

STATE BUILDING AUTHORITY

A meeting of the State Building Authority (SBA) Board of Trustees was held at Wayne State University, in the Integrative Biosciences (IBio) Center, located at 6135 Woodward Avenue, Detroit, Michigan, at 2:00 p.m., Wednesday, May 25, 2016.

Board Members Present:

Patrick Devlin
Stephen D'Arcy
Linda Orlans
Carol Walters

Board Members Absent:

Kenneth Lingenfelter

Authority Staff:

Debbie Roberts, Executive Director
Carol Schulz, Financial Specialist
TeAnn Smith, Financial Analyst

Others Present:

Alan Lambert (Attorney General's Office)
Ann Fillingham (Dykema Gossett PLLC)
James Kiefer (Dykema Gossett PLLC)
Ian Koffler (Miller Canfield)
Chris Dembowski (Miller Canfield)
Katrina Desmond (Miller Canfield)
Ron Liscombe (Miller Canfield)
Barb Bowman (Bodman)
Craig McKenna (Morgan Stanley)
Steve Fortino (Morgan Stanley)
Guy Logan (Citigroup)
Rob Mellinger (Citigroup)
Rachael Eubanks (R.W. Baird)
Alyson Schafer (R.W. Baird)
Kevin Bonds (Department of Treasury)
Lynette Witgen (Department of Treasury)

Chairperson Devlin called the meeting to order at 2:00 p.m. Mr. Devlin introduced himself and asked everyone in the room to introduce themselves. It was noted that a quorum was present.

Mr. Devlin asked if there were any comments from the public. There were none.

The minutes of the December 7, 2015, meeting were reviewed. Steve D'Arcy moved that the minutes be accepted as written. Carol Walters supported the motion, which passed unanimously.

Ms. Roberts reviewed the agenda, which included two resolutions to approve consent to easement agreements and two resolutions to approve matters for projects to be included in the upcoming bond deal. Thereafter a presentation will be given by the underwriters for the upcoming bond transaction. The final resolution was for approval of documents for the issuance of the upcoming bond deal.

Ms. Schulz reviewed the CP status report and noted that there are currently 14 projects in the CP Program. The total CP outstanding amount is \$123.6 million issued on May 19, 2016, at a rate of .47% with a maturity date of July 7, 2016.

The first resolution presented to the Board is for approval of consent to easement agreement at the Lansing Community College University Center. Ms. Roberts indicated the easement will not deter from the value of the property but will allow the Lansing Board of Water and Light to service equipment. Alan Lambert commented that the resolution was in order for the Board's consideration. It was moved by Carol Walters, supported by Linda Orlans, that the Board approve the Resolution of the State Building Authority Consenting to Easement Agreement Regarding the Lansing Community College University Center. A roll call vote was conducted with the following results:

- Mr. Devlin – Yes
- Mr. D'Arcy – Yes
- Ms. Orlans – Yes
- Ms. Walters – Yes

The second resolution presented to the Board is for approval of easement at the State's Record Center. Ms. Roberts indicated that the Lansing Board of Water and Light seeks an easement for a public water main and the easement will not deter from the value of the property. It was moved by Steve D'Arcy, supported by Carol Walters, that the Board approve the Resolution of the State Building Authority Approving Easement to Department of History, Arts and Libraries Warehouse Facilities Acquisition Lease Dated as of December 1, 2009. A roll call vote was conducted with the following results:

- Mr. Devlin – Yes
- Mr. D’Arcy – Yes
- Ms. Orlans – Yes
- Ms. Walters – Yes

The third resolution presented to the Board is to approve the rental, lease, and other matters for 12 projects currently in the Commercial Paper Program that the Authority would take title to in the upcoming bond deal. Mr. D’Arcy inquired as to the process of the establishment and control of the rental amounts. Ms. Roberts indicated that the rates are based on an independent appraised market rent value of the property based on statute and certified by the financial advisor at the time of bonding. It was moved by Ms. Walters, supported by Ms. Orlans, that the Board approve the Resolution of the State Building Authority Determining the Rental and Confirming Other Matters Regarding the Conveyances of Property and the Leases for Certain Facilities.

