

November 9, 2016

MEMORANDUM

TO: State Board of Regents
FROM: David L. Buhler
SUBJECT: Weber State University – Series 2017 Refunding Bond Issue

Issue

Weber State University requests authorization to issue Series 2017 Student Facilities System Revenue Refunding Bonds to refund bonds previously issued in 2007.

Background

The 2007 Student Facilities System Revenue Refunding Bonds were issued in February 2007 for just over \$10 million and contain a call provision to repurchase and retire outstanding principal payments on April 1, 2017. Weber State University requests authorization to refund \$8,105,000 of the remaining principal while interest rates remain favorable.

The relevant parameters of the requested issue are:

- Principal amount not to exceed \$8,500,000
- Interest rate not to exceed 5%
- Discount from par not to exceed 2%
- Final maturity not to exceed 15 years from the date of issue

Additional information about the issue may be found in the attached materials:

- A copy of the request letter from the University
- A financing summary from the financial advisor
- A draft of the Approving Resolution

Representatives from the University and their financial advisor will be in attendance at the meeting to provide additional information and answer questions from the Board.

Commissioner's Recommendation

The Commissioner recommends approval of the proposed Authorizing Resolution to refund Weber State University's Series 2007 Student Facilities System Revenue Refunding Bonds as proposed.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/RPA
Attachments



WEBER STATE UNIVERSITY

October 25, 2016

Dr. David Buhler, Commissioner
Utah System of Higher Education
Board of Regents Building, The Gateway
60 South 400 West
Salt Lake City, UT 84101-1284

Dear Commissioner Buhler:

Weber State University seeks authorization to refinance 2007 Series Revenue Bonds for the purpose of achieving net-present-value savings based on current interest rates. We are hopeful to achieve up to 10% savings by doing so. Further, we intend to take these savings at the tail-end of the debt service schedule—effectively reducing by two years the term of this bond deal.

As background, in 2001, WSU issued \$12 million in student facility revenue bonds to finance construction of the University Village Student Housing project. These original bonds were refinanced in 2007. Beginning in January 2017, these refinanced bonds can be called. Current market rates make it very favorable for WSU to exercise this call and reissue new bonds. Our intent is to get to market as soon as is allowable under the 2007 deal.

The parameters resolution the Regents are asked to approve calls for a principal amount of \$8.5 million, at interest rates not to exceed 5%, and maturity dates not to exceed 15 years.

Bond Counsel for the issue is Chapman and Cutler. WSU's financial advisor is Zions Bank. Our intention is to sell the bonds via competitive bid in early December 2016 and close in early January 2017.

Please place this item on the Regents November 18th action agenda.

Sincerely,

A handwritten signature in black ink, appearing to read 'Norm Tarbox'.

Dr. Norm Tarbox
Vice President for Administrative Services

Weber State University
Student Facilities System Revenue Refunding Bonds, Series 2017
Preliminary Summary Sheet

Proposed Issue: Student Facilities System Revenue Refunding Bonds
Total Approximate Issue Size: \$7,350,000

Use of Funds: To generate debt service savings by refunding the previously issued Series 2007 Student Facilities System Revenue Refunding Bonds; satisfy any reserve fund requirements; and pay associated costs of issuance.

Detail of Proposed Series 2017 Bonds:

Principal Amount: Not to exceed \$8,500,000

Interest Rate: Not to exceed 5%

Maturity Date: Not to exceed 15 years

Aggregate Discount: Not to exceed 2%

Underwriter's Discount: Not to exceed 2%

Bond Rating: AA from S&P utilizing the State Moral Obligation

Bond Insurance: TBD, provided by AGM, BAM, or National PFG

Source of Repayment: Student Facilities System Revenues

Timetable Considerations: The Series 2007 Bonds are "callable," and can be paid off beginning January 1, 2017. The 2007 bonds refunded the previously issued 2001A bonds. As a result, this is a "current period" refunding. Assuming that the Regents grant authorization at their November 18, 2016 meeting, and that the savings generated by issuing the Series 2017 Bonds continues to exceed 10% of debt service, the University anticipates selling bonds via a competitive sale on or around the week of December 5, and closing the first week of January.

Orem, Utah

November 18, 2016

The State Board of Regents of the State of Utah (the “*Board*”) met in regular session at Utah Valley University on November 18, 2016, commencing at _____ a.m. The following members of the Board were present:

Daniel W. Campbell	Chair
France A. Davis	Vice Chair
Ty Aller	Member
Jessellie Barlow Anderson	Member
Nina Barnes	Member
Leslie Castle	Member
Wilford Clyde	Member
Marlin K. Jensen	Member
Patricia Jones	Member
Steven J. Lund	Member
Robert S. Marquardt	Member
Steven R. Moore	Member
Robert W. Prince, DDS	Member
Harris H. Simmons	Member
Mark Stoddard	Member
Spencer F. Stokes	Member
Teresa L. Theurer	Member
Joyce Valdez	Member
John H. Zenger	Member.

