

Sale of Special Obligation Bonds – The University of North Carolina at Greensboro

ISSUE OVERVIEW

The Board of Governors of the University of North Carolina System is authorized to issue special obligation bonds and bond anticipation notes 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, state appropriations, and restricted reserves. Specific funding sources for the current capital project include student receipts for the residence facility (self-liquidating).

The University of North Carolina at Greensboro (“UNCG”) requests that the Board issue special obligation bonds in an amount not to exceed \$50,900,000 to finance the acquisition of Spartan Village – Phase II from Capital Facilities Foundation, Inc., an affiliate support organization of UNCG (the “Foundation”), and to pay costs incurred in connection with the issuance of the bonds. Proceeds of the bonds will be used to repay an interim loan incurred by the Foundation to finance the construction of the Spartan Village – Phase II project.

The bonds will be sold on a negotiated basis with an underwriter to be selected through a competitive RFP process. The General Assembly authorized the \$50,900,000 Spartan Village – Phase II project under S.L. 2017-141.

UNCG currently has an issuer credit rating of “Aa3” with a Stable Outlook by Moody’s Investor Service and an issuer credit rating of “A+” with a Stable Outlook by Standard & Poor’s. This transaction is expected to have no impact on UNCG’s credit rating.

Parker Poe Adams & Bernstein LLP is bond counsel, and First Tryon Advisors is the financial advisor.

It is recommended that the president of the University, or her designee, be authorized to sell the special obligation bonds through the attached resolution.

APPENDIX E

**RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA AUTHORIZING THE ISSUANCE OF
SPECIAL OBLIGATION BONDS TO FINANCE A SPECIAL OBLIGATION BOND PROJECT FOR THE UNIVERSITY OF NORTH
CAROLINA AT GREENSBORO**

[TO BE PROVIDED]