OFFICIAL FILE COPY
CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 10(E)(1)(A)
03-06-07

RESOLUTION NO. R-259-07

RESOLUTION APPROVING ISSUANCE OF MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY REVENUE BONDS IN AN AMOUNT NOT TO EXCEED $3,238,000 TO FINANCE A CAPITAL PROJECT FOR A SOCIAL SERVICE CENTER BENEFITING MIAMI BEHAVIORAL HEALTH CENTER, INC. FOR PURPOSES OF AND PURSUANT TO SECTION 147(F) OF INTERNAL REVENUE CODE OF 1986, AS AMENDED

WHEREAS, Miami Behavioral Health Center, Inc., a 501(c)(3) Florida corporation (the "Company"), has requested the Miami-Dade County Industrial Development Authority (the "Authority") to issue not exceeding $3,238,000 aggregate principal amount of its Revenue Bonds (Miami Behavioral Health Center, Inc. Project) (the "Bonds"), the proceeds of which will be used for the purpose of refinancing the cost of the acquisition of a "social service center" constituting an existing two-story building containing approximately 49,200 square feet and the site therefore containing approximately 25,107 square feet, located at 3850 West Flagler Street, Miami, Florida, to be owned and operated by the Company or an affiliate thereof, and pay costs of issuance of the Bonds (the "Project"); and

The foregoing resolution was offered by Commissioner

Joe A. Martinez , who moved its adoption. The motion was seconded by Commissioner Jose "Pepe" Diaz and upon being put to a vote, the vote was as follows:

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

The Chairperson thereupon declared the resolution duly passed and adopted this 6th day of March, 2007. 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: KAY SULLIVAN
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.
Gerald T. Heffernan

Memorandum

MIAMI-DADE COUNTY

Date: March 6, 2007

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

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Resolution Approving Issuance of Industrial Development Revenue Bonds for Miami Behavioral Health Center, Inc. Project

---

The attached Resolution is being placed on the agenda for Board consideration on behalf of the Miami-Dade County Industrial Development Authority (IDA). The item approves the issuance of industrial development revenue bonds by IDA for Miami Behavioral Health Center, Inc. after a public hearing was held by the Industrial Development Authority on January 4, 2007.

Section 147(f) of the Internal Revenue Code of 1986 ("TEFRA") requires that the Board of County Commissioners approve the issuance of industrial development revenue bonds after a public hearing has been held either by the Miami-Dade County Industrial Development Authority or the Board itself. For efficiency, the Board has allowed the Miami-Dade County Industrial Development Authority to conduct the public hearing subject to review and ratification by the Board.

Neither the Miami-Dade County Industrial Development Authority nor Miami-Dade County has any liability with respect to the repayment of the bonds.

Attachments

Cynthia W. Curry
Senior Advisor to the County Manager

MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: March 6, 2007

FROM: Murray A. Greenberg County Attorney

SUBJECT: Agenda Item No. 10(E)(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**

WHEREAS, the Authority intends to issue the Bonds subject to approval by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") and final approval by the Authority of the financing documents for the Project, which is more particularly described in the report prepared by the Executive Director of the Authority (a copy of which is attached hereto as Exhibit A); and

WHEREAS, on Thursday, January 4, 2007, the Authority held a public hearing, notice of which was published on Thursday, December 21, 2006 in The Miami Herald (a copy of which notice is attached hereto as Exhibit B), for the purpose of giving all interested persons an opportunity to express their views in connection with the issuance of the Bonds, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, after reviewing a copy of the transcript of the Authority's public hearing held on Thursday, January 4, 2007, in respect of the Bonds (a copy of which transcript is attached hereto as Exhibit C), and finding that the Project will inure to the benefit of the citizens of Miami-Dade County, this Board

desires to approve the issuance of the Bonds for the purpose of complying with Section 147(f) of the Code;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. The issuance of Revenue Bonds of the Miami-Dade County Industrial Development Authority in an aggregate principal amount not to exceed $3,238,000 for the purpose of financing OR refinancing all or a portion of the costs of the Project, as previously described, is approved.

