MFFA 2021

Providing flexible financing options for non-profit health care and community service providers.

Board

Board Members Appointed by the Governor

- **Vu Pham**, *board chair, attorney*
- **John Iverson**, *consultant*
- **Mel Reinhardt**, *regional sales manager*
- **Jade Goroski**, *finance officer, City of Shelby*
- **Kim Rickard**, *business manager, laborer's union*
- **Matt Thiel**, *attorney*
- **Paul Komlosi**, *retired economic development consultant*

This year the MFFA had one of its most active years in its 38-year history. In addition to completing over a dozen healthcare-related financings totaling more than $520 million, the MFFA developed the Commercial Property Assessed Capital Enhancement Program (C-PACE). C-PACE allows a wide range of business owners to receive low-interest loans to improve the energy efficiency of their property. C-PACE provides the MFFA with a new opportunity to fulfil its mission of providing access to cost-effective capital financing and development services.

Milestones and achievements in 2021 included:

- Issuing $516 million tax-exempt bonds (eight bonds/eleven series), over $730,000 in Direct Loans (two loans) and over $4.16 million in Trust Fund Loans (four loans) raising our total financings structured since 1983 to over $4.02 billion.

- A $15.1 million refinancing of Beartooth Billings Clinic's (Red Lodge) existing debt. The reduced interest rate is expected to provide them with over $2.08 million in savings.
- Issuing $37 million in bonds to refinance existing debt and remodel several parts of the hospital and expand local clinic space for Marcus Daly Memorial in Hamilton.
- Issuing $26.6 million in bonds to refinance existing debt and expand the oncology space for the Community Hospital of Anaconda. The refinancing will save the hospital over $3.6 million.

I close my 2021 letter by saying thank you to our dedicated and forward-looking Board of Directors, our professional staff, financing partners, financial institutions, and associates. We thank you for your support and we look forward to continuing to serve Montana communities for years to come.

- Adam Gill

Authority Staff



Adam Gill
Executive Director
406-444-0259
AdamGill@mt.gov



Seth Lutter
Associate Director
406-444-5435
Seth.Lutter@mt.gov



Monica Birlut
Accountant
406-444-0039
MBirlut@mt.gov

History of the Authority

The Montana Facility Finance Authority was created by the 1983 Legislature. It is governed by a seven-member quasi-judicial board. The Authority was created to assist health care and related facilities contain future health care costs by offering financing at low-cost, tax-exempt interest rates. These cost savings are shared with the consumer in the form of lower facility charges.

The Facility Finance Authority is funded entirely by proprietary funds with revenues collected from interest, fees, and charges from participating institutions. No public funds or tax monies are appropriated to the Authority. Below are the variety of financing options available to our clients:



Stand-Alone Bond Financings
These bonds are flexible and can be structured with fixed or variable interest rates and with or without credit enhancement and/or ratings. Public offering or private placement options are available, depending on the size of the deal.

Master Loan Program
Through an agreement with Board of Investments, this program provides low-interest, tax-exempt financing for smaller hospitals. Loans range from $1.5 million to $20 million, and can be marketed for more than one borrower at a time.

Direct Loan Program
This staff –approved program offers low-interest loans for eligible projects including construction and renovation, facility acquisition, loan refinancing, and purchase of equipment and finance costs. The maximum loan size is $300,000, unless combined with a Trust Fund Loan or is an eligible refinancing project.

Trust Fund Loan Program
Subject to Board approval, these low-interest financing offer terms of up to 20 years and a maximum loan size of $1.5 million. These loans can be combined with a Direct Loan for a total loan amount of $2 million.

Montana Capital Assistance Program (MCAP)
These grants are for small rural hospitals to finance Facility Master Plans, Capital Financing Plans, Energy Efficiency Audits and Scope of Services Review. The maximum grant size is $25,000 with a required 10% match.

