

To: Christopher Constant, Anchorage Assembly Chair

From: Greg Merrill, President, Radiation Business Solutions

Date: May 23, 2023

Re: Resolution Approving the Financing of the Aurora Integrated Oncology Foundation Treatment Facilities Located within Anchorage

The Public Finance Authority, a commission organized under Wisconsin Statutes (the “Issuer”) has received a request from Aurora Integrated Oncology Foundation, a Delaware not-for-profit corporation (the “Borrower”) and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”) to issue one or more series of the Issuer’s qualified 501(c)(3) conduit revenue bonds, as defined in Section 145 of the Code, in a maximum aggregate par amount not to exceed \$250,000,000 (the “Bonds”) to (a) either via the acquisition of the membership interests in the entities that own such assets or through the acquisition of such assets directly, finance the acquisition of (i) various existing radiation oncology centers located in the State of Alaska including, without limitation, the real estate and equipment related to such centers, including a radiation oncology facility located within the boundaries of the Municipality of Anchorage (the “Anchorage Treatment Facility”), and (ii) a professional physician practice providing physicians to provide services in such existing radiation oncology center located within the boundaries of the Municipality of Anchorage (the “Physician Practice”), (b) fund one or more debt service reserve funds; and (c) pay costs incurred in connection with the issuance of the Bonds. On the date of issuance of the Bonds, the Anchorage Treatment Facility will be owned by Anchorage Midtown Radiation Oncology Center, LLC, the sole member of which will be the Borrower, and will be located at 188 W. Northern Lights Blvd., Anchorage, Alaska and expected to be acquired for a par amount of not more than \$120,000,000, and the Physician Practice will be owned by Anchorage Associates in Radiation Medicine, LLC, the sole member of which will be the Borrower, and will be located at 3851 Piper Street, Anchorage, Alaska and expected to be acquired for a par amount of not more than \$3,000,000. The remaining portion of the proceeds of the Bonds will be used to finance the acquisition of existing radiation oncology centers, real estate, equipment and a professional physician practice as described above in the Matanuska-Susitna Borough, Alaska, the City of Soldotna, Alaska, and the City and Borough of Juneau, Alaska, as well as for the other uses described above.

Under no circumstances will the Municipality of Anchorage, Alaska (“Anchorage”) (or any of the other approving jurisdictions within the State of Alaska) be in any way obligated to repay any portion of the Bonds or in any other way incur any liability related thereto and the Bonds will be special limited obligations of the Issuer payable only from revenues and resources provided or arranged by the Borrower to be pledged to the payment of the Bonds and any credit enhancement arranged for by the Borrower.

The Internal Revenue Code of 1986 (the “Code”) authorizes the issuance of revenue bonds for a “qualified 501(c)(3) entity,” such as the Borrower and Section 147(f) of the Code requires that qualified 501(c)(3) bonds be approved by the applicable elected representatives of the governmental units having jurisdiction over the areas in which the assets being financed by the Bonds are located (the “TEFRA Approval”). The members of the Assembly of Anchorage (the “Assembly”) are the

applicable elected representatives of the governmental unit having jurisdiction over the area in which the portion of the Project consisting of the Anchorage Treatment Facility and the Physician Practice being financed with a portion of the proceeds of the Bonds in a par amount of not more than \$123,000,000 (the “Anchorage Portion”) is located.

The Borrower respectfully requests that the Assembly approve the financing of the Anchorage Treatment Facility and the Physician Practice and the issuance of the Bonds in the amount of the Anchorage Portion in order to satisfy the requirements of the Code.

In connection with the TEFRA Approval, the Assembly is required by the Code to conduct a public hearing (the “TEFRA Hearing”) to provide a reasonable opportunity for members of the public to express their views regarding the issuance of the Bonds and the uses and purposes of the proceeds of the Bonds. Anchorage is required by Section 147(f) of the Code to provide adequate notice (the “TEFRA Notice”) of the TEFRA Hearing. To meet that requirement, the TEFRA Notice is required to be published in a newspaper of general circulation, or posted to the portion of Anchorage’s website where it regularly posts notices to the public, in each case, at least seven days before the TEFRA Hearing. Usually, the TEFRA Hearing is held on the same day as the Assembly meeting considering the TEFRA Approval, but the TEFRA Hearing can be held separately as long as the TEFRA Hearing is held prior to the Assembly meeting considering the TEFRA Approval. We can provide a script for the TEFRA Hearing if desired and would also be pleased to arrange for the newspaper publication of the TEFRA Notice, if required.

