



## Request for City Council Committee Action from the Department of Community Planning & Economic Development - CPED

Date: September 11, 2007

To: Council Member Lisa Goodman, Community Development Committee

**Subject:** A Public Hearing and Request for Preliminary and Final Approval of up to \$500 million in 501(c)(3) Tax-exempt Revenue Bonds as a Joint Issue with the St. Paul HRA for the Health Care System (Allina Health System) Project.

**Recommendation:** The CPED Director recommends that the City Council adopt the attached Resolution giving Preliminary and Final Approval to the issuance of up to \$500 million in 501(c)(3) Tax-exempt Revenue Bonds as a Joint Issue with the St. Paul HRA for the Health Care Systems (Allina Health Systems) Project.

**Previous Directives:** Allina Health System has made use of tax-exempt revenue bonds in the past for other projects. The most recent was in 2002 for \$220 million to finance hospital equipment, improvements and additions to buildings in various locations in Minneapolis and the North metro area.

Prepared by: Becky Shaw	Phone: 612-673-5066
Approved by: Charles T. Lutz, Deputy Director CPED	_____
Presenters in Committee: Becky Shaw	

### Reviews

- Permanent Review Committee (PRC): Approval N.A. Date \_\_\_\_\_  
Financial Impact
- Other financial impact: The issuance of 501(c)(3) tax-exempt revenue bonds for the Health Care Systems (Allina Health Systems) Project will generate revenue bond administrative fees of approximately \$75,000 a year that are used to support the small business assistance programs of the City of Minneapolis.

### Community Impact

- Neighborhood Notification: The Phillips West and Phillips Midtown groups were notified of this pending project.
- City Goals: The proposed project is consistent with the City Goal of preserving and enhancing the urban institutes and amenities that define Minneapolis.
- Sustainability Targets: N.A.
- Comprehensive Plan: The proposed project is in compliance with the policies of the Minneapolis plan.

- Zoning Code: The medical facilities are zoned high density office-residential, OR-3-Institutional Office Residence District.
- Living Wage/Business Subsidy Agreement Yes \_\_\_\_ No X All conduit revenue bonds allocated under State Statute Chapter 474A, refunding bonds and 501(c)(3) bonds are exempt from the State Act. City bond financing is not subject to the City's local Ordinance if the intent of the bond financing is not to create jobs.
- Job Linkage Yes X No \_\_\_\_ Allina Health Systems currently has a job linkage agreement with CPED through 2010, that builds off of Allina's existing commitments over the years to the Train to Work Program, the Health Careers Partnership and the Paving the Way Program.

## **Supporting Information**

### **Project Location & Description:**

Allina Health System is a Minnesota non-profit corporation that delivers health care services to patients in Minnesota and western Wisconsin. Allina owns and operates 11 hospitals and 39 clinics offering a full range of primary and specialty care services including technically advanced inpatient and outpatient care, 24-hour emergency care, medical transportation, pharmacy, home care and hospice services. Allina employs more than 22,500 employees, 5,000 physicians and has 2,500 volunteers – all sharing a common mission to deliver exceptional health care and support services to the people in our communities – putting the patient first in everything they do.

Allina Health System is very active in the community and has strongly supported many neighborhood based employment initiatives. In 1997, the Phillips Partnership launched Train to Work, a paid job skills training program for neighborhood residents that provides training in job readiness, workplace expectations and life management skills. Train to Work has had over 700 graduates and 550 job placements with over 250 of them at Abbott Northwestern Hospital. Building on the Train to Work program, Phillips Partnership with Health Careers Institute designed a college-credit training program qualifying students for high-vacancy health care jobs with partnering hospitals guaranteeing jobs for students. The Health Careers Institute was funded by Empowerment Zone to provide tuition assistance between 2001 and 2004 and boasts almost 1,000 students graduating and moving into long term careers in area hospitals. In 2003 the project was renamed Health Careers Partnership and administration was transferred from Phillips Partnership to Project for Pride in Living. The Health Careers Partnership has continued to broker between area healthcare providers and educational institutions expanding the pool of opportunities for graduates of Health Care Partnership's core training program. Beginning in 2004 Health Care Partnership began enrolling HCMC employees in its "Paving the Way" program designed to help assist in getting a bachelor's degree in nursing from Metro State University after obtaining an associate's degree from MCTC. Allina is continuously working with Project for Pride in Living and other organizations in Minneapolis to expand the Train to Work model of recruitment, soft skill training, and job retention services in Minneapolis with impressive results.

