

Approval of Debt Refinancing Resolution

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

October 9, 2024

Virginia Tech has historically maintained four auxiliary systems: (i) the Dormitory and Dining Hall System, (ii) the Athletic Facilities System, (iii) the University Services System, and (iv) the Utility System (the “Systems”). In 2015, the university issued bonds secured by the revenues of the Systems and further secured by pledged general revenues of the university.

The Series 2015 bonds are callable on June 1, 2025, and IRS regulations allow for a current refinancing 90-days before the call date. Based on interest rates as of October 9, 2024, refinancing the Series 2015 bonds will result in cash flow savings as shown in the chart below:

	2015A Dormitory and Dining Hall System	2015B Athletic Facilities System	2015C University Services System	2015D Utility System	Total Refunding
Refunded Bonds					
Refunded Par	31,145,000	260,000	1,905,000	2,600,000	35,910,000
Average Coupon	3.661%	3.500%	3.378%	3.385%	3.624%
Average Life	6.03	10.24	6.01	6.00	6.06
Call Date	6/1/2025	6/1/2025	6/1/2025	6/1/2025	6/1/2025
Final Maturity	6/1/2035	6/1/2035	6/1/2035	6/1/2035	6/1/2035
Refunding Bonds					
Dated Date/Delivery	3/4/2025	3/4/2025	3/4/2025	3/4/2025	3/4/2025
Refunding Par	28,245,000	225,000	1,725,000	2,355,000	32,550,000
TIC	2.820%	2.991%	2.820%	2.820%	2.822%
All-In TIC	3.000%	3.102%	3.001%	3.000%	3.001%
Average Coupon	5.000%	5.000%	5.000%	5.000%	5.000%
Average Life	6.20	10.24	6.19	6.20	6.23
Total Cash Flow Savings	1,324,013	15,331	48,663	64,731	1,452,738
Present Value Savings	1,201,523	10,450	45,656	63,177	1,320,806
PV Savings to Refunded P:	3.858%	4.019%	2.397%	2.430%	3.678%
<i>*Rates as of October 9, 2024. Preliminary, subject to change.</i>					

The resolution authorizes the Executive Vice President and Chief Operating Officer, the Vice President for Finance and Chief Financial Officer, and the Assistant Vice President and Associate Treasurer to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the issuance provided that (1) the bonds generate a net present value savings of at least one percent and (2) the bonds shall be issued on or before November 19, 2025.

**RESOLUTION OF THE BOARD OF VISITORS OF
VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
REFINANCING AUTHORIZATION**

WHEREAS, Chapter 26, Title 23.1 of the Code of Virginia of 1950, as amended, establishes a public institution of higher education under the name and style of Virginia Polytechnic Institute and State University (the "University") which is governed by a Board of Visitors (the "Board"); and

WHEREAS, by Chapter 10, Title 23.1 of the Virginia Code (the "Restructuring Act"), the University entered into a management agreement with the Commonwealth of Virginia (the "Management Agreement"), which was enacted as Chapters 933 and 943 of the 2006 Virginia Acts of Assembly, pursuant to which the University is empowered with the authority to issue bonds for any purposes that is consistent with its institutional mission; and

WHEREAS, the Restructuring Act further authorizes the University to provide for the payment of the principal of and the interest on any bonds from, among other things, its revenues generally or from the income and revenues derived from the operation, sale, or lease of a particular project or projects; and

WHEREAS, the University has previously issued its (1) Dormitory and Dining Hall System and General Revenue Pledge Bonds, Series 2015A, (2) Athletic Facilities System and General Revenue Pledge Bond, Series 2015B, (3) University Services System and General Revenue Pledge Bond, Series 2015C, and (4) Utility System and General Revenue Pledge Bond, Series 2015D (each a "Prior Obligation"), which are secured by the pledge of system specific revenues and a general revenue pledge of the University; and

