

# **Bond Case Briefs**

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## **Chapin Joins New York's Exclusive Schools in Muni Borrowing Boom.**

The Chapin School, the more than 100-year-old private girls' school whose alumnae range from members of the Roosevelt family to fashion designer Vera Wang, is the latest of New York City's elite educators to borrow in the tax-exempt bond market to expand.

Build NYC Resource Corp. sold \$75 million in debt on Wednesday for the kindergarten-through-high-school institution to help finance ongoing construction at its 100 East End Ave. location, including a new gymnasium, cafeteria and more classrooms. The three-story expansion will also provide additional space for its performing arts programs, a common area and a studio for the robotics program.

The Chapin sale follows simple municipally financed expansions by other New York preps schools such as the Brearley School and the Ethical Culture Fieldston School. Tuition at Chapin for the 2016-17 academic year is \$47,500 for all 769 students across its lower, middle, and upper schools, an increase of 4.7 percent from the previous year, bond documents show. That doesn't cover the cost for uniforms, books, supplies and other extracurricular activities, which families must pay for out of pocket.

In addition to rising tuition and the bonds, Chapin has also raised about two-thirds of its \$90 million funding goal for its capital campaign. The school raised about \$18.6 million in the most recent fiscal year, according to bond documents.

S&P Global Ratings assigned the offering a rating of AA-, the fourth-highest investment grade rank, with a stable outlook, reflecting the school's "very strong enterprise profile as evidenced by its very selective profile, solid matriculation, high retention and incremental enrollment growth," credit analysts said in a report.

Tax-exempt 10-year securities were priced at a yield of 1.66 percent, or 0.19 percentage point above benchmark debt, data compiled by Bloomberg show. Wednesday's sale also reduced some of Chapin's outstanding debt burden, which now only includes the \$75 million of funds raised through the offering, S&P said.

### **Bloomberg Business**

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