



MEMORANDUM

TO: Board Members
Alaska Industrial Development and Export Authority

FROM: Tom Boutin
Executive Director

DATE: August 7, 2019

SUBJECT: Resolution No. G19-16 (Tanana Chiefs Conference Project)

GENERAL

Dena' Nena' Henash dba Tanana Chiefs Conference (the "Borrower") has submitted an application to the Alaska Industrial Development and Export Authority (the "Authority") for the issuance of conduit revenue bonds (the "Bonds") to finance all or part of the project described below. If the Board approves Resolution No. G19-16 (the "Bond Resolution"), staff will work with the Borrower and other members of the financing group to complete the proposed financing.

The Borrower has prepared and intends to adopt its own Master Indenture, under which the Borrower may borrow money to finance the project described below and may issue its "Obligations" to evidence that borrowing (the "Master Indenture"). A draft of the Master Indenture, in a form that the Borrower believes to be substantially final, is being presented to the Board for its information. As evidence of the loan that AIDEA will make to the Borrower from the proceeds of the sale of the Bonds, the Borrower will issue its obligation under the Master Indenture (the "Obligation") to AIDEA and will enter into a Loan and Security Agreement (the "Loan Agreement") with AIDEA.

The Bonds and the Obligation are secured and payable solely from certain assets and income described in the Master Indenture.

The Bonds will not be general obligations of AIDEA, and no assets or income of AIDEA, other than the right to receive payments under the Obligation and under the Master Indenture, will be pledged as security for the Bonds.

Included in the Board's packet of materials for this meeting is the Bond Authorization Resolution. Passage of the Bond Authorization Resolution will authorize staff to complete the necessary documents and to issue the Bonds for the financing of the Project. These documents include an Indenture, the Loan Agreement, a Preliminary Official Statement, and a Bond

Purchase Agreement (the “Bond Documents”). The substantially final form of each of the Bond Documents is also included in the Board’s packet of materials for this meeting.

The Bond Resolution gives staff authority to finalize and sign the Bond Documents as long as they remain substantially in the form presented to the Board in the Board packet for this meeting and to take the other actions and sign the other documents necessary to effect the financing contemplated by the Bond Documents.

Also included in the Board’s packet of materials for informational purposes are the Master Indenture, the First Supplemental Indenture under the Master Indenture, and a Continuing Disclosure Agreement, each in substantially final form.

PROJECT DESCRIPTION

The Borrower intends to use the proceeds of the Notes to (a) pay all or a portion of the costs, in an amount not to exceed \$125,000,000, of the acquisition, expansion, renovation, furnishing, and equipping of certain health care facilities at the Chief Andrew Isaac Health Center (the “Health Center”) located at 1717 W. Cowles Street, Fairbanks, Alaska, including without limitation constructing a separate stand-alone building with shell space included for future growth, incorporating renovations of existing space, expanding existing services for primary and urgent care, general surgery, general radiology, lab and physical therapy, and providing new services including procedure rooms, audiology, CT scan, oncology/infusion therapy, occupational therapy, ophthalmology and a wellness center, and related site and other improvements to the Health Center (collectively, the “Health Center Project”); (b) pay all or a portion of the costs, in an amount not to exceed \$20,000,000, of the acquisition, construction, expansion, furnishing, and equipping of health care facilities located in Tok, Alaska, at Tract B of Larson Subdivision, according to the plat filed October 10, 1986 as Plat No. 86-139, Records of the Fairbanks Recording District, Fourth Judicial District, State of Alaska, and including space for primary care, trauma/urgent/emergent care, laboratory, radiology, pharmacy, dental, behavioral health, and itinerant specialty medical services, and support services including nursing, registration, biomedical, facilities and security, and related site and other improvements to the clinic (collectively, the “Upper Tanana Health Clinic Project”); (c) pay all or a portion of the costs, in an amount not to exceed \$2,000,000, of the acquisition, construction, expansion, furnishing, and equipping of health facilities located at Manley Hot Springs, Alaska, on the Elliot Highway across the highway from the Tribal Office and Washeteria laundromat and including space for primary care, laboratory, pharmacy PickPoint machine, sterilization, and itinerant specialty medical and dental services, and related site and other improvements to the clinic (collectively, the “Manley Hot Springs Project”); (d) pay all or a portion of the costs, in an amount not to exceed \$2,000,000, of the acquisition, construction, expansion, furnishing, and equipping of health facilities located at Evansville, Alaska, adjacent to the current Tribal Office on the Hickel Highway and including space for primary care, laboratory, pharmacy PickPoint machine, sterilization, and itinerant specialty medical and dental services, and related site and other improvements to the clinic (collectively, the “Evansville Project”); (e) pay all or a portion of the costs, in an amount not to exceed \$2,000,000, of the acquisition, construction, expansion,