- Department of Technology, Management and Budget State Facility Preservation Projects-Phase IV Group T Department of Community Health Walter P. Reuther Psychiatric Hospital New Activity Building
- Michigan State Police State Emergency Operations Center
- Jackson College Bert Walker Hall Renovations
- Kalamazoo Valley Community College Healthy Living Campus

- Lake Superior State University School of Business Building
- Macomb Community College South Campus C-Building Renovation
- Michigan State University Bio-Engineering Facility
- Muskegon Community College Science Laboratory Center
- Saginaw Valley State University Wickes Hall Renovation
- Southwestern Michigan College Science and Allied Health Labs
- University of Michigan Flint Murchie Science Laboratory Building Renovations
- University of Michigan G.G. Brown Memorial Laboratories

A roll call vote was conducted with the following results:

- Mr. Devlin – Yes
- Mr. D’Arcy – Yes
- Ms. Orlans – Yes
- Ms. Walters – Yes

The fourth resolution presented to the Board is for approval of the rental amount and confirming other matters regarding a special maintenance project. Ms. Roberts indicated that the SBA will not be taking title to the building as it is a special maintenance project but will obtain a Bill of Sale. Ms. Roberts indicated the resolution is in the same form as presented to the Board in the past and approval of this resolution will allow the SBA to proceed with the upcoming bond issue. It was moved by Ms. Walters, supported by Ms. Orlans, that the Board approve the

Resolution of the State Building Authority Determining the Rental and Confirming Other Matters Regarding the Lease for the Department of Technology, Management and Budget State Facility Preservation Projects-Phase IV Group R Flint State Office Building Special Maintenance. A roll call vote was conducted with the following results:

- Mr. Devlin – Yes
- Mr. D'Arcy – Yes
- Ms. Orlans – Yes
- Ms. Walters – Yes

Ms. Roberts stated that a presentation was to be made to the Board by Craig McKenna and Steve Fortino, Morgan Stanley, and Guy Logan, Citigroup, on the upcoming bond deal. The presentation covered the transaction overview, the attractiveness of bonding and refunding due to low interest rates, structuring details, proposed new money and refunding results, and schedule of events.

The fifth resolution presented to the Board is for the authorization of issuance and sale of its 2016 Revenue and Refunding Bonds, Series I. Ms. Roberts stated that the resolution is seeking approval for the 2016 bond issue described in the presentation and if this resolution is not approved, the SBA cannot proceed with the bond issue and the opportunity to achieve savings through the refunding will be gone. Ann Fillingham presented the resolution authorizing a maximum amount of \$999 million and indicated it is in the form as used in the past. Alan Lambert

commented that the resolution was in order for the Board's consideration. It was moved by Ms. Orlans, supported by Ms. Walters, that the Board approve the Resolution of the State Building Authority Authorizing the Issuance and Sale of Its 2016 Revenue and Revenue Refunding Bonds, Series I (Facilities Program) (including supplemental trust indenture, purchase contract, preliminary official statement, escrow deposit agreement, tender agreement and continuing disclosure agreement). A roll call vote was conducted with the following results:

- Mr. Devlin – Yes
- Mr. D'Arcy – Yes
- Ms. Orlans – Yes
- Ms. Walters – Yes

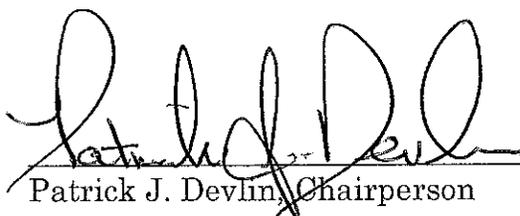
Ms. Roberts indicated that the next regular meeting scheduled for July 18, 2016, will be cancelled and it is anticipated that the next regular meeting will be held on October 17, 2016.

Carol Walters made a motion for adjournment supported by Linda Orlans.

Mr. Devlin adjourned the meeting at 2:40 p.m.

APPROVED AND ADOPTED:


Deborah M. Roberts, Executive Director


Patrick J. Devlin, Chairperson