

# **Bill Schuette**

## **Attorney General**



### **Report on the Proposed Sale of Garden City Hospital to Prime**

**June 27, 2014**

STATE OF MICHIGAN  
DEPARTMENT OF ATTORNEY GENERAL



P.O. Box 30212  
LANSING, MICHIGAN 48909

**BILL SCHUETTE**  
ATTORNEY GENERAL

June 27, 2014

I have reviewed the proposed sale of Garden City Hospital to Prime Healthcare Services – Garden City, LLC, which is a subsidiary of Prime Healthcare Services. I approve the sale.

The Attorney General has a unique responsibility over charitable assets. Recognizing this, the parties conditioned the sale on my approval. As in past hospital transactions, I convened an internal review team to consider the reasons for the sale and its fairness, and to ensure the protection of charitable assets and interests. We examined documents and interviewed relevant persons. We accepted comments or concerns from the public and from government officials. I also required Prime to fund a valuation expert to work at my direction. I directed the expert to review the adequacy of the consideration, the fairness of the bidding process, and the fairness of any residual charitable proceeds.

My review is now complete. Garden City's board of directors had sound reasons both for the sale and for choosing Prime, and they obtained fair value for the hospital's assets. Garden City has been exploring affiliation options for nearly 20 years. In recent years, the hospital has struggled financially with large bond and pension liabilities, aging facilities, and lack of capital. This, and challenges presented by federal healthcare reform, led the hospital to refocus its affiliation attempts, which ultimately led it to Prime.

The sale to Prime allows Garden City to continue operations, pay-off \$55 million in bond debt, protect the jobs and pensions of hospital employees, and obtain the necessary capital to improve its facilities, recruit physicians, and adapt to the changing healthcare landscape. Garden City's Board of Directors has also obtained Prime's promise to continue core medical services for the next five years, continue charity care, and dedicate \$35 million in capital commitments.

To ensure that Prime adheres to its post-closing promises, I am requiring an independent firm—chosen by me—to monitor these promises for the next five years.

The attached report more fully explains the review process and my reasons for approving the sale.

A handwritten signature in cursive script that reads "Bill Schuette".

Bill Schuette  
Attorney General

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## I. Introduction

Under Michigan law, the Attorney General represents the public in protecting charitable interests, which include the state's nonprofit hospitals. On January 30, 2014, Prime Healthcare Services agreed to purchase Garden City Hospital. Recognizing the Attorney General's authority in this area, the parties requested the Attorney General's review and approval before closing.<sup>1</sup> This report discusses the general terms of the sale and the review process; and it explains the findings that support the Attorney General's approval.

### A. Transaction Overview

The terms of the sale are detailed in the Asset Purchase Agreement (APA).<sup>2</sup>

Significant terms include:

1. In exchange for substantially all of Garden City's assets, Prime will pay \$27.4 million<sup>3</sup> and assume Garden City's liabilities of \$21.4 million<sup>4</sup>, for a total consideration of \$48.8 million; [APA § 2.5]

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<sup>1</sup> For the Attorney General's authority over charitable assets and interests, see Appendix A; see also Asset Purchase Agreement, §§ 6.3, 7.1, 8.4, and 9.5, available at [www.mi.gov/gch](http://www.mi.gov/gch).

<sup>2</sup> The Attorney General has posted the Asset Purchase Agreement and many other important sale documents for the public's review at [www.mi.gov/gch](http://www.mi.gov/gch).

<sup>3</sup> Prime must pay \$20 million *plus* the amount of any positive projected net working capital (§ 2.5(a)) *plus* any shortfall payment required under § 2.5(d). Based on most recent financial statements, projected net working capital is \$3.82 million and shortfall payment is \$3.61 million. Thus, Prime is expected to pay \$27.4 million (\$20 million plus \$3.82 million plus \$3.61 million) at closing. See Exhibit 2, SRR Report, p. 6; all exhibits are available at [www.mi.gov/gch](http://www.mi.gov/gch). The cash payments will give Garden City sufficient funds to pay off outstanding liabilities, including over \$55 million in bond liabilities.

