

## STAFF SUMMARY RECOMMENDATION

### THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY

Second Amendment to Resolution No. 273

April 24, 2014

PRIOR AMOUNT APPROVED: \$1,016,805,000  
NEW PROPOSED AMOUNT: \$1,093,805,000  
PRIOR APPROVAL DATES: March 17, 2010, as amended on April 25, 2013  
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 of a Second Amendment to Resolution No. 273 (the “Resolution”) as follows:

- increase the prior authorized amount \$77,000,000, from \$1,016,805,000 to \$1,093,805,000;
- amend the authorized project list to include the additional projects identified in Exhibit A (attached hereto as Attachment 1); and
- authorize a private placement structure.

**BACKGROUND:** In March 2010, the Authority approved the Resolution and amended it in April 2013 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 \$1,016,805,000, with an expiration date of March 17, 2016.

The Authority issued Stanford’s Series U-1 bonds in the amount of \$215,375,000 in May 2010, Series U-2 bonds in the amount of \$77,760,000 in April 2012, and Series U-3 bonds and Series U-4 bonds in the amount of \$261,410,000 and \$39,215,000, respectively, in May 2013. Stanford anticipates issuing Series U-5 bonds and Series U-6 bonds in May 2014 to finance the construction of new facilities and the improvement of existing facilities, and to pay the principal of taxable commercial paper used to refund Stanford’s Series T-4 bonds. Part of the financing may include a private placement transaction.

At this time, Stanford requests the Authority’s approval to increase the authorized amount under the Resolution, amend the authorized project list to include additional projects, and approve a private placement structure, as outlined in the Second 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 Second Amendment to Resolution No. 273, subject to all prior provisions and conditions remaining unchanged and in full effect.

## ATTACHMENT 1

### Projects

100 Gigabyte Connectivity to Corporation for Education Network Initiatives in California (CENIC)  
1450 Page Mill Road Redevelopment  
408 Panama Building  
Alumni Center Distributed Digital Control Upgrade  
Anne T. and Robert M. Bass Biology Research Building (formerly New Biology Research Building)  
Barnes Living/Learning and Security Upgrades  
Building Energy Retrofit Program  
Building Expansions  
California Avenue Faculty Homes (formerly Mayfield California Ave. Faculty Staff Housing)  
Campus Drive 24 inch Chilled Water - Roth/Quarry  
CJ Huang Tenant Improvement Build-out  
Clark Center Whole Building Energy Retrofit Program  
Computing Facility at SLAC (formerly Stanford Research Computing Facility at SLAC)  
Copper Cable  
Dolores Knob, Tube & Misc Scope and Design  
Domestic Water Facilities  
Domestic Water Supervisory Control and Data Acquisition  
Domestic Water Transmission  
Durand Knob, Tube & Misc Scope and Design  
Electrical Upgrade Backlog Scope & Design  
Electronic Communications Hub (ECH)/Enterprise Data Center Cable & Conduit  
Environmental Health and Safety Facility Expansion  
Escondido Village Hulme Midrise Renovation  
Escondido Village Slab Heat Renovation  
Fremont Road Longitudinal Welded Pipe Upgrade  
French Knob, Tube & Misc Scope and Design  
Garbage Disposal Code Upgrades and Grease Containment  
Governor's Corner Renovation  
Stanford Graduate School of Business Graduate Residences (formerly Graduate School of Business Housing Expansion)  
Grant Seismic Retrofit  
Grove Life Safety and Code Compliance and Miscellaneous Upgrades  
High Voltage Infrastructure Upgrade  
High Voltage Replacements  
High Voltage Supervisory Control and Data Acquisition (SCADA) Upgrades  
Hot Water to Panama Office Building Mechanical Engineering  
Information Technology System (ITS) Conduit: Anderson Art Building  
Information Technology System (ITS) Conduit-Raimundo to Porter  
Information Technology System (ITS) Copper: Welch Road Reinf-Ph 2  
Information Technology System (ITS) Fiber to Scientific Research Computing Facility @ SLAC