WHEREAS, the Board from time to time desires to refinance, on more than one occasion, the Prior Obligations (each a "Refinancing Transaction"); and

WHEREAS, the Board desires to authorize Refinancing Transactions by the issuance of general revenue pledge bonds or specific revenue pledge bonds (or both), in one or more series and on more than one occasion (collectively, the "Bonds") for the purposes of (1) refinancing and/or restructuring the Prior Obligations, and (2) financing if and as needed, capitalized interest, working capital and the costs of issuing the Bonds, all subject to the limitations and parameters set forth in this resolution; and

WHEREAS, each series of Bonds will be issued under a bond resolution (each a "Bond Resolution") the form of which will be determined in accordance with this resolution; and

WHEREAS the Board desires to designate certain University officers delegated authority to approve the forms of and to execute and deliver the Bonds, the Bond Resolutions, and any amendments thereto, and any other documents necessary or desirable in connection with foregoing (collectively, the "Financing Documents").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD:

Section 1. The issuance of Bonds for the purposes set forth above is hereby authorized and approved and, accordingly, the Executive Vice President and Chief Operating Officer, the Vice President for Finance and Chief Financial Officer, and the Assistant Vice President and Associate Treasurer (the "Authorized Officers") are each hereby delegated and invested with full power and authority to approve the forms of the Financing Documents and any amendments thereto, and any pledge to the payment of the Bonds and any amendment thereto of total gross university sponsored overhead, unrestricted endowment income, tuition and fees, indirect cost recoveries, auxiliary enterprise revenues, general and nongeneral fund appropriations and other revenues not required by law or previous binding contract to be devoted to some other purpose, restricted by a gift instrument for another purpose or excluded from such pledge as provided in the Financing Documents, subject to the provisions of Section 3 hereof.

Section 2. The Authorized Officers are authorized and directed to determine whether to refinance any particular Prior Obligation and the method of refinancing. Subject to the provisions of Section 3 hereof, the Authorized Officers are each hereby delegated and invested with full power and authority to execute, deliver and issue, on behalf of the University, (a) the Financing Documents and any amendments thereto, with approval of such documents in accordance with Section 1 hereof evidenced conclusively by the execution and delivery of the respective document, and (b) any other documents, instruments or certificates as may be deemed necessary or desirable to finance or refinance costs of the Prior Obligations, and to further carry out the purposes and intent of this resolution. The Authorized Officers are authorized and directed to take such steps and deliver such certificates in connection with delivery of the Financing Documents, and any amendment thereto, as may be required under any existing obligations, including bond resolutions relating to any outstanding general revenue pledge bonds.

Section 3. The authorizations given above as to the approval, execution, delivery and issuance of the Financing Documents and any amendments thereto are subject to the following parameters: (a) any Bonds issued to refund or refinance and Prior Obligation shall generate a net present value savings of at least 1% of the aggregate principal amount refinanced or refunded, and (b) subject to the foregoing, the actual amount, interest rates, principal maturities, and date of the Bonds shall be approved by an Authorized Officer, as evidenced by the execution thereof.

All officers of the University are authorized and directed to take all such further actions, including without limitation the designation of underwriters, paying agents, remarketing agents, trustees and liquidity providers for the Bonds, and to execute all such instruments, agreements, documents, and certificates as they shall deem necessary or desirable to carry out the terms of the financing plans presented to this meeting, including without limitation any liquidity facilities, swap or other interest rate management agreements associated with the Bonds.

Section 5. All acts of all officers of the University which are in conformity with the purposes and intent of this resolution and in carrying out the financing plans presented to this meeting are ratified, approved and affirmed. This resolution shall take effect immediately upon its adoption. Any refinancing undertaken pursuant to this Resolution shall close on or before November 19, 2025.

RECOMMENDATION:

That the resolution authorizing the university bond refinancing; identifying the authorized officers; and authorizing the authorized officers to negotiate, execute, and deliver all necessary documents, be approved.

November 19, 2024