2. Prime will spend \$35 million in capital improvements over five years; [APA § 12.3]
3. Prime will offer employment to current employees; [APA § 12.1]
4. Prime will maintain an advisory board for the operation of the hospital, comprised of physicians, community members, and hospital executives. [APA § 12.11]
5. Prime will maintain the hospital as an acute care hospital, substantially consistent with the hospital's current service offerings and with an open and accessible emergency department for at least five years, and will continue to use the name "Garden City Hospital"; [APA § 12.12, First Amendment to APA]
6. Prime will adopt a charity care policy that is no less favorable than Garden City's current policy. [APA § 12.14, First Amendment to APA]
7. For five years following closing, Prime will not sell the hospital to a third-party. [APA § 12.15, First Amendment to APA]

B. Review Process

In October 2013, the Attorney General assembled a team to review the proposed sale.<sup>5</sup> The Attorney General also required the buyer to pay for a valuation expert to work at the Attorney General's exclusive direction. The Attorney General

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<sup>4</sup> Garden City's estimated pension liabilities are \$19.3 million as of January 31, 2014; Garden City also has other liabilities being assumed of roughly \$2 million. See Exhibit 2, SRR Report, p. 6.

<sup>5</sup> The Attorney General's team included Chief Deputy Attorney General Carol Isaacs, Consumer and Environmental Protection Bureau Chief Bob Ianni, Corporate Oversight Division Chief Joe Potchen, Charitable Trust Attorney William R. Bloomfield, and Charitable Trust Auditor Joe Kylman.

chose Stout Risius Ross (SRR) to value Garden City’s assets, to examine the sale process, and to consider the fairness of the consideration.<sup>6</sup>

The Attorney General’s team focused on the due diligence of Garden City’s board of directors and on the overall fairness of the sale to the public. More specifically, the review team considered these questions:

1. Why is Garden City being sold?
2. How did Garden City search for a buyer?
3. Was the process fair?
4. Why did Garden City select Prime?
5. Did Garden City obtain fair market value for its charitable assets?
6. Will the hospital continue charitable care and core services?
7. What does the public think of the sale?
8. Will the sale generate proceeds to the hospital’s foundation?
9. How will the Post-Closing Covenants be monitored?

Section II., immediately below, answers these questions.

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<sup>6</sup> The Attorney General requested bids from multiple valuation experts and ultimately chose SRR—a nationally recognized valuation firm based in Southfield, Michigan. For a copy of the SRR expert contract, see [www.mi.gov/gch](http://www.mi.gov/gch). For SRR’ valuation report and fairness opinion, see Exhibits 2 and 3.

## II. Findings

### A. Why is Garden City being sold?

In recent years, like many independent, community hospitals, Garden City Hospital has struggled financially. The hospital has faced declining reimbursement, rising pension liabilities, changing demographics, aging facilities, and large debt-servicing costs. This has left the hospital without sufficient capital to meet its pension-funding requirements, to recruit physicians, to make needed capital improvements, or to meet the increased regulatory compliance costs under federal healthcare reform. The sale allows the hospital to continue operations, pay-off its bond debt, protect hospital employees and pensioners, obtain needed capital improvements, and adapt to the changing competitive landscape under federal healthcare reform.

#### 1. *History and financial struggles*

The hospital was founded in 1947 as Garden City Maternity Hospital. In 1951, it took the name Garden City Hospital, Osteopathic. For several years, the hospital also operated a 100-bed hospital near Ypsilanti, known as Ridgewood Osteopathic Hospital. In 1971, with the opening of additional beds at the Garden City campus, Ridgewood's operations ended. During the 1980s and 1990s, the hospital made several significant facility improvements. Most recently, in 2008, the

hospital added a 36,000 square foot surgical center. Today, the hospital continues as an osteopathic teaching hospital and operates 323 licensed, acute-care beds.<sup>7</sup>

Garden City Hospital's board of directors has been considering affiliation options for nearly twenty years. In 2000, it formally requested proposals and received serious interest from both Trinity Health and Oakwood Healthcare; Garden City even negotiated a letter of intent with Oakwood, but never reached agreement. During this period, the hospital's financials also improved; so its board chose to continue as an independent hospital.

## *2. Recent history*

Beginning in 2007, Garden City began a decline in operating and financial performance that continues today. During this period, pension liabilities ballooned from less than \$2 million to over \$30 million, net revenue declined, net operating income declined (and generally became negative), and net assets plunged from \$36 million in 2007 to -\$0.5 million in 2012. And with the implementation of federal healthcare reform, Garden City also faced new regulatory compliance costs. Given these financial constraints, Garden City was forced to defer needed capital commitments, which it now estimates at \$10 million. Garden City also lacked the necessary capital to recruit and retain physicians.

