



# MEMORANDUM

May 10, 2023

## University of Utah – Series 2023B Revenue Bonds

Board 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. The University of Utah requests Board authorization to issue up to \$214,000,000 of General Revenue Bonds for the purposes described in the following sections.

### **Request to Issue Approximately \$214,000,000 Authorized by State Legislature**

The University of Utah requests Board authorization to issue General Revenue Bonds for the following purposes that have been authorized by the state legislature:

- \$214,000,000 for the construction of the West Village Family and Graduate Housing Phase Two project as approved by the Board in November 2022 and authorized by the 2023 Legislative Session (S.B. 297); housing rental fees will be the primary source of repayment for the bonds.

The relevant parameters of the requested issue are:

- Principal amount not to exceed \$214,000,000 (before costs of issuance and capitalized interest)
- Interest rate not to exceed 6.0%
- Discount from par not to exceed 2%
- Final maturity not to exceed 35 years from the date of issue

### **Impact to Financial Metrics and Sufficiency of Revenue Streams**

As of June 30, 2022, the University of Utah held \$1,211,665,000 of outstanding bond indebtedness, with a Fiscal Year 2022 viability ratio of 2.22 and a debt burden ratio of 2.2%. After accounting for the requested bond issuance and holding other factors constant, a naïve estimate demonstrates that the University of Utah will remain well within system standards for viability and debt burden ratios, at 2 (1:1 minimum threshold) and 2.4% (7.0% maximum threshold), respectively. The University of Utah's general revenue pledge supported a 1.8 bond debt service ratio in Fiscal Year 2022, leaving a sufficient margin to remain above the 1:1 standard even after recognizing this bond issuance.

A copy of the request letter, financing summary, and the Approving Resolution are attached. Representatives from the University will attend the meeting to provide additional information and answer questions from the Board.

### **Commissioner's Recommendation**

The Commissioner recommends the committee approve the proposed Authorizing Resolution to issue General Revenue bonds for the University of Utah and forward it to the full Board for final approval.

### **Attachments**

# STIFEL

## PRELIMINARY FINANCING SUMMARY For

### Utah Board of Higher Education \$200,000,000\* UNIVERSITY OF UTAH General Revenue Bonds Series 2023B (The “Series 2023B Bonds”)

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Purpose:	To finance (1) The construction of the West Village Graduate and Family Student Housing Phase Two Project (the “West Village Phase Two Project”); (2) Other amounts necessary to pay costs of issuance, pay capitalized interest and fund a debt service reserve requirement, if any.
Not-to-Exceed Par Amount:	<b>\$214,000,000</b>
Security:	The Series 2023B Bonds 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.
Method of Sale:	Negotiated Public Offering
True Interest Cost:	TBD (given current market volatility, a preliminary rate is difficult to determine)
Underwriters:	The University has not yet selected a firm or firms to serve as underwriter(s) for the Series 2023B Bonds.
Sale Date:	TBD – Current Calendar calls for early June 2023, subject to market conditions and internal approvals.
Closing Date:	TBD – Current Calendar calls for settlement early July 2023

**Preliminary Financing Summary**  
**University of Utah, Series 2023B Bonds**  
**Page 2 of 2**

Principal Payment Dates:	August 1 of each year, beginning August 1, 2025*
Interest Payment Dates:	August 1 and February 1, beginning February 1, 2024*
Interest Basis:	30/360
Parameters:	Not-to-Exceed Par for the Project: \$214,000,000 Not-to-Exceed Term: 35-years from the date of the Bond's issuance Not-to-Exceed Coupon: 6.00% Not-to-Exceed Discount from Par: 2.00%
Optional Redemption:	May be non-callable or callable (par or make-whole) 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, Executive Director – Debt and Asset Management (801-585-5598)
Bond Counsel:	Mr. Brad Patterson, Gilmore & Bell (801-258-2724)
Municipal Advisor:	Mr. Kelly Murdock, Stifel, Nicolaus & Company (385-799-1732)

*\*Preliminary, subject to change*

APPROVING RESOLUTION  
UNIVERSITY OF UTAH  
- WEST VILLAGE FAMILY AND GRADUATE HOUSING PHASE TWO

May 18, 2023

Logan, Utah

The Utah Board of Higher Education (the “Board”) met in regular public session at Utah State University in Logan, Utah on May 18, 2023, commencing at 9:00 a.m. The following members were present:

Lisa Michelle Church	Chair
Jesslie B. Anderson	Vice Chair
Grace Acosta	Member
Stan Albrecht	Member
Julie Beck	Member
Stacey K. Bettridge	Member
Rich Christiansen	Member
Sanchaita Datta	Member
Hope Eccles	Member
Korianne Gibson	Student Member
Patricia Jones	Member
Arthur E. Newell	Member
Shawn Newell	Member
Steve Starks	Member
Scott L. Theurer	Member
Xitlalli Villanueva	Student Member
Richard Wheeler	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 Utah Board of Higher Education, University of Utah General Revenue Bonds.

