

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Sale of Tax Exempt Commercial Paper to Finance University Projects

Action Requested: Authorization to Increase the Amount Outstanding of the Tax Exempt Commercial Paper by up to \$4.6 million for Recreational Sports Projects

Background and Summary:

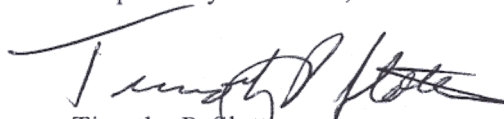
In January 2003, the Regents of the University of Michigan authorized the issuance of up to \$120 million of commercial paper secured by a pledge of General Revenues. The authorization allows the University to finance its projects using commercial paper backed by a pledge of General Revenues, which does not include State Appropriations or Hospital Gross Revenues.

Any increase in the amount outstanding of the commercial paper within the \$120 million is to be brought for approval by the Board. The present amount outstanding of the commercial paper is \$32.4 million.

Approval is being requested to raise the amount of commercial paper outstanding by up to \$4.6 million for renovation projects of Recreational Sports facilities on the Ann Arbor Campus, with funding to be provided from the existing central administration debt service budget. The projects assist in relieving the most critical deficient areas and are part of a larger plan, which is under development, for the revitalization of recreational sports facilities. The renovation projects include the conversion of squash courts and locker rooms into weight, training and fitness rooms; conversion of racquetball courts into a cardio-fitness room; renovation of racquetball courts; conversion of paddleball courts into a rock climbing room; construction of new tennis courts; renovation of weight rooms and air conditioning; and other improvements and projects for the benefit of campus recreational sports within the approved funding. Individual projects will be presented to the Board for approval as required.

We recommend the Regents authorize an increase of up to \$4.6 million in the amount outstanding under the commercial paper program. The total amount outstanding after this approval will increase to \$37 million, which is within the \$120 million authorized.

Respectfully submitted,



Timothy P. Slottow
Interim Chief Financial Officer

April 2003

APPROVED BY THE REGENTS ON
APR 17 2003