



**STOCKTON UNIVERSITY
SPECIAL OPEN/PUBLIC MEETING TELECONFERENCE**

REVISED

**TUESDAY, JANUARY 12, 2016
SCHEDULE AND AGENDA**

NOTE: The Meeting will open to the public at **3:00 p.m.** in the President's Office Conference Room in Board Room K-203k, on Stockton University's Galloway Campus. Immediately following action on the Resolution to Meet in Closed Session, members of the public will be asked to leave the room. **The Board will reconvene for the Open/Public meeting at approximately 3:20 p.m. in the President's Office Conference Room in Suite K203k.**

1. Call to Order and Roll Call.

As required by the Open Public Meetings Act, on January 6, 2015, a revised notice of this meeting and Public Hearing, including the date, time, and location of a Special Meeting of the Stockton University Board of Trustees was (a) posted on the College's Website, (b) sent to the Business Services/Bursar's Office at the University, (c) forwarded to The Press of Atlantic City, (d) The Daily Journal, and (e) filed with the Secretary of State of New Jersey, (f) Galloway Township Clerk's Office, and (g) the Atlantic County Clerk's Office.

2. The Resolution to Meet in Closed Session is on page 3.

The Board will approve a resolution to meet in closed session to consider a resolution to take advantage of current financial market conditions to refinance outstanding University bonds to achieve debt service savings and to finance various capital projects, to consider a resolution to submit an application for grants under the Building Our Future Fund Act (Go Bond Act) and the Higher Education Capital Improvement Fund Act ("CIF") to finance capital projects, and to consider a resolution to amend the agreement of sale of the Showboat Hotel, Casino Property in Atlantic City.

3. 3:20 p.m.: Reconvening of the Committee of the Whole Open/Public Session in the President's Office Conference Room, Suite K-203k.

A. Authorization of a Bond Refunding to take advantage of current financial market conditions to refinance outstanding University bonds to achieve debt service savings and to finance various capital projects.

Dr. Harvey Kesselman, President

The resolution is found on pages 4-6.

B. Authorization of grant applications for the Building Our Future Bond Act ("GO Bond Act") and the Higher Education Capital Improvement Fund Act ("CIF") for the financing of (a) the Stockton-Atlantic City Redevelopment Project (CIF), (b) the Renewal and Reconstruction of Existing Campus Wide Academic Facilities and Infrastructure (CIF), and (c) a Health Science Lab Addition to New Classroom Building (GO Bond Act)

Dr. Harvey Kesselman, President

The resolution is found on pages 7-9.

- C. Authorization to Amend the Agreement of Sale of the Showboat Property

Dr. Harvey Kesselman, President and Michael Angulo, Esq.

The Resolution is found on page 10.

4. Other Business
5. Comments from the Board of Trustees
6. Comments from the Public
7. The next regularly scheduled meeting of the Board will be on February 24, 2016 at 4:30 p.m. in the Campus Center, Board of Trustees Room.
8. Adjournment

STOCKTON UNIVERSITY

BOARD OF TRUSTEES SPECIAL MEETING (Teleconference)

RESOLUTION TO MEET IN CLOSED SESSION

- WHEREAS,** The Open Public Meetings Act (P.L. 1975, Ch. 231) permits public bodies to exclude the public from discussion of any matter as described in Subsection 7(b) of the Act, providing that the public body adopts a resolution at a public meeting indicating its intent to hold a special closed session, and
- WHEREAS,** Subsection 7(b) of the Act contains exclusions for personnel matters; terms and conditions of employment; collective bargaining agreements including negotiated positions; anticipated or pending litigation; and any matters involving the sale, lease, or acquisition of real property; therefore, be it
- RESOLVED,** that the Board of Trustees shall meet in closed session to discuss taking advantage of current financial market conditions to refinance outstanding University bonds to achieve debt service savings and to finance various capital projects, to consider submitting an application for grants under the Building Our Future Fund Act (Go Bond Act) and the Higher Education Capital Improvement Fund Act (“CIF”) to finance capital projects, and to consider amending an agreement of sale of the Showboat Hotel and Casino Property in Atlantic City; now therefore be it
- RESOLVED,** that the discussion of these matters may or maybe not be disclosed to the public during that portion of the meeting, which convenes at approximately 3:20 p.m.

