

May 6, 2015

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: Utah State University - Series 2015 Romney Stadium Westside Renovation Revenue Bond

Issue

Utah State University (USU) has requested authorization to issue the \$23 million revenue bond authorized by the 2015 Legislature for the construction project to renovate and expand the Romney Stadium.

Background

The purpose of this Bond is to partially fund the \$31 million cost of renovating and expanding the west side of the existing Romney Stadium, with the remaining \$8 million to be provided from private gift funds.

The relevant parameters of the requested issue are:

- Principal amount not to exceed \$24,500,000 including costs of issuance and capitalized interest
- Interest rate not to exceed 5%
- Discount from par not to exceed 2%
- Final maturity not to exceed 31 years from the date of issue.

A copy of the request letter from USU, a financing summary from the University's financial advisor, and a draft of the Approving Resolution that provide additional detail about this request are attached for your review. Representatives from the University, Bond Counsel from Chapman & Cutler, and the Financial Advisor from Zions Bank will be in attendance to provide additional information and answer questions from the Board.

Commissioner's Recommendation

The Commissioner recommends approval of the proposed Authorizing Resolution for funding the USU Romney Stadium Westside Renovation and Expansion as proposed.

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David L. Buhler  
Commissioner of Higher Education

DLB/GLS/WRH  
Attachments

April 22, 2015

Commissioner David L. Buhler  
Utah State Board of Regents  
Board of Regents Building The Gateway  
60 South 400 West  
Salt Lake City, Utah 84101-1284

Dear Commissioner Buhler:

Utah State University requests that the Board of Regents approve issuing revenue bonds totaling \$23,000,000, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirement to finance the West Stadium Renovation project (see the attached Preliminary Summary Sheet). Bonds will be repaid by funds received from premium seating revenues, gate receipts, and donations. The renovation project with a total budget of \$31,000,000 was previously approved by the Board of Trustees, Board of Regents, State Building Board, and the Legislature. This item will be presented to the Board of Trustees during the May 1, 2015 meeting.

We appreciate your support and ask that you present this item for Regents approval.

Sincerely,



David T. Cowley  
Vice President for  
Business and Finance

C: Greg Stauffer, Associate Commissioner for Finance and Facilities  
Stan Albrecht, President  
Dan Christensen, Controller  
Dwight Davis, Associate Vice President for Business and Finance

**Utah State University  
Student Building Fee Revenue Bonds, Series 2015  
Preliminary Summary Sheet**

Proposed Issue: Student Building Fee Revenue Bonds

Total Approximate Issue Size: \$21,130,000

Use of Funds: To provide up to \$23,000,000 to finance the cost of the Romney Stadium Westside Renovation; satisfy any reserve fund requirements; fund any capitalized interest amount; and pay associated costs of issuance.

Detail of Proposed Series 2015 Bonds:

Principal Amount: Not to exceed \$24,500,000

Interest Rate: Not to exceed 5.0%

Maturity Date: Not to exceed 31 years

Aggregate Discount: Not to exceed 2%

Underwriter's Discount: Not to exceed 2%

Bond Rating: AA from S&P

Source of Repayment: Student Building Fee Revenue Bonds

Timetable Considerations: Regent approval will be sought at their May 15 meeting. The University is proceeding with plans to sell bonds soon after Regent approval is received, with a tentative sale date planned for June 11, 2015. The University anticipates selling bonds by competitive sale, and the underwriter will be whichever bidder provides the lowest borrowing cost (as a combination of interest rates and fees) to the University. The anticipated closing date is Thursday, June 25.

