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Title: Resolution Authorizing the Issuance and Sale of Conduit Revenue Bonds of the HRA and the City of Minneapolis on Behalf of Allina Health System and the Execution of Related Documents, District 9, Ward 2

Sponsors: Rebecca Noecker

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Attachments: 1. Board Report, 2. Map, 3. District 9 Profile

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Resolution Authorizing the Issuance and Sale of Conduit Revenue Bonds of the HRA and the City of Minneapolis on Behalf of Allina Health System and the Execution of Related Documents, District 9, Ward 2

WHEREAS, this Board of Commissioners (the "Board") of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") has received a proposal from Allina Health System, a Minnesota nonprofit corporation (the "Corporation") that HRA and the City of Minneapolis, Minnesota (the "City") acting jointly (the City and HRA are together referred to as the "Joint Issuers") issue its revenue bonds under Minnesota Statutes, Sections 469.152 to 469.165 (the "Act"), in one or more tax-exempt series or subseries on behalf of the Corporation; and

WHEREAS, at a public hearing, duly noticed and held on March 22, 2017, in accordance with the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended, on the proposal to finance the costs of the refunding described hereinafter, all parties who appeared at the hearing were given an opportunity to express their views with respect to the proposal, and interested persons were given the opportunity to submit written comments to the HRA before the time of the hearing; and

WHEREAS, the Corporation has represented to this Board that, pursuant to the Internal Revenue Code of 1986, as amended, and Minnesota Statutes, Section 471.656, each entity required thereby to hold a duly noticed public hearing with respect to the issuance of the Bonds and approve the issuance thereof has done or will do so prior to pricing the bonds issued pursuant to this resolution (the "Resolution"); and

WHEREAS, the HRA, the City, the Corporation and the original purchasers of the proposed revenue bonds have agreed upon sufficient details of the proposed revenue bonds to enable the HRA to adopt this Resolution on this date.

NOW, THEREFORE, BE IT RESOLVED by the Board of the HRA, as follows:

1. Proposal. The Board has received a proposal from the Corporation that the HRA and the City

refund bonds issued on behalf of the Corporation pursuant to the Act through issuance by the HRA and the City of their Health Care Facilities Revenue Refunding Bonds, Series 2017A (Allina Health System) (the "Series 2017A Bonds") and their Health Care Facilities Revenue Refunding Bonds, Series 2017B (Allina Health System) (the "Series 2017B Bonds"; together with the Series 2017A Bonds, the "Bonds") pursuant to a Joint Powers Agreement (the "Joint Powers Agreement") with North Suburban Hospital District, Anoka and Ramsey Counties, Minnesota, pursuant to Minnesota Statutes, Section 471.59.

2. The Refunding. The Bonds shall be issued for the purpose of (i) refunding all or a portion of revenue bonds heretofore issued by the City and the HRA, including (a) Health Care System Revenue Bonds, Series 2007A (Allina Health System) (the "2007A Bonds"), (b) Health Care System Revenue Bonds, Series 2009A-1 (Allina Health System) (the "2009A-1 Bonds"), and (c) Health Care System Revenue Bonds, Series 2009A-2 (Allina Health System) (the "2009A-2 Bonds," and together with the Series 2009A-1 Bonds, the "Series 2009A Bonds"); (ii) to pay capitalized interest on the Bonds; (iii) to fund a reserve fund for a portion of the Bonds; and (iv) to pay certain costs of issuance of the Bonds (collectively, the "Refunding").

3. Structure of Bonds. Pursuant a Loan Agreement for each series of Bonds (each a "Loan Agreement" and collectively the "Loan Agreements"), to be entered into between the City, the HRA and the Corporation, drafts of which have been made available to the Board prior to this meeting and which have been reviewed to the extent deemed necessary, the Corporation will issue to the Joint Issuers an Obligation with respect to each series or subseries 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 Indentures") to be entered into between the Corporation and the Master Trustee. Under the Obligation with respect to each series or subseries of Bonds, the Corporation will unconditionally agree to repay the Loan made by the Joint Issuers 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 or subseries, when due. In addition, the Loan Agreement with respect to such 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 Joint Issuers and the Corporation deem necessary or desirable for the sale of such Bonds.

Pursuant to a Trust Indenture for each series of Bonds (each a "Bond Indenture" and collectively 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 Board prior to this meeting and which have been reviewed to the extent deemed necessary, the Joint Issuers assign and pledge all of their right, title and interest in the Loan Agreement with respect to such Bonds (other than the rights specifically retained by the Joint Issuers including, but not limited to, indemnification and administrative fees and expenses), the Obligation with respect to such series or subseries of Bonds, the Master Indenture and the Supplemental Indentures 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 Joint Issuers and the Corporation deem necessary or desirable in connection with the sale of such series of Bonds.

