

NJEFA Closes on Princeton University 2022 Series A Bonds

June 15, 2022, Princeton, New Jersey – On June 2, 2022, the New Jersey Educational Facilities Authority closed its \$300 million tax exempt 2022 Series A bonds, issued on behalf of Princeton University. The proceeds of the bonds will provide funds for various capital projects at the university's main campus in Princeton, the Forrestal Campus in Plainsboro, and at its Lake Campus in West Windsor. Projects in these localities will enable the expansion of the university's student body, which includes residential accommodations; expansions to facilities supporting health, wellness and campus life; expanding and enhancing computer science, engineering and environmental studies; development of a new campus across Lake Carnegie from the main campus; updating and expanding the university's energy, transportation and technology infrastructure; athletic fields and complexes; the art museum; and other improvements, including maintenance of the university's physical assets through its renovation, major maintenance and annual renewal program.

In an Authority first, the Series 2022 A bonds featured a diverse firm as bookrunning senior manager on the transaction. Ramirez & Co. served as bookrunning senior manager with BofA Securities and Loop Capital Markets, an MBE firm, as joint senior managers. This transaction follows the precedent-setting Princeton University 2021 Series A and B bonds, which used Ramirez Asset Management, a diverse asset management firm, to manage a substantial portion of the construction fund bond proceeds. That transaction was the first time either the Authority or the university used a minority and/or woman owned business enterprise in that capacity.

"The Authority was very pleased to be able to work with the university on this transaction," said Acting Executive Director Sheryl Stitt. "That this financing once again is precedent-setting speaks to Princeton University's continued leadership in expanding opportunity for diverse participation in higher education finance. The Authority has always prided itself on modernization and creative financing solutions, and we look forward to continuing this client-centered approach."

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Participating Minority and Women Owned Firms

Ramirez & Co.
Bookrunning Senior Manager
(MBE)

Loop Capital Markets
Joint Senior Manager
(MBE)

Yuba Group
Financial Advisor to Princeton University
(MWBE)

McElwee & Quinn
Financial Printer to the Authority
(WBE)

Paparone Law PLLC
Trustee's Counsel
(WBE)

Contact:

Ed.DiFiglia@njefa.nj.gov
Phone: 609-987-0880
Website: www.nj.gov/njefa
Twitter: @NewJerseyEFA

“Princeton University is striving to achieve numerous big picture goals right now, from growing our undergraduate student population by 10% to achieving net-zero carbon emissions by our 300th anniversary in 2046,” said Vice President for Finance and Treasurer Jim Matteo. “As Princeton has embarked on the most ambitious capital plan in its history, we have sought to ensure that diversity and inclusion are well represented in every facet of the plan. I’m proud that our partnership with the Authority does just that, cementing new financial partnerships, fostering inclusion in our most strategic initiatives, and paving a path for continued opportunities in this space.”

“The staff at the Authority are experts in putting together transactions that meet each intuition’s needs and we are pleased to be able to further our relationship with Princeton University by issuing these bonds,” said Authority Board Chair Joshua Hodes. “It is especially rewarding to be able to partner with the university as they continue their pursuit to expand opportunity for diverse firms.”

“We are grateful for the cooperative partnership between the university, the Authority and our financial advisor (the Yuba Group, an M/WBE firm) to select the most-qualified underwriters to sell our bonds,” said Associate Vice President for Treasury Services Tim Graf. “This ultimately led us to select a minority-owned business as senior bookrunning manager, which not only allowed us to price our bonds at attractive yields, but also helps us to meet President Eisgruber’s charge to increase contractor and supplier diversity. It should also be noted that in addition to Ramirez & Co., Loop Capital Markets, and the Yuba Group, two other WBE firms participated on the transaction: McElwee and Quinn served as financial printer to the Authority and Papparone Law PLLC served as Trustee’s counsel.”

Ramirez, founded in 1971, is the largest and oldest Hispanic investment bank in the country. Prior to this transaction, Ramirez served as co-manager on all of Princeton University’s negotiated transactions since 2017.

“Ramirez is thankful for the opportunity to be elevated to the senior manager role by the Authority and Princeton University. This is a testament to our continued coverage from banking, underwriting, sales and trading. We congratulate Princeton University, a premier credit, on its successful transaction and look forward to growing our longstanding relationships with both the Authority and Princeton University,” said Ramirez Managing Director Sarah Snyder.

The 2022 Series A bonds mark the tenth series of bonds issued by the Authority for Princeton University in the last decade. During that time, the total amount of par issued has exceeded \$2 billion, including over \$850 million in new money issuance and \$1.2 billion in refundings. The total savings from refunding transactions is \$238 million.

“Since starting with the Authority in 2014, each of the ten transactions I have worked on for Princeton University has been unique,” said Acting Deputy Executive Director Steve Nelson. “The scope of the university’s efforts with their current campus plan to expand capacity for more students and incorporate the latest sustainable energy and building technologies is impressive. Both the Authority and Princeton University have shown a commitment to expanding their use of diverse investment banking, financial advisor, and asset management firms in key leadership roles.”

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Building Futures

Concurrent with the \$300 million tax-exempt bonds, Princeton University issued \$300 million of Federally taxable bonds. Loop Capital Markets was the bookrunning senior manager (delivery and billing agent) on the transaction; Ramirez and BofA Securities each served as joint senior managers.

As an independent and self-supporting state entity, NJEFA is New Jersey's primary issuer of municipal bonds to finance the development of campus facilities at public and private colleges and universities. NJEFA finances a wide array of projects including construction, renovation, and acquisition of academic and research facilities; libraries; technology infrastructures; student housing; student life and athletic facilities; parking structures; and refinancing of existing debt. NJEFA's 56 years of experience in the financial markets with institutions of every type, size, and credit has led it to complete 528 transactions with a total par volume of over \$19 billion.

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