May 15, 2015

The State Board of Regents of the State of Utah (the “*Board*”) met in regular session at Salt Lake Community College, \_\_\_\_\_, Salt Lake City, Utah, on May 15, 2015, commencing at 8:00 a.m. The following members of the Board were present:

	Daniel W. Campbell	Chair
	France A. Davis	Vice Chair
	Jessellie B. Anderson	Member
	Nina Barnes	Member
	Bonnie Jean Beesley	Member
	Leslie Castle*	Member
	Wilford W. Clyde	Member
	James T. Evans*	Member
	Brady Harris	Student Member
	Marlin K. Jensen	Member
	Robert S. Marquardt	Member
	Jefferson Moss*	Member
	Jed H. Pitcher	Member
	Robert W. Prince	Member
	Harris H. Simmons	Member
	Mark Stoddard	Member
	Teresa L. Theurer	Member
	Joyce P. Valdez	Member
	John H. Zenger	Member.
ABSENT:	[None.]	
ALSO PRESENT:	David T. Cowley	Vice President for Business and Finance
	Kirsten Schroeder	Secretary

As required by Section 52-4-203, Utah Code Annotated 1953, as amended, written minutes and a recording of this meeting are being kept.

After the meeting had been duly convened and called to order by the Chair and the roll had been called with the above result, and after other business had been conducted, the Chair announced that one of the purposes of the meeting was the consideration of various matters with

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\* Non-voting Member

respect to the issuance and sale of the State Board of Regents of the State of Utah, Utah State University of Agriculture and Applied Science Student Building Fee Revenue Bonds.

The following resolution was introduced in written form and, after full discussion, pursuant to motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, was adopted by the following vote:

YEA:

[illegible]

NAY:

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ABSENT:

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The resolution is as follows:

## RESOLUTION

A RESOLUTION OF THE STATE BOARD OF REGENTS OF THE STATE OF UTAH AUTHORIZING THE ISSUANCE AND SALE OF ITS UTAH STATE UNIVERSITY STUDENT BUILDING FEE REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$24,500,000; AUTHORIZING THE EXECUTION OF A SUPPLEMENTAL INDENTURE OF TRUST, AN OFFICIAL STATEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the State Board of Regents of the State of Utah (the “*Board*”) is established and exists under and pursuant to Section 53B-1-103, Utah Code Annotated 1953, as amended (the “*Utah Code*”);

WHEREAS, pursuant to the provisions of Title 53B Chapter 1, Utah Code, the Board is authorized to act as the governing authority of Utah State University of Agricultural and Applied Science (the “*University*”) for the purpose of exercising the powers contained in Title 53B, Chapter 21, Utah Code (the “*Act*”);

WHEREAS, pursuant to the Act, the Board is, for and on behalf of the University, authorized to issue bonds payable from a special fund into which the revenues of the University may be deposited;

WHEREAS, pursuant to the provisions of Section 63B-24-102(3), Utah Code, the Board is authorized to issue revenue bonds on the credit, revenues and reserves of the University, other than appropriations by the Utah Legislature, to provide up to \$23,000,000 to finance the cost of constructing renovations to the west side of Romney Stadium (the “*Project*”), together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

WHEREAS, the Project will include the acquisition, construction, improvement, equipping and furnishing of renovations to the west side of Romney Stadium and related facilities;

WHEREAS, the Board considers it desirable and necessary for the benefit of the residents of the State of Utah to issue its “State Board of Regents of the State of Utah, Utah State University Student Building Fee Revenue Bonds,” in one or more series (the “*Bonds*”), for the purpose of financing, together with any available funds of the University to be used for such purpose, the cost of the Project, satisfying any debt service reserve requirements, providing capitalized interest on the Bonds, and paying costs of issuance of the Bonds;

WHEREAS, the Bonds will be issued in an aggregate principal amount of not to exceed \$24,500,000 and will be issued pursuant to the General Indenture of Trust dated as of January

15, 1993, as supplemented, amended and restated (the “*General Indenture*”), and as further supplemented and amended by a Fifth Supplemental Indenture of Trust (the “*Fifth Supplemental Indenture*” and, together with the General Indenture, the “*Indenture*”), each by and between the Board, acting for and on behalf of the University, and Wells Fargo Bank, National Association, as trustee (the “*Trustee*”);

WHEREAS, the Bonds shall be payable solely from the revenues and other moneys pledged therefor under the Indenture and shall not constitute nor give rise to a general obligation or liability of the State of Utah, the Board or the University or constitute a charge against the general credit of the State of Utah, the Board or the University;