ABSENT:

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 respect to the issuance and sale of the State Board of Regents of the State of Utah, Weber State University Student Facilities System Revenue Refunding Bonds, Series 2017.

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

ABSENT: _____

NAY: _____

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 WEBER STATE UNIVERSITY STUDENT FACILITIES SYSTEM REVENUE REFUNDING BONDS, SERIES 2017 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$8,500,000; AUTHORIZING THE EXECUTION OF A NINTH SUPPLEMENTAL INDENTURE OF TRUST, AN ESCROW AGREEMENT, 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;

WHEREAS, pursuant to the provisions of Title 53B Chapter 1, Utah Code Annotated 1953, as amended, the Board is authorized to act as the governing authority of Weber State University (the “*University*”) for the purpose of exercising the powers contained in Title 53B, Chapter 21, Utah Code Annotated 1953, as amended (the “*Act*”);

WHEREAS, pursuant to the Act, the Board previously issued its Weber State University Student Facilities System Revenue Refunding Bonds, Series 2007 (the “*Prior Bonds*”);

WHEREAS, pursuant to the Act and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, the Board is, for and on behalf of the University, authorized to issue revenue refunding bonds payable from a special fund into which the revenues of the University may be deposited;

WHEREAS, the Board considers it desirable and necessary for the benefit of the residents of the State of Utah to issue a series of revenue refunding bonds to be designated as the “State Board of Regents of the State of Utah, Weber State University, Student Facilities System Revenue Refunding Bonds, Series 2017” (the “*Bonds*”), for the purpose of refunding the Prior Bonds maturing on or after April 1, 2018 (the “*Refunded Bonds*”), paying costs of issuance of the Bonds, and satisfying a debt service reserve requirement;

WHEREAS, the Bonds will be issued in an aggregate principle amount of not to exceed \$8,500,000 and will be issued pursuant to the General Indenture of Trust dated as of July 1, 1997, as heretofore amended and supplemented (the “*General Indenture*”), and as further supplemented by a Ninth Supplemental Indenture of Trust dated as of January 1, 2017 (the “*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, N.A., 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 has 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 Supplemental Indenture; and

WHEREAS, pursuant to Section 53B-21-102(3)(m) of the Act, the Board desires to grant to the Chair and/or Vice Chair of the Board and/or the Chair of the Finance, Facilities and Accountability Committee of the Board the authority to approve the final principal amounts, terms, maturities, interest rates and purchase prices at which the Bonds shall be sold and any changes with respect thereto from those terms which were before the Board at the time of adoption of this resolution (the "*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.

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 Board hereby authorizes, approves and directs the use and distribution of the Preliminary Official Statement in such form as shall be approved by the Chair or Vice Chair of the Board or the President or Vice President for Administrative Services of the University. The Chair or Vice Chair of the Board or the President or the Vice President for Administrative Services of the University are 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. The Chair or Vice Chair of the Board and the President or Vice President for Administrative Services of the University 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 finalize the Official Statement. The use and distribution of the Official Statement are hereby authorized.

Section 4. The Supplemental Indenture, in substantially the form presented to the Board at this meeting, is in all respects authorized, approved and confirmed. The Chair or Vice Chair and Secretary of the Board and the President or the Vice President for Administrative Services of the University are hereby authorized to execute and deliver the Supplemental Indenture, in the form and with substantially the same content as presented to the Board 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. The Chair or Vice Chair and Secretary of the

Board and the President or the Vice President for Administrative Services of the University are hereby authorized to execute and deliver an Escrow Agreement among the Board, the University and Wells Fargo Bank, N.A., providing for the refunding of the Refunded Bonds (the “*Escrow Agreement*”).

Section 5. For the purpose of providing funds to be used for the purpose of (a) refunding the Refunded Bonds, (b) funding a deposit to a debt service reserve fund or paying the premium on any surety bond utilized in lieu of such deposit, and (c) paying costs of issuance of the Bonds, the Board hereby authorizes the issuance of the Bonds in the aggregate principal amount of not to exceed \$8,500,000. The Bonds shall bear interest at the rates, shall mature in the principal amounts and on the dates, and shall satisfy a minimum debt service savings threshold, as shall be approved by the Chair or Vice Chair of the Board or the Chair of the Finance, Facilities and Accountability Committee as provided below, all within the parameters set forth in *Schedule A* attached hereto and incorporated herein by reference.

