



November 8, 2019

University of Utah – Series 2019 Revenue Bonds

Regent Policy R590, *Issuance of Revenue Bonds for Colleges and Universities*, allows institutions to request authorization to issue revenue refunding bonds at an unspecified future date to refund unspecified existing debt if the approving resolution:

1. limits the maximum amount of principal that may be refunded
2. establishes an expiration date on the authorization not to exceed 18 months from the date of approval
3. sets a minimum net present value (NPV) savings that will be achieved

The University of Utah requests Board authorization to issue up to \$100,000,000 of revenue bonds to refund existing bonds where future savings opportunities exist. The relevant parameters of the requested issue are:

- Principal amount not to exceed \$100,000,000 (including costs of issuance and capitalized interest)
- Interest rate not to exceed 5%
- Discount from par not to exceed 2%
- Final maturity not to exceed 25 years from the date of issue
- Expiration of the authorization on May 15, 2021
- Net Present Value Savings of 3% or better

A copy of the request letter from the University, the Approving Resolution, and a financing summary from the financial advisor are attached. Representatives from the University of Utah will attend 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 refund prior issued University of Utah debt as proposed.

Attachment

October 28, 2019

Commissioner David R. Woolstenhulme
Board of Regents Building
60 South 400 West
Salt Lake City, UT 84101-1284

Dear Commissioner Woolstenhulme:

The purpose of this letter is to inform you of the University of Utah's plans to submit a resolution (the "Resolution") to the State Board of Regents of the State of Utah (the "Regents" or the "Board"), to be considered during its November 2019 meeting at Utah Valley University, for the issuance of a General Revenue Bond or Bonds on behalf of the University of Utah (the "University") of up to \$100 million of Bonds to refund outstanding bonds of the University issued by the Board where savings opportunities may exist.

Authorization to Issue up to \$100,000,000 of Bonds to Refund Outstanding Revenue Bonds - Given interest rates in today's municipal market, the University is continually looking for market opportunities to refund—primarily for savings purposes— outstanding bonds of the University. This resolution gives the University approval to act quickly if favorable opportunities exist to realize such savings.

Please feel free to call me should you or others have questions about the details of this request.

Sincerely,



Cathy Anderson
Chief Financial Officer

cc: Ruth V. Watkins, President
Daniel A. Reed, Senior Vice President
Michael L. Good, Senior Vice President
Richard Amon
Blake Wade
Kelly Murdock
Robert Muir

APPROVING RESOLUTION
UNIVERSITY OF UTAH
GENERAL REVENUE REFUNDING BONDS

Orem, Utah

November 15, 2019

The State Board of Regents of the State of Utah (the “Board”) met in regular session (including by electronic means) at Utah Valley University in Orem, Utah on November 15, 2019, commencing at 9:00 a.m. The following members were present:

Harris H. Simmons	Chair
Nina Barnes	Vice Chair
Jesslie 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, University of Utah General Revenue Refunding Bonds.

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

AYE:

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 UNIVERSITY OF UTAH GENERAL REVENUE REFUNDING BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$100,000,000; AUTHORIZING THE EXECUTION OF SUPPLEMENTAL INDENTURES, BOND PURCHASE AGREEMENTS, OFFICIAL STATEMENTS, 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 the University of Utah (the “University”) for the purpose of exercising the powers contained in Title 11, Chapter 27, Utah Code (collectively, the “Act”); and

WHEREAS, pursuant to a General Indenture of Trust dated as of July 1, 2013, between the Board and Wells Fargo Bank, N.A., 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 General Revenue Bonds; and

WHEREAS, the Board now desires to authorize the issuance of additional bonds for the purpose of refunding any bonds of the University and paying costs of issuance related thereto; and

WHEREAS, to accomplish the purposes set forth in the preceding recitals, the Board desires to authorize and approve the issuance and sale of its University of Utah General Revenue Refunding Bonds (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”) in an aggregate principal amount of not to exceed \$100,000,000 pursuant to the General Indenture and one or more Supplemental Indentures of Trust between the Board and the Trustee (each a “Supplemental Indenture” and collectively with the General Indenture, the “Indenture”); 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 underwriters or purchasers for the Bonds (the “Purchaser”),

a form of a Preliminary Official Statement relating to the Bonds, in the event the Bonds are publicly sold (the “Preliminary Official Statement”), 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 Board hereby authorizes, approves and directs the use and distribution of the Preliminary Official Statements substantially in the form of the Preliminary Official Statement presented to the Board at this meeting in connection with the offering and sale of the Bonds, in the event the Bonds are publicly sold. The Chair, Vice Chair and/or Chair of the Finance and Facilities Committee of the Board and the President and/or Chief Financial Officer of the University are hereby authorized to execute and deliver on behalf of the Board and the University final Official Statements in substantially the same form and with substantially the same content as the form of the Preliminary Official Statement presented to this meeting with any such alterations, changes or additions as may be necessary to finalize each Official Statement. The preparation, use and distribution of the Official Statements are also hereby authorized. The Board and the University may elect to privately place the Bonds with or without the use of an Official Statement.

Section 4. Supplemental Indentures in substantially the form presented to this meeting are 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 Chief Financial Officer of the University are hereby authorized to execute and deliver the Supplemental Indentures 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 by Section 8 hereof.

Section 5. For the purpose of providing funds to be used for (i) refunding all or any portion of the outstanding bonds issued by the Board on behalf of the University 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 \$100,000,000. 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 or Vice Chair of the Board or the Chair of the Finance, Facilities and Accountability Committee, 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. The Bonds authorized herein may be combined with any other series of general revenue bonds of the University and may be issued at any time and from time to time, prior to May 15, 2021, with the option of the Board to extend this authorization in the future.

