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Baylor College of Medicine to Use $150 Million From Muni Bond Sale For New Building

The Baylor College of Medicine will receive $150 million from the sale of tax-exempt municipal bonds, which it will use to construct new building for the schools of medicine and health professions.

The Series 2025 A Medical Facilities Mortgage Revenue Bonds will be issued as put bonds with a stated maturity in November 2054 and a mandatory tender date of May 15, 2032, according to roadshow document posted Wednesday on MuniOS.

Pricing is slated for the week of April 7 with an estimated closing on April 23.

The securities will be issued by the Harris County Cultural Education Facilities Finance Corporation, which will then pass along the proceeds to Baylor.

Interest on the bonds is payable semiannually starting on Nov. 15, and then on May 15.

The bonds are limited obligations of the issuer with principal and interest paid by the college under the loan agreement.

Baylor will use money from the sale to build Cullen Tower, a 503,000 gross square foot building that is expected to be completed by June 30, 2026 at an estimated cost of $263 million, according to the roadshow document.

The Baylor College of Medicine was ranked among the top medical schools in the U.S. last year. The college trains more than 3,600 medical, graduate, nurse anesthesia, physician assistant and genetic counseling students, as well as residents and postdoctoral fellows annually.

S&P Global Ratings gave the bonds a rating of A.

Barclays and BofA Securities are the underwriters.

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