

# Memorandum

MIAMI-DADE  
COUNTY

**Date:** November 28, 2006

**To:** Honorable Chairman Joe A. Martinez and  
Members, Board of County Commissioners

Agenda Item No. 10(G)(1)(A)

**From:** George M. Burgess  
County Manager

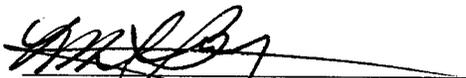
**Subject:** Acquisition of Parkway Regional Medical Center for \$35,000,000

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The attached item is being placed on the Board of County Commissioner's agenda at the request of Larry Handfield, Chairman of the Public Health Trust. Because title to the real property of the acquired hospital will vest in the County, this Board's approval is required under the Public Health Trust's ordinance, Chapter 25A-4(d).

PHT Chairman Handfield in the Trust's Memorandum requests that this item be submitted for the earliest possible approval by COSHAC and the Commission because closing the transaction no later than December 10, 2006 is in the best interest of the Public Health Trust. He notes that delayed action can result in a negative outcome to this transaction and we have been asked for your utmost consideration for the timely resolution of this item.

Attachment

  
Mae D. Bryant, Ph.D.  
Assistant County Manager

Date: October 18, 2006

To: Honorable Chairman Joe A. Martinez  
and Members, Board of County Commissioners

From: Larry Handfield, Chairman  
Board of Trustees  
Public Health Trust

Subject: Resolution Approving Acquisition of Parkway Regional Medical Center  
by the Public Health Trust for \$35,000,000

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RECOMMENDATION

It is recommended that the Board of County Commissioners approve the attached resolution approving the Asset Sale Agreement dated October 10, 2006, for the acquisition by the Public Health Trust of Parkway Regional Medical Center, as an ongoing hospital business, including its personal property and other assets used in its operation. The Asset Sale Agreement, as negotiated and executed by the President of the Public Health Trust, was approved by the Public Health Trust, subject to Commission approval, at the Public Health Trust's meetings of October 5 and 11, 2006.

Under the Public Health Trust's Ordinance, Chapter 25A-4(d), the Commission must approve the purchase of real property by the Trust, and title to all real estate acquired vests in the County. The name of this newly designated facility of Public Health Trust upon acquisition will be "Jackson North Medical Center," which naming is achieved by a separate resolution.

This item has been prepared by the Public Health Trust.

OWNERS/SELLERS: North Miami Medical Center, Ltd., a Florida limited partnership ("NMM"), and RHC Parkway, Inc., a Delaware corporation ("RHC") (together with NMM, the "Sellers"). Both companies are affiliates of Tenet Healthcare Corporation, which is a guarantor of, but not a party to, the sale.

LOCATION: 160 NW 170<sup>th</sup> Street, North Miami Beach, Florida,

COMMISSION DISTRICT: Commission District 2, the Honorable Dorrin D. Rolle

- TAX FOLIO NUMBERS:
- a. Commercial Arlington/Plat Book 30-39:  
0721120080010; 0721120080015.
  - b. Parkway Estates/ Plat Book 64-37:  
0721120180170; 0721120180180; 0721120180190;  
0721120180200; 0721120180210; 0721120180220;  
0721120180280; 0721120180290; 0721120180300.
  - c. Oleta Terrace/ Plat Book 8-117:  
0721130070020; 0721130070080; 0721130070090;  
0721130070100; 0721130070180; 0721130070190;  
0721130070200; 0721130070380 and 0721130070101.

PROPERTY DESCRIPTION: Parkway is a 382 bed acute care licensed hospital facility with approximately 800 FTEs. The purchase price includes the assumption of nearly all existing contracts and acquisition of all personal property (equipment and furniture) in the facility (net book value of \$3.3 million as of 12/31/05). There are three long term ground leases of property on the campus to a third party for two medical office buildings and a parking garage.

SIZE: Approximately 17.95 acres; gross building area of the Hospital is approximately 349,073 square feet

PURCHASE PRICE: \$35,000,000

APPRAISED VALUE: (1) \$33,700,000 - equivalent to \$1,877,437 per-acre.  
(real property only) (2) \$35,600,000 - equivalent to \$1,983,287 per-acre.

ZONING: CF (Community Facility). RD (Residential, 2 family)

**TITLE MERGER:** On closing, the County will receive fee simple title to the acquired property from RHC (one of the Sellers), pursuant to Chapter 25A-4(d) (under which title to real property purchased by the Public Health Trust, subject to County approval, vests in the County). From the other Seller, NMM, the County will acquire leasehold title to the same real estate. The resolution authorizes the County Manager to execute instruments to accomplish the merger of these two titles.

