

Contact: Brad Berg

**RESOLUTION FOR THE SALE AND ISSUANCE OF
\$63,860,000 (ESTIMATED) ATHLETIC FACILITIES REVENUE BONDS, SERIES I.S.U. 2020**

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 \$63,860,000 (Estimated) Athletic Facilities Revenue Bonds, Series I.S.U. 2020, for the purpose of constructing and equipping improvements at Jack Trice Stadium, constructing a new sports performance center, completing an addition to the indoor multipurpose use and training facility, and making other improvements to the Iowa State University Athletic Facilities System, funding a debt service reserve fund, and paying costs of issuance.

(ROLL CALL VOTE)

Executive Summary: The Board is asked to consider adoption of a resolution providing for the sale and issuance of Athletic Facilities Revenue Bonds for Iowa State University. Proceeds from the sale of the bonds would be used to partially fund the Sports Performance Center & Jack Trice Stadium Improvements North project.

In November 2018, the Board approved the project description and budget for ISU's Sports Performance Center and Jack Trice Stadium Improvements North project. The Sports Performance Center is a four-story addition with a lower level on the east side of the Bergstrom Football Complex. The project also includes renovations on the north side of the stadium and a single story addition to the west side of the Bergstrom Football Complex.

In November 2019, the Board approved a reimbursement resolution for the project which permits the University's athletic department to be reimbursed from the bond issue proceeds for expenditures associated with the facility prior to the issuance of the bonds.

Principal on the bonds would be repaid over a period of 20 years, with annual debt service payments on the bonds to be paid from net revenues of the Athletics Facilities System; anticipated annual debt service payments are approximately \$4.18 million. Interest on the bonds would be exempt from federal and state taxes (double tax-exempt) for Iowa residents who purchase the bonds.

Additional Information: Under the provision 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.

Debt service payments are made from net revenues of the Athletics Facilities System and from any fees or charges implemented by the Board to students for whom the facilities are made available.

The \$63,860,000 bond issue and reoffering premium are anticipated to include:

- project costs (estimated at \$60,000,000);
- debt service reserve (estimated at \$4,180,000);
- underwriters discount (estimated at \$830,000); and
- issuance costs (estimated at \$186,000).

The receipt and opening of bids is scheduled for 10:00 a.m. on Wednesday, February 5, 2020 and the award is scheduled for later that day.

The official statement for the bond sale may be found on the website of Baker Tilly LLC, the Board's Municipal Advisor, at <https://www.bakertilly.com/>.

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

Specifics of the bonds are:

- Average Maturity: 11.6 Years
- Bonds Dated: March 1, 2020
- Interest Due: July 1, 2020 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, 2021 – 2040
- Optional Call: Bonds maturing on or after July 1, 2029 are callable commencing July 1, 2028 and any date thereafter at par
- Denomination: \$5,000 and integral multiples thereof