

**ILLINOIS STATE
UNIVERSITY**

**BOARD OF
TRUSTEES**

**Resolution No. 2023.07/43
Authorization to Issue
Certificates of Participation
Series 2023 – Capital
Improvement Projects**

Resolution

Whereas, the Board of Trustees (the “Board”) of Illinois State University (the “University”) on May 7, 2021 approved a resolution (Resolution 2021.05/20) authorizing a comprehensive capital project to acquire property, plan, design, and construct a new Mennonite College of Nursing Simulation Center to be connected to the existing modular nursing simulation laboratory at a cost not to exceed \$18 million (collectively, the “Improvements”), and

Whereas, the Board has authority pursuant to the Illinois State University Law to sell certificates of participation and enter into related financing agreements in connection with the financing of the improvements, and

Whereas, the Board hereby determines that it is desirable to grant approval for the financing of the Improvements through the issuance of Certificates of Participation (Capital Improvements Project), Series 2023 (the “Certificates”), and

Whereas, current interest rates provide the Board with an opportunity to finance the Improvements with the issuance of the Certificates at very competitive rates:

Therefore, be it resolved by the Board of Trustees of Illinois State University in a regular meeting assembled, that

1. It is hereby determined to be desirable that the Board authorize the execution and delivery of an Acquisition Agreement, an Installment Purchase Contract and an Indenture of Trust, and the issuance of the Certificates in connection therewith, in order to provide funds to finance the Improvements and to pay related costs of issuance.
2. The Board approves the sale of the Certificates via a private placement with a bank. The Certificates are subject to the following conditions
 - (a) the Certificates shall not exceed an aggregate principal amount of \$14,000,000;
 - (b) the Certificates will have a final maturity of no later than 10 years from their date of issuance;
 - (c) the price at which the Certificates will be sold will not be less than 97% of the par amount thereof; and
 - (d) the Certificates shall have a true interest cost of borrowing not to exceed 5.00%. The final terms of the Certificates shall be approved by the Treasurer of the Board, at his discretion and within such parameters.
3. U.S. Bank National Association or The Bank of New York Mellon Trust Company, N.A. is hereby authorized to serve as Trustee for the Certificates.
4. Pursuant to the Board’s existing contract, the law firm of Chapman and Cutler LLP is hereby retained as Special Counsel to the Board.

5. Pursuant to the Board's existing contract, the firm of Blue Rose Capital Advisers, LLC, is hereby retained as Municipal Advisor.
6. The Treasurer of the Board or his designee is hereby authorized to enter into a Certificate Purchase Agreement (or Certificate Purchase Agreements) with one or more purchasers for the sale of the Certificates.
7. The Board approves the forms of the Installment Purchase Contract, Indenture of Trust, Acquisition Agreement and Certificate Purchase Agreement. Copies of such documents are on file with the Secretary of the Board for recording. The Treasurer and Secretary of the Board or their respective designees are hereby authorized and directed to execute such documents in the name of and on behalf of the Board in substantially the forms 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 forms thereof presented to this meeting.
8. If required by the purchaser(s) for the Certificates, the Board agrees to comply with the terms and provisions of bond insurance for the Certificates if such terms are approved by the Treasurer of the Board.
9. The Chairperson, the Secretary, and the Treasurer of the Board and the members, officers, agents, and employees of the Board are hereby authorized and directed to do all such acts and to execute all such documents as may be necessary to carry out and comply with the provisions of this resolution and with the actions of the members, officers, agents, and employees of the Board which are in conformity with the intent and purposes of this resolution, whether heretofore or hereafter taken or done, which actions shall be and are ratified, confirmed and approved.

Board Action on: _____
 Motion by: _____
 Second by: _____
 Vote: Yeas: _____ Nays: _____

Postpone: _____
 Amend: _____
 Disapprove: _____
 Approve: _____

ATTEST: Board Action, July 28, 2023

 Secretary / Chairperson

**Board of Trustees
 Illinois State University
 Authorization to Issue Certificates of Participation Series 2023
 Capital Improvements Projects**

In addition to the authority provided to the Board of Trustees by the State of Illinois to issue revenue bonds for the construction and operation of auxiliary facilities, the Illinois State University Law, 110 ILCS 675/20-1 *et seq.*, provides the Board with the authority to issue debt in the form of certificates of participation to finance or refinance other capital improvements. These Certificates of Participation evidence payments are under an installment purchase agreement and are limited to a maximum ten-year term. The installment payments made under an installment purchase agreement are payable both from State appropriated funds and from budgeted legally available funds of the Board derived from sources other than State appropriations on an annual basis.

The Certificates of Participation (Capital Improvement Project), Series 2023 (the “Certificates”) will be issued in an aggregate principal amount not to exceed \$14,000,000 to fund the total project costs associated with the Mennonite School of Nursing Simulation Lab Building construction project approved by the Board of Trustees at the May 7, 2021 meeting pursuant to Resolution 2021.05/20.

Issuance of the Certificates will result in annual debt payments that are not expected to exceed \$1.8 million depending on the final interest rate secured at closing of the Certificates.

Funding Source – General Revenue funds, Foundation funds from private donors, Federal grant funds

Project Financing Reconciliation

Acquire Property from AFS Parking	\$ 1 million – General Revenue Funds (not eligible for financing)	
Total Project Costs – New Sim Lab	<u>\$17 million</u> – Maximum Costs Permitted to Issue Tax Exempt Debt	
Total Project Costs – BOT Approved	<u>\$18 million</u> (Resolution 2021.05/20)	
Total Project Costs Permitted for Tax Exempt Financing		\$ 17.0 million
Plus: Projected closing costs (not to exceed)		\$.3 million
Less: Federal Grant Awarded for Project		(\$ 2.0 million)
ISU Foundation Donor Gift Funds Designated for Project		<u>(\$ 1.3 million)</u>
Total Project Costs Financing Requested – Tax Exempt – 10 yr. COPS Debt		<u>\$ 14.0 million</u>