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## **Tax credit financing from Massachusetts Housing Investment Corp. and Bank of America Merrill Lynch provides \$16.8 million to Lawrence General Hospital**

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Massachusetts Housing Investment Corp. (MHIC) and Bank of America Merrill Lynch (BAML) have teamed up to provide \$16.8 million in New Markets Tax Credit financing to help Lawrence General Hospital (LGH) build six new operating rooms and a procedure room, related facilities and space to accommodate future growth.

Specifically, MHIC is providing \$5 million in New Markets Tax Credit allocation, with BAML as the investor, co-CDE and Lender providing an additional \$11.8 million in New Markets Tax Credit allocation and \$6 million in debt. Community-based philanthropy is also helping to finance the project.

The new \$56 million, 46,350 s/f surgical addition to the existing hospital will replace LGH's outdated and undersized existing operatories, which are 50 years old, and give residents in greater Lawrence better access to high quality and cost effective health care. It is vitally needed to enable LGH to remain competitive and meet its community health goals. The new construction, which began this month, is a major component of LGH's Master Facility Plan, which also includes the renovation of existing facilities.

LGH is an independent private, nonprofit hospital - the only hospital in Lawrence - and the city's largest private employer, with approximately 1,800 employees. Since 1875, LGH and its predecessor institutions have served the community. Located less than a half mile from downtown, LGH annually provides health care to more than 300,000 patients, including a high level of Medicaid and Medicare patients, and plays an important role in serving the low-income and underserved community.

"Bank of America Merrill Lynch is pleased to support Lawrence General Hospital as they grow and provide additional services to the community," said Bob Gallery, Massachusetts president of Bank of America. "We're committed to providing innovative financial solutions that help build healthy and sustainable communities in Lawrence and Merrimack Valley."

"Breaking ground for this project marks the official start of the most ambitious capital project in this hospital's history, " said LGH president and CEO Dianne Anderson. "The most modern surgical facility in the valley will be in operation here on this site - taking care of our friends and family-within a mere 18 months."

The Master Facility Plan at the 140-year old hospital is simultaneously modernizing inpatient space at the hospital, upgrading infrastructure, and creating more private patient rooms at a cost of an additional \$17 million. The total cost of the renovation and new construction at the growing health care system's Lawrence campus is \$73 million.

Construction of the new surgery center at LGH is expected to generate 330 construction jobs as well

as ensure the continued role of the hospital as an important area employer.

For this project, Bond Brothers is the construction management and general contractor and MorrisSwitzer is the architect.

As well as being the area's only hospital and largest private employer, LGH is deeply involved in the community, with strong ties to schools, community health initiatives and public institutions. LGH currently engages in outreach to local schools and participates in career programs to provide training and work opportunities for area residents. New Markets financing of its new construction project will free up other capital resources for LGH to use in its planned expansion of community programs.

"New Markets financing is a perfect fit for LGH's new surgical center because it will advance the hospital's goal to expand its range of medical services and address community needs. At the same time, it clearly advances MHIC's mission to build healthy communities," said Joe Flatley, MHIC president and CEO.

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