Section 6. 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. The Chair or Vice Chair and the Secretary of the Board and the President or Vice President for Administrative Services of the University 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 7. The Bonds shall be sold to the initial purchaser (the “*Underwriter*”) pursuant to a public sale at a discount of not to exceed 2% of the face amount of the Bonds. Pursuant to Section 53B-21-102(3)(m) of the Act, the Chair or Vice-Chair of the Board or the Chair of the Finance, Facilities and Accountability Committee (with concurrence of the President or the Vice President for Administrative Services of the University) is hereby authorized to specify and agree as to the final principal amounts, interest rates, maturities and purchase price with respect to 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 as may be necessary to confirm the award of the Bonds to the Underwriter, and any changes to the 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 Chair, Vice Chair, the Chair of the Finance, Facilities and Accountability Committee, Commissioner of Higher Education, and Secretary of the Board and the President and Vice President for Administrative Services of the University, are hereby authorized to take all action necessary or reasonably required by the Indenture and the Escrow Agreement 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 Chair or Vice Chair of the Board and/or the Chair of the Finance, Facilities and Accountability Committee and the President or the Vice President for Administrative Services of the University, are authorized to make any alterations, changes or additions to the Supplemental Indenture, the Bonds, the Escrow Agreement, the Preliminary Official Statement, or any other document herein authorized and approved that may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, or to conform the same to other provisions of such instruments, the provisions of this Resolution, any related 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 Chair, Vice Chair, the Chair of the Finance, Facilities and Accountability Committee, Commissioner of Higher Education, and Secretary of the Board and the President and Vice president for Administrative Services of the University, are hereby authorized and directed to accept a commitment for, and agree to the terms of, a bond insurance policy or other credit enhancement that such officer or officers determine to be in the best interests of the Board and the University, execute and deliver for and on behalf of the Board and the University any or all additional certificates, documents and other papers and to 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) such certificates and agreements as shall be necessary to establish and maintain the tax-exempt status of interest on 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, the Escrow Agreement, 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. 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 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. 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 15. 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 16. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED by the State Board of Regents of the State of Utah this 18th day of November 2016.

STATE BOARD OF REGENTS OF
THE STATE OF UTAH

Chair

ATTEST:

Secretary

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

Chair

ATTEST:

Secretary

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the State Board of Regents of the State of Utah (the “*Board*”).

I further certify that the above and foregoing constitutes a true and correct copy of an excerpt of the minutes of a meeting of the Board held on November 18, 2016 and of a resolution adopted at such meeting, as such minutes and resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 18th day of November, 2016.

Secretary

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

I, 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 November 18, 2016 public meeting held by the members of the Board by causing a Notice of Public Meeting to be posted at the principal office of the Board at 60 South 400 West in Salt Lake City, Utah, on _____, 2016, at least 24 hours prior to the convening of such meeting, in the form attached hereto as *Exhibit A*; such 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 such Notice of Public Meeting, in the form attached hereto as *Exhibit A*, to be provided on _____, 2016, 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 that has requested notification of meetings of the Board; and causing a Notice of Public Meeting to be posted on _____, 2016 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 2016 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 causing a Notice of Annual Meeting Schedule for the Board in the form attached as *Exhibit B* to be posted during or before January 2016, 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, and by causing a copy of such Notice of Annual Meeting Schedule to be provided during or before January 2016, to a newspaper of general circulation within the geographic jurisdiction of Salt Lake City, Utah; 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 electronically in the meeting, including a description of how they could be connected to the meeting. The Board held the meeting at a regularly designated location and provided space and facilities at such anchor location so that interested persons and the public could attend and participate.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature, this 18th day of
November, 2016.

Secretary

SCHEDULE A

PARAMETERS

PRINCIPAL AMOUNT:	Not to exceed \$8,500,000.
TERM:	Not to exceed 15 years from their date or dates.
INTEREST RATE:	Fixed rates such that no coupon rate exceeds 5.00% per annum.
SALE PRICE:	Not less than 98% of the principal amount of the Bonds.
SAVINGS THRESHOLD:	Not less than [3]% (net present value) of the debt service on the Refunded Bonds

EXHIBIT A

[ATTACH NOTICE OF PUBLIC MEETING]

EXHIBIT B

[ATTACH NOTICE OF ANNUAL MEETING SCHEDULE]

EXHIBIT C

[ATTACH ELECTRONIC MEETING POLICY]