

Methodist to fund Olive Branch facility with \$100M bond issue

Memphis Business Journal by Cole Epley, Staff Writer

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Taking advantage of historically low interest rates, **Methodist Le Bonheur Healthcare** will supplement the financing of its \$137 million Olive Branch hospital with a \$100 million bond issue.

Underwritten in part by Raymond James | Morgan Keegan, the issue has received a “stable” outlook from ratings agencies **Standard & Poor’s** and Moody’s, which assigned ratings of A+ and A2, respectively, according to [Jim Birdwell](#), managing director and co-head of Healthcare Finance at Raymond James | Morgan Keegan.

Through a spokesperson, Methodist CFO [Chris McLean](#) said exceptionally low interest rates moved the organization to take advantage of the bonds, which have been in “huge demand,” according to Birdwell.

“Just in the last month, we’ve seen a very large increase in the number of hospital bond issues sold throughout the country,” Birdwell said. “So they’re taking advantage of historically low rates and increased investor appetite for tax-exempt bonds.”

Birdwell indicated there was “strong demand across the board” for the bonds, which attracted individual investors as well as institutional investors both large and small.

The bonds will begin to mature in 2027 and will do so each year through 2032. Term bonds will reach maturity in 2036 and 2042.

Methodist [broke ground](#) on the Olive Branch hospital on Oct. 19. The 100-bed facility will be located at the southeast corner of U.S. Highway 78 and Bethel Road. It will be built to LEED specifications and is scheduled to open in fall 2013.