

November 4, 2015

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: Utah State University – Series 2015 Federally Taxable Research Revenue Bond

Issue

On July 31, 2015 the Board authorized Utah State University (USU) to proceed with the sale of revenue bonds authorized by the 2015 Legislature to finance the construction of Space Dynamics Laboratory at the Innovation Campus in Logan, Utah. Bonds were issued through a negotiated sale with Piper Jaffray acting as the underwriter on September 22, 2015. The bonds closed on October 8, 2015.

The bond sale conformed to all of the parameters approved by the Regents. The following is a brief summary of the results:

- Final Par Amount of the Bonds \$19,500,000
- True Interest Cost (TIC) 4.55%
- Maximum Coupon Rate 4.75%
- Maturity Date 31 years

Additional details about the bond issue may be found in the attached Financing Summary with final pricing results in red type face.

Commissioner's Recommendation

This is an information item; no action is required.

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David L. Buhler  
Commissioner of Higher Education

DLB/GLS/RPA  
Attachments

**Utah State University  
Research Revenue Bonds, Series 2015  
Preliminary Summary Sheet**

Proposed Issue: Research Revenue Bonds

Total Approximate Issue Size: \$18,915,000 (**\$19,500,000 Final Par Amount**)

Use of Funds: To provide up to \$18,000,000 to finance the cost of constructing a new building for the Space Dynamics Laboratory; 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 \$19,500,000  
**(final amount \$19,500,000)**

Interest Rate: Not to exceed 5.0% **(max coupon of 4.75%, TIC of 4.55%)**

Maturity Date: Not to exceed 32 years **(31 years)**

Aggregate Discount: Not to exceed 2% **(total discount of 0.65%)**

Underwriter's Discount: Not to exceed 2% **(0.211%)**

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

Source of Repayment: Research (Indirect Cost Recovery) Revenues

Timetable Considerations: Regent approval will be sought at the July 31 meeting. The University is proceeding with plans to sell bonds soon after Regent approval is received, with a tentative sale date planned for August 13, 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, August 27. **Bonds were sold to Piper Jaffray by negotiated sale on September 22, and closed on October 8.**