

# NEW ENGLAND STATES GOVERNMENT FINANCE OFFICERS ASSOCIATION

Raymond James Public Finance

PREPARED BY: ALEX SHIH, MANAGING DIRECTOR  
NICK ROEDERER, MANAGING DIRECTOR

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FALL CONFERENCE  
SEPTEMBER 13, 2023

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**RAYMOND JAMES**



**Alex Shih**  
Managing Director  
Public Finance

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**RAYMOND JAMES**

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**Alex Shih, Managing Director** – Alex Shih is a Managing Director in Raymond James’ New York City office. Mr. Shih has almost 25 years of experience in the public financing industry. Prior to joining the Firm in August 2008, Mr. Shih was a Director with UBS Investment Bank in their Municipal Securities Group for over 9 years specializing in New England region financings. Overall, Mr. Shih has executed or managed over 500 negotiated bond transactions for a total par in excess of \$22.5 billion. His state-level clients including the States of Connecticut, Maine, New Hampshire, Vermont and the Commonwealth of Massachusetts. His agency level clients include MBTA, MSCBA, New York State Thruway Authority, New Hampshire Municipal Bond Bank, Vermont Bond Bank, MDC Hartford and others. He also has a specialty practice working with local municipalities and agencies all throughout New England with their bonding needs. Mr. Shih received his BA degree in Economics from New York University and MBA degree from Columbia Business School where he graduated Beta Gamma Sigma.



**Nick Roederer**  
Managing Director  
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**Nick Roederer, Managing Director** – Nick Roederer is a Managing Director in Raymond James’ Louisville, Kentucky office. Mr. Roederer has more than 25 years of experience in the public finance industry. Mr. Roederer joined the Firm in April 2003 with the opening of the firm’s Public Finance office in Louisville. Mr. Roederer is the firm’s lead public finance banker for the Rural Water Financing Agency, a nationwide issuer for municipal loan programs. He covers all aspects of the Agency’s Loan Programs, including rating presentations, bond issuance, program management, and borrower and USDA coordination. In addition, Mr. Roederer has been the lead banker on many USDA Community Facility projects involving healthcare and higher education issuers. In total, he has been involved in the underwriting or placement of approximately \$7 billion dollars of debt for over 1,300 borrowers utilizing various USDA programs. Mr. Roederer received a Bachelor of Business Administration degree in Finance from the University of Louisville.

<b>SECTION 1</b>	Overview of Raymond James and the Public Finance Department
<b>SECTION 2</b>	USDA Overview
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<b>SECTION 4</b>	USDA Community Facilities Program (CF)
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## SECTION 1

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### Overview of Raymond James and the Public Finance Department

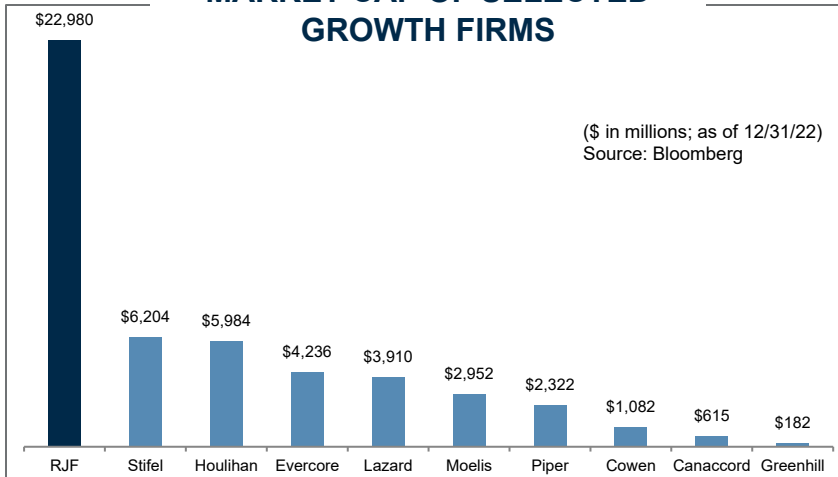
- Full-service securities firm founded in **1962** and public since **1983** (“RJF” on NYSE)
- Fiscal 2022 record net revenue of **\$11 billion**; record annual net income of **\$1.51 billion**
- Total market capitalization of approximately **\$23.0 billion**; client assets under administration **\$1.17 trillion**
- Over **21,000** employees and independent contractors
- **140** consecutive quarters of profitability



