RESOLUTION FOR THE SALE AND ISSUANCE OF $3,700,000 (ESTIMATED) PARKING
SYSTEM REVENUE REFUNDING BONDS, SERIES I.S.U. 2012

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 $3,700,000 (estimated) Parking System Revenue Refunding Bonds, Series I.S.U. 2012, for the purpose of currently refunding the Parking System Revenue Bonds, Series I.S.U. 2002, 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 Parking System Revenue Refunding Bonds for Iowa State University. The bond issue would refund the Series 2002 Parking System Bonds. When the calendar year 2012 bond issuance schedule was approved by the Board in October 2011, it authorized such refunding bonds as the Executive Director determines advisable.

A review of possible refundings by Springsted, Inc., the Board’s Financial Advisor, has determined that interest rate savings could occur by refunding the 2013 – 2022 maturities of the $6,110,000 Parking System Revenue Bonds, Series 2002. (The 2012 maturity would be paid with available parking system funds.) The 2002 bonds were issued to finance expanded and improved parking at Jack Trice Stadium, construction of a new single-level parking deck in central campus, and other improvements to the system. The University's parking system is a self-supporting operation and receives no state appropriations.

Interest on the bonds to be issued 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 2002 Bonds would be a current refunding as the refunding would occur less than 90 days prior to the anticipated call date of July 1, 2012. The outstanding maturities of the bonds would be called and principal payments made on the call date. The refunding would not extend the last maturity of the 2002 bonds (2022).

Interest rates on the 2012 bonds are anticipated to be lower than the interest rates on the refunded bonds for the same years. (Rates on the 2002 Series bonds range from 4.3% in 2013 to 5.0% in 2022.) Springsted, Inc., the Board's financial advisor, has projected that the refunding would result in a present value savings of approximately $430,000. Annual cash flow savings are estimated at approximately $57,000.
**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 finance the construction or improvements and to refund such indebtedness.

The receipt and opening of bids is scheduled for 10:00 a.m. on Thursday, April 26, 2012, 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., the Board's Financial Advisor, at [http://www.springsted.com/](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:** 5.8 Years
- **Bonds Dated:** May 1, 2012
- **Interest Due:** January 1, 2013 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, 2013 – 2022
- **Optional Call:** The bonds will not be subject to redemption in advance of the stated maturity dates
- **Denomination:** $5,000 and integral multiples thereof