

Resolve 1-18/19

Passage: 8-0 (Duson absent) on 7/16/2018

Effective 7/26/2018

ETHAN K. STRIMLING (MAYOR)
BELINDA S. RAY (1)
SPENCER R. THIBODEAU (2)
BRIAN E. BATSON (3)
JUSTIN COSTA (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

KIMBERLY COOK (5)
JILL C. DUSON (A/L)
PIOUS ALI (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

**RESOLUTION APPROVING PUBLIC FINANCE AUTHORITY
REVENUE BOND FINANCING FOR
CEDARS NURSING CARE CENTER, INC. AND JHA ASSISTED LIVING, INC.**

WHEREAS, Cedars Nursing Care Center, Inc. and JHA Assisted Living, Inc. (collectively with other affiliates, “The Cedars”) operate an assisted living, nursing home and memory care facility at 620-650 Ocean Avenue, Portland, Maine (the “Facilities”); and

WHEREAS, The Cedars proposes to finance and refinance certain improvements at its Facilities (as described in more detail in the “Project Description” header below, the “Project”) (and to reimburse costs of the Project previously paid) in order to:

- Transition to the Household Model™ of person-directed care in a home environment;
- Construct a new three-story building to include:
 - an assisted living memory care household,
 - two long-term care households;
- Renovate existing space for rehabilitation and long-term care;
- Expand the Learning Community™;
- Refinance existing indebtedness that financed and refinanced the construction and equipping of and improvements to The Cedars senior living community, which included at that time, a 102 bed nursing home, a 30 unit assisted living facility, and a 61 unit apartment senior living community; and

WHEREAS, to finance the Project, The Cedars intends to enter into a tax-exempt bond financing transaction of up to \$55,000,000 issued by Public Finance Authority (the “Authority”), a national conduit bond issuer, domiciled in Wisconsin, constituting a commission organized under and pursuant to the provisions of Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended; and

WHEREAS, the bonds are expected to be issued by the Authority pursuant to Section 66.0304 of the Wisconsin Statutes, as amended; and

WHEREAS, the bonds will be special limited obligations of the Authority payable solely from the loan repayments to be made by the Cedars to the Authority, and certain funds and accounts established by the bond indenture, loan agreement and other financing documents for the bonds; and

WHEREAS, pursuant to Section 66.0304(11)(a) of the Wisconsin Statutes, prior to their issuance, bonds issued by the Authority must be approved by the governing body or highest

ranking executive or administrator of the political jurisdiction within whose boundaries the project is to be located; and

WHEREAS, Section 147(f) of the Internal Revenue Code (the “Code”) also requires that The Cedars obtain a local “host” approval of the bond issue for the Project; and

WHEREAS, Cedars has requested that the Portland City Council approve the financing of the Project and the issuance of the bonds in order to satisfy the requirements of Section 147(f) of the Code, Section 4 of the Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority, dated as of September 28, 2010 (the “Joint Exercise Agreement”), and Section 66.0304(11)(a) of the Wisconsin Statutes;

NOW THEREFORE, following a public hearing of the City Council of the City of Portland, Maine, held upon two-weeks published notice, **IT IS HEREBY RESOLVED THAT** the City Council hereby approves issuance of the bonds by the Authority to finance the Project as follows:

Bond Issuer: Public Finance Authority

Project Owner / User: Cedars Nursing Care Center, Inc.
JHA Assisted Living, Inc.
JHA Development I, Inc.
JHA Development II, Inc.
JHA Services, Inc.
The Cedars Foundation, Inc.
JHA Management Services, LLC

Project Location: 620-650 Ocean Avenue, Portland, Maine

Project Description: (i) Improvements to The Cedars senior living community, including:
a. Construction and equipping of a new health care center, anticipated to contain approximately 20 assisted living or memory care units, approximately 40 long term care skilled nursing units, common areas, and other related improvements, and
b. Renovations to and equipping of the existing Hoffman building to contain approximately 62 mostly semi-private rooms / units.
c. Other miscellaneous capital improvements and/or equipment at the locations above.

(ii) Refunding some or all of Maine Health and Higher Educational Facilities Authority Revenue Bonds, Cedars Obligated Group Issue, Series 2014 issued to finance and refinance the construction and equipping of and improvements to The Cedars senior living community, which included at that time:
a. a 102 bed nursing home;
b. a 30 unit assisted living facility, and
c. a 61 unit apartment senior living community.

Bond Amount: Not to exceed \$55,000,000; and

BE IT FURTHER RESOLVED, that it is the purpose and intent of the Portland City Council that this Resolution constitute approval of the issuance of the bonds by the City of Portland, which is the governmental unit having jurisdiction over the area in which the Project is located, in accordance with Section 147(f) of the Code, Section 4 of the Joint Exercise Agreement, and Section 66.0304(11)(a) of the Wisconsin Statutes.