

OHIO HIGHER EDUCATIONAL FACILITY COMMISSION

MINUTES OF THE MEETING OF THE COMMISSION

November 16, 2005

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, November 16, 2005, at 11:00 a.m. at the offices of the Ohio Board of Regents, 36th Floor, State Office Building, 30 East Broad Street, Columbus, Ohio, written notice of which had been given to all members of the Commission.

The following members attended: Thomas Needles, Chairman; Richard Petrick, Vice Chairman; Kenneth Kutina, Deputy Secretary; Wanda Carter, Ronald E. Cosey, Henry Kasson and Tahlman Krumm. John Wells, Secretary, was absent. Also present were representatives of the institutions making presentations to the Commission and Francis Barry Keefe of Squire, Sanders & Dempsey L.L.P., Bond Counsel to the Commission.

The meeting was called to order by the Chairman. Upon call of the roll, Dr. Kutina declared that a quorum was present. He also stated that the notice of this meeting had been given to all media, organizations or other persons who requested that information in accordance, and in full compliance, with Section 121.22 of the Revised Code.

The Chairman noted that the minutes of the Commission meeting of October 19, 2005, were sent to each member and are included in the meeting books for each member. Upon review, the Commission approved the minutes of that meeting as submitted.

THE COLLEGE OF WOOSTER

Jackie Middleton, Director of Administrative Services for the College, stated that the College's Board of Trustees passed a resolution approving the project to be financed at its October Board meeting. There is no change in the project from that approved by the Commission at its September meeting. In response to a question from Dr. Kutina, Ms. Middleton explained that the portion of the project concerning the upgrading of the College's power plant would be funded with \$2.8 million (rather than \$4 million) from bond proceeds. The rest of the funding will come from operating funds. Responding to a question from Dr. Krumm, Ms. Middleton noted that the streetscape portion of the project is progressing and that emergency vehicles will have access through the reconfigured street.

At the request of the Chairman, Mr. Keefe explained that the resolution to be considered authorizes the bond issue and approves the bond documents, which have been prepared and presented to the Commission.

Dr. Krumm moved and Mr. Kasson seconded the motion that Resolution No. 2005-16 be adopted.

There being no further discussion, the Chairman called for the roll and, pursuant to the roll call, the following votes were cast:

Aye: Carter, Cosey, Kasson, Krumm, Kutina, Needles, Petrick

Nay: None

The Chairman declared the motion passed and Resolution No. 2005-16 adopted.

Resolution No. 2005-16 is as follows:

OBERLIN COLLEGE

Ron Watts, Vice President for Finance, stated that bond rating services had visited the campus, Standard and Poor's confirmed, its rating of the College as "AA," and Moodys Investor Service was expected to give its rating within several weeks. In connection with the student housing portion of the project, Mr. Watts indicated that the College is reviewing the plans for the second phase of the student housing project – whether to use the renovated space for upper level students or as swing space in connection with the renovation of older housing units.

Mr. Keefe explained that the bonds would be issued in two series. The portion of the project that refunds prior Commission Bonds (approximately \$44 million to \$50 million) would be issued in December. The bonds to fund the new projects (approximately \$25 million) will be issued in January. The bond documents have been prepared and presented to the Commission. The resolution authorizes the issuance of the bonds and approves those documents.

Mr. Petrick moved and Mrs. Carter seconded the motion that Resolution No. 2005-17 be adopted.

There being no further discussion, the Chairman called for the roll and, pursuant to the roll call, the following votes were cast:

Aye: Carter, Cosey, Kasson, Krumm, Kutina, Needles, Petrick

Nay: None

The Chairman declared the motion passed and Resolution No. 2005-17 adopted.

Resolution No. 2005-17 is as follows:

ANTIOCH UNIVERSITY

At the invitation of the Chairman, Dr. Barbara Danley, the President of McGregor division of the University (known as "Antioch University McGregor"), discussed the University and the proposed project. The University started as Antioch College in Yellow Springs, Ohio in 1852. The College expanded significantly in the 1970's to approximately 38 locations. Since then it has consolidated to its original campus and four other sites: two in California, one in Seattle and one in New Hampshire. These other sites are adult and graduate education facilities. McGregor is located in Yellow Springs. Its students are primarily adult learners (average age of 39 years) in degree completion programs and graduate programs. Many come from school districts around the state and employers in the region such as NCR and Lexus/Nexus. McGregor offers master degrees in business and education. There is also a special graduate program in community college management. The University has determined that this program requires its own space. The project will provide that needed facility. The new building will be located in a new development area adjacent to highways on the west side of the Village. This development will serve as a gateway to the Village. The new building will not only provide facilities for the adult learners but may also be used for community educational programs and possibly for joint programs with various community colleges.

