ACTION ITEM: Issuance of Special Obligation Bonds to Refinance Existing Debt

BACKGROUND INFORMATION:

The 2000 Session of the North Carolina General Assembly enacted legislation that allows UNC institutions to issue debt under the Board of Governors that is secured by the revenues of the institution except for tuition, state appropriations and restricted funds.

The University has previously issued debt through General Revenue Bonds that may now be cost effective to refinance:

- Series 2001A (Issue $19,870,000 / Outstanding $15,760,000)
- Series 2001B (Issue $16,445,000 / Outstanding $11,655,000)
- Series 2002A (Issue $8,835,000 / Outstanding $6,945,000)

The 2001A bonds were used to renovate and improve the Elliott University Center and to discharge a loan for the construction and acquisition of the Student Commons Addition to the Elliott University Center. The 2001B bonds were used for the Oakland Avenue Parking Deck and to refinance debt issued in 1992 for the Student Recreation Center and the Soccer Stadium. The 2002A bonds were part of a UNC system pool issue and were used for residence hall renovations and to refinance debt issued in 1993 for the Moore-Strong Residence Hall Renovation. By authorizing new bonds at this time, the University will have the option to proceed with the refinancings should they continue to be cost effective.

The legislation that allows the Board of Governors to issue Special Obligation Bonds requires the beneficiary institution’s Board of Trustees to approve their issuance.

REQUIREMENT:

In accordance with the legislation contained in North Carolina General Statutes concerning the issuance of Special Obligation Bonds, action is needed by the Board of Trustees to approve the issuance of these bonds.

RECOMMENDED ACTION:

That the Board of Trustees of The University of North Carolina at Greensboro approve the resolution on the following page.

______________________________  
Reade Taylor  
Vice Chancellor for Business Affairs
RESOLUTION OF THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO
APPROVING THE ISSUANCE OF SPECIAL OBLIGATION BONDS

WHEREAS, under Article 3, Section 116D of the General Statutes of North Carolina (the “Act”) the Board of Governors (the “Board of Governors”) of the University of North Carolina (the “University”) may issue special obligation bonds, payable from obligated resources to pay the costs of acquiring, constructing or providing a special obligation project at one of the constituent institutions of the University or refunding any obligations previously issued by the Board of Governors;

WHEREAS, The University of North Carolina at Greensboro (“UNCG”) will request the Board of Governors to issue its special obligation bonds (the “Bonds”), the proceeds of which will be used for the purpose of (1) refinancing the costs of the acquisition and construction of the Student Commons Addition to the Elliott University Center and the further renovation and improvement of the Elliott University Center on the UNCG campus authorized by Chapter 376 of the 1999 Session Laws of the North Carolina General Assembly, (2) refinancing the costs of acquiring and constructing the Oakland Avenue Parking Deck on the UNCG campus authorized by Chapter 168 of the 2000 Session Laws and Chapter 463 of the 2001 Session Laws of the North Carolina General Assembly, (3) refinancing the costs of constructing and improving Moore-Strong Residence Hall on the UNCG campus authorized by Chapter 1012 of the 1991 Session Laws of the North Carolina General Assembly, (4) refinancing the costs of constructing a multi-purpose student recreation facility and a soccer stadium on the UNCG campus authorized by Chapter 967 of the 1990 Session Laws of the North Carolina General Assembly, (5) refinancing the costs of renovating residence halls on the UNCG campus authorized by Chapter 376 of the 1999 Session Laws of the North Carolina General Assembly (items (1) through (5), collectively, the “Special Obligation Bond Projects”), and (6) paying the costs incurred in connection with the issuance of the Bonds; and

WHEREAS, Section 116D-26(b) of the Act requires the Board of Trustees of UNCG to approve the issuance of the Bonds for the Special Obligation Bond Projects;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of UNCG as follows:

Section 1. Approval of Issuance of Bonds. The issuance of the Bonds for the Special Obligation Bond Projects is approved.

Section 2. Effective Date. This Resolution is effective immediately.

ADOPTED AND APPROVED this 18th day of February, 2010.

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

By: _______________________________________
    Secretary
STATE OF NORTH CAROLINA  )
COUNTY OF GUILFORD  )

I, _________________, the duly elected Secretary of the Board of Trustees of The University of North Carolina at Greensboro, DO HEREBY CERTIFY that (1) the foregoing is a full, true and correct copy of the Resolution adopted by the Board of Trustees of The University of North Carolina at Greensboro at its meeting of February 18, 2010 and appearing in the minutes of such meeting, (2) notice of the meeting of the Board of Trustees of The University of North Carolina at Greensboro held on February 18, 2010 was sent to each member of the Board, and (3) a quorum was present at the meeting on February 18, 2010 at which time the foregoing Resolution was adopted.

WITNESS, my hand and the seal of The University of North Carolina at Greensboro this ____ day of February, 2010.

[SEAL]

__________________________
Secretary