January 12, 2016

STOCKTON UNIVERSITY

BOARD OF TRUSTEES

RESOLUTION

AUTHORIZING THE UNDERTAKING OF VARIOUS CAPITAL PROJECTS; APPROVING AND AUTHORIZING A PROJECT CONSISTING OF THE REFUNDING OF CERTAIN OUTSTANDING BONDS ISSUED BY THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY ON BEHALF OF THE UNIVERSITY; APPROVING AND AUTHORIZING THE FINANCING OF THE AFOREMENTIONED PROJECTS THROUGH ISSUANCE BY THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY OF TAX-EXEMPT REVENUE BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AND AGREEMENT AND ALL OTHER NECESSARY DOCUMENTS RELATING TO SUCH TAX-EXEMPT REVENUE BONDS; AND AUTHORIZING OFFICERS OF THE UNIVERSITY TO TAKE ALL ACTIONS DEEMED NECESSARY OR DESIRABLE IN CONNECTION WITH THE ISSUANCE BY THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY OF SUCH TAX-EXEMPT BONDS AND THE LOAN OF THE PROCEEDS THEREOF TO THE UNIVERSITY

WHEREAS, The Board of Trustees (the “Board”) of Stockton University (the “University”) desires to approve, authorize and implement the construction of the New Unified Science Center, New Classroom Building and New Quadrangle Project, including the associated construction, backfill of vacated academic space and equipment on its campus in Galloway, New Jersey (the “New Money Project”), in an amount not to exceed \$26,000,000; and

WHEREAS, The Board wishes to approve and authorize a refunding project (the “Refunding Project”) consisting of the refinancing of all or a portion of the New Jersey Educational Facilities Authority Revenue Bonds, Series 2006 F (the “2006 F Bonds”) originally issued in the aggregate principal amount of \$50,365,000 and which are currently outstanding in the principal amount of \$43,710,000; all or a portion of the New Jersey Educational Facilities Authority Revenue Bonds, Series 2007 G (the “2007 G Bonds”) originally issued in the aggregate principal amount of \$40,250,000 and which are currently outstanding in the principal amount of \$34,695,000; and all or a portion of the New Jersey Educational Facilities Authority Revenue Bonds, Series 2008 A (the “2008 A Bonds” and, together with the 2006 F Bonds and the 2007 G Bonds, the “Prior Bonds”) originally issued in the aggregate principal amount of \$136,910,000 and which are currently outstanding in the principal amount of \$124,560,000, in order to achieve debt service savings; and

WHEREAS: The Board wishes to finance all or a portion of the costs of the New Money Project and the Refunding Project (collectively, the “Project”), the funding of capitalized interest, if any, a debt service reserve fund, if any, and the costs of financing through issuance by the New Jersey Educational Facilities Authority (the “Authority”) of its revenue bonds, in one or more series and bearing interest at such rates and maturing on such dates as determined by the Designated Officers, as defined herein (the “2016 Bonds”); and

WHEREAS: The 2016 Bonds will be secured by a Lease and Agreement (the “Agreement”) pursuant to which the University will be obligated, *inter alia*, to annual rent in an amount sufficient to satisfy the Authority’s debt service obligations with respect to the 2016 Bonds; and

WHEREAS: The Board desires to authorize certain officers of the Board and the University to approve the form of and execute and deliver the Agreement and to take any and all action necessary to implement the Project and the financing thereof and all costs related thereto through issuance of the 2016 Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF STOCKTON UNIVERSITY AS FOLLOWS:

SECTION 1. The Board hereby approves and authorizes the undertaking and implementation of the New Money Project in an amount not to exceed \$26,000,000; and

SECTION 2. The Board hereby approves and authorizes the undertaking, implementation and financing of the Refunding Project; and

SECTION 3. The Board hereby approves and authorizes the financing of all or a portion of the costs of the New Money Project, the Refunding Project, capitalized interest, if any, a debt service reserve fund, if any, and the costs of financing the project through issuance by the Authority of its 2016 Bonds in one or more series, maturing on such dates and bearing interest at such rates as determined by the President and Vice President for Administration & Finance (the "Designated Officers"). The Designated Officers are hereby authorized and directed, in consultation with the Authority, the financial advisor, underwriter, and bond counsel to determine the structure of the financing, including without limitation, whether (A) the 2016 Bonds are to be issued in one or more series, (B) all or part of the 2006 F Bonds, the 2007 G Bonds and the 2008 A Bonds to be refinanced (the "Bonds to be Refunded"), and (C) the method of sale that is most effective and advantageous to the University; provided that the aggregate principal amount of the 2016 Bonds allocable to the financing of the New Money Project (including costs of financing) shall not exceed \$26,000,000 and