The Borrower also respectfully requests that Anchorage (a) provide any comments or questions regarding the TEFRA Notice or the form of resolution attached hereto constituting the TEFRA Approval by June 1, 2023, (b) confirm whether any Anchorage public notice rules require the TEFRA notice to be posted in a newspaper of general circulation or on a website where Anchorage regularly posts notices to the public and (c) inform the Borrower of the date of the TEFRA Hearing and the date that the TEFRA Approval will be considered by the Assembly.

In connection with such requests, it is our pleasure to enclose the following:

- a. Form of TEFRA Notice;
- b. Form of Resolution of the Assembly of Anchorage, approving of the financing of the Anchorage Treatment Facility and the Physician Practice within the boundaries of Anchorage; and
- c. Form of Certificate of Resolution.

**Following adoption of the resolution, please have the attached Certification of Resolution completed by the Municipal Clerk and a certified copy of the resolution, as well as a certified copy of the published notice and an affidavit of publication from the publishing newspaper (if published in a newspaper), sent to Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Issuer, c/o Les Krusen at 401 Union Street, Suite 3300, Seattle, Washington 98101.**

We appreciate Anchorage’s assistance in connection with the issuance of the Bonds by the Issuer to facilitate the purchase of the Anchorage Treatment Facility and the Physician Practice by

the Borrower. In the event you have any questions about the enclosures or the process, please don't hesitate to contact me.

encl: Form of TEFRA Notice  
Form of Resolution  
Form of Certificate of Resolution

## NOTICE OF PUBLIC HEARING

[\_\_\_\_], 2023  
[\_\_:\_\_] [a.m./p.m.] Alaska time  
Assembly Chambers, Z.J. Loussac Library  
3600 Denali Street  
Anchorage, Alaska 99503

NOTICE IS HEREBY GIVEN that a public hearing will be held by the Assembly (the “Assembly”) of the Municipality of Anchorage, Alaska (the “Municipality”), on [\_\_\_\_], 2023, at [\_\_\_\_ a.m./p.m.] (or as soon thereafter as practicable) in the Assembly Chambers at the Z.J. Loussac Library, 3600 Denali Street, Anchorage, Alaska 99503, regarding the proposed issuance by the Public Finance Authority (the “Issuer”) of the Issuer’s qualified 501(c)(3) bonds, as defined in Section 145 of the Internal Revenue Code of 1986 (the “Code”), for one or more health care facilities, in one or more series, in a par amount not to exceed \$250,000,000 (the “Bonds”).

The proceeds from the sale of the Bonds, together with the proceeds of certain taxable bonds to be issued by the Issuer, will be used by the Issuer to make a loan to Aurora Integrated Oncology Foundation, a Delaware not-for-profit corporation and an organization described in Section 501(c)(3) of the Code (the “Borrower”), to (a) either via the acquisition of the membership interests in the entities that own such assets or through the acquisition of such assets directly, finance the acquisition of (i) various existing radiation oncology centers located in the State of Alaska including, without limitation, the real estate and equipment related to such centers, including a radiation oncology facility located in the Municipality (the “Anchorage Treatment Facility”), and (ii) a professional physician practice providing physicians to provide services in such existing radiation oncology center located in the Municipality (the “Physician Practice”), (b) fund one or more debt service reserve funds; and (c) pay costs incurred in connection with the issuance of the Bonds. On the date of issuance of the Bonds, the Anchorage Treatment Facility will be owned by Anchorage Midtown Radiation Oncology Center, LLC, the sole member of which will be the Borrower, and will be located at 188 W. Northern Lights Blvd., Anchorage, Alaska and expected to be acquired for a par amount not more than \$120,000,000, and the Physician Practice will be owned by Anchorage Associates in Radiation Medicine, LLC, the sole member of which will be the Borrower, and will be located at 3851 Piper Street, Anchorage, Alaska and expected to be acquired for a par amount not more than \$3,000,000 (together with the amount for the Anchorage Treatment Facility, the “Anchorage Portion”). The other facilities located outside of the Municipality will each be subject to a separate public hearing in the jurisdiction in which the respective facility is located.