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<sup>7</sup> For more on the hospital's history, see Garden City Hospital Transaction Narrative, pp. 2-5, at [www.mi.gov/gch](http://www.mi.gov/gch).

Facing this financial decline, from 2007 to 2012, Garden City again considered affiliation as a remedy, exploring affiliations with Oakwood, Trinity, Ascension Health, and Vanguard Detroit Medical Center. But none of the possible affiliations met the board's goal of continuing long-term, high-quality care at the hospital.<sup>8</sup>

B. How did Garden City search for a buyer?

After several years of failed affiliation attempts, Garden City sought expert assistance. In summer 2012, Garden City contracted with Juniper Advisory<sup>9</sup> to assist it in considering potential affiliations or sales. Juniper educated the board on the possibilities and solicited proposals from potential buyers. In November 2012, Juniper contacted twenty-two hospital systems, including both nonprofit and for-profit hospitals. Seven expressed interest. Three submitted proposals.

Garden City reviewed the submissions and asked for revised proposals. In February 2013, the hospital hosted the three finalists in Garden City. Shortly thereafter, Garden City's board, management, and medical staff conducted reverse due-diligence trips to each of the bidders.

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<sup>8</sup> See Transaction Narrative, p. 6. Each considered affiliation failed for its own reason: one possible affiliate wanted to close the hospital and consolidate services with a nearby hospital; another provided no operating support; and another was interested in using the hospital as a feeder to other regional hospitals. These options were not palatable to the board as all involved the reduction or loss of hospital services in Garden City.

<sup>9</sup> Juniper is an independent investment banking firm from Chicago that specializes in nonprofit hospital mergers and acquisitions.

Before submitting a second proposal, one of the bidders dropped out, citing “great concern” over the hospital’s financial condition. Garden City received second round offers from the other two bidders, but concluded that the offers were too low to satisfy the hospital’s obligations, including its pension liability. For a period, the board remained in active discussions with both bidders; but in May 2013, the second of the three bidders withdrew. This left Prime, but Prime’s offer remained too low for Garden City to satisfy all its obligations.

In June 2013, Garden City’s board met to consider what it viewed as four options: (1) continue negotiations with Prime, (2) reorganize through bankruptcy, (3) look for new bidders by re-approaching the market, or (4) remain independent and cut costs through layoffs and discontinuation of services and other means. The board chose to continue negotiations with Prime and to tighten its financials in the event that negotiations failed. Negotiations with Prime proceeded; and ultimately, Garden City successfully convinced Prime to raise its bid to assume the hospital’s sizable pension liability (roughly \$30 million at the point of negotiations).

In September 2013, Garden City’s board unanimously approved the selection of Prime and authorized the hospital to enter a letter of intent with Prime.

C. Was the process fair?

A fair market process is the best way to obtain value for a hospital’s assets. To test the fairness of Garden City’s process, the Attorney General:

- interviewed hospital board members and executives;<sup>10</sup>
- requested and examined documents;<sup>11</sup> and
- hired valuation expert SRR—funded by the buyer and **not** the taxpayer—to review the process and evaluate the consideration received.

The Attorney General concludes that the sale process was fair.

D. Why did Garden City select Prime?

For more than ten years, Garden City Hospital has been seeking an affiliation or sale so that it could continue hospital services in Garden City for the local community. In its most recent attempt to find a buyer, Juniper coordinated a competitive, market-clearing process that resulted in three bidders. But initially, none of the bids were sufficient because they did not assume Garden City’s pension liabilities or did not include enough consideration to allow the hospital to pay-off its bonds. Then, two of the three bidders withdrew their offers. This left Garden City with one bidder—Prime. But Prime’s bid remained too low. So Garden City continued negotiations with Prime and ultimately secured a higher bid—a bid in which Prime now assumed the roughly \$30 million pension liability and which would allow the hospital to pay-off its over \$50 million in bonds. Because this bid now met the hospital’s objectives, Garden City’s board unanimously selected Prime.

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<sup>10</sup> For a list of those interviewed, see Appendix B.

<sup>11</sup> See Appendix C.

