

Bond Case Briefs

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U of I Picks a New Partner to Finance Phoenix Deal.

The University of Idaho hasn't begun issuing University of Phoenix bonds — but it is already turning to a Plan B, or a Plan C.

U of I officials are downplaying the impacts on the controversial \$685 million purchase.

The Arizona Industrial Development Authority was the U of I's first choice for issuing the Phoenix bonds. However, AzIDA "passed on the opportunity to participate in the financing," Dirk Swift, the authority's executive director, told the Lewiston Tribune Wednesday.

The reasons for AzIDA's decision are not clear. Idaho Education News has made repeated requests for comment from Arizona Gov. Katie Hobbs' office, but has received no response.

AzIDA became the U of I's first choice for issuing Phoenix bonds, since the Idaho Housing and Financing Association does not have the authority to finance "intangible assets," an asset that is not physical in nature. The U of I settled on two possible bonding agents, according to a university "frequently asked questions" page that still lists AzIDA as its Phoenix bonding agent.

"Both Wisconsin (Public Finance Authority) and Arizona IDA can issue debt to finance intangible assets," the U of I said. "These two issuers have a deep bench of experience with such offerings. Considering fees, experience and other factors, we have selected Arizona IDA."

The U of I page does not refer to the agency that will apparently issue the bonds: National Finance Authority, based in New Hampshire. The U of I approached "a number" of potential bond issuers, spokeswoman Jodi Walker said in a statement.

"While AzIDA declined to participate, NFA agreed to participate in the financing," she said. "The AzIDA decision has no impact on our transaction."

Bonding is a major obstacle facing the Phoenix purchase.

U of I and State Board of Education officials have said that the purchase can't be financed while the Phoenix acquisition is mired in court. Attorney General Raúl Labrador has challenged the purchase, with an Idaho Supreme Court hearing expected in June. Legislators have also threatened a lawsuit. Legislators have also floated the idea of overhauling the purchase, which would put Phoenix under the masthead of a U of I-affiliated nonprofit.

The purchase faces a nonbinding May 31 deadline. If a deal isn't closed by that date, the U of I or Phoenix can walk away from the table.

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