WHEREAS, there have been presented to the Board at this meeting a form of a Preliminary Official Statement relating to the Bonds (the “*Preliminary Official Statement*”) and a form of the Fifth Supplemental Indenture;

WHEREAS, expenditures relating to the Project (the “*Expenditures*”) have been paid from the University’s general fund (the “*Fund*”) within 60 days prior to the passage of this resolution (the “*Resolution*”) or (ii) will be paid from the Fund on or after the passage of this Resolution and prior to the issuance of the Bonds; and

WHEREAS, pursuant to Section 53B-21-102(3)(m) of the Act, the Board desires to grant to the Chair, the Vice Chair of the Board and the Chair of the Finance, Facilities and Accountability Committee of the Board (each, a “*Designated Board Officer*”) the authority to approve the final principal amounts, discounts, maturities, interest rates, redemption provisions, purchase prices and other terms of the Bonds (including the amount, if any, of the Debt Service Reserve Requirement for the Bonds) and any changes with respect thereto from those terms which were before the Board at the time of adoption of this Resolution, provided such terms do not exceed the parameters set forth in this Resolution, and the authority to approve and execute all documents relating to the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF REGENTS OF THE STATE OF UTAH, AS FOLLOWS:

*Section 1.* All terms defined in the foregoing recitals hereto shall have the same meanings when used herein. Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

*Section 2.* All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Board and the officers of the Board or the University directed toward the issuance of the Bonds are hereby ratified, approved and confirmed.

*Section 3.* The Fifth Supplemental Indenture, in substantially the form presented to the Board at this meeting, is in all respects authorized, approved and confirmed. Each Designated Board Officer and the Secretary of the Board and the University’s President, the Vice President for Business and Finance or Associate Vice President for Business and Finance (each a “*Designated University Officer*” and collectively with the Designated Board Officers, the

“*Designated Officers*”) are hereby authorized to execute and deliver the Fifth Supplemental Indenture, in the form and with substantially the same content as presented at this meeting, for and on behalf of the Board and the University with such alterations, changes or additions as may be authorized pursuant to the terms of this Resolution.

*Section 4.* For the purpose of providing funds to be used for the purpose of (i) financing all or a portion of the cost of the Project, (ii) satisfying the Debt Service Reserve Requirement, if any, (iii) providing capitalized interest on the Bonds, and (iv) paying costs of issuance of the Bonds, including the cost of any bond insurance policy, surety bond or other credit enhancement for the Bonds, the Board hereby authorizes the issuance of the Bonds in the aggregate principal amount of not to exceed \$24,500,000. The Bonds shall bear interest at the rates, shall mature in the principal amounts and on the dates, and shall be subject to redemption, as shall be approved by a Designated Board Officer as provided below, all within the parameters set forth in *Schedule A* attached hereto and incorporated herein by reference.

*Section 5.* The form, terms and provisions of the Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Indenture. Any Designated Board Officer and the Secretary of the Board and any Designated University Officer are hereby authorized to execute and seal the Bonds and to deliver the Bonds to the Trustee for authentication. All terms and provisions of the Indenture and the Bonds are hereby incorporated in this Resolution. The appropriate officials of the Board and the University are hereby authorized to execute and deliver to the Trustee the written order of the Board for authentication and delivery of the Bonds in accordance with the provisions of the Indenture.

*Section 6.* The Board hereby authorizes, approves and directs the use and distribution of the Preliminary Official Statement in such form as shall be approved by a Designated Officer. Each Designated Officer is authorized to execute such certificates as shall be necessary to “deem final” the Preliminary Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission. Any Designated Board Officer and any Designated University Officer are hereby authorized to execute and deliver on behalf of the Board and the University a final Official Statement in substantially the form and with substantially the same content as the Preliminary Official Statement, with such alterations, changes or additions as may be necessary to conform to the terms of the Bonds and finalize the Official Statement. The use and distribution of the Official Statement are hereby authorized.