Section 2. The Bonds and the interest on the Bonds shall not constitute a debt, liability or general obligation of the Authority, the County or of the State of Florida or of any political subdivision thereof, but shall be payable solely from the revenues or other moneys specifically provided by the Company for the payment of the Bonds and neither the faith and credit nor any taxing power of the Authority, the County or of the State of Florida or of any political subdivision thereof is pledged to the payment of the principal or interest on the Bonds.

MIAMI BEHAVIORAL HEALTH CENTER, INC.

THE COMPANY

Miami Behavioral Health Center, Inc. (MBHC) was organized on November 22, 1977 as a 501(c) (3) not-for-profit corporation. The principal office of MBHC is located at 11075 NE 6th Ave, unincorporated Miami-Dade County. Banyan Health Foundation Inc. (the "Foundation") a Florida not-for-profit corporation operates as the parent company to MBHC and other related entities. The Foundation's function is to coordinate resource allocation for its related entities and provide them with strategic direction and oversight. The entities under the Foundation are Spectrum Programs Inc., Spectrum Programs Real Estate Holdings Inc., Spectrum Foundation, Inc., Miami Behavioral Health Center Inc., MMHC Holding Corporation and Phoenix Manor, Inc.

MBHC provides mental health, substance abuse, and housing services to residents in the South Florida region. Communities serviced in Miami-Dade County by MBHC include Silver Bluff, Shenandoah, Brickell Estates, Little Havana, Key Biscayne, Coconut Grove, Coral Gables, South and West Miami, Sweetwater, Westchester, and others. Because of its location in the heart of and close to many immigrant communities, MBHC reports it plays a major role in the treatment of Cuban and other Hispanic Refuge and Entrant populations while also serving non-Hispanic White, African Americans, and Haitian clients. MBHC notes its services are provided for fees in accordance with the client's ability to pay.

MBHC notes it coordinates its programs with other community agencies including: Safespace, Department of Children and Families (Florida's children and families protective agency), La Lucha (legal and immigration services for women and children of domestic violence), Department of Health, The United Way (and its affiliates), and other community service providers vital to the welfare of its clients and their family members. MBHC's goal is to empower the individual and the family members affected by substance abuse, domestic violence, and mental health issues. MBHC reports it is licensed by the Department of Children and Families and by the Agency for Health Care Administration and that its programs are fully accredited by the Commission on Accreditation of Rehabilitative Facilities.

THE PROJECT

Miami Behavioral Health Center, Inc. is requesting Industrial Development Revenue Bond financing assistance in an amount not to exceed $3,238,000 to facilitate the refinancing of a mortgage Bridge Loan that was obtained on June 29, 2005 from BPD Bank of New York. The Bridge Loan was used to acquire an existing property which the Center has occupied for many years located at 3850 W Flagler Street in the City of Miami. The company reports the BPD Bridge Loan will mature on January 1, 2007 and the loan is expected to be assumed and extended by SunTrust Bank, the proposed letter of credit provider, for the time period necessary to complete the bond financing transaction.

Elements of the proposed project include:

1. **Refinancing of mortgage on existing two-story building, including: ---------- $2,850,000**
   - *Land – approximately 25,107sq. ft.*
   - *Building – approximately 49,200 sq. ft.*

Memorandum

MIAMI-DADE COUNTY

Date: March 6, 2007

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: Albert Morrison, Jr.
Miami-Dade County
Industrial Development Authority

Subject: Application for Industrial Development Revenue Bond financing for Miami Behavioral Health Center, Inc. project

---

RECOMMENDATION

It is recommended that the Board approve the issuance of the Authority's Industrial Development Revenue Bonds for the Miami Behavioral Health Center, Inc. project, as detailed in the attached reports.

BACKGROUND

Review and analysis of the project has been completed by the Authority, County Attorney's Office, and Bond Counsel. The Authority has conducted the federally required public hearing, as detailed in the attached public hearing transcript.

Miami Behavioral Health Center, Inc., a 501(c)(3) Florida not-for-profit corporation has applied for Industrial Development Revenue Bond financing assistance in a maximum principal amount not to exceed $3,238,000. The bond issue proceeds, which will be guaranteed by a letter of credit from a rated financial institution, will be used for the purpose of refinancing the cost of the acquisition of a social service center constituting an existing two-story building containing approximately 49,200 square feet and the site therefore containing approximately 25,107 square feet, located at 3850 West Flagler Street, Miami, Florida, to be owned and operated by the Company or an affiliate thereof, and pay costs of issuance of the Bonds. Miami Behavioral Health Center, Inc. reports it currently employs over 400 persons in the South Florida area and projects 10 new job opportunities following completion of the project.

