STATE TREASURER OF NORTH CAROLINA
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STATE AND LOCAL GOVERNMENT FINANCE DIVISION AND THE LOCAL GOVERNMENT COMMISSION

North Carolina Capital Facilities Finance Agency Agenda June 6, 2023 at 1:00 PM PRELIMINARY AGENDA

- 1. Pledge of Allegiance / Salute to the North Carolina Flag
- 2. Conflict of Interest Statement
- 3. March 7, 2023 Minutes for Approval
- 4. Agenda Item:
 - a. Elon University
 - i. bank placement revenue bonds for construction of East Neighborhood Commons and the expansion of the Gerald L. Francis Center for the School of Health Sciences
 - ii. Amount not to exceed: \$37,500,000.00
 - iii. Details on attached NCCFFA Staff Analysis
 - b. Cannon School (miscellaneous non-action item)
 - i. Series 2002 Revenue Bonds: migration from LIBOR to Equivalent Index
- 5. Other Business
- 6. Adjourn Meeting







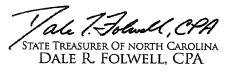
LGC Staff Analysis For:	Elon University			
Amount Not to Exceed	\$ 37,500,000			
NCCFFA Item				
Description	Elon University ("EU") is a private, not-for-profit entity founded in 1889 located in Elon, North Carolina. The university is governed by a Board of Trustees, ranging from 36 to 40 trustees, including the president, an ex officio member.			
	Elon University Mission states: "[EU] embraces its founders' vision of an academic community that transforms mind, body, and spirit and encourages freedom of though and liberty of conscience" In February 2020, EU launched its ten-year strategic plan, "Boldy Elon" (see https://www.elon.edu/u/administration/president/boldly-elon/) which includes projects in its five-year capital plan – for which EU seeks financing approval. As of February 2023, EU serves approximately 6,000 undergraduate and 800 graduate students.			
	Proposed Projects:			
	The design, construction, and equipping of the East Neighborhood Commons to provide additional residential, housing administration, and community gathering space as an expansion to EU's existing three residence halls. Specifically, the project will add 90 residential beds; three apartments for live-in faculty and staff; workspace for neighborhood administrative staff; and 3,500 square feet of community gathering space.			
	The design, renovation, and equipping of space in the Gerald L. Francis Center to provide (1) space for classroom, instruction laboratory, and study and (2) related facilities for Elon University's School of Health Sciences nursing program. Specifically, the project will encompass the expansion of an additional 9,800 square feet and renovation of existing 8,000 square feet.			
	Related parking, landscape, sidewalks, fixtures and equipment.			
	Miscellaneous smaller capital improvements throughout main campus.			
	Utility providers:			
	Gas: Piedmont Natural Gas Electric: Duke Energy Water/Sewer: Town of Elon			
	Building contractor(s):			
	East Neighborhood Commons: New Atlantic Francis Center Phase 3: Davie Construction Francis Center Phase 4: TBD (most likely Davie)			
	Building permits:			
	Alamance County Inspections - Completed 03/27/2023 NC DEQ (Energy, Mineral and Land Use) - Completed 4/12/2023			
	Proposed financing:			
	Private bank placement with TD Bank, N.A. Not-to-exceed amount: \$37,500,000.00 Interest rate: fixed rate (TBD prior to closing) Capitalized interest: 18 months (through December 2024) Bank commitment: 10 years (through June 2033) Principal amortization: annually from 01/01/25 through 01/01/43 Security: general unsecured obligation on parity with other debt obligations under 2012 Master Trust Indenture Anticipated close: June 2023 Pursuant to NCGS 159D			



		Elor	n University		
Financing Details	Financial capability:				
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	Total Cook	Audited (05/31/22)	Unaudited (02/28/23)		
	Total Cash	\$48,676,833	\$112,464,823		
	Total Assets	\$1,077,733,252	\$1,135,658,434		
	Total Liabilities	\$271,588,913	\$243,121,650		
	Total Net Assets	\$806,144,339	\$892,536,784		
	Projected	debt service coverage ratio	total debt service		
	FYE 05/31/24	1.96	\$20,967,760		
	FYE 05/31/25	2.01	\$22,141,096		
	FYE 05/31/26	1.94	\$26,640,354		
	FYE 05/31/27	1.51	\$26,586,898		
	General (unsecured obli Coverage forecasts gree Total Assets \$1,135,658	ater than 1.5X through FY 2027 3,434 (2/28/2023 unaudited) 1650 (2/28/2023 unaudited)	ank, N.A.		
	Financing Team:				
	Bond counsel: Womble Bond Dickinson (US) LLP Borrower's counsel: Fox Rothschild LLP Bank counsel: Parker Poe Adams & Bernstein LLP Bank provider: TD Bank, N.A. Financial Advisor: Janney Montgomery Scott LLC				
	Approvals (NCCFFA & L	.GC):			
	Not to exceed: \$37,500, Final maturity not to exc Initial interest rate not to	eed 2043			
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Amount Not to Exceed	
NCCFFA Item	✓Yes
Description	Background on the LIBOR Index and Replacement Requirements
	The US Dollar (USD) London Interbank Offered Rate (LIBOR) will be replaced by the Secured Overnight Financing Rate (SOFR) as a primary benchmark index. Financings tied to the LIBOR index are required to transition to an alternative equivalent rate formula based on a non-LIBOR index or formula. This transition must be completed by June 30, 2023. Previously LIBOR was used as an index to calculate financing interest rates in many variable financing agreements and for most interest rate swaps.
	SOFR (Secured Overnight Financing Rate) is the recommended, not required, new benchmark to replace LIBOR, with ban also permitted to select their own new benchmarks.
	Cannon Schools transition away from LIBOR to equivalent Index (SOFR) Proposed Transitions:
	Cannon School 2002 Revenue Bonds, Original Par \$11,000,000, Truist Bank
	Original rate formula: 0.65 x (67% x (1 month LIBOR +150 basis points))
	New replacement: 81% x (Compound Daily SOFR + 11.448 bps + 150 basis points) effective July 1, 2023
	Financing Team:
	Bond Counsel: Parker Poe Bank: Truist Bank (no change)
	Expected closing date: Before June 30, 2023
	Approvals:
	- Require completion prior to the June 30, 2023 LIBOR transition deadline.