**BACKGROUND:** Attached is the resolution of the Public Health Trust approving the proposed Agreement, recommending the purchase to the Board of County Commissioners, summarizing the Asset Sale Agreement and setting forth the business case for the acquisition.

**JUSTIFICATION:** By adding much needed hospital bed capacity to the Jackson Health System (JHS), this acquisition will improve access to JHS services by all patients regardless of their ability to pay, especially those in the northern end of the county, and move JHS closer to truly being a county-wide health care system. The acquisition offers a significant opportunity to decompress Jackson Memorial Hospital. The purchase price of Parkway, considered on a per bed price basis (\$91,623), is reasonable based on comparison with the industry average purchase price of \$379,000 per bed and new construction costs of \$1.2 million to \$1.5 million per bed.

**FUNDING SOURCES:** \$150 Million Public Facilities Revenue Bond (Jackson Health System) Series 2005A and/or current capital funding received from the County. Resolution No. R 210-05 adopted on March 1, 2005 ("Series Resolution") that authorized the issuance of the County's \$148,535,000 Public Facilities Revenue Bonds (Jackson Health System) Series 2005A ("Bonds") included an Exhibit A which described the projects to be financed with bond proceeds ("Exhibit A"). The specific projects totaled \$125,000,000. Exhibit A also provided that a review committee had the authority without Board review to add capital projects eligible for funding from any additional proceeds and interest earnings that result from the sale of the Bonds and the related refunding. Because of time constraints related to the purchase of Parkway Hospital, however, PHT is requesting that the Board add the purchase of Parkway to the eligible project list in Exhibit A and that the additional \$19 million in bond proceeds and approximately \$6 million in interest earnings be allocated to such purchase.

  
Larry Handfield, Chairman

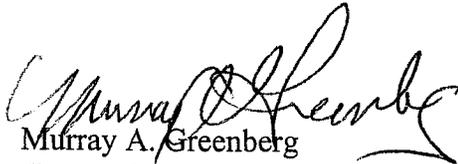


# MEMORANDUM

(Revised)

**TO:** Honorable Chairman Joe A. Martinez  
and Members, Board of County Commissioners

**DATE:** November 28, 2006

**FROM:**   
Murray A. Greenberg  
County Attorney

**SUBJECT:** Agenda Item No. 10(G)(1)(A)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 10(G)(1)(A)  
11-28-06

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING THE ASSET SALE AGREEMENT FOR THE ACQUISITION BY THE PUBLIC HEALTH TRUST OF PARKWAY REGIONAL MEDICAL CENTER AND ASSETS USED IN THE OPERATION OF THE MEDICAL CENTER FOR \$35,000,000; AUTHORIZING THE COUNTY MANAGER TO EXECUTE CLOSING INSTRUMENTS FOR AND ON BEHALF OF MIAMI-DADE COUNTY AS SET FORTH IN THE ASSET SALE AGREEMENT, INCLUDING MERGING FEE SIMPLE TITLE AND LEASEHOLD TITLE TO THE PROPERTY; AND APPROVING THE ACQUISITION AS AN ELIGIBLE PROJECT FOR FUNDING FROM CERTAIN BOND PROCEEDS

**WHEREAS**, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that this Board approves the Asset Sale Agreement, dated October 10, 2006, between the North Miami Medical Center, Ltd., and RHC Parkway, Inc., as Sellers, and the Public Health Trust, as an agency and instrumentality of Miami-Dade County, as Purchaser, of the property and ongoing hospital business known as Parkway Regional Medical Center, whose principal address is 160 NW 170<sup>th</sup> Street, North Miami Beach, Florida, and its assets used in the operation of the Medical Center, for \$35,000,000; authorizes the County Manager to execute closing documents on behalf of Miami-Dade County as set forth in the Asset Sale Agreement, including merging the acquired fee simple title to the property with acquired leasehold title; and approves the acquisition as a capital project

eligible for funding from available Series 2005 bond proceeds and any interest earnings on such proceeds.

The foregoing resolution was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

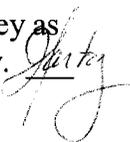
Joe A. Martinez, Chairman	
Dennis C. Moss, Vice-Chairman	
Bruno A. Barreiro	Jose "Pepe" Diaz
Audrey M. Edmonson	Carlos A. Gimenez
Sally A. Heyman	Barbara J. Jordan
Dorin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 28<sup>th</sup> day of November, 2006. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency. 

Jack P. Hartog