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

AYE:

NAY:

RECUSED:

The resolution is as follows:

## RESOLUTION

A RESOLUTION OF THE UTAH BOARD OF HIGHER EDUCATION AUTHORIZING THE ISSUANCE AND SALE OF ITS UNIVERSITY OF UTAH GENERAL REVENUE BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$214,000,000; 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 Utah Board of Higher Education (the “Board”) is established and exists under and pursuant to Section 53B-1-103, Utah Code Annotated 1953, as amended (the “Utah Code”); and

WHEREAS, pursuant to the provisions of Title 53B, Chapter 1, Utah Code, the Board 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 53B, Chapter 21 and the specific authorizations of S.B. 297, to be codified as Section 63B-33-101(1) of the Utah Code (the “Act”); and

WHEREAS, pursuant to a General Indenture of Trust dated as of July 1, 2013, between the Board (formerly known as the State Board of Regents of the State of Utah) and Computershare Trust Company, 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 revenue bonds; and

WHEREAS, pursuant to S.B. 297, to be codified as Section 63B-33-101(1) of the Utah Code, the Board, for and on behalf of the University, is authorized to issue bonds for the purpose of financing the cost of constructing the West Village Family and Graduate Housing Phase Two in an amount not to exceed \$214,000,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest and fund any debt service reserve requirements; 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 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 \$214,000,000 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, discounts, 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 UTAH BOARD OF HIGHER EDUCATION, 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) financing the cost of constructing the West Village Family and Graduate Housing Phase Two 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 \$214,000,000. 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 and Facilities 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 issued in one or more series and may be combined with any other series of general revenue bonds of the University, and issued from time to time and at any time within the 18 months following the adoption of this Resolution, 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 prices 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 and Facilities 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 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. 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

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 UTAH BOARD OF HIGHER  
EDUCATION THIS MAY 18, 2023.

UTAH BOARD OF HIGHER EDUCATION

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Chair

ATTEST:

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Secretary

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

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Chair

ATTEST:

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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 Utah Board of Higher Education.

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 May 18, 2023 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 May 18, 2023.

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Secretary

(SEAL)

STATE OF UTAH                    )  
  : ss.  
COUNTY OF SALT LAKE    )

I, Geoffrey Landward, the undersigned, the duly qualified and acting Secretary of the Utah Board of Higher Education, do hereby certify, according to the records of said Utah Board of Higher Education in my official possession, and upon my own knowledge and belief, that:

(a) the Utah Board of Higher Education has adopted written procedures 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 May 18, 2023 public meeting held by the Members of the Utah Board of Higher Education 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 Utah Board of Higher Education 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 Utah Board of Higher Education 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) posted on the Board’s official website at least 24 hours prior to the convening of such meeting;

(b) in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, public notice of the 2022-2023 Annual Meeting Schedule of the Utah Board of Higher Education was given, specifying the date, time and place of the regular meetings of the Utah Board of Higher Education scheduled to be held during said years, by causing a Notice of Annual Meeting Schedule for the Utah Board of Higher Education, in the form attached hereto as Schedule 2, to be (i) posted at the principal office of the Utah Board of Higher Education at 60 South 400 West, Salt Lake City, Utah in \_\_\_\_\_ 2022, (ii) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year, and (iii) posted on the Board’s official website; and

(c) 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 Utah Board of Higher Education and to members of the public at least 24 hours before the meeting to allow members of the Utah Board of Higher Education and the public to participate in the meeting, including a description of how they could be connected to the meeting. The Utah Board of Higher Education 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 Utah Board of Higher Education, this May 18, 2023.

(SEAL)

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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	\$214,000,000
Interest rate not to exceed	6.00%
Discount from par not to exceed	2.00%
Final maturity not to exceed	Thirty-five (35) years from the date thereof
May be non-callable or callable at the option of University as determined at the time of sale	

## West Village Housing Phase II Requested Bonding Authorization | \$214,569,042

The demand for family and graduate housing has historically been significant, with residents ranking the proximity to campus, community living, and affordable price as their primary motivating factors for wanting to live here. Family and Graduate housing is an integral part of the University of Utah's mission, providing a safe, affordable, and supportive community for students that would not be eligible to live in a more traditional "dorm" due to their student status or family status. Between 40-45% of residents at U. Student Apartments are international students, moving to Salt Lake City, Utah from nearly 70 countries each year for their education. The University of Utah's most recent Housing Master Plan outlines demand for replacement of the existing, but antiquated buildings of up to 950 units. The current housing inventory for these populations is failing rapidly and Phase I construction to be completed in August 2023, will not accommodate the demand we have in this area. Phase II will allow the university to continue providing this service to these integral students.

