AGENDA FOR THE SPECIAL MEETING OF THE
UNIVERSITY OF ARKANSAS BOARD OF TRUSTEES
VIA TELEPHONE CONFERENCE CALL
9:00 A.M., JUNE 17, 2019

University of Arkansas, Fayetteville

1. Consideration of Request for Approval of a Revised Baseball Development Center Project, UAF (Action)

2. Consideration of Request for Approval to Issue Bonds (Athletics), UAF (Action)
TO MEMBERS OF THE BOARD OF TRUSTEES:

The Board approved the **Baseball Clubhouse at Baum Stadium Project** on the Fayetteville campus on November 15, 2018. The original project costs were estimated to be between $20 and $25 million. Due to changes in the project’s design, estimates for the project costs were increased to $27 million. As a result of this change, Chancellor Joseph Steinmetz, University of Arkansas, Fayetteville (UAF), is seeking approval of a resolution to increase the project costs for the **Baseball Development Center at Baum-Walker Stadium Project** to $27 million. The revised Capital Project Proposal form is attached for your consideration.

Chancellor Steinmetz, Vice Chancellor Chris McCoy, Vice Chancellor and Director of Athletics Hunter Yurachek, and Deputy Athletic Director Clayton Hamilton will be available to answer any questions. Attached is the proposed resolution. I recommend approval.

Sincerely,

Donald R. Bobbitt, President
Charles E. Scharlau Presidential Leadership Chair

Attachments
RESOLUTION

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS THAT the updated Baseball Development Center at Baum-Walker Stadium Project at the University of Arkansas, Fayetteville, is hereby approved.
1. Project Function
Baum Stadium opened in 1996 and remains one of the premier baseball facilities in the country for hosting games. Updates over the years have generally included enhancements for fans and the game experience, including a suite expansion and the replacement of video boards and sound systems. While additional improvements to fan amenities are desired for the future, the main improvements needed now are expanded and enhanced spaces dedicated to the baseball student-athletes.

In February 2018, specialty consultants were hired to study the team areas within the stadium that are used daily by the student-athletes, coaches, and support staff. The immediate needs identified by the study are: improved and expanded locker rooms, team room, weight room, equipment room, training room, meeting rooms, nutrition space, player development spaces, in-venue batting cages and pitching development spaces, and coaches’ offices. There is also a pressing need for additional facility and equipment storage spaces.

2. Facility Location & Description
The new Baseball Development Center may range in size from 40,000sf to 45,000sf, and will be placed at the southwest corner of Baum-Walker Stadium, beyond the right field fence and behind the right field bullpen, fronting onto Fifteenth Street.

*The update to the project’s design includes the addition of a dedicated tunnel to connect the Baseball Development Center to the gameday dugout.*

3. Total Project Cost
The total project cost is currently estimated between $20 and $25 million. This estimate was developed as part of the feasibility study.

*The revised total project cost between $25 and $27 million is based on updated design and cost estimates by the project team that reflect the addition of a dedicated tunnel to connect the Baseball Development Center to the gameday dugout.*

4. Parking Plan to Support New or Expanded Facility
There are a number of existing surface parking spaces in the area used by baseball coaches, staff, and student-athletes. This project may include some limited new parking adjacent to the new building if appropriate to the design and layout of the project. No parking is expected to be displaced due to the project.

5. Source of Project Funds
This project will be funded entirely by athletic revenues, gifts, and bond proceeds from a future bond issue. Bonds will be amortized using athletic revenues available from the retirement of prior debt obligations. No university funds are required to complete this project.
location map
June 14, 2019

TO MEMBERS OF THE BOARD OF TRUSTEES:

Chancellor Joseph E. Steinmetz, University of Arkansas Fayetteville (UAF), is seeking approval of a resolution to issue bonds in the amount not to exceed $31,250,000 payable over 15 years with an aggregate true interest cost not to exceed 4.5%. The bonds may be issued in one or more series to differentiate the tax treatment of interest on the bonds for federal income tax purposes or for other reasons deemed necessary or appropriate by the Board. The proceeds of the new bonds will be used to fund various capital projects including a Track and Field High Performance Center, a Baseball Development Center and equipping and/or furnishing other capital improvements for athletic purposes.

