

July 22, 2015

MEMORANDUM

TO: State Board of Regents
FROM: David L. Buhler
SUBJECT: Dixie State University – Series 2015 Student Housing Project Revenue Bond

Issue

On April 3, 2015 the Board authorized Dixie State University (DSU) to proceed with the sale of the revenue bonds that were authorized in the 2015 legislative session to provide funding for construction of a new Student Housing Project. The bonds were sold on June 11, 2015 and closed on June 24, 2015.

The bond sale conformed to all of the parameters approved by the Regents. Following is a brief summary of the relevant details:

- Final Par Amount of the Bonds \$21,315,000
- Interest Rate TIC of 3.90% with a maximum 5% coupon rate
- Maturity Date 31.93 years

Additional information about the bond issue is provided on the attached Financing Summary, with the “Final Pricing Results” highlighted with red type face.

Commissioner’s Recommendation

This is an information item; no action is required.

David L. Buhler
Commissioner of Higher Education

DLB/GLS/WRH
Attachment

Dixie State University
Auxiliary System Revenue Bonds, Series 2015
Preliminary Summary Sheet

Proposed Issue: Auxiliary System Revenue Bonds

Total Approximate Issue Size: \$19,020,000 (**\$21,315,000 Final Par Amount**)

Use of Funds: To fund the construction of a new student housing facility; satisfy any reserve requirements; pay capitalized interest for approximately 18 months while the project is constructed; and pay associated costs of issuance.

Detail of Proposed Series 2015A Bonds:

Principal Amount: Not to exceed \$23,000,000 (**\$21,315,000**)

Interest Rate: Not to exceed 5.0% (**max coupon of 5% and True Interest Cost of 3.90%**)

Maturity Date: Not to exceed 32 years (**31.93 years**)

Aggregate Discount: Not to exceed 2% (**premium of 0.096%**)

Underwriter's Discount: Not to exceed 2% (**0.325%**)

Bond Rating: AA from S&P (**AA rating confirmed**)

Bond Insurance: Bids will be received from Assured Guaranty and National PFG (**Assured Guaranty with a bid of 0.15% of total debt service**)

Source of Repayment: Auxiliary services and other revenue

Timetable Considerations: Regent approval will be sought at the March 27 meeting. The University is proceeding with plans to sell bonds soon after Regent approval is received, with a tentative sale date planned for the end of April. The bonds will be sold by negotiated sale. The bond closing date will be in the middle of May. (**The bonds were sold on June 11 and closed on June 24.**)