furnishing and equipping of health facilities located at Northway, Alaska, at a location within a mile from the current clinic which is located on East 1st Street just off Northway Road, including space for primary care, laboratory, pharmacy PickPoint machine, sterilization, and itinerant specialty medical and dental services, and related site and other improvements to the clinic (the “Northway Project”); (f) fund capitalized interest with respect to the Bonds; (g) fund any necessary reserve funds; and (h) pay all or a portion of the costs incurred in connection with the issuance of the Bonds. The Health Center Project and the Upper Tanana Health Clinic Project will be owned and operated by the Borrower. The Manley Hot Springs Project will be owned by Manley Hot Springs Village and operated by the Borrower. The Evansville Project will be owned by Evansville Village (aka Bettles Field) and operated by the Borrower. The Northway Project will be owned by Northway Village and operated by the Borrower.

The aggregate principal amount of the Notes will not exceed \$145,000,000.

The Borrower is an Alaska nonprofit corporation and a “501(c)(3) entity” within the meaning of the Internal Revenue Code of 1986, as amended.

BOND DESCRIPTION

The Bonds will be in an amount equal to not more than \$145,000,000. The Bonds will be conduit revenue bonds.

The Borrower will only be permitted to use proceeds of the Bonds for costs of the Project and certain other expenses.

The only source of payment for the Bonds will be the payments and other assets identified in the Indenture. The Authority will not pledge its credit or resources to the payment of the Bonds, and the holders of the Bonds will have no right to seek payment under any circumstances (including, but not limited to, any default by the Borrower) from the Authority other than as described in the Indenture.

RBC Capital Markets, LLC, will serve as underwriter for the Bonds and, as such, will make a public offering of the Bonds. The Authority will use the proceeds from the sale of the Bonds to make a loan to the Borrower pursuant to the Loan Agreement. The Authority, immediately upon making the loan to the Borrower, will assign its interest in the Loan Agreement and other security documents to the Bond trustee as security for the Bonds.

RECOMMENDATION

Staff recommends approval of Resolution No. G19-16.

**ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY**

RESOLUTION NO. G19-16

RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY PROVIDING FOR THE SALE OF NOT TO EXCEED \$145,000,000 OF ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY REVENUE BONDS (TANANA CHIEFS CONFERENCE PROJECT) SERIES 2019; AUTHORIZING AN INDENTURE BY AND BETWEEN THE AUTHORITY AND U.S. BANK, NATIONAL ASSOCIATION, AS TRUSTEE, TO SECURE SAID BONDS; AUTHORIZING THE EXECUTION OF A LOAN AND SECURITY AGREEMENT SECURING PAYMENT OF SAID BONDS; DELEGATING CERTAIN AUTHORITY TO THE CHAIR, THE VICE CHAIR, THE EXECUTIVE DIRECTOR, AND THE CHIEF FINANCIAL OFFICER; AND PROVIDING FOR RELATED MATTERS

WHEREAS, the Alaska Industrial Development and Export Authority (the “Authority”) is authorized by Title 44, Chapter 88, of the Alaska Statutes, as amended, (the “Act”) to issue revenue bonds for the purpose of providing funds to pay or to refinance the cost of acquiring, constructing, improving and equipping projects in the State of Alaska (the “State”), provided the user thereof agrees to pay the Authority an amount at least sufficient to pay the principal of, and premium, if any, and interest on, said bonds and other expenses incurred by the Authority in connection therewith;

WHEREAS, the Authority hereby finds and determines that it is in the public interest and will further the purposes of the Authority to provide for the issuance of bonds of the Authority which are special, limited revenue obligations of the Authority payable solely from and secured by payments to be made pursuant to the hereinafter defined Loan and Security Agreement and other sources of security as described herein and the hereinafter defined Indenture;

WHEREAS, the Authority has determined to issue its Revenue Bonds (Tanana Chiefs Conference Project) Series 2019A, in an aggregate principal amount not to exceed \$145,000,000