Section 6. 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 Chief Financial Officer 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 7. Bond Purchase Agreements in substantially the form presented to this meeting are 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 Chief Financial Officer of the University are hereby authorized to execute and deliver the 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 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 8 hereof. The Chair or Vice-Chair of the Board and/or the Chair of the Finance and Facilities Committee and the President and/or Chief Financial Officer 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 related Bond Purchase Agreement and Supplemental Indenture. In the event that the foregoing officers determine that all or any portion of the Bonds should be privately placed, the Bond Purchase Agreements and Supplemental Indentures 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.

Section 8. 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 and Facilities Committee and the President and/or Chief Financial Officer of the University are authorized to make any alterations, changes or additions to the Indenture, the Bonds, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, 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 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 9. 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/or Chief Financial Officer 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 (including escrow agreements for certain refundings) 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) take all action necessary or reasonably required by the Indenture, the Preliminary Official Statement, the Official Statement, 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 10. 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 Official Statement, 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 11. 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 Deseret News, a newspaper of general circulation in the State of Utah, (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, 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 Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, that on November 15, 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 University of Utah General Revenue Refunding Bonds (with such other or further designation as the officers of the Board may determine) (the “Bonds”) in the aggregate principal amount of not to exceed one hundred million dollars (\$100,000,000), to bear interest at a rate or rates of not to exceed five percent (5.0%) per annum, to mature not later than twenty-five (25) years from the date thereof and to be sold at a price or prices not less than 98% of the total principal amount thereof, for the purpose of refunding a portion of the Board’s outstanding revenue bonds issued to finance facilities and improvements for the University of Utah (the “University”) and paying costs of issuance of the Bonds.

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”).

The Bonds are secured by a pledge of revenues of the University auxiliary and campus facilities system, hospital system, research facilities and other legally available moneys of the University (as described in 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, 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 15th day of November, 2019.

/s/ Geoffrey Landward

Secretary

Section 12. After 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 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. 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 14. 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 15. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE STATE BOARD OF REGENTS OF THE
STATE OF UTAH THIS 15TH DAY OF NOVEMBER, 2019.

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 SALT LAKE)

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 November 15, 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 15th day of November, 2019.

Secretary

(SEAL)

STATE OF UTAH)
 : ss.
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 November 15, 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 September 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 normally meets 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 15th day of November, 2019.

(SEAL)

Secretary

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 OF THE BONDS

Principal amount not to exceed	\$100,000,000
Interest rate not to exceed	5.0%
Discount from par not to exceed	2.0%
Final maturity not to exceed	Twenty-five (25) years from the date thereof
May be non-callable or callable at the option of University as determined at the time of sale	
Net Present Value Savings to equal or exceed	3% of the principal amount of the Refunded Bonds



PRELIMINARY FINANCING SUMMARY

For

Not-to-Exceed \$100,000,000
State Board of Regents of the State of Utah
UNIVERSITY OF UTAH
General Refunding Revenue Bonds

November 15, 2019

Purpose:	To secure an 18-month approval and authorization from the State Board of Regents of the State of Utah to refund up to \$100 million of outstanding University of Utah bonds for market-timing purposes, and/or net-present-value savings, and/or other necessary purposes. Bonds issued under this authorization may be structured on a fixed or variable-rate, tax-exempt or taxable basis. The University may also, under this authorization, combine one or more of its future refunding transactions with approved new money projects that may occur over the next 18 months. Proceeds of any refunding transaction will also include amounts necessary to pay costs of issuance, capitalized interest and debt service reserve requirements, if any.
Not-to-Exceed Par Amount:	\$100,000,000
Security:	Future refunding bond transactions under this authorization will be payable from and secured by a General Revenue pledge which consists of substantially all income and revenues of the University authorized to be pledged, with the exception of (i) legislative appropriations, (ii) tuition and certain fees, and (iii) certain other revenues and income.
Ratings:	‘Aa1’ and ‘AA+’ ratings <i>are expected</i> by Moody’s Investors Service and S&P Global Ratings, respectively. Such ratings were affirmed recently in connection with the issuance, on November 13, 2019, of the University’s Series 2019 Bonds for the Stadium Expansion and Huntsman Cancer Hospital, Phase V, projects.
Method of Sale:	Negotiated public offering
True Interest Cost:	TBD
Underwriters:	The University will select underwriters from members of its “Underwriter Pool” through a Request for Information format.

Preliminary Financing Summary
University of Utah General Refunding Revenue Bonds
Refunding Authorization Request
Page 2 of 2

Sale Date: TBD (May not occur after May 15, 2021)

Closing Date: TBD

Principal Payment Dates: August 1 of each year, with the beginning date to be determined based on the previous amortization schedule of the bonds to be refunded.

Interest Payment Dates: August 1 and February 1

Interest Basis: 30/360

Parameters: Not-to-Exceed Par (under this authorization): \$100,000,000
Not-to-Exceed Term: 25-years from the date of the Bond's issuance
Not-to-Exceed Coupon: 5.00%
Not-to-Exceed Discount from Par: 2.00%
Net-Present-Value Refunding Savings: At least 3.00% of refunded par
Not-to-Exceed Sale Date: May 15, 2021 (18-months from November 15, 2019, the date of Regents' approval of Resolution)

Optional Redemption: May be non-callable or callable at the option of the University as determined at the time of the sale

University Contacts: Ms. Cathy Anderson, Chief Financial Officer (801-581-6940)
Mr. Robert Muir, Director of Treasury Services (801-585-5598)

Bond Counsel: Mr. Blake Wade, Gilmore & Bell (801-258-2725)

Municipal Advisor: Mr. Kelly Murdock, Stifel, Nicolaus & Company, Inc. (801-538-0351)