*Section 7.* The Bonds shall be sold to the initial purchaser (the “*Underwriter*”) pursuant to a public or negotiated sale at a discount of not to exceed 2.0% of the face amount of the Bonds plus accrued interest, if any. Pursuant to Section 53B-21-102(3)(m) of the Act, a Designated Board Officer (with concurrence of a Designated University Officer) is hereby authorized to specify and agree as to the final principal amounts, discounts, maturities, interest rates, redemption provisions, purchase prices and other terms of the Bonds (including the amount, if any, of the Debt Service Reserve Requirement for the Bonds) for and on behalf of the Board and the University by the execution of the Indenture, such bond purchase contract or other instrument or instruments as may be necessary to confirm the award of the Bonds to the Underwriter, and any changes to the Fifth Supplemental Indenture from those terms which were



before the Board at the time of adoption of this Resolution, provided such terms are within the parameters set by this Resolution.

*Section 8.* The appropriate officers of the Board and the University, including without limitation the Designated Board Officers, Commissioner of Higher Education and Secretary of the Board and the Designated University Officers are hereby authorized to take all action necessary or reasonably required by the Indenture to carry out, give effect to and consummate the transactions as contemplated thereby and are authorized to take all action necessary in conformity with the Act.

*Section 9.* The appropriate officials of the Board and the University, including without limitation the Designated Officers, are authorized to make any alterations, changes or additions to the Fifth Supplemental Indenture, the Bonds, the Preliminary Official Statement, or any other document herein authorized and approved as authorized by this Resolution, including such alterations, changes or additions which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Board or the provisions of laws of the State of Utah or the United States.

*Section 10.* The appropriate officials of the Board and the University, including without limitation the Designated Board Officers, Commissioner of Higher Education and Secretary of the Board and the Designated University Officers, are hereby authorized and directed to (a) accept a commitment for, and agree to the terms of, a bond insurance policy, surety bond, or other credit enhancement that such officer or officers determine to be in the best interests of the Board and the University, and (b) execute and deliver for and on behalf of the Board and the University any or all additional certificates, documents, instruments and other papers and perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein, including (without limitation) such (i) continuing disclosure undertakings or agreements as shall be necessary under Rule 15c2-12 of the Securities and Exchange Commission and (ii) certificates and agreements as shall be necessary to establish and maintain the tax status of the Bonds under the provisions of the Internal Revenue Code of 1986, as amended.

*Section 11.* Upon their issuance, the Bonds will constitute special limited obligations of the Board payable solely from and to the extent of the sources set forth in the Indenture. No provision of this Resolution, the Bonds, the Indenture or any other instrument, shall be construed as creating a general obligation of the Board or the University, or of creating a general obligation of the State of Utah or any political subdivision thereof, nor as incurring or creating a charge upon the general credit of the Board, the University, the State of Utah or any political subdivision thereof.

*Section 12.* In satisfaction of certain requirements under the Internal Revenue Code of 1986, as amended, the Board reasonably expects to reimburse the Expenditures with proceeds of the Bonds to be issued in the maximum principal amount of not more than \$24,500,000.

*Section 13.* All proceedings, resolutions and actions of the Board and the University and their officers and employees taken in connection with the Bonds are hereby ratified, confirmed and approved.

*Section 14.* After any of the Bonds are delivered by the Trustee to the Underwriter and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Bonds are deemed to have been fully discharged in accordance with the terms and provisions of the Indenture.

*Section 15.* If any provisions of this Resolution should be held invalid, the invalidity of such provisions shall not affect the validity of any of the other provisions of this Resolution.

*Section 16.* All resolutions of the Board or parts thereof inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order or resolution or part thereof.

*Section 17.* This Resolution shall become effective immediately upon its adoption.

*(Signature page follows.)*

PASSED AND APPROVED by the State Board of Regents of the State of Utah this 15th day of May, 2015.

STATE BOARD OF REGENTS OF THE STATE OF  
UTAH

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Chair

[SEAL]

ATTEST:

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Secretary

After the conduct of other business not pertinent to the above, the meeting was, on motion duly made and seconded, adjourned.