E. Did Garden City obtain fair market value for its charitable assets?

The Attorney General retained valuation expert SRR to verify that Garden City received fair consideration for its charitable assets. Based on SRR's report and the Department's consultation with SRR, the Attorney General concludes that Garden City received fair consideration.<sup>12</sup>

SRR used three conventional valuation methods to value Garden City's assets: (1) capitalized cash flow, (2) comparable public companies, and (3) comparable transactions. The capitalized cash flow method revealed a range of fair market value between \$24 and \$29 million; both the comparable public companies and comparable transactions methods revealed a range between \$41 and \$47 million. Prime's purchase price of \$48.8 million exceeds both ranges. SRR also concluded that Juniper, in guiding Garden City through the sale process, completed a thorough market-clearing process that likely yielded reasonable offers.

F. Will the hospital continue charitable care and core services?

Yes. The purchase agreement requires Prime to maintain Garden City's charitable care policy and to maintain the hospital as an acute care hospital with substantially similar services and with an open and accessible emergency

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<sup>12</sup> SRR's fairness opinion report and letter are available as Exhibits 2 and 3 at [www.mi.gov/gch](http://www.mi.gov/gch).

department for at least five years following closing.<sup>13</sup> These are important services to the public.

G. What does the public think of the sale?

The Attorney General hosted a public forum on March 26, 2014 in Garden City to allow the public to comment on the sale.<sup>14</sup> Approximately 120 persons attended; twenty-four commented; none opposed the sale. Those commenting included hospital employees and volunteers, community members, and several representatives of local government.

The Attorney General also accepted public comment by mail or email, but received few comments. The Attorney General received a letter of support from State Senator Glenn S. Anderson. See Appendix D. The Attorney General also received one email supporting the sale.

H. Will the sale generate proceeds to the hospital's foundation?

The Attorney General asked his expert, SRR, to consider this question. SRR examined the sales proceeds and determined that the sale would not result in proceeds to the hospital's foundation. But SRR concluded that this result was fair because Prime was paying at least fair market value for the hospital's assets and because the full proceeds of the sale would be used to defease the hospital's roughly \$55 million in bond debt. The Attorney General agrees that this is a fair result.

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<sup>13</sup> See APA §§ 12.12 and 12.14, First Amendment to APA, available at [www.mi.gov/gch](http://www.mi.gov/gch).

<sup>14</sup> For a full transcript of the public forum, see [www.mi.gov/gch](http://www.mi.gov/gch).

Previous hospital transactions approved by the Attorney General have resulted in proceeds to local foundations. The difference between those and the present transaction is easily explained. With past hospital transactions, cash proceeds were used to satisfy the hospital's liabilities; anything left then went to a local foundation. With Garden City, the cash generated from the sale will go to pay-off the hospital's sizable bond debt; after the debt is paid, there will be nothing left. In even simpler terms: some hospitals are in a better financial state than others; and for certain struggling hospitals, it is not surprising that their sale may result in no residual proceeds. This is the case with Garden City.

I. How will the post-closing covenants be monitored?

In past hospital transactions, the Attorney General has required monitoring and enforcement of the buyer's post-closing covenants. This transaction is no different. As detailed in the Monitoring, Compliance, and Enforcement Agreement,<sup>15</sup> the Attorney General is requiring Prime to report annually to the Attorney General regarding the status of its post-closing covenants. Moreover, the Monitoring Agreement requires Prime to fund an independent monitor—chosen by the Attorney General—to review annually the performance of the post-closing covenants and verify compliance. The Monitoring Agreement also includes several mechanisms to encourage Prime's compliance and to fund an enforcement action by the Attorney General if necessary. This monitoring will continue for five years.

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<sup>15</sup> See Exhibit 1, at [www.mi.gov/gch](http://www.mi.gov/gch).

### **III. Conclusion**

The Attorney General and his expert, SRR, have thoroughly reviewed the proposed sale. In recent years, and like other independent community hospitals, Garden City has struggled financially. A sale to Prime allows Garden City to pay-off its over \$55 million in bonds, meet its pension obligations, and secure capital for necessary facility improvements, physician recruitment, and regulatory compliance; it also allows for continued operation of the hospital in Garden City and continued employment for its over 1,000 employees. In searching for a buyer, Garden City's board of directors fulfilled its fiduciary duties, thereby preserving the hospital's charitable assets and interests. Because the sale properly protects the public interest, the Attorney General consents to the proposed sale.

#### **IV. Appendix**

- A. The Attorney General's Authority
- B. Individuals Interviewed
- C. Documents Reviewed
- D. Letter from State Senator Glenn S. Anderson

## Appendix A

### The Attorney General's Authority

#### Supervision of Trustees for Charitable Purposes Act

The Supervision of Trustees for Charitable Purposes Act<sup>1</sup> empowers the Attorney General to protect charitable interests on behalf of the public.