in one or more series (the “Bonds”) to make a loan to Dena’ Nena’ Henash d/b/a Tanana Chiefs Conference (hereinafter, the “Borrower”) to provide funds which will be used to (a) pay all or a portion of the costs of the acquisition, expansion, renovation, furnishing and equipping of certain health care facilities at the Chief Andrew Isaac Health Center (the “Health Center”) located at 1717 W. Cowles Street, Fairbanks, Alaska, including, without limitation, constructing a separate stand-alone building with shell space included for future growth, incorporating renovations of existing space, expanding existing services for primary and urgent care, general surgery, general radiology, lab and physical therapy, and providing new services including procedure rooms, audiology, CT scan, oncology/infusion therapy, occupational therapy, ophthalmology and a wellness center, and related site and other improvements to the Health Center (collectively, the “Health Center Project”); (b) pay all or a portion of the costs of the acquisition, construction, expansion, furnishing and equipping of health care facilities located in, Tok, Alaska, at Tract B of Larson Subdivision, according to the plat filed October 10, 1986, as Plat No. 86.139, Records of the Fairbanks Recording District, Fourth Judicial District, State of Alaska, and including space for primary care, trauma/urgent/emergent care, laboratory, radiology, pharmacy, dental, behavioral health, and itinerant specialty medical services, and support services including nursing, registration, biomedical, facilities and security, and related site and other improvements to the clinic (collectively, the “Upper Tanana Health Clinic Project”); (c) pay all or a portion of the costs of the acquisition, construction, expansion, furnishing and equipping of health facilities located at Manley Hot Springs, Alaska, on the Elliot Highway across the highway from the Tribal Office and Washeteria laundromat and including space for primary care, laboratory, pharmacy PickPoint machine, sterilization, and itinerant specialty medical and dental services, and related site and other improvements to the clinic (collectively, the “Manley Hot Springs Project”); (d) pay all or a portion

of the costs of the acquisition, construction, expansion, furnishing and equipping of health facilities located at Evansville, Alaska, adjacent to the current Tribal Office on the Hickel Highway and including space for primary care, laboratory, pharmacy PickPoint machine, sterilization, and itinerant specialty medical and dental services, and related site and other improvements to the clinic (collectively, the “Evansville Project”); (e) pay all or a portion of the costs of the acquisition, construction, expansion, furnishing and equipping of health facilities located at Northway, Alaska, at a location within a mile from the current clinic which is located on East 1st Street just off Northway Road, including space for primary care, laboratory, pharmacy PickPoint machine, sterilization, and itinerant specialty medical and dental services, and related site and other improvements to the clinic (collectively, the “Northway Project” and, together with the Health Center Project, the Upper Tanana Health Clinic Project, the Manley Hot Springs Project and the Evansville Project, the “Health Facilities Projects”); (f) fund capitalized interest with respect to the Bonds; (g) fund any reserve fund that may be created under the hereinafter-defined Indenture; and (h) pay all or a portion of the costs incurred in connection with the issuance of the Bonds (the “Project”);

WHEREAS, the Borrower may allocate some, all, or none of the proceeds of the Bonds to pay costs of any portion of the Project as described in clauses (a) through (h) of the preceding paragraph in its sole discretion;

WHEREAS, the Borrower is an Alaska nonprofit corporation and an organization for which qualified 501(c)(3) bonds may be issued pursuant to Section 145 of the Internal Revenue Code of 1986, as amended;

WHEREAS, the Bonds will be issued under and pursuant to and are being secured by an Indenture by and between the Authority and U.S. Bank, National Association, as Trustee (the

“Indenture”) which shall be in substantially the form presented to and made part of the records of this meeting;

WHEREAS, the Authority and the Borrower will enter into a Loan and Security Agreement (the “Loan Agreement”), which shall be in substantially the form presented to and made part of the records of this meeting, under the terms of which the Borrower will be obligated to pay an amount sufficient to pay when due the principal of and the premium, if any, and interest on the Bonds, together with all expenses of the Authority properly incurred therewith;

WHEREAS, provisions shall be made for the sale of the Bonds pursuant to a Bond Purchase Agreement entered into among RBC Capital Markets LLC, on behalf of itself and other underwriters identified in said Bond Purchase Agreement (the “Underwriters”), the Authority, and the Borrower (the “Bond Purchase Agreement”) which shall be in substantially the form presented to and made part of the records of this meeting;

WHEREAS, there has been presented to this meeting the draft forms of the following documents, which the Authority proposes to finalize in connection with the issuance of the Bonds and substantially in the form presented at this meeting:

1. Form of the Indenture, including the form of the Bonds;
2. Form of the Loan Agreement;
3. Form of the Bond Purchase Agreement; and
4. Form of a Preliminary Official Statement (the “Preliminary Official Statement”);

WHEREAS, it appears that each of the instruments above referred to, which are now before the members of the Authority, is in appropriate form and is an appropriate instrument for the purposes intended; and

WHEREAS, there have also been presented to this meeting for the information of the Board but not for approval by the Board the forms of a Master Trust Indenture, First Supplemental Indenture, and Continuing Disclosure Agreement that the Borrower intends to use in connection with its borrowing under the Loan Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY, AS FOLLOWS:

