

STAFF SUMMARY RECOMMENDATION

THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY

First Amendment to Resolution No. 273

April 25, 2013

PRIOR AMOUNT APPROVED:	\$918,315,000
NEW PROPOSED AMOUNT:	\$1,016,805,000
PRIOR APPROVAL DATE:	March 17, 2010
FINANCING TEAM:	Please see Attachment 2 to identify possible conflicts of interest
LOCATION:	Stanford, CA, Santa Clara County

PURPOSE OF AMENDMENT: The Board of Trustees of the Leland Stanford Junior University (“Stanford”) seeks Authority approval to supplement and amend Resolution No. 273 (the “Resolution”) as follows:

- increase the prior authorized amount of \$918,315,000 to \$1,016,805,000;
- amend the authorized project list to include the additional projects identified in Exhibit A (attached hereto as Attachment 1);
- extend the bond sale expiration date from March 17, 2015 to March 17, 2016;
- update the list of potential underwriters for the bonds; and
- add reference to “Resolution No. 2013-01.”

BACKGROUND: In March 2010, the Authority approved the Resolution for the benefit of Stanford, authorizing the issuance of one or more series of revenue bonds to finance and refinance authorized projects, as identified in Exhibit A of the Resolution, that included the acquisition, construction, expansion, rehabilitation, remodeling, renovation and equipping of certain educational facilities, in an amount not to exceed \$918,315,000, with a bond sale expiration of March 17, 2015.

The Authority issued Stanford’s Series U-1 bonds in the amount of \$215,375,000 in May 2010 and Stanford’s Series U-2 bonds in the amount of \$77,760,000 in April 2012.

At this time, Stanford requests the Authority’s approval to increase the authorized amount under the Resolution, amend the authorized projects list to include additional projects, extend the bond sale expiration date, and make certain other amendments as outlined in the First Amendment to Resolution No. 273.

Environmental Benefits: As part of Stanford’s Capital Plan, they adopted an “Energy and Climate Plan” that balances energy efficiency investment in new building construction and existing building retrofit. The comprehensive project, known as Stanford Energy System Innovations, is designed to provide the campus with a more efficient central energy plant that will include a heat recovery design, and once completed, will reduce greenhouse gas emissions by 50% and total campus water consumption use by 18%.

Stanford has provided documentation demonstrating that the projects comply with the California Environmental Quality Act - section 94212(b) of the Education Code.

RECOMMENDATION: Staff recommends that the Authority approve the First Amendment to Resolution No. 273, subject to all prior provisions and conditions remaining unchanged and in full effect.

ATTACHMENT 1

Additional Projects

- 1651 Page Mill Road Renovations
- 3155 and 3165 Porter Drive Lab Renovations
- 3172 Porter Drive Office Modifications
- Anderson Collection at Stanford University
- Biomedical Innovation Building 1 (“BMI” formerly Foundations in Medicine “FIM1”)/Utility
- Bonair and Credit Union Distribution
- C.J. Huang Building (formerly 780 Welch Road or Asian Liver Center)
- Comparative Medicine Pavilion (“CMP”) (formerly known as Satellite Research Animal Facility/SRAF)
- Conduit-Welch Road Reinforcement
- Copper-Welch Road Reinforcement
- Crown Quadrangle Renovation
- CUP – Hot Water
- Distribution Upgrade – Oil Fuse Cutouts (“OFC”) Replacement
- Domestic Water Inter-Tie Upgrade
- Expansions
- Fairchild Renovations
- Fiber-LPCH Bohannon/Middlefield
- Forsythe Uninterruptable Power Supply (“UPS”) Replacement
- Freidenrich Center for Translational Research
- Helium Recovery and Liquefaction System
- ITS Conduit to SRCF
- Lighting and Boilers
- Main Control Center -2 (“MCC-2”) Replace/Boiler Re-Wiring
- Mayfield California Avenue, Faculty Staff Housing
- McFarland House 501 Conversion
- McMurtry Building
- Medical School Infrastructure
- Networking Load Balancer (ITS)
- New Biology Research Building (including connective elements and demolition)
- New Graduate Housing at Comstock
- Next Generation Firewall Infrastructure
- Packard Electrical Engineering Distributed Digital Control (“DDC”) System
- Pasteur Drive 8” Hot Water
- Paul Allen Building DDC Upgrade
- Paul Allen Building Annex DDC
- Photovoltaics
- Porter Drive Connective Elements
- R & DE Deferred Maintenance Backlog Projects
- Roble Gym Renovation
- Replacement Air Handlers 401 Quarry Road

