

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: April 23, 2025

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$130,000,000 PRINCIPAL AMOUNT OF CITY OF MIAMI BEACH HEALTH FACILITIES AUTHORITY HOSPITAL REVENUE REFUNDING BONDS, SERIES 2025A (MOUNT SINAI MEDICAL CENTER OF FLORIDA), BY THE CITY OF MIAMI BEACH HEALTH FACILITIES AUTHORITY, INCLUDING THE APPROVAL REQUIRED BY SECTION 147(F) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; PROVIDING THAT SAID BONDS SHALL NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE CITY OR THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF BUT SHALL BE PAYABLE SOLELY FROM THE REVENUES PROVIDED THEREFOR; AND PROVIDING AN EFFECTIVE DATE.

RECOMMENDATION

The Administration recommends that the Mayor and City Commission of the City of Miami Beach, Florida (the "City") adopt this Resolution which approves the Bond Resolution of the Miami Beach Health Facilities Authority (the "Authority") and the issuance and sale of the Bonds by the Authority as detailed above, including the approval of the plan of financing regarding the issuance of the Bonds in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended.

BACKGROUND/HISTORY

By approving this Resolution, the City Commission is approving the issuance and sale of not to exceed \$130,000,000 principal amount of City of Miami Beach Health Facilities Authority Hospital Revenue Refunding Bonds, Series 2025A (Mount Sinai Medical Center of Florida) (the "Bonds").

The proceeds of the Bonds will be loaned to Mount Sinai Medical Center of Florida, Inc., a not-for-profit corporation organized under the laws of the State of Florida (the "Medical Center"), and used to (a) refund all or a portion of the City of Miami Beach Health Facilities Authority Hospital Revenue and Refunding Bonds, Series 2014 (Mount Sinai Medical Center of Florida) (the "Refunded Bonds") previously issued for the Medical Center, and (b) pay expenses in connection with the issuance of the Bonds and refunding the Refunded Bonds.

The Bonds will not constitute debt or obligation of the City or of the State of Florida or of any political subdivision thereof, but shall be payable solely from the revenues referred to in the Bonds Resolution, and neither the faith and credit nor any taxing power of the City or of the State of Florida or of any political subdivision thereof is pledged to the payment of the principal of, redemption premium, if any, or interest on the Bonds.

ANALYSIS

The City Commission of the City adopted Ordinance No. 90-2701 on July 25, 1990, creating the Authority to assist health facilities in the acquisition, construction, financing, and refinancing of health facility related projects in the City.

Such Ordinance, as amended, provides that the Authority can issue bonds and notes to provide funds to pay all or part of the cost of any project or any other lawful purpose and to issue refunding bonds. The Ordinance provides that the City Commission must approve any bonds issued by the Authority as the final step in the approval process.

The Refunded Bonds are outstanding in the principal amount of \$126,635,000. Given historically low interest rates, the Medical Center has the opportunity to refinance the Refunded Bonds for interest rate and cashflow savings. It is estimated that the refunding will generate approximately \$6-\$11 million of total net present value savings assuming current interest rates.

The Authority held a public hearing on April 17, 2025, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, to provide all interested persons an opportunity to express their views in connection with the Authority's proposed plan of financing regarding the issuance of the Bonds. The Authority then adopted the Bond Resolution authorizing the issuance of the Bonds.

FISCAL IMPACT STATEMENT

No impact to the City.

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

FINANCIAL INFORMATION

CONCLUSION

The Administration recommends that the Mayor and City Commission of the City of Miami Beach, Florida adopt this Resolution which approves the Bond Resolution and the issuance and sale of the Bonds by the Authority as detailed above, including the approval of the plan of financing regarding the issuance of the Bonds in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended.

Applicable Area

Citywide

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

No

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

Finance

Sponsor(s)

Co-sponsor(s)

Condensed Title

Issuance/Sale, MB Health Facilities Authority Hospital Revenue Refunding Bonds, Series 2025A. FN

Previous Action (For City Clerk Use Only)