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AMHERST H. WILDER FOUNDATION

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Public Finance - Cultural & Social Service Nonprofits

Case Study

The Wilder Foundation

In 2006, Piper Sandler assisted the Amherst H. Wilder Foundation ("Wilder Foundation" or "Wilder") with its first public bond issue as underwriter and remarketing agent. Wilder Foundation borrowed $33 million of variable rate bonds with a letter of credit to finance the construction of the approximately 99,000 square foot Wilder Center and related parking ramp. The new facility allowed Wilder to consolidate and expand its community services and programs. Wilder also entered into a swap agreement to reduce its interest rate risk on the variable rate bonds.

In 2010, Piper Sandler assisted Wilder in a fixed rate refunding and swap termination related to its original bond issue. Letter of credit and liquidity providers had become more expensive during the Great Recession and Wilder preferred to pay a fee to terminate the swap in order to ensure the interest rate on its debt was fixed. Wilder also obtained its first public bond rating of "A1" by Moody's Investors Service ("Moody's").

In 2020, Piper Sandler again assisted Wilder in a refunding of its original bond issue. Through the Great Recession and thereafter, Wilder spent large percentages of its endowment to support the community. As a result, Moody's downgraded Wilder's credit rating over the years, with a rating of "Baa2" and a negative outlook issued in 2019. Despite the lower rating, a current refunding provided substantial interest rate savings to Wilder because of the lower interest rate environment as compared to 2010. In addition, the "Baa2" rating was maintained in 2020, due to a change in leadership with cost saving measures and a refinement in program services utilized to reduce the endowment draw in the current and future years.

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