

S&P Global Routine Surveillance Conference Call

UCONN 2000

General Obligation Debt Service Commitment New Money &
Refunding Bonds 2019 Series

Office of Treasury Services

March 14, 2019 @10:30 a.m.

UCONN

Table of Contents

- I. Overview
- II. UCONN 2000 Phase I, II & III
- III. UCONN 2000 Phase III
- IV. UCONN 2000 Phase III Current Authorizations
- V. GO-DSC 2019 Series A - Projects To Be Funded
- VI. GO-DSC 2019 Series A –Security and Expected Ratings
- VII. GO-DSC 2019 Series A Bonds – Draft Structure
- VIII. Recent Developments
- IX. GO-DSC 2019 Series A - Financing Schedule
- X. General Obligation DSC Bond Allocations
- XI. UCONN 2000 GO DSC Authorized & Issued Projects Phase I & II
- XII. UCONN 2000 GO DSC Authorized & Issued Projects Phase III

I. Overview

- UConn General Obligation Bonds 2019 Series A secured by the State’s Debt Service Commitment (“GO-DSC 2019A New Money and Refunding”)
 - Expected Construction Fund Deposit \$175 million for various UCONN 2000 Projects
 - \$165 million for Storrs & Regional Campus (7 projects) and
 - \$10 million for Health Center (1 project) authorized to date
- UConn General Obligation Refunding Bonds 2019 Series A secured by the State’s Debt Service Commitment (“GO-DSC Refunding 2019-A”)
 - Provide debt service savings to the Program and the State by refunding certain maturities of previously issued UCONN 2000 GO-DSC Bonds

II. UCONN 2000 Phase I, II & III

UCONN 2000 General Obligation Debt Service Commitment Act Authorized Limits (includes Next Generation)

<u>Phase</u>	<u>DSC Limit</u>	<u>Date DSC Limit Reached</u>	
Phase I	\$382,000,000	April 8, 1999	(Actual)
Phase II	\$580,000,000	Spring 2005	(Actual)
Phase III	\$3,320,900,000	Spring 2027	(Projected)
Subtotal	\$4,282,900,000	Spring 2027	

The balance of the estimated cost of UCONN 2000 projects which is not to be financed by the University's Bonds secured by the State Debt Service Commitment or the State's bonds may be met by the issuance of special obligation bonds ("Special Obligation Bonds") of the University, or from gifts or other revenue or borrowing resources of the University, or through the deferring of projects or achieved savings.

II. UCONN 2000 Phase I, II & III

UCONN 2000 GO-DSC BONDS

- Phase I & II & III GO-DSC Funding – \$4,282.9 billion, 32 year program (FY96 to FY27).
- As of March 2019 \$3,346,400,000 of Phase I, II & III projects have been authorized by the Board of Trustees and the Governor for funding with GO-DSC bond proceeds, including \$302.4 million authorized and unissued.
- More than half way through UCONN 2000 GO-DSC \$4,282.9 billion project funding listed in Act: with \$2,844 billion issued as of March 14, 2019.
 - \$3,144.0 billion of Phase I, II & III GO-DSC issued to date: \$1,369.8 billion for Storrs & Regionals and \$812.2 million for UConn Health.
 - \$962 million of which Phase I & II GO-DSC issued for Storrs & Regionals.
- \$202.4 million of GO-DSC projects authorized and unissued prior to GO-DSC 2019.
- \$936.5 million of future GO-DSC fiscal year 2020 to 2027 authorizations remaining in Act.

OTHER UCONN2000 DEBT (NON GO-DSC)

- \$374.2 million in Special Obligation bonds authorized for project funding of which \$341.1 million issued to date to be repaid by the University from certain pledged revenues (i.e. room/board and other fee proceeds). A remaining authorization of \$33 million has not been issued.
- UCONN 2000 Heating Plant Upgrade (Co-Gen) was financed by \$81.9 million non-publicly issued debt.
- UCONN 2000 Residential Life Facilities \$5.4 million note assumption (7-2015) non-publicly issued debt (paid off 12/1/2016).