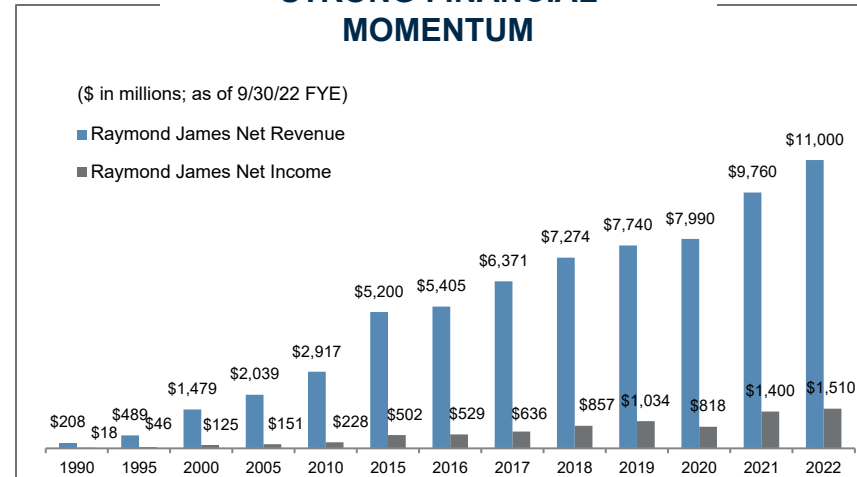
GEOGRAPHIC PRESENCE:

- European operations in the United Kingdom, France, Belgium, Germany and Switzerland
- Over **90** North American and international investment banking, public finance and institutional sales offices

MARKET CAP OF SELECTED GROWTH FIRMS



STRONG FINANCIAL MOMENTUM



## PUBLIC FINANCE:

- Approximately **180** professionals in **37** locations nationwide
- **Top 5 underwriter nationally\***
- Senior managed **417** negotiated and competitive issues in 2022 with a par amount of more than **\$13 billion\***
- Largest underwriting desk in the Southeast



## FIXED INCOME CAPITAL MARKETS:

- Nearly **200** experienced institutional salespeople servicing more than **5,000** institutional accounts
- Approximately **140** Fixed Income traders and strategists supporting clients
- **16** municipal underwriters in **seven** underwriting desks across the nation

## RAYMOND JAMES BANK:

- Over **\$57 billion** in total assets
- Innovative Banking Services – both lending and depository services offered across **50** states
- Letters and Lines of Credit
- Private Banking

## INVESTMENT BANKING:

- More than **615** professionals organized by industry and transaction specialty groups
- Middle-market growth orientation focus
- Since 2017, we have participated in raising over **\$300 billion** in capital for our corporate clients and completed more than **1,100** advisory assignments, including more than **950** M&A buy-side or sell-side advisory assignments

## EQUITY CAPITAL MARKETS:

- One of Wall Street's leading equity research efforts with more than **60** research analysts covering approximately **1,200** companies
- Global sales force with over **80** institutional salespeople
- Approximately **33%** of institutional equity commissions generated outside the U.S.

