

Case Study: An Urban Health System Financing

Memorial Health University Medical Center Savannah, Georgia



Financing an Expansion Project for a Tertiary Care Health System

Borrower:

Memorial Health University Medical Center

Location:

Savannah, Georgia

Loan Amount:

\$50 Million

Type of Project:

Major Expansion/Renovation

Financing Structure:

Tax-Exempt Hospital Revenue Bonds

Role of InnoVative Capital:

Debt-Related Financial Advisor

The Management of Memorial Health Seeks the Assistance of an Independent Financial Advisor for their Planned Bond Issuance

Memorial Health, a 500-bed tertiary care health system located in Savannah, Georgia sought to implement phase one of its extensive capital improvement plan to renovate and expand its main campus, including the construction of a new five story cardiovascular services patient tower. While Memorial Health had a track-record of successful investment grade rated tax-exempt bond financings and a longstanding relationship with a major investment banking firm, the hospital board and senior management wanted an independent evaluation of its outstanding capital structure and bond covenants prior to incurring more debt. They also required a financial advisor to oversee its interests for its upcoming debt financing and underwriting. They recognized that InnoVative Capital, which had handled similar responsibilities for other hospitals would bring a fresh perspective that could translate into interest cost savings and positive results.

InnoVative Capital Serves as Debt-Related Financial Advisor to Memorial Health

In this role, InnoVative Capital provided the following services:

- On behalf of hospital, oversight of financing process and independent recommendations and evaluations
- Assisted in selection of working group, consultants and selling group
- Review of financial forecasts and project budgets
- Representation of hospital in Rating Agency presentations
- Participated in drafting of financing documents and Appendix A
- Interfaced with legal counsel and Trustee bank
- Reviewed and amended marketing plan of underwriters
- Articulated and negotiated terms and conditions with existing and prospective bond purchasers and their analysts
- Performed various oversight functions to ensure the bonds were sold at favorable rates

- Pre and post-closing, reviewed bond investment options for hospital

Defined Accomplishments

- Superior borrowing rates w/o credit enhancement
- Maintenance of A3/A- ratings
- More diversified local and minority underwriting participation in the sale of the 2004 bonds
- Assisted a newly promoted CFO through a first-time public bond offering

About InnoVative Capital

InnoVative Capital is a banking and financial advisory firm specializing in construction/permanent financing for hospitals. With tailored representation of rural, community and critical access hospitals we can best meet the unique financing challenges that differentiate small hospitals from tertiary care and health systems. Offering broad access to capital markets at attractive rates and terms; InnoVative Capital acts as financial advisor or mortgage banker for FHA 242 financings, USDA loans, municipal bond transactions, commercial loans and equity deals.

InnoVative CAPITAL

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Others promise..... WE DELIVER!

- Turnkey InnoVative Capital Funding Delivery SystemSM
- Debt-Related Financial Advisory Services
- HUD Licensed FHA Mortgage Lender
- Construction and Permanent USDA Banking
- Proprietary CFO HELPERSM Hospital Analytics
- Public and Private High Yield Municipal Debt Placement
- Acquisition Financing, Equity and Working Capital
- Bond Restructurings and Financial Turnarounds