

Sale of Special Obligation Bonds – North Carolina State University

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 backed by a pledge of campus revenues, excluding tuition and State appropriations.

North Carolina State University requests that the Board issue special obligation bonds not to exceed \$112,000,000 for the purpose of (a) financing the costs of constructing, renovating, equipping and furnishing the educational, housing, athletic and recreational facilities of the NCSU campus, (b) 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 2008 projects, (c) the refunding in advance of their maturities of additional revenue bonds issued for the benefit of the University when sufficient net present value savings to the University are achieved, and (d) paying the costs incurred in connection with the issuance of the 2008 Bonds. Approximately \$75.5 M will refund indebtedness issued through the Commercial Paper Program, \$21.5 M will be for new construction, and \$15 M will refund NCSU's portion of the UNC pool bonds issued in 1998 and 2000 when net present value savings to the University are achieved.

The 2008 bonds will be issued for the following projects previously approved by the Board of Governors and the legislature:

<b>Projects</b>	<b>Not To Exceed Amount</b>
Derr Track, Softball, and Soccer Complex	\$5.5 M
Carter Finley Stadium Improvements / Expansion	\$19.9 M
Residence Halls - Improvements	\$37.9 M
Student Fitness Center	\$11.0 M
Thompson Theater - Renovation and Expansion	\$11.7 M
Centennial Campus Infrastructure	\$9.0 M

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 June 2008 and September 2008 meetings of the Board.

**RESOLUTION OF THE BOARD OF GOVERNORS OF THE  
UNIVERSITY OF NORTH CAROLINA AUTHORIZING THE  
ISSUANCE OF GENERAL REVENUE BONDS TO FUND  
SPECIAL OBLIGATION BOND PROJECTS AT NORTH  
CAROLINA STATE UNIVERSITY AT RALEIGH AND TO  
REFUND CERTAIN BONDS PREVIOUSLY ISSUED BY THE  
BOARD OF GOVERNORS TO FINANCE FACILITIES AT  
NORTH CAROLINA STATE UNIVERSITY AT RALEIGH**