The project that Allina proposes to fund with the joint issuance of up to \$500 million in tax-exempt revenue bonds includes the following:

- The Series 2007A Bonds will be used to refund up to \$140 million in Series 1993A Health Care System Revenue Bonds (HealthSpan) which were issued jointly between the City of Minneapolis and St Paul HRA to refund previous Minneapolis Bonds and previous Minneapolis and St Paul HRA Bonds as well as fund improvements to hospitals in St. Paul, Minneapolis and Fridley.
- The Series 2007B Bonds will be used to refund up to \$220 million in Series 2002A Health Care System Revenue Bonds (Abbott-Northwestern Hospital Project) and was used to fund construction of a heart hospital, parking ramp, addition to Phillips Eye-institute, addition to Mercy Hospital and hospital equipment.
- The Series 2007C Bonds in the amount of up to \$125 million is a new money portion of debt which will be issued and sold to fund projects throughout Minnesota

including:

Owatonna Hospital located at 903 South Oak Avenue, Owatonna where approximately \$49 million will be used to finance the acquisition, construction and equipping of a new 38-bed acute care hospital to replace the existing Owatonna Hospital in collaboration with the Owatonna Clinic – Mayo Health System and the City of Owatonna. Construction of the new 38-bed, full service, acute care hospital is expected to start in the fall of 2007 and be completed by the fall of 2009; and

Allina Medical Clinic located at 1400 Jefferson Road, Northfield where approximately \$12.9 million will fund the acquisition, construction and equipping of an expansion on the Northfield Clinic with another \$1.6 million will fund medical equipment; and

Mercy Hospital, 4050 Coon Rapids Blvd, Coon Rapids where approximately \$5.3 million will finance the construction of a 16-bed expansion of Mercy Hospital; and

Abbott Northwestern Hospital, 800 East 28<sup>th</sup> Street where approximately \$4 million will be used to finance a linear accelerator, a medical device used by the Oncology department in radiation treatment of cancer patients; and

Unity Hospital, 550 Osbourne Road, Fridley where approximately \$5.7 million will finance the equipping of and expansion of the emergency department: and

United Hospital, 333 North Smite Avenue, Saint Paul where approximately \$24 million will be used to finance the construction of a 19-bed expansion of the emergency department; and

New Ulm Medical Center, 1324 Fifth Street North, New Ulm where approximately \$3.5 million will be used to finance improvements to the operating room at New Ulm Medical Center; and

The remaining \$33 million will be used for financing projects throughout the metro area including a Pyxis Drug System, Capitalized interest, Miscellaneous medical equipment and Future recapitalization.

**Type of Financing:**

It is anticipated that up to \$500 million in 501(c)(3) tax-exempt revenue bonds Series 2007A, B and C will be sold to institutional and retail buyers with bond insurance as a credit enhancement through the efforts of the underwriting team of Piper Jaffray and UBS Securities. Allina Healthcare Systems is rated "A" by S&P on its own, but these bonds will all be further enhanced by MBIA Bond insurance for a "AAA" rated financing. The Series 1993A Bonds will be refunded by Series 2007A Bonds using MBIA insured fixed rate debt. The 2002A Bonds will be advance refunded by Series 2007B Bonds using MBIA insured, liquidity facility, variable rate demand notes with a swap to fix the rate. The \$125 million in new money will be issued as an auction rate security also insured by MBIA with a swap to fix rate.

Sources:

Series 2007A Bonds	\$140,000,000
Series 2007B Bonds	220,000,000
Series 2007C Bonds	125,000,000
Philanthropy	<u>22,000,000</u>
	\$507,000,000

Uses:

Refinancing 1993A Bonds	\$140,000,000
Refinancing 2002A Bonds	220,000,000
Owatonna Hospital	49,000,000
Northfield Clinic	14,500,000
Mercy Hospital	5,300,000
Abbott Northwestern	4,000,000
Unity Hospital	5,700,000
United Hospital	24,000,000
New Ulm Medical Center	3,500,000
Various Locations	33,000,000
Cost of Issuance	<u>8,000,000</u>
	\$507,000,000

**Present Employment:** Allina currently employs about 28,000 throughout the system with about 6,100 individuals in Minneapolis facilities.