- San Juan Reservoir Rehabilitation
- SESI Electrical Substation
- SESI piping and building conversions
- SESI High Voltage Intertie
- Solar Photovoltaic Modules
- Stanford Energy System Innovation (“SESI”) – Stanford Energy Center
- Stern Renovation for Integrated Learning Environment (“ILE”)
- Teaching Labs and Learning Center
- Tunnel Infrastructure – BMI 1 (formerly FIM 1)
- Wireless Infrastructure (ITS-AS)

ATTACHMENT 2

Financing Team

The Board of Trustees of the Leland Stanford Junior University

Borrower:	The Board of Trustees of the Leland Stanford Junior University
Agent for Sale:	California State Treasurer
Issuer's Counsel:	Attorney General's Office
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Issuer's Financial Advisor	Public Financial Management, Inc.
Underwriters:	Goldman, Sachs & Co. Barclays Capital Inc. Citigroup Global Markets Inc. J.P. Morgan Securities LLC Prager & Co., LLC Wells Fargo Bank, National Association
Underwriters' Counsel:	Hawkins, Delafield & Wood LLP
Borrower's Counsel:	Ropes and Gray LLP
Auditor to the Borrower:	PricewaterhouseCoopers LLP
Trustee/Escrow Bank:	The Bank of New York Mellon Trust Company
Trustee Counsel:	Law Offices of Samuel D. Waldman
Rating Agencies:	Moody's Investors Service Standard & Poor's Fitch Ratings

FIRST AMENDMENT TO RESOLUTION NO. 273

**RESOLUTION OF THE CALIFORNIA EDUCATIONAL FACILITIES
AUTHORITY AMENDING RESOLUTION NO. 273 AUTHORIZING THE
ISSUANCE OF REVENUE BONDS TO FINANCE AND/OR TO
REFINANCE EDUCATIONAL FACILITIES FOR THE BOARD OF
TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY**

April 25, 2013

WHEREAS, the California Educational Facilities Authority (the “Authority”), a public instrumentality of the State of California, is authorized and empowered by the provisions of the California Educational Facilities Authority Act (the “Act”) to issue bonds, notes, debentures, commercial paper notes, or other securities to finance and refinance the acquisition, construction, expansion, rehabilitation, remodeling, renovation and equipping of educational facilities by participating private colleges (as defined in the Act) situated within the State of California;

WHEREAS, The Board of Trustees of the Leland Stanford Junior University (the “Borrower”) applied to the Authority for the issuance of its bonds in the aggregate principal amount not to exceed \$918,315,000 (the “Bonds”), to be issued from time to time on behalf of the Borrower to provide financial assistance to the Borrower to finance and refinance the acquisition, construction, expansion, rehabilitation, remodeling, renovation and equipping of certain of the Borrower’s educational facilities, as more fully described in Exhibit A attached to and incorporated in the Bond Resolution (as defined below) (the “Prior Projects”);

WHEREAS, the Authority authorized the Bonds with the adoption of Resolution No. 273 on March 17, 2010 for the Prior Projects (the “Bond Resolution”);

WHEREAS, the Authority has issued such Bonds, designated as its California Educational Facilities Authority Revenue Bonds (Stanford University) Series U-1 in the aggregate principal amount of \$215,375,000 and its California Educational Facilities Authority Revenue Bonds (Stanford University) Series U-2 in the aggregate principal amount of \$77,760,000 and expects to issue additional Bonds pursuant to the Bond Resolution;

WHEREAS, the Borrower subsequently applied to the Authority for the issuance of additional Bonds from time to time on behalf of the Borrower to provide financial assistance to the Borrower to finance and refinance the acquisition, construction, expansion, rehabilitation, remodeling, renovation and equipping of certain additional educational facilities of the Borrower, such additional facilities being more fully described in Exhibit A attached hereto and incorporated herein (the “Projects”);

WHEREAS, the Borrower has provided documentation to the Authority demonstrating that all parts of the Projects have complied with Division 13 (commencing with Section 21000) of the Public Resources Code, or are not projects under that division; and

WHEREAS, the Borrower has requested that the Authority increase the authorized amount under the Bond Resolution, extend the sale date of the Bonds and make certain other amendments to the Bond Resolution;

NOW, THEREFORE, BE IT RESOLVED by the California Educational Facilities Authority as follows:

Section 1 The Bond Resolution is hereby supplemented and amended as follows:

(a) Exhibit A, which describes the Prior Projects, as attached to the Bond Resolution and referred to in the third WHEREAS clause of the Bond Resolution shall be amended by Exhibit A, which describes the Projects, attached hereto and incorporated herein.