C-PACE Program

Authorized under the C-PACE Act enacted in 2021, the MFFA is now the statewide administrators of MTPACE. MTPACE is an innovative financing program that enables private sector owners of commercial, industrial, non-profit, agricultural, and multi-family properties with four or more dwelling units to obtain low-cost, long-term loans to pay for water conservation, energy-efficiency improvements, and renewable energy retrofits.

MTPACE loans can provide up to 100% financing of all eligible project costs, with little or no up-front out-of-pocket cost to the property owner.

Types of MTPACE Projects:

- New construction
- Retrofit improvements
- Retroactive financing of completed projects
- Renewable energy improvements

Types of Improvements Allowed:

- High efficiency chillers, boilers, and furnaces
- High efficiency water heating systems
- Energy management systems and controls
- Lighting system upgrades
- Building enclosure and envelope improvements
- Water conservation and wastewater recovery and reuse systems
- Solar energy systems

The MFFA is excited about this opportunity to provide access to this financing tool to Montana business. The energy efficiency, water conservation, and renewable energy systems financed by C-PACE allow a business to make significant property improvements at no net cost to the business owner. Through great partnerships we believe we can help sustain high paying jobs and bolster local development.

www.lastbestpace.com

Last Best PACE



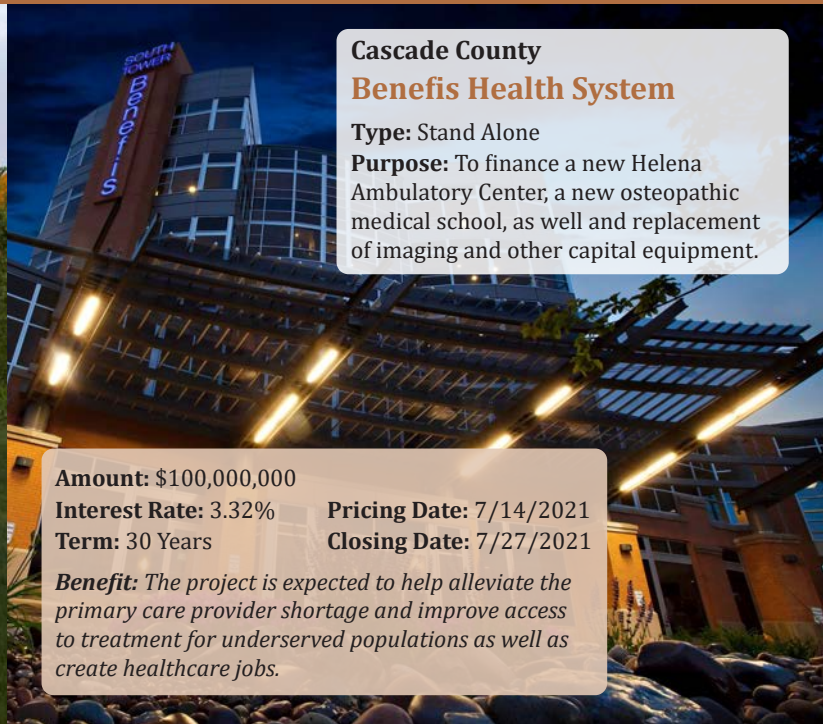
Carbon County

Beartooth Billings Clinic

Type: Stand Alone
Purpose: Refinance a portfolio of loans originally used to build and equip a new facility.

Amount: $15,102,203
Interest Rate: 3.03 %
Pricing Date: 8/26/2021
Term: 20 Years
Closing Date: 8/31/2021

Benefit: *The Refunding provides net present value savings of approximately $2.2 million over the life of the bond.*



Cascade County

Benefis Health System

Type: Stand Alone
Purpose: To finance a new Helena Ambulatory Center, a new osteopathic medical school, as well and replacement of imaging and other capital equipment.

