



Minnesota Higher Education Facilities Authority

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CAPITAL COMMENTARY

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- Borrower/Issue:** Saint Mary's University of Minnesota, **Series 2017A**
- Financing Vehicle:** Revenue Note
- Project:** Proceeds of the 2017A Note will be used to finance a portion of the acquisition, design, construction, renovation, improving and equipping the three-story Science and Learning Center of approximately 50,000 square feet as an addition to the Adducci Science Center (formerly known as Hoffman Science Hall), to be used for classrooms and laboratories, located on the Winona, Minnesota campus of the Borrower and pay for costs of issue.
- Issue Amount:** \$5,546,000, Series 2017A
- Placement Method:** Private Bank Placement with U.S. Bank National Association.
- Term of Financing:** Series 2017A - 20 years, subject to a Mandatory Tender at June 1, 2027. At that time, the University may pre-pay the balance of the Note or renew the Note to Final Maturity of June 1, 2037 at the then-current market interest rate.
- Structure:** Series 2017A - Serial maturities in 2020 through 2037. The 2017A bonds may be redeemed on any interest payment date up to 10% of the outstanding principal without penalty or premium.
- Interest Rate:** Series 2017A has an interest rate of 2.67%. The Series 2017A Note has a TIC of 2.7086778%. (True Interest Cost [TIC] is a dollar-weighted average rate for the bond issue, considering the time value of money and including interest, original issue discount or premium and underwriting fees).
- Rating:** The Series 2017A Note is not rated. The outstanding debt of the University has a Moody's Investors Service rating of Baa1 with a stable outlook.
- Date of Settlement:** June 28, 2017
- Highlights:** The University has committed pledges from donors for the full cost of the Science and Learning Center. The outstanding pledges will be received by the University over the next few years. Pledged funds that are received in the future may be used to as a source of funds to repay the Series 2017A Note, but are not pledged to such repayment.