FINANCIAL SUFFICIENCY

Audited financial statements for Miami Behavioral Health Center, Inc. and M.M.H.C Holding Corporation for the fiscal years ended June 30, 2003, 2004, and 2005 have been provided, as well as drafts of the June 30, 2006 financial statements (to be audited).

A review of the submitted financial and related information indicates:

SOURCE OF FUNDS		USE OF FUNDS	
Bond Issue Proceeds*	$3,238,000	Mortgage Refinancing	$2,850,000
		Debt Service Reserve	323,240
		Bond Issuance Costs	64,760
TOTAL	**$3,238,000**	**TOTAL**	**$3,238,000**

* *Any costs related to the bond issue and development of the project which is not paid out of bond proceeds will be borne by the company.*

Information relative to the proposed financial structure includes:

Financial Structure:	Corporate Debt. Facility to be owned by M.M.H.C Holding Corporation and leased to Miami Behavioral Health Center, Inc. (MBHC). Banyan Foundation, Inc. will act as guarantor of the credit facility.
Security:	First mortgage on assets financed with bond proceeds.
Guarantee:	Letter of Credit or similar credit enhancement acceptable to Authority from a rated financial institution.
Marketing:	Private Placement.

LEGAL

Under the 1986 Tax Act, facilities for 501(c) (3) corporations are eligible for financing with tax-exempt Industrial Development Revenue Bonds provided that the project is part of the corporation's normal course of business. The Florida Industry Development Financing Act's definition of projects includes social service facilities, and Bond Counsel and County Attorney's Office previously advised that the Industrial Development Authority is an appropriate agency to issue bonds for social service projects. Also, bonds issued for the benefit of a 501(c)(3) corporation may include the refinancing of existing debt and these bonds are also exempt from the requirement of being included under the state bond volume cap.

ECONOMIC IMPACT

Miami Behavioral Health Center, Inc. reports they currently employ over 400 persons in the South Florida area with an estimated annual payroll of approximately $17,000,000 and that completion of the project will result in the creation of approximately 10 new job opportunities in Miami-Dade County with an attending payroll estimated at $300,000.

Exhibit B

MIAMI-DADE COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
TEFRA/PUBLIC HEARING

The Miami-Dade County Industrial Development Authority (the "Authority") has been requested to issue its Revenue Bonds in an aggregate principal amount not exceeding $3,238,000 (the "Bonds"), the proceeds of which will be used to make a loan or loans to Miami Behavioral Health Center, Inc. a Florida not for profit corporation and an organization described in Section 501(c)(3) of the United States Internal Revenue Code ("Borrower"), for the purpose of refinancing the cost of the acquisition of an existing two-story building containing approximately 49,200 square feet and the site therefore containing approximately 25,107 square feet, located at 3850 West Flagler Street, Miami, Florida, and pay costs of issuance of the Bonds (the "Project"). The Project will be operated by the Borrower as a social service center which provides mental health, substance abuse and housing services to residents of the South Florida region affected by substance abuse, domestic violence and mental health issues. Title to the Project may be held by M.M.H.C. Holding Corporation, a Florida not for profit corporation and an organization described in Section 501(c)(3) of the United States Internal Revenue Code, which is an affiliate of the Borrower and has the same board of directors and officers as the Borrower, in which case the Project will be leased to and operated by the Borrower.

The Bonds shall not be a debt, liability or obligation of the Authority or of Miami-Dade County, Florida, or of the State of Florida, or of any political subdivision thereof, but shall be payable solely from payments derived from the operation of the Project or the security instruments for the Bonds.

Please take note that the Authority will hold a public hearing on the Project and associated issues regarding the Bonds at the Brickell BayView Centre, 80 SW 8th Street, Suite 2801, Miami, Florida, on Thursday, January 4, 2007 commencing at 11:00 a.m. or shortly thereafter, at which time any person may be heard regarding the proposed issuance of said Bonds and the Project. The Authority will submit a transcript of the statements made at the hearing and written comments to the Board of County Commissioners, Miami-Dade County, Florida, which must approve or disapprove the issuance of the Bonds.

