beach County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that she/he has neither paid nor promised any person, firm or corporation any discount rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper. Also published in Martin and St. Lucie Counties.

Sworn to and subscribed before 31st day of October, A.D. 2011.
Who is personally known to me.

NOTARY PUBLIC-STATE OF FLORIDA

Karen M. McLinton
Commission #DD832672
Expires: NOV. 15, 2012
BONDED THRU ATLANTIC BONDING CO., INC.

NO. 6336988
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The Authority has represented to the City Council that the Public Hearing and this Notice are required by Section 147(f) of the Internal Revenue Code of 1986 (the "Code"). Persons attending the public hearing will be given an opportunity to express their views on the Project, the Capital Improvements, the refunding of the Refunded Bonds and the issuance of the Bonds. In accordance with the Americans With Disabilities Act, persons needing a special accommodation or an interpreter to participate in this proceeding should contact Carol at (772) 871-7325. Hearing impaired persons may call (772) 871-7325 to request assistance. In addition, written comments may be submitted to the City Council at the address set forth in the first paragraph hereof, until the date of the hearing. Directly following the hearing, the City Council will consider adoption of a resolution to approve the issuance of the Bonds allocated to the City for purposes of Section 147(f) of the Code. Matters affecting your personal and property rights may be heard and acted upon. An agenda of items to be considered at the meeting of the City Council will be available to the public after November 9, 2011, at the City Clerk's office. The City Council may also discuss items not on the agenda as may be in the best interest of the public health, safety and welfare.
If any person decides to appeal any decision made with respect to any matter considered at the meeting or hearing of the City Council, that person will need a record of the proceedings and, for such purpose, that person may need to insure that a verbatim record of the proceedings is made, which record shall include the testimony and evidence upon which the appeal is to be based.
CITY COUNCIL OF THE CITY OF PORT ST. LUCIE
Date: October 31, 2011