Information Technology System (ITS) Fiber:Press Electronic Communication Hub to Porter  
Information Technology System (ITS) Improvements  
Infrastructure Improvements  
Infrastructure Upgrade  
Integrated Cancer Center (ICC)  
Kairos Knob, Tube & Misc Scope and Design  
Keck and Lokey Process Steam  
Knob, Tube & Misc Scope and Design Projects  
Lagunita Bathrooms Upgrade  
Lagunita Court Addition  
Lake Water Supervisory Control and Data Acquisition  
Lane B Domestic Water Pipe Replacement  
Lasuen Knob & Tube & Misc. Upgrades Scope and Design  
Life Safety and Code Compliance - Fire Sprinkler  
Life Safety and Code Compliance and Miscellaneous Upgrades  
Life Safety and Code Compliance Backlog  
Life Safety and Code Compliance Fire Alarms  
Living/Learning Upgrades  
Lomita Dr Domestic Water Main  
Manzanita, Graduate School of Business Housing, Schwab Hot Water  
Mars Knob, Tube & Misc. Scope and Design  
Midrise Sprinkler/Roof  
Miranda Avenue Domestic Water System Reconfiguration  
Mitchell Earth Sciences Whole Building Energy Retrofit Program  
Muwekma Life Safety and Code Compliance and Miscellaneous Upgrades  
Network Refresh at Aux Data Center in Livemore  
Network Taps  
New Buildings  
New Manzanita Undergraduate Dormitory  
New Science Quad - Regional Dock  
Northwest Data Center and Communications Hub Fiber Cable  
Phi Psi Knob, Tube & Misc Scope and Design  
Photovoltaics Power Generation  
Plug-in Vehicle Infrastructure  
Process Steam Submetering  
Rains Houses  
Recycled Water System  
Refrigerant Leak Alarm System  
Renovations and Seismic Projects  
Residential & Dining Enterprise (R&DE) Major Renovation Plan Projects Program (formally Capital  
Project Program (CPP) and Capital Improvement Program (CIP))  
Roth Knob, Tube & Misc. Scope and Design  
Row Kitchen Renovations  
San Juan Hill Drainage Improvements

Sanitary Sewer Rehabilitation  
Sewer and Domestic Water Line Replacement  
Sigma Nu Knob, Tube & Misc. Scope and Design  
Slavianski Dom Life Safety and Code Compliance and Miscellaneous Upgrade  
Stanford in Redwood City  
Stern Larkin Resident Fellow Apartment Expansion/Reconfiguration/Renovation  
Stone Complex (GALE) Seismic Bracing Projects  
The James and Anna Marie Spilker Building for Engineering and Applied Sciences (formerly known as  
Spilker Engineering and Applied Sciences Building)  
Uninterruptable Power Supply (UPS)  
Utility Metering, Billing, Reporting and Sustainability Systems Integration  
West Campus Detention Facilities  
Wilbur Renovation  
Wireless Infrastructure Upgrade

## ATTACHMENT 2

### Financing Team

The Board of Trustees of the Leland Stanford Junior University  
Revenue Bonds

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
Underwriters' Counsel:	Hawkins, Delafield & Wood LLP
Borrower's Counsel:	Ropes and Gray, LLP
Auditor to the Borrower:	PricewaterhouseCoopers LLP
Trustee:	The Bank of New York Mellon Trust Company
Trustee's Counsel:	Law Offices of Samuel D. Waldman
Rating Agencies:	Moody's Investors Service Standard & Poor's Fitch Ratings
Potential Private Placement Agent Or Underwriter:	Wells Fargo Bank, N.A.
Potential Private Placement Purchaser:	Wells Fargo Bank, N.A.
Potential Direct Bank Co-Counsel:	Chapman and Cutler LLP