III. UCONN 2000 Phase III

- The UCONN 2000 Act was originally enacted in 1995 as a ten year program with an estimated cost of \$1,250 million, and was amended in 2002, 2007, 2010, 2011, 2013, 2014, 2016 2017 and 2018 and the program authorizations currently end in FY2027.
- The Act amendments included adding Phase III (21st Century UConn), extending the DSC funding another 10 years); made certain fiscal year reallocations; and authorized additional projects including Health Center Projects.
- In 2011, the General Assembly enacted and the Governor signed PA 11-75 An Act Concerning the University of Connecticut Health Center which provided more funds for the Health Center, including John Dempsey Hospital, and extended the Act to 2018 and also PA 11-57 for creation of world-class Technology Park on the Storrs Campus to serve as a cornerstone for a new Connecticut research triangle.
- During the January 2014 Legislative Session the Act was amended by Next Generation Connecticut which increased DSC funding, added to the project list, and extended the Act to 2024.
- As Amended to date, the UCONN 2000 program including Phases I, II and III currently is estimated to cost \$4,619.3 million (of which \$3,833 billion is for Storrs and Regional Campuses and \$786.3 million is for UConn Health Projects), of which \$4,282.9 billion may be financed with State Debt Service Commitment bonds.
- During October 2017, the Connecticut General Assembly passed Public Act No. 17-2 and the Governor signed on October 31, 2017 “An Act Concerning the State Budget for the Biennium Ending June 30, 2019, Making Appropriations Therefor, Authorizing and Adjusting Bonds of the State And Implementing Provisions of the Budget” that which among other things, moved some of the authorized DSC bond funding from fiscal years 2018 through 2023 and added some to 2024 and spread the rest to the newly added fiscal years 2025, 2026 and 2027 (without changing total DSC funding); and also renamed some projects and added others.

IV. UCONN 2000 Phase III Current Authorizations

GO-DSC 2019 New Money Bonds Authorized Pursuant to 21st, 22nd, 23rd, 24th and 25th Supplemental Indentures

- Trustees approved 21st on June 24, 2015
- The Governor approved 21st on July 10, 2015
- Trustees approved 22nd on June 29, 2016
- The Governor approved 22nd on July 5, 2016
- Trustees approved 23rd on November 1, 2017
- The Governor approved 23rd on November 21, 2017
- Trustees approved 24th (Refunding only) June 28, 2017
- The Trustees approved 25th on June 27, 2018
- The Governor approved 25th on July 2, 2018
- \$202.4 million authorized and unissued including \$200 million for UCONN 2000 Projects Authorized by 25TH Supplemental Indenture; and \$2.4 million for UCONN 2000 Projects authorized by Carry Forwards from prior Supplemental Indentures.

V. GO-DSC 2019 Series A - Projects Estimated To Be Funded

UConn Storrs and Regionals

	<u>Estimated to Issue</u>
Academic and Research Facilities	\$ 50,000,000.00
Arjona and Monteith (new classroom buildings)	1,908.00
Avery Point Renovation	8,196.00
Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure Improvements & Renovation	
Lump Sum and Utility, Administrative and Support Facilities	89,326,807.00
Fine Arts Phase II	23,650,000.00
Koons Hall Renovation/Addition	13,089.00
<u>Residential Life Facilities</u>	<u>2,000,000.00</u>
Subtotal — Storrs and Regionals	\$ 165,000,000.00

UConn Health

<u>Equipment, Library Collections and Telecommunications - Health Center</u>	<u>\$ 10,000,000.00</u>
--	-------------------------

Total — Storrs and UConn Health

\$ 175,000,000.00

VI. GO-DSC 2019 Series A –Security and Expected

Bondholder Security & Ratings

- Pledge of and lien upon the State Debt Service Commitment
 - Debt Service Commitment by the State to punctually pay Special Debt Service Requirements out of the resources of the State's General Fund
 - Debt Service paid by the State on behalf of UConn directly to Trustee Bank
- Pledge of full faith and credit of the University

Current Ratings for UConn General Obligation Debt Service Commitment Bonds 2019 Series A As of March 14, 2019

- Standard & Poor's "AA-" negative
- Moody's "A1" stable
- Fitch "A" stable

VII. GO-DSC 2019 Series A Bond – Draft Structure Expected

Proposed General Obligation DSC Bonds, 2019 Series A Fixed Rate New Money Bond Issue **

Construction fund deposit	\$175,000,000
Debt service structure	20-year level principal
Dated date	To Be Determined
Closing	On or About 5/8/2019

*Preliminary

+Does not include possible refunding

VIII. Recent Developments

- An Act Concerning Next Generation Connecticut (“Next Generation Connecticut”) was adopted by the January session of the 2014 Connecticut General Assembly. It (1) authorizes \$1,551 million in new bonds, secured by the State’s Debt Service Commitment, under UConn 2000.
- In 2017 PA 17-2 amended the Act by moving some of the authorized DSC bond funding from fiscal years 2018 through 2023 and added it to 2024, and the newly added fiscal years 2025, 2026 and 2027 (without changing total DSC funding) and added/renamed projects.
- Possible Public Private Partnership for UCONN 2000 project Ice Rink Enclosure on the Storrs campus.