Amount: $100,000,000
Interest Rate: 3.32%
Pricing Date: 7/14/2021
Term: 30 Years
Closing Date: 7/27/2021

Benefit: *The project is expected to help alleviate the primary care provider shortage and improve access to treatment for underserved populations as well as create healthcare jobs.*

Deer Lodge County

Community Hospital of Anaconda

Type: Master Loan (Series A) and Stand Alone (Series B)
Purpose: The Series A financed the building of a new Infusion/ Oncology Center. The Series B refinanced existing taxable debt that was incurred to expand and renovate facilities.

Amount: $8,000,000 (Series A); $18,615,000 (Series B)
Interest Rate: 1.92% (Series A); 2.28% (Series B)
Term: 20 Years
Pricing Date: 8/9/2021
Closing Date: 8/12/2021

Benefit: *The financing will expand hospital services to meet the increase in patient demand as well as provide the Hospital with over $3.6 million in net present value savings.*

Flathead County

Logan Health

Type: Stand Alone
Purpose: To refund Series 2010 debt that was used to expand surgical services and refinance a taxable note used to expand local services.

Amount: $71,240,000
Interest Rate: 2.55 %
Term: 21 Years
Pricing Date: 6/23/2021
Closing Date: 6/30/2021

Benefit: *The refunding of the debt is expected to save the Hospital $12 million over 20 years.*

Gallatin County

Bozeman Deaconess

Type: Stand Alone
Purpose: To refinance its Series 2011 and 2015 bonds, create new debt for buildings and equipment, and purchase the EPIC electronic health records information system.

Amount: $56,895,000 (Series A) and $36,185,000 (Series B)
Interest Rate: 3.03 % **Pricing Date:** 7/1/2021
Term: 25 Years **Closing Date:** 7/14/2021

Benefit: *The refunding is expected to provide $5.42 million in net present value savings. The financing will also expand the Hospital's services and improve efficiency in recordkeeping.*

Lewis & Clark County

St. Peter's Health

Type: Stand Alone
Purpose: To upgrade the Hospital's Electronic Health Record system.

Amount: $23,000,000
Interest Rate: 1.84% **Pricing Date:** 4/29/2021
Term: 10 Years **Closing Date:** 5/28/2021

Benefit: *The upgrade of the electronic health record system will improve efficiency and contain costs related to record retention.*

Ravalli County

Bitterroot Health

Type: Stand Alone (Series A) and Master Loan (Series B)
Purpose: For expansion and renovation projects as well as a refinancing of outstanding debt.



Amount: $27,000,000 (Series A); $10,000,000 (Series B)
Interest Rate: 2.75% (Series A); 2.25% (Series B)
Term: 20 Years
Pricing Date: 10/13/2021
Closing Date: 10/20/2021

Benefit: *The project will provide improved efficiency in care delivery and expand existing services.*

Yellowstone County

Billings Clinic

Type: Stand Alone
Purpose: Finance capital improvements at both Billings and Bozeman campuses.



Amount: $150,000,000
Interest Rate: 3.01 %
Term: 30 years
Pricing Date: 11/2/2021
Closing Date: 11/17/2021

Benefit: *Capital expansion to broaden the service clinic's service lines.*

Grants & Internal Financings

Location: Butte-Silver Bow County
Borrower: Butte Spirit Center
Grant Type: Energy Efficiency Program

Location: Missoula County
Borrower: Missoula YWCA
Grant Type: Energy Efficiency Program

Location: Wheatland County
Borrower: Wheatland Memorial Healthcare
Grant Type: Montana Capital Assistance Program



Dawson County

Glendive Medical

Type: Trust Fund Loan
Purpose: Purchase equipment including a CT machine and to refinance other pieces of equipment.

Amount: $1,500,000
Interest Rate: 2.50 %
Term: 7 Years
Pricing Date: 4/8/2021
Closing Date: 6/29/2021

Benefit: *The financing will improve efficiency, expand services, and increase revenues.*



Fallon County
Fallon Medical Complex

Type: Trust Fund Loan
Purpose: Upgrade the Hospital's nurse call system.