PFM Financial Advisers LLC, serving as financial advisor to UAF for this transaction, issued a Request for Responses to the four Board-qualified underwriting firms. A summary of the responses for this transaction, as well as the responses to the RFR from the underwriters, was provided to you on May 15th with your May 22-23 agenda materials.

The Underwriter Selection Committee makes the following recommendation to the Committee of the underwriters for this transaction (in order of preference):

1) Stephens/Crews—Co-Senior Managers
2) Raymond James
3) J.P. Morgan

Chancellor Steinmetz, Vice Chancellor Chris McCoy, Vice Chancellor and Director of Athletics Hunter Yurachek, and Deputy Athletic Director Clayton Hamilton will be available to answer any questions. Attached is the proposed resolution with the underwriter selection to be made by the Board. I recommend approval.

Sincerely,

Donald R. Bobbitt
President
Charles E. Scharlau Presidential Leadership Chair

Attachment
RESOLUTION
OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF ARKANSAS

AUTHORIZING THE ISSUANCE OF UP TO $31,250,000 IN AGGREGATE PRINCIPAL AMOUNT OF BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS ATHLETIC FACILITIES REVENUE BONDS (FAYETTEVILLE CAMPUS), FOR THE PURPOSE OF FINANCING ALL OR A PORTION OF THE COSTS OF (A) ACQUIRING, CONSTRUCTING, EQUIPPING AND FURNISHING A TRACK AND FIELD HIGH PERFORMANCE CENTER FOR MEN’S AND WOMEN’S TRACK AND FIELD TEAMS, (B) ACQUIRING, CONSTRUCTING, EQUIPPING AND FURNISHING A BASEBALL DEVELOPMENT CENTER AT BAUMWALKER STADIUM, AND (C) ACQUIRING, CONSTRUCTING, IMPROVING, RENOVATING, EQUIPPING AND/OR FURNISHING OTHER CAPITAL IMPROVEMENTS AND INFRASTRUCTURE FOR ATHLETIC PURPOSES AND ACQUIRING VARIOUS EQUIPMENT FOR ATHLETIC PURPOSES FOR THE FAYETTEVILLE CAMPUS OF THE UNIVERSITY; AUTHORIZING THE EXECUTION OF AN OFFICIAL STATEMENT, BOND PURCHASE AGREEMENT, TRUST INDENTURE AND RELATED DOCUMENTS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, the Board of Trustees (the "Board") of the University of Arkansas (the "University") is authorized under the Constitution and laws of the State of Arkansas, including particularly Arkansas Code of 1987 Annotated, Title 6, Chapter 62, Subchapter 3 (the "Act") to borrow money for the purpose of constructing and equipping capital improvements to University facilities; and

WHEREAS, the Board has determined and hereby finds and declares that there is a need for certain athletic facilities on or for Fayetteville campus of the University ("UAF"), including the following projects: (a) the acquisition, construction, furnishing, and equipping of a track and field high performance center for men’s and women’s track and field teams (the "Track and Field High Performance Center Project"); (b) the acquisition, construction, furnishing, and equipping of a baseball development center at Baum-Walker Stadium (the "Baseball Development Center Project"); and (c) the acquisition, construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure for athletic purposes, and the acquisition of various equipment for athletic purposes for UAF (collectively with the Track and Field High Performance Center Project and the Baseball Development Center Project, the "Project"); and

WHEREAS, the staff of the University and UAF have recommended and the Board has determined and hereby finds and declares, that the best method of financing a portion of the costs
of the Project will be through the issuance of its Board of Trustees of the University of Arkansas Athletic Facilities Revenue Bonds (Fayetteville Campus), (the "Bonds") in a total aggregate principal amount not to exceed $31,250,000, the proceeds of the sale thereof to be used for the Project, to pay the costs of issuing the Bonds and to fund capitalized interest, if necessary or desirable; and

WHEREAS, it is anticipated that proceeds of the Bonds to be issued for the Project will be supplemented with gifts and revenues of the Athletic Department of UAF; and

WHEREAS, the Board intends that prior to the issuance of the Bonds certain costs relating to the Project will be incurred and paid from certain funds and accounts established and administered by UAF or the University; and

WHEREAS, the Board wishes to express its current intent to reimburse certain funds and accounts for all expenditures related to the Project from the proceeds of the Bonds and desires that, with respect to the Bonds, such reimbursement comply with Treasury Regulation Section 1.150-2 (the "Regulation") so that proceeds of the Bonds will be deemed spent when such reimbursement is made; and