IX. GO-DSC 2019 Series A - Financing Schedule

Receive ratings	Around 4/8/2019
Due Diligence	April 10, 2019
POS Mailing	April 11, 2019
Ads Begin	Week of 4/14/2019
Retail Pricing	Around 4/22/2019 to 4/23/2019
Institutional Pricing	Around 4/24/2019
Pre-Closing	Around 5/7/2019
Closing	Around 5/8/2019

X. General Obligation DSC Bond Allocations

UCONN 2000 Act – Fiscal Year Allocations (reflects Next Generation) - Generally expect to Issue a GO-DSC New Money Bond every fiscal year

<u>FY</u>	<u>DSC Amount</u>		<u>FY</u>	<u>DSC Amount</u>	
1996	\$ 112,542,000.00	Issued	2012	\$ 157,200,000.00	Issued
1997	\$ 112,001,000.00	Issued	2013	\$ 143,000,000.00	Issued
1998	\$ 93,146,000.00	Issued	2014	\$ 204,400,000.00	Issued
1999	\$ 64,311,000.00	Issued	2015	\$ 315,500,000.00	Issued
2000	\$ 130,000,000.00	Issued	2016	\$ 312,100,000.00	Partially Issued
2001	\$ 100,000,000.00	Issued	2017	\$ 240,400,000.00	Partially Issued
2002	\$ 100,000,000.00	Issued	2018	\$ 200,000,000.00	To be issued in DSC 2019
2003	\$ 100,000,000.00	Issued	2019	\$ 200,000,000.00	To be issued in DSC2019
2004	\$ 100,000,000.00	Issued	2020	\$ 291,600,000.00	Future
2005	\$ 100,000,000.00	Issued	2021	\$ 186,200,000.00	Future
2006	\$ 79,000,000.00	Issued	2022	\$ 101,400,000.00	Future
2007	\$ 89,000,000.00	Issued	2023	\$ 98,000,000.00	Future
2008	\$ 115,000,000.00	Issued	2024	\$ 85,000,000.00	Future
2009	\$ 140,000,000.00	Issued	2025	\$ 70,100,000.00	Future
2010	\$ -		2026	\$ 63,600,000.00	Future
2011	\$ 138,800,000.00	Issued	2027	\$ 40,600,000.00	Future
				\$ 4,282,900,000.00	

XI. UCONN 2000 GO DSC Authorized Projects Phase I & II

<u>UConn 2000 Project</u>	<u>Phase I & II Authorized And Issued Amounts</u>
Agricultural Biotechnology Facility Completion	3,000,000.00
Agricultural Biotechnology Facility	9,400,000.00
Alumni Quadrant Renovations	11,183,623.91
Avery Point Marine Science Research Center-Phase I	30,000,000.00
Avery Point Marine Science Research Center-Phase II	7,254,246.03
Avery Point Renovation	4,875,717.46
Benton State Art Museum Addition	700,000.00
Business School Renovation	7,958,470.42
Central Warehouse New*	6,933,751.77
Chemistry Building	53,062,000.00
Deferred Maintenance & Renovation Lump Sum	40,798,259.65
Deferred Maintenance & Renovation Lump Sum Balance	117,386,096.72
East Campus North Renovations	7,382,604.53
Equipment, Library Collections & Telecommunications	60,500,000.00
Equipment, Library Collections & Telecommunications Completion	105,812,000.00
Gant Plaza Deck	7,287,174.10
Gentry Renovation	9,664,596.69
Grad Dorm Renovations	2,928,227.59
Heating Plant Upgrade	9,969,000.00
Hilltop Dormitory Renovations	8,176,528.89
Ice Rink Enclosure	3,280,000.00
International House Conversion (a.k.a. Museum of Natural History)	886,134.00
Litchfield Agricultural Center-Phase I	1,000,000.00
Mansfield Apartments Renovation	2,071,000.00
Mansfield Training School Improvements	3,500,000.00
Monteith Renovation	444,348.00
Music Drama Addition	7,400,000.00
North Campus Renovation	10,996,050.15
Continued on next page	

XI. UCONN 2000 GO DSC Authorized Projects Phase I & II

UConn 2000 Project

North Superblock Site & Utilities
 Northwest Quadrant Renovation-Phase I
 Northwest Quadrant Renovation-Phase II
 Parking Garage-North
 Pedestrian Walkways (a.k.a. Fairfield Road Pedestrian Mall)
 School of Business
 School of Pharmacy
 Shippee/Buckley Renovations
 South Campus Complex
 Stamford Downtown Relocation-Phase I
 Student Union Addition
 Technology Quadrant-Phase IA
 Technology Quadrant-Phase II
 Torrey Life Science Renovation
 Towers Renovation
 Underground Steam & Water Upgrade
 Underground Steam & Water Upgrade Completion
 Waring Building Conversion
 Waterbury Property Purchase
 West Campus Renovations
 White Building Renovation
Wilbur Cross Building Renovation

