September 4, 2019

Utah State University – Series 2019 Refunding Bonds

Regent Policy R590, *Issuance of Revenue Bonds for Colleges and Universities*, requires the Board to review and approve the issuance and sale of revenue bonds that have been affirmatively authorized by the Utah State Legislature or that refund existing debt service. Utah State University (USU) requests Board authorization to issue up to $6,000,000 of Research Revenue Refunding Bonds to refund portions of existing 2018A Research Revenue bonds.

The attached resolution authorizes USU to bond for up to $6,000,000 as a maximum parameter to pay for the refunding, costs of issuance, and any debt service reserve fund requirements. The preliminary estimate of net-present value savings for refunding the 2018A bonds is currently $300,000.

The relevant parameters of the requested issue are:

- Principal amount not to exceed $6,000,000 (including costs of issuance and capitalized interest)
- Interest rate not to exceed 2.5%
- Discount from par not to exceed 2%
- Final maturity not to exceed 9 years from the date of issue

A letter from the University, the Approving Resolution, and a financing summary from the financial advisor are attached. Representatives from USU will be in attendance at the meeting to provide additional information and answer questions from the Board.

**Commissioner’s Recommendations**

The Commissioner recommends approval of the proposed Authorizing Resolution to issue Research Revenue Refunding Bonds for Utah State University as proposed.

**Attachments**
August 26, 2019

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

Subject: Utah State University’s Request to Refund Research Revenue Bonds

Dear Interim Commissioner Woolstenhulme:

Utah State University requests that the Board of Regents approve refunding of the Utah State University Research Revenue Bonds, Series 2018A.

The current Research Revenue Bonds, Series 2018A are callable and therefore eligible for refunding. Based on current interest rates, analysis shows that it would be advantageous for USU to refund the eligible Series 2018A bonds. Currently, the NPV savings from this proposed refunding is approximately 4% or $300,000.

Gilmore & Bell has been appointed to serve as bond and disclosure counsel.

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

Sincerely,

David T. Cowley
Vice President for Business and Finance

Enclosures

C: Rich Amon, Associate Commissioner for Finance and Facilities
    Noelle Cockett, President
    Dan Christensen, Controller
    Dwight Davis, Associate Vice President for Business and Finance
    Brian Baker, Zions Bank Public
Utah State University
Research Revenue Refunding Bonds, Series 2019A
Preliminary Summary Sheet

Proposed Issue: Series 2019A Research Revenue Refunding Bonds

Total Approximate Issue Size: $5,736,000

Use of Funds: To refinance for savings the Series 2018A Research Revenue Bonds, which were issued to fund the purchase of the building where the USU Salt Lake Education Center; fund a reserve fund; and pay associated costs of issuance.

Detail of Proposed Series 2019A Bonds:

- Principal Amount: Not to exceed $6,000,000
- Interest Rate: Not to exceed 2.5%
- Maturity Date: Not to exceed 9 years
- Aggregate Discount: Not to exceed 2%
- Bond Rating: The bonds will be privately placed and will not be rated
- Source of Repayment: Research Revenues

Timetable Considerations: Regent approval will be sought at the September 13 meeting. The University anticipates selling bonds by direct placement to the bank that can offer the best combination of rates and fees to generate the most debt service savings for the University. The 2018A Bonds are currently callable and will be completely defeased at the closing of the 2019A Bonds, anticipated to occur in late September or early October.
APPROVING RESOLUTION
STATE BOARD OF REGENTS OF THE STATE OF UTAH,
UTAH STATE UNIVERSITY RESEARCH REFUNDING BONDS

Logan, Utah
September 13, 2019

The State Board of Regents of the State of Utah (the “Board”) met in regular session (including by electronic means) at Utah State University in Logan, Utah on September 13, 2019, commencing at [9:00 a.m.] The following members were present:

Harris H. Simmons Chair
Nina Barnes Vice Chair
Jessie B. Anderson Member
Lisa-Michele Church Member
Wilford W. Clyde Member
Sanchaita Datta Member
Alan Hall Member
Marlin K. Jensen Member
Ronald W. Jibson Member
Patricia Jones Member
Steven J. Lund Member
Crystal Maggelet Member
Sheva Mozafari Student Regent
Christina Ortega Member
Robert W. Prince Member
Mark R. Stoddard Member
Thomas Wright Member

Absent:

Also Present:

David R. Woolstenhulme Commissioner of Higher Education
Geoffrey Landward Secretary
After the meeting had been duly convened and called to order by the Chair, the roll had been called with the above result, the agenda noted 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, Utah State University Research Refunding Bonds, Series 2019.