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Chair

[SEAL]

ATTEST:

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Secretary

STATE OF UTAH                    )  
  : ss.  
COUNTY OF SALT LAKE        )

I, Kirsten Schroeder, do hereby certify that I am the duly qualified and acting Secretary of the State Board of Regents of the State of Utah.

I further certify that the above and foregoing constitutes a true and correct copy of an excerpt of the minutes of a meeting of said Board held on May 15, 2015 and of a resolution adopted at said meeting, as said minutes and resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of said Board this 15th day of May, 2015.

\_\_\_\_\_  
Secretary

[SEAL]

STATE OF UTAH                     )  
  : ss.  
COUNTY OF SALT LAKE        )

I, Kirsten Schroeder, the undersigned, the duly qualified and acting Secretary of the State Board of Regents of the State of Utah (the “*Board*”), do hereby certify, according to the records of the Board in my official possession, and upon my own knowledge and belief, that:

(a) in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, I gave public notice of the agenda, date, time and place of the May 15, 2015 public meeting held by the members of the Board by (i) causing a Notice of Public Meeting to be posted at the principal office of the State Board of Regents at 60 South 400 West in Salt Lake City, Utah, on \_\_\_\_\_, 2015, at least 24 hours prior to the convening of such meeting, in the form attached hereto as *Exhibit A*, said Notice of Public Meeting having continuously remained so posted and available for public inspection during the regular office hours of the Board until the convening of the meeting; causing a copy of said Notice of Public Meeting in the form attached hereto as *Exhibit A* to be provided on \_\_\_\_\_, 2015 at least 24 hours prior to the convening of such meeting, to the *Deseret News* and *The Salt Lake Tribune*, newspapers of general circulation within the geographic jurisdiction of the Board, and to each local media correspondent, newspaper, radio station or television station which has requested notification of meetings of the Board; and (ii) causing a Notice of Public Meeting to be posted on \_\_\_\_\_, 2015 at the Utah Public Notice Website at least 24 hours before the convening of the meeting;

(b) in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, public notice of the 2015 Annual Meeting Schedule of the Board was given specifying the date, time and place of the regular meetings of the Board scheduled to be held during the year, by (i) causing a Notice of Annual Meeting Schedule for the Board in the form attached as *Exhibit B* to be posted during or before January 2015 at the principal office of the Board in Salt Lake City, Utah; such Notice of Annual Meeting Schedule having continuously remained so posted and available for public inspection during the regular office hours of the undersigned until the date hereof; (ii) causing a copy of such Notice of Annual Meeting Schedule to be provided during or before January 2015 to a newspaper of general circulation within the geographic jurisdiction of Salt Lake City, Utah; and (iii) causing a Notice of Annual Meeting Schedule to be posted during or before January 2015 at the Utah Public Notice Website; and

(c) the Board has adopted written procedures governing the holding of electronic meetings in accordance with Section 52-4-207 Utah Code Annotated 1953, as amended (a copy of which is attached hereto as *Exhibit C*). In accordance with such provisions and the aforementioned procedures, notice was given to each member of the Board and to members of the public at least 24 hours before the meeting to allow members of the Board and the public to participate in the meeting, including a description of how they could be connected to the meeting. The Board held the meeting (the anchor

location) in the building where it normally meets and provided space and facilities at the anchor location so that interested persons and the public could attend and participate.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of the State Board of Regents of the State of Utah, this 15th day of May, 2015.

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Secretary

[SEAL]

## **SCHEDULE A**

### **PARAMETERS**

PRINCIPAL AMOUNT:	Not to exceed \$24,500,000.
TERM:	Not to exceed 31 years from their date or dates.
INTEREST RATE:	Fixed rates such that no coupon rate exceeds 5.0% per annum.
REDEMPTION FEATURES:	Optional redemption at not more than 100% of par within 11 years of issuance.
SALE PRICE:	Not less than 98% of the principal amount of the Bonds.



**EXHIBIT A**

[ATTACH NOTICE OF PUBLIC MEETING]

## **EXHIBIT B**

[ATTACH NOTICE OF ANNUAL MEETING SCHEDULE]

## **EXHIBIT C**

[ATTACH ELECTRONIC MEETING POLICY]