The leasing office, will be demolished to complete Phase II, and will be required to operate leasing operations for both Phase I and Phase II, and the remaining older housing. Additionally, a community center, used during the day as a pre-school, and in the evening for resident programming, will be demolished to complete Phase II. The feasibility study accounts for replacement of a 10,000 sq. ft. child care to primarily serve student residents living in the East/West Village sites.

Building Cost Estimate	Cost	Cost Per Ft <sup>2</sup>	Percent of Total Cost
<b>Building Costs</b>	<b>\$189,207,476</b>	<b>\$328.86</b>	<b>88.18%</b>
New Building Costs	\$155,797,333	\$270.79	72.61%
Renovated Building Costs	-	-	-
Building Escalation Costs	\$13,707,536	\$23.82	6.39%
Building Contingency/Insurance	\$7,964,155	\$13.84	3.71%
Building FF&E	\$1,991,220	\$3.46	0.93%
Building Soft Costs	\$9,747,231	\$16.94	4.54%
<b>Site Costs</b>	<b>\$22,265,934</b>	<b>\$38.70</b>	<b>10.38%</b>
Site Infrastructure Costs	\$19,104,849	\$33.21	8.90%
Site Infrastructure & Impact connect fees Escalation Costs	\$1,680,904	\$2.92	0.78%
Site Infrastructure Contingency/Insurance	\$979,504	\$1.70	0.46%
Site Infrastructure Soft Costs	\$500,676	\$0.87	0.23%
<b>Pre-Construction Costs</b>	<b>\$3,073,633</b>	<b>\$5.34</b>	<b>1.43%</b>
Programming/Pre-Design	\$2,638,633	\$4.59	1.23%
Design	\$435,000	\$0.76	0.20%
<b>Property Acquisition</b>	<b>\$22,000</b>	<b>\$0.04</b>	<b>0.01%</b>
Property Acquisition Costs	\$22,000	\$0.04	0.01%
<b>Total Estimated Cost</b>	<b>\$214,569,042</b>	<b>\$372.94</b>	<b>100.00%</b>

### Building Information

Total Existing Square Feet	146,060
Existing Square Feet to be Demolished	146,060
New Square Feet to be Built	575,346
Total Square Feet After the Project	575,346
Estimated Start Date	MAY 2023
Estimated Completion Date	APR 2025





April 18, 2023

Mr. David R. Woolstenhulme  
Commissioner, Utah System of Higher Education  
Board of Regents Building  
The Gateway  
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 bonding authority resolution (the "Resolution") to the Utah Board of Higher Education (the "Board"), to be considered during its May 2023 meeting, for the issuance of a General Revenue Bond or Bonds on behalf of the University of Utah (the "University"). The purpose of the financing is for the costs of construction of the West Village Family and Graduate Housing Phase Two (West Village Phase Two) for a potential bonding amount of \$214.0 million, together with other amounts necessary to pay costs of issuance, pay capitalized interest, if necessary, and fund any debt service reserve requirements. The University expects to price General Revenue Bonds for the West Village Phase Two in early June 2023 and close the transaction in July 2023.

Details are as follows:

**Authorization to Bond up to \$214,000,000 for the Construction of the West Village Phase Two Project.**

The University is currently in construction of Phase One of the West Village Graduate and Married Student Housing ("West Village Phase One"). Construction is expected to be completed in the summer of 2023. The University received legislative approval during the 2023 session for issuing up to \$214.0 million in bonds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements, for West Village Phase Two. This project has previously received construction and bonding approval from the University's Board of Trustees.

The proposed project will construct 450 apartments with 172 podium level parking stalls. It will also construct a daycare/community building and a central utility plant for a total of 582,620 square feet. Debt service is expected to be paid through housing revenues.

**Refunding of outstanding debt for net present value savings** - The University has previously received authorization to refund up to \$100,000,000 for all or any portion of the outstanding bonds issued by the Board on behalf of the University, pursuant to certain parameters therein (including net present value savings of at least three percent). Such bonds may be issued in one or more series and combined with any other series of general revenue bonds.

Given current interest rates in today's municipal market, it is highly unlikely that the University will include any refunding in this transaction. However, the University is seeking feedback and information from members of its Underwriting Pool relating to savings refunding opportunities that may exist among outstanding Bonds and which the University should strongly consider as part of its proposed General Revenue Bond issue.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Cathy Anderson", written in a cursive style.

Cathy Anderson  
Chief Financial Officer

cc: Taylor Randall, President  
Michael Good, Senior Vice President  
Mitzi Montoya, Senior Vice President  
Robert Muir, Associate Vice President  
Nate Talley, Utah System of Higher Education  
Malin Francis, Utah System of Higher Education  
Randy Larsen, Gilmore & Bell, P.C.  
Brad Patterson, Gilmore & Bell, P.C.  
Kelly Murdock, Stifel, Nicolaus & Company