

CLERK'S OFFICE

APPROVED

Date: 4-8-03

Submitted by: Chairman of the Assembly at the
Request of the Mayor
Prepared by: Finance
For Reading: April 8, 2003

ANCHORAGE, ALASKA
AR NO. 2003- 78

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY CONSENTING TO
THE LOCATION OF, AND APPROVING, THE PROVIDENCE HEALTH SYSTEM
PROJECT OF THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY.**

WHEREAS, the Alaska Industrial Development and Export Authority (the "Authority") proposes to issue its revenue bonds to provide funds to refund and redeem the outstanding principal amount of the Municipality's Hospital Revenue Bonds (Sisters of Providence Project) Series 1987 (the "1987 Bonds") and to refund and redeem the outstanding principal amount of the Municipality's Hospital Revenue Refunding Bonds (Sisters of Providence Project) Series 1991 (the "1991 Bonds"); and

WHEREAS, the proceeds of the 1987 Bonds were used to finance the renovation of approximately 39,920 square feet of interior space at Providence Hospital in Anchorage (the "Hospital"), including consolidation of two remote dining areas, expansion of recreational therapies, expansion of ancillary services areas, replacement of existing heating and ventilation, and addition of approximately 14,000 square feet of new space for common areas ("the 1987 Project"); and

WHEREAS, the proceeds of the 1991 Bonds were used to refund and redeem a prior issue of the Municipality's bonds, the proceeds of which were used to:

- (a) finance
 - (i) construction of two parking facilities at the hospital, each with approximately 480 parking spaces, and
 - (ii) expansion of the hospital, including a Maternity Center and Neonatal Intensive Care, a new rehabilitation center, a new main entry, and a new chapel and including relocation of the Emergency Room and Critical Care Nursing units; and
- (b) refinance debt which had previously been incurred to finance
 - (i) acquisition of Our Lady of Compassion Care Center by the Sisters of Providence-Washington, and
 - (ii) construction of a 136-bed addition to the Hospital (together with the 1987 Project, collectively, the "Project"); and

1 WHEREAS, under the Alaska Industrial Development and Export Authority Act,
2 Alaska Statutes 44.88, as amended (the "Act"), the Authority must obtain certain consents
3 and approvals from the Municipality of Anchorage as herein described in order to assist in
4 financing the Project; and
5

6 WHEREAS, the Authority has requested that the Legislative Body of the Municipality
7 of Anchorage adopt a resolution consenting to the location of the Project in the Municipality
8 of Anchorage as contemplated by Section 44.88.095(c) of the Act; and
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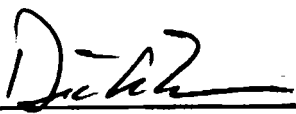
10 WHEREAS, it is appropriate and desirable to adopt this resolution consenting to the
11 location of the Project;
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13 NOW, THEREFORE, the Anchorage Assembly resolves:
14

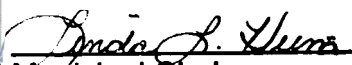
15 **Section 1:** That the Anchorage Assembly hereby consents to the location of the
16 Project within the Municipality of Anchorage, as such consent is contemplated by and
17 specified by the Act.
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19 **Section 2:** That this resolution shall take effect upon adoption by the Municipality of
20 Anchorage, and that the Clerk of the Municipality of Anchorage is hereby authorized and
21 directed to file a certified copy of this resolution with the Authority pursuant to the Act.
22

23 PASSED AND APPROVED by the Anchorage Municipal Assembly this 8th day
24 of April, 2003.
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28 _____
29 Chair
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33 ATTEST:
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36 _____
37 Municipal Clerk
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MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 298 -2003

Meeting Date: April 8, 2003

From: Mayor

Subject: AR No. 2003- 78 Consents to the Location and Approval of the Providence Health System Project of the Alaska Industrial Development and Export Authority

In 1987 and again in 1991, the Municipality of Anchorage issued revenue bonds to assist in the financing of various improvements and additions to the Providence Hospital facilities in Anchorage. The proceeds of the 1987 bonds were used to finance the cost of renovating approximately 39,920 square feet of interior space at the hospital, including consolidation of two remote dining areas, expansion of recreational therapies, expansion of ancillary services areas, replacement of existing heating and ventilation, and addition of approximately 14,000 square feet of new space for common areas.

The proceeds of the 1991 bonds were used to refund and redeem a prior issue of the Municipality's bonds the proceeds of which were used to finance construction of two parking facilities at the hospital, create a new Maternity Center and Neonatal Intensive Care facility, a new rehabilitation center, a new main entry, and a new chapel; these proceeds also paid for relocation of the Emergency Room and Critical Care Nursing Units and refinanced debt which had previously been incurred to acquire Our Lady of Compassion Care Center and to construct a 136-bed addition to the hospital.

