



NJEDA News  
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**STOCKTON**  
THE RICHARD STOCKTON COLLEGE OF NEW JERSEY

**The New Jersey Educational Facilities Authority Issued  
\$136,910,000 Bonds for The Richard Stockton College of NJ**

On August 7, 2008, the New Jersey Educational Facilities Authority sold \$137 million bonds on behalf of The Richard Stockton College of New Jersey. The Series 2008 A bonds helped the College to finance a number of new campus improvement projects and to refund \$30.9 million of the College's outstanding Series 2005 C auction rate bonds.

Among new projects financed is the construction of a 155,000 gross-square-foot Campus Center that is part of the College's Facilities Master Plan. The Campus Center, pictured, will include food service, event and dining facilities, lounges, offices and a theater. The facility will help Stockton address space shortage and modernization problems on campus. Additional new projects include renovations to college walk and various other site and roadway improvements.



The refunding of the College's outstanding Series 2005 bonds was completed in response to widespread market failures in the Auction Rate Securities and insured Variable Rate Demand Bond markets precipitated by the subprime mortgage crisis and related downgrading of monoline bond insurers that had exposure to the subprime market. The debt restructuring allowed the College to achieve attractive financing terms in the fixed-rate market, while eliminating variable interest rate exposure and the pervasive credit risk associated with bond insurance in the variable-rate market. Like a number of other refundings the Authority brought to market during 2008, this financing was part of a global restructuring effort by the Authority to help its clients move out of their adversely-affected short-term borrowings and into other types of securities such as fixed-rate bonds or letter-of-credit-backed Variable Rate Demand Obligations.

The Series 2008 A issue was sold at a true interest cost of 5.309% and a final maturity of July 1, 2038. Moody's Investors Service and Fitch Ratings assigned underlying ratings of "A3" and "A", respectively, citing Stockton College's solid market position in southern NJ and strong operating performance.

Morgan Stanley & Co., Inc., served as Senior Manager on the transaction. Ramirez & Co., Inc. served as Co-Senior Manager and George K. Baum & Co., Goldman, Sachs & Co. and Jackson Securities, LLC served as Co-Managers. Gluck Walrath LLP served as Bond Counsel; Acacia Financial Group, Inc. provided financial advisory services; and PFM Asset Management LLC served as Swap Advisor.

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