

STATE BUILDING AUTHORITY

A meeting of the State Building Authority (SBA) Board of Trustees was held at the Richard H. Austin Building in the State Treasurers' Board Room, located at 430 West Allegan Street, Lansing, Michigan at 10:00 a.m., Tuesday, June 25, 2019.

Board Members Present:

Patrick Devlin, Chairperson
Linda Orlans
Dale Zahn

Board Members Absent:

Jimmy Greene
Peter Schwartz

Authority Staff:

Debbie Roberts, Executive Director
Carol Schulz, Financial Specialist
Brandi Bauer, Student

Others Present:

Banu Colak (Attorney General's Office)
Alan Lambert (Attorney General's Office)
Brian Lefler (R.W. Baird)
Alyson Hayden (R.W. Baird)
Ron Liscombe (Miller Canfield)
Katrina Desmond (Miller Canfield)
Jared Smith (Dykema Gossett)
Ann Fillingham (Dykema Gossett)
Freda Wang (Goldman Sachs)

Mr. Patrick Devlin, Chairperson, called the meeting to order at 10:00 a.m. Mr. Devlin introduced himself and asked everyone in the room to introduce themselves.

Mr. Devlin asked if there were any comments from the public. There were none.

The minutes of the May 8, 2019 meeting were reviewed. Mr. Devlin asked if there were any comments or questions regarding the minutes. Mr. Zahn moved that the minutes be accepted as written. Ms. Orlans supported the motion, which passed unanimously.

Ms. Roberts reviewed the agenda, which included a resolution for an easement, a resolution for approval of construction and completion assurance agreements for three projects for inclusion in the commercial paper program, and two resolutions that approve new projects and documents for the upcoming 2019 Series I bond issue.

Ms. Schulz reviewed the CP status report and noted that there are currently nine projects in the CP Program. The total CP outstanding amount is \$117.2 million issued on June 13, 2019, at a rate of 1.70% with a maturity date of July 31, 2019. Ms. Schulz noted that seven of the nine projects will be refinanced with the upcoming 2019 Series I bond issue.

The first resolution presented to the Board is for approval of easements for the Grand Rapids Community College Main Building Renovation and Grand Rapids Community College Cook Academic Hall Renovations. It was moved by Mr. Zahn,

supported by Ms. Orlans, that the Board approve the Resolution of the State Building Authority Approving Easements for the Grand Rapids Community College Main Building Renovation and Grand Rapids Community College Cook Academic Hall Renovations. A roll call was conducted with the following results:

- Mr. Devlin – Yes
- Ms. Orlans – Yes
- Mr. Zahn – Yes

The second resolution presented to the Board is for approval of the construction agreements, conveyances of property, leases and easement agreements, for three projects to enter the Commercial Paper Program. Ms. Roberts stated all the projects have been approved by the legislature for construction and at this point they have either met their match or are close to meeting their match. It was moved by Ms. Orlans, supported by Mr. Zahn, that the Board approve the Resolution of the State Building Authority Approving Construction Agreements, Conveyances of Property, Leases and Easement Agreements, if Necessary, for Certain Facilities.

- Department of Military and Veterans Affairs Chesterfield Veterans Home
- Department of Military and Veterans Affairs Grand Rapids Veterans Home
- University of Michigan Flint Murchie Science Building Expansion

A roll call vote was conducted with the following results:

- Mr. Devlin – Yes

- Ms. Orlans – Yes
- Mr. Zahn – Yes

Ms. Wang, from Goldman Sachs, gave an overview of the upcoming 2019 Series I bond issue and the current market environment. Ms. Wang stated that the municipal market was extremely favorable for the SBA since investors want tax-exempt securities and there is a current negative net supply. Rates continue to be low. The proposed 2019 Series I issuance consists of financing seven projects from the Commercial Paper program and current refunding of the outstanding 2009 Series I and 2009 Series II bonds. The issue's par amount is estimated to be \$232.0 million with a combination of serial and term bonds. The all-in TIC will be around 3.45% with an estimated PV savings of \$14.8 million. It is anticipated that annual lease reductions will be \$10.5 million. Ms. Wang reviewed the financing schedule with an estimated pricing the week of July 16 and close the transaction on July 30.

The third resolution presented to the Board is to approve the rental, lease, and other matters for seven projects currently in the Commercial Paper Program that the Authority would take title to in the upcoming 2019 Series I bond issue. It was moved by Ms. Orlans, supported by Mr. Zahn, that the Board approve the Resolution of the State Building Authority Determining the Rental and Confirming Other Matters Regarding the Conveyances of Property and the Leases for Certain Facilities.

- Delta College Saginaw Center

- Eastern Michigan University Strong Hall Renovation
- Ferris State University Swan Building Annex Renovation
- Kellogg Community College Regional Manufacturing Technology Center Renovation
- Kirtland Community College Michigan Forest Products Institute Building
- Muskegon Community College Health and Wellness Center
- Southwestern Michigan College Nursing and Health Education Building Renovation and Expansion

A roll call was conducted with the following results:

- Mr. Devlin – Yes
- Ms. Orlans – Yes
- Mr. Zahn – Yes

The fourth resolution presented to the Board is for authorization of issuance and sale of its 2019 Revenue and Revenue Refunding Bonds, Series I (Facilities Program). Ms. Roberts stated that the resolution is seeking approval for the 2019 bond issue described in the presentation. It was moved by Ms. Orlans, supported by Mr. Zahn, that the Board approve the Resolution of the State Building Authority Authorizing the Issuance and Sale of Its 2019 Revenue and Revenue Refunding Bonds, Series I (Facilities Program). A roll call was conducted with the following results:

- Mr. Devlin – Yes

- Ms. Orlans – Yes
- Mr. Zahn – Yes


Ms. Roberts discussed that the next scheduled board meeting will be October 15, 2019 but may be cancelled if not needed.

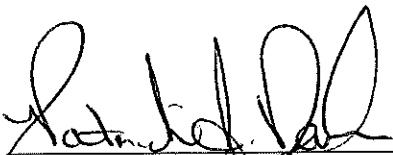
Ms. Roberts also discussed future business, specifically the commercial paper program's letter of credit renewals and possibly a new money bond issue next summer in 2020.

Ms. Roberts also mentioned that Andrews, Hooper, Pavlik PLC will again be retained for the annual audit.

Ms. Orlans made a motion for adjournment supported by Mr. Zahn. Mr. Devlin adjourned the meeting at 10:35a.m.

APPROVED AND ADOPTED:


Deborah M. Roberts, Executive Director


Patrick J. Devlin, Chairperson