The Series 2017A Bonds are proposed to be offered for sale to the public pursuant to one or more Official Statements (together, the "Official Statements") and sold to J.P. Morgan Securities LLC, together with any other members of the underwriting syndicate (the "Underwriters") pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the HRA, the City, the Corporation, and the Underwriters.

The Series 2017B Bonds are proposed to be sold to Wells Fargo Bank, National Association, or one or more of its affiliates (the "Bank"; together with the Underwriters, the "Purchasers") in a direct purchase

transaction.

4. Findings. It is hereby found, determined and declared that:

(a) the purpose of the projects refinanced by the Refunding is, and the effect thereof will further the proposed policies of the Act and promote the public welfare by providing for the continuation of the health care operations of the Corporation in the Cities of Minneapolis and Saint Paul and the surrounding area;

(b) the Act authorizes the refunding of the Series 2007A Bonds and the Series 2009A Bonds, the acquisition, construction and installation of the facilities and equipment to be refinanced by the Bonds, the issuance and sale of the Bonds, the execution and delivery by the HRA of the Joint Powers Agreement, Loan Agreements, Bond Purchase Agreement and Bond Indentures (collectively the "Bond Documents"), the performance of all covenants and agreements of the HRA contained in the Bond Documents, and the performance of all other acts and things required under the constitution and laws of the State of Minnesota to make the Bond Documents and the Bonds valid and binding obligations of the HRA in accordance with their terms;

(c) it is desirable that the Bonds be issued by the Joint Issuers upon the terms set forth in the Bond Indentures;

(d) the payments under the Loan Agreements and Obligations are fixed to produce revenue sufficient to provide for the prompt payment of principal of, premium, if any, and interest on the Bonds issued under the Bond Indentures when due, and the Loan Agreements and Bond Indentures also provide that the Corporation is required to pay all expenses of the operation and maintenance of the facilities to be financed or refinanced by the Bonds, including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all taxes and special assessments levied upon or with respect to the premises of said facilities and payable during the term of the Loan Agreements and Bond Indentures; and

(e) under the provisions of the Act, and as provided in the Loan Agreements and Bond Indentures, the Bonds are not to be payable from or charged upon any funds other than the revenue pledged to the payment thereof; the HRA and the City are not subject to any liability thereon; no holder of any Bond shall ever have the right to compel any exercise by the HRA or the City of its or their taxing powers to pay any of the Bonds or the interest or premium thereon, or to enforce payment thereof against any property of the City or the HRA except the interests of the HRA and the City in the Loan Agreements and the Obligations which will be assigned to the Bond Trustee under the Bond Indentures; the Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the HRA or the City except the interests of the HRA and the City in the Loan Agreements and the Obligations which will be assigned to the Bond Trustee under the Bond Indentures; the Bonds shall recite that the Bonds do not constitute or give rise to a pecuniary liability or moral obligation of the HRA, the City, the City of Saint Paul, the State of Minnesota or its political subdivisions, and that the Bonds, including interest thereon, are payable solely from the revenues pledged to the payment thereof; and that the Bonds shall not constitute a debt of the HRA or the City within the meaning of any constitutional or statutory limitation.

5. Approval of Forms; Execution. Subject to the approval of the Saint Paul City Attorney and the provisions of paragraphs 7 and 9 hereof, and subject to completion of all necessary host approvals with respect to the issuance of the Bonds, the forms of the Bond Documents and exhibits thereto, and all other documents described herein are approved substantially in the forms on file with the Executive Director of the HRA. The Bond Documents, in substantially the forms on file with the Executive Director of the HRA, are directed to be executed in the name and on behalf of the HRA by the Chair or Commissioner, Executive Director, and Director, Office of Financial Services (the "Authorized Officials"); provided that the Bond Purchase Agreement may be executed on behalf of the HRA by the Executive Director. Any other HRA documents and certificates necessary to the transaction described above shall be executed by the appropriate HRA officers. Copies of all of the documents necessary to the transaction herein described shall be delivered,

filed and recorded as provided herein and in the Loan Agreements and the Bond Indentures.

6. Official Statement. The HRA hereby consents to the preparation and distribution of the Official Statements with respect to the Series 2017A Bonds to brokers, dealers and other potential purchasers of such Bonds, provided that it is understood that the HRA has relied upon the Corporation and the Underwriters and legal counsel retained by them to assure the accuracy and completeness of the information set forth in the Official Statement and that therefore the HRA has not made and will not make any independent investigation of, or any representations or warranties with respect to, the information contained therein, and it assumes no responsibility for the accuracy or completeness of such information, other than the information with respect to the HRA under the headings "The Issuer" and "Litigation-the Issuer." The drafts of the Official Statements on file with the Executive Director of the HRA are hereby designated as "near final" offering memoranda for purposes of Rule 15-c2-12 of the Securities Exchange Commission.

