

Bond Case Briefs

Municipal Finance Law Since 1971

Texas Biomed's Inaugural Bond Sale Named "Deal of the Year"

SAN ANTONIO, Dec. 20, 2021 /PRNewswire/ — Texas Biomedical Research Institute's inaugural bond sale has been named the 2021 Deal of the Year by Smith's Research and Gratings, an investment research and analysis company. Smith's annual Municipal All-Star Awards recognizes outstanding municipal bond analysts and investments, based on votes by 1,000 institutional investors.

Texas Biomed's inaugural bond sale has been named the 2021 Deal of the Year by Smith's Research and Gratings.

"Out of all the municipal bond transactions in a given year, the analysts picked our inaugural bond offering as the deal of the year — that's incredible recognition from the Wall Street community and further validation we are on the right track with our strategic plan," says Bruce Edwards, Executive Vice President and Chief Financial Officer of Texas Biomed.

The municipal bond sale in September 2021 raised a total of \$65 million, which helped retire \$43 million in short-term bank loans that funded new laboratories and upgrades. It also raised \$22 million in new capital, which will support ongoing efforts to expand Texas Biomed's infectious disease research capabilities as part of its 10-year strategic plan.

"I'm really proud of Smith's 2021 Deal of the Year as an example of how municipal bonds are helping build a better future," says Terence Smith, Chairman and CEO of Smith's Research and Gratings, who presented the award in New York City on Dec. 8. "The purpose of municipal bonds is to support our world and our one future together. The transaction is in many ways a perfect use of municipal bonds. The Texas Biomedical Research Institute, funded with muni bonds, specializes in battling infectious diseases like COVID."

Edwards worked with Bank of America and Siebert Williams Shank & Co., LLC on underwriting the bonds, with support from many critical partners. He stressed it was a true team effort to prepare, market and sell the bonds during the COVID-19 pandemic.

Ted O. Matozzo, Director in the Public Finance Investment Banking group at BofA Securities, Inc. was the lead banker on the transaction. "My work allows me to assist many great non-profit organizations to achieve their essential missions through funding in the capital markets," Matozzo says. "The chance to work with Texas Biomed on their inaugural public debt issuance was truly a remarkable opportunity given the tremendous work that they do to improve global health and protect the world from infectious disease."

As part of the process, Texas Biomed had its credit worthiness evaluated for the first time in its 80-year history. The Institute received an investment grade credit rating of Baa1 from Moody's. Still, Edwards was not sure how interested investors would be in Texas Biomed.

"Ultimately, we had more buyers than bonds available," Edwards says.

The bond sale helped Texas Biomed ensure steady financial footing into the future. Rather than having a bank loan with variable interest rates, Texas Biomed can now repay the municipal bonds at a fixed interest rate over 30 years. The bonds also removed collateral obligations that limited the type of investments Texas Biomed could make with endowment funds.

Past winners of Smith's Deal of the Year include the New York Transportation Development Corporation, which issued more than \$1.38 billion in special facilities revenue bonds for Delta Airlines to redevelop terminals at LaGuardia Airport.

"This is a fantastic honor for our brilliant financial team and underscores how the broader community believes in our role and ability to eradicate the threat of infectious diseases here at home and around the world," says Texas Biomed President/CEO Larry Schlesinger, MD. "They are investing in us and the future of human health."

By Texas Biomedical Research Institute

Dec 20, 2021

Copyright © 2024 Bond Case Briefs | bondcasebriefs.com