#### Charitable Gifts Act

The Charitable Gifts Act<sup>2</sup> authorizes the Attorney General to enforce charitable trusts on behalf of the public and all indefinite and uncertain beneficiaries of charitable gifts. Also, the law liberally protects the intentions of charitable donors.

#### Revised Judicature Act

The Revised Judicature Act gives the circuit court power over corporate fiduciaries, including the power to remove corporate fiduciaries for abuses of trust.<sup>3</sup> The Attorney General may prosecute actions on behalf of the people.

#### Nonprofit Corporations Act

The Nonprofit Corporations Act allows the Attorney General to seek dissolution of a nonprofit organization that willfully exceeds its authority or otherwise acts fraudulently or unlawfully.<sup>4</sup> The law also prevents charitable assets from being used for noncharitable purposes.<sup>5</sup>

#### Common Law

The common law also recognizes the Attorney General's authority to protect charitable assets.<sup>6</sup> This authority is liberally construed.<sup>7</sup> The Attorney General's authority under common law also is derived from the *parens patriae* doctrine.<sup>8</sup>

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<sup>1</sup> MCL 14.251 *et seq.*

<sup>2</sup> MCL 554.351 *et seq.*

<sup>3</sup> MCL 600.3605.

<sup>4</sup> MCL 450.2821.

<sup>5</sup> MCL 450.2301.

<sup>6</sup> See *e.g.*, Restatement of Trusts (Third), § 94.

<sup>7</sup> *Michigan State Chiropractic Ass'n v Kelley*, 79 Mich App 789, 791 (1977) (citations omitted); see also *Attorney General v Michigan Public Service Commission*, 243 Mich App 487, 497 (2000), and *State of Mich ex rel Kelley v C.R. Equipment Sales, Inc*, 898 F Supp 509 (WD Mich, 1995); *Humphrey v Kleinhardt*, 157 FRD 404 (WD Mich, 1994).

<sup>8</sup> *Kelley v Carr*, 442 F Supp 346, 356 (WD Mich, 1977), *aff'd in part, rev'd in part*, 691 F2d 800 (CA 6, 1980).

## Appendix B

### Individuals Interviewed

|                     |   |
|---------------------|---|
| Gary Ley            | Chief Executive Officer, Garden City Hospital                           |
| Tim Jodway          | Chief Financial Officer, Garden City Hospital                           |
| Dr. Rex Ruettinger  | Doctor, Medical Director, Chief Medical Office, Chief of Staff          |
| Dr. Chris Doig      | Doctor, Board Member, Program Director for Internal Medicine Residency  |
| Dr. Tressa Gardner  | Doctor, Emergency Room  |
| Dr. Frank Winters   | Doctor, Family Practice   |
| Dr. Marshall Medley | Doctor, Vascular Surgery  |
| Ed Swad             | Board of Directors, Chair, Executive Committee                          |
| Linda Breakie       | Board of Directors, Vice-Chair, Executive Committee                     |
| Fouad Ashkar        | Board of Directors  |
| Vince Marino        | Board of Directors, former chair  |
| Dr. Prem Reddy      | Chairman, President, Chief Executive Officer, Prime Healthcare Services |

## Appendix C

### Documents Reviewed

#### Transaction Documents

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|---|
| Prime Healthcare Services Non-Binding Letter of Intent, May 23, 2013  |
| Prime Healthcare Services, Revised Letter of Intent, September 24, 2013   |
| Asset Purchase Agreement by and between Garden City Hospital and Prime Healthcare Services – Garden City, LLC, January 30, 2014 |
| First Amendment to Asset Purchase Agreement   |
| Second Amendment to Asset Purchase Agreement  |
| Third Amendment to Asset Purchase Agreement   |

#### Garden City Hospital - Structure, History, and Policies

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| Articles of Incorporation   |
| Bylaws  |
| Organization Chart  |
| Board Committee Assignments   |
| Garden City Hospital Compliance Policy, Conflicts of Interest, Revised 2/20/10                |
| Garden City Hospital, Operations Policy and Procedures, Charity Care, Effective January, 2014 |

#### Garden City Hospital – Sale Process

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| Narrative: Acquisition of Garden City Hospital by Prime Healthcare Services – Submitted by Garden City Hospital, February 17, 2014 |
| Garden City Hospital, Board Executive Sessions, Minutes  |
| Juniper Advisory presentation, Discussion Materials, August 7, 2012  |
| Juniper Advisory presentation, Discussion Materials, August 23, 2012   |

