

Contact: Brad Berg

**SALE AND AWARD OF \$3,535,000 (ESTIMATED) FIELD HOUSE
REVENUE REFUNDING BONDS, SERIES U.N.I. 2015**

Action Requested: Consider adopting the following resolution, subject to receipt of acceptable bids:

A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$3,535,000 (estimated) Field House Revenue Refunding Bonds, Series U.N.I. 2015, for the purpose of currently refunding the \$7,465,000 Field House Revenue Refunding Bonds, Series U.N.I. 2005, and paying costs of issuance.

(ROLL CALL VOTE)

Executive Summary: The Board is asked to consider adoption of a resolution providing for the sale, award, authorization, and issuance of Field House Revenue Refunding Bonds for the University of Northern Iowa. When the calendar year 2015 bond issuance schedule was approved by the Board in October 2014, it authorized such refunding bonds as the Executive Director determines advisable.

A review of possible refundings by Springsted, Inc., the Board's Municipal Advisor, has determined that interest rate savings could occur by refunding the 2016 - 2022 maturities of the \$7,465,000 Field House Revenue Refunding Bonds, Series U.N.I. 2005. The 2005 bonds refunded the 1997 series bonds which were issued to defray a portion of the costs of replacing the air-supported roof with a self-supported roof and other improvements to the UNI-Dome Field House. The University's Field House Enterprise is a self-supporting operation.

Interest on the refunding bonds would be exempt from federal and state taxes (double tax-exempt) for Iowa residents who purchase the bonds. Interest on the bonds to be refunded has also been double tax-exempt.

The refunding of the Series 2005 Bonds would be a current refunding as the refunding would occur less than 90 days prior to the anticipated call date of July 1, 2015. The outstanding maturities of the bonds would be called and principal payments made on the call date. (The July 1, 2015 debt service payment will be made from available funds as scheduled.) The refunding would not extend the last maturity of the Series 2005 Bonds (2022).

Interest rates on the refunding bonds are anticipated to be lower than the interest rates on the refunded bonds for the same years. (Rates on the 2005 Series bonds range from 4.0% in 2016 to 4.2% in 2022.) Springsted, Inc. has projected that the refunding would result in a present value savings of approximately \$265,000. Annual cash flow savings are estimated at approximately \$77,000.

The refunding issuance amount is estimated at \$3,535,000. This amount will be adjusted up or down, depending upon the bid received, but not to exceed \$3,650,000, in order to provide sufficient funds to call and redeem the Series 2005 Refunded Bonds and to pay costs of issuance, which are estimated at \$55,000.

Additional Information: Under the provisions of Iowa Code Chapter 262, the Board is authorized to construct, equip, maintain and operate self-liquidating and revenue producing facilities at the universities; the Board is also authorized to borrow money to construct or improve these facilities.

The sources of repayment are the income and revenues to be derived from the operation or use of the facility and from any fees or charges implemented by the Board to students for whom the facilities are made available.

The receipt and opening of bids is scheduled for 10:00 a.m. on Wednesday, March 11, 2015, and the award is scheduled for later that day. A representative of Springsted, Inc. will report on the bids received and make a recommendation to the Board for award of the bonds.

The official statement for the bond sale may be found on the website of Springsted, Inc. at <http://www.springsted.com/>.

A copy of the resolution, which was prepared by Ahlers & Cooney, P.C. and reviewed by Springsted, Inc. is available from the Board Office.

Specifics of the bonds are:

- Average Maturity: 4.3 Years
- Bonds Dated: April 1, 2015
- Interest Due: January 1, 2016 and each July 1 and January 1 to maturity
- Interest Exemption: Exempt from federal and state taxes for individual purchasers who are residents of Iowa
- Principal Due: July 1, 2016 – 2022
- Optional Call: The bonds are not callable
- Denomination: \$5,000 and integral multiples thereof