



CAPITAL COMMENTARY

from MN Higher Education Facilities Authority

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Brief reviews of financings recently completed by the Minnesota Higher Education Facilities Authority

- Borrower/Issue:** College of St. Scholastica Series Six-S
- Financing Vehicle:** Revenue Bonds
- Project:** An approximately 38,500 square foot expansion and renovation of the Reif Athletic Center that was financed in 2003.
- Issue Amount:** \$8,170,000
- Placement Method:** Public sale, on a negotiated basis, with RBC Capital Markets as underwriter.
- Term of Financing:** 20 years
- Structure:** Serial maturities in 2008 through 2017 and term bonds maturing in 2022 and 2027. Approximately level annual debt service, including sinking fund payments beginning in 2018 for the term bonds. The bonds are secured by a debt service reserve fund. The bonds are subject to optional redemption beginning on December 1, 2017.
- Interest Rate:** Yields ranging from 3.70% to 4.64% for the serial maturities and 5.00% and 5.15% for the 2022 and 2027 term bonds. The yields reflect a combination of discount and premium bonds. 5.008% T.I.C. (True Interest Cost is a dollar-weighted average rate for the bond issue, taking into account the time value of money and including both interest, original issue discount or premium and underwriting fees).
- Rating:** Moody's Baa2 with a stable outlook.
- Date of Settlement:** November 21, 2007
- Highlights:** The issue was structured as a long-term fixed rate issue. Despite going to market during a time of market turmoil, the true interest cost was still favorable compared to historic long term fixed rates.