Under no circumstances will the Municipality be in any way obligated to repay any portion of the Bonds. The Bonds will be special limited obligations of the Issuer, payable solely from sources provided for by the Borrower in connection with the issuance of the Bonds. The Bonds and the interest thereon will not constitute an indebtedness or pledge of the faith and credit of the Municipality, the State of Alaska or any political subdivision thereof.

Section 147(f) of the Code requires that qualified 501(c)(3) bonds, such as the Bonds, must be approved by the applicable elected representatives of the governmental unit having jurisdiction

over the area in which the assets being financed by the Bonds are located. The Assembly, as the applicable elected representatives of the Municipality, will consider a Resolution approving of the issuance of the Anchorage Portion of the Bonds by the Issuer to finance the Anchorage Treatment Facility and the Physician Practice.

The purpose of the public hearing is to provide a reasonable opportunity for members of the public to express their views, orally or in writing, regarding the issuance of the Bonds and the uses and purposes of the proceeds of the Bonds. The hearing will be conducted in a manner that provides a reasonable opportunity for persons with differing views to be heard on the question of the issuance of the Bonds. Written comments may be delivered at the public hearing or mailed to the Municipality at the address indicated above.

This notice is published pursuant to the public approval requirements of Section 147(f) of the Code.

Published: [\_\_\_\_\_] , 2023

MUNICIPALITY OF ANCHORAGE, ALASKA

**ANCHORAGE, ALASKA**

**AR No. 2023-[\_\_]**

**A RESOLUTION APPROVING A PORTION OF THE ISSUANCE OF THE PUBLIC FINANCE AUTHORITY REVENUE BONDS, SERIES 2023 (AURORA INTEGRATED ONCOLOGY FOUNDATION) IN A MAXIMUM AGGREGATE PAR AMOUNT NOT TO EXCEED \$250,000,000**

WHEREAS, the Public Finance Authority (the “Issuer”), a commission organized under and pursuant to the provisions of Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended, has received a request from Aurora Integrated Oncology Foundation, a Delaware not-for-profit corporation (the “Borrower”) and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”) to issue one or more series of the Issuer’s qualified 501(c)(3) conduit revenue bonds, as defined in Section 145 of the Code, in a maximum aggregate par amount not to exceed \$250,000,000 (the “Bonds”) to (a) either via the acquisition of the membership interests in the entities that own such assets or through the acquisition of such assets directly, finance the acquisition of (i) various existing radiation oncology centers located in the State of Alaska including, without limitation, the real estate and equipment related to such centers, including a radiation oncology facility located within the boundaries of the Municipality of Anchorage (the “Anchorage Treatment Facility”), and (ii) a professional physician practice providing physicians to provide services in such existing radiation oncology center located within the boundaries of the Municipality of Anchorage (the “Physician Practice”), (b) fund one or more debt service reserve funds; and (c) pay costs incurred in connection with the issuance of the Bonds; and

WHEREAS, on the date of issuance of the Bonds, the Anchorage Treatment Facility will be owned by Anchorage Midtown Radiation Oncology Center, LLC, the sole member of which will be the Borrower, and will be located at 188 W. Northern Lights Blvd., Anchorage, Alaska and expected to be acquired for a par amount of not more than \$120,000,000, and the Physician Practice will be owned by Anchorage Associates in Radiation Medicine, LLC, the sole member of which will be the Borrower, and will be located at 3851 Piper Street, Anchorage, Alaska and expected to be acquired for a par amount of not more than \$3,000,000 (together with the amount for the Anchorage Treatment Facility, the “Anchorage Portion”); and