The 1987 bonds and the 1991 bonds are revenue bonds payable from amounts received by the Municipality from a group of nonprofit corporations, including Sisters of Providence - Washington, Sisters of Providence - Oregon, and others, that collectively incurred the obligation to repay the bonds under the terms of a master indenture.

The bonds are not secured in any way by the Municipality of Anchorage, and the Municipality of Anchorage has no interest in the project financed by the bonds, either as an owner or otherwise. Any interest of the Municipality in either the project or in the revenues received pursuant to the terms of the master indenture and the loan documents prepared in connection with the issuance of the 1987 bonds and the 1991 bonds was assigned by the Municipality to the trustee for the bonds as security for the bonds.

The Sisters of Providence - Washington and the other corporations that borrow money under the common master indenture described above (the "Obligated Group") are now engaged in a major refinancing of indebtedness incurred by the Obligated Group for facilities in Anchorage as well as in Washington and Oregon. The Obligated Group has requested issuers in each of those jurisdictions to

1 consider issuing refunding bonds to provide for the refunding and redemption of outstanding bonds
2 in those jurisdictions. The Obligated Group intends to accomplish this refinancing in two steps. The
3 first step would be the issuance of bonds to refund and redeem outstanding bonds in Washington and
4 Alaska, and the second step would be the issuance of bonds to refund and redeem outstanding bonds
5 in Oregon.

6
7 The first issuance will be in the approximate amount of just under \$70,000,000 (with approximately
8 \$24,550,000 being issued by the Alaska Industrial Development and Export Authority to refund and
9 redeem the Municipality of Anchorage bonds and the remainder being issued by a Washington issuer
10 to refund and redeem the Washington bonds). The second issuance will be in the approximate
11 amount of \$213,370,000.

12
13 The Obligated Group has engaged an underwriting firm to underwrite all of the issuances and
14 coordinate the preparation of documents and the closing. To permit the Obligated Group to use its
15 own underwriters, the Municipality recommended that the Obligated Group seek the assistance of
16 the Alaska Industrial Development and Export Authority (AIDEA). AIDEA has agreed to issue the
17 refunding bonds; however, their statutes do not permit them to issue bonds in an amount greater than
18 \$6,000,000 for a project without first obtaining the consent of the governing body of the municipality
19 in which the project is located.

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21 Accordingly, AIDEA's bond counsel has prepared AR No. 2003- 78 _____ for consideration by the
22 Assembly. This Resolution simply provides the consent to the location of the project that AIDEA's
23 statutes require. If the Assembly adopts this Resolution, the AIDEA board of directors will meet and
24 approve the issuance of the refunding bonds, and the Municipality's staff will work with AIDEA and
25 the trustee for the 1987 and 1991 bonds to provide for the redemption of the 1987 and 1991
26 Municipality bonds. The issuance of the refunding bonds is currently scheduled for May 22, 2003
27 and the outstanding 1987 and 1991 bonds of the Municipality will be retired on July 1, 2003.

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30 Prepared by: Anthony Price, Senior Finance Officer
31 Recommended by: Kate Giard, Chief Fiscal Officer
32 Concurrence: Harry J. Kieling, Jr., Municipal Manager
33 Respectfully submitted: George Wuerch, Mayor

Content Information

Content ID : 000684

Type: AR_AllOther - All Other Resolutions

Location and Approval of the Providence Health System

Title: Project of the Alaska Industrial Development and Export Authority

Author: pruittns

Initiating Dept: Finance

Description: Municipality's Hospital (Sisters of Providence Project)Revenue/Refunding Bonds

Date Prepared: 3/10/03 2:54 PM

Addnl Review Depts: PDPW

Requested Assembly Meeting Date MM/DD/YY: 3/18/03 12:00 AM

Workflow History

Workflow Name	Action Date	Action	User	Security Group	Content ID	Revisi
AllOtherARWorkflow	3/10/03 2:59 PM	Checkin	pruittns	Public	000684	0
Finance_SubWorkflow	3/10/03 4:26 PM	Approve	giardkh	Public	000684	0
PDPW_SubWorkflow	3/11/03 3:39 PM	Approve	scottmj	Public	000684	0
MuniManager_SubWorkflow	3/24/03 12:47 PM	Approve	kielinghj	Public	000684	0
MuniMgrCoord_SubWorkflow	3/24/03 2:14 PM	Approve	bealejl	Public	000684	0

RESOLUTIONS FOR ACTION – OTHER



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