



Minnesota Higher Education Facilities Authority

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CAPITAL COMMENTARY

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- Borrower/Issue:** Saint John's University, **Series 2017**
- Financing Vehicle:** Revenue Refunding Bonds
- Project:** Proceeds of the 2017 Bonds will be used to refund, on an advance refunding basis, the outstanding principal of the Authority's Revenue Bonds, Series Six-U (Saint John's University) (the "Series Six-U Bonds") plus interest to the October 1, 2018 redemption date for the Series Six-U Bonds; and pay for costs of issue.
- Issue Amount:** \$7,595,000, Series 2017
- Placement Method:** Public Sale, Negotiated with RBC Capital Markets LLC.
- Term of Financing:** 16 years, consisting of serial bonds maturing on October 1, 2018 - 2033.
- Structure:** Serial maturities in years 2018 - 2033. The Series 2017 Bonds do not extend the maturity of the refunded Series Six-U Bonds and are structured to realize level annual debt service savings. The Series 2017 Bonds may be redeemed at the option of the University on October 1, 2027 and any day thereafter at a price of par plus accrued interest.
- Interest Rate:** Coupon rates of 2.00% to 5.00% in different serial maturities. The yields range from 0.91% in 2018 to 3.14% in 2033. The Series 2017 Bonds have a TIC of 2.655462%. (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 2017 Bond is rated A2, stable outlook by Moody's Investors Service.
- Date of Settlement:** September 20, 2017
- Highlights:** The University has undertaken the refunding to realize interest savings and reduce maximum annual debt service through fiscal year 2033. Annual cash flow savings after the refunding is approximately \$135,000 and the total net present value savings from the refunding is approximately \$1.012 million, approximately 7.79% of refunded debt service.