WHEREAS, prior to the issuance of the Bonds, UAF will obtain, pursuant to Arkansas Code of 1987 Annotated Section 6-62-306, a resolution of the Arkansas Higher Education Coordinating Board giving its advice that the Project is economically feasible; and

WHEREAS, the Bonds will be general obligations of the Board, and payment of debt service on the Bonds will be specifically secured by a pledge of revenues derived from Athletic Gate Receipts (as defined in the hereinafter described Trust Indenture), and any student athletic fee that may in the future be charged to students attending UAF to support intercollegiate activities (the "Pledged Revenues"), it being understood that no such student athletic fee is planned to support this financing; and

WHEREAS, in order to proceed with the financing, it is necessary that the Board (i) authorize the issuance and marketing of the Bonds; (ii) authorize the President of the University to deem final the Preliminary Official Statement and to authorize its use; (iii) authorize the pricing of the Bonds and the execution of a Bond Purchase Agreement with the Underwriters (as hereinafter defined) in connection therewith; and (iv) authorize the execution of a Trust Indenture and related documents, all relating to the security and issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS:

Section 1. In order to finance all or a portion of the costs of the Project, to pay the costs of issuing the Bonds, including the payment of fees to Bond Counsel, the Underwriters, the financial advisor and other professionals engaged by or on behalf of the Board to accomplish the issuance of the Bonds and the Project, and to fund capitalized interest, if necessary or desirable the Board hereby approves, authorizes and directs the issuance, execution and delivery of the
Bonds in an aggregate principal amount not to exceed $31,250,000. The Bonds shall mature not later than November 1, 2034 and have a true interest cost (after taking into account original issue discount and premium and Underwriters' discount but excluding costs of issuing the Bonds) not greater than 4.50%. The Bonds may be issued in one or more series if taxable and tax-exempt bonds are being issued for planning purposes or for federal income tax purposes, as determined by the President of the University. The series descriptions in the name of each series of Bonds shall indicate the year in which such series of Bonds is issued and shall contain a letter designation per series of Bonds which shall be in sequential order, starting with "A."

Section 2. The Bonds shall be general obligations only of the Board, and shall be secured by a pledge of the Pledged Revenues on a parity with the outstanding parity bonds identified in the Trust Indenture.

Section 3. In order to provide for the issuance of the Bonds and to prescribe the terms under which the Bonds will be secured, executed, authenticated, accepted and held, the Chairman, Secretary and Assistant Secretary of the Board and the President of the University are hereby authorized and directed to execute all documents necessary to the issuance of the Bonds, including, without limitation:

(a) a Trust Indenture, to be dated as of the date of the Bonds, between the Board and Regions Bank, as trustee (the "Trustee"), setting forth the terms and conditions of the Bonds and providing for the securing of the Bonds by a pledge of the Pledged Revenues;

(b) a Bond Purchase Agreement between the Board and the Underwriters, setting forth the purchase price and the other terms and conditions upon which the Bonds will be sold to the Underwriters; and

(c) a Continuing Disclosure Agreement between the Board and the Trustee, setting forth certain obligations of the Board to make continuing disclosure of financial information and events to the secondary municipal marketplace, as set forth in Rule 15c2-12 of the Securities and Exchange Commission.

The Trust Indenture, the Bond Purchase Agreement, and the Continuing Disclosure Agreement shall be in substantially the form heretofore distributed to representatives of the University and UAF and made available to the Board, with such changes as shall be approved by the Chairman or the President. The Board recognizes that certain revisions may be made to the Bond Purchase Agreement, the Trust Indenture, and the Continuing Disclosure Agreement prior to the issuance of the Bonds, and hereby authorizes the Chairman or the President to approve and accept such revisions, the signature of either on each of the Bond Purchase Agreement, the Trust Indenture and the Continuing Disclosure Agreement to constitute proof of acceptance of such revisions. Specifically, the President or Chairman is hereby authorized to (i) accept a final maturity schedule and interest rates and reoffering yields for the Bonds if he deems such rates, yields and maturity schedule to be appropriate and within the authority granted by this Resolution and execute the final Bond Purchase Agreement with the Underwriters, and (ii) execute the
Continuing Disclosure Agreement. Prior to the sale of the Bonds, the President or the Chairman is hereby authorized to confer with Friday, Eldredge & Clark, LLP, as bond counsel, in allocating the principal amount of the Bonds between tax-exempt bonds and taxable bonds if advantageous for planning purposes or necessitated for federal income tax purposes.

