

HURON VALLEY PACE

AUGUST 2018

CLIENT PROFILE

Located in Ypsilanti, MI, the Washtenaw PACE, Inc. d/b/a Huron Valley PACE (“HVP”) operates a Program for All-Inclusive Care for the Elderly (“PACE”). HVP was founded in 2012 and is currently licensed to serve 180 participants and is the exclusive PACE provider for Washtenaw and Monroe counties as well as parts of Oakland, Wayne and Livingston counties with enrollment capped at a total of 225 participants. United Methodist Retirement Communities, Inc. (“UMRC”) owns 100% of Huron Valley PACE and is the guarantor for HVP. HVP is a separately incorporated 501(c)(3) corporation with its own Board of Directors. Decisions by the HVP board are subject to review and approval by the UMRC Board.

TRANSACTION HIGHLIGHTS

Proceeds of the Series 2018 Bonds along with other available funds, were used to (a) expand the existing PACE facility by approximately 21,000 square feet, and (b) fund interest for 24 months. HVP funded the costs of issuance with corporate equity.

After a competitive bank search yielding five proposals, Ziegler successfully placed the Series 2018 Bonds with Chemical Bank (the “Bank”). The Bank’s initial commitment period is through January 2028, approximately 10 years and the variable interest rate is 69% x (1-Month LIBOR + the Bank’s fee). HVP elected to keep the interest rate floating through the Bank’s initial commitment period.



Up To \$5,500,000

Michigan Strategic Fund
Variable Rate Limited Obligation Revenue Bonds
(Huron Valley PACE Project), Series 2018

THE ZIEGLER DIFFERENCE

HVP engaged Ziegler to perform a bank credit search for its Series 2018 new money bonds. Though HVP is a non-rated borrower, its guarantor, UMRC is rated “BBB+” by Fitch. Chemical Bank’s proposal offered the most favorable interest rate as well as providing HVP with favorable covenants and an amortization schedule that met its needs.

Initially, the financing was to be fully funded at close in anticipation of changes in federal tax law; however, days prior to closing, private activity bonds were spared. Ziegler and the financing team successfully implemented a drawdown structure for the project fund, which allowed HVP to use funds as needed during the construction period as well as minimizing interest costs, which saved HVP over \$175,000 in interest costs over the life of the Series 2018 Bonds.

This is HVP’s first long-term debt request and as such, is Ziegler’s first engagement with HVP. The 2018 financing was Ziegler’s tenth engagement with UMRC since 2009.



Huron Valley PACE

REFERENCES

For references on Ziegler’s role in this financing, please contact:

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“Ziegler has been a trusted partner for years. We have worked through at least a half dozen financing transactions with them over the last 5 years and have relied on their deep industry expertise and connections to help make sure we have completed financings that offer us not only the best rates and structures now, but allow us to be able to continue to be well positioned for future financings when growth opportunities come up.”

This client’s experience may not be representative of the experience of other clients, nor is it indicative of future performance or success.

For further information on the outstanding bonds for this issuer, please visit the Electronic Municipal Market Access system at <http://emma.msrb.org/>.

ZIEGLER

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