Don Tecklenburg, Chief Financial Officer of the University, stated that the McGregor project would cost approximately \$12 million. In addition, the bond issue will refund the outstanding balance of two prior issues that were included in the Commission's Pooled Bond financings in 1999 and 2000. The amount of that refunding would total approximately \$1.8 million. Cost savings would come from consolidating the various debt issues and possibly reducing the letter of credit bank fees. The McGregor program is experiencing a 10% per year growth rate and contributes to the University's fiscal status. The University is meeting all of its bond covenants for its Ohio debt issues as well as those for the Seattle and New England campuses.

In response to a number of questions from Dr. Kutina, Dr. Danby and Mr. Tecklenburg noted that the reductions at Wright Air Force Base do not have a significant impact on enrollment. In fact, enrollment tends to increase as places reduce employment. There is an increase in degree completion and master programs. While the adult programs have experienced growth, the University's undergraduate program enrollment did decrease significantly last year. The University is refocusing its cooperative educational curriculum for undergraduates. During the initial period that this program was being revised, the enrollment fell off until marketing caught up and students became more familiar with that program. Applications have rebounded for next year. As of now, they are only 200 short of the all-time high application rate. Acceptances are also up. The opportunity to restructure its educational program is supported by the financial success of the adult learning campuses and the donors of the University.

Mr. Tecklenburg, responding to a question from Dr. Krumm, stated that McGregor has its own tuition structure, which is lower than a number of competing schools. Undergraduate tuition is \$9,500 and \$11,000 for graduate. Employers are not as supportive in assisting with tuition costs as they have been in the past. He also answered several questions from Mr. Cosey. The cash increase experienced by the University was significantly aided by the donors of the University. The University does have a program for student recruiting but its

budget is rather small. Dr. Krumm asked whether the McGregor students attend classes at night and weekends. That is correct except for the distance learning students, some of whom will use the building during the day.

Mr. Petrick asked what other schools would be competitors of the McGregor program. To some extent, Wright State University and the University of Dayton compete, but not directly because of the different type of student. The competition from other institutions is not as significant in recruiting students as the difficulty of convincing adults to re-enter the education environment.

In response to questions from Dr. Kutina and Dr. Krumm, President Danby stated that the building's cost was estimated by the architect. She indicated that there are alternate plans for the building so that it can be constructed in phases if necessary to meet increases in construction costs. For its immediate needs, the program could operate if 80% of the building were constructed with the rest completed later.

Responding to questions from Mr. Needles, President Danby noted that the teachers who graduate from the McGregor program tend to stay in the region. There is a capital campaign for this project with a goal of \$3 million. That goal may be difficult to achieve given the state of the economy, but the campaign is on target for \$2 million. The land for the building would be sold (rather than leased) to the University. The Village has received a federal grant (\$465,000) for sewer and water projects in the development area (40 acres).

Mr. Keefe noted that the resolution before the Commission approves the Preliminary Agreement for the bond issue for the University and it is in its usual form as is the Preliminary Agreement.

Dr. Krumm moved and Mr. Cosey seconded the motion that Resolution No. 2005-18 be adopted.

There being no further discussion, the Chairman called for the roll and, pursuant to the roll call, the following votes were cast:

Aye: Carter, Cosey, Kasson, Krumm, Kutina, Needles, Petrick

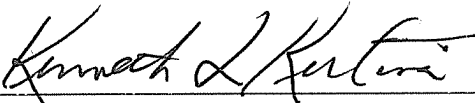
Nay: None

The Chairman declared the motion passed and Resolution No. 2005-18 adopted.

Resolution No. 2005-18 is as follows:

CALL OF NEXT MEETING AND ADJOURNMENT

The Commission will next meet upon the call of the Chairman. On motion duly made and seconded, the meeting was adjourned.



Secretary