

Sale of Special Obligation Bonds – The University of North Carolina at Chapel Hill

The Board of Governors is authorized to issue special obligation bonds for capital improvements projects that have been approved by the General Assembly. Although a specific source of funding is used by a campus when retiring these bonds, special obligation bonds are generally payable from all campus revenues excluding tuition and State appropriations.

The University of North Carolina at Chapel Hill requests that the Board issue special obligation bonds for the purpose of financing (1) the refunding of indebtedness issued consistent with the UNC-CH/NCSU Commercial Paper Program, the proceeds of which were used to pay a portion of the costs of the 2007 projects as listed below; (2) the costs of acquiring, constructing, and equipping capital improvement projects previously approved by the Board of Governors and the North Carolina General Assembly as listed below; (3) capitalizing interest on a portion of the 2007 Bonds; and (4) providing for the costs incurred in connection with the issuance of the 2007 Bonds. The size of the bond issue is being finalized. The issuance of bonds for new projects previously approved by the Board and the General Assembly will not exceed a par amount of \$315,000,000. These bonds will include amounts needed to refund indebtedness consistent with the UNC-CH/NCSU Commercial Paper program.

Proceeds of the 2007 bonds will be used to fund a combination of the below projects in a combination and in an amount not to exceed the individual project limits and not to exceed, in total, the overall transaction par limit of \$315,000,000:

| | <u>Not to exceed</u> <u>Amount</u> |
|---|---------------------------------------|
| Food Services Facilities | \$ 3,000,000 |
| Rizzo Center | 21,000,000 |
| Residence Hall Improvements | 6,450,000 |
| Morrison Residence Hall Renovation | 26,000,000 |
| Residence College, Phase II | 86,000,000 |
| Global Education and International Studies | 7,828,892 |
| Parking Facilities (Park and Ride) | 3,000,000 |
| Science Complex, Phase II | 4,000,000 |
| Daniels Student Store Renovation | 11,000,000 |
| Utility Infrastructure | 130,000,000 |
| Information Technology Infrastructure Improvements | 11,800,000 |
| Carmichael Auditorium | 17,000,000 |
| Woollen Gym Renovation | 4,500,000 |
| School of Medicine Research Facilities (Genetic Medicine) | 5,000,000 |

It is recommended that the following Resolution be adopted and that the Vice President for Finance be authorized to sell the special obligation bonds between the November 2007 and the January 2008 meetings of the Board.

RESOLUTION OF THE BOARD OF GOVERNORS OF THE
UNIVERSITY OF NORTH CAROLINA AUTHORIZING THE
ISSUANCE OF SPECIAL OBLIGATION BONDS TO FUND
THE SPECIAL OBLIGATION BOND PROJECT FOR THE
UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL