

New York City



255 Greenwich Street, 6th Floor • New York, NY 10007-2106
Telephone: (212) 788-5864 • Fax: (212) 788-9197

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Contact: Laura Feyer, Deputy Press Secretary, Mayor's Press Office 212-341-5034
Jay Olson, Treasurer, New York City Transitional Finance Authority 212-788-5874
Eugene Resnick, Deputy Press Secretary and Community Media Manager, Office of NYC Comptroller Scott M. Stringer 212-669-7106
Marjorie Henning, Deputy Comptroller for Public Finance, Office of NYC Comptroller Scott M. Stringer 212-669-8334

NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY ANNOUNCES SUCCESSFUL SALE OF \$1.1 BILLION FUTURE TAX SECURED SUBORDINATE BONDS

The New York City Transitional Finance Authority (“TFA”) announced the successful sale of approximately \$1.1 billion of future tax secured subordinate bonds, comprised of approximately \$918 million of tax-exempt fixed rate bonds and \$200 million of taxable fixed rate bonds. Proceeds from the sale will be used to fund capital projects and convert certain floating rate debt to fixed rate debt.

During the retail order period for the tax-exempt bonds, TFA received \$298 million of orders from individual investors, out of which approximately \$280 million was usable. During the institutional order period, TFA received approximately \$1.3 billion of priority orders, representing 2.1x the bonds offered for sale to institutional investors.

Given the strong demand, yields were reduced by 1 basis point for maturities in 2027 through 2029, 1 basis point for the maturity in 2034 and 2 – 3 basis points for maturities in 2035 through 2040. Final yields ranged from 0.30% in 2022 to 2.80% for the 2.75% bond maturing in 2050 and 2.77% for the 3% bond also maturing in 2050.

The tax-exempt bonds were underwritten through TFA’s underwriting syndicate, led by book-running lead manager Ramirez & Co., with BofA Securities, Citigroup, Jefferies, J.P. Morgan, Loop Capital Markets, RBC Capital Markets, Siebert Williams Shank and Wells Fargo Securities serving as co-senior managers.

TFA also sold \$200 million of taxable fixed rate bonds, comprised of two subseries, via competitive bid. The first subseries of approximately \$113 million of bonds maturing in 2026 through 2030 attracted nine bidders, with TD Securities winning at a true interest cost of 1.867%. The second subseries of approximately \$87 million of bonds, which mature in 2031 through 2033 and are callable at par in 2030, attracted seven bidders, with Jefferies winning at a true interest cost of 2.393%.