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LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

TO: Dr. Monty Sullivan
President

THROUGH: Joseph F. Marin 
Chief Operations Officer

FROM: Anthony Brown
Director of Operations

SUBJECT: Refunding of Delta Campus Facilities Corporation Series 2008 Bonds

DATE: October 24, 2016

FOR BOARD ACTION

Recommendation: Staff recommends that the Board approve the form of and authorize the System President to execute agreements and associated documents, as listed below, between the LCTCS Board of Supervisors and the Delta Campus Facilities Corporation for Revenue Refunding Bonds Series 2016 for the Delta Campus Facilities Corporation project, which will refinance the remaining outstanding Series 2008 Bonds originally issued for the Louisiana Delta Community College. This action has been approved by the Delta Campus Facilities Corporation and was approved by the State Bond Commission on October 20, 2016.

Documents: Include, but are not limited to, a supplemental Ground Lease and a supplemental Agreement to Lease With Option To Purchase in connection with the lease of a portion of the Louisiana Delta Community College campus to Delta Campus Facilities Corporation, and the lease back to the Board of buildings constructed thereon with the proceeds of the prior bonds; authorizing the execution of any and all associated documents and certificates; and providing for other matters in connection therewith.

Background: The Delta Campus Facilities Corporation financed the construction of the Louisiana Delta Community College campus using the proceeds of \$42,470,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Delta Campus Facilities Corporation Project) Series 2008.

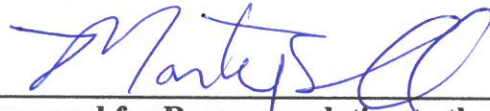
Due to lower interest rates and the approaching October 1, 2018 call date, we are now able to economically refund the remaining Series 2008 Bonds. This refunding of the remaining \$30.1 million of Series 2008 Bonds is expected to save a net of approximately \$3 million, with an anticipated savings of \$465,000 to \$635,000 in state appropriations for 11 years, beginning in fiscal year 2017.

Lease payments for the facilities are paid by the Board to the Corporation from a special annual appropriation from the state pursuant to a Cooperative Endeavor Agreement between the State, the Board and the Corporation. Because the bonds are payable from state appropriations, the savings from the refinancing will accrue to the state general fund. Draft documents, projected debt service schedules and cost of issuance are available for review in the office of the LCTCS Chief Operations Officer.

Fiscal Impact: A net savings to the state general fund of approximately \$465,000 to \$635,000 per year for 11 years, beginning in fiscal year 2017.

History of Prior Actions: On November 8, 2006, the Board approved the issue of the Series 2008 Bonds for the financing and construction of a campus for Louisiana Delta Community College.

Benefits to the System: The State of Louisiana will benefit from the savings in state general funds from refinancing of the Series 2008 Bonds.



Approved for Recommendation to the Board
Dr. Monty Sullivan, President

Date