**New Employment:** A minimal number of new jobs are expected to be generated through this project although all existing positions will be retained.

**Assessor's Estimate Annual Tax Increase:** Hospital facilities are generally tax-exempt based on their 501(c)(3) non-profit status.

**Affirmative Action Compliance:** In compliance.

**CITY IRB POLICIES:**

Job Component	Minimum standard of one (1) job per 1,000 square feet of building area. <u>Allina Health System:</u> In compliance.
Property Improvements	No more than 25% of the bond proceeds may be used for land and acquisition. If purchasing an existing building, an amount equal to at least 15% of the acquisition cost must be spent on rehabilitation expenditures. <u>Allina Health System:</u> In compliance
Development Standards	Compliance with the Land Use Plan of the City's Comprehensive Plan. <u>Allina Health System:</u> In compliance
Equipment Financing	Limited to companies that create or preserve a significant number of jobs, and the equipment financed must be sufficiently secured. No more than 10% of the bond proceeds may be used to finance movable equipment not constituting a fixture. <u>Allina Health System:</u> In compliance
Restaurant/Bank	IRB financing is allowed for a restaurant or a bank if it is built or rehabilitated in an CPED Redevelopment Area. No more than 25% of the bond proceeds can be used to finance retail food and beverage establishments, automobile dealerships or recreation or entertainment facilities. <u>Allina Health System:</u> N.A.
Tax-exempt Institution	Refinancing is permitted when new jobs are created or when a significant number of jobs is preserved; any interest cost savings

must directly reduce patient costs.  
Allina Health System: All existing jobs will be retained.

IRB CAP:

The project is not subject to the volume cap, in that the project is exempt from income tax under Internal Revenue Code Section 501(c)(3) for its exempt purposes and is classified thereunder as a non-profit organization.

BOND COUNSEL:

Dorsey & Whitney LLP

UNDERWRITER:

Piper Jaffray & Co

USB Securities LLC

City Council Report Public Hearing Preliminary and Final Approval

RESOLUTION  
OF THE  
CITY OF MINNEAPOLIS

By Goodman

AUTHORIZING THE ISSUANCE AND SALE OF REVENUE BONDS OF THE CITY AND THE HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL ON BEHALF OF ALLINA HEALTH SYSTEM, THE AMENDMENT OF TERMS OF THE SERIES 1993B BONDS ISSUED ON BEHALF OF ALLINA HEALTH SYSTEM AND THE EXECUTION OF DOCUMENTS.

WHEREAS, this Council has received a proposal from Allina Health System, a Minnesota nonprofit corporation (the "Corporation") that the City of Minneapolis (the "City"), acting jointly with the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA," and together with the City, the "Issuer") issue its revenue bonds (the "Bonds") under Minnesota Statutes, Sections 469.152 to 469.165 (the "Act"), in separate series, and within certain of the series, in sub-series, for the purposes of (a) refunding all or a portion of the outstanding Health Care System Revenue Bonds, Series 1993A (HealthSpan) (the "Series 1993A Bonds"), issued by the Issuer, (b) refunding all or a portion of the Health Care System Revenue Bonds, Series 2002A (Allina Health System) (the "Series 2002A Bonds") issued by the City; (c) financing a project under the Act consisting of the construction of improvements to and remodeling of the Corporation's health care facilities located in Cities of Minneapolis, Saint Paul, Northfield, Owatonna, New Ulm, Coon Rapids and Fridley, and the acquisition and installation of items of equipment therein (the "Project"); (d) pay capitalized interest, if any, on the Bonds and any termination payment payable by the Corporation with respect to any interest rate hedge transactions entered into by the Corporation with respect to the Bonds; and (e) paying certain costs of issuance of the Bonds; and

WHEREAS, at a public hearing, duly noticed and held on September 11, 2007, in accordance with the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended, on the proposal to finance the Project and to refund the Series 1993A Bonds and the Series 2002A Bonds, all parties who appeared at the hearing were given an opportunity to express their views with respect to the proposal to finance the Project and to refund the Series 1993A Bonds and the Series 2002A Bonds, and interested persons were given the opportunity to submit written comments to the City Clerk before the time of the hearing; and

