

# Building futures

## NJEFA

### Viewpoint

#### Opportunities to Foster World-Class Education



By Roger B. Jacobs, Esq.  
NJEFA Chairman

For nearly fifty years, the New Jersey Educational Facilities Authority has taken a leading role in assisting the State's colleges and universities with their capital financing needs. As the State and its institutions look toward implementation of the grants recently certified by the Secretary of Higher Education, the NJEFA and its staff will again have an active part in facilitating use of these monies by colleges and universities. Some of that assistance will be in helping institutions meet matching grant requirements, address timing issues and fund other critical infrastructure projects.

While the implementation of the five grant programs has been a key focus in New Jersey's higher education community over the first half of the year, I believe that certain core issues will again take a position of prominence in decision-making at our institutions. Among them are the need for flexible, high-quality academic space, particularly in the STEM fields; the need for colleges and universities to be more focused on workforce development issues; and the need for institutions to do these things in the most cost-effective way possible.

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## NJEFA Finances New Mixed-Use Facility for Bloomfield College

The NJEFA completed its 2013 Series A bond financing in May in the amount of \$32,267,000 on behalf of Bloomfield College. The transaction helped the College to secure cost-effective financing for the development of the largest building in its history. Structured as a fixed-rate direct purchase with The Provident Bank of New Jersey, the bonds carried an initial interest rate of 3.67 percent; will be reset every 10 years; and have a final maturity of May 13, 2043.



*Bloomfield College—Rendering of Student Residence Hall*

Showcased at the College's ceremonial groundbreaking in May, the 80,434 square foot, four-story building will feature a residence hall with apartment style living on the upper three stories and will accommodate 234 students. The residence hall will offer one, four and eight-bed units and will also provide space for six study rooms, activity centers and multi purpose areas, a student fitness center, movie theater, rooftop courtyard, a garage, and space for college offices.

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# Moving Forward

By Derek Hansel, Executive Director, NJEFA



Derek Hansel

**Spring was a very busy time at the Authority as our staff was called on by the Office of the Secretary of Higher Education to assist in its solicitation for five higher education grant programs that included the Building Our Future Bond Act and four state-supported programs administered through the NJEFA.**

I want to personally thank our terrific staff for their dedication and extraordinary commitment to fulfilling these additional responsibilities. I'm extremely grateful for their tremendous work and professionalism.

Thank you as well to our colleges and their staffs for their herculean efforts in submitting applications for projects that will no doubt transform New Jersey higher education for generations of students to come.

In the weeks and months ahead, the Authority will continue to assist the Office of the Secretary of Higher Education as it begins the next phase of program implementation. Already, the first \$100 million tranch of general obligation bonds under the Building Our Future Bond Act was issued by the State in May. Work has begun on the development of grant and lease agreements, which we expect will be finalized and executed sometime during the Fall. Other related work is also ongoing.

Over the last few weeks, I've had the pleasure of meeting with many college presidents and their staffs about considerations for institutions as they prepare for next steps in the grant process. Colleges are taking another look at the authorizing resolutions of their Boards of Trustees to ensure all the necessary components are in place. Institutions are also beginning to confirm their sources of matching funds

required under the Building Our Future Bond Act and the Higher Education Technology Infrastructure Fund, including reaching out to the Authority and other potential lenders for assistance in financing matching requirements.

Colleges should stay tuned. It is expected that additional communications and information from the Office of the Secretary of Higher Education will be sent in the coming weeks and months with more specifics on grant administration.

*“Thank you as well to our colleges and their staffs for their herculean efforts in submitting applications for projects that will no doubt transform New Jersey higher education for generations of students to come.”*

Throughout the busy Spring, the Authority also continued to provide the core services that define our mission; namely, to help colleges secure the lowest cost of financing available to develop their campus facilities. In the last two months we completed an exciting new project for Bloomfield College, profiled on the cover of this issue. We also recently closed a \$20 million direct placement transaction for Caldwell College to currently refund outstanding bonds, which provided net present value saving to the College of approximately \$2 million. The transaction also provided some new capital for residence hall renovations and improvements to its student center.

