

## ***Building Authority Financing Activities***

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### ***Initial Project Financing***

*Construction of the Environmental Protection Building, Mary Roebling Building, Community Affairs Building, Department of Transportation Annex, Pest Control Laboratory, and Bank Street Garage*

To maximize investment earnings during the construction period, the Authority designed a two and one-half year temporary bond issue with interest capitalized for the life of the loan. On December 23, 1981, the Authority sold \$129 million of Revenue Bonds, secured by a lease agreement with the State and rated "Aa" by Moody's and "AA-" by Standard and Poor's, at a coupon rate of 10.5%. The bonds were due on August 1, 1984. The reinvestment of proceeds, according to a projected cash draw-down schedule, was made at a very favorable average return of approximately 14 percent.

Preparation for the long-term financing of the initial project began in September of 1982 but a planned November bond sale was postponed when interest rates moved upward. The sale was eventually consummated on January 13, 1983 when an issue of \$157.1 million refunding bonds was underwritten at a net interest cost of 9.83%. In December 1985, the Authority refinanced its outstanding debt at an interest cost of 9.39%. In May, 1987, the Authority refinanced a portion of the 1985 bonds to achieve debt service savings of \$13 million over the life of the bonds. In September, 1997, a portion of the 1987 bonds were refunded with the 1997 Bond Series.

### ***State House Complex Improvements Financing***

*Restoration and Renovation of the State House and State House Annex  
Construction of the State House Garage, State House Plaza and Stacy Park*

The Authority issued \$49.7 million of Revenue Bonds, 1989 Series to finance the first phase of the project. The bonds were issued at an interest cost of 7.518%. In January, 1994, a portion of these bonds were refunded with the 1994 Series Bonds.

In September, 1991, the Authority issued \$74.9 million of bonds to finance the second phase of the improvements. The 1991 Series Bonds were issued as capital appreciation bonds (CABS). These bonds are also a series of Garden State Savings Bonds.

During 1990 and 1993 the Authority applied for and received two Historic Preservation Grants from the New Jersey Historic Trust. The grants, which were \$530,450 and \$64,000 respectively, were used to help fund the State House improvements.

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### **1994 Project Financing**

*Construction of South Woods State Prison,  
Renovation of the Education, Labor and Taxation Buildings,  
Restoration and Renovation of the Old Barracks, War Memorial, and Edison Townhouses  
Completion financing for the State House Complex Improvements*

On January 13, 1994, the Building Authority issued \$314.9 million of New Jersey Building Authority Building Revenue Bonds, 1994 Series. A portion of these bonds were issued as capital appreciation bonds (CABS).

From the proceeds, \$38.8 million was used to advance refund certain outstanding debt; \$249.2 million was used to pay project construction costs. The balance of the proceeds were used to fund accrued and capitalized interest and pay the costs of issuance. The 1994 Series bonds were issued at a yield of 5.0326%.

### **1995 Financing**

The Authority issued no new bonds in 1995.

On July 20, 1995, the Authority entered into a collateralized flexible repurchase agreement.

### **1996 Financing**

The Authority issued no new bonds in 1996.

### **1997 Project Financing**

*Completion financing for the 1994 Projects  
Replacement of Labor Building Exterior Panel  
Repair and Restoration of the State House Dome*

On September 17, 1997, the Building Authority issued \$224.6 million of New Jersey Building Authority Revenue Bonds, 1997 Series. \$103.2 million of the proceeds were used to refund a portion of the 1987 Series; \$102.5 million was used to complete the costs of the 1994 projects; \$12.3 million was used to finance the Labor Building Exterior Panel Replacement project; and \$9 million was used to pay for the cost of the repair and restoration of the State House Dome. The balance of the proceeds were used to fund accrued and capitalized interest and pay the costs of issuance. The bonds were issued at a yield of 5.0286%.

Additional funding for the State House Dome project was provided through other sources. \$1 million in State appropriations were made available through the Joint Management Commission and approximately \$2 million through private donations and fundraising initiatives. One such fundraising initiative was "*Dimes for the Dome*". During the week of May 5 - 9 1997, New Jersey school children voluntarily participated in a week-long fundraising drive to raise money for the dome repair and restoration. These students collected dimes and other coins by hosting varied events. They raised over \$48,000, the exact amount needed to gold leaf the dome.

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### **1998 Financing**

The Authority issued no new bonds in 1998.

#### **1999 Project Financing**

*Acquisition of the Richard J. Hughes Justice Complex  
Construction of the Division of Revenue/State Police Facility*

On October 1, 1999, the Building Authority issued \$134.9 million of New Jersey Building Authority Revenue Bonds, 1999 Series.

From the proceeds, \$80.7 million was used to acquire the Richard J. Hughes Justice Complex; \$55 million will be used to pay for the construction of a new State Police Multi-Purpose Building and Troop C Headquarters. The balance of the proceeds will be used to fund accrued and capitalized interest and pay the costs of issuance. The bonds were issued at a yield of 5.3150%.

#### **2000 Project Financing**

*Renovation of the Richard J. Hughes Justice Complex  
Construction of the Improvements to the Department of Transportation E & O Building*

On August 1, 2000, the Building Authority issued \$29.0 million of New Jersey Building Authority Revenue Bonds, 2000 Series A.