WHEREAS, this Council hereby finds that the issuance and sale of up to \$500,000,000 aggregate principal amount of the Bonds in one or more series under the authority contained in the Act to finance the Project and to refund the Series 1993A Bonds and the Series 2002A Bonds (the Series 1993A Bonds and the Series 2002A Bonds to be refunded by the Bonds are hereinafter together referred to as the "Refunded Bonds") would promote the purposes contemplated and described in Section 469.152 of the Act and further promote the public purposes and legislative objectives of the Act by providing the City and surrounding area with necessary healthcare facilities, is in the best interest of the City and the City hereby determines to issue and sell such Bonds; and

WHEREAS, in connection with the issuance of the Bonds the City, the HRA and North Suburban Hospital District, Anoka and Ramsey Counties, will enter into a Joint Powers Agreement (the “Joint Powers Agreement”), a draft of which has been made available to the Council prior to this meeting and which has been reviewed to the extent deemed necessary; and

WHEREAS, the proceeds of the Bonds will be lent (the “Loan”) by the City and the HRA to the Corporation, in order to finance the Project, to refund the Refunded Bonds and to pay certain costs of issuance of the Bonds; and

WHEREAS, pursuant to separate Loan Agreements for each series of Bonds (the “Loan Agreements”), to be entered into between the City, the HRA and the Corporation, drafts of which have been made available to the Council prior to this meeting and which have been reviewed to the extent deemed necessary, the Corporation will issue to the Issuer an Obligation with respect to each series of Bonds (the “Obligations”). The Obligations will be issued under the Master Trust Indenture (the “Master Indenture”), dated as of October 1, 1998, between the Corporation and Wells Fargo Bank, National Association, as trustee (the “Master Trustee”), as supplemented and amended by Supplemental Indentures thereto (the “Supplemental Indenture”) to be entered into between the Corporation and the Master Trustee. Under the Obligation with respect to each series of Bonds, the Corporation will unconditionally agree to repay the Loan made by the Issuer under the Loan Agreement with respect to such series of Bonds in specified amounts and at specified times sufficient to make the necessary payments of principal of, premium, if any, and interest on the Bonds of such series, when due. In addition, the Loan Agreement for each series of Bonds contains provisions relating to the payment by the Corporation of administrative costs of the Bond Trustee (as hereinafter defined), the administrative fee of the City and of the HRA with respect to such series of Bonds, indemnification, insurance and other agreements and covenants which are required by the Act or which are permitted by the Act and which the Issuer and the Corporation deem necessary or desirable for the sale of such series of Bonds; and

WHEREAS, pursuant to separate Trust Indentures for each series of Bonds (the “Bond Indentures”) to be entered into between the City, the HRA and Wells Fargo Bank, National Association, as Trustee (the “Bond Trustee”), drafts of which have been presented to the Council at this meeting and which have been reviewed to the extent deemed necessary, the City assigns and pledges all of its right, title and interest in the Loan Agreement with respect to such series of Bonds (other than the rights specifically retained by the Issuer including, but not limited to, indemnification and administrative fees and expenses), the Obligation with respect to such series of Bonds, the Master Indenture and the Supplemental Indenture to the Bond Trustee. In addition, the Bond Indenture for each series of Bonds, among other things, sets the interest rates, maturity dates and redemption provisions for such series of Bonds, establishes the various funds and accounts for the deposit and transfer of money and contains other provisions which are required by the Act or which are permitted by the Act and which the issuer and the Corporation deem necessary or desirable in connection with the sale of such series of Bonds; and

WHEREAS, pursuant to the terms of an Escrow Agreement (whether one or more, the “Escrow Agreement”), to be entered into between the City, the Corporation and an escrow agent (the “Escrow Agent”), a draft of which has been made available to the Council prior to this meeting and which has been reviewed to the extent deemed necessary, a portion of the proceeds of the Bonds will be deposited with the Escrow Agent and applied, with other available funds of

the Corporation and any funds held by the trustee of the Series 2002A Bonds, for the purpose of defeasing the Series 2002A Bonds; and

