RESOLUTIONS FOR THE SALE, AWARD AND ISSUANCE OF $12,800,000 ACADEMIC
BUILDING REVENUE BONDS, SERIES U.N.I. 2005

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

1. A Resolution providing for the sale and award of $12,800,000 Academic Building Revenue Bonds, Series U.N.I. 2005 and approving and authorizing the agreement of such sale and award.

2. A Resolution authorizing and providing for the issuance and securing the payment of $12,800,000 Academic Building Revenue Bonds, Series U.N.I. 2005, for the purpose of paying for the costs of the science buildings and Russell Hall renovation projects, funding a reserve fund and paying the costs of issuance.

(ROLL CALL VOTE)

Executive Summary: The Board is asked to consider adoption of two resolutions related to the sale, award, authorization, and issuance of Academic Building Revenue Bonds for the University of Northern Iowa.

These bonds would be the second issuance of Academic Building Revenue Bonds authorized by 2004 legislation; bonds for University of Iowa projects were sold at the September 2004 Board meeting and bonds for Iowa State University projects are scheduled to be sold in November 2005.

Proceeds from the sale of the bonds would be used to partially fund the Science Buildings Renovation and Russell Hall Renovation projects at the University of Northern Iowa. An additional bond issue, tentatively scheduled for calendar year 2007, will finance additional costs of these projects.

Tuition and fee revenues are used for debt service payments on Academic Building Revenue Bonds; a tuition replacement appropriation replaces that university revenue.

It is anticipated that annual debt service payments on the Series U.N.I. 2005 bonds will range from approximately $400,000 in FY 2006 to $1.0 million in FY 2011 and subsequent years.

Additional Information: Chapter 262A of Iowa Code permits the sale of Academic Building Revenue Bonds upon authorization of the General Assembly and approval by the Governor.

The Science Buildings Renovation – Phase 1 project will renovate all or portions of the Physics Building (constructed in 1906), Greenhouse (constructed in 1938 and 1961) and McCollum Science Hall (built in 1968).

The Russell Hall Renovation project would renovate the facility which was constructed in 1963 and has not undergone a major renovation. The renovation would provide improved performance and rehearsal space, and enhancement of studios and classrooms.

The outstanding principal amount of University of Northern Iowa Academic Building Revenue Bonds is $29.9 million.
The $12,800,000 bond issue is anticipated to include:

- project costs (estimated at $11,500,000);
- debt service reserve (estimated at $1,051,000);
- underwriters discount (estimated at $192,000) and
- issuance costs (estimated at $57,000).

Specifics of the bonds are:

- Average Maturity: 14.38 Years
- Bonds Dated: October 1, 2005
- Interest Due: July 1, 2006, and each January 1 and July 1 to maturity
- Interest Exemption: Exempt from federal and state taxes for individual purchasers who are residents of Iowa
- Principal Due: July 1, 2008 – 2027
- Optional Call: Bonds maturing on or after July 1, 2017 are callable commencing July 1, 2016 and any date thereafter at par
- Denomination: $5,000 and integral multiples thereof

The receipt and opening of bids is scheduled for 10:00 a.m. on Thursday, September 15, 2005, 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.

Copies of the resolutions, which were prepared by Ahlers & Cooney, P.C. and reviewed by Springsted, Inc. are available from the Board Office.