SECTION 4. The Agreement in substantially the form previously entered into by the Authority and the University in connection with issuance of the Prior Bonds with such changes, omissions, insertions and revisions as shall be approved by the Authority and the Authorized Officers named herein is hereby approved. The Board Chair, the Board Vice Chair, the Board Secretary, the President, and the Vice President for Administration and Finance (the "Authorized Officers"), are each hereby authorized and directed to execute the Agreement in the name of and on behalf of the University in as many counterparts as may be necessary, and to affix or impress the official seal of the University thereon and to attest to the same, such execution and attestation to be conclusive evidence of the approval of the form and content of the Agreement; and

SECTION 5. Each of the Authorized Officers are hereby authorized and directed to execute, deliver and approve any and all such other agreements, documents, certificates, directions and notices and to do and perform such acts and to take such other actions as may be necessary or required or which the Authority may deem to be appropriate to undertake, implement and finance the New Money Project and the Refunding Project through the issuance of the 2016 Bonds including payment of the costs to fulfill the purposes of this Resolution and to effectuate the execution and delivery of the Agreement and any other documentation necessary to effectuate the undertaking, implementation and financing of the Project and the issuance of the 2016 Bonds. Any Authorized Officer is hereby authorized and directed, for and on behalf of and in the name of the University, to attest and deliver said documentation and to affix the seal of the University to said documentation as applicable; and

SECTION 6. The Board declares that the University intends to finance the New Money Project through issuance by the Authority of its 2016 Bonds in one or more series bearing interest at tax-exempt rates and that the University reasonably expects and intends to reimburse expenditures for costs of the New Money Project paid prior to issuance of the 2016 Bonds in accordance with Treasury Regulation Sections 1.141-49(c)(3)(v) and 1.150-2. The maximum aggregate principal amount of the 2016 Bonds (including financing costs) allocable to the New Money Project is not expected to exceed \$26,000,000; and

- SECTION 7.** The Board hereby approves the submission to the Legislature for approval of the New Money Project and the financing thereof pursuant to *N.J.S.A. 18A:72A-27.3* and authorizes the President or any other Authorized Officer to take all actions necessary to effect such submission.
- SECTION 8.** All resolutions, orders and other actions of the University in conflict with the provisions of this Resolution to the extent of such conflict are hereby superseded, repealed or revoked; and
- SECTION 9.** Any and all prior actions of the Board and any Designated Officer or Authorized Officer in furtherance of the New Money Project and/or the Refunding Project and the financing thereof through issuance by the Authority of the 2016 Bonds are hereby ratified and confirmed; and
- SECTION 10.** This Resolution shall take effect immediately.

January 12, 2016

STOCKTON UNIVERSITY

BOARD OF TRUSTEES

RESOLUTION

APPROVING AND AUTHORIZING THE UNDERTAKING AND IMPLEMENTATION OF CERTAIN PROJECTS AND AUTHORIZING THE FINANCING OF ALL OR PORTIONS OF THE PROJECTS THROUGH PROGRAMS MADE AVAILABLE BY THE STATE OF NEW JERSEY FOR NEW JERSEY INSTITUTIONS OF HIGHER EDUCATION AND OTHER AVAILABLE FUNDING SOURCES; APPROVING AND AUTHORIZING THE APPLICATION AND THE FORM OF THE APPLICATION TO THE SECRETARY OF HIGHER EDUCATION FOR PARTICIPATION IN SUCH PROGRAMS AS ARE APPLICABLE TO THE PROJECTS WITH SUCH CHANGES AS ARE APPROVED BY THE OFFICERS OF THE UNIVERSITY DESIGNATED HEREIN AND THE SUBMISSION OF THE APPLICATION TO THE SECRETARY OF HIGHER EDUCATION; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF ANY AND ALL AGREEMENTS IN CONNECTION WITH UNDERTAKING, IMPLEMENTING AND FINANCING THE PROJECTS IN THE FORMS APPROVED BY THE OFFICERS OF THE UNIVERSITY EXECUTING SUCH AGREEMENTS; AND DESIGNATING AND AUTHORIZING THE OFFICERS OF THE UNIVERSITY TO TAKE THE AFOREMENTIONED ACTIONS AND TO TAKE ANY AND ALL SUCH OTHER ACTIONS DEEMED NECESSARY OR DESIRABLE TO UNDERTAKE, IMPLEMENT AND FINANCE THE PROJECTS.

