

## APPROACH

Stroudwater Associates assists our clients in accessing the capital required to execute critical strategic initiatives. We specialize in capital planning and capital-access advisory services for projects that are stalled or that require careful alignment of organizational, facilities, or physician-integration strategies with a viable financing strategy.

We are recognized experts in a broad array of financing sources, including tax-exempt and taxable debt, USDA and FHA 242, capital partnering, monetization of non-core assets, joint ventures, and affiliations. We work to find financing options that fit specific client needs and to facilitate implementation of organizational strategy and critical initiatives.

Stroudwater is not wed to, nor incentivized toward, any specific source of capital or financing strategy. We collect no underwriting, mortgage banking, or other fees tied to a specific funding source.

## TEAM

Stroudwater is adept at integrating organizational, facilities planning, and physician-alignment strategies with financing strategy. Our engagement teams are structured to provide a multidisciplinary approach to address unique client circumstances, and we have broad expertise across a wide variety of capital options. Since October 2005, Stroudwater has assisted clients with accessing more than \$500 million for clients with an additional \$240 million of financing in process. Client funding has been achieved using fixed and variable rate tax-exempt debt, capital partnering, FHA 242, bank loans, and joint ventures.

## CASE STUDY

### SITUATION

A private, not-for-profit 125-bed community hospital in the southwest approached us after a long period of being stalled in their replacement-facilities planning. The scope and cost of the project far exceeded the hospital's debt capacity. We were asked to review the previous replacement facility feasibility study and to suggest alternatives.

### APPROACH

Stroudwater updated the feasibility study and conducted an assiduous analysis of all cost estimates for the proposed facility. Stroudwater also identified a financing strategy tailored to their unique circumstances that in turn led to a revision of project scope to ensure project viability for the replacement hospital.

### SOLUTION

Stroudwater worked with the hospital to modify the scope and design of the replacement facility. This modified plan allowed the hospital to meet the anticipated community needs more adeptly

based on five-year projections, to preserve the hospital's flexibility for future growth, to enhance the financial feasibility of the project, and to ensure that the facilities and finance strategies were compatible.

### **RESULT**

The hospital financed the new facility with a combination of philanthropy, proceeds from tax-exempt debt financing, and proceeds from the sale of their existing campus. The 125-bed replacement hospital opened in April 2008.

### **PRACTICE LEADER**

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