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

YEA:

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 UTAH STATE UNIVERSITY RESEARCH REFUNDING BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $6,000,000; AUTHORIZING THE EXECUTION OF A SUPPLEMENTAL INDENTURE, A BOND PURCHASE AGREEMENT 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”) and is authorized to act as the governing authority of Utah State University (the “University”) for the purpose of exercising the powers contained in Title 11, Chapter 17, Utah Code (the “Act”); and

WHEREAS, pursuant to the Act, the Board is empowered to issue up to $10,000,000 of bonds in any one fiscal year to finance the acquisition, construction, improvement, equipping and furnishing of buildings and projects on behalf of the University; and

WHEREAS, pursuant to a General Indenture of Trust dated as of August 1, 1995, between the Board and U.S. Bank National Association, as trustee (the “Trustee”), as heretofore amended and supplemented (the “General Indenture”), the Board has issued, for and on behalf of the University, various series of its Research Revenue Bonds (the “Outstanding Parity Bonds”), including its Utah State University Research Revenue Bonds, Series 2018A (the “Series 2018A Bonds”) for the purpose of financing the purchase of a building then used by the University and located in Salt Lake County, Utah; and

WHEREAS, the General Indenture permits the issuance of additional bonds under the General Indenture on a parity with the Outstanding Parity Bonds; and

WHEREAS, in accordance with the provisions of the Act and the General Indenture, the Board is authorized to issue revenue bonds for and on behalf of the University for the purpose of (i) refunding the Series 2018A Bonds (the “Refunded Bonds”) and (ii) paying costs of issuance and funding reserves, all pursuant to the General Indenture, as further supplemented and amended by a Supplemental Indenture of Trust (the “Supplemental Indenture” and together with the General Indenture, the “Indenture”) between the Board and the Trustee, which bonds will be designated as the “State Board of Regents of the State of Utah, Utah State University Research Refunding Bonds, Series 2019A” (with such additional or other title and/or series designation(s) as may be determined by the officers of the Board) in one or more series and to be issued from time to time (the “Bonds”); and
WHEREAS, the Bonds shall be payable solely from the University’s revenues and other moneys pledged therefor in the Indenture and shall not constitute nor give rise to a general obligation or liability of the Board, the University or the State of Utah or constitute a charge against their general credit; and

WHEREAS, there has been presented to the Board at this meeting a form of a Bond Purchase Agreement (the “Bond Purchase Agreement”) to be entered into among the Board, the University and the purchaser for the Bonds (the “Purchaser”), and a form of Supplemental Indenture; and

WHEREAS, the Board desires to grant to the Chair and/or Vice Chair of the Board and/or the Chair of the Finance and Facilities Committee of the Board, the authority to approve the interest rates, principal amount, terms, maturities, redemption features, 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; provided such terms do not exceed the parameters set forth in this Resolution.

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 actions heretofore taken (not inconsistent with the provisions of this resolution) by the Board and the University 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 Supplemental Indenture in substantially the form presented to this meeting is in all respects authorized, approved and confirmed. The Chair, Vice Chair and/or Chair of the Finance and Facilities Committee and Secretary of the Board and the President and/or Vice President for Finance and Administrative Services of the University are hereby authorized to execute and deliver the Supplemental Indenture in substantially the same form and with substantially the same content as the form of such document presented to this meeting for and on behalf of the Board and the University with such alterations, changes or additions as may be authorized hereby.

Section 4. For the purpose of providing funds to be used for (i) refunding the Refunded Bonds and (ii) paying costs of issuance of the Bonds, the Board hereby authorizes the issuance of the Bonds, from time to time and in one or more series, in the aggregate principal amount of not to exceed $6,000,000. The Bonds shall mature on such date or dates, be subject to redemption, and bear interest at the rates as shall be approved by the Chair, Vice Chair and/or the Chair of the Finance and Facilities Committee of the Board, all within the parameters set forth on Exhibit A attached hereto and incorporated
herein by reference. The issuance of the Bonds shall be subject to the final advice of Bond Counsel and to the approval of the office of the Attorney General of the State of Utah.