Exhibit C

MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

TRANSCRIPT OF PUBLIC HEARING

THURSDAY, JANUARY 4, 2007

At 11:00 a.m., the Executive Director of the Miami-Dade County Industrial Development Authority announced that the Authority would proceed to hold a public hearing on the issuance of Industrial Development Revenue Bonds. The following is a substantially verbatim account of the proceedings of this hearing.

The following persons were present:

James D. Wagner Jr. *Executive Director*	Miami-Dade County Industrial Development Authority	80 SW 8th Street, Ste. 2801 Miami, Florida 33130
Amanda Llovet *CFO*	Miami-Dade County Industrial Development Authority	80 SW 8th Street, Ste. 2801 Miami, Florida 33130
Cynthia Castillo *Assistant to Executive Director*	Miami-Dade County Industrial Development Authority	80 SW 8th Street, Ste. 2801 Miami, Florida 33130
Bruce Hayden *CEO*	Miami Behavioral Health Center, Inc.	11031 NE 6th Avenue Miami, Florida 33161
Elizabeth Martinez *Dir. of Accounting & Finance*	Miami Behavioral Health Center, Inc.	11031 NE 6th Avenue Miami, Florida 33161

Executive Director We will now conduct the public hearing on the proposed issuance of Industrial Development Revenue Bonds for the capital project located in Miami-Dade County.

This public hearing is being conducted pursuant to requirements of the Federal Tax Equity and Fiscal Responsibility Act of 1982. The Act requires that in order for the interest on Industrial Development Revenue Bonds to be exempt from Federal Income Tax, such proposed bonds must be approved by either a voter referendum or by an applicable elected legislative body after a public hearing following reasonable public notice.

We have received a copy of a notice advising that the Industrial Development Authority will hold a public hearing on the proposed issuance of Industrial Development Revenue Bonds to finance all or a portion of the capital costs associated with the project mentioned in that notice. The notice appeared in The Miami Herald on Thursday, December 21, 2006, page 5B.

We will now commence the public hearing. The hearing will be conducted in the following format: First, a brief synopsis of the proposed bonds and the project will be provided. Second, testimony from anyone desiring to speak will be heard. Anyone wishing to speak should give their name and address for the record.

The project for consideration is an Industrial Development Authority Revenue Bond issue for Miami Behavioral Health Center, Inc. in a maximum principal amount not to exceed $3,238,000. The bond proceeds of which will be used to make a loan or loans to Miami Behavioral Health Center, Inc. a Florida not for profit corporation and an organization described in Section 501(c)(3) of the United States Internal Revenue Code ("Borrower"), for the purpose of refinancing the cost of the acquisition of an existing two-story building containing approximately 49,200 square feet and the site therefore containing approximately 25,107 square feet, located at 3850 West Flagler Street, Miami, Florida, and pay costs of issuance of the Bonds. The Project will be operated by the Borrower as a social service center which provides mental health, substance abuse and housing services to residents of the South Florida region affected by substance abuse, domestic violence and mental health issues. Title to the Project may be held by M.M.H.C. Holding Corporation, a Florida not for profit corporation and an organization described in Section 501(c)(3) of the United States Internal Revenue Code, which is an affiliate of the Borrower and has the same board of directors and officers as the Borrower, in which case the Project will be leased to and operated by the Borrower.

Executive Director Action taken by the Authority to date includes a review of the project in accordance with Authority Guidelines and Procedures and the adoption of a Memorandum of Agreement which specifies the terms of the proposed bond issue.

Testimony will now be heard by anyone desiring to speak.

Let the record reflect that Bruce Hayden and Elizabeth Martinez are in attendance representing the applicant. Representatives, is there anything you would like to add?

Mr. Bruce Hayden We have nothing to add at this time.

Executive Director This concludes the public hearing scheduled for today. This project, together with a transcript of today's public hearing, will be forwarded to the Miami-Dade County Board of County Commissioners at a regular meeting, at which time the Commission will approve or disapprove the proposed issuance of Bonds by the Miami-Dade County Industrial Development Authority.