WHEREAS, the Bonds will be special limited obligations of the Issuer payable solely from amounts payable under the Obligations by the Corporation and other members of the Obligated Group under the Master Indenture, other than to the extent payable from the proceeds of the Bonds. The Bonds shall not be payable from or charged upon any funds other than the revenue pledged to the payment thereof, nor shall the City or the HRA be subject to any liability thereon. No holder or holders of any Bond shall ever have the right to compel any exercise of the taxing power of the City or the HRA to pay any such Bond or the interest thereon, nor to enforce payment thereof against any property of the City or the HRA except the Obligations. The Bonds shall not constitute a debt of the City or the HRA within the meaning of any charter, constitutional or statutory limitation; and

WHEREAS, the Bonds will be purchased from the Issuer by UBS Securities LLC and Piper Jaffray & Co. (the “Underwriters”) pursuant to separate Bond Purchase Agreements with respect to each series of Bonds (the “Bond Purchase Agreements”) between the City, the HRA, the Corporation and the Underwriters, drafts of which have been made available to the Council prior to this meeting and which have been reviewed to the extent deemed necessary; and

WHEREAS, drafts of separate Official Statements with respect to each series of the Bonds, have been made available to the Council at this meeting and have been reviewed to the extent deemed necessary. The Official Statements with respect to a series of Bonds will be distributed by the Underwriters to potential purchasers of such series of the Bonds; and

WHEREAS, the Issuer has previously issued its Health Care System Revenue Bonds (HealthSpan), Series 1993B (Periodic Auction Reset Securities) (the “Series 1993B Bonds”), on behalf of the Corporation to finance improvements to the Corporation’s health care facilities in the Cities of Minneapolis, St. Paul and Fridley and the acquisition and installation of equipment therein; and

WHEREAS, the Series 1993B Bonds were issued by the Issuer pursuant to a Bond Trust Indenture dated as of October 1, 1993 (the “1993B Bond Indenture”), by and between the City, the HRA and the Wells Fargo Bank, National Association, as bond trustee (the “1993B Bond Trustee”), and the proceeds of the Series 1993B Bonds were loaned by the City and HRA to the Corporation pursuant to a Loan Agreement dated as of October 1, 1993 (the “1993B Loan Agreement”), by and between the City, the HRA and the Corporation; and

WHEREAS, the Corporation has proposed that the terms of Series 1993B Bonds be amended to change the duration of the Rate Period (as defined in the Series 1993B Bond Indenture) and to make other changes to the auction procedures for the Series 1993B Bonds and the provisions for resetting the interest rate on the Series 1993B Bonds, and that in connection with such amendment of the terms of the Series 1993B Bonds, the 1993B Bond Indenture and the 1993B Loan Agreement be amended;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS:

That in order to provide for the financing of the Project and the refunding of the Refunded Bonds, the City hereby authorizes the issuance of the Bonds as revenue bonds under the Act in one or more series, in the aggregate principal amount of up to \$500,000,000 (exclusive of any portion representing original issue discount). The City Finance Officer is hereby authorized to approve the purchase price of the Bonds, provided that the purchase price equals or exceeds 98% of the principal amount of the Bonds less any portion of such principal amount which represents original issue discount; the aggregate principal amount of the Bonds, provided that such principal amount is not in excess of \$500,000,000 (exclusive of any portion representing original issue discount); the maturity schedule of the Bonds, provided that the Bonds mature at any time or times in such amount or amounts not exceeding 40 years from the date of issuance thereof; the provisions for prepayment and redemption of the Bonds prior to their stated maturity; and the initial interest rates for any series of Bonds, provided that no initial interest rate exceeds 6.00% per annum. Such approval for a series of Bonds shall be conclusively evidenced by the execution of the Bond Purchase Agreement for such series of Bonds as provided herein by the City Finance Officer. The issuance of the Bonds is subject to the approval by the Minnesota Department of Employment and Economic Development as required by the Act.

Be It Further Resolved that each Bond shall be executed on behalf of the City by the manual or facsimile signatures of the City Finance Officer. The Bonds when executed and delivered shall contain a recital that they are issued pursuant to the Act. The Bond Trustee is hereby designated as authenticating agent pursuant to Minnesota Statutes, Section 475.55. If any officer who shall have signed any of the Bonds shall cease to be such officer of the City before the Bonds so signed shall have been actually authenticated by the Trustee or delivered by the City, such Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person who signed or sealed such Bonds had not ceased to be such officer of the City.