We are actively working with several other institutions to assist in meeting their capital needs and look forward to a busy Fall.

## NJEFA Financings 2013

INSTITUTION	PROJECT/PURPOSE	CLOSING DATE	PAR AMOUNT
Bloomfield College	80,000 sf residence hall in downtown Bloomfield	5/13/2013	\$32,267,000
Caldwell College	Current refunding and various captial improvements	6/18/2013	\$20,000,000
Seton Hall University	Current refunding and renovations to campus facilities	7/10/2013	\$41,910,000



*New Jersey Institute of Technology's Central King Building*

I have felt for some time that real estate vacancies in New Jersey's pharmaceutical sector and other industries may present significant opportunities for creative, value-oriented schools to develop innovative partnerships for the reuse of these facilities and tracts of land. This may be particularly true for urban, land-locked institutions where land and space to grow enrollment and capacity is hard to come by.

This is not a novel idea but a timely one as a number of New Jersey institutions have already taken advantage of such opportunities. Several years ago, Kean University purchased a portion of then-owned Schering Plough's campus located adjacent to the University in Union, New Jersey. NJEFA assisted the University through tax-exempt bonds to build a new facility on the land for its New Jersey Center for Science,

with such reuse of land and facilities, not the least of which can be environmental remediation and the specialized nature and large size associated with many of the facilities. However, for the right institution(s) and the right need, reuse may lead to a more cost-effective solution that allows for strong synergies between institutional needs, development issues and the kind of workforce development and public/private partnership long advocated by Governor Christie's Administration.

We look forward to working with our clients, the various state agencies involved in development of these kinds of partnerships and the private sector to assist the higher education community in its continued efforts to foster world-class education for New Jersey's students.

Technology and Mathematics.

More recently, NJEFA assisted NJIT in 2010 with the acquisition and renovation of the former Central High School of Newark located adjacent to the Institute's Campus. The facility has been repurposed for much needed academic space and a 930 seat auditorium among other uses.

There are many challenges associated

## NJEFA Finances New Mixed-Use Facility for Bloomfield College

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Located at the corner of Franklin and Broad Streets, development of this building is considered a key project in the revitalization efforts of downtown Bloomfield. The ground level will provide space for retail use, including 5,000 square feet for a new Barnes and Noble bookstore and space for a café, convenience shop and parking, all of which will be open to the general public and the College community.

The new building will be constructed to be both energy efficient and in accordance with principles of sustainability utilizing LEED silver certificate standards.

The direct-purchase financing structure for this project is reflective of recent trends in the municipal marketplace, which is providing extremely attractive opportunities for institutions that may not have publicly rated debt. The NJEFA is committed to assisting all of its clients in accessing the full range of financing options to develop and improve campus facilities.



## NJEFA Staff Announcements

### Denise Carroll

*Accountant*

Congratulations to NJEFA's Accountant, Denise Carroll, who graduated in May with a Bachelor of Science degree in Accounting from Rutgers, The State University of New Jersey. Denise began her career with the Authority in 2007. She pursued her academics and graduated magna cum laude while managing her Authority responsibilities that today include, processing of bond fund requisitions for college and university trustee accounts, operating fund reconciliation, and management of a number of trustee accounts for the Authority's general ledger.

### Nichole Doxey

*Communications Specialist*

NJEFA said goodbye in February to Communications Specialist, Nichole Doxey, who was the technical talent behind many of the Authority's publications and website. Nichole began her tenure with the Authority in 2003. Though we miss her and wish her well, we look forward to working with her in her new role as Operations Director for the National Association of Health and Higher Education Facilities Finance Authorities.

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### Chris Christie

*Governor*

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#### 2013 Board Calendar

July 23

September 24

November 19

*Meeting dates  
subject to change.*