WHEREAS, the Board of Trustees (the "Board") of Stockton University (the "University") desires to approve the undertaking, implementation and financing of various projects ("Projects") as described in the following list, with costs as indicated;

<u>Project Title</u>	<u>Cost</u>
Renewal Renovation & Reconstruction of Existing Campus Wide Academic Facilities and Infrastructure (CIF)	\$39,122,481
Health Science Lab Addition to New Classroom Building (GO)	\$994,203
Stockton-Atlantic City Redevelopment Project (CIF)	<u>\$125,000,000</u>
TOTAL	<u>\$165,116,684</u>

and

WHEREAS, the Board desires to approve the aggregate costs of the Projects paid and or financed through all sources in an amount not to exceed \$165,116,684; and

WHEREAS, the Board desires to finance the Projects through grants from the State of New Jersey ("State") and the Casino Reinvestment Development Authority ("CRDA"), funds of the University and a public private partnership with AC DEVCO; and

WHEREAS, the Board further desires to finance all or a portion of the Projects through one or more of the hereinafter defined Programs made available by the State of New Jersey ("State") for certain projects of New Jersey institutions of higher education ("Programs"); and

WHEREAS, the Programs are the Building Our Future Bond Act, (P.L. 2012, c.41 ("GO Bond Act")); and the Higher Education Fund Capital Improvement Fund Act, N.J.S.A. 18A:72A-72 et seq. ("CIF"); and

WHEREAS, the Board has determined that the Projects will assist in serving the needs of its students and providing a benefit to the University; and

WHEREAS, the Board desires to approve financing of all or portions of the Projects through the GO Bond Act and/or CIF; and

- WHEREAS,** portions of the Projects may also be financed by bonds issued by the New Jersey Educational Facilities Authority which bear tax-exempt interest for federal income tax purposes (“Tax-Exempt Bonds”), commercial loans or funds otherwise available to the University; and
- WHEREAS,** in order to provide maximum flexibility and most efficient borrowing costs, the Board desires to authorize financing the Projects through the GO Bond Act and CIF (“Proposed Programs”), issuance of Tax-Exempt Bonds, commercial loans and funds otherwise available to the University or any combination thereof (the “Financing Structure”); and
- WHEREAS,** the Board wishes to approve the form of the Applications to be submitted to the Secretary of Higher Education (the “Secretary”) for the Proposed Programs for the Projects, and to designate and authorize officers of the University to take necessary and desirable actions to undertake, implement and submit to the Secretary the Applications for the Projects; and
- WHEREAS,** the Board desires to authorize certain officers of the University to determine the Financing Structure which is most economically advantageous to the University provided the Financing Structure includes utilization of the Proposed Programs, and to take all action necessary or beneficial to accomplish the financing of the Projects including the financing of capitalized interest, if any, and other costs of issuing any debt including Tax-Exempt Bonds or other financing (“Financing Costs”); and
- WHEREAS,** the Board reasonably expects to reimburse expenditures for costs of the Projects paid prior to issuance of Tax-Exempt Bonds or any debt bearing interest which is exempt from gross income for federal income tax purposes that will fund applicable Projects and/or Programs; now therefore be it
- RESOLVED,** that the Board approves the Projects and authorizes the undertaking, implementation and financing of the Projects in a maximum aggregate amount not to exceed \$165,116,684 (including Financing Costs); and be it further
- RESOLVED,** that the Board approves the financing of all or any portion of the Projects through the GO Bond Act and/or CIF and in addition approves the Applications for funding of the Projects through such Programs in the form submitted to the Board and authorizes and directs the herein defined Designated Officers to submit such Applications to the Secretary with such changes, modifications, additions and deletions as are approved by the Designated Officers and such changes, modifications, additions and deletions shall be conclusively evidenced by the submission of the Application to the Secretary; and be it further
- RESOLVED,** that the Board acknowledges and agrees that approval of the Applications and receipt of funds pursuant to the Programs will obligate the University to: (a) provide funds for the operation and maintenance of the Projects, (b) contribute to the cost of the Projects; (c) pay all or a portion of debt service on Tax-Exempt Bonds issued to fund the Proposed Programs as applicable; and (d) fulfill other conditions imposed under the Programs and hereby directs and authorizes the Designated Officers to certify such acknowledgement and agreement as part of the submitted Applications; and be it further
- RESOLVED,** that the Designated Officers are hereby authorized and directed to fulfill all conditions of the Proposed Programs including without limitation providing for the operation and maintenance of the Projects and using available funds of the University to pay for such operation and maintenance and to satisfy conditions of the Proposed Programs to contribute to the cost of Projects and/or debt service on Tax-Exempt Bonds issued to fund the Proposed Programs from available funds of the University; and be it further