Be It Further Resolved that the Bond Indentures, the Loan Agreements, the Joint Powers Agreement and the Escrow Agreement are hereby made a part of this Resolution as fully as though set forth in full herein and are hereby approved in the form submitted to this meeting, and the City Finance Officer is hereby authorized and directed to execute, acknowledge and deliver the Bond Indentures, the Loan Agreements, the Joint Powers Agreement and the Escrow Agreement on behalf of the City with such changes, insertions and omissions therein as do not change the substance of the Bond Indentures, Loan Agreements, the Joint Powers Agreement or the Escrow Agreement and as may be approved by the City Finance Officer, such approval to be evidenced conclusively by his execution of the Bond Indentures, the Loan Agreements, the Joint Powers Agreement and the Escrow Agreement.

Be It Further Resolved that the City hereby consents to the distribution by the Underwriters to potential purchasers of a series the Bonds of a Preliminary Official Statement with respect to such series of Bonds in substantially the form of the Official Statement with respect to such series of Bonds made available to the Council prior to this meeting if it is determined by the Underwriters and the Corporation to be necessary to distribute a Preliminary Official Statement with respect to such series of Bonds to potential purchasers of such series of Bonds, and consents to the distribution by the Underwriters of the Official Statement with respect to each series of Bonds by the Underwriters to potential purchasers or purchasers of the Bonds of such series in substantially the form submitted to the Council at this meeting. The City

has not and will not participate in the preparation of the Preliminary Official Statement or Official Statement with respect to any series of bonds and has made no independent investigation with respect to the information contained therein or in the appendices thereto, and the City assumes no responsibility for the sufficiency, accuracy or completeness of such information.

Be It Further Resolved that the Bond Purchase Agreements are hereby made a part of this Resolution as fully as though set forth in full herein and is hereby approved in the form made available prior to this meeting and, upon the determination of the terms of a series of Bonds (within the limitations set forth herein) and the execution of the Bond Purchase Agreement with respect to such series of Bonds by the Corporation and the Underwriters, the City Finance Officer is hereby authorized and directed to execute the Bond Purchase Agreement with respect to such series of Bonds on behalf of the City, with such further changes, insertions or omissions therein as do not change the substance of the Bond Purchase Agreement and as may be approved by the City Finance Officer, such approval to be evidenced conclusively by his execution of the Bond Purchase Agreement.

Be It Further Resolved that the amendment of the terms of the Series 1993B Bonds to change the duration of the Rate Period (as defined in the Series 1993B Bond Indenture) and to make other changes to the auction procedures for the Series 1993B Bonds and the provisions for resetting the interest rate on the Series 1993B Bonds is hereby approved, and the City Finance Officer is hereby authorized and directed to execute, acknowledge and deliver the amendments to the 1993B Bond Indenture and the 1993B Loan Agreement on behalf of the City in such form as may be approved by the City Finance Officer, such approval to be evidenced conclusively by his execution of the amendment to the 1993B Bond Indenture and the 1993B Loan Agreement.

Be It Further Resolved that the Mayor, the City Clerk, the City Finance Officer and all other officers of the City are hereby authorized and directed to execute and deliver all other documents which may be required under the terms of the Bond Indentures, the Loan Agreements, the Joint Powers Agreement, the Escrow Agreement or the Bond Purchase Agreements, and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof.

Be It Further Resolved that in the absence or disability of the Mayor, the City Clerk, the City Finance Officer or any other officer of the City named in any instrument to be executed on behalf of the City in connection with the issuance of the Bonds, the acting Mayor, Assistant City Clerk, Acting Finance Officer or other officer may execute such instrument. The execution of any instrument by an officer of the City shall be conclusive evidence of its approval.

Be It Further Resolved that the City Finance Officer is hereby designated for all purposes of the Loan Agreements, the Bond Indentures and the Bond Purchase Agreements as the City official authorized to execute on behalf of the City certificates, requests or consents as provided in the Loan Agreements, the Bond Indentures and the Bond Purchase Agreements.

Be It Further Resolved that the bonds are hereby designated "Program Bonds" and are determined to be within the "Health Care Program" and the "Program", all as defined in Resolution 88R-021 of the City adopted January 29, 1988, and as amended by Resolution 97R-402 of the City adopted December 12, 1997.