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| Juniper Advisory presentation, Discussion Materials, October 11, 2012    |
| Juniper Advisory presentation, Information Memorandum, November 26, 2012 |
| Garden City Instruction Letter #1, November 27, 2012                     |
| Juniper Advisory presentation, Review of Proposals, December 13, 2012    |
| Prime Healthcare Services, 1 <sup>st</sup> response, December 31, 2012   |
| Juniper Advisory presentation, Review of Proposals, January 10, 2013     |
| Garden City Instruction Letters, Round 2, January 25, 2013               |
| Second Round Offers, March 2013  |
| Juniper Advisory presentation, Board Meeting, March 14, 2013             |
| Withdrawn bidder, Follow-Up Analysis, June 2013                          |
| Garden City Hospital, Board of Directors Resolution, January 29, 2014    |

### **Garden City Hospital – Financial Information**

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|---|
| Garden City Hospital and Subsidiaries, Consolidated Financial Statements, September 30, 2009 through September 30, 2013 |
| Garden City Hospital Forms 990, September 30, 2008 through September 30, 2012   |

### **Garden City Hospital Foundation**

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| Articles of Incorporation  |
| Garden City Hospital Foundation Forms 990, September 30, 2009 through September 30, 2012 |
| Garden City Hospital Foundation Income Statement and Balance Sheet, February 28, 2014    |

### **Other Documents**

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| Information about Prime Healthcare Services  |
| Stout Risius Ross - Presentation to Michigan Department of Attorney General – Prime Healthcare Services, Inc.’s Acquisition of Substantially All of the Assets of Garden City Hospital, Issued: April 30, 2014 |
| Stout Risius Ross - Fairness Opinion Letter to Michigan Department of Attorney General, April 30, 2014   |

# Appendix D



MICHIGAN STATE SENATE

STATE CAPITOL  
LANSING, MICHIGAN 48913  
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**GLENN S. ANDERSON**  
STATE SENATOR  
6TH DISTRICT

DEMOCRATIC VICE-CHAIR OF  
APPROPRIATIONS

SUBCOMMITTEES:  
COMMUNITY COLLEGES (DVC)  
CORRECTIONS (DVC)  
DEPARTMENT OF  
TRANSPORTATION (DVC)  
CAPITAL OUTLAY

March 13, 2014

Mr. Gary Ley, President  
Garden City Hospital  
6245 Inkster Road  
Garden City, MI 48135

Dear Mr. Ley:

Please accept this letter regarding the sale of Garden City Hospital to Prime Healthcare Services. It is my opinion that the sale of Garden City Hospital could address some of my top priorities and concerns.

Single, non-affiliated community hospitals have almost all disappeared from the health care offerings across the state. The financial viability and ability to compete against other hospitals is virtually impossible without partnering with a larger organization and this proposal offers a great number of positives. From my personal experience, Garden City Hospital has always been dedicated to bringing innovative and high quality health care services to the Garden City area. Through this sale, the location must remain a hospital for at least the next five years. After speaking with representatives of Prime Healthcare I have been assured me they plan to make a large investment in the facility and have no plans to sell the hospital even after the five years. Keeping a local hospital is a tremendous benefit to the community by meeting its crucial healthcare needs.

As State Senator and a member of the larger Western Wayne community, I can speak of the high esteem in which the Garden City Hospital is held by the citizens of Garden City and the State of Michigan. I have been informed, that through the sale the hospital, hundreds of hospital employees' jobs will be preserved. Over the years, the hospital's doctors, nurses and staff have gained a reputation for providing the highest level of care for their patients.

An additional benefit for the City of Garden City is that the hospital will be on the tax roll. This is truly an important investment in our community. I believe that the sale of Garden City Hospital would likely accomplish many of our priorities. Because of this great benefit to the community, I believe this sale could be the best option for both the hospital and the Garden City community.

Should you have any additional questions, please do not hesitate to contact me.

Sincerely,

Glenn S. Anderson  
State Senator  
6<sup>th</sup> District

## **V. Exhibits**

1. Monitoring, Compliance, and Enforcement Agreement
2. SRR Fairness Opinion Report
3. SRR Fairness Opinion Letter

Exhibits are posted at [www.mi.gov/gch](http://www.mi.gov/gch).