

# CASE STUDY

## THE MARY WADE HOME

\$45,700,000 | September 26, 2019 | New Haven, CT



FINANCED RIGHT®



### HJ SIMS SUCCESSFULLY CLOSES FINANCING FOR THE MARY WADE HOME

#### PARTNERED RIGHT®

The Mary Wade Home (“Mary Wade”) was founded in 1866 for the purpose of providing shelter to homeless and needy young women and their children and was incorporated in 1878 under the name “The Home for the Friendless.” As society changed and new needs arose, the focus of Mary Wade’s services shifted and, by the beginning of the twentieth century, Mary Wade began providing care to the elderly. In 1917 it became a home for elderly women and by 1966 had evolved into a full-service facility for all seniors. Today, Mary Wade offers multiple levels of care at its campus in the Fair Haven neighborhood of New Haven, Connecticut, including a 94-bed skilled nursing center and a 45-bed residential care home. In addition, Mary Wade has an adult day medical health center and provides outpatient rehabilitation and transportation services to area seniors. HJ Sims is privileged to be a financial partner to Mary Wade since 1988.

#### STRUCTURED RIGHT®

Over the past several years Mary Wade has been acquiring parcels of land across the street from its main campus for an eventual expansion of its existing services. Management and the Board of Trustees determined that assisted living and memory care services for the local population with moderate means were the most appropriate investment to build on Mary Wade’s exceptional reputation for quality care. A market study supported these findings and showed an unmet demand for similar services in the primary market area. When completed in 2021, this new building will complete a continuum of health care services by enabling residents with

assisted living needs to remain in the community as their health care needs change over time. HJ Sims was engaged by Mary Wade to finance this development and refinance its existing bank debt.

The total financing need, inclusive of construction period interest, reserves, repayment of prior debt and construction costs, was \$45.7 million. HJ Sims created a taxable and tax-exempt series of bonds to finance the development. The land acquisition costs were not eligible for tax-exempt financing as they had occurred several years ago, so a \$2.8 million taxable series was underwritten in addition to a \$43 million tax-exempt series.

#### The Mary Wade Home At A Glance

Partnered Right®	Structured Right®	Executed Right®	Financed Right®
<ul style="list-style-type: none"><li>» Mary Wade has provided care in the New Haven, CT area for over 150 years.</li><li>» HJ Sims has worked with Mary Wade since 1988.</li><li>» Current services include skilled nursing, residential care, rehabilitation, adult day care and transportation.</li></ul>	<ul style="list-style-type: none"><li>» Mary Wade wanted to develop new assisted living and memory care building across the street from existing campus.</li><li>» Taxable bond series were created for costs not eligible for tax-exempt financing.</li><li>» Existing bank debt needed to be refinanced.</li></ul>	<ul style="list-style-type: none"><li>» HJ Sims worked with management to obtain a BB (Stable) rating from Fitch.</li><li>» CHEFA’s support for the project was instrumental.</li></ul>	<ul style="list-style-type: none"><li>» \$45.7 million bond issue closed on September 26, 2019.</li><li>» Yield on the bond maturity in 2054 is 3.83%.</li></ul>

### EXECUTED RIGHT®

HJ Sims worked with management to obtain a BB (Stable) rating from Fitch Ratings. Although Mary Wade exhibited many of the financial metrics of an investment grade rated borrower, the organization did not fit Fitch's typical profile in that it was a skilled nursing and residential care home without the housing component found in most of the Life Plan communities it is accustomed to rating. Reliance in government reimbursement systems such as Medicare, Medicaid and Connecticut's Old Age Assistance program also created higher than usual risk factors.

HJ Sims also assisted management in obtaining approval from the Connecticut Health and Educational Facilities Authority (CHEFA) to issue the bonds. CHEFA issues most of the senior living bonds in Connecticut but most of the offerings carry an investment grade rating. CHEFA's support for Mary Wade was instrumental in completing the financing.

### FINANCED RIGHT®

The new \$45.7 million bond issue closed on September 26, 2019 with an interest rate of 3.83% for the longest bond maturity of 2054. With HJ Sims' leadership in collaboration with management, Mary Wade completed an important step in achieving its goal of providing enhanced services to a community it has served for over 150 years.

***"This recent financing was the third bond issue Sims has underwritten for Mary Wade since 1988 and was both the largest and by far the most difficult project. The development of a modern assisted living and memory care building is an important advancement for not only our organization but the seniors we serve, and Sims played a vital role in getting this project off the ground. Sims managed all of the team members and financing process with exceptional professionalism and expertise."***

*— David Hunter, Chief Executive Officer,  
The Mary Wade Home*

**For more detailed information  
on how The Mary Wade Home  
was Financed Right® by HJ Sims,  
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