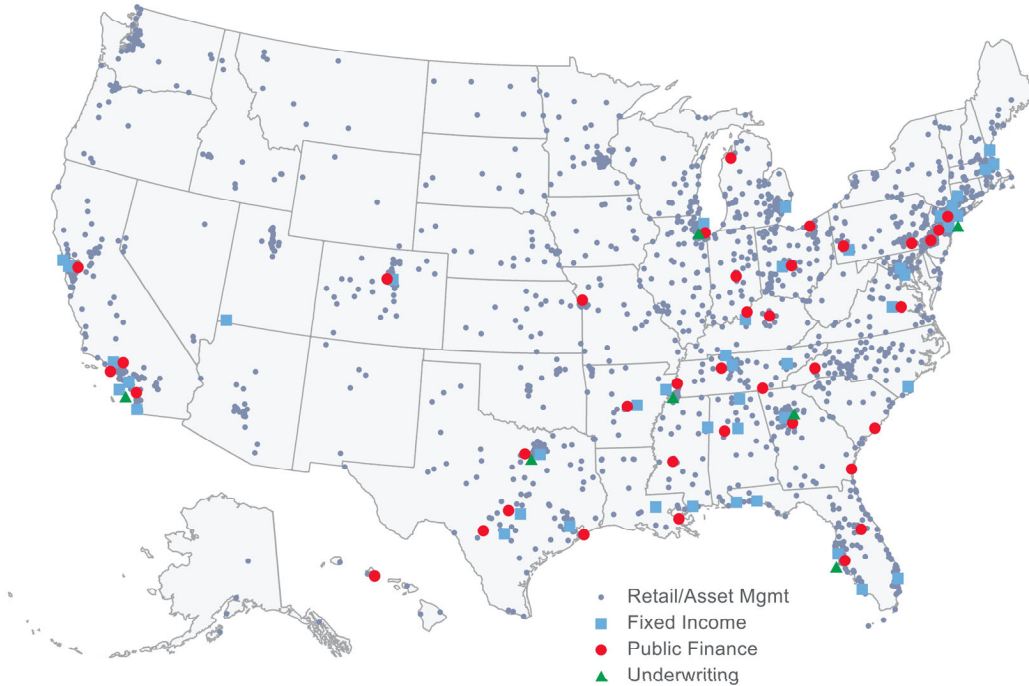
## RETAIL BROKERAGE:

- Approximately **8,700** financial advisors serving **3.5 million** client accounts
- Nearly **500** financial advisors in Canada
- Total client assets of **\$1.17 trillion**



\*Source: Bloomberg; based on total number of issues

**NATIONAL PRESENCE**



**Raymond James Public Finance is consistently ranked as a Top 5 senior managing underwriter nationally\***

**BY THE NUMBERS:**

- 180** | Public Finance professionals
- 37** | Office locations nationwide
- 300+** | Institutional Fixed Income sales and trading professionals
- 8,700** | Financial advisors

**AREAS OF EXPERTISE:**

- General Obligation
- Non-Ad Valorem Revenues
- POBs/OPEB
- School Districts
- Special Districts
- Successor Agencies
- Taxable Financings
- Tobacco Securitization
- Healthcare
- Higher Education
- Housing
- Privatized Student Housing
- Public Power
- Transportation and Aviation
- USDA
- Water and Sewer

\*Source: Bloomberg; 4<sup>th</sup> ranked underwriter based on total number of issues in 2022

# VAST PRESENCE IN NEW ENGLAND

*138 office locations  
in the New England Area*



**Raymond James Retail Presence in New England**

State	Retail Branches	Total Accounts	Total Account Value	Retail Brokers
Connecticut	46	53,441	14,569,228,646	148
Maine	15	15,955	2,995,372,658	45
Massachusetts	55	60,632	17,823,421,393	211
New Hampshire	13	7,495	1,217,030,151	21
Rhode Island	3	5,264	1,804,531,731	18
Vermont	6	7,141	2,524,156,537	25
<b>Total</b>	<b>138</b>	<b>149,928</b>	<b>\$40,933,741,116</b>	<b>468</b>



New England Full Credit to Book Runner Since 2013			
<i>Rank</i>	<i>Underwriter</i>	<i>Par Amount (\$MMs)</i>	<i>No. of Issues</i>
<b>1</b>	<b>Raymond James</b>	<b>12,498.36</b>	<b>338</b>
2	BofA Securities	18,225.33	233
3	Morgan Stanley	14,635.44	221
4	JP Morgan	14,109.99	167
5	Robert W Baird & Co	2,214.05	164
6	Piper Jaffray & Co	2,774.19	157
7	Citi	15,014.54	151
8	Janney Montgomery Scott LLC	2,374.59	108
9	RBC Capital Markets	7,892.50	85
10	Wells Fargo	5,380.32	83
11	Barclays	7,429.16	61
12	Goldman Sachs	5,420.97	29
13	Jefferies	2,223.93	22
14	Samuel A Ramirez & Co Inc	2,314.65	10
15	Siebert Cisneros Shank & Co LI	3,110.69	8