Totals Phase I & II

Phase I & II Authorized

And Issued Amounts

7,668,000.00
 2,001,000.00
 30,000,000.00
 9,658,000.00
 6,074,000.00
 25,652,366.00
 88,609,000.00
 6,920,000.00
 12,251,000.00
 55,781,471.55
 44,622,633.00
 39,993,000.00
 34,120,000.00
 251,109.43
 17,950,243.11
 6,000,000.00
 6,000,000.00
 11,452,000.00
 200,000.00
 519,507.20
 2,427,268.80
19,999,571.00

\$962,000,000.00

XII. UCONN 2000 GO DSC Authorized Projects Phase III

UCONN 2000 NAME PROJECT (Includes Next Generation)

Phase III Authorized

Academic and Research Facilities	122,407,429.00
Arjona and Monteith (new classroom buildings)	128,518,947.28
Avery Point Campus Undergraduate and Library Building	10,461,245.77
Avery Point Renovation	8,429,576.54
Beach Hall Renovations	5,150,972.33
Benton State Art Museum Addition	2,903,508.88
Biobehavioral Complex Replacement	3,589,141.00
Bishop Renovation	2,480,140.83
Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure Improvements & Renovation	
Lump Sum and Utility, Administrative and Support Facilities ¹	503,438,491.34
Engineering Building (with Environmental Research Institute)	93,412,822.00
Equipment, Library Collections & Telecommunications	147,591,656.00
Family Studies (DRM) Renovation	2,868,306.20
Farm Buildings Repairs/Replacement	6,408,304.09
Fine Arts Phase II	34,778,424.00
Floriculture Greenhouse	6,691,798.67
Gant Building Renovations	12,455,770.32
Gentry Completion	9,628,208.95
Hartford Relocation Acquisition/Renovation	140,000,000.14
Heating Plant Upgrade	16,283,897.00
Intramural, Recreational and Intercollegiate Facilities	31,009,920.63
Jorgensen Renovation	3,934,474.58
Koons Hall Renovation/Addition	1,530,057.00
Lakeside Renovation	3,800,000.00
Law School Renovations/Improvements	16,691,342.94
Manchester Hall Renovation	772,577.13
Mansfield Training School Improvements	3,014,780.00
Natural History Museum Completion	500,000.00
North Hillside Road Completion	8,200,000.00
Old Central Warehouse	126,000.00
Parking Garage #3	75,214.27
Psychology Building Renovation/Addition	24,337,399.00

XII. UCONN 2000 GO DSC Authorized Projects Phase III

<u>UCONN 2000 NAME PROJECT (Includes Next Generation)</u>	<u>Phase III Authorized</u>
Residential Life Facilities	137,472,476.01
School of Pharmacy/Biology Completion	6,000,000.00
Stamford Campus Improvements/Housing	1,533,703.00
Storrs Hall Addition	14,664,091.44
Student Union Addition	13,000,000.00
Support Facility (Architectural and Engineering Services)	16,583.05
Torrey Renovation Completion and Biology Expansion	1,530,373.00
Torrington Campus Improvements	369,156.42
Waterbury Downtown Campus	1,858,022.00
West Hartford Campus Renovations/Improvements	6,774,305.19
<u>Young Building Renovation/Addition</u>	<u>23,790,884.00</u>
Storrs & Regionals Subtotal	<u>1,558,500,000.00</u>
<u>UConn Health</u>	
CLAC Renovation Biosafety Level 3 Lab	15,901,465.91
Deferred Maintenance/Code Compliance/ADA Compliance/Infrastructure & Improvements	
Renovation Lump Sum and Utility, Administrative and Support Facilities – Health Center ¹	50,951,263.91
Dental School Renovation	3,525,000.00
Equipment, Library Collections and Telecommunications - Health Center	116,429,390.00
Library/Student Computer Center Renovation	1,266,459.97
Main Building Renovation	117,534,702.00
Medical School Academic Building Renovation	39,792,488.00
Planning and Design Costs	25,000,000.00
Research Tower	67,992,229.21
Support Building Addition/Renovation	100,000.00
<u>The University of Connecticut Health Center New Construction and Renovation</u>	<u>387,407,001.00</u>
Total — UConn Health Project List	<u>825,900,000.00</u>
TOTAL PHASE III PROJECTS	<u>2,384,400,000.00</u>
TOTAL GO-DSC BONDS: PHASE I, II AND III PROJECTS	<u>3,346,400,000.00</u>