- RESOLVED,** that the Board further approves the financing of all or any portion of the Projects with Tax-Exempt Bonds, commercial loans and other funds available to the University and through the Financing Structure determined to be most economically advantageous to the University by the President and the President's designees (the "Designated Officers"). The Designated Officers are expressly authorized and directed to determine such Financing Structure provided that the Financing Structure includes utilization of Programs which are approved by the Secretary for financing the Projects; and be it further
- RESOLVED,** that the Board Chair, the Board Secretary, the President and the Vice President for Administration and Finance (each an "Authorized Officer") are each hereby authorized and directed to approve, execute and deliver any and all agreements necessary to undertake, implement and finance the Projects and any and all other financing documents and instruments in the form approved by the Authorized Officers executing the same in the name of and on behalf of the University, in as many counterparts as may be necessary, and to affix or impress the official seal of the University thereon and to attest the same and such execution and attestation will be conclusive evidence of the approval of the form and content of such agreements and other documents and instruments necessary to undertake, implement and finance the Projects and to pay Financing Costs including through the financing thereof; and be it further
- RESOLVED,** that the Authorized Officers are further authorized and directed to do and perform such other acts and to take such other actions as may be necessary or required, or which may be deemed to be appropriate to implement the purposes of this Resolution to undertake, implement and finance the Projects and Financing Costs and the payment and/or repayment thereof; and be it further
- RESOLVED,** that this Resolution is a declaration of the official intent of the University that the University reasonably expects and intends to reimburse expenditures for costs of the Projects paid prior to issuance of Tax-Exempt Bonds or other tax-exempt debt issued to fund the Projects/Programs ("Applicable Tax-Exempt Debt") in accordance with Treasury Regulation Section 1.150-2 and that the maximum principal amount of the Applicable Tax-Exempt Debt expected to be issued to finance costs of the Projects including amounts to be used to reimburse expenditures for such costs paid prior to the issuance of the Tax-Exempt Debt is \$165,116,684 (including Financing Costs); and be it further
- RESOLVED,** that all resolutions, orders and other actions of the Board of Trustees of the University in conflict with the provisions of this Resolution to the extent of such conflict are hereby superseded, repealed or revoked; and be it further
- RESOLVED,** that this Resolution shall take effect immediately; and be it further
- RESOLVED,** that no further approvals by the Board of Trustees are necessary to implement this Resolution.

STOCKTON UNIVERSITY

BOARD OF TRUSTEES

RESOLUTION

**APPROVING AMENDMENT TO AGREEMENT OF SALE OF THE SHOWBOAT PROPERTY
801 etc. BOARDWALK, ATLANTIC CITY, NJ**

WHEREAS, Stockton University entered into an Amended and Restated Agreement of Sale (the “Agreement”) dated as of November 6, 2015, pursuant to a Resolution adopted by the Board of Trustees on November 9, 2015, authorizing, approving and ratifying the Agreement; and

WHEREAS, the Amended and Restated Agreement of Sale provides for the sale by Stockton University of certain real and tangible personal property owned by it, commonly known as The Showboat Hotel and Casino, and as more particularly described in the Agreement, to Tower Investments, Inc. (the “Buyer”); and

WHEREAS, closing under the Agreement is presently anticipated to occur on January 15, 2016; and

WHEREAS, the Buyer has requested Stockton University to execute an amendment to the Agreement (the “Amendment”) to permit the Buyer to assign its rights under the Agreement to Showboat Renaissance, LLC (the “LLC”), a wholly-owned subsidiary of a qualified exchange accommodation titleholder that has agreed to serve as a qualified exchange party for Buyer in connection with a like-kind exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Buyer has agreed in connection with such proposed Amendment and assignment that both the Buyer and the LLC would remain liable and legally responsible for the performance of all Buyer’s post-closing obligations under the Agreement; now, therefore, be it

RESOLVED, that the Board of Trustees of Stockton University hereby approves the proposed Amendment to the Agreement to permit the assignment of Agreement to the LLC on the terms and conditions described above and such further terms and conditions as shall be approved by the President, or in his absence, the Vice President of Administration and Finance, such approval to be conclusively evidenced by such officer’s execution of the Amendment on behalf of Stockton University; and it is further

RESOLVED, that the President, or in his absence, the Vice President of Administration and Finance, be and is hereby authorized to execute the Amendment and to take all necessary action to complete the sale and to execute all documents in connection therewith, including but not limited to the Amendment, the deed, the bill of sale, and an affidavit of title, and all acts heretofore taken in furtherance of the foregoing by the President and other officers of the university be and are hereby ratified and confirmed.

January 12, 2016