Source: Bloomberg, September 6, 2023



**Underwriter in the New  
England States  
since 2013  
(by # of issues)**

**#5 ranked by par amount**

**Majority of our financings  
are for local municipalities  
and authorities**

\*Source: Bloomberg, September 6, 2023, by number of issues

## SECTION 2

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### USDA Overview

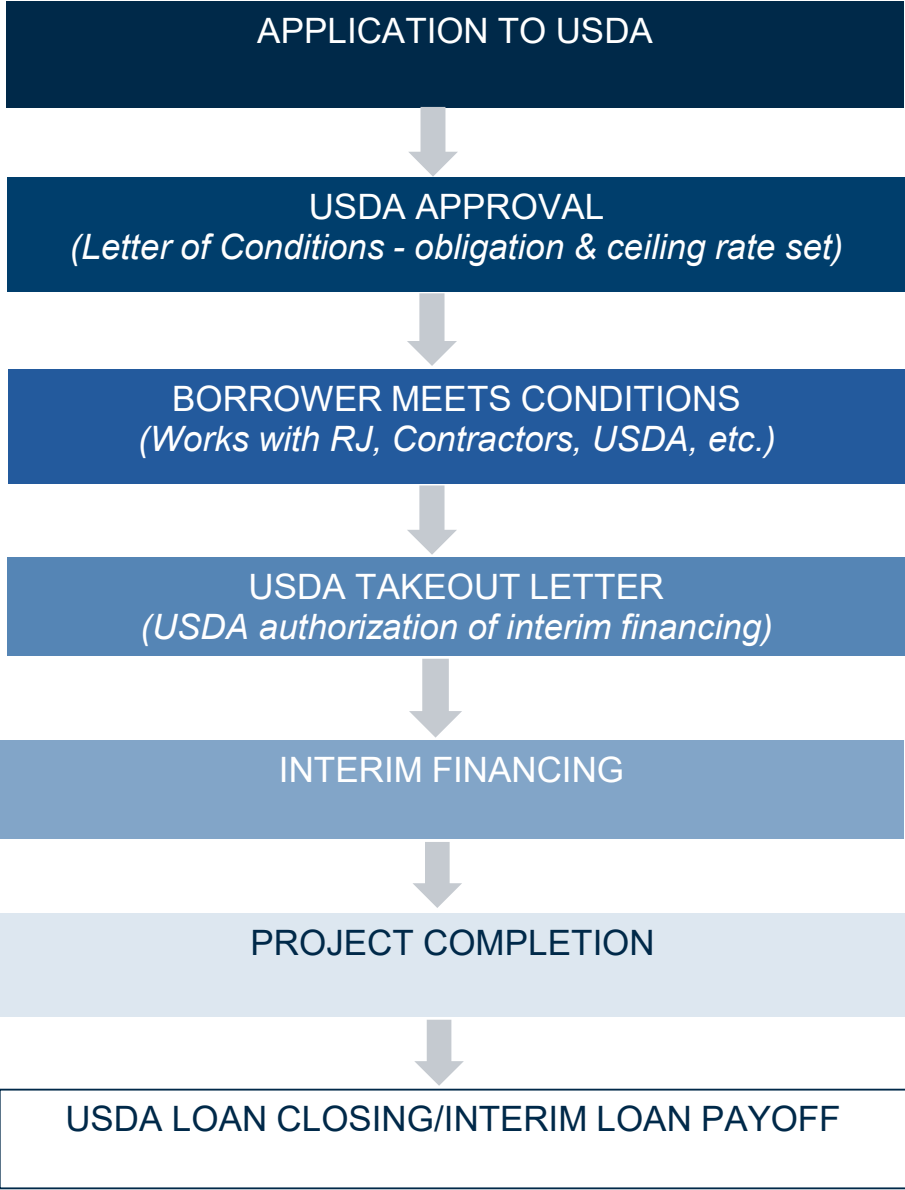
**Over 1,300 USDA Projects**

**\$8 Billion in USDA Business**

**Over 85 Years Combined USDA Team Experience**

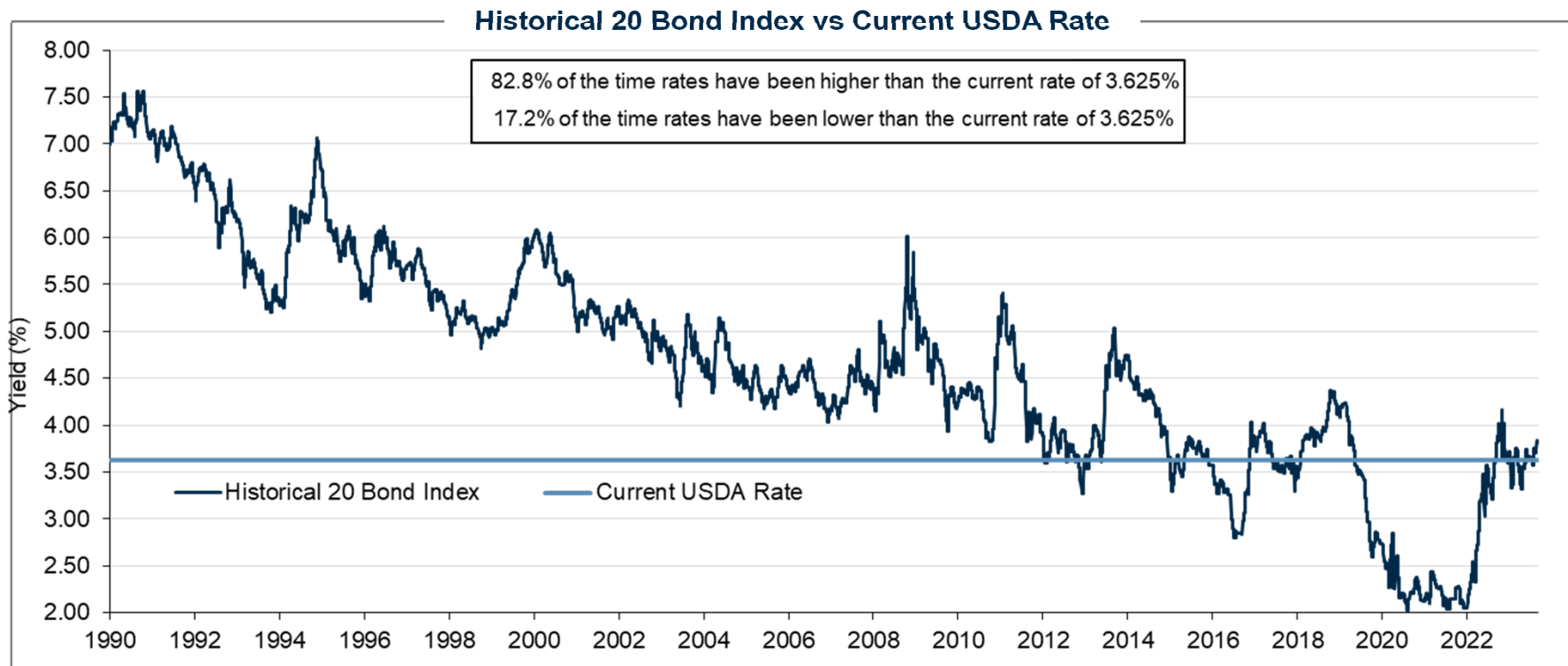
**USDA - RURAL DEVELOPMENT PROGRAMS**

	<b>Water &amp; Environmental Direct Loan Program  (WEP Direct)</b>	<b>Community Facilities Direct Loan Program  (CF Direct)</b>
Maximum Population	10,000	20,000
Types of Borrowers	Munis, Non-Profits	Munis, Non-Profits
Current Rates	2.125%, 2.875%, 3.625%	3.625%
Maximum Term	40 Years	40 Years
Fixed or Variable	Fixed	Fixed
Call Features	Anytime w/out penalty	Anytime w/out penalty
USDA Fees	None	None
Maximum \$	100,000,000 *	100,000,000 *
Permanent Lender	USDA	USDA
Interim Financing	Required	Required
Use for Refundings	Yes, up to 50%	Yes, up to 50%
National Annual Funding (est)	\$1.9 Billion	\$2.8 Billion



## USDA INTEREST RATES (CF & WEP)

- The USDA sets the rate on the CF Direct Loan Program and the market rate on the WEP Direct Loan Program using the Bond Buyer 20 G.O. Index (Aa2 from Moody's / AA from S&P).
- The current rate for the USDA CF Direct Loan Program and the market rate for the USDA WEP Direct Loan Program is **3.625%** (through 9/30/23).