Section 5. The form, terms and provisions of the Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, interest rates, redemption and number shall be as set forth in the Indenture. The Chair, Vice Chair and/or Chair of the Finance and Facilities Committee and the Secretary of the Board and the President and/or Vice President for Finance and Administrative Services of the University are hereby authorized to execute and seal by manual or facsimile signature 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 Bond Purchase Agreement in substantially the form presented to this meeting is hereby authorized, approved and confirmed. The Chair or Vice Chair of the Board and/or the Chair of the Finance and Facilities Committee and the President and/or Vice President for Business and Finance of the University are hereby authorized to execute and deliver one or more Bond Purchase Agreements in substantially the same form and with substantially the same content as the form of the Bond Purchase Agreement presented at this meeting for and on behalf of the Board and the University with final terms as may be established for the Bonds within the parameters set forth herein and with such alterations, changes or additions as may be necessary or as may be authorized by Section 7 hereof. The Chair or Vice-Chair of the Board and/or the Chair of the Finance and Facilities Committee and the President and/or Vice President for Business and Finance of the University are hereby authorized to specify and agree as to the final principal amounts, terms, discounts, maturities, interest rates, redemption features and purchase price with respect to the Bonds for and on behalf of the Board and the University and any changes thereto 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, with such approval to be conclusively established by the execution of the Bond Purchase Agreement and Supplemental Indenture. In order to facilitate the placement of the Bonds, the Bond Purchase Agreement and Supplemental Indenture may be modified to conform to the agreement with such Purchasers, including agreement to pay breakage fees, default rates, taxable rates and other similar provisions customary in such placements, provided that such obligations are limited to the sources provided under the Indenture.

The Board intends that the Bonds authorized hereby be issued within 18 months of the date of this Resolution, unless such period is extended by the Board.

Section 7. The appropriate officials of the Board and the University, including without limitation the Chair, Vice Chair and/or the Chair of the Finance and Facilities Committee of the Board and the President and/or Vice President for Finance and Administrative Services of the University are authorized to make any alterations, changes or additions to the Indenture, the Bonds, the Bond Purchase Agreement, or any other document herein authorized and approved which may be necessary to correct errors or
omissions therein, to complete the same, to remove ambiguities or unnecessary provisions therefrom, 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 the laws of the State of Utah or the United States or to permit the private placement or public sale of the Bonds, to conform such documents to the terms established for the Bonds, and to update such documents with current information and practices.

Section 8. The appropriate officials of the Board and the University, including without limitation the Chair, Vice Chair, Chair of the Finance and Facilities Committee, Commissioner of Higher Education and Secretary of the Board and the President and/or Vice President for Finance and Administrative Services of the University, are hereby authorized and directed to (i) 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 and (ii) to take all action necessary or reasonably required by the Indenture or the Bond Purchase 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. 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 Bond Purchase Agreement, the Indenture or any other instrument executed in connection with the issuance of the Bonds, 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 10. In accordance with the provisions of the Act, the Board shall cause the following “Notice of Bonds to be Issued” to be (i) published one (1) time in the to be published one (1) time in The Herald Journal, a newspaper of general circulation in the county in which the principal administrative office of the University is located, (ii) posted on the Utah Public Notice Website (http://pmn.utah.gov) and (iii) posted on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended, and shall cause a copy of this Resolution and the Indenture to be kept on file in the Board’s office in Salt Lake City, Utah and in the office of the Vice President for Business and Finance of the University, at 1445 Old Main Hill, Logan, Utah, for public examination during the regular business hours of the Board until at least thirty (30) days from and after the date of publication thereof. The “Notice of Bonds to be Issued” shall be in substantially the following form:
NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended, that on September 13, 2019, the State Board of Regents of the State of Utah (the “Board”) adopted a resolution (the “Resolution”) in which it authorized the issuance of the Board’s Research Revenue Refunding Bonds, Series 2019A (the “Bonds”) in the aggregate principal amount of not to exceed Six Million Dollars ($6,000,000) and to mature in not to exceed 9 years from issuance for the purpose of refunding bonds of the Board issued to finance a portion of the costs of purchasing a building located in Salt Lake County, Utah (the “Project”) to be owned and used by Utah State University (the “University”).

The Bonds are to be issued and sold by the Board pursuant to the Resolution, including as part of said Resolution a form of a General Indenture of Trust previously executed by the Board and the University and a Supplemental Indenture of Trust (collectively, the “Indenture”).

A copy of the Resolution and the Indenture are on file in the office of the Board at 60 South 400 West, 5th Floor, Salt Lake City, Utah and in the office of the Vice President for Business and Finance of the University, at 1445 Old Main Hill, Logan, Utah, where they may be examined during regular business hours of the Board from 8:00 a.m. to 5:00 p.m. for a period of at least thirty (30) days from and after the date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution, the Indenture (but only as it relates to the Bonds), or the Bonds, or any provision made for the security and payment of the Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality or legality thereof for any cause whatsoever.

