

January 13, 2016

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: Utah State University – Series 2015B Research Revenue Refunding Bond

Issue

On December 2, 2015 Utah State University (USU) sold revenue bonds to refund its Series 2009A Research Revenue System bonds. Bonds were issued through a negotiated sale with Citigroup as the underwriter. The bonds closed on December 22, 2015.

The bond sale conformed to all of the parameters approved by the Regents on March 18, 2015. The following is a brief summary of the results:

Final Par Amount of the Bonds	\$13,145,000
True Interest Cost (TIC)	2.57%
NPV Savings Amount	\$782,070
NPV Savings Percentage	5.223%

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.

---

David L. Buhler  
Commissioner of Higher Education

DLB/GLS/RPA  
Attachment

**Utah State University  
Research Revenue Refunding Bonds, Series 2015B  
Final Summary Sheet**

Proposed Issue: Research Revenue Refunding Bonds

Total Approximate Issue Size: \$15,425,000 (**\$13,145,000 Final Par Amount**)

Use of Funds: To refinance the callable maturities (\$14,975,000) of the University's existing Series 2009A Research Revenue Bonds for economic savings; and pay associated costs of issuance.

Detail of Proposed Series 2015B Bonds:

Principal Amount: Not to exceed \$17,500,000  
**(\$13,145,000)**

Interest Rate: Not to exceed 5.0%  
**(max coupon 5%, and True Interest Cost of 2.57%)**

Maturity Date: Not to exceed 16 years **(15 years)**

Aggregate Discount: Not to exceed 2% **(Premium of 14.43%)**

Underwriter's Discount: Not to exceed 2% **(0.25%)**

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

Source of Repayment: Research Revenues

Timetable Considerations: **The original sale was postponed due to rising interest rates. The sale was completed after rates came back down. Bonds were sold by negotiated sale on December 2 with Citi as underwriter. NPV savings were equal to 5.223%, or \$782,070. When savings are combined with the replacement of a cash debt service reserve fund with a surety bond policy, total gross savings equaled \$3,135,731, and annual cash flow savings average \$209,049 through fiscal year 2031. The transaction was closed on December 22.**