Source: TM3

## SECTION 3

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### USDA Water & Environmental Program (WEP)

## Water & Environmental Program Fact Sheet

**Program Purpose:** to provide long-term funding for water and sewer projects in eligible rural areas.

**Eligibility:**

- Local governments, municipal utilities, special purpose districts, nonprofits
- Project must be in rural areas and towns with populations of 10,000 or less

**Use of Funds:** funds may be used to finance the acquisition, construction or improvement of:

- Drinking water sourcing, treatment, storage and distribution
- Sewer collection, transmission, treatment and disposal
- Solid waste collection, disposal and closure
- Storm water collection, transmission and disposal
- Interim loan interest during construction
- Professional fees
- Refinancing is allowed up to 50% of the total request

**Water & Environmental Program Fact Sheet (cont.)**

**General Terms:**

- Fixed rate financing for up to 40 years
- Current rate structure (through September 30, 2023)
  - Market – 3.625%
  - Intermediate – 2.875%
  - Poverty – 2.125%

**Grant Component:** typically around 20% - 40% of total USDA amount

**Maximum Financing:**

- \$100,000,000 without OMB scoring/approval
- Financing based on ability to repay and funding availability

**Equity Requirements:** none

**Commercial interim financing:** required



**Other Utility Financing Alternatives**

- Open Market Bond Issues**
- State Bond Banks**
- State Revolving Fund Programs**
- WIFIA (larger loans)**
- Rural Water Financing Agency**
  - Interim Program
    - ✓ For borrowers with a USDA or SRF Takeout
  - Flex-Term Program
    - ✓ AA- rated program
    - ✓ Fixed rates from 1-30 year maturities
    - ✓ No borrower reserve fund requirement



**\$1,115,000,000**

Rural Water Financing Agency \*  
Interim Program  
1995 – Present

- Funded 495 loans (\$2.25M avg)
- MIG-1 rated Program
- Assisted other states in setting up similar programs (\$2.7 billion, 760 projects)

\* Includes the Agency's predecessor organization



**\$550,000,000**

Rural Water Financing Agency \*  
Flex-Term Program  
2001 – Present

- Funded 306 loans (\$1.8M avg)
- AA- rated Program
- \$23M Program-level Reserve

\* Includes the Agency's predecessor organization

**Flex Term Program Fact Sheet**

**Program Purpose:** this program provides short to long-term funding options (1-30 years) to governmental projects. The program can be used in conjunction with USDA or independently.

**Eligibility:**

- Local governments, municipal utilities, special purpose districts, public agencies
- 1.20x debt service coverage ratio
- No population restrictions

**Use of Funds:** funds may be used to finance the acquisition, construction or improvement of a variety of construction projects as well as for the refinancing of prior debt. This program can also be used for short term funding or match funding in conjunction with other funding sources.

**General Terms:**

- Short or long-term fixed rate financing for up to 30 years
- Current rates (as of September 6, 2023).
  - 15 year estimated True Interest Cost– **4.25%**
  - 30 year estimated True Interest Cost– **4.80%**
- Program-level debt service reserve

**Rating:** AA- (Standard & Poor’s)

**Benefits:** market rate program having an expedited, streamlined and efficient approval process for project funding.

## SECTION 4

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### USDA Community Facility Program (CF)

## USDA Community Facility Program

- If a project checks these boxes, it may be eligible for USDA CF Financing:
  - ✓ Muni or Non-Profit borrower
  - ✓ Project location population less than 20k (Direct Loan) or 50k (Guaranteed Loan)
  - ✓ Fits one of these categories below:

<b>USDA Rural Development</b>				
<b>Examples of Essential Community Facilities</b>				
<u>Healthcare</u>	<u>Education</u>	<u>Public Safety</u>	<u>Public Services</u>	<u>Transportation</u>
Medical, Dental	Schools and Pre-Schools	Communication Centers	Adult Day Care Centers	Airports & Hangers
Outpatient Clinics	Libraries	Police & Fire Stations	City Hall	Rail & Marine
Hospitals	Headstart & Childcare	Emergency Vehicles	Courthouses	Bridge & Street
Rehabilitation Centers	Community Colleges	Jails & Detention	Community Centers	Improvements
Nursing & Assisted Living Facilities	Charter Schools	Civil Defense Buildings	Homeless Shelters	Buses & Equipment
	Student Housing	Mobile Communications	Food Banks	Sidewalks & Parking

## Community Facility Direct Loan Program Fact Sheet

**Program Purpose:** to provide long-term funding for essential rural community facilities in area of up to 20,000 in population.