7. Issuance; Acceptance of Offer. The HRA, jointly with the City, shall proceed forthwith to issue the Bonds, in the form and upon the terms set forth in the Bond Indentures and this Resolution, but only if the Bonds when issued are rated by one or more nationally recognized rating agencies at least at investment grade or are privately placed in accordance with the HRA's policies. The Bonds shall be issued in an aggregate principal amount not to exceed \$200,000,000, shall be payable or prepayable at such time or times, shall bear interest at such rate or rates, shall be purchased by the Purchasers at such price and shall be subject to such other terms and conditions as the HRA, the City, the Corporation and the Purchasers shall agree to, which agreement with respect to the Series 2017A Bonds shall be deemed to have been made upon execution of the Bond Purchase Agreement by the Executive Director of the HRA and the officers of the City, provided that the Bonds mature no later than 30 years from the date of issuance thereof and provided that no initial interest rate exceeds 6.0% per annum. The Authorized Officials are hereby authorized and directed, in conjunction with the appropriate officers of the HRA, to prepare and execute the Bonds as prescribed in the Bond Indentures and to deliver them to the Bond Trustee for authentication and delivery to the Purchasers. In accordance with the policy of the HRA, the initial purchaser of the Series 2017B Bonds will be required to execute and deliver an investor letter to the HRA, confirming that such purchaser is a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended.

8. Records and Certificates. The Authorized Officials and other officers of the HRA are authorized and directed to prepare and furnish to the Purchasers certified copies of all proceedings and records of the HRA relating to the Bonds and such other affidavits and certificates as may be required to show the facts relating to the legality of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the HRA as to the truth of all statements contained therein.

9. Changes in Forms Approved; Absent and Disabled Officers. The approval hereby given to the various documents referred to above includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the Saint Paul City Attorney to the HRA, the appropriate HRA staff person, or by the officers authorized herein to execute or accept, as the case may be, said documents prior to their execution; and said officers or staff members are hereby authorized to approve said changes on behalf of the HRA. The execution of any instrument by the appropriate officer or officers of the HRA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the Authorized Officials, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any member of the Board or any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the Saint Paul City Attorney to the HRA, may act on their behalf.

10. Future Amendments. The authority to approve, execute and deliver future amendments to financing documents entered into by the HRA in connection with the issuance of the Bonds and consents

required under such financing documents is hereby delegated to the Executive Director, subject to the following conditions: (a) such amendments or consents do not require the consent of the holders of the Bonds or such consent has been obtained; (b) such amendments or consents do not materially adversely affect the interests of the HRA; (c) such amendments or consents do not contravene or violate any policy of the HRA, and (d) such amendments or consents are acceptable in form and substance to the counsel retained by the HRA to review such amendments. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Executive Director, shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Executive Director, any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the HRA or the City of Saint Paul authorized to act in their place and stead.

11. Indemnification by Corporation. It is understood and agreed that the Corporation shall indemnify the HRA against all liabilities, losses, damages, costs and expenses (including attorney's fees and expenses incurred by the HRA) arising with respect to the Project or the Bonds, as provided for and agreed to by and between the Corporation and the HRA in the Loan Agreements.

12. Program. The HRA has established a governmental program of acquiring purpose investments for qualified residential rental projects and qualified 501(c)(3) organizations' projects. The governmental program is one in which the following requirements of §1.148-1(b) of the federal regulations relating to tax-exempt obligations shall be met:

(a) the program involves the origination or acquisition of purpose investments;

(b) at least 95% of the cost of the purpose investments acquired under the program represents one or more loans to a substantial number of persons representing the general public, states or political subdivisions, 501(c)(3) organizations, persons who provide housing and related facilities, or any combination of the foregoing;

(c) at least 95% of the receipts from the purpose investments are used to pay principal, interest, or redemption prices on issues that financed the program, to pay or reimburse administrative costs of those issues or of the program, to pay or reimburse anticipated future losses directly related to the program, to finance additional purpose investments for the same general purposes of the program, or to redeem and retire governmental obligations at the next earliest possible date of redemption;

(d) the program documents prohibit any obligor on a purpose investment financed by the program or any related party to that obligor from purchasing bonds of an issue that finances the program in an amount related to the amount of the purpose investment acquired from that obligor; and

(e) the HRA will not waive the right to treat the investment as a program investment.

13. Headings; Terms. Paragraph headings in this Resolution are for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof. Capitalized terms used but not defined herein shall have the meanings given them in the Bond Indentures or Loan Agreements.