



CAPITAL COMMENTARY

from MN Higher Education Facilities Authority

Vol. 4, No. 1

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

Borrower/Issue: St. John's University, *Series Five-I*

Financing Vehicle: Revenue Bonds

Projects: The bonds financed the renovation of the first floor of the Main Quadrangle and improvements on two floors of Sexton Commons and one floor of St. Mary's Hall. The bonds also financed the replacement of the roof to the Great Hall. The remaining proceeds financed the construction of two new student housing facilities with approximately 104 beds.

Issue Amount: \$14,270,000

Placement Method: Public sale, on a negotiated basis, with Dain Rauscher Incorporated and Dougherty & Company LLC as co-managing underwriters.

Term of Financing: 26 years

Structure: Serial maturities in 2002 through 2012 and term bonds maturing in 2016, 2021 and 2026. Approximately level debt service payments, including sinking fund payments for the term bonds.

Interest Rate: Yields ranging from 3.625% to 5.36% on the final term bond. 5.21% 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 and underwriting costs).

Rating: Moody's A3 with a positive outlook.

Date of Settlement: February 1, 2001

Highlights: The issue was structured as a long-term fixed rate issue. The combination of low supply and high investor demand for tax exempt bonds, plus declining interest rates in the month of January, worked in favor of the University.

For further information contact:

Marianne T. Remedios, Executive Director
MN Higher Education Facilities Authority
175 Fifth Street East, Suite 450
St. Paul, MN 55101-2905

Phone: 651-296-4690 FAX 651-297-5751

Minnesota Higher Education Facilities Authority
175 Fifth Street East, Suite 450
St. Paul, MN 55101-2905