(b) The amount of \$918,315,000 appearing in Sections 2 and 3 and Exhibit B of the Bond Resolution shall be replaced in its entirety with the amount of \$1,016,805,000.

(c) The date of March 17, 2015 appearing in Section 3 of the Bond Resolution shall be replaced in its entirety with the date of March 17, 2016.

(d) The reference to “Morgan Stanley & Co. Incorporated” appearing in Exhibit B of the Bond Resolution shall be replaced in its entirety with “(1) With respect to the Series U-1 Bonds, Morgan Stanley & Co. Incorporated, Goldman Sachs & Co., J.P. Morgan Securities, and Prager, Sealy & Co., LLC; (2) With respect to the Series U-2 Bonds, Morgan Stanley & Co. LLC, Goldman Sachs & Co., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, and Prager & Co., LLC; and (3) With respect to additional Series of Bonds issued pursuant to this Resolution and the Indenture, Goldman Sachs & Co., Barclays Capital Inc., Citigroup Global Markets Inc., J.P. Morgan Securities, LLC, Prager & Co., LLC, and Wells Fargo Bank, National Association, or such other underwriters as shall be determined by the Borrower and approved by the Authority.”

(e) The reference to “Resolution No. 2009-05” appearing in Section 9 of the Bond Resolution shall be replaced in its entirety with “Resolution No. 2013-01.”

Section 2 Except as herein amended and supplemented, all of the findings, terms and provisions of the Bond Resolution are hereby ratified, confirmed and approved.

Section 3 This amendment shall take effect from and after the date of adoption.

Date of Adoption: _____

EXHIBIT A

PROJECTS DESCRIPTION

“*Projects*” means, collectively, all of the projects listed in Exhibit A to the original Bond Resolution, as amended, which are incorporated herein by reference, plus the following additional educational facilities of the Borrower, but only to the extent that the cost thereof has been financed or refinanced from proceeds of the Bonds:

- 1651 Page Mill Road Renovations
- 3155 and 3165 Porter Drive Lab Renovations
- 3172 Porter Drive Office Modifications
- Anderson Collection at Stanford University
- Biomedical Innovation Building 1 (“BMI” formerly Foundations in Medicine “FIM1”)/Utility
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- Conduit-Welch Road Reinforcement
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- Crown Quadrangle Renovation
- CUP – Hot Water
- Distribution Upgrade – Oil Fuse Cutouts (“OFC”) Replacement
- Domestic Water Inter-Tie Upgrade
- Expansions
- Fairchild Renovations
- Fiber-LPCH Bohannon/Middlefield
- Forsythe Uninterruptable Power Supply (“UPS”) Replacement
- Freidenrich Center for Translational Research
- Helium Recovery and Liquefaction System
- ITS Conduit to SRCF
- Lighting and Boilers
- Main Control Center -2 (“MCC-2”) Replace/Boiler Re-Wiring
- Mayfield California Avenue, Faculty Staff Housing
- McFarland House 501 Conversion
- McMurtry Building
- Medical School Infrastructure
- Networking Load Balancer (ITS)
- New Biology Research Building (including connective elements and demolition)
- New Graduate Housing at Comstock
- Next Generation Firewall Infrastructure
- Packard Electrical Engineering Distributed Digital Control (“DDC”) System
- Pasteur Drive 8" Hot Water
- Paul Allen Building DDC Upgrade

- Paul Allen Building Annex DDC
- Photovoltaics
- Porter Drive Connective Elements
- R & DE Deferred Maintenance Backlog Projects
- Roble Gym Renovation
- Replacement Air Handlers 401 Quarry Road
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- SESI Electrical Substation
- SESI piping and building conversions
- SESI High Voltage Intertie
- Solar Photovoltaic Modules
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- Wireless Infrastructure (ITS-AS)