Section 1. That in order to provide funds to finance the Project, the Authority will issue the Bonds in a principal amount not to exceed \$145,000,000 maturing on the date or dates and bearing interest at a fixed rate not to exceed 5.50% per annum; that the form of the Bonds in substantially the form and content set forth in the Indenture now before this meeting, subject to appropriate insertions and revisions, be and the same hereby is in all respects authorized, approved and confirmed, and that the Chair, Vice Chair, Executive Director, or Chief Financial Officer of the Authority (each, an “Authorized Officer”) be, and each of them hereby is, authorized, empowered, and directed to execute the Bonds, whether by manual or facsimile signature, to seal the Bonds with the official seal of the Authority (manually or by facsimile), and to deliver, for and on behalf of the Authority, the Bonds to the Underwriters upon payment therefor; and that the provisions of the Indenture with respect to the Bonds be and the same hereby are authorized, approved and confirmed.

The Bonds do not constitute an indebtedness or other liability of the State of Alaska or any political subdivision thereof (except the Authority, but only, with respect to the Authority, to the extent stated in the Indenture), but shall be payable solely from payments to be made by the Borrower under the Loan Agreement and certain other sources as identified in the Indenture. The Authority does not pledge the full faith and credit of the State of Alaska or any political subdivision

thereof (including the Authority) to the payment of the Bonds, and the issuance of the Bonds does not directly or contingently obligate the State of Alaska or any political subdivision thereof (including the Authority) to apply money from, or levy or pledge any form of taxation to, payment of the Bonds. The Authority has no taxing power.

Section 2. That the form and content of the Indenture be and the same hereby are in all respects authorized, approved, and confirmed, and each Authorized Officer be and they hereby are in all respects severally authorized, empowered, and directed to execute and deliver the Indenture for and on behalf of the Authority to the Trustee named therein for the security of the Bonds, including necessary counterparts, in substantially the form now before this meeting, but with such changes, modifications, additions, and deletions therein as shall to them seem necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all changes, modifications, additions, or deletions thereto from such form, and after the execution and delivery of the Indenture, each Authorized Officer be and they hereby are authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary or convenient to carry out and comply with the provisions of the Indenture as executed.

Section 3. That the form and content of the Loan Agreement and the Bond Purchase Agreement be and the same hereby are in all respects authorized, approved and confirmed and each Authorized Officer be and they hereby are authorized, empowered and directed to execute and deliver the Loan Agreement and the Bond Purchase Agreement for and on behalf of the Authority, including necessary counterparts, in substantially the form and content now before this meeting but with such changes, modifications, additions, and deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence

of their approval of any and all changes, modifications, additions or deletions therein from the form and content of the Loan Agreement and the Bond Purchase Agreement now before this meeting, and that, from and after the execution and delivery of the Loan Agreement and the Bond Purchase Agreement, each Authorized Officer be and they hereby are authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Loan Agreement and the Bond Purchase Agreement as executed.

Section 4. That the Authorized Officers are severally authorized, empowered, and directed to approve the final form of the Preliminary Official Statement and the final form of the Official Statement. The provisions of the Preliminary Official Statement and the provisions of the Official Statement relating to the Authority shall be in substantially the same form as such provisions in the draft Preliminary Official Statement which has been presented at and is a part of the records of this meeting; however, the final form of the Preliminary Official Statement and the final form of the Official Statement may each contain such changes as the Authorized Officers consider necessary or appropriate to fully disclose to purchasers of the Bonds all pertinent information relating to the Authority.

Section 5. That the sale of the Bonds to the Underwriters pursuant to the terms of the Bond Purchase Agreement is hereby authorized and approved.

Section 6. That the Authorized Officers be, and each of them hereby is, authorized to execute and deliver for and on behalf of the Authority any and all additional certificates, documents, opinions or other papers and perform all such other acts as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

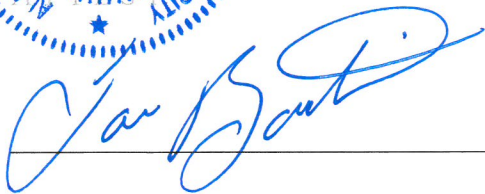
Section 7. That the Bonds may be insured and, to facilitate such insurance, the Authorized Officers are hereby further authorized to enter into agreements with the insurance company that issues the policy of insurance as the Authorized Officers consider necessary or appropriate to obtain the policy of insurance. Nothing in this section requires that the Bonds be insured.

Section 8. That this Resolution does hereby incorporate by reference, as though fully set out herein, the provisions of the Act.

Section 9. That this Resolution shall become effectively immediately upon its passage and approval.

DATED at Anchorage, Alaska, this 7th day of August 2019.







Chair