**SECOND AMENDMENT TO RESOLUTION NO. 273**

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

April 24, 2014

**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 \$1,016,805,000 (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**, pursuant to Resolution No. 273 adopted on March 17, 2010, as amended by First Amendment to Resolution No. 273 adopted on April 25, 2013 (as amended, the “Bond Resolution”), the Authority authorized the issuance of the Bonds for the Prior Projects;

**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, its California Educational Facilities Authority Revenue Bonds (Stanford University) Series U-2 in the aggregate principal amount of \$77,760,000, its California Educational Facilities Authority Revenue Bonds (Stanford University) Series U-3 in the aggregate principal amount of \$261,410,000, and its California Educational Facilities Authority Revenue Bonds (Stanford University) Series U-4 in the aggregate principal amount of \$39,215,000 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**, some of the additional Bonds may be sold in a private placement pursuant to a bond purchase agreement (the “Private Placement Bond Purchase Contract”);

**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 and approve the form of Private Placement Bond Purchase Agreement;

**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 \$1,016,805,000 appearing in Sections 2 and 3 and Exhibit B of the Bond Resolution shall be replaced in its entirety with the amount of \$1,093,805,000.

(c) Section 7 of the Bond Resolution is hereby amended in its entirety to read as follows:

**Section 7.** The Bonds of each series, when so executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate each series of Bonds by executing the Trustee’s certificate of authentication and registration appearing thereon and to deliver each series of Bonds, when duly executed and authenticated, to or upon the direction of the Underwriters or Purchasers, as applicable, in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Such instructions shall provide for the delivery of each series of Bonds to or upon the direction of the Underwriters or Purchasers, as applicable, in accordance with the applicable Bond Purchase Contract or Private Placement Bond Purchase Contract upon payment of the purchase price thereof.”

(d) Section 8 of the Bond Resolution is hereby amended by adding “, any Private Placement Bond Purchase Contract” after the words “any Bond Purchase Contract.”

(e) The reference to “Resolution No. 2013-01” appearing in Section 9 of the Bond Resolution shall be replaced in its entirety with “Resolution No. 2013-01, as amended by Amendment to Resolution No. 2013-01.”

(f) A new Section 11 is hereby added to the Bond Resolution as follows:

**Section 11.** The proposed form Bond Purchase Contract, including the appendices thereto, relating to the sale of Bonds that are privately placed (the “Private Placement Bond Purchase Contract”), among the Authority, the Treasurer, the Borrower, and one or more purchasers (the “Purchasers”) are hereby approved in substantially the form on file with the Authority prior to this meeting, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect the form of credit or liquidity enhancement for any series of Bonds) as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof.”

**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:

- 100 Gigabyte Connectivity to Corporation for Education Network Initiatives in California (CENIC)
- 1450 Page Mill Road Redevelopment
- 408 Panama Building
- Alumni Center Distributed Digital Control Upgrade
- Anne T. and Robert M. Bass Biology Research Building (formerly New Biology Research Building)
- Barnes Living/Learning and Security Upgrades
- Building Energy Retrofit Program
- Building Expansions
- California Avenue Faculty Homes (formerly Mayfield California Ave. Faculty Staff Housing)
- Campus Drive 24 inch Chilled Water - Roth/Quarry
- CJ Huang Tenant Improvement Build-out
- Clark Center Whole Building Energy Retrofit Program
- Computing Facility at SLAC (formerly Stanford Research Computing Facility at SLAC)
- Copper Cable
- Dolores Knob, Tube & Misc Scope and Design
- Domestic Water Facilities
- Domestic Water Supervisory Control and Data Acquisition
- Domestic Water Transmission
- Durand Knob, Tube & Misc Scope and Design
- Electrical Upgrade Backlog Scope & Design
- Electronic Communications Hub (ECH)/Enterprise Data Center Cable & Conduit
- Environmental Health and Safety Facility Expansion
- Escondido Village Hulme Midrise Renovation
- Escondido Village Slab Heat Renovation
- Fremont Road Longitudinal Welded Pipe Upgrade
- French Knob, Tube & Misc Scope and Design
- Garbage Disposal Code Upgrades and Grease Containment
- Governor's Corner Renovation
- Stanford Graduate School of Business Graduate Residences (formerly Graduate School of Business Housing Expansion)
- Grant Seismic Retrofit
- Grove Life Safety and Code Compliance and Miscellaneous Upgrades

