



Case Study: Sarasota Memorial Health Care System

Bond Sale Date: September 12, 2018
\$350,000,000 Series 2018 Tax-Exempt Fixed Rate Bonds

About Sarasota Memorial Health Care System

Sarasota Memorial Health Care System (SMHCS) owns and operates health care facilities in Sarasota County, FL including the 829-bed acute-care Hospital and a 120-bed skilled nursing facility. The Hospital was founded in 1925 as a 32-bed community hospital and has grown into a regional medical center that is among the largest public hospitals in Florida and among the region's largest employers. The Hospital is a full-service facility encompassing all traditional specialties and the only provider of trauma care, obstetrical services, neonatal intensive care, pediatrics services and behavioral health care for patients of all ages. The health care system is owned and operated by the Sarasota Hospital District, a Florida independent special district established to provide health care services in the County. The District is empowered to levy ad valorem property taxes of up to 2 mills on all non-exempt property in Sarasota County for valid health care expenditures. The District had an estimated 2017 population of 407,260 and continues to experience significant population growth.

Focus on Value:

Ponder served as financial advisor to SMHCS for its first public offering since 2009. The bond issue raised over \$350 million in proceeds to finance the Health System's construction project in lower Sarasota County as well as its proposed cancer center expansion. Ponder began working with SMHSC earlier in 2018.

Ponder assisted SMHCS throughout the financing process, including advising on fees to keep them competitive and developing the rating agency strategy which maintained existing ratings despite more than doubling its debt. Ponder also advised SMHCS through its marketing plan which reintroduced SMHCS to the capital markets. In addition, Ponder worked with SMHCS and its underwriters in developing a specific couponing structure, including a substantial use of 4.00% coupons (\$238 million) which save nearly 20 basis points on a yield to maturity basis.

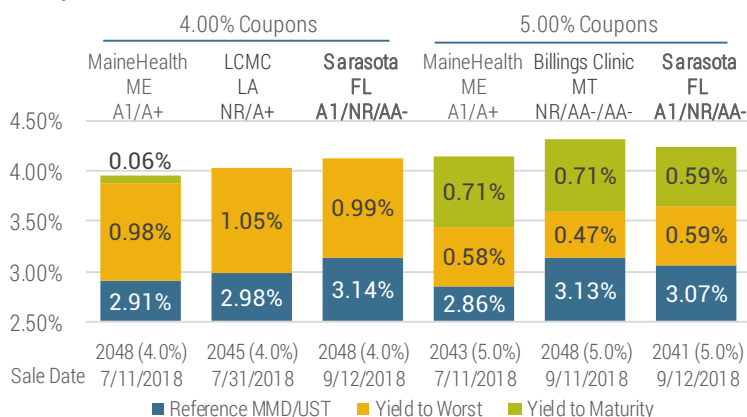
The deal was well received by investors and resulted in an attractive all in cost of funds for MHS of 4.19%.

Pricing Results:

Credit Ratings: A1/NR/AA-

Maturity	Par Amount (\$millions)	Coupon	Yield to Call	Spread to MMD	Yield to Maturity	Spread to MMD
Series 2018 Tax-Exempt Bonds						
\$19.985 in serials from 2025-2037						
7/1/2038	\$23.785	5.000%	3.590%	+57bps	4.140%	+112bps
7/1/2041	\$68.010	5.000%	3.660%	+59bps	4.247%	+118bps
7/1/2048	\$238.220	4.000%	-	-	4.130%	+99bps

Comparable Bond Sales:



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