**Eligibility:**

- Local governments, municipal utilities, special purpose districts, nonprofits
- Project must be in rural areas and towns with populations of 20,000 or less

**Use of Funds:** acquisition, construction or improvement of:

- Essential community facilities
- Interim loan interest during construction
- Land purchases
- Equipment
- Professional fees
- Refinancing is allowed up to 50% of the total USDA debt obligation

**Public Private Partnerships:**

- USDA wants to leverage the capital markets and commercial lenders

**Community Facility Direct Loan Program Fact Sheet (cont.)**

**General Terms:**

- Fixed rate financing for up to 40 years (or useful life)
- Current rate (through September 30, 2023)
  - 3.625%
- Callable at par at anytime

**Maximum Financing:**

- \$100,000,000 without OMB scoring/approval
- Financing based on ability to repay and funding availability

**Equity Requirements:** no minimum equity required, USDA reviews on a per-project basis

**Commercial interim financing:** required

<b>Community Facility Programs - Historical Loan Authority</b>		
<b>FFY Year</b>	<b>Direct Loan Authority</b>	<b>Guarantee Authority</b>
2023	\$2,800,000,000	\$500,000,000
2022	\$2,800,000,000	\$500,000,000
2021	\$2,800,000,000	\$500,000,000
2020	\$2,800,000,000	\$500,000,000
2019	\$2,800,000,000	\$190,000,000
2018	\$2,800,000,000	\$148,000,000
2017	\$2,600,000,000	\$148,000,000
2016	\$2,200,000,000	\$250,000,000
2015	\$2,200,000,000	\$135,000,000
2014	\$2,200,000,000	\$135,000,000
2013	\$2,200,000,000	\$55,000,000



**Town of Jonesborough (TN) – Elementary and Middle School Replacement Project**

- The Town of Jonesborough is located in northeast Tennessee within the boundaries of Washington County.
- The project consists of a replacement Elementary and Middle School on 48 acres and has approximately 150,000 square feet.
- The USDA Direct Loan is secured by a General Obligation of the Town of Jonesborough, that is further evidenced by a General Obligation lease with Washington County.
- Raymond James guided the process of securing a USDA Direct Loan in the amount of \$32,750,000 for the Town.
- The Town received their USDA Direct Loan Letter of Conditions in July 2020 with a term of 28 years and a maximum fixed interest rate of 2.25%
- Through a lender solicitation process, Raymond James negotiated a drawdown bank loan at favorable tax-exempt rates that closed in October 2020.
- The Town will close on its USDA Direct Loan in the 4<sup>th</sup> quarter of 2023.



## SECTION 5

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### Other USDA Programs

## USDA Business & Industry Program

- If a project that checks these boxes, it may be eligible for USDA B&I Financing:
  - ✓ For-Profit, Non-profit, or Muni borrower
  - ✓ Project location less than 50k population
  - ✓ Fits one of these categories below (cannot be used for lines of credit, golf courses, racetracks/gambling, churches, lending/insurance companies)

USDA Rural Development Examples of Business & Industry Projects				
Hotels/RV Parks	Waste Removal/Landfills	Dentists/Healthcare	Textile Manufacturing	Bio testing labs
Family Entertainment Venues	Commercial Real Estate	Manufacturing facilities	Landscaping, nurseries	Pharmaceuticals
Event Venue	Wineries	Industrial facilities	Timber/lumber yards	Equipment
Bars, Restaurants	Vineyards, distilleries	Grocery Stores	Fabrication companies	Food Supply Chain

## USDA Energy Programs

USDA has various energy programs available for different types of projects:

- ✓ USDA Rural Energy for America Guarantee Program (*REAP*)
  - Renewable energy systems or energy efficiency improvements
  
- ✓ USDA Providing Affordable Clean Energy Program (*PACE*)
  - Renewable energy projects with 20% - 60% loan forgiveness
  
- ✓ USDA Empowering Rural America Program (*New ERA*)
  - For Electric Cooperatives
  
- ✓ Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program (*9003*)
  - Biofuel, renewable chemicals & biobased projects up to \$250M

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