The President is hereby authorized to negotiate an Underwriters’ discount with the Underwriters that is not in excess of 0.35% of the par amount of the Bonds. The purchase price may include original issue premiums and discounts in such amounts as may be approved by the President.

Section 4. The Board hereby authorizes the use of a Preliminary Official Statement in the marketing of the Bonds and authorizes the production of an Official Statement. The Preliminary Official Statement is hereby approved in substantially the form heretofore distributed to representatives of the University and UAF and made available to the Board. The Board recognizes that certain revisions may be made to the Preliminary Official Statement prior to its delivery to prospective purchasers, and hereby authorizes the Chairman or the President to approve and accept such revisions, the signature of either on such Preliminary Official Statement to constitute proof of acceptance of such revisions. The Board hereby authorizes the President to "deem final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission the Preliminary Official Statement with such revisions as may be accepted by the President. The Board hereby further authorizes and approves the production of a final Official Statement, and authorizes and directs the President to execute and deliver the Official Statement, in such form as he deems acceptable, in connection with the issuance of the Bonds.

Section 5. The Chairman, Secretary, and Assistant Secretary of the Board, the President of the University, and the Vice Chancellor for Finance and Administration of UAF are hereby authorized and directed to do any and all lawful things to effect the execution and delivery of the Bonds, the Trust Indenture, the Continuing Disclosure Agreement and the Bond Purchase Agreement and the execution and delivery of all papers, documents, certificates and other instruments of whatever nature that may be necessary or desirable for carrying out the authority conferred by this Resolution or evidencing the authority and its exercise. The Secretary or Assistant Secretary of the Board is hereby authorized to acknowledge and attest the signatures of the Chairman and to execute such other documents as may be required in connection with the issuance of the Bonds.

Section 6. The Board hereby expresses its intent to select _______________________ as underwriters for the sale of the Bonds (the "Underwriters"). The Board hereby expresses its intent to retain Friday, Eldredge & Clark, LLP as bond counsel ("Bond Counsel"). The President of the University and Chief Financial Officer of the University, in consultation with the Chancellor of UAF and the Vice Chancellor for Finance and Administration of UAF, are authorized to negotiate the terms and conditions of an agreement with Bond Counsel, including a reasonable fee arrangement, and to execute such agreement as they determine is necessary and in the best interest of the University. If such negotiations are unsuccessful, the President of the University and the Chief Financial Officer of the University, in consultation with the Chancellor of UAF and the Vice Chancellor for Finance and Administration of UAF, are hereby authorized
to negotiate with another bond counsel. Upon the conclusion of successful negotiations, Bond Counsel will begin documenting the issuance of the Bonds upon such schedule and in such manner as the President of the University shall direct.

Section 7. The Chairman of the Board, the President of the University, and the Vice Chancellor for Finance and Administration of UAF are each authorized and directed to take all actions and do all things necessary to perform the obligations of the Board under the Bonds, the Trust Indenture and the Continuing Disclosure Agreement. The Vice Chancellor for Finance and Administration of UAF is specifically authorized and directed to make or cause to be made all payment on the Bonds as required by the Trust Indenture. It is acknowledged and approved that the obligations of the Chairman of the Board, the President of the University and the Vice Chancellor for Finance and Administration of UAF under the Bonds, the Indenture and the Continuing Disclosure Agreement may be enforced by mandamus as a remedy under applicable Arkansas statutes. For purposes of this Section, the term "Vice Chancellor for Finance and Administration" shall include any officer who succeeds to the functions and duties normally performed by the Vice Chancellor for Finance and Administration of UAF.

Section 8. Costs incurred in accomplishing the Project prior to the issuance of the Bonds will be paid from certain funds and accounts established and administered by UAF or the University. The Board intends to use certain proceeds from the issuance of the Bonds to reimburse such accounts. This Resolution shall constitute an "official intent" for purposes of the Regulation.

Section 9. The President of the University and other appropriate officials are hereby authorized to present such information as they deem appropriate to the Arkansas Higher Education Coordinating Board for its advice with respect to the economic feasibility of the Project.

Section 10. The provisions of this Resolution are hereby declared to be separable and if any provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Resolution.

Section 11. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.