



**The Heights
1978 beds
Montclair, NJ**

CONTACT INFORMATION:

Address: The Heights at Montclair State University
1 Normal Avenue
Montclair, New Jersey, 07043

Phone: (973) 655-4662

Student Housing



Montclair Properties
Montclair, NJ

1978 beds

\$234,990,000



The Heights
1978 beds
Montclair, NJ



Provident Resources Group Inc.

The Heights

Montclair State University
Montclair, NJ
\$234,900,000
Education Resources



Overview

The on-campus student housing development known as The Heights is a public-private-partnership between Montclair State University (“**MSU**”) and Provident Resources Group Inc. (“**Provident**”). Provident Group – Montclair Properties, L.L.C. (“**Montclair Properties LLC**”), a wholly owned subsidiary of Provident, was selected to develop, finance, own, equip, operate and maintain two residence hall facilities and a dining facility on the campus of MSU exclusively for the benefit of MSU and its students. The state-of-the-art residential complex has approximately 548,000 square feet of living quarters and a 24,000 square foot dining area. The Heights includes Anthony M. Dinallo Heights and Commons (“**Dinallo Heights**”), and John Victor Machuga Heights and Commons (“**Machuga Heights**”). Dinallo Heights includes John Basilone Hall, Albert Einstein Hall, Nellie Katherine Morrow Parker Hall and Walt Whitman Hall. Machuga Heights includes Sam Mills Hall, Althea Gibson Hall, Clara Barton Hall and William Gordon Hall. For more specific information on the residence halls, please follow this link to the Montclair State University website for The Heights at: <http://www.montclair.edu/resed/reshalls/heights.html>. The project site consists of approximately 5.5 acres on the campus of MSU. The Heights opened in September of 2011, and can accommodate nearly 2,000 students.

Financing

The \$211 million development budget was financed through The New Jersey Economic Development Authority (“**NJEDA**”) issued tax-exempt student housing revenue bonds with senior and subordinate series of bonds. The senior Series 2010A Bonds were issued and structured as 30-year fixed rate bonds, secured by a leasehold mortgage on the project to be paid primarily from project revenues, lease payments from MSU for the dining space and other funds available under the indenture, with no recourse to NJEDA or to MSU. The senior bonds are rated “Baa3” by Moody’s and were underwritten by RBC Capital Markets and Citi. To reduce the initial cost of the project, and, therefore, the associated debt service, Capstone accepted subordinate Series 2010B tax exempt bonds of \$23,600,000, which will mature in 30 years, in lieu of an upfront development fee. The project is designed to achieve a LEED Silver certification as defined by the United States Green Building Council. This project is the first public private partnership for the benefit of a public university in the State of New Jersey under the New Jersey Economic Stimulus Act of 2009. Upon retirement of the bonds, the Ground Lease will terminate and the project improvements will revert to MSU.

Development and Management

The new project was developed by Capstone Development Corporation of Birmingham, Alabama, a nationally regarded developer of student housing facilities, with Terminal Construction Corporation of Wood-Ridge, New Jersey, serving as general contractor. Responsibility for the day-to-day management of the residential complex will be shared between

Capstone On-Campus Management, L.L.C. and MSU, pursuant to a tri-party management agreement with Montclair Properties LLC.

Community Impact

Providing additional housing for students has long been a priority for MSU. Because the State of New Jersey has not invested any direct capital funding in higher educational facilities in more than 25 years, MSU had to find creative and cost-effective solutions to build new facilities. The Heights goes a long way in addressing this need by allowing MSU to accommodate more residential students and guarantee on-campus housing to all interested students. According to MSU President Susan A. Cole, MSU is now better positioned to serve students from throughout the State of New Jersey and beyond.