DATED this 13th day of September, 2019.

/s/ Geoffrey Landward
Secretary
Section 11.  After any of the Bonds are delivered by the Trustee to or for the account of the Purchaser and upon receipt of payment therefor, this Resolution shall be and remain irrepealable 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 12.  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 13.  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, resolution or ordinance or part thereof.

Section 14.  This Resolution shall become effective immediately upon its adoption.
PASSED AND APPROVED BY THE STATE BOARD OF REGENTS OF THE STATE OF UTAH THIS SEPTEMBER 13, 2019.

STATE BOARD OF REGENTS OF THE STATE OF UTAH

___________________________________
Chair

( S E A L )

ATTEST:

___________________________________
Secretary
I, Geoffrey Landward, 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 September 13, 2019, 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 September 13, 2019.

____________________________
Secretary

( S E A L )
STATE OF UTAH

COUNTY OF SALT LAKE

I, Geoffrey Landward, the undersigned, the duly qualified and acting Secretary of the State Board of Regents of the State of Utah, do hereby certify, according to the records of said State Board of Regents 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, public notice was given of the agenda, date, time and place of the September 13, 2019 public meeting held by the Members of the State Board of Regents by causing a Notice of Public Meeting, in the form attached hereto as Schedule 1 to be: (i) posted at the principal office of the State Board of Regents at 60 South 400 West, Salt Lake City, Utah, at least 24 hours prior to the convening of such meeting, said Notice of Public Meeting having continuously remained so posted and available for public inspection during the regular office hours of the State Board of Regents until the convening of the meeting; (ii) published on the Utah Public Notice Website (http://pmn.utah.gov), at least 24 hours prior to the convening of such meeting; and (iii) provided 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 State Board of Regents, pursuant to their subscription to the Utah Public Notice Website (http://pmn.utah.gov), and to each local media correspondent, newspaper, radio station or television station which has requested notification of meetings of the State Board of Regents;

(b) in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, public notice of the 2019-2020 Annual Meeting Schedule of the State Board of Regents was given, specifying the date, time and place of the regular meetings of the State Board of Regents scheduled to be held during said years, by causing a Notice of Annual Meeting Schedule for the State Board of Regents, in the form attached hereto as Schedule 2, to be (i) posted at the principal office of the State Board of Regents at 60 South 400 West, Salt Lake City, Utah in November 2018; (ii) published on the Utah Public Notice Website (http://pmn.utah.gov) during the current calendar year, and (iii) provided to a newspaper of general circulation within the geographic jurisdiction of the State Board of Regents pursuant to its subscription to the Utah Public Notice Website (http://pmn.utah.gov); and

(c) the State Board of Regents 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 Schedule 3). In accordance with said Section and the aforementioned procedures, notice was given to each member of the State Board of Regents and to members of the public at least 24 hours before the meeting to allow members of the State Board of Regents and the public to participate in the meeting, including a description of
how they could be connected to the meeting. The State Board of Regents held the meeting (the anchor location) in the building where it would normally meet 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 September 13, 2019.

____________________________________
Secretary

( S E A L )
SCHEDULE 1

NOTICE OF PUBLIC MEETING

(See Transcript Document No. ___)
SCHEDULE 2

NOTICE OF ANNUAL MEETING SCHEDULE

(See Transcript Document No. ___)
SCHEDULE 3

ELECTRONIC MEETING POLICY
EXHIBIT A
PARAMETERS

Principal amount not to exceed $6,000,000
Coupon Interest rates not to exceed 2.5%
Discount from par not to exceed 2.0%
Final Maturity not to exceed 9 years from date of issuance

May be non-callable or callable at the option of University as determined at the time of sale
Utah State University
Research Revenue Refunding Bonds, Series 2019A
Preliminary Summary Sheet

Proposed Issue: Series 2019A Research Revenue Refunding Bonds

Total Approximate Issue Size: $5,736,000

Use of Funds: To refinance for savings the Series 2018A Research Revenue Bonds, which were issued to fund the purchase of the building where the USU Salt Lake Education Center; fund a reserve fund; and pay associated costs of issuance.

Detail of Proposed Series 2019A Bonds:

- Principal Amount: Not to exceed $6,000,000
- Interest Rate: Not to exceed 2.5%
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- Aggregate Discount: Not to exceed 2%
- Bond Rating: The bonds will be privately placed and will not be rated

Source of Repayment: Research Revenues

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