- High Voltage Infrastructure Upgrade
- High Voltage Replacements
- High Voltage Supervisory Control and Data Acquisition (SCADA) Upgrades
- Hot Water to Panama Office Building Mechanical Engineering
- Information Technology System (ITS) Conduit: Anderson Art Building
- Information Technology System (ITS) Conduit-Raimundo to Porter
- Information Technology System (ITS) Copper: Welch Road Reinf-Ph 2
- Information Technology System (ITS) Fiber to Scientific Research Computing Facility @ SLAC
- Information Technology System (ITS) Fiber: Press Electronic Communication Hub to Porter
- Information Technology System (ITS) Improvements
- Infrastructure Improvements
- Infrastructure Upgrade
- Integrated Cancer Center (ICC)
- Kairos Knob, Tube & Misc Scope and Design
- Keck and Lokey Process Steam
- Knob, Tube & Misc Scope and Design Projects
- Lagunita Bathrooms Upgrade
- Lagunita Court Addition
- Lake Water Supervisory Control and Data Acquisition
- Lane B Domestic Water Pipe Replacement
- Lasuen Knob & Tube & Misc. Upgrades Scope and Design
- Life Safety and Code Compliance - Fire Sprinkler
- Life Safety and Code Compliance and Miscellaneous Upgrades
- Life Safety and Code Compliance Backlog
- Life Safety and Code Compliance Fire Alarms
- Living/Learning Upgrades
- Lomita Dr Domestic Water Main
- Manzanita, Graduate School of Business Housing, Schwab Hot Water
- Mars Knob, Tube & Misc. Scope and Design
- Midrise Sprinkler/Roof
- Miranda Avenue Domestic Water System Reconfiguration
- Mitchell Earth Sciences Whole Building Energy Retrofit Program
- Muwekma Life Safety and Code Compliance and Miscellaneous Upgrades
- Network Refresh at Aux Data Center in Livemore
- Network Taps
- New Buildings
- New Manzanita Undergraduate Dormitory
- New Science Quad - Regional Dock
- Northwest Data Center and Communications Hub Fiber Cable
- Phi Psi Knob, Tube & Misc Scope and Design
- Photovoltaics Power Generation
- Plug-in Vehicle Infrastructure

- Process Steam Submetering
- Rains Houses
- Recycled Water System
- Refrigerant Leak Alarm System
- Renovations and Seismic Projects
- Residential & Dining Enterprise (R&DE) Major Renovation Plan Projects Program (formally Capital Project Program (CPP) and Capital Improvement Program (CIP))
- Roth Knob, Tube & Misc. Scope and Design
- Row Kitchen Renovations
- San Juan Hill Drainage Improvements
- Sanitary Sewer Rehabilitation
- Sewer and Domestic Water Line Replacement
- Sigma Nu Knob, Tube & Misc. Scope and Design
- Slavianski Dom Life Safety and Code Compliance and Miscellaneous Upgrade
- Stanford in Redwood City
- Stern Larkin Resident Fellow Apartment Expansion/Reconfiguration/Renovation
- Stone Complex (GALE) Seismic Bracing Projects
- The James and Anna Marie Spilker Building for Engineering and Applied Sciences (formerly known as Spilker Engineering and Applied Sciences Building)
- Uninterruptable Power Supply (UPS)
- Utility Metering, Billing, Reporting and Sustainability Systems Integration
- West Campus Detention Facilities
- Wilbur Renovation
- Wireless Infrastructure Upgrade