WHEREAS, the remaining portion of the proceeds of the Bonds will be used to finance the acquisition of existing radiation oncology centers, real estate, equipment and a professional physician practice as described above in the Matanuska-Susitna Borough, Alaska, the City of Soldotna, Alaska, and the City and Borough of Juneau, Alaska, as well as for the other uses described above; and

WHEREAS, the Internal Revenue Code of 1986 (the “Code”) authorizes the issuance of revenue bonds for a “qualified 501(c)(3) entity,” such as the Borrower; and

WHEREAS, Section 147(f) of the Code requires that qualified 501(c)(3) bonds be approved by the applicable elected representatives of the governmental units having jurisdiction over the areas in which the assets being financed by the Bonds are located, and the Assembly (the “Assembly”) of

the Municipality of Anchorage, Alaska (“Anchorage”) is the “applicable elected representative” of the governmental unit having jurisdiction over the area in which the portion of the Project consisting of the Anchorage Treatment Facility and Physician Practice being financed with the Anchorage Portion of the proceeds of the Bonds is located; and

WHEREAS, on the date of this Resolution, the Assembly conducted a public hearing, adequate notice of this hearing having been published pursuant to Section 147(f) of the Code, to provide a reasonable opportunity for members of the public to express their views regarding the issuance of the Bonds and the uses and purposes of the proceeds of the Bonds; and

WHEREAS, under no circumstances will Anchorage be in any way legally or morally, obligated to repay any portion of the Bonds or in any other way incur any liability related thereto; and the Bonds will be special limited obligations of the Issuer payable solely from revenues and resources provided or arranged by the Borrower to be pledged to the payment of the Bonds and any credit enhancement arranged for by the Borrower; and the Bonds and interest thereon will not constitute an indebtedness or a pledge of the faith and credit of Anchorage, the State of Alaska or any political subdivision thereof; and

WHEREAS, the Borrower has requested that the Assembly approve the financing of the Anchorage Treatment Facility and the Physician Practice and the issuance of the Anchorage Portion of the Bonds in order to satisfy the requirements of Section 147(f) of the Code; and

THE ANCHORAGE ASSEMBLY RESOLVES:

**Section 1.** The Assembly hereby approves of the issuance of the Anchorage Portion of the Bonds by the Issuer for the purpose of financing the Project, in a maximum aggregate par amount not to exceed \$123,000,000 for purposes of Section 147(f) of the Code.

**Section 2.** Under no circumstances will Anchorage be in any way legally or morally, obligated to repay any portion of the Bonds or in any other way incur any liability related thereto. The Bonds will be special limited obligations of the Issuer payable solely from revenues and resources provided or arranged by the Borrower to be pledged to the payment of the Bonds and any credit enhancement arranged for by the Borrower. Nothing in this Resolution obligates Anchorage to grant further approvals for the Project, the Bonds, or any other project or constitutes a representation that any other approvals needed for the Project, the Bonds, or any other project will be granted by Anchorage.

**Section 3.** The Municipal Clerk is hereby authorized and directed to transmit a certified copy of this resolution to Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, c/o Les Krusen at 401 Union Street, Suite 3300, Seattle, Washington 98101.

**Section 4.** This resolution shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this [ ]th day of [ ], 2023

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Chair

ATTEST:

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Municipal Clerk



**FORM OF**

**CERTIFICATION OF RESOLUTION**

I, the undersigned, the duly appointed and qualified Municipal Clerk of the Assembly of the Municipality of Anchorage, Alaska, do hereby certify that the attached Resolution of the Municipality of Anchorage, AR No. 2023-[ ] (the "Resolution") is a true and correct copy thereof, and was duly adopted at a regular meeting of the Assembly of the Municipality of Anchorage, Alaska, duly convened and held in accordance with law at the regular meeting place thereof on the \_\_\_\_\_ day of \_\_\_\_\_, 2023, of which meeting proper notice of such meeting was given and at which meeting a quorum was present and a legally sufficient number of the members of said Assembly voted in the proper manner for the adoption of the Resolution. All requirements and proceedings required for the proper passage of the Resolution have been duly fulfilled, carried out and otherwise observed.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: \_\_\_\_\_, 2023

\_\_\_\_\_  
Municipal Clerk