From the proceeds, \$21.0 million will be used to finance the renovations of the Richard J. Hughes Justice Complex; \$7.5 million will be used to finance the construction of the improvements to the Department of Transportation Engineering & Operations Building. The balance of the proceeds will be used to fund accrued and capitalized interest and pay the costs of issuance. The bonds were issued at a yield of 5.1023%.

### **2001 Financing**

The Authority issued no new bonds in 2001.

#### **2002 Project Financing**

*Construction of the State Police Office of  
Emergency Management and Emergency Operations Center  
Renovation of the State Museum and the Pinelands Commission Headquarters  
Completion Funding for the State Police Technology/Multi-Purpose Building and  
Troop C Headquarters*

On November 15, 2002, the Building Authority issued \$65 million of NJBA Revenue Bonds, 2002 series A.

From the proceeds, \$26.8 million was used to finance the construction of the State Police Emergency Management and Emergency Operations Center; \$14.1 million was used to finance the renovation of the State Museum; \$23.2 million was used to finance the completion of the construction of the State Police Technology/Multi-Purpose Building and Troop C

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Headquarters; \$1 million of existing Building Authority proceeds was used to finance the renovations of the Pinelands Commission Headquarters. The balance of the 2002 A proceeds was used to fund accrued and capitalized interest and pay the costs of issuance. The bonds were issued at a variable rate yield.

On November 15, 2002, the Building Authority issued \$210 million of NJBA Revenue and Refunding Bonds, 2002 series B. Those bonds represent a partial refunding of previous issues. The bonds were issued at a variable rate yield.

### ***2003 Project Financing***

On August 15, 2003, the Building Authority issued \$190 million of NJBA Revenue Bonds, 2003 Series A.

The 2003 Bonds were issued by the Authority to provide proceeds to refund all or a portion of the 1994 Series Bonds, the 1999 Series Bonds, the 2000 Series A Bonds and the 2002 Series A Bonds (the "Bonds to be Refunded") and to pay for costs of issuance of the 2003 Bonds.

### ***2004 Project Financing***

*New Jersey Department of Transportation  
Elevator Renovations, Limited Floor Re-Tiling and Fire Alarm System Upgrade*

On December 1, 2004, the Authority issued \$4.08 million of New Jersey Building Authority Revenue Bonds, 2004 Series A.

The 2004 Series A proceeds are being used to finance the (i) renovation of the elevators in the New Jersey Department of Transportation Engineering and Operations Building, the New Jersey Department of Transportation Main Office Building and the New Jersey Department of Transportation Finance and Administration Building, (ii) re-tiling work in the main lobby and one stairway of the New Jersey Department of Transportation Engineering and Operations Building and (iii) upgrading the fire alarm systems in the New Jersey Department of Transportation Engineering and Operations Building, the New Jersey Department of Transportation Main Office Building and the New Jersey Department of Transportation Finance and Administration Building.

On December 7, 2004, the Authority issued \$48.8 million of New Jersey Building Authority Revenue Bonds, 2004 Series B.

The 2004 Series B Bonds were issued to refund certain maturities of the Outstanding 1991 Series Bonds, 1999 Series Bonds, 2000 Series A Bonds and 2002 Series A Bonds of the Authority in the aggregate original principal amount of \$34,629,816.60 and to pay costs of issuance of the 2004 Series B Bonds.

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### ***2005 Project Financing***

The Authority issued no new bonds in 2005.

### ***2006 Project Financing***

#### ***New Jersey Public Health, Agricultural and Environmental Laboratory Project***

On August 17, 2006, the Authority issued \$48.7 million of New Jersey Building Authority Revenue Bonds, 2006 Series A.

The 2006 Series A will be used to finance the initial construction phase of an approximately 275,000 square foot public health, agricultural and environmental laboratory, to be located in Ewing Township, New Jersey. Construction should begin in January 2007 and is expected to be completed by December 2009.

### ***2007 Project Financing***

#### ***New Jersey Public Health, Environmental and Agriculture Laboratory***

On November 7, 2007, the Authority issued \$96.67 million of New Jersey Building Authority State Building Revenue Bonds 2007 Series A and \$119.68 million of New Jersey Building Authority State Building Refunding Bonds 2007 Series B.

The 2007 Series A proceeds will be used to finance the completion of the New Jersey Public Health, Environmental and Agriculture Laboratory. The 2007 Series B proceeds were used to refund the remainder of the outstanding 1997 Series Bonds in the aggregate original principal amount of \$120,055,000 and to pay cost of issuance of the 2007 Series B Bonds.

### ***2008 Project Financing***

The Authority issued no new bonds in 2008.

### ***2009 Project Financing***

On June 2, 2009, the Authority issued \$90.47 million of New Jersey Building Authority Revenue Refunding Bonds, 2009 series A. The 2009 Series A Bonds were issued to refund a portion of the 1991 Series Bonds, the 1999 Series Bonds, the 2000 Series A Bonds, the 2002 Series A Bonds, the 2004 Series A Bonds, the 2006 Series A Bonds, the 2007 Series A Bonds, and the 2007 Series B Bonds.

On December 1, 2009, the Authority issued \$30.9 million of New Jersey Building Authority Revenue Refunding Bonds, 2009 Series B. The 2009 Series B Bonds were issued to refund a portion of the 2002 Series B Bonds. Both refunding issues provided the State short-term debt service savings.

### ***Financial Statements***

See Appendix A for the combined financial statements for the years ended December 31, 2009 and 2008 along with the report of the independent public accountants.