Amount: $259,214
Interest Rate: 2.25 %
Term: 5 Years
Pricing Date: 2/25/2020
Closing Date: 4/1/2021

Benefit: *The upgrade allows for improved efficiency of nursing care through more effective time-management.*

Type: Direct Loan
Purpose: Refunding its Trust Fund Loan.

Amount: $238,296
Interest Rate: 2.00%
Term: 5 Years
Pricing Date: 9/15/2021
Closing Date: 9/16/2021

Benefit: *The refinancing produced cash flow savings.*



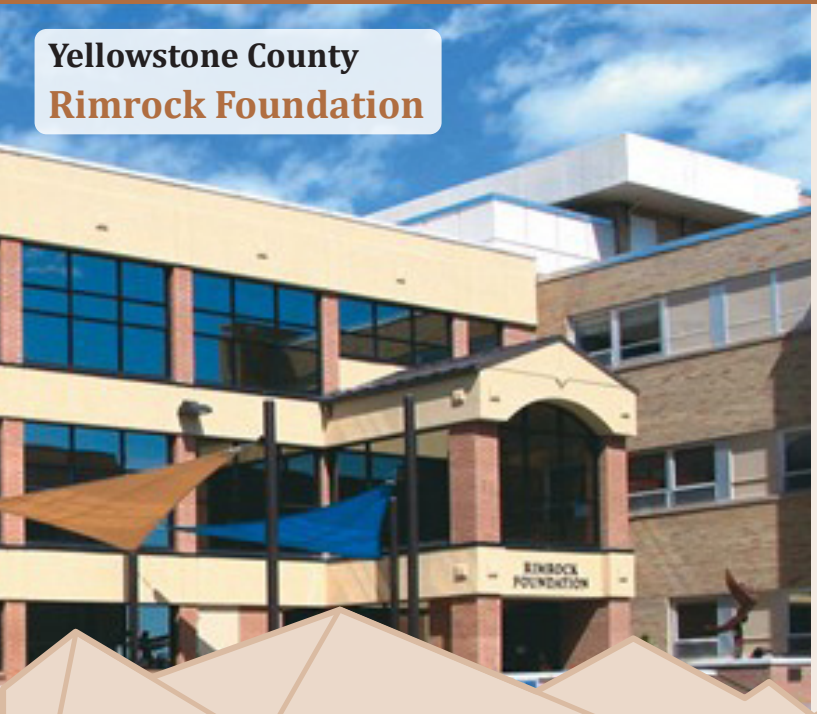
Valley County
Valley View Home

Type: Trust Fund Loan
Purpose: Refinance a loan and purchase a new boiler system.

Amount: $900,000
Interest Rate: 2.75 %
Term: 10 Years
Pricing Date: 6/9/2021
Closing Date: 6/29/2021

Benefit: *The new boiler system is required to continue operation of the Nursing Home and the refinancing will produce cash flows savings by removing a large balloon payment.*

Yellowstone County
Rimrock Foundation



Type: Trust Fund Loan
Purpose: Reimburse purchase of land in Billings to create a holistic campus.

Amount: $1,500,000
Interest Rate: 2.25 % **Pricing Date:** 8/18/2021
Term: 3 Years **Closing Date:** 9/1/2021

Benefit: *Expanding services to increase revenues and having a centralized location with increased referrals.*

Type: Direct Loan
Purpose: Reimburse purchase of land in Billings to create a holistic campus.

Amount: $500,000
Interest Rate: 2.00% **Pricing Date:** 8/18/2021
Term: 3 Years **Closing Date:** 9/1/2021

Benefit: *Expanding services to increase revenues and having a centralized location with increased referrals.*

Montana Facility Finance Authority

P.O. BOX 200506
Helena, MT 59620-0506

The Montana Facility Finance Authority offers unique financings for vital nonprofits, providing innovative fiscal solutions that:

- Help ***People***
- Build ***Communities***
- Advance ***Technology***
- Modernize ***Facilities***

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