

BUSINESS AFFAIRS AND HUMAN RESOURCES
JANUARY 20 – 21, 2003

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BUSINESS AFFAIRS AND HUMAN RESOURCES
JANUARY 20 – 21, 2003

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY

SUBJECT

Authorization for issuance of tax-exempt revenue bonds to refund remaining Student Union and Housing System Revenue Bonds, Series 1993.

BACKGROUND

The Board's approval is requested to issue approximately \$6,400,000 in tax-exempt revenue bonds ("2003 Bonds") to refund the remaining Student Union and Housing System Revenue Bonds, Series 1993 to take advantage of lower interest rates and achieve a debt service savings.

DISCUSSION

Documents relating to the issuance and sale of the 2003 Bonds are being prepared. The University expects to obtain an "A+" rating on the 2003 Bonds from Standard and Poor's Corporation and an A1 rating from Moody's Investor Service, and, depending on interest rates and bond insurance costs, the University may find it more advantageous to purchase bond insurance to result in a rating of "AAA/Aaa" on the 2003 Bonds.

The 2003 Bonds would be issued as Additional Bonds under the Board's Resolution adopted September 17, 1992 (the "Resolution"), on a parity with all other bonds issued under the Resolution. Bonds issued under the Resolution are secured by the Student Union and Housing Fee, as well as the Revenues of the Student Union and Housing System.

IMPACT

The University estimates that the lower interest rates will result in an approximately \$425,000 total savings in debt service. The "present value" of this savings is approximately \$320,000.

STAFF COMMENTS

Support the request to take advantage of the low interest rates.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JANUARY 20 – 21, 2003

INSTITUTION / AGENCY AGENDA
BOISE STATE UNIVERSITY continued

BOARD ACTION

A motion to approve the request by Boise State University as stated in the Supplemental Resolution for the 2003 Bonds, the title of which is as follows:

A SUPPLEMENTAL RESOLUTION of Boise State University authorizing the issuance and sale of \$_____ ¹ Student Union and Housing System Refunding Revenue Bonds of The Board of Trustees of Boise State University, Series 2003, authorizing the execution and delivery of a Bond Purchase Agreement and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2003 Bonds.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

Mr. Agidius	_____
Mr. Hall	_____
Mr. Hammond	_____
Dr. Howard	_____
Mr. Lewis	_____
Mr. Manning	_____
Ms. McGee	_____
Mr. Stone	_____

¹ Exact amount will be available at the meeting.

BUSINESS AFFAIRS AND HUMAN RESOURCES
JANUARY 20 – 21, 2003

INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO

MK Plaza IV Lease Extension

Ref: Regents' Minutes for June 15, 1989, page 78
Regents' Minutes for November 20, 1997, page 15
Regents' Minutes for March 18, 1999, page 16
Regents' Minutes for June 17-18, 1999, page 21
Regents' Minutes for June 15-16, 2000, page 9
Regents' Minutes for June 21, 2001, page 6

SUBJECT

Request authorization for the Vice President for Finance and Administration to (1) exercise the option provided by the "Ninth Amendment to Office Lease" at MK Plaza in Boise and extend the existing lease terms through September 30, 2004, and (2) negotiate terms for further extension of the lease as needed to accommodate the scheduled completion dates for the Idaho Water Center and Wright Learning Center.

BACKGROUND

Spaces for UI Boise programs are located on the second and seventh floors in the MK Plaza and are covered by a lease with MK Plaza Trust. Through the existing amended lease, the University of Idaho leases a total of 28,050 rentable square feet at an annual cost of approximately \$480,000, plus excess annual expenses. The existing lease as amended provides a termination date of August 31, 2003, with an option to extend.

DISCUSSION

Continued occupancy of the MK Plaza space is important for existing UI programs. This space will be needed until the UI takes occupancy in the Wright Learning Center and Idaho Water Center facilities. Approval of this item will authorize the UI to extend the current lease terms (including lease rates) for all existing spaces in the MK Plaza to September 30, 2004, and allow for the negotiation of lease terms for any additional period the space is needed before re-location to the new facilities.

IMPACT

The average lease rate for the UI spaces in MK Plaza IV is \$17.00/RSF/yr, plus excess annual expenses. The lease payments, which will remain the same through September 30, 2004, are paid from institutional resources. The University will negotiate the best terms possible for the period after those provided by the option but prior to completion of the Idaho Water Center and Wright Learning Center.

BUSINESS AFFAIRS AND HUMAN RESOURCES
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INSTITUTION / AGENCY AGENDA
UNIVERSITY OF IDAHO continued

STAFF COMMENTS

The University will need the flexibility to negotiate lease terms in order to coordinate the timing of occupying the facilities being constructed.

BOARD ACTION

A motion to approve the request by the University of Idaho to exercise the option provided by the "Ninth Amendment to Office Lease" at MK Plaza in Boise and extend the existing lease terms through September 30, 2004; and negotiate terms for further extension of the lease as needed to accommodate the scheduled completion dates for the Idaho Water Center and Wright Leaning Center.

Moved by _____ Seconded by _____ Carried Yes _____ No _____