



CELEBRATING
55 YEARS

nerej

MassDevelopment issues \$232.415m in tax-exempt Sustainability Bonds on behalf of Boston Medical Center

May 26, 2023 - Front Section



Boston, MA MassDevelopment has issued \$232.415 million in tax-exempt Sustainability Bonds on behalf of Boston Medical Center (BMC), which will use proceeds to finance several capital projects, including the renovation and expansion of existing facilities at its primary campus in the South End neighborhood. The bonds support BMC's goal to become carbon net zero by 2030 and received the Sustainable Bond designation by Kestrel Verifiers, which are approved verifiers of the Climate Bonds Initiative (CBI) and an observer for the International Capital Market Association Green Bond Principles and Social Bond Principles. This project marks the first Sustainability Bonds issued to a nonprofit health care organization in the United States. The bonds were sold through a public offering underwritten by RBC Capital Markets LLC.

Bond proceeds will support the renovation of the existing fifth and sixth floors of the Yawkey Building

to add 70 new inpatient beds, including 10 intensive care unit beds and 60 medical and surgical beds; renovation of the first and second floors of the Menino building to upgrade five inpatient operating rooms, several pre- and post-operative care units, and the lobby; the addition of a vestibule and realignment of the front driveway to reduce congestion and avoid backup of traffic onto city streets; and expansion and renovation of patient support areas, construction of sterile corridors, and relocation of an observation unit.

“Boston Medical Center is leading the way in health equity and sustainability,” said MassDevelopment president and CEO Dan Rivera. “MassDevelopment is proud to advance these key missions by issuing over \$232 million in tax-exempt Sustainability Bonds to support significant upgrades to the hospital – the first financing of its kind in the country – that will benefit all who are served by this important institution.”

Boston Medical Center is a nonprofit academic medical center located in South End, providing medical care for infants, children, teens, and adults with a licensed bed complement of 570 beds. BMC’s nearly 300 million s/f campus is comprised of 28 BMC-owned or controlled buildings, including a helipad as well as leased space in five buildings on or adjacent to its campus. Its 81 residency training programs and 905 resident and fellowship positions help to serve its primary mission of providing community-based, accessible health services to all in need of care regardless of status and ability to pay. BMC offers virtually every medical specialty and subspecialty including cardiac care and surgery, hypertension, neurological care, orthopedics, geriatrics, pediatrics, and women’s health.

MassDevelopment most recently supported Boston Medical Center in 2016-2017 by issuing nearly \$220 million in tax-exempt bonds to help the organization advance its campus redesign project, renovate the Menino Building, upgrade and expand the Emergency Department, buy equipment, and refinance previously issued debt.

“BMC is pleased to partner with MassDevelopment in this first-in-the-nation sustainability bond offering in nonprofit health care,” said Boston Medical Center Health System president and interim CEO Alastair Bell, MD, MBA. “BMC is deeply committed to understanding and solving persistent health inequities in communities of color. We also view continuing to take action on climate change, which disproportionately impacts communities of color worldwide, as a core and necessary leadership role within the healthcare sector.”

MassDevelopment has previously supported non-profit organizations with green financing, including two institutions of higher education. In August 2022, the agency issued nearly \$208 million in tax-exempt Green Bonds to help Harvard University finance and refinance three sustainable university buildings in Boston and Cambridge. In January 2022, the agency issued \$45 million in tax-exempt Green Bonds to help Springfield College fund a new environmentally friendly and sustainable 76,000 s/f health sciences building.