

ROLL CALL

AUXILIARY FACILITIES SYSTEM REVENUE BONDS, SERIES 2018A

Action: Approve Issuance of Auxiliary Facilities System Revenue Bonds, Series 2018A

Funding: Proceeds of the Revenue Bonds

The Board, at its meeting on November 16, 2017, authorized a number of actions leading toward the issuance of one or more series of Auxiliary Facilities System Revenue Bonds (the “Bonds”). Actions leading toward the issuance of the Bonds have been completed including: retention of Chapman and Cutler LLP as bond counsel; retention of Katten Muchin Rosenman LLP as special issuer’s counsel; retention of PFM Financial Advisors LLC as financial advisor; retention of The Bank of New York Mellon Trust Company, N.A. as bond registrar and trustee; preparation of the Preliminary Official Statement; preparation of the Official Notice of Bond Sale and Bid Form; actions to pursue and obtain ratings on the revenue bonds; and preparation of additional documents including: Twenty-Third Supplemental System Revenue Bond Resolution (the “Twenty-Third Supplemental Resolution”), and Continuing Disclosure Agreement.

The Bonds will finance construction of the Renovation and Addition, Dining Facility, Illinois Street Residence Hall, Urbana; the Memorial Stadium

Renovation and Football Performance Center, Phase I, Urbana; the Division of Intercollegiate Athletics Soccer and Track Complex, Urbana; and, any additional projects approved by the Board prior to the issuance of the Bonds (collectively, the “Projects”).

The Bonds will refinance the Variable Rate Demand Auxiliary Facilities System Revenue Bonds, Series 2008 (the “Series 2008”) to eliminate interest rate risk, remarketing agent fees, and liquidity bank fees.

Now it is requested that the Board authorize the sale and issuance of the Bonds in an aggregate original principal amount not to exceed \$196 million to fund the Projects, refinance the Series 2008, and pay issuance costs. The final maturity of the Bonds shall be no later than April 1, 2048.

The Bonds will be fully registered and will be special, limited obligations of the Board and will be payable only from and secured by the net revenues of the Auxiliary Facilities System (the “System”), student tuition and fees (subject to prior payment of operating and maintenance expenses of the System, but only to the extent necessary), and the Bond and Interest Sinking Fund Account.

All legal matters incidental to the authorization and issuance of the Bonds, the forms of the Preliminary and final Official Statements, the Official Notice of Bond Sale and Bid Form, the Twenty-Third Supplemental Resolution, and the Continuing Disclosure Agreement will be approved by Chapman and Cutler LLP, Chicago, Illinois, bond counsel, and Katten Muchin Rosenman LLP, Chicago, Illinois, special issuer’s counsel.

The Interim Vice President and Chief Financial Officer/Comptroller (the “Comptroller”) recommends:

1. Authorization of the sale and issuance of up to \$196,000,000 of the Bonds.
2. Approval of the forms of (i) the Official Notice of Sale and Bid Form¹ (the “Notice of Sale”) and (ii) the Preliminary Official Statement¹ and approval of the final Official Statement in substantially the form of the Preliminary Official Statement updated to include current disclosure information respecting the University and its financial condition and the terms of the Bonds.
3. The Bonds of each series (i) shall be sold to the purchasers thereof at a price, exclusive of net original issue discount or premium, not less than 98 percent of the par amount thereof, (ii) shall have a true interest cost of not to exceed 5.75 percent, (iii) shall have coupon interest rates not to exceed 6.00 percent and (iv) and with a final maturity of no later than April 1, 2048.
4. Delegation to the Comptroller of the authority to determine the principal amount, final terms and terms of the sale of each series of the Bonds within the limits expressed in this Board action and the Twenty-Third Supplemental Resolution.
5. Approval of the Twenty-Third Supplemental Resolution.¹
6. Approval of the form of the Continuing Disclosure Agreement with respect to the Bonds.¹
7. Ratification and confirmation of all actions taken or to be taken by the officers and members of the Board in connection with the sale and delivery of the Bonds.

¹ A copy is filed with the Secretary of the Board for record and the appropriate officers of the Board are hereby authorized and directed to execute the same in the name of and on behalf of the Board in substantially the form presented to this meeting, or with such changes as may be approved by the officer or officers of the Board executing the same, his/her or their execution thereof to constitute conclusive evidence of the Board’s approval of all changes from the form thereof presented to this meeting; provided, however, that if any such changes constitute a substantial change in the form thereof presented to this meeting they shall first be approved by the executive committee of the Board to which authority for such approval is delegated by the Board.

8. That the Comptroller and other authorized officers of the Board be and they are hereby authorized and empowered to do and perform such other acts and things; and to make, execute, and deliver all such other instruments and documents on behalf of the Board as may be by them deemed necessary or appropriate in connection with the provisions of the Official Statement, the Twenty-Third Supplemental Resolution, the Tax Exemption Certificate and Agreement, and the Continuing Disclosure Agreement and all acts and things whether heretofore or hereafter done or performed by any of the officers of the Board which are in conformity with the intents and purposes of these resolutions shall be and the same are hereby in all respects, ratified, confirmed and approved.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

Funding will be available from the proceeds of the Bonds.

The President of the University concurs.